



Your work, your way: supporting second earners

Parents may lack the financial resources to buy equipment they need for work. The YWYW project addressed this challenge by supplying a personal budget for each client.

TOM LEE

It has long been the case that having a second earner can change the risk of a family being in poverty. But it is not easy to take on paid work, and families often face lots of barriers. What are these barriers? What effect do they have on parents' ability to work? And what role has CPAG's Your Work Your Way project, with its tailored support approach, had in supporting potential second earners into work?

In a couple family where one parent works full time and the other parent is not in paid work, 44 per cent of children are in poverty. When both parents are in paid work the poverty rate is far lower: 8 per cent of children are in poverty with one full-time and one part-time earner, and only 7 per cent are in poverty with two full-time earners.¹

However, entering the labour market is not always straightforward for parents. Some of the barriers to work include high effective marginal tax rates, the

availability and cost of good childcare, and challenges posed by time spent out of the labour market.

CPAG set up the Your Work Your Way (YWYW) project in 2020 to work directly with potential second earners to address these issues of in-work poverty and find potential solutions. We designed the project to cater for the needs of potential second earner parents in a couple family on either universal credit (UC) or tax credits.

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The current situation for second earners on universal credit

There is obviously variation from family to family, but broadly speaking, potential second earners are generally mothers. They have a range of qualifications and work experience but have spent time out of the labour market to raise children. When their children are older, they want to re-enter the labour market but face a variety of barriers to doing so.

First, there is often little financial incentive to re-enter the labour market. For families on UC, for every £1 earned, 55p is lost in UC. This is known as the taper rate. Primary earners in families with children get a work allowance, which gives households breathing space so they do not lose any UC for the first £379 earned every month (£631 if they are not getting housing support). However, there is no such provision in place for second earners. In addition to the UC taper rate, earnings are subject to national insurance contributions and income tax, and families have to pay a contribution to childcare costs. The effective marginal tax rates can therefore become alarmingly high.

CLARISSA²

Clarissa and her husband have three children. Their youngest is three and attends nursery for 15 hours a week under the universal funded childcare provision for three year olds. Clarissa's husband works in manufacturing. Clarissa is keen to work and has been looking for a job ever since her daughter started nursery, but she wants a job in the evenings to enable her husband to look after the children when she is at work. One of the children has some health issues and finding suitable childcare is difficult.

Their household income is currently £2,515 a month. With Clarissa working 16 hours a week, their income would be £2,811 a month, an increase of £296. However, when Clarissa finishes work in the evenings, she would need to use taxis to return home due to distance and poor public transport. Monthly taxi costs are £91.

Factoring in those essential travel costs, Clarissa and her family would see an increase in their income of just £205 a month, or £47 a week for working 16 hours. Clarissa is disappointed that being away from her family for four evenings a week – missing bedtimes, help with homework and general family time – would result in a net gain of less than £50 a week.

Second, availability of childcare is a key issue. There is often not any suitable provision during the available hours of work, especially in rural areas. In addition, parents have to pay upfront for childcare and then get reimbursed through UC. Families frequently do not have the upfront income to pay for a month's or term's worth of childcare. Thankfully this will change soon, following announcements at the spring Budget (as discussed in the first feature on p7). Upfront costs have also been an issue for parents who needed training or other job search resources such as a laptop.

Third, parents who have spent several years out of the labour market often lack the confidence to re-enter it. This is especially true when household finances are precarious and when parents have no mental capacity to even think about applying for jobs. These fears are often exacerbated by interactions with their local job centre. Parents do not like the stigma associated with attending job centres, and fear being sanctioned or losing benefits if they are unable to find a suitable job.

Fourth, government employment support is currently aimed at getting people back into any work, regardless of household circumstances. This means a focus on low-quality, low-paid, precarious jobs, instead of productive jobs with career progression opportunities.³

Moving into work again after years out of the labour market can be stressful on many levels. In each YWYW area, a coach provided tailored employment support to up to 25 clients.



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The Your Work Your Way delivery model

The YWYW project developed and piloted a new approach to support potential second earners in low-income families into employment or self-employment, including progression in work. Our team worked in four different areas: Bury in Greater Manchester, Coventry, Luton and Taunton Deane in Somerset. We worked with job centres, councils, schools and community organisations in each area to find suitable clients.

Personal support coaches were key to the project. In each area, a coach provided tailored employment support to up to 25 clients. All coaches were trained in motivational interviewing⁴ to help clients work through the emotional as well as the many practical barriers to work.

Clients could also access immediate support to help with household finances from a CPAG welfare rights adviser. Many clients had problem debt and the welfare rights adviser was able to help them develop strategies to manage their repayments. This vastly improved clients' mental health and therefore their ability to look for jobs.

The final aspect of the model was providing a personal budget of £2,000 per client to enable them to access training, the equipment they needed, transport and initial childcare costs.

FATIMA

Fatima is a mother of three from Pakistan. Her husband works in a warehouse. She was a teacher in Pakistan and has a Master's degree.

Fatima wants to work as a teaching assistant. She has a good level of conversational and written English but, due to limited availability of adult education, has been studying at a lower level. If she had continued to use this route to gain the qualification she needs for a job, it would have taken her another year before she could work as a teaching assistant. YWYW worked with her to fund an intensive course, which means she could start to apply for jobs in a couple of months', rather than a year's, time.

Ten per cent of YWYW clients became self-employed, working in roles such as personal carer, beauty therapist, dog trainer and HGV driver.

Your Work Your Way made a real difference

We worked with 70 clients over the course of the pilot. Almost half of the clients had progressed into work within 12 months. The most popular work sector has been health and care, followed by education and childcare, then social work and advice. All these are sectors with a high need for experienced, empathetic staff with a drive to make a difference. However, there are still challenges even when in work. Some clients have struggled with working hours, training demands (especially in the health and care sector) or with their own caring responsibilities. The project continued to support clients once they had started work, including helping them request flexible working when necessary.

It was not only as employees that YWYW clients found work. Ten per cent of them became self-employed, working in roles such as personal carer, beauty therapist, dog trainer and HGV driver. Self-employment was a particularly attractive option for families with complex caring responsibilities, such as those with a disabled child, due to the increased flexibility in working hours.

DEBBIE

Debbie has been out of work for 10 years caring for her children. She wanted to start working again but did not have the support she needed to re-launch her career. With tailored employment support and training funding from YWYW she will be taking her HGV drivers practical assessment soon. She has already spoken of how life-changing this will be to her and her family.

The majority of clients made use of the £2,000 personal budget. Almost 40 per cent of our clients enrolled in training courses, ranging from introductory courses to degrees, which they would not have been able to do without the personal budget. In addition, clients often used the budget for laptops, which could be used to complete a training course and to apply for jobs. Clients who entered self-employment also used the budget for initial equipment required for their business.

It is important to note that it was not only employment outcomes that were affected by YWYW. Almost 20 per cent of clients were able to increase their social security income, as the welfare rights adviser examined their situation and realised they were missing support to which they were entitled. This mainly comprised disability benefits for either themselves or their children, as well as council tax support, free school meals and even unclaimed child benefit. As well as this, almost half of our clients were able to access grants to help cover or prevent debt. This advice and support was crucial in making clients feel more confident about their family finances, enabling them to focus on moving into work.

The project has had fantastic feedback from clients, many of whom feel it has transformed their family's life as well as their own. The personalised approach has been key: valuing mothers as individuals and supporting them to realise their aspirations without judgement or threat. Clients' confidence levels were much higher after the project.

Recommending tailored support for the long term

Current government employment support has pushed slightly more people into work – but very often into part-time, low-paid work with little prospect of progression. It is also untailored, meaning that potential second earners, who face particularly high barriers, are not given the support they need to re-enter the labour market.





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YWYW looked to overcome some of these barriers with more tailored employment support that focused on long-term career paths, as opposed to avenues into low-paid or precarious employment. Upfront funding and welfare rights advice were further key components of YWYW that are not widely available in other schemes.

The YWYW project was successful in providing the support that potential second earners needed, getting them back into work and improving family finances. If the government pursued a similar approach, combined with a second worker allowance in UC, poverty rates would fall and the economy would be boosted.

Tom Lee is the senior policy analyst at CPAG.

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Footnotes

1. Department for Work and Pensions, *HBAI 2019-20 – Table 4.5db: Percentage of children in low-income groups by various family and household characteristics*, 2021.

2. Some names have been changed to protect the identity of participants.

3. H Hoynes, R Joyce and T Waters, *Benefits and tax credits*, IFS Deaton Review of Inequalities, 2023, available at ifs.org.uk/inequality/benefits-and-tax-credits.

4. E Britt, S Soleymani, M Wallace-Bell and A Garland, 'Motivational interviewing for employment: An exploration of practitioner skill and client change talk', *Journal of Employment Counseling*, 60(1), 2023, pp42-59, available at <https://doi.org/10.1002/joec.12198>.



Second earner parents can struggle with working hours, training demands or their own caring responsibilities. YWYW continued to support clients once they had started work, including helping them request flexible working when necessary.

BELLA

Bella is a mother of two whose partner works full time locally as a car mechanic. She has good qualifications but had to put her career as a healthcare assistant on hold to care for her eldest child who has diabetes. She wanted to work pre-Covid but due to high childcare costs and mental health struggles, she remained a full-time carer at home.

Before the pandemic, the family had around £2,000 in savings. Her partner did not receive any help through the furlough scheme, so they were forced to spend their savings and have now accrued significant debt. The family regularly rely on family and friends for food and household essentials. This has made Bella's anxiety levels even higher, and she was too concerned about whether they would be 'heating or eating this winter' to think about finding employment.

With the help of a welfare rights adviser Bella found out about additional sources of income, which helped her manage her household finances and vastly improved her mental health, enabling her to focus on re-launching her career.

She decided that a career in accountancy would suit her interests and best support her household finances. YWYW provided Bella with a laptop, accountancy course fees and professional body membership, upfront costs that low-income families generally cannot afford.

Bella told us: 'I'm honestly so grateful for this opportunity and course which I wouldn't have been able to do without YWYW and the support from my personal support coach and welfare rights adviser. Once I'm qualified it will make such a difference in our family's future.'