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WORK ISN'T WORKING

FAMILY, WORK AND
PROGRESSION ON
A LOW INCOME

**Scott Compton,
Henry Parkes and
Jamie O'Halloran**

May 2026

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SUMMARY

Most children in poverty in the UK are in working households, a phenomenon that has emerged since the early 2000s. Rising parental employment in recent decades has not translated into improved financial security for many low-income families, but the government's new Child Poverty Strategy (Cabinet Office 2025) and its wider Get Britain Working agenda (see DWP 2025a) provide a strong foundation to change this. The decision to remove the two-child limit from April 2026 rightly recognises that adequate social security is central for families both in and out of work. Supporting more working parents to progress in the labour market could, alongside social security, play an important role in driving progress on child poverty over the next decade. But this will only be realised if our social security, employment support, skills and childcare systems are better designed to meet the realities of modern working families. This report sets out the supporting evidence and practical steps needed to deliver that shift.

CONTEMPORARY CHILD POVERTY IS LARGELY AN IN-WORK PHENOMENON

- In 2024/25, almost three-quarters of the children in poverty in the UK were in working households, up from half in 1999/2000.
- Part-time work carries a particularly elevated risk of in-work child poverty: 59 per cent of children in couple families where one or more parents worked only part-time hours were in poverty in 2024/25. But even full-time work is no guaranteed protection from poverty. Between 1999/2000 and 2024/25, the risk that a child in a full-time working family would grow up in poverty tripled for couples (from 2 per cent to 6 per cent) and rose by more than a half for single parents (from 9 per cent to 14 per cent). In 2024/25, there were **460,000** children in these families.
- The West Midlands, the North West, Wales and London have the highest in-work child poverty rates in the UK, while Northern Ireland has the lowest.
- The quality of work has a significant impact on parents' risk of experiencing in-work poverty. For example, in 2023/24, parents working in the accommodation and food sector were nearly six times more likely to experience in-work child poverty than those in IT, media and creative industries.

CHANGES IN HOUSEHOLD LABOUR INCOME STRONGLY PREDICT CHILD POVERTY ENTRIES AND EXITS

- Earnings are closely linked to the likelihood of escaping poverty. From the start of our analysis period in 2012 through to early 2020, more than six in 10 child poverty exits involved an increase in labour income of at least 10 per cent, and more than seven in 10 entries into child poverty involved a fall in labour income of at least 10 per cent.
- However, higher earnings are by no means a guaranteed route out of poverty: more than four in 10 children remained in poverty even after household earnings increased.

INCREASING THE NUMBER OF EARNERS IN A HOUSEHOLD HAS THE STRONGEST IMPACT ON CHILD POVERTY EXITS

- Among children whose household gained a second worker, 54 per cent moved a meaningful distance out of poverty. Going from no workers to one worker was less impactful, with 38 per cent of children moving out of poverty.

- Yet gaining a second-earner parent is frequently insufficient: 39 per cent of children in such households remained in poverty.

IT IS HARDER FOR SECOND EARNERS TO INCREASE THEIR HOURS OR WAGES, THOUGH WHEN THEY DO, IT IS PARTICULARLY IMPACTFUL

- Primary earners are twice as likely to increase their hours compared to second earners (18 per cent and 9 per cent respectively), and more than three times more likely to increase their wages (24 per cent and 7 per cent respectively). This points to a labour market that penalises part-time and flexible working arrangements.
- When second earners do manage to progress, however, the impact is particularly strong. Among second earners, increases in hours and especially wages have a larger effect on poverty exits than for primary earners: 60 per cent of children moved out of poverty when the second earner secured a wage rise of 10 per cent or more, compared with 44 per cent when the primary earner did so. This underlines the untapped potential of second earners to lift incomes, while the relative rarity of such progression outcomes demonstrates the structural barriers that prevent many from doing so.

MOST LOW-INCOME WORKING PARENTS LACK ACCESS TO FAMILY-FRIENDLY POLICIES

- Findings from our new survey with low-income working parents reveal that only 40 per cent had flexible working options and only a minority had access to benefits such as enhanced sick pay (35 per cent), family leave (18 per cent) and enhanced pension contributions (37 per cent). Only 30 per cent could access paid training through their employer.

MOST PARENTS DO NOT SEE PROGRESSION AS REALISTIC IN THE SHORT TERM, BUT ASPIRATIONS ARE STILL VERY MUCH PRESENT

- More than half of working parents thought they were working enough hours currently (56 per cent), while just over a quarter wanted to work more hours (27 per cent).
- More than half (51 per cent to 58 per cent) did not see a positive progression outcome such a pay rise, promotion, more hours or a better-paid job likely within the next 12 months.
- A strong theme in our focus groups was the tension between the desire for progression and the capacity to pursue it. This is due in large part to the realities of balancing working life with caring responsibilities, alongside little obvious support to do so.

CHILDCARE IS THE DEFINING CONSTRAINT ON PROGRESSION, BUT PARENTS ARE ALSO HIGHLY CONSCIOUS OF THE TRADE-OFFS

- In our survey, childcare occupied three of the top five barriers to progression: around cost (20 per cent), lack of available childcare outside of term-time (19 per cent) and being unable to rely on informal support from family/friends (17 per cent).
- Among our focus groups participants, childcare was central to shaping their working lives and expectations around progression. Many had changed jobs, reduced hours or had a parent stop working to care for children. Faced with the trade-offs, many would prioritise stability and time with their children over higher pay or longer hours. Progression was often seen as only feasible once children were in school or more independent.

MANY WOULD WELCOME MORE GOVERNMENT SUPPORT, BUT IT MUST MEET PARENTS WHERE THEY ARE

- Many of the low-income working parents in our research would welcome more government support, especially free or low-cost skills and training provision (79 per cent), but only when tailored, compatible with caring responsibilities and aligned with career aspirations and job opportunities. Deep scepticism among the parents about Jobcentre Plus suggests that any improved support offer will need to be delivered differently, through services that parents trust.

RECOMMENDATIONS

Our research findings indicate that supporting low-income working parents to escape in-work poverty will require targeted improvements to childcare, social security, employment support and skills policy, alongside efforts to influence job design and incentivise certain employer behaviour. The findings and our wider consultation with experts, government officials and parents have informed the recommendations that follow.

As an overarching ambition, we are calling on the government to develop targeted actions to support low-income working parents to progress by:

- doubling down on the ambitions of the *Get Britain Working* white paper (DWP 2025a)
- identifying working parents in poverty as a priority group for employment and skills policy
- establishing labour market progression as a specific success measure of the Child Poverty Strategy.

Through our research and policy workshops, we identified five areas where we believe reform efforts should be concentrated to better support low-income working families to progress at work, increase their incomes and reduce their in-work poverty risk.

1. Fix issues with universal credit childcare support by:

- raising the reimbursement rate to 100 per cent
- introducing a six-month grace period so that support continues when parents fall out of work
- developing an automatic mechanism for paying childcare costs upfront.

As part of wider childcare reform and as a next step towards a more universal system, the **entitlement of 15 hours of free childcare a week for disadvantaged two-year-olds should also be extended down to those aged nine months and upwards.**

- 2. Pilot an enhanced employment and progression offer for parents on universal credit**, delivered by mayoral combined authorities in existing trailblazer areas and in jobcentre regions involved with developing the new Jobs and Careers Service. Support should be built around a mutually agreed progression plan, personalised conditionality, specialist parental employment advisors based in the new 'best start family hubs' and a strengthened skills and training offer.
- 3. Reform the in-work benefits and conditionality system to better facilitate progression for low-income working parents.** This should include introducing a 'family work allowance' to improve second-earner and single-parent work incentives, and smoothing the rigidity of the 'administrative earnings threshold'.
- 4. Design an adult skills policy that works for parents** by reversing recent cuts to the Adult Skills Fund and expanding access to high-quality, affordable learning for low-income parents. Introduce local labour market partnerships between employers, training providers, local authorities and the Department for Work

and Pensions to ensure training is better aligned with local job needs. In addition, relax universal credit rules around training.

- 5. Increase the supply of flexible, good-quality and family-friendly jobs** by making job-share and flexible-by-default recruitment the norm across the public sector and using public procurement levers to expand good-quality part-time and job-share roles. Target interventions at sectors where progress on flexibility has been slowest – through guidance, incentives and pilots – and promote wider cultural change across the labour market through a Family-friendly Employer Index or accreditation scheme. The government should also consider further strengthening the Employment Rights Act 2025 to introduce an expectation that jobs will be advertised as flexible unless there is an acceptable business reason not to do so.

1. POLICY CONTEXT

The government's Child Poverty Strategy, published in December 2025, marked a significant shift in policy emphasis – away from the longstanding assumption that work is the best route out of poverty, towards a more nuanced appreciation of the barriers that low-income families face (Cabinet Office 2025). Most notably, the decision to remove the two-child limit from April 2026 acknowledged that adequate social security is indispensable to any credible child poverty strategy, including for families already in work. It recognised that structural features of the labour market often make work too low-paid, insecure and inflexible to provide a reliable route out of hardship.

Both IPPR (Parkes et al 2025) and Action for Children (Compton 2025) have previously argued that adequate social security must be central to a successful strategy. Rising parental employment in recent decades, particularly among single parents and mothers in couples, also means that many of the easier employment gains have already been achieved. However, there is a strong argument for a closer policy focus on labour market progression: a child's likelihood of growing up in poverty falls sharply as the household's labour market attachment and earnings increase. This focus is especially important as improvements in the single-parent employment rate have stalled and even declined since the Covid-19 pandemic (ONS 2025a).

The *Get Britain Working* white paper concluded that employment support has become too focussed on benefit monitoring rather than helping people to enter and progress in work (DWP 2025a). Its promise of a reinvigorated public employment service, focussed on personalised support, skills and career development, signalled a welcome shift, but progress has been slow to get going and it remains unclear when its ambitions will translate into meaningful change at scale for low-income families. The adoption of the new Child Poverty Strategy, and the recent transfer of adult skills funding from the Department for Education to the Department for Work and Pensions (DWP), present a unique opportunity to build on these foundations and deliver real progress on in-work poverty.

To aid the government in its endeavour to tackle in-work poverty, in the rest of this report we:

- set out the characteristics of in-work poverty in the UK (chapter 2)
- present longitudinal analysis of transitions in and out of child poverty (chapter 3)
- set out the primary research – a survey and focus groups – we carried out with low-income working families (chapter 4)
- discuss the policy implications of this research and set out our recommendations for the government in relation to five areas for reform (chapter 5).

2. THE CHARACTERISTICS OF IN-WORK CHILD POVERTY

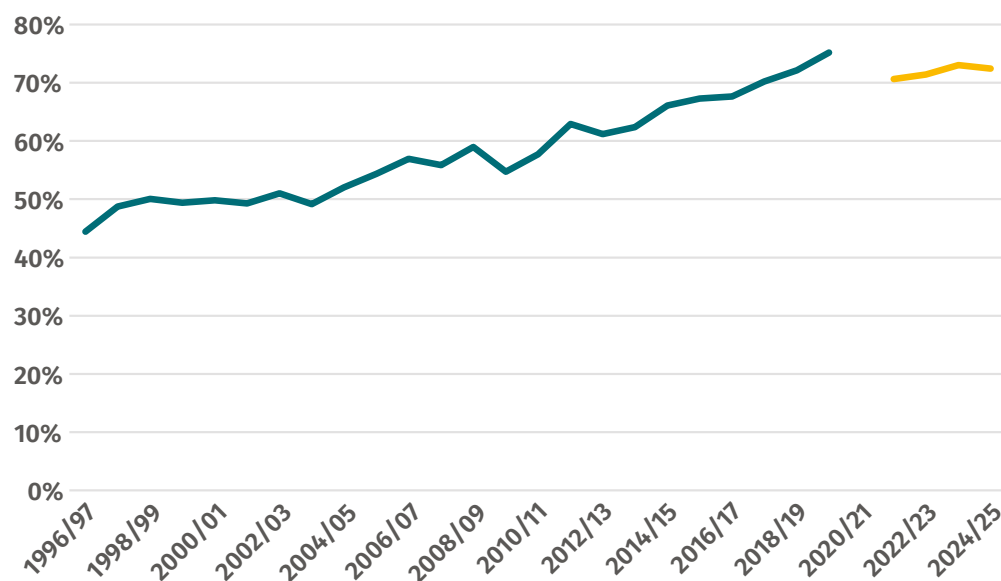
This chapter looks at the characteristics of in-work child poverty (for more details, see appendix 1).

In 2024/25, almost three-quarters (72 per cent) of children in poverty in the UK lived in working households, up from 44 per cent in 1996/97 (see figure 2.1) (IPPR analysis of DWP 2026a). This reflects rising parental employment, particularly among women, alongside changes to social security and labour market shifts that have made work less effective at protecting families from poverty than in the past.

FIGURE 2.1

The majority of children living in poverty are now in working households

Proportion of children in poverty in working households over time, 1996/97-2024/25



Source: IPPR analysis of DWP, 'Households below average income' (DWP 2026a)

Notes: Data for 2020/21 is unavailable. There is a discontinuity in the data due to the linking of benefit administrative data from 2021/22 onwards.

Of the children in couple families where one or more parents worked only part-time hours, 59 per cent were in poverty in 2024/25. But even full-time work does not provide guaranteed protection from poverty. Between 1999/2000 and 2024/25, the risk that a child in a full-time working family would grow up in poverty tripled for couples (from 2 per cent to 6 per cent) and rose by more than a half for single parents (from 9 per cent to 14 per cent). In 2024/25, there were **460,000** children in these families.

While the share of children in poverty living in working households is rising, a range of underlying factors shape their likelihood of being in poverty. Families with a child under the age of five, those with three or more children and single-parent families are at heightened risk (see table 2.1).

TABLE 2.1

Child poverty rates differ by household composition

Poverty rates among working families by family type, 2022/23–2024/25 (three-year averages)

Age of youngest child	Poverty rate	Additional likelihood compared to the average for working families
0–4	28.1%	20.0%
5–10	20.2%	-13.8%
11–15	20.4%	-13.2%
16–19	19.5%	-16.6%

Number of children	Poverty rate	Additional likelihood compared to the average for working families
1 child	17.0%	-27.3%
2 children	17.5%	-25.3%
3+ children	37.1%	58.4%

Single/couple status	Poverty rate	Additional likelihood compared to the average for working families
Single parent	29.4%	25.3%
Couple parents	22.1%	-5.7%

Source: IPPR analysis of DWP, ‘Households below average income’ (DWP 2026a)

Note: Figures are three-year averages of the rates calculated between 2022/23 and 2024/25. The relative risk for larger families will be expected to fall from 2026/27 following the removal of the two-child limit but will remain elevated.

The type of work being done matters too: those working in accommodation and food are more than four times as likely to be at risk of poverty as those in information and communications technology (ICT), media and creative industries (see table 2.2).

TABLE 2.2**Working parents in some sectors face significant risk of being in poverty***In-work poverty risk for parents by sector, 2023/24*

Sector	Poverty risk
ICT, media and creative	7.7%
Finance, property and professional	9.7%
Utilities and environmental	9.9%
Heavy/chemical engineering	10.7%
Education	12.0%
Health	13.1%
Agriculture and natural resource extraction	19.5%
Public administration and admin/support	19.6%
Construction	20.7%
Wholesale and motor trade	22.7%
Light manufacturing	23.0%
Retail	25.4%
Transport, storage and postal	26.8%
Community, cultural and personal services	29.5%
Residential and social work	30.6%
Accommodation and food	33.7%

Source: IPPR analysis of DWP 'Family Resources Survey 2023–2024' (DWP 2025b)

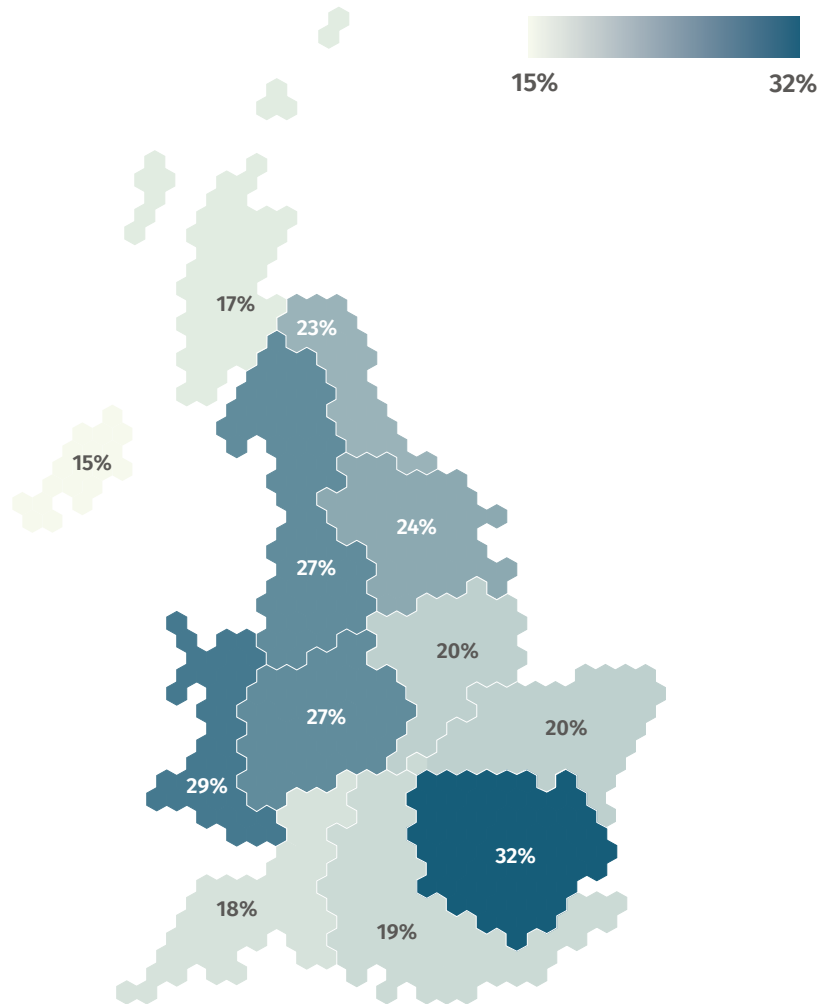
Note: This analysis draws on slightly older Family Resources Survey data than elsewhere in this publication, due to limitations in data availability at the time of this report.

There are also substantial variations by geography (see figure 2.2). Children in the West Midlands face the highest rates of in-work poverty, at 27 per cent, compared to 15 per cent of children in Northern Ireland. Differences in family composition explain some of this variation – regions with higher child poverty rates tend to have more children and higher shares of single parents (see appendix 2). Regional differences in poverty transitions are explored in appendix 3.

FIGURE 2.2

Rates of child poverty in working households vary across the UK

Rates of child poverty in working households by region of England / nation of the UK, 2022/23 to 2024/25 (three-year averages)



Source: IPPR analysis of DWP, 'Households below average income' (DWP 2026a)

Note: Figures are three-year averages of data from 2022/23 to 2024/25.

3.

LONGITUDINAL ANALYSIS OF TRANSITIONS IN AND OUT OF CHILD POVERTY

While the analysis in chapter 2 investigated variations in child poverty rates in the latest data, poverty is not a permanent state, with many children moving in and out of poverty each year. While the shape of social security overall is the most significant driver of poverty outcomes in the grand scheme, most individual movements in or out of poverty from one year to the next are associated with labour market shifts, which are the focus of the analysis in this chapter.

ANALYTICAL APPROACH

For this analysis we use data from Understanding Society (USoc), a large and representative household panel survey, to track how children transition in and out of poverty over time as their household circumstances change. Our data covers the period from 2012 to early 2020, before the Covid-19 pandemic. We pool observations across the full period, treating transitions into and out of poverty as a single combined sample regardless of the calendar year in which they occurred.

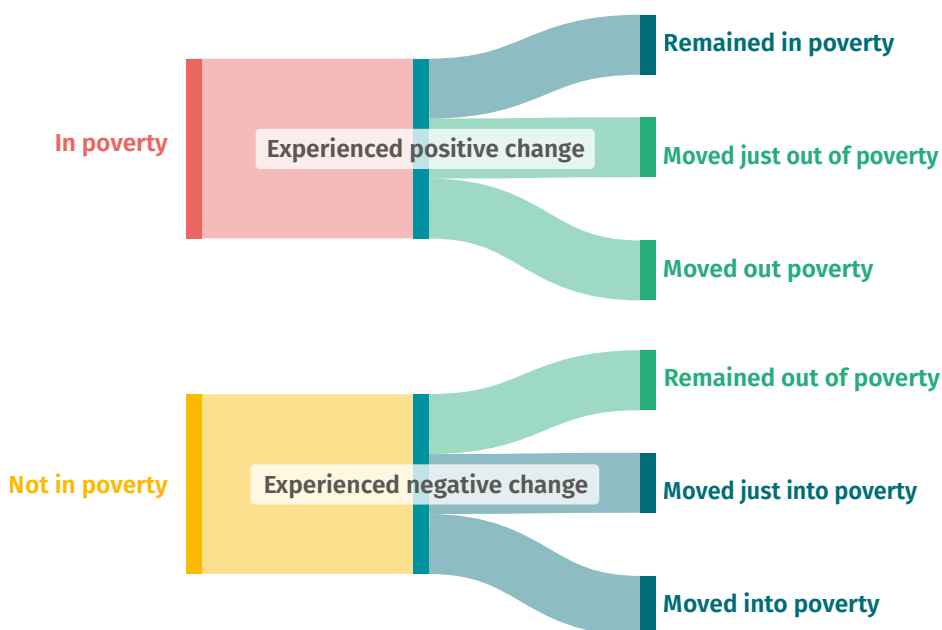
Figure 3.1 shows the outline of our analytical approach. We break down our analysis into two groups:

- children who were initially in poverty, where we examine whether they moved out of poverty in the following year¹
- children who were not in poverty, where we focus on whether they moved into poverty or remained above the poverty line.

Following previous government analysis (DWP 2015), we define a child as having moved out of poverty if they moved 10 per cent over the poverty line and as having moved into poverty if they moved 10 per cent below the poverty line.

1 Data is collected in 'waves', where respondents are interviewed approximately a year apart, but in some cases the interviews may be in a slightly different period, subject to respondents' availability.

FIGURE 3.1
Outline of our analytical approach



Source: IPPR analysis

WHAT PROPORTION OF CHILDREN ARE TRANSITIONING INTO OR OUT OF POVERTY?

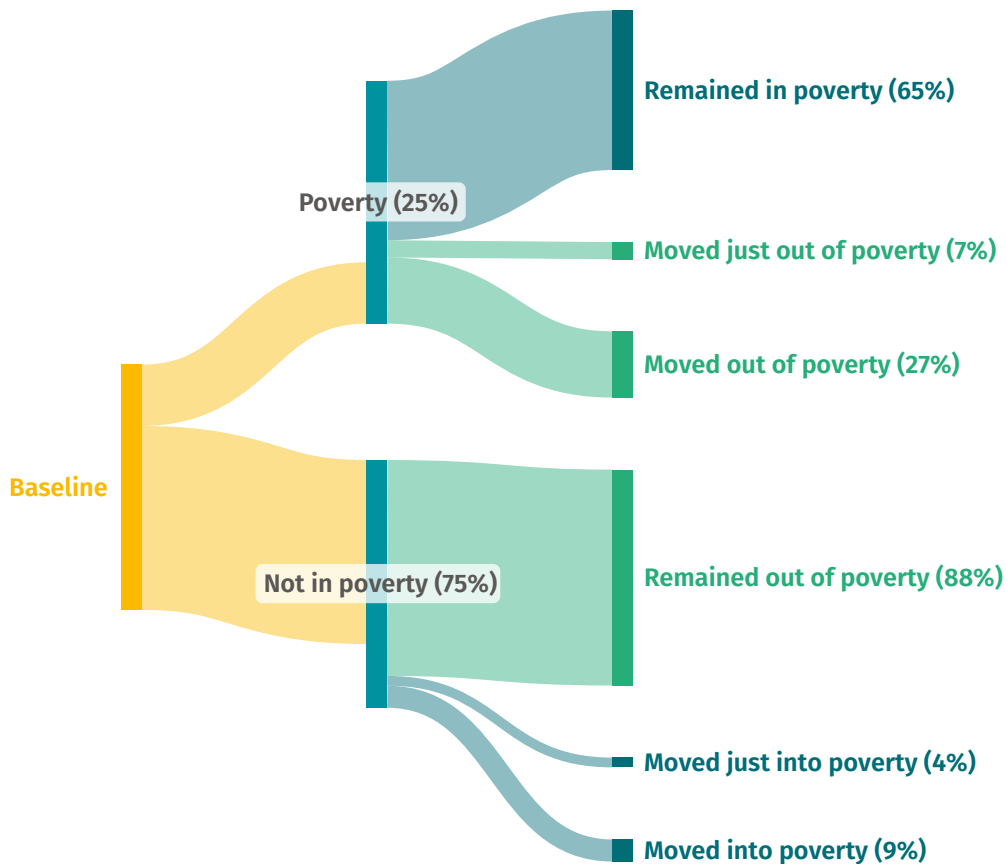
Across the study period, we estimate that a quarter of children were initially in poverty. Of these, just over a quarter moved out of poverty in the following year, and a further 7 per cent moved to just above the poverty threshold (see figure 3.2). This shows that the majority of children who were in poverty in the first year remained in poverty in the next.

For children not initially in poverty, the majority remained out of poverty in the following year, but 9 per cent moved substantively into poverty, with a further 4 per cent moving just into poverty.

FIGURE 3.2

Poverty is not a permanent state – well over half of children in poverty remain in poverty the following year and close to one in 10 move into poverty

The proportion of children moving out of poverty or into poverty the following year



Source: IPPR analysis of ISER, 'Understanding Society: waves 1–15' (ISER 2026)

WHAT MOVES CHILDREN INTO OR OUT OF POVERTY?

Three main factors determine whether a child's household is in poverty:

- household income
- household composition
- housing costs.

These factors are closely connected. Changes in household composition, for example, often have knock-on effects on income through changes in benefit eligibility and the number of adults available to work.

This analysis focuses on labour market income. While raising income from any source can reduce poverty, earnings are a particularly important lever – a child's risk of poverty falls sharply as a household's earnings rise. Yet many families in poverty or near poverty are in low-paid, insecure and inflexible work, which does not provide a reliable route out of hardship. Understanding what helps families increase their earnings, move out of poverty and avoid falling into it is therefore central to tackling child poverty.

Our research confirms that changes in labour market income are a key driver of movements into and out of poverty. More than six in 10 exits from poverty involved a rise in labour income of more than 10 per cent, while more than seven in 10 entries into poverty involved a fall in labour income of 10 per cent or more. Labour market income is not the only route in or out of poverty, but it is a crucial one.

Changes in household labour income

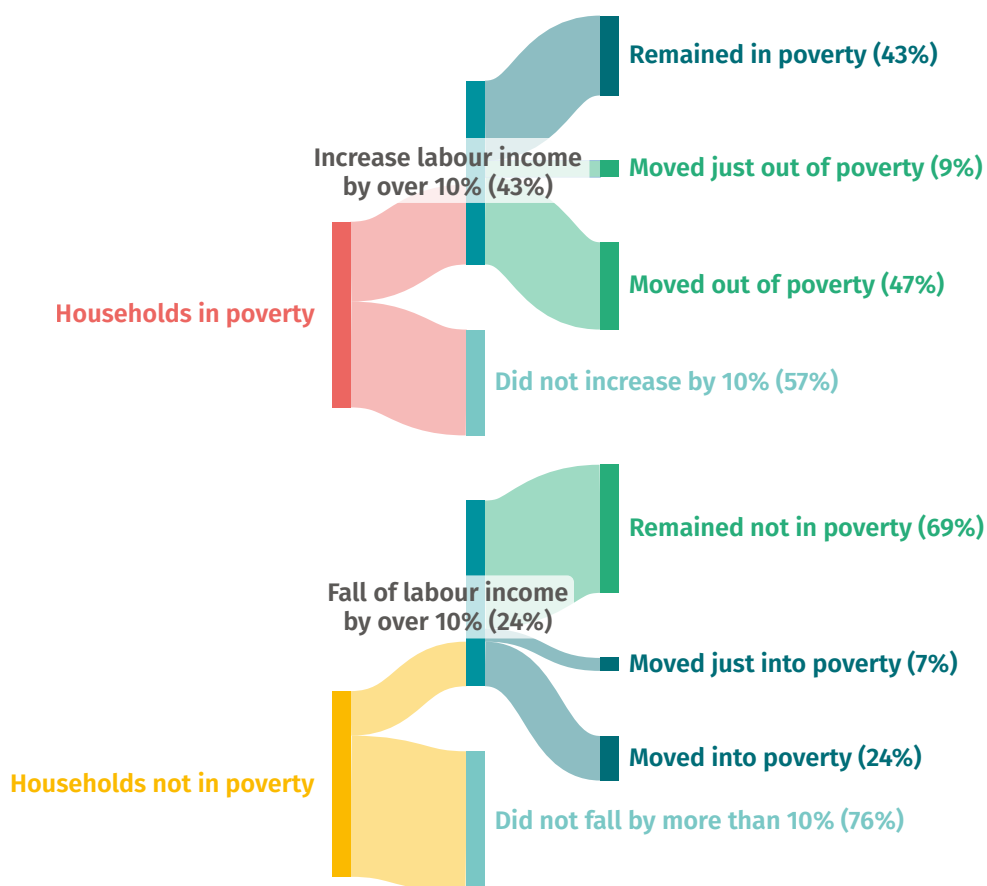
Changes in household labour income strongly predict movements into and out of poverty. Of children initially living in poverty, 45 per cent saw their household labour income rise by at least 10 per cent in the following year (see figure 3.3). This is a significant proportion of children whose parents were able to significantly boost their earnings – yet just half of them moved out of poverty after doing so.

Falling incomes tell a similarly worrying story for children *not* in poverty. Almost a quarter (24 per cent) experienced a drop in household income of at least 10 per cent. While most (69 per cent) remained above the poverty line, a significant minority were pushed below it – 7 per cent moved just beneath the threshold, and 24 per cent fell further into poverty. This underlines how exposed children are to income shocks, which push children into poverty when they happen.

FIGURE 3.3

Increasing labour market income increases the odds of children moving out of poverty, but four in 10 remain in poverty

Estimated proportions of children who remained in or moved out of poverty after a rise or fall in household labour income



Source: IPPR analysis of ISER, 'Understanding Society: waves 1–15' (ISER 2026)

Sources of changes in household labour income

We next seek to explain how changes in household labour income come about. We break it down into three components:

- whether households increase the number of adults in work
- whether households already in work increase their hours
- whether households already in work increase their hourly wage.

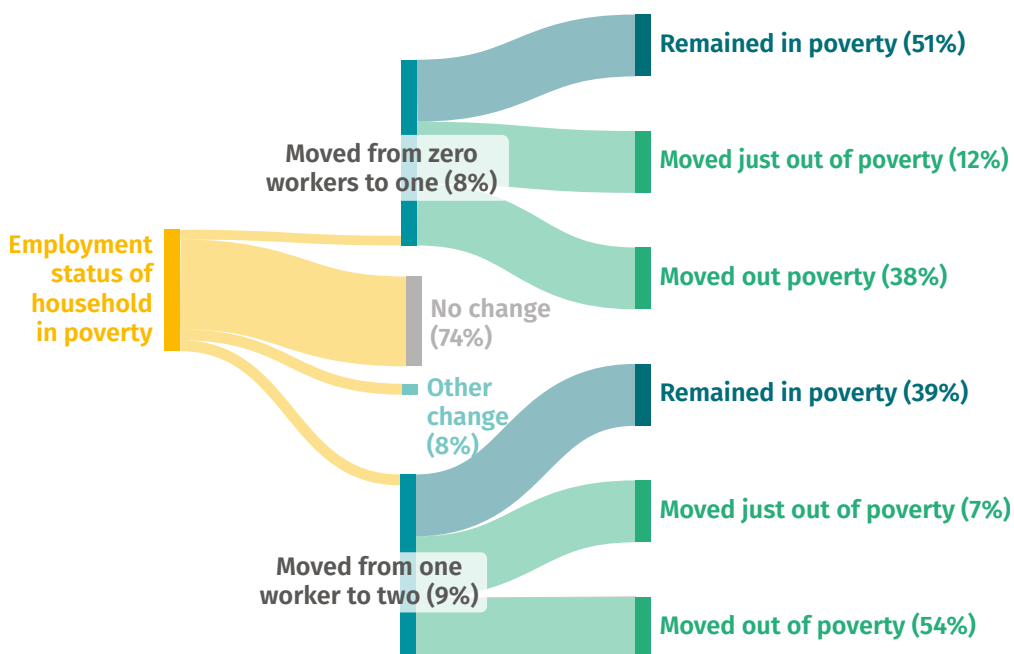
Labour market participation: We find differences in the likelihood of moving out of poverty when households gain workers. Of children whose household moved from no workers to one worker, 38 per cent moved a meaningful distance out of poverty (see figure 3.4). But the improvement in odds was much stronger when a household moved from having one adult in work to having two. More than half of children (54 per cent) whose household gained a second worker moved a meaningful distance out of poverty.

This highlights how fragile life on a single income can be for families. While having one adult in work does help, it still leaves many children stuck in poverty. By contrast, having two adults in work makes a far bigger difference to families' ability to move out of poverty. But it is still no guarantee, with close to four in 10 children (39 per cent) remaining in poverty even after the number of people working in their household increased from one to two.

FIGURE 3.4

Gaining a single worker in a household is not guaranteed to move you out of poverty

Estimated proportions of children whose households changed employment status and who moved out of poverty as a result



Source: IPPR analysis of ISER, 'Understanding Society: waves 1–15' (ISER 2026)

Changes in wages and hours worked: Beyond gaining employment, families can also boost their incomes by increasing the hours they work or their hourly wage.

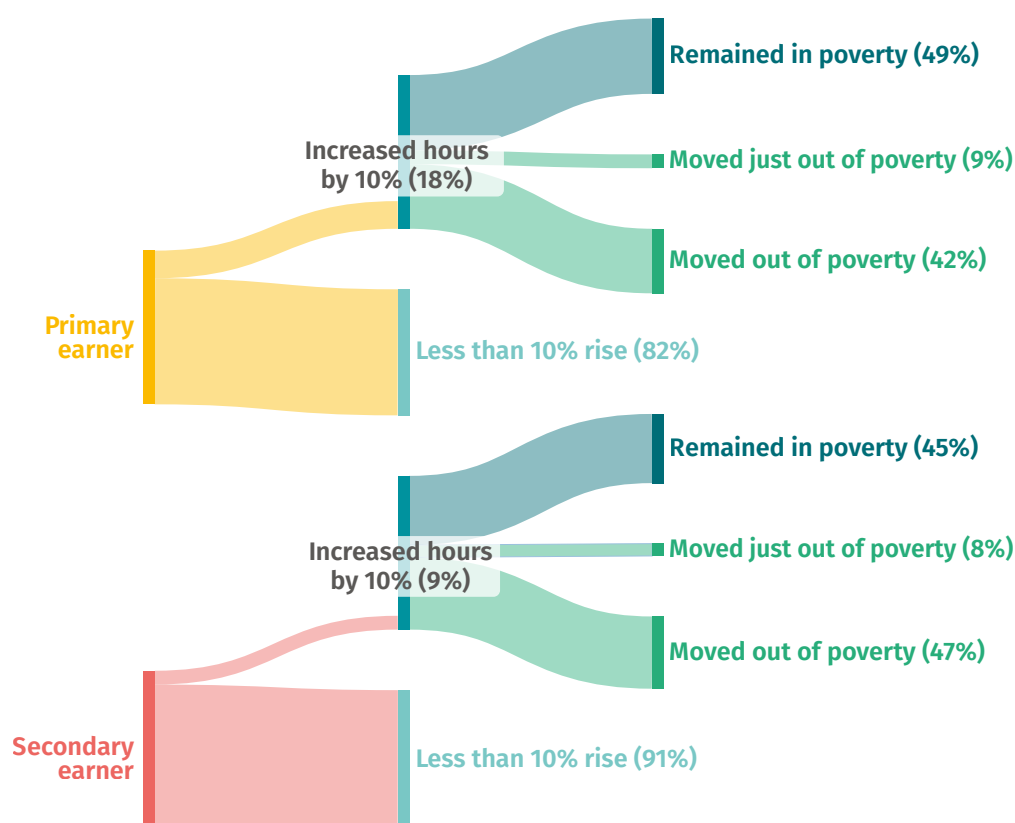
Our first finding on this is that increases in working hours are considerably more common for main earners than for second earners. Around 18 per cent of main earners increased their hours by at least 10 per cent, compared with just 9 per cent of second earners. This reflects the real constraints many second earners face.

When earners do manage to increase their hours, the impact can be substantial. Among children whose main earner increased their hours by at least 10 per cent, 42 per cent moved meaningfully out of poverty (see figure 3.5). The figure was even higher when the second earner increased their hours, with 47 per cent of children moving meaningfully out of poverty.

FIGURE 3.5

Increases in hours also increase the chances of moving out of poverty, but second earners struggle to increase theirs

Estimated proportions of children whose households increased their hours and who moved out of poverty as a result



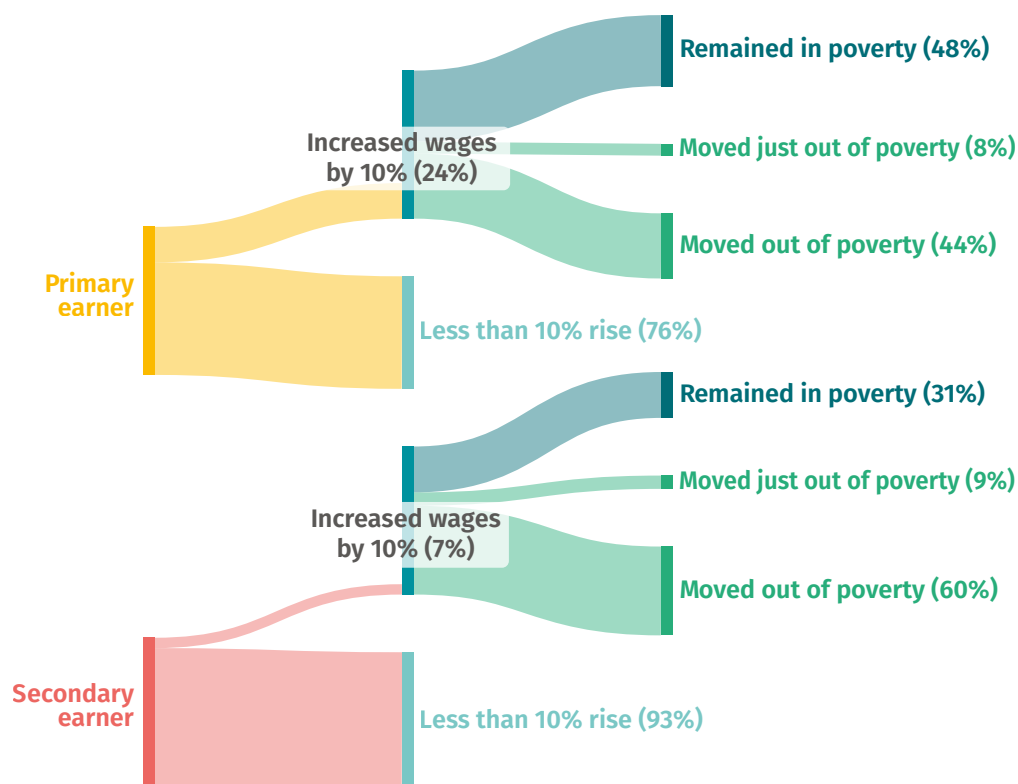
Source: IPPR analysis of ISER, 'Understanding Society: waves 1–15' (ISER 2026)

A similar pattern holds for wages. Second earners are much less likely to see a significant rise in pay – only 7 per cent increased their wages by at least 10 per cent, compared with 24 per cent of main earners (see figure 3.6). This reflects a labour market where the price of flexibility is high – second earners have lower wages on average and find it harder to increase them. Yet when second earners do manage to secure a wage rise, the effect on children’s living standards is particularly strong. Among children whose second earner saw a wage rise of at least 10 per cent, 60 per cent moved meaningfully out of poverty, compared with 44 per cent where it was the main earner’s pay that increased.

FIGURE 3.6

Increases in wages also increase the chances of moving out of poverty, but second earners struggle to increase theirs

Estimated proportions of children whose households increased their wages and who moved out of poverty as a result



Source: IPPR analysis of ISER, 'Understanding Society: waves 1–15' (ISER 2026)

Taken together, this analysis shows that boosting household labour market income is a key driver of poverty exit. But households' ability to do so is far from equal. Second earners, in particular, face barriers to increasing both their hours and their wages. The next part of the analysis examines how other household characteristics shape these dynamics.

Household characteristics

Household composition and other characteristics strongly influence movements into and out of poverty (see table 3.1).

Single-parent households face particularly high risks. Of single-parent households, 15 per cent moved into poverty in the following year compared with 7 per cent of other households. Once in poverty, they were less likely to escape it – only 22 per cent of children in single-parent households moved out of poverty the following year compared with 30 per cent in other households.

Larger families face similar disadvantages. Among households with four or more children, only 18 per cent moved out of poverty the following year compared with 29 per cent of smaller families. They were also more likely to move into poverty: 13 per cent of large families moved into poverty compared with 8 per cent of smaller families.

TABLE 3.1**Certain groups of families struggle to move out of poverty or are more likely to move into poverty***Movement into and out of poverty by household characteristics*

	Into poverty	Out of poverty
Parental status		
Single parent	15%	22%
Couple parents	7%	30%
Number of children		
3 or fewer	8%	29%
4 or more	13%	18%
Children under 3		
At least one	10%	23%
None	8%	32%
Degree in household		
At least one	6%	37%
None	13%	22%

Source: IPPR analysis of ISER, 'Understanding Society: waves 1–15' (ISER 2026)

Families with very young children also face great barriers. In families where there were no children under three years of age, 32 per cent of children moved meaningfully out of poverty the following year – this fell to just 23 per cent in households with at least one child under three. These households were also slightly more likely to enter poverty: 10 per cent of children in households with one or more children under three moved into poverty compared with 8 per cent in households without young children. The gap in exit rates, however, was considerably larger than the gap in entry rates.

A high level of household education is protective. Children in households where at least one adult had a degree were much more likely to escape poverty and far less likely to fall into it than children in households where no one had a degree. In degree-educated households, 37 per cent of children moved meaningfully out of poverty the following year, compared with 22 per cent of children in households without a degree. In contrast, only 6 per cent of children in degree-educated households moved meaningfully into poverty, compared with 13 per cent of children in households without a degree.

Employment characteristics also matter (see table 3.2).

Self-employment is associated with a higher risk of entering poverty: 18 per cent of children with a self-employed primary earner moved into poverty the following year, compared with 7 per cent where the primary earner was an employee.

Temporary contracts have similar heightened risks.

TABLE 3.2**Certain employment characteristics of the primary earner predict transition into or out of poverty***Movement into and out of poverty by employment characteristics of the primary earner*

	Into poverty	Out of poverty
Employment status		
Not self-employed	7%	34%
Self-employed	18%	30%
Contract type		
Permanent	7%	33%
Temporary	18%	33%
Occupation		
Routine	13%	27%
Non-routine	7%	27%
Training		
Received training	6%	35%
No training	10%	25%

Source: IPPR analysis of ISER, 'Understanding Society: waves 1-15' (ISER 2026)

Occupations matter too, with those in **routine occupations** more likely to move into poverty than those in non-routine occupations. In households where the main earner worked in a routine occupation, 13 per cent of children moved into poverty, compared to 7 per cent of those not in routine occupations.

Training offers a degree of protection in both directions. Among children in households where the primary earner received work-related training, 35 per cent moved meaningfully out of poverty, compared with 25 per cent where no training was received. Training also appears to protect against entry into poverty – 10 per cent of children moved into poverty where the primary earner received no training, compared with just 6 per cent where training was provided. This further suggests that investing in employee training can benefit not only employers, but also workers and their families.²

SUMMARY

These findings illustrate that poverty transitions are shaped not only by income changes, but also by households' underlying ability to absorb a fall in earnings or growth in earnings. Household composition, education and work patterns all influence both the risk of falling into poverty and the chances of escaping it.

Certain groups face a double disadvantage. Single-parent households, larger families and families with very young children are more exposed to income shocks and have fewer opportunities to increase earnings. This makes a transition into poverty more likely and poverty exit harder.

² This analysis is likely to overestimate the effect of training on poverty transitions because it does not account for selection into training.

Employment patterns reinforce these risks. Insecure and volatile work – including self-employment and temporary contracts – increases the likelihood of income falls and a transition into poverty. Routine occupations are also associated with greater risk.

Having a second earner is not a guaranteed route out of poverty. Labour market constraints, caring responsibilities and the part-time pay penalty limit hours growth and wage progression.

Reducing poverty will require stronger income security, better work progression pathways and genuinely flexible work.

4.

OUR PRIMARY RESEARCH WITH LOW-INCOME WORKING FAMILIES

To deepen understanding of in-work child poverty and how labour market progression may support working families to escape poverty, we conducted new primary research with low-income working families, carrying out a UK-wide survey and conducting focus groups between December 2025 and January 2026 (see appendix 4 for details of our methodology).³ This chapter summarises the findings from these research methods, exploring:

- parents' experiences of job quality
- parents' complicated perspectives on labour market progression and associated barriers
- parents' views on policy solutions, with a particular focus on employment support and skills.

JOB QUALITY

Job quality refers to factors that influence your wellbeing in the workplace, including job satisfaction, security, pay and benefits, progression prospects and levels of control and autonomy.

High levels of self-reported job satisfaction and security mask more complicated feelings around work

We asked parents in our survey to describe the type of contract they had for their primary job. The large majority were in permanent employment (77 per cent). A further 7 per cent were on fixed-term contracts. Only 8 per cent were in more precarious forms of work, including seasonal, zero-hours or temporary roles. A further 7 per cent were self-employed.

We then asked parents how **satisfied** and **secure** they felt in their current jobs. Perhaps surprisingly, around three-quarters of low-income working parents felt very or fairly satisfied (74 per cent) and very or fairly secure (78 per cent) in their current roles. This probably reflects, at least in part, that most low-income working parents benefit from the stability and protection of a permanent contract. Men, and parents in full-time roles, reported higher levels of job security and job satisfaction than women and part-timers (see table 4.1). And parents in higher, mid-level and skilled manual professions were much more likely to feel satisfied and secure than those in semi-skilled and unskilled roles.

3 For details of the methodology and the characteristics of the families that took part in the survey and focus groups, see appendix 4.

TABLE 4.1**Net positive job satisfaction and job security scores, by subgroup**

	Net satisfaction	Net security
All	+64	+69
Male	+66	+72
Female	+62	+67
Full-time	+66	+77
Part-time	+58	+69
Higher professional	+81	+78
Intermediate professional	+62	+72
Supervisory, clerical and junior professional	+63	+70
Skilled manual worker	+73	+70
Semi-skilled or unskilled manual worker	+51	+59

Source: IPPR analysis of survey findings (see appendix 4)

While the survey suggested high levels of satisfaction and security among parents, the focus groups pointed to a much more nuanced set of feelings around work. Many parents conveyed a sense of coping or resignation rather than genuine satisfaction. Several described feeling lucky to be working and were reluctant to complain, but this often sat alongside frustration about low and stagnant pay, limited flexibility, heavy workloads and the pressure of balancing work and caregiving. In many cases, parents conveyed a sense that they saw their jobs as being shaped more by necessity than by choice. The minority of parents who were the most clearly and consistently positive about their jobs tended to be those with the greatest flexibility and alignment between work and family life.

“I think we’re just feeling massively overworked and under-appreciated. Especially with management. You’ve just got to get on with it and bite your lip and get on with it because, obviously, you’ve got to provide for the family and stuff.”

Male participant, England, IT technician

“Yes, I really enjoy my job. They’re really supportive of my home life with the children’s school pickups.”

Female participant, Wales, engagement officer

Most low-income working parents lack access to flexible working or enhanced employer benefits

We asked low-income working parents about benefits such as flexible working, enhanced sick pay, pension contributions and family leave, as well as support for training and wellbeing. We found that:

- four in 10 reported having flexible working options in their workplace, meaning most still lacked this provision despite having the legal right to request it (40 per cent)
- around a third had access to enhanced pension contributions (37 per cent) or sick pay (35 per cent) above the statutory level
- only three in 10 had access to paid training or qualifications (30 per cent)
- a quarter had health insurance or wellbeing benefits (24 per cent)

- fewer than one in five had enhanced maternity or paternity leave (18 per cent)
- one in five had none of these benefits (19 per cent).

Many focus group participants described having some degree of flexibility at work, such as term-time or school-time hours, flexi-time or occasional working from home. Parents working in the public sector, particularly in local councils, schools and some NHS roles, were noticeably more likely to report meaningful work flexibility. Parents in the private sector on the other hand – particularly in retail, hospitality and temporary roles – described rigid working patterns, limited understanding from managers and anxiety about taking time off for childcare emergencies.

Even where parents did have some flexibility, it was often conditional and dependent on their manager’s discretion. Some parents said they saved their own sick days for when their children were ill, while some felt judged for taking too many days off. For many, flexibility was a decisive factor in choosing their current role, and some had left higher-paid or more senior jobs to secure it.

“I’m working part-time, and they’re not flexible at all because it’s minimum wage and they could get anyone to replace me.”

Female participant, Scotland, dog walker

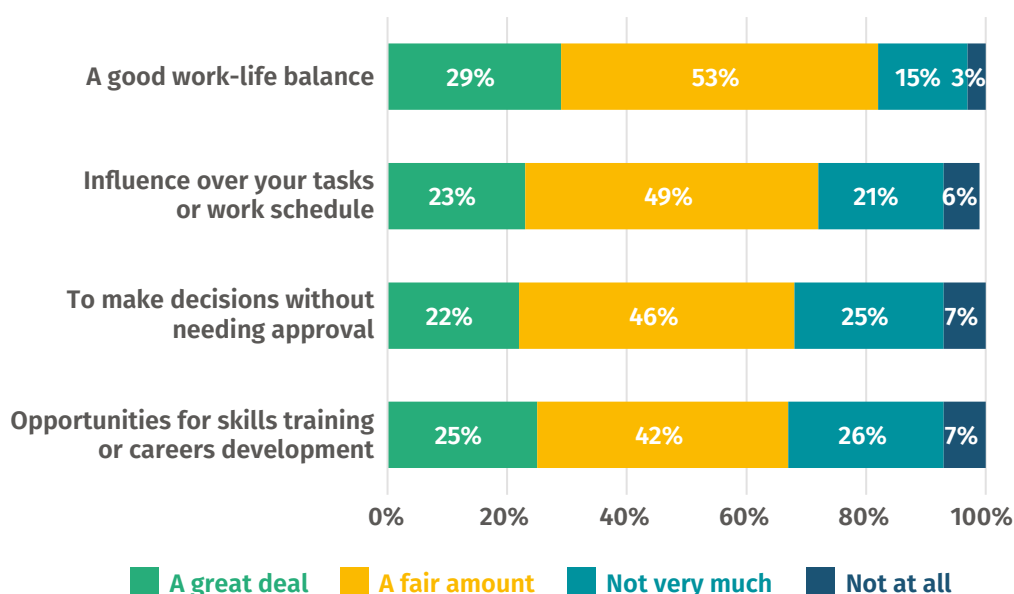
Most low-income working parents report moderate to high control and autonomy at work, though with clear differences between subgroups

The majority of low-income working parents reported having at least a fair amount of control and autonomy in their jobs (see figure 4.1). Around seven in 10 felt they could influence their tasks or schedule, make decisions without needing approval and access opportunities for training or career development. Eight in 10 rated their work–life balance positively (82 per cent). However, notable minorities felt they had little influence over tasks (27 per cent), decision-making (31 per cent) or development opportunities (33 per cent).

FIGURE 4.1

Opinions on current employment

To what extent does your current job(s) allow for the following? (n = 1,887)



Source: IPPR analysis of survey findings (see appendix 4)

Women reported lower levels of influence, decision-making and development opportunities than men (see table 4.2). Gaps between full-time and part-time workers were even wider, with part-time workers reporting a stronger work-life balance but less autonomy and development opportunities than full-time workers. Parents in higher professional roles recorded very high net scores across all measures, while semi-skilled and unskilled workers reported far lower levels of autonomy and development opportunities.

TABLE 4.2
Net positive scores for work-life balance, autonomy and development, by subgroup

	Work-life balance	Influence over tasks	Decision-making	Development opportunities
All	+64	+46	+37	+34
Male	+64	+53	+48	+40
Female	+64	+40	+30	+30
Full-time	+61	+47	+37	+42
Part-time	+73	+35	+29	+26
Higher professional	+78	+77	+70	+66
Intermediate professional	+58	+56	+49	+55
Supervisory, clerical and junior professional	+67	+46	+37	+27
Skilled manual worker	+70	+57	+41	+34
Semi-skilled or unskilled manual worker	+58	+9	+8	+8

Source: IPPR analysis of survey findings (see appendix 4)

PROSPECTS FOR LABOUR MARKET PROGRESSION

Most low-income working parents are satisfied with the hours they work

Despite the financial pressures they face, more than half of low-income working parents thought they worked the right amount of hours (56 per cent). Just over a quarter wanted to work more hours (27 per cent) and one in seven wanted to work fewer hours (15 per cent).

While most parents do not see progression as likely in the near term, almost half consider it possible

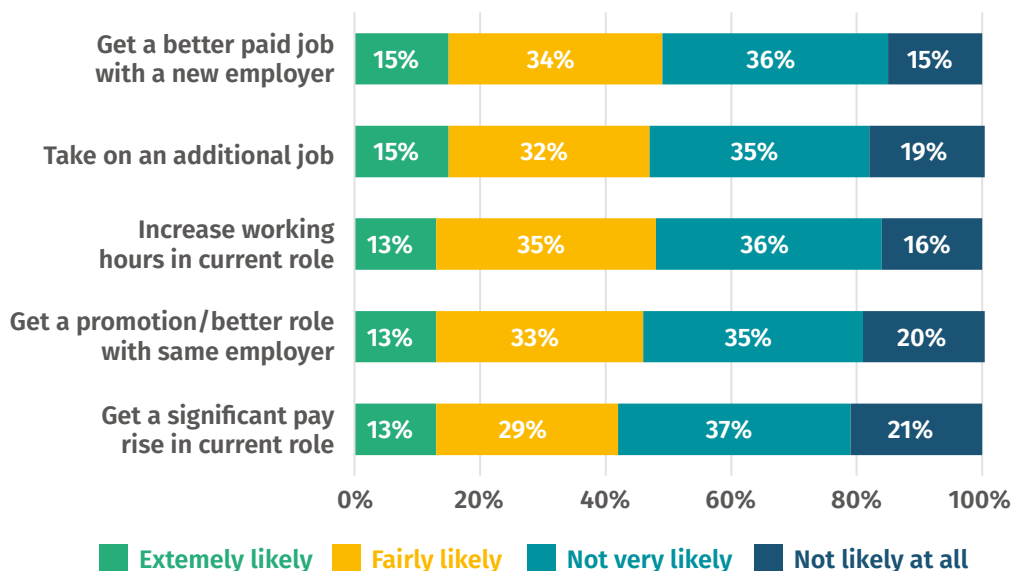
Parents were asked about the likelihood that they would achieve different forms of progression in the next 12 months, such as increasing their hours, getting a significant pay rise or getting a better-paid or additional job.

Across all of the progression routes we looked at, more than half of parents judged a positive progression outcome unlikely (ranging from 51 per cent to 58 per cent of parents) (see figure 4.2). However, almost half did rate it as at least fairly likely (42 per cent to 49 per cent of parents). This suggests that while expectations lean towards the cautious, the possibility of progression is not ruled out for many.

FIGURE 4.2

Prospects for future progression

Based on your current situation, how likely are you to achieve the following in the next 12 months? (n = 1,887)



Source: IPPR analysis of survey findings (see appendix 4)

These mixed feelings were also present in the focus groups, where a strong theme was the tension between a desire for progression and the capacity to pursue it. Progression was often described as something that parents thought could happen, or that they would like to happen in the future, but which felt distant or more of an aspiration rather than a realistic near-term prospect. Many parents were content with their current working situation and either did not see progression as desirable or felt it was too risky in their current circumstances, particularly where this would involve trade-offs such as reduced time spent with their children or increased stress. For some, the financial benefits would need to substantially outweigh the costs to be worthwhile:

“I would have to be left with at least £600 to £700 a month [after paying bills].”

Female participant, England, NHS administrator

“I have taken jobs in the past that are further out, and they are a bit more money but, to be fair, the stress ... and sometimes you’re not back home until 8pm, 9pm. You just think, what am I actually doing this for?”

Male participant, England, IT technician

“I’d love to have these aspirations and promotions and extra money, but that comes at a real big cost. Not financially, it comes at a cost of parenting. And I don’t know if I’m able to do that or willing to do that at the moment.”

Male participant, England, personal trainer

Our survey found that low-income working parents face a diverse range of barriers to progression, with no single factor selected by more than a quarter of parents (see table 4.3).

TABLE 4.3**Perceived barriers to increasing income**

Which of the following are significant barriers to you increasing your income through taking on more hours or finding a higher-paid position? (n = 1,887)

Reason	Percentage
Limited opportunities in the area	25%
Higher childcare costs means it's not worth it	20%
Lack of childcare options in the school holidays	19%
Unable to draw on family or friends to support with childcare	17%
Don't want or can't manage a more senior or demanding role	16%
Worried about lost income from benefits	16%
Lack of flexibility from employer to accommodate family needs	16%
Lack the skills or confidence for more senior or demanding role	13%
Lack of childcare places in the area	10%
Lack of supportive management from line manager	9%
Other	6%

Source: IPPR analysis of survey findings (see appendix 4)

The most selected barrier in the survey was the limited availability of suitable job opportunities in the local area (25 per cent). Other employer-related factors such as insufficient flexibility (16 per cent) and unsupportive management (9 per cent) were cited less frequently, suggesting that while workplace practices do matter, local labour market strength plays a more decisive role in parents' perceptions of their progression prospects.

Childcare-related issues featured prominently, occupying three out of the top five barriers to progression selected by parents, including the high cost of childcare (20 per cent), the lack of available childcare outside of school in term-time (19 per cent) and being unable to rely on informal support from family and friends (17 per cent).

Childcare is central to shaping parents' working lives and their expectations around progression

In the focus groups, parents talked about how childcare was central to how they organised their working lives and how realistic progression in the future felt. Many described a patchwork of formal and informal childcare arrangements that they had stitched together to make their situation work. In many cases, parents or partners had reduced their hours, changed jobs or stopped working temporarily to care for their children. Among those with younger children, progression was frequently framed as something that would only be feasible once their children were in full-time education, or older and more independent, with ambitions on hold until caring responsibilities reduced.

“In my situation, if I was single, I wouldn't be able to work because my youngest is not at school yet ... And we don't have family around us, so it's literally just me and him. And because I earn more, I work, and then he looks after them.”

Female participant, England, NHS administrator

“I worked at a mortgage brokers, and I was going to do my exams to become a broker, but I was just relying on other people too much during school holidays, and I was missing out on time with the kids. So, while they were young, that’s when I found a job working in the school to fit around all that.”

Female participant, England, school administrator

“Once the kids are a bit older and they can get themselves home from school, I’ll definitely be looking for promotion, better paid, bigger company.”

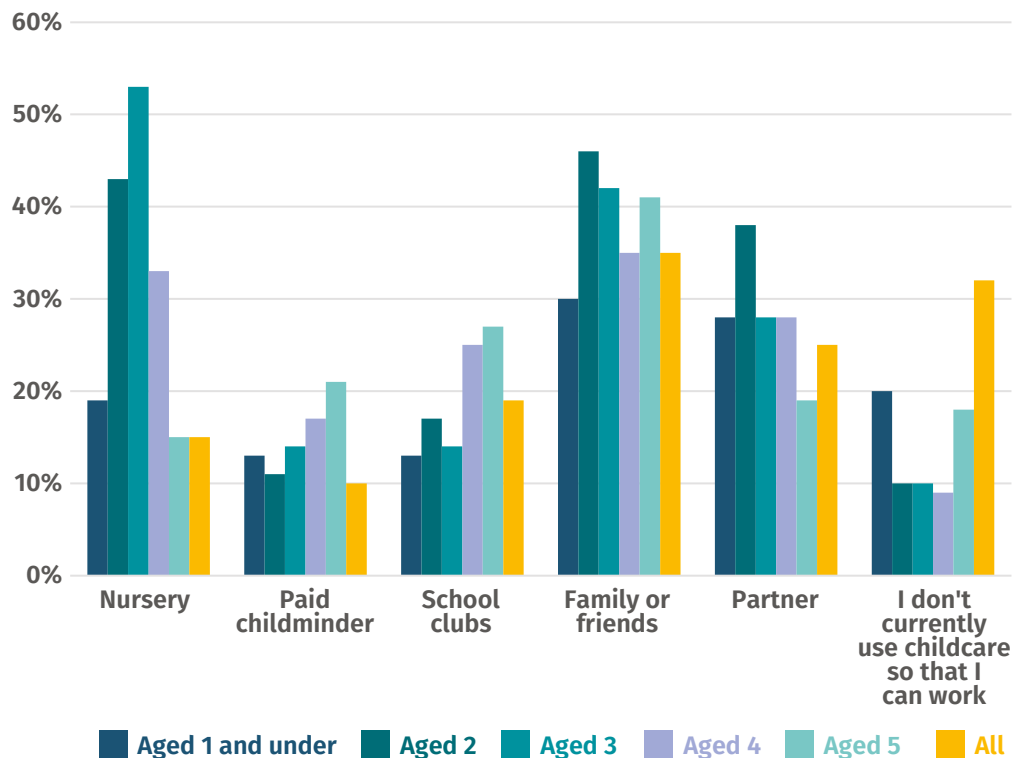
Female participant, Northern Ireland, sales assistant

Our survey data demonstrates how low-income working parents’ childcare arrangements evolve as children age (see figure 4.3). Nursery use increased from age two and peaked at age three, consistent with when the universal offer of 15 hours of free childcare a week kicks in, but declined sharply as children reached school age and then the use of school clubs increased. The proportion of working parents relying on their partner for some of the childcare fell after the first year, but remained significant, with around a fifth of parents whose youngest child was aged five still depending on a partner for childcare (19 per cent). Informal support from family and friends remained an important source of support for around two-fifths of parents through to early adolescence.

FIGURE 4.3

Childcare options

Which of the following childcare arrangements do you currently rely on so that you can work? (by the age of the youngest child for 0- to five-years-olds (n = 752) and the whole sample (n = 1,887))



Source: IPPR analysis of survey findings (see appendix 4)

Beyond the age of the youngest child, the survey highlighted the gendered nature of childcare provision in working families: only a fifth of low-income working mothers relied on a partner for childcare support so that they could work (20 per cent), compared to a third of working fathers (32 per cent).

WHAT DO LOW-INCOME WORKING PARENTS THINK WOULD HELP THEM TO PROGRESS?

When parents were asked which policy changes would be the most (and least) helpful in supporting progression, they prioritised measures that would improve **flexibility and pay** (see figure 4.4). The highest-rated options were:

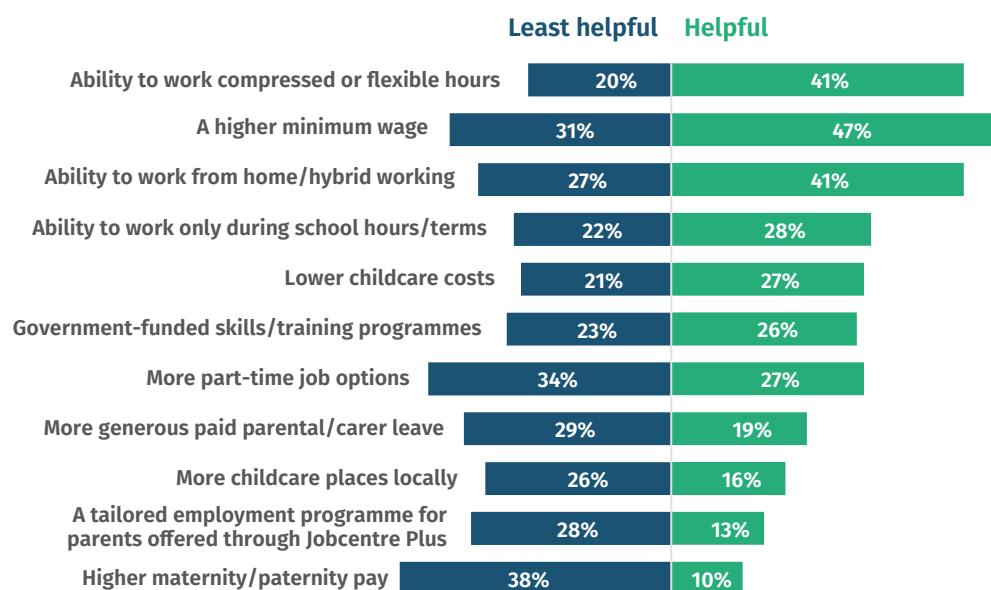
- a higher minimum wage (47 per cent)
- compressed or flexible hours (41 per cent)
- home or hybrid working (41 per cent).

Policies that help parents balance work with caring responsibilities were also favoured, including school-hours or term-time working (28 per cent) and lower childcare costs (27 per cent). Just over a quarter felt that funded skills and training would be the most helpful (26 per cent). By contrast, changes to family leave policies or jobcentre-run employment programmes were seen as less impactful.

FIGURE 4.4

Policy changes to support progression

Which three policy changes would be most/least helpful in supporting you to take on more hours or move into a better job? (n = 1,887)



Source: IPPR analysis of survey findings (see appendix 4)

In our focus groups, many parents were supportive in principle of extra government support for progression, but parents' scepticism about their past experiences with Jobcentre Plus / the DWP frequently tempered this.

“... just don't think I'd believe in it ... [have] you ever walked into a jobcentre and asked to enrol on a course or asked to do this? It's a tick-box exercise, with leaflets thrown everywhere. When you actually try to call the number and try to do something, it's non-existent.”

Male participant, England, personal trainer

EMPLOYMENT AND SKILLS SUPPORT

Parents reported mixed experiences of Jobcentre Plus

Around three in 10 parents surveyed had interacted with a jobcentre in the previous 12 months (29 per cent). When asked to rate their most recent experience on a five-point scale, the lowest-rated mean satisfaction scores were around the quality of support in finding work (3.25) and on conditionality requirements to apply for jobs and attend meetings (3.27) (see table 4.4). Parents were more satisfied with being treated with dignity and respect (3.61) and their relationship with their work coach (3.56), suggesting that parents view interpersonal interactions more favourably than the practical support on offer at jobcentres.

TABLE 4.4

Jobcentre satisfaction scores

Please rate each of the following in your most recent interaction with a jobcentre, where 1 is very dissatisfied and 5 is very satisfied (n = 553)

Being treated with dignity and respect	3.61
Relationship with your work coach	3.56
Overall impression of Jobcentre Plus	3.34
The physical environment	3.34
Requirements to apply for/attend meetings	3.27
Quality of support in finding work	3.25

Source: IPPR analysis of survey findings (see appendix 4)

While some parents described positive experiences, where the jobcentre had helped them to re-enter the workforce, more commonly parents questioned the quality and value of existing jobcentre provision.

“I did a childcare course ... I got childcare support because I was in college, and that was through the jobcentre. So, that was really helpful because I don't think I would have got my job in the school without doing that childcare course.”

Female participant, England, school administrator

“I think there is a stigma with the jobcentre ... I went to the jobcentre to obviously see if there are any roles that are flexible, if I could go back into work ... I think some of them don't really know what they can provide or what they can do to help. They kind of follow off a script and they don't really look into everybody's circumstances.”

Female participant, Scotland, looking after home/family

There was strong support for jobcentre reform

In our survey we asked parents their views on proposals put forward in the *Get Britain Working* white paper (DWP 2025a) to reform Jobcentre Plus into a new universal Jobs and Careers Service, focussed on providing personalised support,

skills and career advice rather than its current emphasis on benefit administration and monitoring compliance.

Support for jobcentre reform was high (72 per cent strongly or somewhat supported it) and notably stronger among parents who had used a jobcentre in the past year (+59 net support) than those who had not (+39). They were also far more likely to expect reforms to benefit their household (+44 compared to +4 among those who had not).

A parental employment programme?

One policy intervention we wanted to explore in more detail with parents was the idea of an employment programme for parents delivered via the jobcentre. We asked parents in our survey which features would be most important. Six in 10 parents (58 per cent) identified a free or low-cost skills and training offer as the most important feature and a similar proportion (54 per cent) felt that 100 per cent of their childcare costs would need to be covered (see table 4.5). More than a third felt that an employment advisor with specialist training and experience in supporting parents would be most important (35 per cent). Conversely, mandatory meetings were viewed the least favourably (25 per cent).

TABLE 4.5
Support for aspects of a parental employment programme

A free or low-cost skills and training offer	58%
Covering 100% of childcare costs while attending training/appointments	54%
Ability to take part in full-time training for longer than 16 weeks	49%
A longer grace period to focus your job search on preferred industry	46%
A specialist parental employment advisor	35%
Voluntary one-to-one meetings with an advisor	33%
Mandatory one-to-one meetings with an advisor	25%

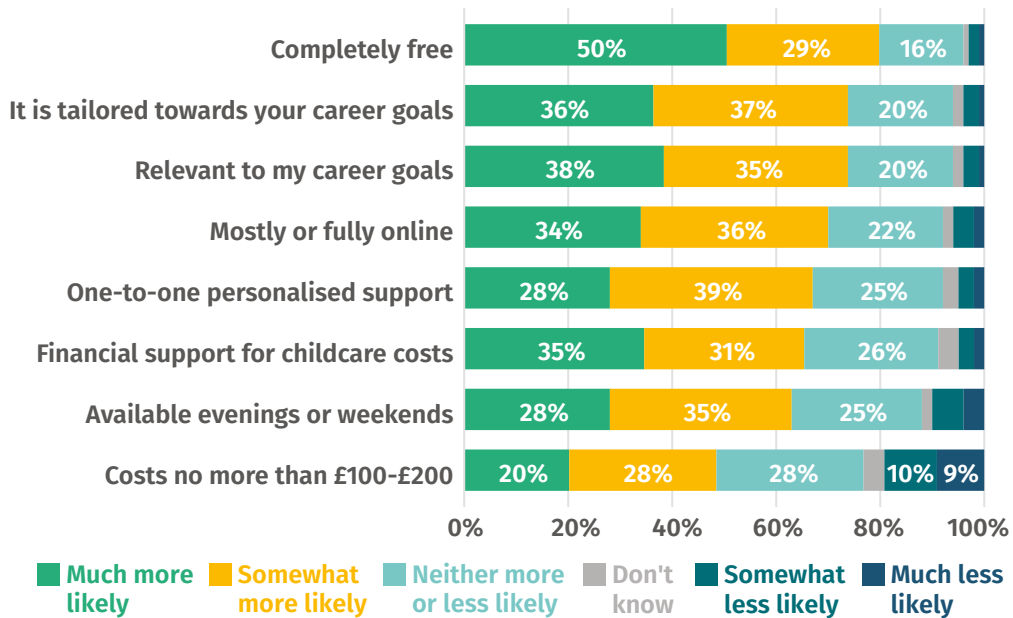
Source: IPPR analysis of survey findings (see appendix 4)

In our survey, we asked parents how likely they would be to use a new **free or low-cost skills and training offer**. Interest was very high: eight in 10 said they would be likely to take up such an offer (79 per cent), including 30 per cent who were much more likely to take it up. Cost was the most important factor influencing whether parents would participate, with parents far more inclined to engage if the offer was free (see figure 4.5). Relevance and accessibility also mattered, with parents more likely to use training tailored to their career goals, delivered mostly online or which included help with childcare.

FIGURE 4.5

Training preferences

And would the following make you more likely or less likely to use a new training offer available to parents? (n = 1,887)



Source: Action for Children analysis of survey data

In our focus groups, there was genuine appetite for support with skills and training to help people progress at work, but only if it was delivered in a way that was compatible with caring responsibilities and would not lead to a loss of income.

“If you did want to upskill ... sometimes that means reducing your hours at work, having some sort of financial support to cover the hours that you’re sacrificing to better yourself would be ideal.”

Male participant, England, photographer

“I think it’s just a case of how are we going to go about it with children to look after?”

Male participant, Wales, bus driver

5.

POLICY IMPLICATIONS AND RECOMMENDATIONS

RESEARCH SUMMARY AND IMPLICATIONS FOR POLICY

Our findings suggest that improving progression prospects for low-income working parents requires policies that tackle both the structural barriers built into the labour market and the childcare system, alongside targeted improvements to social security and employment support. Too many parents feel stuck in jobs that are low-paid, lack family-friendly working practices and are without clear progression opportunities. Raising job quality standards, with a particular focus on increasing the supply of good-quality flexible and part-time roles, will be central to the long-term success of the government's Child Poverty Strategy (Cabinet Office 2025).

Childcare is the defining constraint on progression. Policy needs to address cost, availability, flexibility and the overall coherence of a deeply complex and fragmented system. But parents' preferences matter too: faced with the trade-offs, many would prioritise stability and time with their children over higher pay or longer hours.

Most working parents in poverty do not see progression as realistic in the short term, so policy needs to account for a longer-term view of progression, beyond just an expectation of rapid movement into more hours or a higher wage.

Supporting parents to acquire the right skills is also critical, but provision must be designed around parents' lives, tailored to their career aspirations and aligned with real job opportunities.

Many parents are open, in principle, to extra government support for employment and progression, but deep scepticism about Jobcentre Plus poses considerable challenges.

OUR RECOMMENDATIONS

These research findings informed a policy development process that included further consultation with experts and government officials at policy roundtables and a final workshop with parents who had participated in the focus groups. Through this work we identified and refined one overarching policy call and five specific areas for reform.

Our overarching policy call

To deliver on the goals of the Child Poverty Strategy (Cabinet Office 2025), the government should develop targeted actions to support low-income working parents to help them progress. That means:

- doubling down on the ambitions of the *Get Britain Working* white paper (DWP 2025a)
- identifying working parents in poverty as a priority group for employment and skills policy
- establishing labour market progression as a specific success measure of the Child Poverty Strategy.

Five areas for reform

The government should:

1. fix known issues with universal credit childcare support and go further on the free-hours entitlement for disadvantaged children as a sensible next step towards a more universal system
2. pilot an enhanced parental employment and progression offer targeted at low-income parents on universal credit, including testing delivery outside of the Jobcentre Plus system
3. introduce sensible and cost-effective reforms of the in-work benefits and conditionality system that would help to improve work incentives and support progression
4. design an adult skills policy that works for parents
5. incentivise employers to increase the supply of good-quality and decently paid family-friendly, flexible jobs.

The next subsection considers each of these areas in more detail and presents some specific recommendations.

Improving how the childcare system works for low-income parents

The government has already invested substantially into the childcare system, including through a major expansion of the funded entitlements and welcome changes to universal credit childcare support. However, evidence from our focus groups with parents and policy stakeholders made clear that important weaknesses remain in the current system that will continue to make it harder for parents to enter and progress in work (Wood et al 2025). Major issues with universal credit childcare include the following:

- Upfront childcare costs remain a critical barrier to work and progression. Parents are required to pay childcare costs upfront and are then reimbursed through universal credit later. In practice, many low-income parents do not have the savings or access to credit needed to cover these initial payments. The DWP has recognised this issue and now allows work coaches to use the Flexible Support Fund to provide discretionary help with upfront costs, but this has had little apparent impact on take-up, suggesting the problem remains unresolved (DWP 2026b). This is likely the single biggest weakness in the current universal credit childcare system.
- The remaining 15 per cent of childcare costs functions as a financial penalty on progression. Parents can recover only 85 per cent of eligible childcare costs, meaning they must still cover the remaining shortfall themselves. This acts as an additional effective tax on this group, who are already facing the universal credit taper, and often also income tax, national insurance and commuting costs.
- Losing childcare support immediately after work is lost destabilises families and undermines labour market re-entry. Where parents fall out of work, they lose access to the universal credit childcare element immediately. As this support is withdrawn, they are at serious risk of losing childcare places they may have struggled to secure in the first place, making it harder to search for a return to work (Parkes et al 2025).

Recommendations

1. **Introduce a six-month 'grace period' so that if parents lose their job they can retain access to the universal credit childcare element while they look for work.** More broadly, this support should be available in all cases where a parent has recently lost a job, including when this happened before a universal credit claim, to help families keep their childcare places and re-enter employment.

2. **Raise the reimbursement rate to 100 per cent of eligible childcare costs**, up to the existing cap, rather than 85 per cent.
3. **Establish a dedicated fund to provide automatic support with upfront childcare costs**, subject to capital rules, for universal credit claimants entering work, replacing the current reliance on discretionary support through the Flexible Support Fund.
4. Even with these important tweaks, there remains a wider question about whether the reimbursement model is appropriate in the longer term. As part of the government's childcare review, it should consider the **merits of introducing a co-payments model where claimants pay childcare with the discount already applied upfront**.
5. The extension of 30 free childcare hours a week to children from nine months old is welcome, but the work requirement creates a clear chicken-and-egg problem: parents need childcare to enter work, yet can only access support after doing so. As a targeted next step towards a more universal system, we recommend **extending the entitlement of 15 hours of free childcare a week for eligible two-year-olds meeting the extra-support criteria to children from nine months old, regardless of parental employment status**.⁴

Piloting an enhanced employment and progression offer for low-income parents

In-work progression policy within the DWP has historically focussed narrowly on encouraging, or compelling under threat of sanction, claimants earning below the administrative earnings threshold of universal credit to increase their hours. Past DWP trials show that intensifying work coach support and conditionality can deliver modest earnings improvements for some low-paid claimants, but effects are small and limited in scale (DWP 2018, 2024a). The DWP's 2023–25 in-work progression offer was a trial aimed at supporting working claimants with lighter-touch conditionality to progress at work. The programme, which was disrupted by repeated tightening of in-work conditionality rules over the trial period, largely consisted of offering claimants additional work coach meetings to explore ways to increase their hourly earnings. Its evaluation identified a programme constrained by resource pressures and few practical tools to support progression (DWP 2026c, 2026d).

International evidence on in-work progression (DWP 2024b) points to the effectiveness of approaches that combine personalised coaching with:

- sector-relevant training
- strong employer engagement
- regulatory conditions that promote job quality and skills development
- wraparound support to address the practical and financial barriers to progression.

It is to the DWP's credit that it has explored ways to support progression, but the 2023–25 offer was too narrow in scope and too constrained by resource pressures and the shifting policy environment to deliver meaningfully. The adoption of the Child Poverty Strategy as a government priority and the wider jobcentre reform agenda present a clear opportunity to test a much more comprehensive employment and progression offer aimed at low-income parents.

⁴ This includes two-year-olds in families on certain low-income benefits, including universal credit below the earnings threshold, and some children with additional needs or care experience.

Recommendations

- 1. Develop and pilot an enhanced employment and progression offer for parents on universal credit.** This should provide an integrated package of support beyond the current generalist work coach offer and seek to reach working parents and potential second earners who currently receive little to no employment support due to earnings. This could include:
 - **tailored support from specialist advisors** with low caseloads and specific expertise in parental employment and progression, modelled on the single-parent advisors and based in the new ‘best start family hubs’ and other community settings
 - **a mutually agreed progression plan** setting out tailored actions aligned to parents’ caring responsibilities, skills, career aspirations and local job opportunities
 - **personalised, lighter-touch conditionality**, with participating parents exempt from standard in-work conditionality rules and the administrative earnings threshold – they would not have to visit the jobcentre or meet strict and generic work search requirements, with expectations and progress measured against their progression plan at check-ins with their specialist parental progression advisor
 - **an improved skills and training offer** tied to local job opportunities, with parents able to train for longer than 16 weeks and regardless of conditionality group where it would support their progression objectives.

We propose that the employment and progression offer should include a focus on three distinct groups of parents, with support pathways tailored to their specific needs and progression objectives:

- single parents returning to or wanting to progress in work
- potential second earners currently out of work
- primary earners seeking to increase their hourly pay or job quality.

Our findings and engagement with parents and policy stakeholders strongly suggest that delivery should be separate from the Jobcentre Plus brand, perhaps significantly devolved to combined authorities already involved with the DWP’s economic inactivity trailblazer areas. It could also be piloted within Jobcentre Plus regions involved in developing the new Jobs and Careers Service. There would be real value in testing and comparing both delivery models.

Participation would be voluntary, with support provided over an extended period (for example, up to two years), and success would be measured against longer-term progression outcomes such as:

- an increased number of earners within a household
- increased hourly earnings
- skills development
- improvements in job quality.

We propose a test-and-learn trial with a limited cohort of parents on universal credit in the Light Touch, Working Enough and Work Preparation labour market regimes, as well as those just above the Intensive Work Search regime threshold or who have been brought into that regime through recent policy changes. Following evaluation, it could be expanded to wider groups of parents on universal credit and ultimately to parents outside the universal credit system.

Reforming the in-work benefits and conditionality system

In addition to testing a broader enhanced offer, the government should make improvements to the design of the in-work benefits and conditionality system to better facilitate progression and reduce poverty risk.

Recommendations

- 1. Reform the work allowance for families with children into a 'family work allowance' that strengthens work incentives for both coupled and single-parent families.** This would provide each parent in a couple with their own non-transferable work allowance, improving work incentives for potential second earners. Single parents would receive an enhanced allowance equivalent to the combined value available to couples, recognising the greater barriers they face and ensuring they are not disadvantaged by having only one potential earner.
- 2. Review in-work conditionality rules to better support progression.** At a minimum, how in-work conditionality operates for claimants close to the administrative earnings threshold must be smoothed to prevent repeated cycling between the Light Touch and Intensive Work Search labour market regimes and corresponding changes in work expectations and support. A grace period should be introduced so that parents are not immediately penalised if their earnings fall (for example, due to a period of parental leave). Longer term, however, the ambition in the *Get Britain Working* white paper (DWP 2025a) to move away from the one-size-fits-all compliance approach to conditionality must be realised. Embedding personalised conditionality within the enhanced progression offer trial would provide a practical route to test and develop this approach.

Designing an adult skills offer that works for parents

Adults on low incomes are among the least likely to access training (Luchinskaya and Dickinson 2019) and people with caring responsibilities find it difficult to fit training around other responsibilities (Gable 2022) – and yet they are the groups that stand to benefit the most from training. Without the right skills and qualifications, they are locked out of higher-quality, more flexible work that could enable them to move out of poverty. While the *Post-16 Education and Skills* white paper acknowledges the barriers that these groups face (HM Government 2026), it offers limited targeted support for them.

Low-income parents face a compounding set of obstacles:

- the direct financial cost of training
- the loss of earnings while studying
- the risk of losing childcare entitlements if they change their working hours or patterns.

Together, these factors create strong disincentives to train and to boost their future earning potential. The government therefore has a key role to play in both setting out the type of training that the UK needs and supporting people who need the greatest support to access training and progress in their careers.

Recommendations

- 1. Restore and reform the Adult Skills Fund.** We welcome the *Post-16 Education and Skills* white paper's commitment to closer integration between the Adult Skills Fund and jobcentres. Combined with the Flexible Support Fund, this approach has real potential to reach families on low incomes and connect them to relevant provision. The Child Poverty Strategy also rightly identifies the Adult Skills Fund as a key lever for helping parents secure good work, progress in their careers and build the financial stability that shapes children's aspirations (Cabinet Office 2025).

However, the most recent spending review moves in the opposite direction, cutting the Adult Skills Fund by 6 per cent in real terms for the non-devolved fund, while mayors' skills budget can expect to be cut by 2–3 per cent (WEA 2025). These cuts undermine the ability of the Adult Skills Fund to deliver on outcomes desired in the *Post-16 Education and Skills* white paper and the Child Poverty Strategy. We recommend that these cuts are reversed in full and that the fund is expanded and eligibility criteria reviewed, to widen access to affordable, high-quality learning for low-income working families.

2. **Strengthen coordination between businesses, training providers, the DWP and local government.** Training only delivers results if it connects people to real jobs. That requires businesses, training providers and local government to work together effectively – but the current system is fragmented, slow and poorly joined up.

We recommend creating a **local labour market partnerships model** based on the Northern Ireland example, bringing together local government, jobcentres, employment and skills services, employers, trade unions and public services including health. This would allow local policymakers to build a coherent skills strategy that aligns the needs of local businesses, further education providers, jobcentres and local government. Central and local government must also work more closely with providers to ensure that training opportunities offered through government programmes are designed around the reality of parents' lives, with flexibility requirements built in from the outset.

3. **Relax universal credit rules around training and ensure that work coaches recognise training as a valuable route to progression.** Universal credit is failing people on two fronts. Despite recent relaxations, universal credit rules still prevent many people from accessing training and jobcentres do not value training consistently (Gable 2022). We recommend that those on universal credit should be able to undertake training for longer than 16 weeks, with access to childcare support, and that there is eligibility across all conditionality groups. Additionally, the role of work coaches should be refocussed, with success measured by claimants' long-term earnings rather than short-term job entry. This would shift conversations towards people's future aspirations and the training needed to achieve them.

Increasing the supply of good-quality, family-friendly jobs

The UK has one of the widest differences in poverty risk between full-time and part-time workers in Europe (Eurostat 2026). The part-time pay penalty in the UK remains substantial, with part-time roles paid £5.63 less per hour at the median (IPPR analysis of ONS 2025b). Given the constraints many second earners and single parents face in increasing their hours, expanding the availability of better-paid, higher-quality part-time roles is key to reducing in-work poverty. For many parents, the problem is not only a lack of good-quality part-time roles, but also that many full-time jobs still offer too little flexibility over hours and patterns of work, making them harder to combine with caring responsibilities (CIPD 2025). Reducing in-work poverty therefore also requires flexibility in how full-time jobs are designed, advertised and managed.

Recommendations

1. **Make job-share and flexible-by-default recruitment the norm across central government and the wider public sector**, unless there is a clear operational reason why this is not possible.
2. **Use public procurement rules to encourage large employers to create more high-quality part-time and job-share roles.** Suppliers bidding for major public contracts should be asked to demonstrate how they will expand access to flexible roles, including in higher-paid and progression posts, with these

commitments assessed at tender stage and monitored through contract management. This would build on the existing social value framework in public procurement, rather than rely on voluntary employer action alone.

3. **Build on the Employment Rights Act 2025 by moving from a right to request flexible work towards a stronger expectation that suitable jobs are designed and advertised as flexible from the outset**, unless there is an acceptable business reason not to do so.
4. **Work with employers, representative bodies and trade unions to target sectors where progress on flexibility has been slowest.** Use official guidance, sector-based pilots and incentives to test interventions that may help to expand flexible full-time work and high-quality job-share roles in industries where rigid hours and limited control over schedules remain a major barrier to parental employment and progression.
5. **Develop a government-backed Family-friendly Employers Index or accreditation scheme** to benchmark employers on the availability and quality of flexible work within their organisation and wider family-friendly policies, including at senior levels, and to support wider culture change across the labour market.

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APPENDIX 1: CHARACTERISTICS OF HOUSEHOLDS IN IN-WORK CHILD POVERTY, 2024/25

Table A1.1 sets out the characteristics of households with children aged 0–19 in poverty who had at least one adult in the household working in 2024/25. We have estimated the share of all children in in-work poverty with each characteristic and also estimated the risk of poverty – the proportion of children with that characteristic who were in poverty.

TABLE A1.1
Characteristics of households with children aged 0–19 who are in in-work poverty, 2024/25

Household characteristic	Number of children in poverty	Share of all children in households in in-work poverty	Risk of poverty for children in working families
Household type			
Couple	2,300,000	79%	21%
Single parent	610,000	21%	30%
Number of children			
1	500,000	17%	18%
2	6,240,000	33%	15%
3+	3,660,000	50%	40%
Work status			
Single, employed in full-time work	230,000	8%	20%
Single, employed in part-time work	390,000	13%	43%
Couple, one or more full-time self-employed	570,000	20%	30%
Couple, all in full-time work	230,000	8%	6%
Couple, one in full-time work and one in part-time work	400,000	14%	16%
Couple, one in full-time work, one not working	700,000	24%	38%
Couple, no one in full-time work, one or more in part-time work	400,000	14%	59%
Housing tenure			
Owned outright	190,000	6%	14%
Mortgage	790,000	27%	12%
Private rent	1,150,000	40%	41%
Social rent	790,000	27%	40%
Universal credit			
In receipt	1,470,000	50%	41%
Not in receipt	1,450,000	50%	16%

Source: IPPR analysis of DWP, 'Households below average income' (DWP 2026a)

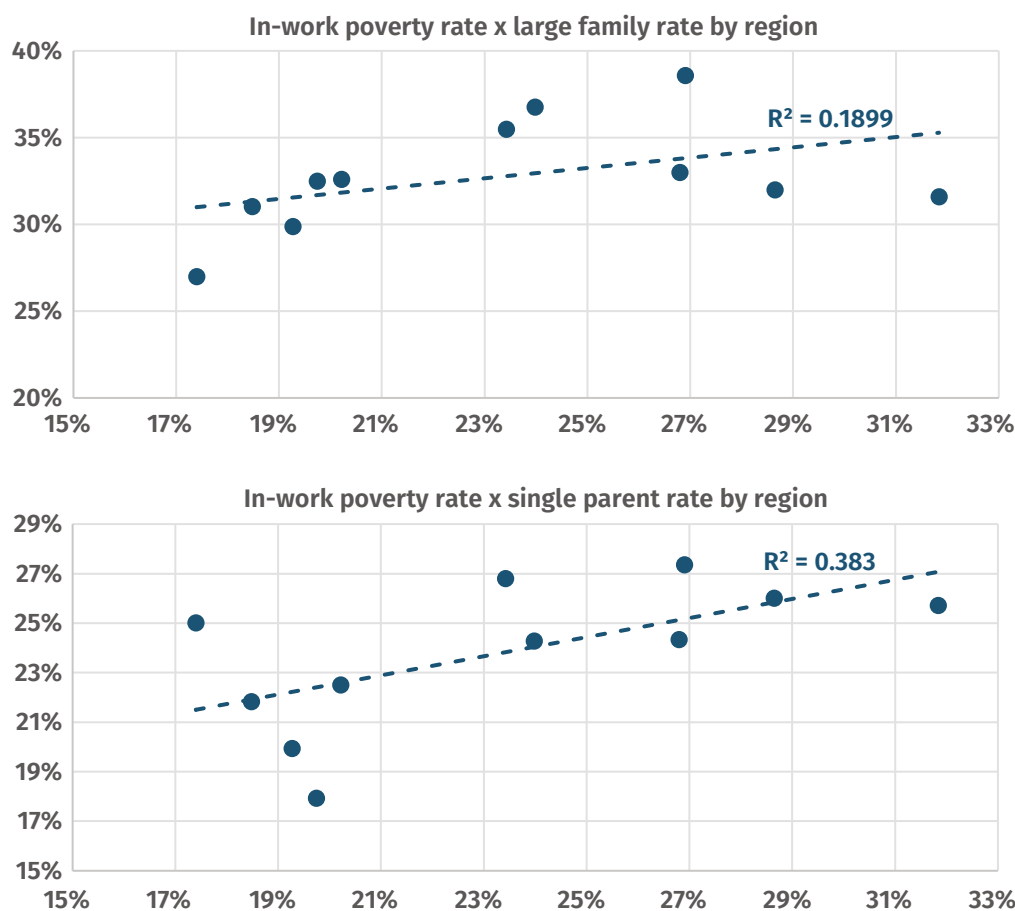
APPENDIX 2: IN-WORK CHILD POVERTY RATES IN REGIONS WITH HIGHER RATES OF SINGLE PARENTS AND LARGE FAMILIES

Figure A2.1 shows that regions with higher rates of single parents and large families tend to have higher in-work child poverty rates.

FIGURE A2.1

Regions with higher rates of single parents and large families tend to have higher in-work poverty rates

In-work poverty rates for single parents and large families by region, 2024/25



Source: IPPR analysis of DWP, 'Households below average income' (DWP 2026a)

APPENDIX 3: REGIONAL VARIATION IN MOVEMENT INTO AND OUT OF POVERTY

Movement into and out of poverty varies sharply across the UK. Rises and falls in labour income are broadly similar across regions, but what those income changes mean for poverty differs significantly depending on where a family lives. When earnings rise by at least 10 per cent, children in Scotland are the most likely to escape poverty, while those in Wales and London are the least likely to. The picture changes when earnings fall: children in London are the least likely to drop into poverty after a 10 per cent income loss, whereas children in the East of England are the most likely to (see Table A3.1).

TABLE A3.1

Change of income and movement into and out of poverty across the UK, from 2012 to late 2021

Region	Movements out of poverty			Movements into poverty		
	Earnings increased	Moved just out of poverty	Moved meaningfully out of poverty	Earnings decreased	Moved just into poverty	Moved meaningfully into poverty
North East	45%	3%	49%	22%	5%	31%
North West	44%	10%	46%	26%	8%	24%
Yorkshire and the Humber	44%	9%	53%	25%	6%	23%
East Midlands	37%	11%	40%	23%	6%	21%
West Midlands	35%	11%	58%	22%	7%	29%
East of England	52%	9%	43%	24%	11%	30%
London	41%	7%	39%	23%	4%	21%
South East	48%	6%	53%	24%	5%	23%
South West	49%	17%	43%	26%	7%	22%
Wales	31%	7%	40%	22%	9%	21%
Scotland	40%	11%	62%	19%	8%	20%
Northern Ireland	36%	17%	43%	24%	9%	18%

Source: For movement into and out of poverty: IPPR analysis of Understanding Society; for change of income: IPPR analysis of ISER, 'Understanding Society: waves 1–15' (ISER 2026)

APPENDIX 4: METHODOLOGY FOR NEW PRIMARY RESEARCH

JL Partners conducted a nationally representative online survey of 1,887 low-income working parents between 18 December 2025 and 19 January 2026. Parents could participate in the survey if they had at least one dependent child living at home, were in work (full-time, part-time or self-employed) and reported a gross household income below £30,000 for single-parent households or below £40,000 for coupled households. Four online focus groups were also held, in January 2026, with 32 parents from low-income working families across all four UK nations. Their occupations included roles such as retail assistant, bingo hall assistant, NHS administrator, healthcare worker, housing officer, sheet metal worker, personal trainer and IT technician.

CHARACTERISTICS OF THE FAMILIES SURVEYED

Families who took part in the survey were evenly split between single-parent households (49 per cent) and couple households (51 per cent). They were mostly raising one or two children (91 per cent). One in five had a parent or partner with a disability or long-term health condition (22 per cent). Parents tended to have mid-level or higher qualifications (75 per cent had a level 3 qualification – that is, A level or equivalent – or above), though most worked in lower-professional, skilled and lower-skilled manual roles.

Household income and work status

The median gross household income of those who took part in the survey was between £25,000 and £30,000 a year. The parents' earnings averaged £20,000 to £25,000 a year, while if they were in a couple household, their partners, who did not take part in the survey, earned less than this on average. Housing costs were a significant pressure, with median monthly costs of between £600 and £799.

Four in 10 families were claiming some form of social security benefit – most commonly universal credit (70 per cent) – but 60 per cent were not claiming any benefits. Most parents were in full-time work (62 per cent), with substantial minorities in part-time work (30 per cent) or self-employment (9 per cent).

These figures are consistent with a population that includes a high proportion of single-parent households and relatively modest combined earnings within couples. Our findings suggest that many families rely on one full-time low to moderately paid job, alongside a second income that is often lower paid, part time, self-employed or shaped by caring responsibilities, with a substantial minority of families relying on social security to top up their earnings.

Financial security

The low-income working families generally had very limited financial resilience. The average (median) low-income working family had less than £200 left each month after paying for housing, bills and food, leaving little room to absorb financial shocks or unexpected expenses. To shed further light on this:

- 11 per cent reported ending the month in debt or overdrawn
- 24 per cent had less than £50 left after essentials and 36 per cent had less than £100
- only 19 per cent reported having more than £500 left at the end of the month.

Table A4.1 sets out the characteristics of the survey participants.

TABLE A4.1
Profile of the survey participants

Survey participant characteristics	Percentage
Family type	
Two-adult household	51%
Single-adult household	49%
Parent or partner has a disability or long-term health condition	22%
Number of children	
1	61%
2	30%
3 or more	9%
Work status	
Full time	62%
Part time	30%
Self-employed	9%
Partner – full time	59%
Partner – part time	20%
Partner – self-employed	7%
Partner – looking after home or family	7%
Partner – unemployed and seeking work	2%
Partner – long-term sick or disabled	3%
Partner – other	1%
Income, earnings and housing costs	
Total gross household income, including benefits (median)	£25,000–30,000
Parent’s gross annual earnings (median)	£20,000–25,000
Partner’s gross annual earnings (median)	£15,000–20,000
Monthly housing costs (median)	£600–799
Education level	
Degree or postgraduate degree (level 6–7)	34%
Other higher education (level 4–5)	18%
Level 3 (A level or equivalent)	23%
Level 2 or below (GCSE or equivalent)	23%
Other qualifications	3%
Housing tenure	
Mortgage owner	33%
Private rent	30%
Social rent	23%
Owned outright	14%
Occupation level	
Higher professional	8%
Intermediate professional	24%
Supervisory, clerical and junior professional	30%
Skilled manual worker	17%
Semi-skilled or unskilled manual worker	20%

Note: Some figures do not total 100% due to rounding.

Table A4.2 sets out the characteristics of the focus group participants.

TABLE A4.2

Profile of the focus group participants

Characteristics	Number	Percentage
Gender		
Male	16	50%
Female	16	50%
Family type		
Two-adult household	22	69%
Single-adult household	10	31%
Work status		
Full-time	18	56%
Part-time	10	31%
Self-employed	1	3%
Unemployed and looking for work	2	6%
Looking after home/family	1	3%
Nation/region of England		
North of England	8	25%
South of England	8	25%
Scotland	6	19%
Wales	6	19%
Northern Ireland	4	13%
Financial situation		
Income is stretched covering bills; rarely able to buy luxuries; low/no savings	23	72%
Income often does not cover bills; use of credit or reduced spending on basics often needed	9	28%

Note: Some figures do not total 100% due to rounding.

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