

IPR Report
January 2022



Couples Navigating Work, Care and Universal Credit

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18	Chapter 1: Universal Credit: Couples, Work and Care
30	Chapter 2: Our Sample: Changes Over Time
39	Chapter 3: Balancing Work and Care with Universal Credit when both Parents Earn
66	Chapter 4: Couples Achieving Work-Life Balance with One Earner?
96	Chapter 5: No Earners in the Household: Struggling to Make Headway
123	Conclusions and Reflections

Acknowledgements

Centred upon the personal accounts of our participants, this report could not have been written without their ongoing engagement in this research over a three-year period. For this, we extend our heartfelt thanks to all the participants who gave their time to take part in this study. Their frank and sometimes emotional accounts contributed to a series of compelling narratives. We are grateful for the help provided by local organisations in assisting us with our recruitment and to Jo Porter for transcribing the interviews.

Thank you to the members of the project's Advisory Group, whose insightful comments and contributions were invaluable. Thanks to Kathy Kelly for her unstinting work scanning the internet for useful Universal Credit-related links, and to Amy Thompson and Sophie O'Brien from the Institute for Policy Research (IPR) for their creative input and expertise.

Finally, we are extremely grateful to the Economic and Social Research Council (ES/R004811/1) for the funding which made this important research possible, and to the University of Bath and the University of Oxford for support.

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Summary

Universal Credit is a fundamental reform of means-tested working age benefits in the UK. It aims to simplify benefits, reduce administrative costs and fraud and error, increase work entry and encourage higher earnings among low-income people. The first stages of the rollout involved single people, meaning that we know much less about the experiences of couples on Universal Credit – in relation to either issues with a potential impact on all claimants, or those specific to couples. Our three-year, two phase, ESRC-funded (ES/R004811/1) longitudinal qualitative research project, entitled *Couples balancing work, money and care: Exploring the shifting landscape under Universal Credit*, helps to fill that gap.

Based on the lived experience of 90 research participants interviewed in 2018–19, 63 of whom were then interviewed again in 2020, the project examined how couples claiming Universal Credit – with and without dependent children, and in and out of employment – made decisions about work and care and dealt with their household finances. Their first-person accounts offer a unique insight into the experiences of a group of Universal Credit claimants which has, thus far, received too little attention in policy research and discussion.

This is the second of two major reports. The first of these reports focused on household money and budgeting in the context of monthly assessment and a single monthly Universal Credit award (Griffiths et al., 2020). Here we summarise the phase 2 findings focusing on work-care decisions and experiences of employment transitions over time in the context of Universal Credit.

This summary presents findings from the second of two reports arising from our research

Policy Context

Universal Credit works differently for couples, with many rules, requirements, and conditions that differ for people claiming jointly compared with those claiming without a partner. Couples living together are treated as a single assessment unit and cannot claim Universal Credit as individuals. The income and earnings of both partners are aggregated for the purposes of entitlement, and the couple is jointly responsible for repaying loans and benefit and tax credit debts, including from previous claims by either or both partners. This was generally also the case under the legacy system of benefits and tax credits. However, Universal Credit entitlement is assessed and awarded monthly and paid in the form of a single household payment into one bank account (individual or joint). Most couples must also fulfil individual work conditionality

requirements that sometimes affect the other partner's conditionality too, in part because these requirements are based on specified household as well as individual earnings thresholds.

Couples with children must nominate a 'lead carer' and the work requirements for that person are determined by the age of the youngest child. Individual partners with the capacity to work are required to engage with employment and, depending on their circumstances, supported by a work coach to prepare for work, to seek work or, for some, to increase working hours/earnings. Couples with dependent children in which both parents work are entitled to a financial contribution of up to 85 per cent towards childcare costs (within certain maximum limits), but only one work allowance applies. Couples with no dependent children are not entitled to a work allowance unless one of the partners is assessed as having limited capability for work.

There is a lot for couples to disentangle, and our research set out to examine how couples claiming Universal Credit make decisions about work and care and deal with their household finances in this new policy landscape.

Research Methods, Sample and Analysis

We conducted two waves of in-depth interviews approximately two years apart. The first phase of the research comprised 123 individual and joint face-to-face interviews with 90 Universal Credit joint claimants in 53 households, in four areas in England and Scotland, between June 2018 and January 2019. Participants were recruited using outreach, door to door, snowballing and social media techniques. Follow-up interviews were conducted by telephone (due to COVID-19 restrictions) with 63 participants in 39 households between August and October 2020.

For our longitudinal analysis, we categorised the sample of 39 households according to their earner status when they were couples at, or in a few cases before, phase 1. This gave us three main groups: two-earner couples (10 households), one-earner couples (13 households) and no-earner couples (16 households). Drawing on longitudinal data from 157 interview transcripts, we tracked employment transitions over time, and the reasons for this. For each couple, we produced a detailed case summary which examined continuity and change in employment status, gender roles and couple relationships. We were particularly interested to explore participants' experiences of the different policy levers in Universal Credit and the ways in which these are delivered, to encourage claimants to enter work and earn more – including financial incentives (the work allowance, the taper and help with childcare costs), the conditionality regime, and employment support from a work coach. Below we draw out the key themes and issues (some cross-cutting) which emerged. We then reflect on implications for policy.

Two-Earner Couples: Balancing Work and Care With Universal Credit When Both Parents Earn

Ten of the 39 households in our longitudinal sample had two earners in paid work when they were in couples at or, for a few, before phase 1 in 2018–19. At phase 2 of the research in 2020, six of the couples still had two earners, one couple had one earner, and another had none. The ninth couple had split up and formed two separate working households by 2020, making 10 households in this category.

Findings for this group show that, rather than facilitating a manageable mix of work and care and helping to support progress in employment, in many cases Universal Credit had added to the burden of balancing work and childcare responsibilities in two-earner families. Three issues stood out.

Firstly, difficulties were experienced with child care, especially paid-for child care. The childcare costs element of Universal Credit – the main policy lever for encouraging both parents in a couple to work, which is rigidly tied to monthly assessment and the means testing of earnings – was ill-suited to the needs of these couples, particularly those with irregular hours and earnings. Of the six couples in this research who had accessed the childcare costs element of Universal Credit in 2018–19, only one was still receiving it in 2020.

Childcare costs in Universal Credit must be paid upfront by claimants, with the outlay only later being reimbursed. This is difficult enough for low-paid parents; indeed, as covered in our phase 1 report (Griffiths et al., 2020), many couples in this research were put off accessing the help on offer for this very reason. For the families here who had struggled to overcome this hurdle, the inclusion of the childcare costs element in the monthly means test, and the administrative burden of reclaiming childcare costs monthly, placed further barriers in their way. Contributions towards childcare costs, absorbed within the single integrated monthly payment and tapered away as earnings (and often childcare hours) rose, were difficult to manage in practice. The complex relationship between monthly earnings and entitlement – made worse for couples with two working parents – made it virtually impossible to calculate the financial impact that working additional hours would have on the Universal Credit payment.

The unwieldy and unreliable nature of financial help towards childcare costs led some ‘second earners’ – who were mainly women – to leave their jobs or reduce their hours of work, avoiding the need for paid child care. When they did this, the Universal Credit payment and household budgets often stabilised, and work-life balance improved. Other working couples whose children qualified for the free 30 hours per week of childcare for three- and four-year-olds preferred to use, or switched to using, this provision. In making these adjustments, there was little evidence that parents had benefitted from support from a work coach. If one or both parents were ‘working enough’, this appeared to exclude all possibility of contact and help. Even prior to the COVID-19 pandemic, there was virtually

Childcare costs in Universal Credit must be paid upfront by claimants, with the outlay only later being reimbursed

no contact between two-earner couples and work coaches – mainly, they assumed, because their joint earnings took them well above the conditionality earnings threshold.

The second significant issue for couples with two earners was work incentives. While the 63 per cent taper (at that time) was frequently seen as unfair and demotivating, work decisions of ‘first earners’ were often indifferent to, or made in spite of, any effects that their earnings might have on the Universal Credit payment. People who increased their working hours also often did so for contractual, professional, and other employment-related reasons unconnected with Universal Credit – to help an employer out by covering staff shortages, for example. For second earners, who were more likely to be women, the taper was often viewed in a negative light, seeming to penalise rather than reward work and additional hours. Because women were more likely to be the payee for Universal Credit, it was often women’s income that fell when their partner’s earnings rose. Knowing that the Universal Credit payment received by their partner would be reduced or might cease altogether if they earned more could also disincentivise additional hours among first earners. The difficulty of predicting drops in the payment, and the fear of a reduced amount in future months, also discouraged couples from working more hours, taking on extra shifts or accepting offers of overtime.

Another complicating factor was that decisions about working hours were often closely tied to job characteristics and employment conditions. Those with agency jobs or zero-hour contracts often had little say over work patterns. Offers of overtime or additional hours, when made, also often meant accepting a full shift – sometimes 12 hours long – rather than a few hours tagged on to a standard ‘9 to 5’ working day. But only in rare instances was financial gain, or maximising earnings, a key driver of employment behaviour or the decisions the partners made about their working hours. Income stability, and a reliable Universal Credit payment, were often much more important than maximising household income. When the net increase in monthly household income from working longer hours is relatively small (which it usually was), extra time spent with children, and partners, generally trumped higher earnings.

Not all couples responded to the unpredictability of Universal Credit by reducing hours of work or giving up jobs; some did the opposite. Couples with older children and those in jobs giving them greater influence over work patterns sometimes increased their hours, allowing them to leave Universal Credit altogether. Wanting to eliminate the looming presence of Universal Credit in their lives was an important part of the overall picture. When Universal Credit was implicated in the decision to increase earnings, it was thus often to escape the ongoing scrutiny, administrative burden and budgeting difficulties associated with dealing with a benefit that is assessed and adjusted monthly.

This brings us to the third major issue – the administrative burden of dealing with a fluctuating benefit payment. With two sets of wages to contend with, monthly variability in the Universal Credit payment in response to changes in earnings could be particularly

hard to forecast and to budget. As highlighted in the phase 1 report, for working mothers juggling work and child care, the added responsibility of dealing with an unreliable payment (and often the online Universal Credit claim as well) imposed significant, ongoing administrative burdens. Income uncertainty, too, was highly stressful, affecting emotional as well as financial wellbeing, which often spilled over into relationships. One two-earner couple, who had fallen into debt after claiming the childcare element of Universal Credit, split up under the strain. The female partner reclaimed Universal Credit as a lone parent and started working part time, while her ex-partner continued working full time.

There were some positive views expressed. Couples appreciated the ability to choose to work fewer hours without being heavily penalised financially, and to receive some compensation when unable to work if they, or their children, were ill – money few were entitled to receive from their employer. Automatic adjustment of the payment using Real Time Information (RTI) data fed directly from HM Revenue & Customs (HMRC), when correct, was also seen as an improvement on the previous requirement to produce wage slips as proof of earnings. Not having to reapply for Universal Credit within six months of the last payment was similarly welcome. Some couples said that they liked and preferred Universal Credit because it reduced the risk of overpayment compared with tax credits. One couple found that Universal Credit was more generous than tax credits and better accommodated their preferred work-care arrangement of both parents working part time, which allowed them to share responsibility for looking after children equally without the need for paid child care. However, this was only possible because their earnings were high enough to take them above the conditionality earnings threshold.

Those able to earn enough to move off Universal Credit were pleased to have done so; but, when low quality and poorly remunerated jobs are the only type of work people can realistically get, earning enough to leave means-tested benefits inevitably means long working hours for one or both partners, with corresponding sacrifices having to be made in terms of work-life balance, personal wellbeing, and relationship quality. Long working hours which limit the amount of time working parents are able to spend together as a couple and family can also be destabilising; not all these relationships survived.

One-Earner Couples: Achieving Work-Life Balance With One Earner?

Thirteen of the 39 couples in our longitudinal sample had one earner at or, in a few cases, before phase 1 in 2018–19. At phase 2 in 2020, seven of these 13 were still one-earner couples; three had become two-earner couples; and one had no earner. Two couples had

separated; in both cases, the female partner was now claiming Universal Credit as a non-working lone parent while her ex-partner was working and no longer claiming benefits.

For many one-earner couples in this research, most of whom had pre-school aged children, the primary driver of work decisions was to ensure that one parent was always available to care for the children at home. Money matters were generally of secondary concern. Many were not keen on using paid child care, so had organised their working lives to avoid or minimise its use. This sometimes reflected concerns about the high cost of paid child care but, in most cases, couples simply expressed a strong preference to care for children themselves, particularly when children were of pre-school age. Some parents had a disability or mental health condition which further limited the amount of paid work they felt able to do.

Whether couples achieved their preferred arrangement with one full-time earner or one part-time earner, few in this group felt that both parents could or should engage in paid work until children were older, or their children's, their own or their partner's health improved. By phase 2 of the research, in 2020, several non-working partners in this group had been newly assessed as having limited capability for work and work-related activity. For them, this constraining context and the accompanying rationale for work-care decision making had, if anything, become more deeply entrenched.

In earlier studies, having only one working parent often indicated a greater propensity to conform to traditional gender roles. However, in our research, choices about which partner was the sole earner were rarely determined by gender. Though several couples said that they aspired to traditional roles of male full-time worker and female full-time carer, decisions about which partner in the couple works were often pragmatically rather than ideologically driven. Sometimes the better-qualified partner with higher earnings potential was the female. But who was the wage earner was frequently determined by factors other than earnings potential – which partner had fewer health limitations, who could drive and, ultimately, who succeeded in getting a job first. But whether lead carers were male or female, most parents wanted and expected to share responsibility for the care of their children. Several couples disliked the term and objected to a policy which obliged them to nominate one parent as lead, feeling that it harked back to a bygone era of breadwinning work for men and family care for women.

Several couples had rigidly stuck with a single part-time earner or reduced their hours of work explicitly to avoid the effects of the taper. Couples had also come to learn that increased earnings not only reduced the Universal Credit payment but also often resulted in a reduction in loss of entitlement to other forms of means-tested help, including budgeting loans, support with council tax and prescription charges and free school meals. The withdrawal of entitlement as earnings increase, together with greater understanding of how monthly assessment works in practice, had, by phase 2, thus persuaded several couples to minimise rather than maximise working

hours. Some couples adjusted work behaviours by accepting offers of additional hours only when force of circumstance required it – to pay for costly items they could not otherwise afford, such as school uniforms, for example. The large, unfillable deficit in the household budget the following month, when the Universal Credit payment decreased, obliged some families to turn to food banks.

Experiences of the conditionality regime and employment support were mixed. Irrespective of their hours or earnings, most couples with one earner appeared to be being treated with the same ‘light touch’. However, both work conditionality and employment support could be inconsistent, with couples in what appeared to be similar sets of circumstances treated differently. For example, some partners working part time were required to job search and had regular meetings with a work coach, while others did not. Often there seemed to be a mismatch between the conditionality groups and labour market regimes to which these couples had been assigned on the one hand, and their individual circumstances and work aspirations on the other.

Several participants made appreciative comments about their work coach, but sometimes this was due to couples ‘not being hassled’, as they described it. The suspension of work conditionality during the first COVID-19 lockdown undoubtedly contributed to low levels of contact with work coaches reported by all participants at phase 2. However, even before the pandemic, many one-earner couples said their meetings with a work coach were infrequent and generally cursory. Minimal contact suited most couples, allowing them to choose their preferred work-care arrangement without feeling pressurised to work more. However, there were others who clearly wanted and would have benefitted from personalised support to help them prepare for work, find a full-time or more secure job, or move on to better-paid work.

The ongoing stress of dealing with a low and unreliable monthly Universal Credit payment, together with unmanageable deductions, featured strongly in the narratives of the three couples with a sole earner at phase 1 of the research who had no earners at phase 2. Two of these couples had split up. In both cases, the low level of benefits and other difficulties associated with claiming Universal Credit were said to have contributed to the breakdown of the relationship. Both separations had resulted in the female partner claiming Universal Credit as a lone parent, while the male ex-partners continued working full time without claiming means-tested benefits.

The three one-earner couples with children in which a second parent had moved into work by phase 2 reported similar experiences to those of two-earner couples covered previously. The couple who had taken up the childcare costs element of Universal Credit gave up on it, as others had, choosing instead to work longer hours and more unsociable shifts. The two couples with both partners now working full time were glad to be no longer claiming Universal Credit but regretted their long working hours and the reduced time spent together as a family.

No-Earner Couples: Struggling to Make Headway

In 16 of the 39 couples in our longitudinal sample, neither partner was working at or before phase 1 in 2018–19. At phase 2 in 2020, a large majority were still without work: 12 of the 16 households with no earners in 2018–19 or before also had no-one in paid work in 2020. Four of the 16 couples had a single earner at phase 2 but, in two of these cases, the couple had split up and formed two separate households.

The message that comes across in relation to these couples is of a group of people who are struggling to make headway in their lives. Income inadequacy, unmanageable debt and deductions and poor mental health feature strongly, particularly among those who had no earnings at both phases 1 and 2 of the research. Through sheer determination, some claimants managed to haul themselves out of ‘worklessness’, only to be faced with a further set of challenges when in work. But whether couples had engaged in paid work or not between phases 1 and 2, rather than being supportive in helping them to navigate, manage and overcome the challenges they face, Universal Credit, had, in many cases, added to their difficulties.

Among couples with no earnings both in 2018–19 (or before) and in 2020 was a discernible group just about managing to keep their heads above water

Among couples with no earnings both in 2018–19 (or before) and in 2020 was a discernible group just about managing to keep their heads above water. They tended to be those in which one or both partners had been awarded additional disability and health-related benefits, including the limited capability for work and work-related activity element of Universal Credit, Personal Independence Payment and/or Carer’s Allowance. This additional income had often enabled them to avoid or repay the loans, overpayments, and arrears that nearly all couples in this research incurred when making the transition from the legacy benefits and tax credits system. For families subject to the two child limit, and thus without any support from Universal Credit for their other child/ren, these income top-ups often meant the ability to have sufficient money for food, and to heat their homes without the need to turn to their families, or food banks and other charitable sources of help. For the most part, neither partner in these couples was capable of, or required to, work or look for work. Few had found work coaches helpful in the past and having the threat of benefit sanctions lifted because of their (or their partner’s) disability or health condition came as a welcome relief. The absence of work conditionality and the limited contact they had with work coaches, therefore, were situations that most were happy with, or at least resigned to, for the foreseeable future.

There were some important exceptions. One couple had a partner in the all work-related requirements conditionality group. With a serious health condition and disability benefits since childhood, she was the partner who least aspired to and was least capable of finding paid work, while her husband, who was capable of and wanted to work, and was desperate for support and training to help him secure a full-time job, had no work conditionality because he was her carer. The entry level, generic and repeat courses to which this female

partner and others in the intensive regime were typically mandated (under threat of benefit sanctions) to attend, whilst intended to increase motivation and boost confidence, frequently seemed to have precisely the opposite effect. This and other cases underline the limits of the Universal Credit conditionality regime, in which the treatment and help claimants receive are driven by the particular conditionality and labour market group to which individuals are assigned, rather than tailored to their personal needs and aspirations.

For couples with no sources of income other than Universal Credit at both phases of the research, income inadequacy and increased indebtedness, together with the accompanying hardship and stress this caused, adversely affected their relationships and emotional wellbeing. Whilst several individuals suffered mental ill-health prior to claiming, and many had complex backgrounds, their ability to cope had, in many cases, been further impaired by a combination of low benefit rates (especially couples and parents under the age of 25), high deductions and sanctions – all of which had resulted directly from Universal Credit policies.

Three couples categorised here as claimants ‘without dependent children’ were in fact parents whose children had been removed and placed in foster care or for adoption. Bare floorboards, sparse furniture, inadequate cooking facilities, unheated properties, and a reliance on food banks – experienced by a number of families in this research – are indications of poverty and income inadequacy, but also represent the kind of home circumstances likely to attract the attention of social services. The two couples in this research who had recently had children taken into care were treated with compassion by work coaches and had had easements to work conditionality appropriately and sympathetically applied. However, another mother for whom the formalities of the child protection system had ended said that there was no recognition within the Universal Credit conditionality regime of her ongoing parental role after her children had been placed in foster care.

Among the four couples in this group in which one of the partners had moved into work by phase 2, positions were generally low paid, temporary, and precarious, offering few opportunities for earnings growth or progression. Men were typically employed in warehousing or security work, and women in caring and cleaning jobs. A few had supportive or understanding employers, but most did not. Some employers had wrongly reported wages to the couple’s detriment, leaving them in some months with no earnings and no Universal Credit payment. Hopes of steady incomes, stable employment and earnings progression therefore remained largely unfulfilled. In work, the financial circumstances of many couples improved only marginally. For one couple with no dependent children, they had actually worsened, due to their loss of entitlement to Council Tax Support. For others, reduced entitlement to other forms of means-tested help virtually cancelled out the small net gains in household income from tapered earnings.

Although intended to smooth peaks and troughs in earnings, a benefit payment that varied from month to month often served to exacerbate rather than counter income insecurity.

Amidst the sometimes unsettling accounts (the most distressing of which we decided to omit), the dignity and stoic resilience of many couples to get by shine through. There was one example of genuine work progress and earnings progression. Notwithstanding the fact that the single household payment may have helped to precipitate the break-up of her relationship, and though she gave a favourable account of her work coach, this individual's employment progress was mainly due to personal motivation and a determination to succeed, rather than being attributable to any particular Universal Credit policies. Indeed, overall, it is hard not to conclude that the few work-related achievements here, and those found in other groups, were largely won in spite of, rather than because of, Universal Credit.

Policy Implications

The evaluation framework for Universal Credit, published in 2012 and updated in 2016, is informed by a 'theory of change' in which specific policy levers and effective delivery of Universal Credit are intended to lead to changes in attitudes and behaviour. But the real-world complexities that confronted our couples in arranging their work, care and household finances did not necessarily fit with assumed triggers for behavioural change, and the design of Universal Credit often influenced our participants' lives in unintended ways.

Some couples did change their employment behaviour over time. This was not always by choice, or due to the policy and delivery levers in Universal Credit, or in the manner intended. The accounts include examples of agency and temporary jobs ending and employers reducing hours. Opportunities to increase or change hours of work were strictly limited for most. Poor pay and the low quality of work available were thus significant elements of the context in which decisions about working hours were made and had a major impact on families' employment options.

So, whilst couples' decisions about work and care take account of their financial impact, what people do (and can do) is also strongly influenced, or more affected, by many other factors. The 'marginal deduction rate' (how much of each extra pound earned is retained) is often at the centre of economic modelling. This may carry some weight with claimants; but how it actually operates in practice and over time, particularly for couples and families with children, together with other issues such as job quality, transport and child care, is more important than is often recognised in modelling exercises – and in schematic theories of change. In addition, some of our participants either had health conditions themselves, or were caring for a child or partner who had them, that made it very hard or impossible for them to enter employment at all; and others were caring for young children.

Employment support did not emerge from our study with the ‘transformative’ reputation that is often alluded to in descriptions of Universal Credit, although there were individual stories of valued help from work coaches. Currently this support is tied to conditionality group status and was therefore not available to some in our sample. A more flexible approach to employment support would have allowed more access to this.

Ironically, given the twin aims of increasing employment and earnings, where Universal Credit did frequently help couples in our sample was to allow some to choose to work fewer hours without being heavily penalised financially, and to give partial compensation to some if they were unable to work when they, or their children, were ill. Thus, it was the upwards adjustment of Universal Credit when earnings dropped that was often most valued and beneficial to these families.

In addition to potential behaviour change in relation to employment, the design of Universal Credit influenced our participants’ lives in other ways. Our research showed that significant ongoing ‘work’ was often required to maintain Universal Credit claims. These demands were especially burdensome in relation to childcare payments, but also related to shift work, zero-hour contracts and self-employment. The work required to try to manage the income volatility caused by the way in which the monthly Universal Credit means test interacts with earnings was particularly onerous – and was often multiplied for couples with two earners. The fluctuating Universal Credit award, of which claimants are given only a week’s notice, could be hard to unpick and to check for accuracy.

In these ways, super-responsive means testing – whereby the benefit amount is adjusted immediately and visibly at the end of each month in response to earnings (and other changes of circumstance) – could undermine Universal Credit’s policy goal of incentivising additional hours of work, contrary to the policy intent. The logic of monthly assessment is that people are motivated to increase their earnings because they see an immediate financial reward. Instead, for many in our research, the workings of the monthly assessment formula, together with the high withdrawal rate at that time, created insecurity. The collateral damage to relationships caused by financial uncertainty, and the disproportionate effects on women, led some couples to split up under the strain.

Public debate about incentives has often ignored these important contextual factors, highlighting instead the issue for couples with children of the single work allowance. But couples without children are not entitled to a work allowance, unless one partner is assessed as having limited capability for work, and the implications of couples getting a single household payment have not necessarily been drawn out. This particularly affects couples who arrange payment of Universal Credit into the account of the partner with no other income or with lower earnings – usually the woman. For some one-earner couples in our research, the earner could be wary of taking on additional hours because their increased earnings would reduce their partner’s Universal Credit payment. And in two-earner couples,

Our research showed that significant ongoing ‘work’ was often required to maintain Universal Credit claims

if (as was common) the woman was the partner paying the childcare costs, she was affected more by the monthly fluctuations in the contribution towards these costs through Universal Credit, with the same potential problem.

The issue of incentives and the balance of work and income between partners in couples will take on increased significance when in-work conditionality is in full operation. Then, there could in theory be a choice between (for example) encouraging a second earner in a couple into work, or to work more hours, and encouraging a 'first earner' to earn more. There seems to have been little discussion of these policy choices, however, or of their potential impact, either in relevant government documents or in wider policy debates. The reduction of the taper rate from 63 to 55 per cent and increase in the work allowance by some £500 per year will clearly help, but the evidence here suggests that a floor of income that is secure enough to build on could result in more sustained and sustainable work-care combinations, as well as potentially more stable couple relationships. Nor do these changes fundamentally alter the way in which these incentives can differentially affect the individual partners in couples.

Several couples did succeed in leaving Universal Credit altogether, as did several individuals, after splitting up with their partners. But in practice, some couples were driven to increase their working hours and/or earnings not so much by the support and incentives within Universal Credit but instead by their desire to get away from it – to escape the scrutiny, the fluctuations in income, and the time and effort involved in managing their claim. These couples were often in relatively low-paid work; to leave Universal Credit usually therefore meant long hours, sometimes for both partners, with sacrifices in work/life balance, personal wellbeing and relationship quality. There was thus, for some, a high price to pay for leaving Universal Credit in the impact on relationships and family life.

The evidence here also suggests that working mothers in couples claiming Universal Credit may be disproportionately affected by reductions in entitlement when earnings increase, as well as additionally burdened by income insecurity and extra administration which can arise from managing the claim. Official analysis assumes that additional hours of work by claimants will largely be contributed by women, especially mothers (DWP, 2018). If Universal Credit is to succeed in these terms, greater thought will need to be given to how policy might be adapted to better support working mothers and potential second earners in couples. In addition, more generally we believe the evidence of our research shows that consideration of the interrelationship between the individual and their household circumstances has not been sufficiently integrated into the thinking behind the policy design or the practical delivery of Universal Credit, and this report suggests ways in which this might begin to be changed.

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**Universal Credit:
Couples, Work
and Care**

Managing work and care can be a complicated juggling act. For some there are good job opportunities and wages. For others the only options are low-paid and insecure jobs. For those with children, childcare provision is patchy around the country, with quality not always guaranteed, and costs high. Two earners may be needed to ensure adequate income. Work options may be limited by health and caring responsibilities. And the support offered by the social security system – which for most people of working age who need means-tested benefit support is now, or will soon be, through Universal Credit – has its own set of rules, requirements, and conditions.

Our research reported here is a three-year longitudinal qualitative study, funded by the Economic and Social Research Council¹, which explores how couples make their decisions about work and care and deal with their household finances in this relatively new Universal Credit policy landscape. The study included in-depth interviews with couples receiving Universal Credit, both joint and individual interviews in 2018–19, followed by individual interviews in 2020. We set out the detail of our research below, but first we briefly outline the policy context and previous research and explain how Universal Credit works for couples.

Social Security Policy, Work and Care

Increasing the rates of employment has long been a central goal of UK social security policy and has been assigned increasing importance in recent years (Millar, 2018). In the New Labour era (from the late 1990s to 2010) governments introduced a wide range of compulsory and voluntary employment programmes, created ‘personal advisers’ to support people into work,² extended work conditionality requirements to more groups, increased the sanctions for non-compliance, and introduced more generous in-work tax credits to replace Family Credit. The category of ‘unemployed’ – people available for and seeking work – not only expanded but also became ‘jobseekers’ (from 1996); and there was a strong focus on employment for lone parents and people with long-term disabilities, both groups the subject of ‘New Deals’ introduced from 1998.

The conditionality requirements relating to work obligations have been increasingly expanded and extended to more groups (Dwyer and Wright, 2014). The introduction of tax credits (initially from 1999 and revised and expanded from 2003) was intended to improve work incentives and reduce child poverty. This included Working Tax Credit, targeted on individuals or couples working at

1. ES/R004811/1. See www.bath.ac.uk/projects/couples-balancing-work-money-and-care-exploring-the-shifting-landscape-under-universal-credit

2. Throughout the report, ‘work’ refers to paid work.

Many of these provisions were concerned with reducing the number of 'workless' households, so were trying to result in at least one person being in work

least a set number of hours (16, 24 or 30 per week, depending on circumstances). Those with children on a low income both in and out of work could claim Child Tax Credit in addition. Alongside the spread of conditionality and employment support to groups other than unemployed people, especially parents, there was also investment in childcare infrastructure and more help with childcare costs. In the tax credit system parents could claim up to 80 and then 70 per cent of costs of registered care up to certain limits (Wood, 2021).

Many of these provisions were concerned with reducing the number of 'workless' households, so were trying to result in at least one person being in work (Bennett, 2002). Until recently, there has been much less attention given to families where there was someone in work, and so couples with one earner were generally left to their own devices. This gave rise to some tension in policy. On the one hand, policymakers recognised the need to better incentivise employment and the use of child care to enable both parents to go out to work if they wished. On the other, there was something of a reluctance to intervene in the domestic sphere in ways which could be construed as government interference in families' private work-care decisions.

Reflecting this tension, policies targeted on non-earning partners in unemployed couples were mainly intended to encourage and incentivise employment, rather than make it mandatory. There was a move towards work conditionality for partners in couples without children receiving Jobseekers Allowance from 2001 and, from 2004, non-working partners in couples with dependent children were required to attend a one-off mandatory meeting with a personal adviser to discuss their work options. While, over time, the number and frequency of mandatory meetings increased, there was no requirement under the legacy system for non-working partners to enter work (Griffiths and Thomas, 2005).³

Childcare provision has also been expanded further in recent years, with a mixed system of provision and a range of financial measures, including (e.g. in England) 15 hours' free child care per week in term-time for three – and four-year-olds, and some two-year-olds in disadvantaged families (and up to 15 hours more for three – and four-year-olds with working parents earning between certain limits) (Wood, 2021). There are, however, still concerns about the uneven provision across the country, about quality, and about high costs for parents (Jarvie et al., 2021).

Universal Credit brings the policy issues around the treatment of partners in couples sharply into focus. The employment aims of Universal Credit are central to its design – the system is intended to support people into work, to enable people to change jobs and

3. This contrasts with the changing rules for lone mothers. Up to 2008 there were no work requirements for lone parents receiving income support to seek, or prepare for, work. Since then, there have been extensions of work requirements for lone parents, coming into effect when the youngest child reached age 10 (from 2009), age seven (from 2010), age five (from 2012), and age three (from 2017) (Millar, 2012). Under Universal Credit, the same rules apply to lone parents and partners in couples who have been designated as the 'lead carer'; see discussion below.

increase hours more easily, and to encourage and support in-work progression through increases in pay and/or hours. Under Universal Credit, the distinction between being in and out of work is removed and most claimants have work conditionality requirements to meet – including partners with the main caring responsibility for children in workless and low-earning couples with dependent children, whose requirements are modified. Universal Credit also includes financial help with childcare costs for working parents and employment advice was extended to additional groups.

Thus, for the first time, both partners in a couple with as well as without children receiving means-tested social security benefits are required and supported to engage in some way with employment – to prepare for work, to seek work, or for some to increase working hours/earnings.

Social Security and Work-Care Decisions

Previous research has explored how social security rules, incentives and payment methods can influence gender roles and relationships, financial distribution and poverty in low-income families (for example, Goode et al., 1998; Lister et al., 1999; Snape et al., 2000). There are also various research studies exploring employment decisions in unemployed or one-earner couple households.⁴ Research in the 1980s focused on the low employment rates of the ‘wives of unemployed men’, highlighting a complex mix of factors that might be implicated in this, including benefit rules, availability of work, health, care and personal attitudes and values (Cooke, 1987; Brown, 1989). McLaughlin et al. (1989) explored how unemployed men with families approached work decisions, and what this meant for their partners. This report identified the pressures on unemployed men to earn enough for a ‘family wage’, which meant that couples looked for a full-time job for the man first and then his partner might follow him into work. Values about gender roles – the primacy of employment for men and family care for women – were important, as also highlighted by Jordan et al. (1992).

In the 2000s, Warren et al. (2009) explored the nature of employment support for low-waged women in couples with a youngest child aged under seven. This study found that low-waged mothers were particularly constrained by their partners’ working hours and by the cost and availability of child care. And the authors also noted that ‘the difficulties of long hours in paid work were compounded in couples where both were employed in semi- or unskilled manual jobs, with “unsocial” work schedules that mothers and fathers saw as severely limiting “family” time. The mothers said that the fathers’

4. There is also a considerable body of research on work-care decisions and contexts for lone parents, in which some of the same factors, for example regarding child care, are found (for example, Millar and Ridge, 2001; Millar, 2019).

unavailability to care, because of their long hours in paid work, increased the pressure on their own caring' (p141). A mix of constraints and preferences is similarly apparent in studies commissioned by the Department for Work and Pensions (DWP) to explore the situations and values of non-working partners (Griffiths, 2001; Thomas and Griffiths, 2005; Collard and Atkinson, 2008; Griffiths, 2011; Collard and Davies, 2014). In general, these studies also noted that for some families with children, especially young children, having one parent at home was an important consideration. There was much evidence in this body of research that traditional gender roles of male 'breadwinner' and female 'home-maker' continued to exert a strong influence over the work-care decisions of many couples with children (see, for example, Griffiths and Thomas, 2005).

Looking specifically at the factors affecting employment decisions for those on Universal Credit, research commissioned by the DWP has been informed by the 'theory of change' as described in the evaluation plan and business case (DWP, 2012; 2016; 2018). This sets out a framework in which the policy intent (for example, to increase employment) shapes policy levers and 'effective delivery' (including the financial incentives, the employment support by work coaches, the work conditionality and the childcare offer) which are intended to shift attitudes and change behaviour, making people more willing to work and therefore more likely to work or to work more.

Rahim et al. (2017) explore the attitudes and behaviour stage in the theory of change – the potential for employment attitudes and behaviour change across all claimant groups including couples, particularly in relation to the conditionality requirements. They draw on the ABC theory of behaviour change, in which 'behaviour (B) is produced by a combination of attitudes (A) and context (C). Attitudes are shaped by "personal factors" such as identity, beliefs, personal circumstances, and ideas. Context is made up of factors in the environment that are "external" to the individual' (p21). Universal Credit is considered to be part of this 'context'. They draw on in-depth interviews, workshops, online consultation with work coaches and message testing experiments.

The study included couples with and without children and highlighted how different circumstances affected the ways in which couples responded to Universal Credit. For couples for whom work motivation was high there was little impact, and the same was true if there was a strong motivation for individuals to be a full-time carer. But conditionality rules did seem to make a difference to others, and to do so more strongly than the financial incentives in the Universal Credit system. Some of this was, however, 'compliance-based behaviour' (p88) – following the rules due to anxiety about the possibility and consequences of being sanctioned. Knowledge of the financial incentives was not always apparent.

In another DWP-commissioned study, Johnson et al. (2017) included lone parents and couples with children, with interviews about eight weeks after the Universal Credit claim was made and then again after four to five months. They also found that the conditionality

requirements were better understood than the work incentive elements. There was some evidence of flexible attitudes towards entering work and increasing earnings. But there was also concern among the people they interviewed that the work requirements were too high, were too 'one size fits all' and did not take sufficient account of individual circumstances or aspirations.⁵

There is a lot for couples to disentangle in the mix of joint and individual rules and requirements in Universal Credit (discussed further below), and previous research suggests that these work-care decisions are far from straightforward. The implications for couples could be far-reaching. For example, there has been concern that the financial (dis)incentives in Universal Credit might encourage some partners to reduce their hours of work or withdraw from the labour market (Lister, 2010; Bennett and Sung, 2013), eroding their access to an independent income from employment and potentially reinforcing traditional gendered patterns of work and care (Bennett, 2012).

Our research set out to examine how couples receiving Universal Credit make decisions about work and care and deal with their household finances in this new policy landscape. In our previous report, we focused on issues of monthly assessment and payment of Universal Credit, and how couples organised and distributed their household resources (Griffiths et al., 2020). This current report focuses on the options facing couples on work and care and the decisions they made. We were particularly interested to explore whether and how Universal Credit affects gender roles in relation to work and care, as well as couple relationships.

In the next section we describe the Universal Credit rules for couples. The final section of this chapter provides more detail on our research design, methodology and approach to the analysis.

Universal Credit – How it Works for Couples

Universal Credit is means tested on a family basis (adults and any dependent children living with them), with income (and capital if any) aggregated for couples. The award consists of a standard allowance for adults, with additional elements for children, disability, caring and childcare and housing costs where appropriate. There can also be deductions applied, including in relation to the repayment of advances, benefit/tax credit debts, rent arrears and some utility debts (and, for some, current energy, housing and water consumption as well). For the vast majority of people, the initial claim must be made through an online portal and the claim then also maintained online. For most but not all employees, there is an automatic update of earnings (through

For the vast majority of people, the initial claim must be made through an online portal and the claim then also maintained online

5. There is also some DWP research relating to in-work progression, but this focuses on the type of support that people would like to be able to access (Tu et al., 2021). See also SSAC (2018) on the research and policy challenges of in-work progression.

the Real Time Information (RTI) system) from employers via submissions made to HMRC for tax records. Self-employed people and employees not covered by RTI must report their own earnings. Changes in other circumstances must be reported monthly, as must childcare payments.

Couples must claim Universal Credit jointly, and they are responsible jointly for claiming and repaying any advances; they are also jointly responsible for reporting their income and circumstances, and for any debts, including from previous benefit claims by either or both partners. The assessment is based on income and circumstances on one day (one month on from the date of the original claim), and by default there is a single monthly payment into a designated bank account, which can be joint or individual. The monthly assessment means that there is a minimum five-week period at the start of a claim before any payments are made (one month to assess income and circumstances, and one week to start payments). There is no entitlement for any period of less than one month.

More details on the assessment calculation and methods of payment can be found in various online sources (for example, CPAG, Revenue Benefits)⁶ and in our previous report (Griffiths et al., 2020). Here we focus on summarising the aspects of Universal Credit relating to work and care – the conditionality rules, the financial incentives, childcare support and the role of work coaches.⁷

Conditionality for Couples

One of the first steps in the process is for claimants to agree, and sign, their individual ‘claimant commitment’, setting out the work requirements: what they must do to prepare for work, to look for work or to increase earnings. Each person has their own claimant commitment, and is placed in one of four main conditionality groups:⁸

1. All work-related requirements – looking for jobs, applying for jobs, going to interviews.
2. Work-focused interview and work preparation requirements only – contact work coach on a regular basis and prepare for work (writing a CV, training, work experience).
3. Work-focused interview requirements only – regular meetings with a work coach.
4. No work-related activity requirements – no requirements to prepare or look for work.

6. <https://askcpag.org.uk/publications/-206513/universal-credit>; <https://revenuebenefits.org.uk/universal-credit>

7. We draw on the DWP sources from their welfare reform website (www.gov.uk/welfare/welfare-reform) and Universal Credit Statistics (www.gov.uk/government/collections/universal-credit-statistics#latest-quarterly-bulletin) accessed in October/November 2021.

8. There are also six labour market regimes, for statistical purposes (DWP, 2021a).

Claimants who are partners in a couple can be allocated to different conditionality groups. Couples with children must also nominate a 'lead carer' and the work requirements for that person are determined by the age of the youngest child. Alongside these conditionality groups there are also individual and household-based earnings thresholds (SSAC, 2019). The earnings of one partner can therefore affect the conditionality requirements, and work-related support, for the other. The conditionality earnings threshold is set at the minimum wage for 35 hours per week (or fewer hours for some groups, including lead carers). An individual earning below this amount may be expected to engage in work-related activities (to prepare for work, to apply for work, or to increase their hours).

For couples, the earnings of the couple are combined and if they jointly exceed the conditionality earnings threshold then neither member of the couple is subject to any work-related requirements, even if the earnings for one partner are below their own individual threshold. And if one partner earns enough to meet their individual conditionality earnings threshold, that person will not be expected to look for more or better-paid work, even if as a couple they earn below the combined threshold. The in-work conditionality rules were not fully implemented at the time of our interviews. But those with earnings below their administrative earnings threshold are treated as unemployed and are therefore subject to full conditionality.

Self-employed people must be gainfully employed to get Universal Credit. They are assumed to be earning a minimum income floor, which is used as part of the calculation of their award. This is not applied to someone who is self-employed for up to a year. It was suspended during COVID-19 and is only now being reapplied gradually. Gainful self-employment and the minimum income floor substitute for conditionality for self-employed claimants.

Financial Incentives

The two main levers, or mechanisms, intended to act as financial incentives are the work allowance and the taper rate. The work allowance is the amount that some claimants can earn before Universal Credit entitlement is reduced. The work allowance is only available to those who are responsible for a child or young person or those with a disability or health condition that affects their ability to work. The work allowance is lower for those who get help with housing costs. For couples there is just one work allowance, potentially reducing financial incentives for couples to have two earners, as the 'first earner' may have already used this up. The taper rate is the amount by which Universal Credit is reduced for net earnings (above the work allowance, if claimants are eligible). This is now 55 per cent, although it was 63 per cent when we carried out our study. There is no limit to hours of work and payment of Universal Credit continues until earnings are high enough to reduce entitlement to zero. At this point the claim ends but can be restarted (without the initial five-week wait) if it is reactivated within six months.

Child Care

Universal Credit reimburses up to 85 per cent of eligible childcare costs, up to maximum amounts each month (for one child, or for two or more children). In general, both partners must be in paid work or have accepted an offer of paid work to qualify, and childcare costs must be reasonable given working hours. No minimum number of hours of work is required. The reporting of childcare costs is now usually done through the online journal and includes requirements to report childcare costs when these are paid, to show proof of the amount (for example, invoices, contracts) and proof of payments (a dated receipt or bank statement). Payment is then usually made in the next month. This means that claimants must pay upfront and be reimbursed later, which has been a source of hardship for some (Wood, 2021). There was a legal challenge on the grounds that this upfront payment had a disproportionately prejudicial effect on women.⁹ Work coaches can use the Flexible Support Fund for eligible claimants to help pay for their first set of childcare costs prior to starting work, until their first wage is received. There are also provisions for reclaiming up to three months of costs paid in advance, and for continuing to receive payments for a month after leaving. As with other elements of Universal Credit, the childcare payment is part of the overall award and so is likely to be reduced as earnings increase and may also be subject to monthly fluctuations.

The online journal is the main means of communication between claimants and work coaches, and claimants must report their job search and other activity there

Work Coaches

Work coaches within job centres run by the DWP provide the main point of contact for most claimants; they are responsible for agreeing the initial claimant commitment and keeping this updated, and for providing employment advice and support according to work conditionality group. The online journal is the main means of communication between claimants and work coaches, and claimants must report their job search and other activity there, as well as accept their claimant commitment, respond to any queries and manage their interview appointments. Work coaches can apply 'easements' to remove or reduce work-related requirements. Some of these are a legal entitlement (for example, in the case of bereavement, some caring circumstances or carrying out public duties). Other easements are at the discretion of the work coach, including, for example, domestic emergencies, homelessness and temporary childcare problems. Rules for sanctioning have changed

9. The case was initially upheld but was subsequently overturned on appeal: www.leighday.co.uk/latest-updates/news/2021-news/single-mum-nichola-salvato-will-ask-for-supreme-court-ruling-on-childcare-payments/. In Northern Ireland the regulations have been amended to provide a non-repayable grant of up to £1,500 paid in advance to a registered childcare provider. This is different from the Flexible Support Fund in that it amends the assessment itself. It is intended to cover initial costs so that parents will have sufficient resources to pay for the second and subsequent months of child care in advance and claim it in arrears in the usual way: www.communities-ni.gov.uk/news/minister-hargey-paves-way-upfront-childcare-costs

considerably in recent years, with review processes put in place between work coaches, team leaders and decision-makers – final decisions rest with a decision-maker. Official sanctioning rates have declined, including a sharp decrease during the pandemic, for a number of reasons, including suspension of conditionality requirements during the first lockdown (Webster, 2021). In general work coaches will be in contact with claimants on an individual basis but they may meet both partners in couples together.

In the following chapters we will provide more detail on these rules and requirements as we explore how they work out in practice for the couples we interviewed.

Research Design, Methodology and Analysis

This report draws on evidence from the ESRC-funded study *Couples balancing work, money and care: exploring the shifting landscape under universal credit*. The research involved two phases of in-depth interviews, about two years apart. The first phase comprised 123 individual and joint face-to-face interviews with 90 Universal Credit claimants in 53 households, in four areas in England and Scotland, between August 2018 and January 2019.¹⁰ The phase 2 interviews followed this up with 63 participants in 39 households. Phase 2 interviews were conducted by telephone rather than face to face due to COVID-19 restrictions and took place between August and October 2020. We had initially selected couples who had been receiving Universal Credit for at least six months, and so by 2020 many had been claiming for at least three years, including during the COVID-19-related lockdowns. Chapter 2 describes the characteristics of our sample in more detail and summarises key changes in household/family situations, in employment and in receipt of Universal Credit.

For this analysis, we draw on data from both sets of interviews, which were carried out by Rita Griffiths and Marsha Wood. We focused on the 63 individuals in 39 households who took part in both phases of the research. At phase 1 we aimed for three interviews per household (two individual interviews and one joint interview). At phase 2 we did not include joint interviews (which would not have been feasible over the telephone) and so there was a maximum of two interviews per household.¹¹ There were 23 households with a complete set of five interviews, six have four interviews, two have three interviews and six have two interviews.¹²

10. For more details of the sample selection see Griffiths et al. (2020).

11. This applies to couple households at both phases; for lone parents/single people at one or both phases the maximum possible number of interviews is lower. See Chapter 2 for discussion of family/household change.

12. This gives 37 sets of longitudinal interviews in 39 households, as the latter includes two couples who separated and both separated partners were re-interviewed, creating two new additional households at phase 2.

Our aim was to enable our participants to tell their stories about their experiences, largely in their own words

There were thus 157 interviews in the longitudinal analysis. This gives us very rich material, with up to some five to six hours of recorded transcripts for each household.

Our approach to the analysis starts with ‘thick description ... [an] in-depth, holistic picture of how a case unfolds’ (Neale, 2016, p112; see also Tardy, 2021). For our analysis, this meant starting with verbatim transcripts of all the interviews in each of the 39 households setting out their situations and their context, and the perceptions and views of the participants as expressed in what they said. As Neale (2021, p281) puts it, ‘Case analysis is a connecting mode of analysis that involves a chronological reconstruction and synthesis of case materials. It enables a diachronic, through-time reading of unfolding trajectories ... Once a suite of case histories is in place, unfolding trajectories and intersecting pathways can be compared’.

For each of the 39 households in the longitudinal sample we therefore produced a case summary – a two-to-four-page write-up which included key variables such as personal and household characteristics, employment status and changes, and the number of interviews (individual and joint). The main part of this initial case summary is a text which summarises key information from the set of interviews as a whole, and tells a story in narrative form, using the words of the participants. These initial case summaries were written up by the two members of the research team who had conducted the interviews. As our focus was on work and care issues, we grouped our 39 households according to the employment status of the couple at phase 1, so that we could follow their employment trajectories over time. The three groups consisted of ten households with two earners, 13 with one and 16 with none. The case narratives for each household were then analysed to draw out key issues and themes, while retaining a chronological, participant-driven structure. These accounts form the basis for chapters 3 to 5 below.

Our aim was to enable our participants to tell their stories about their experiences, largely in their own words. For the couples who started with one or two earners, we include all the cases. For those who started as no-earner couples, we selected cases to cover in more detail than others, to ‘test the interpretation of the data, not by being typical but by having characteristics that provide a focused lens on key issues’ (Millar, 2021, p632). From these first-person accounts we draw out themes both within each chapter and in our final concluding chapter, where we also reflect on implications for policy. Our first report covered monthly assessment and household money and payment issues (Griffiths et al., 2020), so this report focuses on what our couples said about work and care. However, as will become clear from the accounts, these are not separate issues but are intertwined in people’s everyday lives.

The analysis thus draws on individual and joint interviews, which include a lot of detailed personal information. We were therefore very conscious of the importance of maintaining confidentiality, and agreed a protocol in advance of the analysis and writing:

- To protect their identities, participants' names and some other details have been changed. Where such details (e.g. number and ages of children, nature of illness, type of job) might identify people, these were not changed in the initial case summary but, in preparing the report for publication, other members of the team read the text and the team as a whole agreed potential identifying details to be changed.
- Where there is a backstory providing further contextual information which is relevant to what the participants are doing/thinking about their situation, but which might make them identifiable, these were included in the initial case summaries but not in the text for publication.
- Where there is some difference in the accounts of the two partners, we avoid presenting these as 'she said ...', 'he said ...', but do discuss differences and conflicts as appropriate.
- We also chose not to include detailed accounts of some couples in cases in which they recounted particularly difficult, and sometimes distressing, circumstances.

Conclusion

Universal Credit creates a changed environment for work and care decisions by couples. Previous research suggests that these decisions are shaped by contextual factors and preferences in complex and iterative ways. The Universal Credit system adds an additional layer of complexity via a complicated mix of rules and requirements for claimants both as individuals and as households. Couples cannot claim as individuals but must claim jointly and, as with previous means-tested benefits, the couple is treated as a single assessment unit. Unlike those, however, there is one monthly payment per couple by default; and both partners in most couples, even those with younger children, must fulfil individual- and household-level work conditionality requirements. The presence, decisions, behaviours and earnings of one partner unavoidably affect the other; in the case of deductions for debts, even their past actions may be relevant.

This report analyses data from our longitudinal qualitative research to explore work and care options and decisions, and the implications for gender roles and relations. We present our data in the form of narrative cases, following employment continuity and change over the three years of our study. We conclude by drawing out key issues and the implications for policy. In the next chapter, however, we begin by describing the sample in more detail.

2

**Our Sample:
Changes
Over Time**

As discussed in chapter 1, the focus of our longitudinal qualitative study was to explore and understand how couples are experiencing Universal Credit in real life settings through examining their lived experiences over time. The subsequent chapters describe in detail the trajectories of the participants who took part in our longitudinal research (those who were interviewed at two different time points) to consider the ways in which Universal Credit, other aspects of the social security system and wider socio-economic conditions have affected their lives in relation to their work-care choices and family relationships. We focus on couples so that we can explore the complex mix of individual and joint elements present in Universal Credit and how these have an impact on their lives.

In this chapter we take the opportunity to give a broader description of our overall sample, focusing largely on those interviewed both in 2018–19 and 2020, as well as looking at the characteristics of those whom we did not re-interview. We also summarise changes in three key areas – family status, employment and the Universal Credit claim – that will be explored in more detail in later chapters. The purpose of this chapter is to provide the reader with a general overview of the sample characteristics and changes. Our in-depth analysis is provided in the subsequent chapters.

Our Sample

The first phase of our research took place between June 2018 and January 2019 when we conducted interviews with 90 participants from 53 households in four areas of England and Scotland. All participants were claiming Universal Credit at the point of their phase 1 interview, most as couples but some were lone parents or single claimants who had previously claimed Universal Credit or tax credits or legacy benefits as a couple. At that time 30 households were couples with dependent children,¹³ 11 were couples without dependent children, nine were lone parents and three were single claimants. In 24 households, there was at least one earner: nine were two-earner couples with children; 12 were one-earner couples with dependent children; one was a working lone parent; and two were working single claimants. Fifty-two participants were women, and 38 were men.¹⁴ We reported findings from those first phase interviews in detail

13. Dependent children are normally aged 0–16 years and must reside in the same household as the claimant to be included in the claim. Who counts as a dependent child is the same for Universal Credit as it is for other benefits and tax credits. If a child lives in two separate households, claimants will be expected to agree who has main responsibility and claim accordingly. In general, if a person is able to claim Child Benefit for a child, this child should also normally be included in the Universal Credit claim. Children aged 16–19 may be included in the claim if they remain in full-time non-advanced education or approved training.

14. More women than men were interviewed in part because all nine lone parents we interviewed were women.

Fifty-six of the 63 participants from 34 households were still claiming Universal Credit at phase 2. All of those whom we interviewed at phase 2 were either claiming or had previous experience of claiming Universal Credit as a couple

in our first report (Griffiths et al., 2020), focusing on how couples claiming Universal Credit handle household money and issues around the design and payment of Universal Credit.

Two years later we were able to re-interview around two thirds of our phase 1 sample – 63 participants, from 39 households (37 women, and 26 men). We carried out these second phase interviews between August and October 2020. Due to the COVID-19 pandemic, they were conducted over the telephone. Fifty-six of the 63 participants from 34 households were still claiming Universal Credit at phase 2. All of those whom we interviewed at phase 2 were either claiming or had previous experience of claiming Universal Credit as a couple. All 63 participants said that they were white. Most were social housing tenants (25 households), five were in council accommodation, seven were private renters and two owned their homes with a mortgage (one of these in a shared ownership arrangement).

Twenty-four of the 39 households at phase 2 were couples with dependent children, six were lone parents, four were couples without dependent children and five were single claimants without dependent children. All the couples were composed of one female and one male partner.

Nine couples had one dependent child (two were expecting their second child), 15 families had two dependent children, five had three dependent children (one of whom was expecting a fourth) and one family had four dependent children. Five couples were affected by the two child limit and three were affected by the benefit cap (see below).

The age range of the children was between nine months and 16 years, but most families had children below school age. For seven families, their youngest child was aged one or under. For 12 families, their youngest child was aged between two and four, for eight the youngest was aged between five and eight, and for three the youngest was aged 11–13. In all but two families the oldest child was aged 13 or under.

In 23 of the 39 households at phase 2, there was at least one earner: nine were two-earner couples with dependent children; ten were one-earner couples with dependent children; one was a one-earner couple without dependent children; one was a working lone parent; and two were working single claimants. The remaining 16 households had no earner: five were couples with dependent children; three were couples without dependent children; five were lone parents; and three were single claimants.

Attrition

Twenty-seven of the phase 1 sample of 90 participants (30 per cent) were not interviewed at phase 2. For 21, we were unable to make any contact either by email or telephone. The remaining six declined to participate in a follow-up interview. We conducted some analysis of those who did not take part at phase 2, in order to assess whether there were any key differences between them and those who did take part. While there was little difference in attrition by fieldwork

area or gender (28 per cent of women and 32 per cent of men did not take part in a follow-up interview), attrition was much higher amongst non-working, single, younger and more disadvantaged participants.

More precisely, attrition was highest amongst: lone parents (56 per cent of lone parents interviewed at phase 1 were not subsequently re-interviewed) and single claimants (75 per cent of single claimants not re-interviewed); those aged 18–24 at phase 1 (61 per cent not re-interviewed); those with long-term health conditions or disabilities at phase 1 (52 per cent not re-interviewed); individuals from no-earner couple households (40 per cent not re-interviewed); and those who had social work contact at phase 1 (38 per cent not re-interviewed). Thus, some of our missing participants at phase 2 may have been facing particular difficulties.

Changes in Participants' Lives Over Time

Here we explore some of the main changes in the lives of the participants between the two phases of our research in relation to personal and household circumstances, employment, and the Universal Credit claim.

Changes to Personal and Household Circumstances

We start with personal and household circumstances. Collectively, our longitudinal sample of 39 households had experienced a number of significant changes in the two years since we last spoke with them, including changes to partnership, health status, the number of children in the household and changes of address. A total of nine babies had been born to eight couples, including one couple who had twins. For one couple, the child had since been taken into foster care. Three participants said they were pregnant at phase 2, including one who had recently had her third baby.

Five of the 32 couples at phase 1 (two with dependent children and three without) were no longer couples at phase 2. In four cases, this was because of relationship breakdown (for two of these couples, only the female partner was re-interviewed). In one case the male partner had sadly died, resulting in his partner claiming Universal Credit as a single person. None of these former couples had since re-partnered. However, one participant who was living apart from her partner at phase 1 and claiming Universal Credit as a lone parent was now claiming Universal Credit as a couple (the new partner was not interviewed).

Changes to physical and mental health also figured prominently. Eleven participants reported that they had experienced a deterioration in their health since phase 1, including being diagnosed with a specific illness or condition. Five individuals from five different households had started receiving the limited capability for work and work-related

activity element of Universal Credit which now (since April 2021) includes an additional amount of £343.63 per month¹⁵ (see later in this chapter for more detail).

Eleven households had moved to a new house since phase 1. Four were couples with children and four were single claimants, two of whom had moved due to leaving the home they previously shared with a partner from whom they were now separated. Two were lone parents and one was a couple without children.

Changes to Employment

Employment changes could be quite complicated, with both members of the couple potentially changing employment status and/or jobs and/or hours of work between interviews. Starting with individual status, the 63 participants at phase 2 fell into three main groups:

1. out of work at both interviews – 20 women and 5 men
2. same job and same hours – 7 women and 6 men
3. experienced change – 10 women and 15 men.

The last group, 25 people with employment changes, covered a range of situations and experiences:

- Seven (one woman and six men) who were not working at phase 1 had started work since phase 1 and were still in those jobs at phase 2.
- Six (three women and three men) had a different job at phase 2 from their job at phase 1. Two (both women) were working fewer hours in their new job. Four (three men and one woman) were working the same, full-time, hours in their new jobs.
- Six (four women and two men) stayed in the same job they had at phase 1 but their work hours were different. Two women were working fewer hours at phase 2 and two women were working more hours (although their contracted hours remained the same, they were taking on additional shifts every month). Two men were working more hours. One of these men was working more hours in his main job and had also taken on an additional job.
- Three men were not working at phase 1 or phase 2 but had had at least one job in between.
- Two women were no longer working in the job that they had at phase 1 and had not worked since.
- One man's phase 1 job ended; he then got a new job, but this had recently ended before his phase 2 interview.

¹⁵ If participants are on a joint claim and both have limited capability for work and work-related activity element, the award will only include one element.

For the purposes of our analysis, which focuses on work-care arrangements and decisions in couples, we were most interested in how participants' employment status changed as a *couple* and the reasons for this. We therefore grouped our participants into categories according to their earner status as a couple at (or, in a few cases, before) phase 1, so that we could explore how their employment status changed over time. This gave us three main groups: two-earner couple (10 households), one-earner couple (13 households), non-earner couple (16 households).¹⁶

Table 2.1 Household Employment Status at Phase 1 and Phase 2

Status at Phase 2	Status at phase 1			Total
	Two-earner couple	One-earner couple	No-earner couple	
No-earner couple	1	1	6	8
One-earner couple	1	7	3	11
Two-earner couple	6	3	0	9
Non-earner single	0	2	6	8
Earners single	2	0	1	3
Total	10	13	16	39

Table 2.1 shows the employment status for the household at phases 1 and 2 (see footnote below). This therefore includes both changes to marital status (couples splitting up and new couples forming) as well as changes in employment. Of the 39 households at phase 2, 19 had the same employment status at both (six two-earner at both, seven one-earner at both, and six no-earner at both). There were eight households of single no-earners at phase 2: six had previously been no-earner couples and two had been single earners.

In 10 of the 39 households, both the partners were in paid work at phase 1. All had dependent children. At phase 2, six remained as two-earner couples, one had become a one-earner couple, and another had become a no-earner couple. One couple had separated. Both were interviewed again, and both were working.

At phase 1, there were 13 couples with only one earner. At phase 2, seven of the 13 were still one-earner couples; three had become two-earner couples; and one had become a no-earner couple. Two couples had separated, and in both cases, the female partner was now claiming Universal Credit as a non-working lone parent.

16. Five households were lone parents or single people at phase 1. They have been assigned their status when they had claimed previously as couples, with three allocated to no-earner couples and two to one-earner couples. This may be described below as 'at phase 1'.

In 16 of the 39 households neither partner was in paid work at phase 1. Two years later, a large majority were still without work: 12 of the 16 households who had no earners at phase 1 also had no one in paid work at phase 2. These three groups are the focus of the analysis in chapters 3 to 5.

Of the seven whose claims had ended, this was because they were earning above the threshold for Universal Credit eligibility

Changes to the Universal Credit Claim

The majority of participants interviewed at phase 2 (88 per cent, or 56 out of 63) were still claiming Universal Credit. Of the seven whose claims had ended, this was because they were earning above the threshold for Universal Credit eligibility. For one couple who had separated, the female partner had started claiming Universal Credit as a lone parent, while the male partner was working full time and no longer claiming.

For nearly all of the 56 participants with a live claim at phase 2, the Universal Credit payment was paid into the same bank account as at phase 1. Of the 25 couple households still claiming Universal Credit at phase 2, 16 said that it was paid into the female partner's account, five into the male partner's account and four into a joint account. In only two couples had there been a change in the bank account into which the Universal Credit payment was made. For one couple with two dependent children, the payment was changed from the male partner's account to a joint account. For another couple, the Universal Credit payment was switched from the male partner's account to the female partner's account.

Twelve of the 34 households (35 per cent) still claiming Universal Credit said that their payment fluctuated from month to month. This compares to half of households who said this at phase 1 (26 of 53 households). There could be various reasons for this change which will be explored further in later chapters.

Three of the households at phase 2 said that they had changed the frequency of their Universal Credit payment since phase 1. One non-earner couple had changed from monthly to twice monthly payment. One non-working lone parent and one non-earner couple had changed the frequency of their payments from twice monthly back to monthly.

Five individuals from five different households had started receiving the limited capability for work and work-related activity element of Universal Credit. In total eight of the 56 participants (14 per cent) still claiming Universal Credit at phase 2 were receiving this. This compares with just three of the 90 participants at phase 1. There were various reasons for this increase – a lack of initial awareness, worsening health resulting in a capability for work assessment, or delay in getting the medical diagnosis or going through the appeals process to get an original decision (successfully) overturned. There were a few others in our sample who, despite describing challenging health issues at both phase 1 and phase 2, were not aware of the limited capability for work and work-related activity element of Universal Credit.

One couple without children, one couple with dependent children and one lone parent said that they had changed their arrangements for paying their rent since phase 1 and were now having their rent paid directly through Universal Credit to the landlord.

Almost two thirds of the households in our sample who were still claiming Universal Credit at phase 2 (62 per cent, or 21 out of 34) were having deductions taken from their Universal Credit payment for debts other than the advance loan. Participants in 10 households (five couples with children, one couple without children, one single claimant and three lone parents) said that they had taken out a budgeting loan since phase 1.

Five couples (10 individuals) in our phase 2 sample said that they were affected by the two child limit. This compares to one couple and one lone parent at phase 1. Three couples (six individuals) in our phase 2 sample mentioned that they were affected by the benefit cap at phase 2 (though not at phase 1), compared with two individuals (a single claimant and a lone parent) at phase 1.

There was a reduction in the numbers in our sample experiencing work-related conditionality requirements at phase 2. We do not report these numbers here because this is likely to reflect the temporary suspension of conditionality during the first lockdown which had not yet been reintroduced for some of our participants when we interviewed them. This is discussed further in later chapters.

At phase 2, we re-interviewed at least one partner from all six of the couples who said at phase 1 that they had applied for or had claimed the childcare costs element of Universal Credit. Only one of these couples was still using it. None of the other 29 families with children was using the childcare costs element of Universal Credit. This low rate of take-up and retention is explored in later chapters.

COVID-19 Related Support

In March 2020, in response to the COVID-19 pandemic, the UK Government announced a temporary increase of some £20 per week (or £86.67 per month) to the Universal Credit standard allowance. This was extended from a year to 18 months, but it was then removed from payments of Universal Credit in October 2021.

Some of our participants said that they were not aware of an increase in their Universal Credit payment or said that the additional amount they received was less than the £20 per week uplift. Thirty participants did not notice an increase compared to 23 who did and three who were unsure. The reasons for this were complex but linked to fluctuating Universal Credit payments, deductions and changes in entitlement to other means-tested benefits such as Council Tax Support, making changes in income less noticeable. Three families were also affected by the benefit cap; so they would not have been entitled to receive any, or only some, of the additional payment as a result of the uplift. Findings from our study in relation to the £20 uplift have been analysed in detail in a separate policy briefing (Griffiths, 2021).

Of the 33 participants who were working at the point of the March 2020 lockdown, 11 (one third) were furloughed, while 22 were not and continued working throughout. Of the 11 who were furloughed, the period of furlough was typically short, lasting no more than a few weeks.

Conclusion

Having summarised some of the key changes to participants' lives, employment and Universal Credit claims between 2018 and 2020, we look in detail in the next three chapters at the trajectories of the couples in our study, exploring the complex interplay between personal and household circumstances, how this may influence the engagement of the individual partners in these couples in work and care and how work-care arrangements unfold over time.

3

**Balancing Work
and Care with
Universal Credit
when both
Parents Earn**

Driven by economic necessity and a reduced acceptance of partnered women's financial dependence, it has become increasingly the norm among couples with children for both partners to earn. But across the earnings spectrum, and whether children are of pre-school, primary or secondary school age, combining paid work with childcare responsibilities while simultaneously pursuing employment goals is often a complex juggling act. For parents in low-paid or insecure work whose earnings are low enough to entitle them to Universal Credit, the challenge may be greater still.

As described in chapter 1, policies in Universal Credit to support and incentivise (as well as oblige) both parents in a couple with children to enter work, increase their earnings and progress in employment include financial help of up to 85 per cent towards childcare costs and personalised support delivered by a work coach. Both parents must usually be working to access payments towards childcare costs, but the help is available regardless of the number of hours worked. To qualify for the childcare costs element of Working Tax Credit, both parents had to be working at least 16 hours per week (unless one was unable to earn for health or caring reasons). Working people with children, and claimants assessed as having limited capability for work, are also entitled to a work allowance in Universal Credit, which allows some earnings to be disregarded before entitlement is tapered away. Reflecting the legacy system, the amount that can be earned before the taper begins to reduce entitlement is the same regardless of whether there are one or two working partners in the couple. But, unlike the tax credits system, additional earnings in one year cannot be ignored until the next, but are rather accounted for in the month they are paid.

Help with childcare costs, and a conditionality regime which normally requires both partners in a couple with children to work or look for work, are intended to increase the number of 'second earners'¹⁷ taking up paid employment, thereby reducing levels of child poverty and 'welfare dependency'. Since most (potential) second earners in couples are women, helping them to enter and progress in employment could also improve women's earnings and economic empowerment. But whether or not these policies are actually helpful to two-earner families – and the extent to which they influence the decisions made by partners in couples about whether one or both should work, work longer hours or look for better-paid work – is open to question. To date, there has been very little research on the experiences of two-earner families claiming Universal Credit. This is in spite of working mothers, and 'second earners' in couples, being critical to its success (DWP, 2018).

17. The term 'second earners' used here and throughout is primarily to denote the chronological order in which the partners in a couple have taken up paid employment. Usually, 'first' earners also tend to work longer hours or have higher earnings than 'second' earners.

The findings offer a unique insight into the experiences of a group of Universal Credit claimants that have, thus far, received little attention in policy research and discussion

To help fill the evidence gap, we begin our findings chapters by exploring work-care arrangements and employment transitions between 2018–19 and 2020 among the nine couples in our research in which both partners were working in 2018–19. All these couples had one or more dependent children. Seven couples had one full-time and one part-time earner and two couples had two part-time earners at phase 1. Of these nine two-earner couples, six had two earners by 2020, one couple had only one earner and another had no earners. The ninth couple had split up and formed two separate working households, with the total number of households therefore being 10 by 2020. By 2020, two of these 10 households were no longer claiming Universal Credit and another frequently received a nil payment due to household earnings exceeding the threshold for entitlement. In this chapter, we hear the stories of these couples. The findings offer a unique insight into the experiences of a group of Universal Credit claimants that have, thus far, received little attention in policy research and discussion.

Staying in Work

Seven couples had two partners in paid work both in 2018–19 and in 2020. However, while there were still two earners at both points in time, jobs and working hours had often changed in the intervening period. Some partners had increased their hours, and some had reduced them, while others had ended one or more jobs only to start another.

Reducing Working Hours and Changing Childcare Arrangements

Pippa and Stephan are in their early twenties and, in 2018, have two children aged three and two. They live in a privately-rented three-bedroomed house on the outskirts of a Scottish city. Pippa is employed as a carer and contracted to work 22.5 hours per week. Stephan recently started a 30 hours per week contract as an apprentice manager with a national supermarket chain. Universal Credit is the first means-tested benefit the couple has claimed. Getting Universal Credit has made a huge difference to the household finances. Before they applied, Pippa was supporting the family on her wage alone. *“We didn’t think we was entitled ... so before we [applied] for Universal Credit, we were very hard up ... Stephan was self-employed and he wasn’t getting much work and I was the only [earner] ... it was quite tough ... When we got Universal Credit it was a huge relief because we knew we were going to be financially better off.”*

One regret is that their current working hours limit the amount of time they are able to spend together as a family. Pippa says, *“I work and then on my days off my partner works ... if there was a little bit more time for ourselves it would be nice”*. Juggling their different shifts and the child care is also a challenge. Stephan explains, *“My oldest goes to nursery on a Monday and a Tuesday and my youngest goes to a childminder on the Tuesday and that’s*

when I do my shift in the morning ... so I finish at about two o'clock, just in time to go and pick my oldest son from nursery ... and [Pippa] does her shift ... into the evening". With two sets of childcare providers and fees to pay in advance, reclaiming the Universal Credit contribution in arrears requires expert choreography. "My childminder, she takes a month in advance, so she gives me the monthly invoice, I then take a picture of it, send it to them on the date that I pay it ... When [Stephan] gets paid, he pays the [nursery]. We send them the invoice and then on the 8th of the month they give us the money back, but it's a month in advance ... so the end of September we have paid for October ... if that makes sense!"

Budgeting a single monthly payment can also be challenging, due to their wages and Universal Credit being paid at similar times of the month. *"We get paid our wages at the end of the month and UC comes in right at the beginning of the next month, so it's kind of in the same week we get paid everything ... two payments rather than one would be better."* Living in Scotland, they have the automatic right to twice-monthly payments, but they seem unaware of this. Because they both work variable hours, their Universal Credit payment and childcare contribution also fluctuate each month, adding to the difficulties of keeping track of their finances. *"It depends on our earnings ... if we've earned a lot then they take off more ... So our childcare [element] fluctuates as well, that could be less one month and more the next."* On the other hand, the payment compensates for lost wages when Pippa takes time off if the children are ill. *"I don't get paid if it's time off for dependants and if I'm sick from work, we can only have a certain amount ... so I will tend to say it's time off for dependants. I don't get penalised for that at work but I don't get paid for that."*

The loss of Universal Credit entitlement as her earnings increase makes Pippa reluctant to work extra shifts. *"Work, sometimes they'll phone me and say, 'oh, can you do this shift, we're short-staffed', and sometimes I'd say 'yeah', but then sometimes I see it as a waste of time because I'm basically working for free because they're just going to deduct it off me ... I'm reluctant to work extra hours because it doesn't benefit you in any way."* When she accepts an extra shift, it is mainly to help out her employer. *"I do still occasionally pick up shifts ... [but] ... more for my work than actually myself though, it's, like, just helping out."* On a management training scheme, in which longer working hours are expected, Stephan has a different take. *"I think with my job, as you progress your hours do become a lot longer anyway ... Your contracted hours – if you go over that, then it will deduct it out of your UC money ... I don't mind, like, because either way you're going to get your wage or you're going to get it in UC, so it's no big difference really ... I work as many hours as I can whenever there's overtime."*

With work and caring a shared responsibility, they question the notion of a 'lead carer'. Pippa says, *"We've always really done it equally ... we have always been equal with work ... Me and Stephan are very equal ... we both work shift patterns, there's some nights where I'm not home and some nights where he's not home ..."*

but we both do pull our weight ... I think we're both equal, so I don't really like nominating a [lead] carer." One aspect of Universal Credit that did work well for them was the help Stephan received from his work coach. "I was looking [for work] before Universal Credit but with having the work coach, it helped with me with these new sites ... and they helped me with my interview skills ... They done a lot and I'm [grateful] for them ... I was desperate for work. If I wasn't going for this job I was looking at maybe going into the Army."

Two years later, in 2020, the couple has moved into social housing. Paying £300 rent per month instead of £600 is a welcome boost to their disposable income. Their moving date, though, means that they lose some of their Universal Credit entitlement towards their rent – something that they find unfair and hard to fathom. *"We moved out of our [rented] property ... I'm not really too sure how it worked ... we had paid that month's rent but UC ... said they overpaid me."* She challenged the decision but it was upheld. *"I actually ended up owing that money."* She still finds it hard to understand why. *"I had to pay that back ... it's only recently been paid off ... £300 ... It was really frustrating ... They [said]... 'we understand that you've paid [the rent] but the way it works out on our system, it was too early'."*

The couple's childcare arrangements have changed too. Having to evidence childcare costs and reclaim them each month was a time-consuming chore for Pippa. *"I had to physically take the invoices in, which was, like, really frustrating and because I didn't live close to the job centre ... and I didn't drive ... it was the same amount each month but I still had to go in."* Changing to an online system helped, but then other technical hitches occurred. *"They changed it to online and that was obviously better, but that's when [other] problems started ... [I had to] upload documents and ... sometimes they weren't happy with the way the document was signed by the childminder, so I had to ... re-do it ... and take a picture on my phone."* They now use the 30 hours of free nursery provision but might have continued with their childminder had the reclaim process in Universal Credit not been so demanding. *"We had the choice to keep our youngest in with the childminder who he had a really good relationship with ... but the monthly thing was really frustrating, so we just went with the nursery option ... We would have probably been more inclined to keep him with the childminder."*

There are changes on the work front, too. Stephan has given up his management apprenticeship and reduced his hours of work. *"I was doing 30 hours but I've reduced it to 25 ... it was getting a bit too much for me ... I've gone down to a store assistant."* As his traineeship progressed, the expectation to work longer hours became increasingly hard to juggle alongside caring for the children. *"Before I lowered my hours, I would always do overtime ... so it would end up coming off the UC ... it got to the point where it was very limited for me to do extra because ... there [was no one] to look after the kids."* Their older child is now at school and the younger one goes to nursery, but their work patterns involve evening and weekend work when school and nurseries are closed. *"[Pippa] ... work[s] 9 till 9 ... My hours vary ... between*

6 and 2 or 2 till 10, so it was always having to be balanced around the kids, because we haven't got family that are close by ... to help look after the kids."

Pippa elaborates on the difficulties of working long, late and changeable shifts. *"[I] work ... 12-hour shifts, so I do three in a row ... it gives me the rest of the week to be there to pick the kids up from school ... but Stephan's shifts can change ... He's actually in the process of looking for another job to make it fit better."* Working extra also means that she must commit to a full 12-hour shift. *"I do struggle to pick up shifts, so it's not often that it does happen because when I'm at home, Stephan's at work, and usually when he's at home, I'm at work."* Working longer hours also means less Universal Credit and less time with the children. *"If you earn over a certain amount they start taking money off what you're entitled to ... I just feel like sometimes it doesn't ... work out beneficial to do more, it's like you're losing out on time with your family for nothing."*

When Stephan's mental health begins to suffer, he approaches his employer. *"I've been feeling depressed ... so I spoke to my boss ... I said I think it would be a bit easier for myself if I do one day less a week."* His employer is happy to oblige. *"They've been fantastic ... can't fault them at all, they're really, really good for fitting around families."* He feels much happier working fewer hours. *"I've noticed a lot of difference, I'm not as stressed as much and my anxiety I feel like's calmed down."* Family life, too, has benefitted. His reduced hours mean that each parent has been able to home-school the children during the lockdown while the other is at work. Pippa says: *"I thought we might have been penalised because he lowered his hours but we weren't."* Reporting Stephan's change of circumstances, though, causes him some administrative problems; he has forgotten his account password. Pippa says she could have done it on her journal but, even though it is a joint Universal Credit claim, the system did not allow this. Instead, Stephan is obliged to take a day's leave to visit the job centre in person. *"He had to go into the job centre and get a whole new thing set up ... We are a couple and I could have done that and it would have saved a lot of hassle ... [Stephan] had to take a day off work ... I couldn't do it online but I was communicating with them through [my journal] to say that he couldn't remember his details."*

They did not notice any change in their Universal Credit payment during the pandemic, but Stephan says that their council tax inexplicably increased. *"Council tax started raising for some reason ... and it was a lot higher than the year before ... For each month, I think it was, like, an extra £40 to £50."* He is at a loss to explain why, but the reason may be due to the £20 per week uplift in Universal Credit, which may have reduced their entitlement to Council Tax Support. Pippa is more up to speed. *"We're not entitled to council tax reductions at the moment", she says, "I feel like if we worked less, we would be entitled to that ... Sometimes it's quite frustrating, it kind of stops you moving forward and doing better because you're going to be financially worse off"*.

Ultimately their goal is to leave means-tested benefits and buy their own house, so they are both looking for better-paid work and Stephan is learning to drive. Neither partner has had any contact with a work coach about this. Pippa says, *“I was told when we first applied for UC that when my youngest reached a certain age they would contact me about upping my hours ... but that hasn’t happened, I haven’t been contacted”*. She speculates that this is because she is working enough. *“Every week I am over my hours because I do three 12-hour shifts.”* However, she would appreciate some employment support to help with a career change. To make up for Stephan’s lost earnings, she is looking for a job in a different field. *“I’ve been in the same job for almost seven years ... I’ve gone as far with it as I can, I’ve done all my qualifications ... so I’m currently looking for work ... I’ve recently applied for a job with the DWP actually!”*

Administrative Burden of Reclaiming Childcare Costs

Another couple for whom the difficulties of reclaiming childcare costs were influential in work-care decisions are Celia and Jacob. In 2018, Celia was employed as a nurse for 24 hours per week, while her partner Jacob worked full time as a maintenance worker. They had two children aged six and eight. Celia mainly worked late shifts, from 1pm to 9pm, allowing her to drop the children off at school. After school, the children went to an afterschool club, before being collected by a childminder. Jacob would then pick them up from the childminder after his shift ended, usually at around 7pm.

But the administrative burden of reclaiming their childcare costs started to become too onerous for Celia, on top of their already busy lives. With the childminder often unable to provide invoices, evidencing childcare costs required monthly bank statements to be produced. *“We didn’t have any signed invoices ... so you have to request [a bank statement] from your bank at a fee or, like, print screen them, get a log in, log in to internet banking at work, because you don’t have a printer at home ... and then take pages and pages of your bank statement to UC and say, ‘here’s your evidence’.”* With a relatively small, but highly variable, payment of between 80p and £100 per month, the couple decided that changing their shift patterns and increasing their working hours would be less burdensome than continuing to claim Universal Credit. *“It just ended up being such a faff I gave up on it to be honest ... I just got fed up with it, so I didn’t bother.”*

In 2020, Jacob has changed his shift and now works from 7am to 3pm. This means that he is now able to collect the children directly from school, avoiding the need for paid child care. It is only when he has an emergency call-out that they need to use a childminder. Celia still drops the children off at school but has started working weekend shifts. Her increased hours and Jacob’s call-out allowance and overtime have pushed their joint earnings above the threshold for Universal Credit entitlement. Celia said, *“We found out because we went to put in a claim for our childcare costs ... at that point they*

said 'no, you're over the threshold'". She was not unduly concerned. "It's nice not to need it ... you don't want to be in a position of having to be getting help from the government really."

Trading the Burden and Scrutiny of Self-Employment in Universal Credit for Longer Working Hours

Carla was another working parent who found claiming Universal Credit to be administratively burdensome but, in her case, it was due to being self-employed. She and her husband Tony live in a four-bedroomed socially-rented house in the north of England. They have three children living at home aged 18, 14 and 11, and two older children at university. In 2018, Carla was working 32 hours per week as a self-employed cleaner. Paid £8.75 per hour, plus a small petrol allowance, she earned about £8,000 per year after travel expenses. Tony has had a series of jobs over the years, including as a hospital porter, industrial cleaner and factory operative. When the younger children were at primary school, he was the family's main carer while Carla worked full time. After six months' unemployment, he has just started agency work as a full-time warehouse packer. "We do 12, 13 weeks on the agency and ... that's the trial and ... if you keep your head down and do your job, then you get took on." He explains that, although both of them have always worked, their earnings have never been continuous or high enough to qualify for contributory benefits. "It was something to do with the National Insurance contribution we paid ... jobs here and there ... so I didn't contribute enough to get anything back." During his most recent spell of unemployment, the family was dependent on his wife's earnings topped up by Universal Credit.

Carla recounts a litany of problems arising from the claim. Waiting eight weeks for the first payment, but still in receipt of tax credits, the couple incurred a large overpayment and ran up significant rent and council tax arrears which took them many months to repay. The payment is also much less than they received on tax credits. Putting a further squeeze on their finances was the loss of entitlement to free school meals. "We earn too much apparently ... a couple of hundred pounds too much, so they don't get free school meals ... It [costs] about £30 a week for the two of them." Carla needs a car to get to her cleaning jobs. Keeping up the payments on their car lease agreement means that food and other household bills are paid using credit cards. Finding themselves in debt, in 2018 the couple set up a four-year 'Individual Voluntary Arrangement' (commonly known as an IVA) which involves them paying £186 per month.

Though Carla regularly uploads her monthly income and expenditure, several months into the claim she receives a journal message telling her that they have been overpaid Universal Credit by £1,500. The payment stops. "They're ... trying to say it was fraud ... that I'd declared everything wrong, so then they stopped it." It later transpires that the error lay with the DWP, but it took many months to resolve. "They'd done the mistake at their end ... they'd been working it out on how many miles I'd done ... I'd been telling them how much

Waiting eight weeks for the first payment, but still in receipt of tax credits, the couple incurred a large overpayment and ran up significant rent and council tax arrears which took them many months to repay

petrol I'd used, so it wasn't matching up ... Somebody in head office took it over and rang me up and said ... it was them that were wrong." Her work coach helped to sort things out. *"My work coach was ... really nice and helpful ... when the UC made the mess up, she ... kept messaging them and ... saying 'don't worry' and 'I'll sort it out', and she did, she was brilliant."* But the same issue recurred.

Large oscillations in the payment from one month to the next compounded the difficulties. *"Every month ... it was like hitting a brick wall, they would, like, pass me from pillar to post, and they'd say, 'oh, you're self-employed' ... It was a nightmare ... I was constantly ringing them up."* They have little idea how the amount they get is affected by earnings and said that the taper has no influence on their decisions about working hours. *"Doesn't enter our heads",* Carla says. They just work as many hours as they are offered. But the looming presence of Universal Credit in their lives is a constant worry. *"If you've not done what you're told to do ... it's a bit scary really, when people are working and trying ... their best ... they're watching you all the time ... to make sure you're doing as they're saying."* She sighs, *"In an ideal world, we don't really want to be claiming any UC"*.

Two years later, in 2020, their claim remains open, but the payment is often nil because the couple's monthly earnings often exceed the threshold for entitlement. Neither partner has had any contact with a work coach in the intervening period. Tony is in the same job but has not been made a permanent employee; he is still working through the agency on a temporary contract. Carla has given up on self-employment and is now employed directly as a carer. Submitting her income and expenses every month was onerous enough, she said, but the figures she uploaded were rarely taken at face value. *"If you didn't do enough hours, Universal Credit would be wanting to know why your income had decreased. For example, if you were to take holiday ... they'd want to know why and ... they'd say to you, 'you need to set back some money aside for when you are away on holiday', so, like, they didn't have to pay you."* Taking time off work due to sickness also caused problems. *"If I'd been unable to work ... obviously ... I didn't get sick pay ... Universal Credit would want to know ... why have you took time off work?"* Sometimes the payment would be withheld until she provided further information. *"There'd always be messages in the journal online, asking you to contact them before any payment would be released."* She came to the conclusion that it would be less troublesome if she were employed rather than self-employed.

In 2020, the family is financially better off, but there is a significant trade-off: Carla's excessively long hours. She has a zero-hour contract but currently works 55 hours per week. *"It's quite stressful because I'm ... never at home ... I did start by saying I didn't want more than 30 hours, but I think I must have been there about four weeks when it went up! ... I have actually had to write a letter to reduce my workload."* Their youngest child has developed a serious health problem, but her employer is reluctant to allow her time off to look after her when ill. *"When [my daughter] is poorly, I have to ring in sick ... There has been a few occasions they've said, 'oh you'll have to find someone*

to cover your work yourself' – but I've just ignored that ... because I don't feel like that's my responsibility!" She receives no sick pay, so uses her holiday leave. One good thing about Universal Credit, she says, is the automatic adjustment in the payment if she or Tony is off work due to sickness or caring responsibilities. "I've had to take time off to look after [our daughter] ... So we got more UC." Not having to reapply, even after receiving a nil payment, is also an unexpected bonus. "It's just an automatic thing, which I'm quite surprised about, because I thought you would have had to reapply."

But although their Universal Credit payment is now small and irregular, the administrative demands and scrutiny have not entirely gone away. "If Tony was ... off sick ... it will say to me, 'oh, your partner needs to log in before we can continue with the change of circumstances' ... [he] will then have to log in and do his bit ... [There's] quite a lot of day to day stuff and ... it's there in the back of your mind all the time." Carla says that tax credits were much less demanding. "Before, when it was just the tax credits, you just had to do it yearly, they sent a letter through the post, you signed it and sent it back, whereas now it's, like, constant ... it's like they're watching you all the time, wanting to know your every move." She would like to reduce her hours but, with the youngest child now at secondary school, their claimant commitments require both parents to work 35 hours per week. "From when we very first started claiming it and it put us into arrears ... it has had a huge impact on our way of living ... You're fighting all the time to keep your head above water ... When UC came in, everything changed ... I don't think it's helped us in any way as a family."

Achieving Work-Life Balance with Two Part-Time Earners

Unlike many other working families in our study, Lily and Warren said that Universal Credit was "incredible", allowing them to achieve their preferred work-life balance – with both parents working part time while sharing responsibility for the care of their two children, aged 8 and 5. A couple in their late thirties, and both graduates, the family live in a privately-rented house in the south west of England. In 2018 Warren worked 20 hours per week for a specialist food outlet while studying for a master's degree. He also boosted the family's income with self-employed earnings as a freelance writer. Lily worked 25 hours per week in the personnel department of a large supermarket. By splitting their working week in two, they were able to share the child care equally. Warren was responsible for looking after the children for the first half of the week and Lily for the second half, an arrangement specifically designed to avoid the need for paid child care.

For this couple, the most contentious part of claiming Universal Credit was having to nominate a lead carer. "Although [we are] doing roughly 25 hours each a week and sharing the before and after school duties, we had to nominate which of us was the primary carer ... so we named Lily, which then meant that there was no pressure on her to be seeking work ... but then that's what led to that initial feeling of the pressure being on me ... I remember thinking that was absolute

nonsense, because we literally 50/50 split the care.” Because their combined earnings are above the conditionality earnings threshold, Warren’s work coach is unperturbed. “He just sort of waved it through ... It was, like, ‘yeah, but you’re earning so it’s fine’.” Nevertheless, they feel that the policy is unnecessarily inflexible and should be changed. Lily said, “That’s not really how modern families work”. Warren suggested, “The only thing that I would change is ... the necessity to have a lead carer ... that could be removed with just an extra line in the algorithm ... a little tweak to the system”.

In 2020, both Warren and Lily were working in the same jobs but were among the few participants who had managed to progress in their careers. Warren had been awarded his master’s degree, was now working 30 hours per week and had increased his self-employed earnings. “I’ve always done a minimum of about 20 hours ... and for the last year and a half ... since I finished my MA, it’s, like, 30.” Lily says that, for them, the taper works as intended. “It’s actually worth you working more because you’ll earn more than you would have got on UC. So that’s another incentive really because we’ll have a bit more money to play with.” Since the first COVID-19 lockdown, Lily has worked from home. She is about to start a professional qualification paid for by her employer. “I’m looking at the opportunity to be paid through my company to get my HR qualification ... that will obviously change everything ... because I’ll be able to apply for a much higher level position.” It has all been done under their own steam; there has been no contact with a work coach in the intervening period. “We are a light touch claim, so ... we never hear anything from them. I got one call 12 months after we went on to UC in 2018 ... and I’ve never heard from them since.” Although she understands why it fluctuates, Lily dislikes the variability in the payment. “I don’t like the fluctuation, I’d much rather know how much I was going to get every month ... I understand how it works and ... why it’s like that, but it can be tricky if you’re budgeting.” This said, she accepts that the changeable amount is “part and parcel of what Universal Credit is” and that it reduces the likelihood that they will be overpaid.

Since the start of the pandemic, with no commuting costs, few opportunities for non-essential spending and extra hours of work for Warren, this couple has managed to save some money for the first time. “Because I was taking on those extra hours, ultimately UC dropped a bit ... but [the pandemic] meant that we could save ... Every single month before lockdown we would always run out of money pretty much the day that Lily got paid ... whereas now we’ve got a very comfortable buffer, and that’s made a massive difference.” Having a clear understanding of how monthly assessment works has led Warren to adjust his invoicing arrangements, which minimises the chances of having a nil payment. Rather than receiving large lump sums, he spreads his invoices and self-employed earnings across several months, thereby ensuring that they retain some entitlement to Universal Credit. “For people I know are going to pay promptly, I can say, ‘actually, can you pay me in two weeks?’” Even his clients are getting to know the system. “[My client] said to me, ‘I don’t want to give you it all in one go because ... I know that you’ll

lose your benefits' ... so I think we split it into three ... for June, July and August." As a result, their Universal Credit payment is more consistent than before. "It's sort of regulated itself ... so it's not fluctuating as wildly now", says Lily.

Reflecting back over the three years they had been claiming Universal Credit, Warren said, "It's been great for us ... I'd rather be in the position of ... earning that money than claiming it, but at the same time, it does mean that ... we always drop the kids off at school and we always pick them up". Unlike many other couples with experience of claiming tax credits, Warren and Lily say that they prefer Universal Credit. Partly this is because their award is higher; but it is also due to the reduced risk of overpayment. "Tax credits, which were funnily enough a lot less than UC, I don't understand why ... but they were exactly the right amount every month. Saying that, though, I still prefer UC because ... with tax credits ... you'd get it for a year and then they'd be, like, 'oh, you've been overpaid' ... it's better for that reason." Summing up, Warren says, "For us it's been amazing, it's helped us ... it's given us money when we've really needed it ... and it's a decent amount of money that gets us through our month ... I have no concerns about UC ... I know that I can rely on it". Lily's overall assessment is equally positive. "I know some people hate it, but it's helping us ... we both work part time and ... to be at home with the children, I can't knock it, I think it's incredible."

Reduced Hours and De-Skilling of the Working Mother

Annabel and Douglas are both earning in 2018 and in 2020, but work trajectories are static for Douglas and downwards for Annabel. Although Douglas works the same number of hours in the same job, Annabel is not only working fewer hours by 2020 but also, from being a full-time manager, is now employed as a part-time cleaner.

A couple in their late thirties, they live in a socially-rented flat in a village in Scotland and, in 2018, have two children aged four and two. Douglas works full time on the minimum wage as a vegetable picker. Annabel, who has a psychology degree from an overseas university, had just started full-time work as a production manager for a local food company. Having paid £2,000 for the upfront costs of child care on her credit card, but aware that their joint earnings will be likely to exceed the threshold for Universal Credit entitlement, she is anxious to know when they will be reimbursed, but the information has not been forthcoming. "I reported the child care we're paying ... but since then I don't have any answer!" But the childcare costs are never reimbursed and her job does not last beyond the probationary period. "[My child], he was vomiting, and they phoned me and asked me to leave him with somebody else and I had another phone call, they asked me when I will be able to go back and I said, 'but I don't know' ... In the afternoon over the phone they told me not to go back because they can't support me with my childcare issues."

They reclaim Universal Credit and Annabel begins to look for work. She says that information and communication have improved since the last claim. "They respond timely online and we don't have

She is also disappointed to find that she has been poorly advised about Universal Credit conditionality rules – which in fact mean that, as lead carer with a partner working full time, she is not required to work full time until their youngest child is 12

to go to the job centre ... Now there is a lot of information about the first payment, how the payments are calculated. [Previously] there was nothing, almost nothing." A meeting with her work coach helped to clarify the process of reclaiming her childcare costs. After asking for help in advancing her career, she is referred to an employment agency but, as a graduate, the CV writing and short, entry-level training courses on offer are of little help to her.

She is also disappointed to find that she has been poorly advised about Universal Credit conditionality rules – which in fact mean that, as lead carer with a partner working full time, she is not required to work full time until their youngest child is 12. Part-time employment, she says, which would have suited her better, was never suggested. "The job coach [was] always saying full-time jobs ... the option for part time was never discussed." On the other hand, the possibility of being sanctioned was clearly to the fore. "My impression was that the people are there mainly to ... inform sanctions, they're not there to give us support ... their approach to everyone is that we are lazy people who don't want to work ... not to support people to find a balance between working and family." Knowing that she can choose to work fewer hours while remaining eligible for Universal Credit is something which now strongly influences her choice of job and hours.

Douglas has a much poorer standard of English than Annabel, making her better placed to find alternative employment. "It's highly unlikely for him to start looking for another job, I had to accept the fact that I should be more flexible." But getting a job with more flexibility entails working significantly below her skills and qualification level. The 20 contracted hours per week she now works allow her to pick and choose her shifts to fit around her children but, from being a production manager, she is now employed as a cleaner. With both parents working variable shifts, Annabel says that she continuously monitors their Universal Credit payment to ensure that they receive the correct amount. When Douglas's earnings are incorrectly reported through HMRC's RTI system, she spends many hours trying to get the underpayment refunded. "I start checking and looking at e-mails and ... I actually figured out that they made a mistake and we are underpaid. I started phoning and phoning and phoning ... So finally we get a top-up of around £109." But the error recurs. "An hour almost every time when I tried the phone, I just was leaving the phone on the loud speaker and then listening and listening." With a small child to care for, she gives up. "Especially [with a] little one ... I just accepted what it is and never ... tried to call any more to change them or anything."

The inclusion of childcare costs in the monthly payment is another aspect of Universal Credit that she struggles to manage and accept. Particularly puzzling is why the childcare contribution decreases when they work longer hours – precisely at the point when they need to pay for additional child care. "Sometimes we can receive more than £600, sometimes we can receive £200 ... I don't understand why ... that amount goes down instead of going up!" Support with childcare costs recently stopped because her partner worked overtime. Douglas works overtime out of loyalty to his employer and to maintain his job

security, Annabel says, but it leaves the family financially worse off. She is looking forward to the time when their younger child turns three and is able to access the government's free child care. *"I'm hoping that she will start full-time nursery and I will be able to manage my work around the hours she's at the nursery to drop completely off the childminder."*

Reducing Hours to Avoid Having to Reclaim Childcare Costs

Earnings disputes, difficulties reclaiming childcare costs and a reduction in working hours by the female partner also feature strongly in the story of Jenny and Paul, a couple in their late twenties. Here, the stress of juggling work and paid child care while claiming Universal Credit contributed to the breakdown of the couple's relationship.

In 2018, Jenny and Paul have two children aged one and three. Jenny fell pregnant in her second year of university. She withdrew from the course and claimed Universal Credit as a lone parent. When she found herself pregnant again, the couple moved in together, giving rise to the joint Universal Credit claim. They are both working, Paul full time as a telecoms engineer and Jenny as a part-time carer. They live in a socially-rented flat located on the edge of town in the north of England. But neither their relationship nor claiming Universal Credit has gone smoothly. With two young children, juggling work and child care is a struggle at the best of times but, for Jenny, managing the Universal Credit claim is an added burden. *"We ended up in about £1,500 worth of rent arrears ... because when I first went on UC they didn't pay me for two months."* Taken to court, she found that the amount she had agreed to pay her social landlord was over-riden. *"They paid the rent plus I think it was £100 UC decided to pay towards my arrears, but the court order says it's £43."* This larger deduction matters, because she uses the Universal Credit payment to pay her childcare costs. She struggles on but, returning to work from maternity leave after having her second child, Jenny is left in debt again and unable to pay the nursery fees because of fluctuations in the (late) reimbursement of childcare costs. *"They just kept messing up my childcare payments ... I went back to work as arranged ... but ... I couldn't afford to pay the nursery."*

The couple say they were never made aware that the childcare element of Universal Credit is reduced by the taper in the same way as other elements are, against earnings, and on a monthly basis. *"I wasn't aware ... that [it] was dependent on how much you earn, I thought that [it] was just because you worked you could get this help with child care until they were eligible for the free child care."* The monthly means testing of childcare help is particularly hard to accept. *"I just assumed that because we were both working parents that that was just the help that they offered you to help you stay in work ... It didn't make any sense to me."* Paul takes up the story. *"It was down to the way they were calculating what we had received in pay from our employers that month ... it just seemed to be hit and miss as to whether we were*

going to get them reimbursed or not ... If you don't pay your child care ... you can't go into work ... it's just like a never-ending spiral downwards and ... you sort of feel helpless."

Jenny explains the added difficulty of paying childcare fees upfront and reclaiming in arrears. *"Say you've paid £500 upfront ... you claim that back ... but then ... for whatever reason it's late or ... something's wrong, you then have to find another £500, so you're £1,000 down."* Paul adds, *"You're living month to month ... there's no savings you can just fall back on"*. They looked forward to a time when they would no longer need to claim benefits. *"We don't want to claim benefits, we'd rather be working parents ... At least you know when you're not working, it's kind of stable and you're getting a regular payment, whereas if you're working [and getting Universal Credit] you don't know what you're going to get when!"*

When her employer reports six months' earnings in one go, the couple falls foul of surplus earnings rules and the Universal Credit claim is automatically ended. *"My old employer did six months' worth of earnings in one go ... that's just how they reported it, the company wasn't very good, they wasn't very by the book ... so it looked like I had about £6,000 in one month."* Even though her bank statements proved that she had actually been paid her wages monthly, the couple was informed that they were ineligible to reclaim Universal Credit for three months, until the bogus 'surplus earnings' had been expended. Jenny raised an earnings dispute but heard nothing back. *"The complaint I put in was ignored and I was writing on my journal asking for updates and if there was any help I could apply for, because it was, like, three months, we didn't get anything."* Eventually, they were informed that the original decision had been upheld. *"Because ... we got UC when technically we shouldn't have been entitled to anything [they said] it all sort of balances out ... It hit us really hard, it was, like, one thing after another."* In debt and unable to pay the nursery fees, Jenny gave up her job and the Universal Credit payment stabilised. *"I was getting into all sorts of debt ... trying to pay nursery so I could go to work. So I left that job and so I was unemployed for a little bit and Universal Credit seemed to, like, even out."*

Jenny discloses that, since claiming Universal Credit, she has experienced a deterioration in her mental health. One incident particularly upset her. *"I asked for an advance payment because of the mess-up with UC payments ... The lady ... she just completely shut me down ... she became really, really snotty ... I ended up putting the phone down because I'd started crying ... The way she was speaking to me, it made me feel really anxious ... it caused me to dip quite badly with my mental health."* She found the tone *"very cold and uncaring ... When you ring them for help, you're ringing usually out of desperation, as a last resort ... but they can ... be quite harsh with you, when ... you really need someone to be understanding and sympathetic of the situation you're in."* She felt so strongly about her treatment that she made a formal complaint and was pleasantly surprised by the

response. *"I got contacted by one of the top people ... [I got] £50 ... I think it was a goodwill gesture ... they said they would ... give training on the things that I'd raised ... which was good."*

But ongoing problems with the Universal Credit claim take their toll on the couple's relationship and, by 2020, two years later, they have separated. Paul has moved out and has a new, better-paid job. Jenny is claiming Universal Credit as a lone parent and working part time, still as a carer, but with a new employer who pays a higher hourly rate. As the former payee when they were a couple, she says that managing fluctuations in the amount she received caused resentment and arguments. *"Paul ... always seemed to think that I was paid loads of money from UC ... I tried to explain it to him, like, the money changes every month ... [If my money went down] I just had to, like, make up the shortfall ... every time I brought that up with him ... we'd argue."* A dramatic increase in her hours of work also contributed to the demise of the relationship. *"I was working up to 80 hours a week."* Sleepover shifts and weekend working enable the couple to reduce their reliance on Universal Credit, but the long hours are gruelling. *"I didn't want to stay on UC", she explains, "so I was just picking up any extra hours I could around Paul's and over the weekend ... He was looking after [the kids] in the evenings, or of a weekend ... Then my mum ... would have them [overnight] ... and Paul would have them over the weekend while I worked ... We didn't have to pay child care, so it meant we had a bit extra money".*

With both parents working full time, they were no longer entitled to Universal Credit, but Jenny's excessively long hours limited family time. Paul says, *"We didn't get the time together that we should have, as a couple or as a family ... we were both just working as much as we could to get by"*. After the separation, Jenny continues working full time with the help of her mother, who had since retired, and can look after the children on weekdays. Paul, now in his own flat, takes the children at weekends. However, the arrangement only lasts a matter of months before Jenny is obliged to reduce her hours of work. *"Paul was refusing to have the kids while I was working ... so I was, like, panicking because ... I couldn't just last minute tell work that I couldn't work ... I spoke to my boss and asked if I could reduce my hours ... so I'm just working part time ... seven hours a week plus a sleepover."*

Part-time work is easier to combine with looking after the children, Jenny says, but, as she works variable hours and shifts, her Universal Credit payment still fluctuates. *"There's a slight crossover between months with wages and UC ... it's really confusing ... Last month ... I did pick up a couple of extra shifts because we were really short-staffed ... the whole thing ... confuses me! I'm hoping my hours will settle down, so that UC settles down ... It would be so much easier if I knew exactly every month what I was getting because I can't budget properly ... then I'd just feel a lot more organised with my money and manage it a lot better."* No longer in need of paid child care, she has managed to clear her debts, but variability in the Universal Credit payment continues to cause her budgeting difficulties. *"I'm not in debt ... but if I knew every month, it would be much simpler."* Each month there is an anxious wait

for her online statement. *“I worry a lot ... around the last day of the month I’m checking UC every day until my statement goes on, and then from about the 9th of the month I’m checking my work log-in for my payslip, and I’m trying to figure ... what I’m going to get from my wage, so I can ... decide what to pay with on UC day and then what to pay on wage day.”*

Her previous dealings with the call centre still rankle. *“I used to dread ringing them, I still do ... I just hope that every month that my payment is right and that I don’t need to contact them ... I haven’t spoken to anyone with UC ... since I opened my [new] claim ... no one’s been in touch with me and I actively try and avoid ringing them.”* This said, she would like to be kept updated about what will happen when her youngest starts school. *“It would just be reassuring to have a letter to say ... ‘you have a three-year-old, so in a year’s time you need to start looking for more work’ ... but there’s no support there to help you understand what the changes are going to be.”* She says that full-time work, or an increase in hours, would only be feasible if it did not involve paid child care. *“I’d only be working to pay child care. So, for me, working less hours and ... working on the days when my mum has the [children] means that I’m better off financially, so UC isn’t encouraging me to go and work full time, because doing that would just be stressful and pointless.”* Working part time, on the other hand, is *“a lot better ... [As a single parent] it’s ... helped me balance out my life”*. Achieving a work-life balance has, though, come at a cost. Five years after Jenny first claimed benefits, now working part time and claiming Universal Credit as a lone parent, she is more or less back to where she started.

Means Testing of Payments Towards Childcare Costs Discourages Claimants from Working Extra Hours

Laura and Gerald, a couple in their late twenties with two children aged two and six, are struggling to cope financially after getting married and moving in together. In 2018, both were working in the same family business, Laura two full days per week as an administrator, and Gerald as a full-time sales assistant. They had recently bought their own home on the outskirts of a Scottish city, and were one of only two couples in this research who paid a mortgage rather than rent. Prior to claiming Universal Credit, Laura was claiming tax credits as a lone parent and living apart from Gerald. Moving in together and claiming Universal Credit had generated large debts that, in 2020, the couple was still struggling to repay. The claim had been backdated to the date of the marriage, producing a large tax credit overpayment. Deductions were also being taken for an advance loan of £1,500 that they needed to help pay their mortgage while waiting for the first payment.

Now living some distance from their place of work, they find that their new house is too far from Laura’s mother, a registered childminder, to enable her to provide their child care as she had done previously. With early starts and an hour long commute each way to work and back, they eventually find a local childminder for the two days that Laura works. But long working days incur high childcare

They both feel that financial help with childcare costs should be separate from Universal Credit and not withdrawn against monthly earnings

charges. “[We need] to drop the children off at half seven in the morning and we don’t get home till half six at night ... they then charge that extra.” Another setback is when they discover that the childcare costs element of Universal Credit is means tested against earnings, meaning that their childcare costs are refunded at a much lower rate than the 85 per cent they had understood would be ring-fenced as part of their award. Laura says, “Even though they tally it up as 85 per cent, you’re not actually then getting that on top of your ... money ... but adding that into what you should be entitled to and then taking that off your home pay”. Refunded for less than 50 per cent of their actual childcare costs feels “like a con really”, says Gerald. “They tell you you’re getting one thing, whereas realistically you’re nowhere near it.”

They both feel that financial help with childcare costs should be separate from Universal Credit and not withdrawn against monthly earnings. “If they kept the child care separate ... it would work”, said Gerald. Laura agreed: “If they’re going to offer to help pay with child care, I feel that should be a separate allowance ... People that are working that have got families, they don’t benefit from it at all”. The reduction in entitlement in line with earnings had discouraged Laura from taking on extra hours. “It’s not worth Laura working any more hours than what she is”, Gerald explains, “because that extra that she would be making would be then going on child care”. Laura concurred. “The more I work, the more money then goes to child care, that’s my problem ... that extra money I’m earning is literally going straight to the childminder.”

Reclaiming their childcare costs was especially burdensome due to paying for their child care weekly. Part of the working week was organised around copying invoices and bank statements at the office where they had free access to a printer. A key challenge in 2018 was that the system for uploading evidence online was unreliable. “Technical glitches ... their computer system at their end isn’t verifying. So they can see I’ve reported my childcare costs, but because the computer’s not verifying it in their end, it doesn’t add it into your payment.” When the system is down, Laura is required to produce evidence in person at the local job centre, a 45-minute walk from their home, “just to hand them a slip of paper ... a total waste of your day”. Gerald told a similar story. “Every single week [we are] having to do that and things were getting questioned ... payments not being sorted correctly ... the plan was to make it simpler and merge everything into one payment but really they’ve just kind of screwed everybody over.”

Using the call centre could also be a frustrating experience. “Your case manager isn’t just dedicated to you, they’ve got, like, thousands of other cases, so they don’t always come back to you ... it’s just some random [person] that answers the phone ... and they’re not interested in helping you ... they were just so rude.” Getting their childcare costs refunded involved constant pushing and cajoling. “Unless you phone them, they don’t do anything about it. You, you’ve got to be on the ball to make sure that you are getting what you’re entitled to. They’re making you work to have this ... so you’re basically doing all their work for them.” Laura compared reclaiming childcare

costs in Universal Credit with the simplicity of tax credits. *“You just put your renewal in and you just fill everything in for the year and ... if anything needed updating, they done that, no problem ... whereas with UC, you need to work to have your money.”*

In 2020, the family continued to struggle. Both partners were working the same number of hours in the same jobs, but the household finances had taken further hits. Furloughed at 80 per cent of her previous earnings, Laura found that her wage was subject to a further cut. *“[My boss said] because I don’t need child care, my salary was taking a cut ... I was the only one to take a cut in the workplace ... when I questioned my salary and told him I didn’t think it was fair ... he said ‘you’re lucky that you’ve even got a job considering the circumstances we’re under’.”* Earning much less than her husband but being expected to pay a large share of the bills was also putting strain on the couple’s relationship. *“I says, ‘you’re earning more than me, I need you to transfer at least £100 a month to at least help me cover the bills I need to pay’ ... it has put a bit of strain on our relationship.”*

Unhappy with her job, Laura had started to look for work that was closer to home, but there are few part-time jobs locally that fit around school hours. *“I hate my job! I’m trying to get out of there because I don’t get treated equally ... I’ve tried Lidl ... Aldi’s, I got rejected because I couldn’t just drop everything to go and cover a shift.”* There has been no contact with a work coach and she is wary of asking for help. Overall, they feel that they have been let down by Universal Credit. *“When you’ve got a family and you’re on a very low income ... I just feel they’re now making families worse off ... they should be trying to support [us].”* Gerald says, *“We’d be better off if the two of us didn’t work at all”*. But they know that this is not an option; with a mortgage to pay, if either of them stopped working, they would risk losing their home.

Reducing the Number of Earners

Just one couple changed from having two earners in 2018–19 to having one earner in 2020. Here, the unexpected arrival of twins was a key reason for the female partner’s decision to give up work but, in common with other couples, their experience of Universal Credit, in particular the uncertainty of the payment and unreliability of means-tested payments towards childcare costs, were important contributory factors. Another couple went from two earners in 2018 to none in 2020.

The Multiple Counting of Wages Causes Reductions in Universal Credit Payments Towards Childcare Costs

Kerry and Samuel are in their early thirties and, in 2018, had two children aged three and six. Their older child has cerebral palsy and receives Disability Living Allowance. In 2018, Samuel was working full time as an industrial cleaner and Kerry was working 21 hours per week as a housekeeper at a nursing home. Both are paid the minimum hourly

rate. Two years later, Samuel was in the same job but had reduced his hours to 30 per week and Kerry was no longer working. There were two new additions to the family – twins, born in 2019. The couple's Universal Credit entitlement is subject to the two child limit. They said that they received no additional child element when the twins were born. But with four children, including one with disabilities, to care for, the couple felt that having both parents in work was no longer feasible.

In 2018, Kerry highlighted the difficulties of managing work and paid child care with a benefit payment that varied from month to month. *"£847, that's what our first payment we had ... then ... £330 and then we had nothing one month, and then this month we've got £927."* Samuel described the often arbitrary reasons for the fluctuations. *"Last month we didn't get a payment at all because my partner got paid on a Friday, usually she gets paid last working day but because she got paid on Friday."* Errors in the automatic reporting of earnings from HMRC also contribute to loss of entitlement. *"They say, 'we've just had information from your work that you took home £1,200' ... and we try and explain to them [it's wrong] and they said, 'well, I'm sorry but ... we just get information from HMRC'. So then the UC goes down because they think I've took £1,200 home, but I haven't ... I've got a wage slip in front of me."* Getting to the bottom of these problems is slow and time-consuming.

Errors, and the multiple counting of wages within the monthly assessment period, reduce the Universal Credit contribution towards their childcare costs. When awarded a nil payment, the couple are obliged to take out a loan to pay their nursery fees. *"We got a loan out to cover ourselves ... we had to pay the nursery out of our own money, so it left us very short last month, really bad, really bad it was!"* Both parents spoke of the emotional impact this was having. Samuel said, *"From that time when we didn't get a payment, we were ... really upset, sort of angry ... thinking, like, how do we live with our two children what we've got to feed?"* Kerry agreed: *"sometimes I would ... cry"*. It has also affected their relationship. *"We've argued ... we've had disagreements about money, you know, especially with the UC about the payment issues."* Tax credits, they say, were much easier to manage because they knew in advance what they would get paid. Samuel said, *"We preferred Child Tax Credit ... it would go straight into Kerry's account ... there was no arguments, nothing ... if they can stick to the same payment each month and know what you're getting, then it would be fine"*. Kerry preferred the legacy system too. *"On the other benefit you knew where you were ... literally you'd know, like, the date you get paid and what it would be."*

Over time, they have gained a clearer understanding of how earnings affect the Universal Credit payment but, rather than incentivise extra hours, this has had the effect of discouraging Samuel from working overtime, while prompting Kerry to stop work altogether. Samuel said: *"Because the UC will go down, so it will affect the UC, so that's why I don't do overtime"*. Income stability, and reliable benefit payments, they said, were more important than maximising the household income. After the twins were born, Kerry decided not

to return to work. *“I’m better off ... with not working at the moment because ... if I was at work ... I wouldn’t be guaranteed the UC.”*

With one regular wage, their Universal Credit payment varies by about £20 per month, which is much more predictable and manageable for them. Having lost faith in their ability to reclaim childcare costs through Universal Credit, Kerry says that she will return to work part time when the twins can access free child care, aged two. Had it not been for the difficulties of recovering their childcare costs in Universal Credit, Samuel says Kerry would already have returned to work. *“She probably would have gone back to work ... what put us off ... was the prices ... even two days a week ... you were looking at about £900 a month ... we just didn’t have that sort of money.”*

Unreliable Universal Credit Payments Versus the Security of Disability Benefits

Joe and Stella are in their late twenties with two children aged one and five, and went from having two earners in 2018 to having none when interviewed in 2020. They live in a socially-rented, three-bedroomed house in the south west of England. In 2018, Joe is working in a warehouse for between 40 and 50 hours per week on the minimum wage. He cycles an hour each way to work and back to save on commuting costs. Stella works seven hours per week as a sessional youth worker. She has physical and mental health difficulties and, with two young children, these are as many hours of work as she feels able to do.

Stella’s low hours, below the income tax and National Insurance threshold, mean that her earnings are not always captured by HMRC’s RTI feed to the Universal Credit system. Consequently, she must self-report her earnings each month. However, with both automatic and manual reporting of earnings her wages are sometimes duplicated, giving rise to an underpayment of Universal Credit. Having two sets of wages paid at different times of the month also makes it hard to tell whether the payment is correct. *“The thing is, when it shows our earnings, it puts them as joint ... so it’s hard to differentiate whether they’ve over-estimated.”* She finds the time it takes to correct errors, and the inconsistent advice she is given, immensely frustrating. *“It can take over an hour to get through on the phone to self-report my earnings ... with a one-year-old running around ... I have to ring by a very specific date ... Depending who I speak to depends whether I have to ring up by the 7th or the 8th of the month ... and I’ve rung on the 8th, well that’s a late payment, that’s late information.”* Fluctuating earnings and Universal Credit entitlement also have knock-on effects for Council Tax Support and liability. *“Each month we get a new council tax bill ... so I can’t budget ... The slightest change can have the biggest impact ... the last ... five months, I’ve had I think about seven or eight different council tax statements and they’re all charging me different amounts.”*

With a highly volatile Universal Credit payment, Stella is in a constant state of anxiety and deliberation with Joe about how to balance their income against outgoings. *“Finances is always, always*

there in the conversation, we'll discuss it just about every day, but we're telling each other when we got paid, what we got paid, what we've got coming out when and where ... A couple of times a day I'm regularly texting him about what's going on." Having to manage the Universal Credit claim "is like having two jobs ... [I have] to manage them, I have to ring up and make sure that they've got it right". She describes the impact on her mental health. "I'm on anti-depressants because of the stress of having to ring up and deal with them multiple times in the month, worrying about whether we're going to get money, whether we're going to get penalised or not." Joe understands the stress Stella is under. "My partner having to spend ... so many hours on the phone, I kind of get the tail end of that. She's not taken it out on me, she's just venting her frustration." But his manager has started to take note of the many phone calls and continual texts. "It's getting to the point where [her] texts are starting to bug my bosses at work!"

In the 'working enough' group, and with a one-year-old child, neither partner has had any contact with a work coach, but support is what they want. "I don't need [a work coach] apparently because the baby's too young and I'm working ... But not having one means we don't get the full information that we should ... Just because we're both working doesn't mean that we shouldn't get the full service of what UC offer." More information about childcare support could have made a difference, says Stella. "We could have got help with child care, that would have made a huge difference ... that would have been really useful from the start ... [Joe] has had to at various times change his work pattern to suit [mine]. I've had to not go to work because there is no one else to look after the children." Joe agreed: "A little bit more clarity would be good, so that we know what's available to us. I think when we took out the claim, it would have been nice if we were given an information pack, saying this is ... some of the services that are offered".

In 2020, neither Stella nor Joe is working. Stella was made redundant from her job in 2018 and has not worked since. Soon after that, she had a work capability assessment and was awarded the limited capability for work and work-related activity element in Universal Credit. Worth around £340 per month, it is more than her take-home pay when she was employed. Her poor health and low earnings potential had made her reconsider whether it is worth her returning to work at all. "If I was to go back to work as an assistant youth worker we'd probably lose about £100 difference between my wages and the limited work capability." Also making her think twice was her previous stressful experience. "I don't really want to deal with having to ring them up every week to tell them wages, or every month ... I really don't want to go back through that again." But the desire to be a role model for her children is strong too. "I want to be able to show my kids ... that the woman doesn't just stay home to look after the kids ... that actually I've gone to college and I went to university, and I've used those skills and put them forward to a job ... it's about what's right for me and for the family more than anything."

The uncompromising message that leaps out from these powerful narratives is that, rather than helping working partners in couples with children to progress in terms of their earnings and employment, or facilitating a manageable mix of work and care, in many cases Universal Credit has compromised progression

Joe was also made redundant in 2019 but had found new employment straight away. The new job, in the kitchen of a local restaurant, was full time and slightly closer to home, but broken promises about pay rises and progression had recently induced him to leave. Stella spoke of his excessively long hours of work – sometimes from 9am until 1 o'clock in the morning – and the unpredictability of his shift patterns; he would not be notified about these until the start of the week. Intending to find a job with fewer hours, he left sooner than he had anticipated after a disagreement with his supervisor about his pay rate.

Prior to this recent period of unemployment, the couple felt that their overall situation had improved. With no earnings to report, the administrative burden on Stella has eased. Although their monthly payment continued to fluctuate with Joe's variable shifts, the extra money from the limited capability for work and work-related activity element provided a small buffer. When Joe was furloughed, they had even been able to save some money. *"I did get furloughed over lockdown, I was on 80 per cent pay ... We managed just fine. UC bumped us up to where I should have been ... I've gone up to nearly £1,400 in my current account, that's the first time in years ... I wasn't spending as much money on fuel getting to and from work. I wasn't buying food whilst I was at work."* Stella also mentions other help they received during lockdown, including food vouchers, the suspension of deductions for an historical Housing Benefit overpayment, and a deferral of overdraft charges. Neither partner was aware of the £20 per week uplift, probably due to the monthly variability of their payment.

During the lockdown, Joe had begun to re-evaluate the family's work-life balance. *"It was amazing! ... Not having to worry about what's going on at work ... it was just nice to be able to come out into the garden and play with the kids and just relax ... After lockdown, when I went back in, I was already in the process of looking for a new job ... [I want] ... more daytime hours, so that I can have at least the evenings ... and hopefully weekends."* He had been job searching hard and was confident that he would find suitable employment soon. His main concern was whether he would be sanctioned for leaving his job without having another one to go to.

Reflections

The uncompromising message that leaps out from these powerful narratives is that, rather than helping working partners in couples with children to progress in terms of their earnings and employment, or facilitating a manageable mix of work and care, in many cases Universal Credit has compromised progression and added to the burden of balancing work and childcare responsibilities in two-earner families. A payment that frequently oscillated unpredictably each month in response to changes in earnings also often exacerbated, rather than ameliorated, income insecurity and was burdensome to manage and budget with. Couples adapted their work-care

arrangements as best they could to manage this uncertainty; but this often went against the grain of policy intent, with some working mothers reducing working hours, downgrading their position or leaving their jobs.

But not all couples responded to the unpredictability of Universal Credit by reducing hours of work or giving up jobs; some did precisely the opposite and increased their hours. Couples with older children and those in employment giving them greater influence over working hours sometimes changed shift patterns or worked longer hours, allowing them to leave means-tested benefits altogether. Earning above the threshold for entitlement released couples from the constraints and uncertainty imposed by monthly means testing. Wanting to eliminate the looming presence of Universal Credit in their lives was also an important part of the overall picture. When Universal Credit was implicated in the decision to increase earnings, it was therefore often due to attrition; couples stopped claiming to escape the ongoing scrutiny, administrative burden and budgeting difficulties associated with dealing with a benefit that is assessed and adjusted monthly. In other cases, people increased their working hours for contractual, professional and other employment-related reasons unconnected with Universal Credit.

A number of complex, mediating and complicating factors is at play here, but three issues stand out. Firstly, difficulties associated with child care. Couples who needed formal, paid-for child care to allow both parents to work struggled the most. The evidence strongly indicates that the childcare costs element of Universal Credit – a major policy mechanism for encouraging both parents in a couple to work, which is rigidly tied to monthly assessment and the means testing of earnings – is ill-suited to the needs of many low-income working families, particularly those with irregular earnings. Of the six couples in this research who had accessed the childcare costs element of Universal Credit in 2018–19, only one was still receiving it in 2020. Childcare costs must be paid upfront with later reimbursement, which is difficult enough for low-paid parents; indeed, as covered in our phase 1 report (Griffiths et al., 2020), many couples in this research were put off accessing the help on offer for this very reason. But, for the families here who had struggled to overcome this hurdle, further barriers were placed in their way – specifically, inclusion of the payments towards childcare costs in the monthly means test and the administrative burden of reclaiming childcare costs monthly. While online systems for uploading information had improved between 2018 and 2020, the ongoing, monthly requirement to evidence fees and payments placed an additional burden of effort and stress on the working parent with responsibility for organising and paying for child care – typically the mother.

Contributions towards childcare costs absorbed within the single integrated monthly payment, and tapered away as earnings rose, were also difficult to predict and manage in practice. The complex relationship between monthly earnings and entitlement – made worse for couples with two working parents – and the unreliability

of the contribution they received towards childcare costs, made it virtually impossible to calculate the financial impact of working additional hours. Having already passed a means test which confirmed their eligibility for financial help with childcare costs, couples were genuinely perplexed as to why the amount they got was reduced precisely as the need for paid child care increased – when one or both partners worked longer hours. The complexity of dealing with the childcare costs element of Universal Credit was contrasted with the relative simplicity of childcare help under tax credits, which did not require the monthly evidencing of payment and reclaiming of fees, and could be relied on to pay a consistent monthly amount for a year, allowing working parents to budget and to plan work-care arrangements ahead of time.

The unwieldy and unreliable nature of this financial help towards childcare costs led some second earners to reduce their hours of work or leave their jobs. When they did, the Universal Credit payment and household budgets often stabilised and work-life balance improved. Some working mothers felt that they had little choice but to trade well-paying jobs offering progression opportunities for more flexible, but generally lower-paid, work below their skill and qualification levels. Other couples changed shifts and reduced hours of work to avoid the need for paid child care, or switched to using the free 30 hours per week of childcare provision in term time for three- and four-year-olds with working parents.

In making these adjustments, there was little evidence that any of these parents had benefitted from help and support to increase their earnings or find a better-paying job. Work conditionality and face-to-face contact with work coaches were suspended during the early part of the pandemic, but this group of claimants had had virtually no contact with a work coach since long before COVID-19. If one or both parents were ‘working enough’, this appeared to exclude all possibility of contact and help. Work coaches may not have the time or training to offer in-work support, but the agencies to which a few parents were referred when they were unemployed and between jobs were also generally unable to help.

The second significant issue for couples with two earners was work incentives. Couples were aware of and understood the work allowance for working parents, and were grateful for the extra income it granted them. But while the 63 per cent taper (at that time) was seen as unfair and demotivating by many, work decisions of ‘first’ earners were largely indifferent to, or made in spite of, any effects that their earnings might have on the Universal Credit payment. For second earners, who were more likely to be women, the taper was often viewed in a negative light, seeming to penalise rather than reward work and additional hours. There was little evidence that either of these measures incentivised work or higher earnings; indeed, the opposite was more likely to be the case, particularly for parents who were the Universal Credit payee, for whom the reduction in entitlement was felt most acutely. Knowing that the Universal Credit payment received by their partner would be reduced or might cease altogether if they

With two sets of wages to contend with, monthly fluctuations in the Universal Credit payment in response to changes in earnings could be hard to forecast and to budget

earned more could also disincentivise additional hours among first earners. And, because women were more likely to be the non-waged or lower-earning partner, and also the payee for Universal Credit, it was often women's income that fell when (their partner's) earnings rose. The difficulty of predicting drops in the payment and the fear of a reduced amount in future months, or of losing entitlement to Universal Credit altogether, also discouraged couples from working more hours, taking on extra shifts or accepting offers of overtime.

Another complicating factor is that decisions about working hours were often closely tied to job characteristics and employment conditions. Few were in jobs or had contracts that allowed them to routinely pick and choose the hours they worked. Whether offered too many hours, too few or just the right number, those with agency jobs or zero-hour contracts often had little say over work patterns or the length of the working week. Offers of overtime or additional hours, when made, also generally meant accepting a full shift – typically 12 hours long – rather than a couple of hours tagged on to a standard '9 to 5' working day. With children to be dropped off at and picked up from school or nursery, a few extra hours at the start or end of the working day, moreover, were simply not feasible for many parents. This said, only in rare instances was financial gain, or maximising earnings, a key driver of employment behaviour or the decisions two-earner couples made about their working hours. Income stability, and a reliable Universal Credit payment, were often much more important than endlessly striving to maximise household income. When the net increase in monthly household income from working longer hours is relatively small (which it usually was), extra time spent with children, and partners, generally trumped higher earnings.

A third major issue was the administrative burden of dealing with a benefit payment that could vary unpredictably from month to month. With two sets of wages to contend with, monthly fluctuations in the Universal Credit payment in response to changes in earnings could be hard to forecast and to budget. As highlighted in our phase 1 report, for working mothers juggling work and caring for children, the added responsibility of dealing with the payment (and often the online claim) imposed significant, ongoing administrative burdens. Income uncertainty, too, was highly stressful, affecting emotional as well as financial wellbeing, which often spilled over into relationships.

There were some positive aspects of Universal Credit. Couples appreciated the ability to choose to work fewer hours without being heavily penalised financially, and to receive some compensation when unable to work if they, or their children, were ill – money few were entitled to receive from their employer. Not having to reapply for Universal Credit within six months of the last payment was similarly welcome. Automatic adjustment of the payment using RTI data fed directly from HMRC, when correct, was also seen as an improvement on the previous requirement to produce wage slips in person at a job centre as proof of earnings. Some couples said that they liked and preferred Universal Credit because it reduced the risk of overpayment compared with tax credits. Others found that it fitted their preferred

work-care arrangement of both parents working part time, which allowed them to share responsibility for looking after children equally without the need for paid child care. But this was generally only possible when earnings were high enough to take the couple above the conditionality earnings threshold. More commonly, given the choice, couples who had previously claimed tax credits would gladly have traded the risk of possible overpayment for a return to the legacy system, with its solid and reliable payments usually fixed for a year.

Those able to earn enough to move off Universal Credit were pleased to have done so. None of the couples here wanted to remain on benefits indefinitely. But when low quality and poorly remunerated jobs are the only type of work people can realistically get, earning enough to leave means-tested benefits inevitably means long, sometimes excessive, working hours for one or both partners, with corresponding sacrifices having to be made in terms of work-life balance, personal wellbeing and relationship quality. Long working hours which limit the amount of time working parents are able to spend together as a couple and family can also be destabilising; not all these relationships survived. Focusing wholly on movements off Universal Credit, or on having two parents in work, as a measure of success, therefore fails to acknowledge these significant trade-offs.

4

**Couples
Achieving
Work-Life
Balance with
One Earner?**

When Universal Credit was originally conceived, because the risk of poverty and reliance on benefits is highest in households with no earners, a key government priority was to reduce the level of household worklessness. In the case of couples, this goal would be achieved by ensuring that at least one partner in a couple moved into paid work. The system of incentives and conditionality regimes was therefore strongly tilted towards having one earner in the household. With only one work allowance per couple, and a single taper rate that is the same for second earners as it is for first earners, Universal Credit significantly strengthens the incentive to have one earner relative to having both partners in work (or neither) (Browne, 2015). Arguably, it may also increase the incentive to work part time rather than full time (to minimise or avoid having entitlement reduced by the taper). An incentive structure which favours one-earner couples has given rise to concerns that Universal Credit could reinforce traditional gender roles of a male breadwinner and female 'homemaker'. But do policies which privilege one-earner households actually affect work-care decisions in couples and, if so, how important are they? Through exploring work-care arrangements and tracking the employment transitions of the 13 couples in our longitudinal research who had one earner in (or, in two cases, before) 2018-19, this chapter helps to shed light on this question.

As highlighted in chapter 1, conditionality and earnings rules for couples are very complex and the effects of the work allowance and taper vary significantly depending on household circumstances. The rules also differ depending on the presence and ages of dependent children in the household. Couples with children considered to be 'working enough', whose household earnings meet or exceed the conditionality earnings threshold, can choose whether one or two of the partners earn(s), allowing the nominated lead carer to look after children full time, if that is what they prefer. The DWP claims that allowing one partner to stay at home and care for children could '*help families to strike a better work-family balance*' (DWP, 2011). But the choice of having one earner generally only applies if the working partner's earnings are high enough. For low-paid and low-earning parents, having to meet a minimum earnings threshold may thus oblige both members of the couple to undertake paid employment or look for work regardless of their individual or joint work-care preferences.

Couples with no dependent children in the household face a different set of conditionality rules. Depending on their household circumstances, having one full-time earner would normally disqualify most couples without dependent children from Universal Credit entitlement. One-earner couples with no dependent children on Universal Credit are therefore more likely to have one partner working part time or in jobs paying the minimum wage. Here, the non-earning partner would normally have to look for full-time work unless they have been assessed as having limited capability for work, or have full-time care responsibilities.

One-earner couples on Universal Credit are thus a highly diverse group of claimants, comprising couples both with and without dependent children, and those with partners who may be working full time or part time, or may be unemployed, have disabilities or health conditions, or be full-time carers. We might therefore expect the work-care arrangements and experiences of one-earner couples to be quite varied, as well as different from those of two-earner couples – but was this in practice the case amongst our participants?

In our longitudinal sample of 39 households, 13 were couples with one earner at or before the first interview in 2018-19. In eight couples, the sole earner was male and five female. All but one were couples with children. In 2020, seven of the 13 were still one-earner couples (of whom four earners were male and three female); three had become two-earner couples; and one had become a no-earner couple. Four couples had separated in the intervening period, although two couples had since re-partnered. In the two cases in which partners were now living as single people, the female partners were claiming Universal Credit as non-working lone parents, while the male partners were working and no longer claiming means-tested benefits. The one couple in this group without children at phase 1 had since become parents, meaning that, by phase 2, all the remaining couples out of the original 13 had dependent children.

One-Earner Couples at Phase 1 and Phase 2

Seven couples, all of whom had dependent children, had one earner at both phases of the research. In four cases, the one earner was male and the nominated lead carer was female, while in three cases, the one earner was female and the lead carer was male. In all couples except one, the same person was earning at both phases. We start with the only couple in which the sole earner was working full time in 2018–19.

Child’s Disability Determines Work-Care Decisions

In 2018, Eleanor and Terry were in their mid-thirties and had been claiming Universal Credit for almost two years. They have three children, of six and three years old and seven months. They receive no child element for their third child. Terry suffers from epilepsy and is not allowed to drive. He recently started employment as a security officer and works five 12-hour shifts, Monday to Friday. He has what he calls a “*very checkered*” work history, interspersing different jobs with periods of unemployment and time caring for the children. Eleanor currently cares for the children full time and receives Carer’s Allowance for their eldest child who was recently diagnosed with autism and gets Disability Living Allowance. The family lives in a three-bedroomed, socially-rented house in a rural location in the north of England.

Prior to their son's diagnosis, Eleanor had worked full time as a manager in a call centre for almost 10 years, while Terry took the main responsibility for looking after the children. Whilst Eleanor was on maternity leave with their second child, the eldest child's condition worsened and she resigned from her job to care for the children full time. She has accountancy qualifications and earned as much working a standard 37-hour week as Terry now does working 60 hours. Her employer is keen for her to return to her old job but she thinks that this is unlikely; her son has responded well to her being at home and she has since had a third child. *"Because I've been with them for years and they said if I ever wanted to go back, just give them a ring ... but my kids come first"*, she says. Terry's epilepsy is an added complication. *"Because he's got epilepsy, he can't drive and ... I drive and can get them to school safely."* But she is only able to give up her job because Terry works such long hours and his wage is topped up with Universal Credit. There is no shift allowance, just a flat hourly rate slightly above the minimum wage, and no sick pay. His long hours, together with his son's Disability Living Allowance, Eleanor's Carer's Allowance and the Universal Credit, mean that the family can just about manage with only one wage.

Because Terry is paid four-weekly, he sometimes receives two sets of wages in the same monthly assessment period. When this happens, monthly household earnings exceed the threshold of entitlement and they get no Universal Credit and must reclaim the following month. However, it is not only Terry's wages that are paid four-weekly but also Eleanor's Carer's Allowance. Consequently, the Universal Credit payment they get is never the same, making it hard to know whether it is correct. Eleanor says, *"We don't rely on UC ... because we don't know what we're getting every month"*. Early on in the claim, Eleanor was continually ringing up the service centre to query the amount they were paid. Terry is not involved in these day-to-day wranglings, but this spills over into their relationship. *"It's just very stressful, very tedious, and then we take it out on each other ... and it'll cause tension in the house."* Working long hours is also taking its toll. *"I'm coming back from work, I'm tired. When I come in, I want to spend some time with the kids before they go to bed."* He says, *"I would love for my hourly rate to go up"*. But he is realistic: *"for the line of work that I do, it's probably the highest it will be"*.

Summing up their overall experience of Universal Credit, Eleanor says that it has been "up and down"

In 2020, the family has had to cope with further health issues. Their middle child is currently having investigations for suspected autism and Terry's epilepsy has worsened. In 2019, he was obliged to take three months off work until his condition stabilised. Having been employed for more than two years, this time he is entitled to occupational sick pay, albeit fairly minimal. *"I got two weeks at full, two weeks at half and then it was statutory [sick pay] for the rest."* Back working, he picks up the same shift pattern and works the same 60 hours per week, for the same pay. As a key worker, he continues working through the lockdown. Their relationship has also been through a rocky patch. Eleanor discloses that the couple split up in 2019 and lived apart when the stress simply became too much. She

is pleasantly surprised when her lone parent claim for Universal Credit continues more or less seamlessly. *"It was quite straightforward, they just took him off the claim ... There wasn't, like, a gap ... so I didn't have the wait, the six weeks ... Nothing really changed."* When the couple get back together four months later, adding Terry back on to the claim is less straightforward, but she knows what to do. *"I just [dealt] with it ... I have access to [Terry's account] ... because he's not very computer savvy."*

Summing up their overall experience of Universal Credit, Eleanor says that it has been *"up and down"*. The Universal Credit, when they get it, is relatively low – between £50 and £100 per month. She says, *"I don't account for UC in paying my bills ... I use [Terry's] wages and we live on basically our other benefits week by week"*. Asked about the £20 per week temporary uplift to the standard allowance due to the COVID-19 pandemic, she says, *"I didn't even notice, to be honest! ... because it doesn't say that on the statement ... and because his wage ... can be different every month, I never really know what we're going to get. UC, it doesn't stay the same"*. Their main bugbear is Terry's four-weekly pay cycle; twice a year they lose a month's work allowance and wait two months between payments. Eleanor now takes this into account in her budgeting, but she feels that they are being penalised for something over which they have no control. The treatment of her weekly Carer's Allowance, deducted pound for pound from the award, also irks her. Although she receives the Universal Credit carer's element, she feels that Carer's Allowance should be treated in the same way as earnings, not as unearned income. *"As a carer, that's your primary role ... you're still doing a job ... I wish it was [like wages]."*

Eleanor misses her professional life outside the home but feels that her children's wellbeing overrides any potential financial gain she might get from working. *"I don't think I'd go back to work ... just for the money. My kids ... come first at the end of the day, and I'd rather have less money."* Terry is of the same mind and says that getting Universal Credit has never influenced the hours he works. *"That didn't even cross my mind, to be honest."* What stops him from working more, he says, is wanting to spend time with his children. *"I spent a lot of time at work as it is, so ... precious moments, especially with the two-year-old ... and the eldest ... I'm trying to bond with him more."* During the pandemic, being at home with the family more has helped to rebuild the couple's relationship and, with fewer opportunities for spending, they have managed to save a modest amount towards a deposit on a house. Buying their own home is their dream.

Getting by with One Part-Time Earner

Lola and Colin are a married couple in their late twenties with one child, aged five. They live in a three-bedroomed socially-rented house on a quiet estate in a rural location in the north of England. In 2018, Lola is working 20 hours per week on the minimum hourly rate as a transport assistant for children with special needs. Colin is unemployed and the lead carer for their child. Neither he nor Lola

has ever had a full-time job. The current work-care arrangement came about with no prior planning. *"We just basically said whoever finds a job first",* Lola says, *"the other will stay home and look after the child and the house"*. Colin would like to work full time, she says, but there are no suitable jobs for him locally. Neither of them drives, so only local jobs are feasible. *"He's quite traditional",* Lola says, *"He wanted to be ... the breadwinner, but it just so happens that it's worked out this way, that I'm going out to work and he's staying at home"*. In fact, Colin says that he actually quite likes being lead carer and is in no hurry to get a job. *"When he's in juniors, about two years' time, I'd like to get, like, a little part-time job, and then obviously when he's in secondary school, I can get, like, a proper full-time job."* The arrangement suits Lola too. *"I really enjoy my job and I can't see myself not working now."* But she is keen to stress that, although she is the sole earner, she is still a parent. *"It doesn't mean I can shirk my responsibilities to my son ... I wouldn't say, 'look, I'm going out to work, he's your responsibility, not mine'. That's not how parenting works."*

With only one part-time earner in the household and their son at school, both parents would normally be required to job search – Lola to increase her hours to full time, and Colin to look for part-time work. But she says that there is no pressure on her to work longer hours, or on Colin to start work. *"The lady ... your adviser ... she says because I'm working ... that my husband won't be pushed to go in for a job ... because he's got the child to care for ... a light touch, that's it ... we hardly have any contact with them."* Colin tells a similar story. *"Since my son is in school and ... I'm my son's carer ... they said 'if you find a job, it's OK if you don't take it or if you do take it'. It's totally up to me."* He is sometimes prompted to renew his claimant commitment. *"I get text messages and e-mails saying ... 'you have a task to do on your UC, please can you fill it in?' You know, it's just basically updating your commitment."* Lola says, *"It's not like before when we were on JSA, constantly being hounded to find jobs"*. Colin agrees: *"Yeah, they haven't really hassled us in UC, have they? ... I haven't been [to the job centre] for, like, eight months"*.

One aspect of Universal Credit that the couple is still getting to grips with is managing a payment that fluctuates each month. Because Lola's working weeks vary, so does their monthly payment. *"I could be working maybe three weeks out of the month ... or I could be working ... a five week month ... [what] I've earned this month will get taken off next month's, so it's quite a difficult balance."* Colin agrees. *"I wish it was ... a fixed payment ... We only know about a week before we get paid how much we're getting ... so you can't work out all your bills."* Lola says that Universal Credit encourages her to work more hours, but misunderstands how it works. *"I would definitely say it encourages me to work more ... If there was the possibility of adding maybe four more hours a week on to what I'm already working, I would go for it because then we'd get Working Tax Credits."* She goes on to describe how their payment was, in her view, unfairly reduced when she was paid holiday money. *"We struggle maybe a couple of times of the year*

because of holiday pay ... [They], like, punish you for getting holiday pay ... It's your right to have holiday pay and they shouldn't take that off your Universal claim."

In 2020, Lola is still in the same job, but her employer has reduced her weekly hours from 20 to 16. "It's due to the children having to be put into class bubbles, due to the pandemic." She was furloughed from March to September but is now back working. During the furlough, the Universal Credit payment stabilised, allowing them to budget better. "It's been ... the same Universal Credit money throughout furlough, which is good because we could ... plan, like, our bills." The work allowance has also increased in the intervening period. "I believe it's £297 ... it's made quite a bit of difference ... we're not struggling as much." Lola says that they are also getting an extra £40 per week as a result of COVID-19, although the temporary uplift is actually £20 per week. "They're paying an extra £20 a week for, like, the sort of universal element of the claim ... and they're also paying an extra £20 a week for the child element, but I believe that ends in April of next year."

Though her hours have decreased to 16 per week, and Colin is still unemployed, in 2020 the couple is still treated with the same 'light touch'. Colin's claimant commitment specifies work of 24 hours per week, but he says this is manageable and he feels no particular pressure to get a job. "[I have] phone calls monthly, and I have to look for jobs every day and I have to put it in my journal every day. But if I can't find any jobs, I do put it on my journal ... and they're quite understand[ing]." This may partly reflect the suspension of work conditionality during the first lockdown, and the more flexible approach following its reintroduction, but is also consistent with the relatively relaxed approach Colin described two years earlier.

Lola feels it is unlikely that she will work full time, or that she and Colin will both work in the foreseeable future. She says that this is because "child care comes [first] ... I was in wraparound care ... growing up and I didn't want that for our little one because I hardly got to see my parents". If Colin got full-time work, she says that she would leave the labour market. "If my husband did get offered a full-time job, I have discussed the possibility of me coming out of work and me becoming the primary carer, and I believe that is what we would do ... My son's wellbeing has to come first and I believe that means being with one parent before and after school." However, the prospect of Colin getting work seems remote. "I can't find any jobs around here ... my CV's not, like, up to date ... I'd prefer me going to work and my wife staying ... but it's just how the dice has rolled really." Lola's overall assessment of Universal Credit is that they have become accustomed to it. "We've been claiming this for ... three years and I think we've sort of got the hang of it now." Colin reiterates Lola's assessment and says that they have adjusted their budgeting to cope with the monthly frequency and fluctuations in the payment. "At the beginning it was tough, coming off JSA every fortnight ... but as it goes on it does get easier, you do get used to the monthly payment."

Though her hours have decreased to 16 per week, and Colin is still unemployed, in 2020 the couple is still treated with the same 'light touch'

Still the Sole Earner, even with a New Baby

Mikayla is 30 and her husband is in his early forties. He prefers not to be interviewed. They live in a privately-rented flat in a small town in Scotland. Mikayla is the sole earner in the couple at both phases of the research, but a lot has changed in the intervening period. In 2018, the couple have no children and have been claiming Universal Credit for a year. For 12 years, Mikayla has worked 30 hours per week for the same employer as a sales assistant on the minimum wage. Her husband has been in and out of a series of temporary agency jobs, mainly in factories and warehouses. He has worked as a labourer but has been unable to get construction work since his CSCS [Construction Skills Certification Scheme] card ran out. *"He can't actually get a job on a site until he renews his CSCS card."* What is stopping him is the cost. *"It's quite expensive ... about £300 ... but it would probably give him access to better work."*

Mikayla says that she does not have a work coach and is not required to job search because she has a job. But she keeps an eye on her husband's journal and does his job search when necessary. *"[He] is useless online, so I usually just try and do it for him."* She finds the online access easy and convenient but feels that the information about how the payment is put together is unclear. *"The statements are confusing ... I find the website very confusing ... It's the way they've got it laid out ... it's very confusing."* Their monthly Universal Credit payment is also half the amount they received on Working Tax Credit. She says that tax credits were not only higher, but easier to manage online. *"I don't want to be relying on benefits, but the Working Tax Credit did help so much ... It's easier to manage and they've got an app which is so much easier to just log on to ... HMRC, just logged right on, you could find out when the payments were due ... I feel the old system was a lot better."*

In 2020, just about everything that could change has changed. Mikayla says, *"I've had a baby ... [moved house] ... changed my job, everything's all changed!"* Her husband is lead carer for their 12-month-old baby while she works 18 hours per week in the local take-away. She has also started an access to nursing course. After discovering she was pregnant, she was made redundant from her job, so both she and her husband found themselves unemployed. A few months after the baby was born, she saw a vacancy advert in the local take-away. *"I went in, the guy said he had no staff, I said 'well, I need a job' ... [He] basically gave me the job right away."* The location matters. The job is *"literally ... across the road ... it made the difference"*, she says. As a new mother, she appreciates that part-time work located a stone's throw from her flat means less time away from her baby. *"It's shorter hours ... so it's not as if I'm away from the baby a lot ... it's only 9 till 3 [three days a week]."*

The job pays the minimum wage but the family's different sources of income, received at different times of the month, allow them to just about get by without falling into debt. *"I get my Child Benefit the Monday and my wages the Friday and then the UC monthly ... we [are] on an even keel ... it's actually working out a lot better."* Furloughed for 11 weeks during the first lockdown, she received 80 per cent of

her wages. They managed fine, she says, because their day-to-day expenses went down. *"I wasn't really going out, I wasn't really spending, I was trying to make do with what I had in the house ... I was managing fairly well."* Living in Scotland also entitled them to extra help when the baby came along. *"We get ... Best Start grant ... towards the cost of ... buggies, cots ... Healthy Start vouchers ... a Best Start card ... that can go towards milk, fruit and veg and eggs ... a baby box ... a Moses basket, it's got a mattress in it ... a towel ... blankets ... cloth nappies."* During the pandemic a number of local charities have also been providing help. *"Where I lived, there was quite a lot of local charities giving away stuff like nappies and bits of food ... It did make a difference. ... hot meals ... delivered daily."*

With her husband as the lead carer, Mikayla would normally be expected to work full time, but her work coach seems happy with the 18 hours per week that she works and she is not obliged to job search. *"Because I've actually got a job, I'm probably one of the people less they need to hassle."* She thinks that the college course may also count and, if the take-away is short-staffed, she sometimes works a few extra hours. *"I've got 18 to 24 [hours] and then ... I'm at college, so that's kind of working in my favour."* The suspension of conditionality for some months during the pandemic may also be a factor. *"Just now with COVID ... the job centres aren't really ... making you go out and do things, but I think they're kind of happy I've got a job."* Ultimately, she intends to train to be a nurse, but for now is quite content to work part time at the minimum wage. *"We're both quite happy with the arrangement just now ... because we've not really got a lot of outgoings ... So right now [money] is not really a big issue ... We're just ... living for just now."*

Combining Part-Time Work with Mandatory Job Search

Matilda and Luis are in their early twenties and, in 2018, are living in a socially-rented flat on the outskirts of a city in the south west of England. They have a daughter, aged three. Matilda has a physical disability which restricts her mobility. Previously employed as a nursery nurse, after she took maternity leave her employer insisted that she would need to work full time when returning to work. With a new baby and a disability, she felt that full-time work was too much. *"Part time, I would have done that, but instead they just said, 'look, full time or nothing'."* Luis worked two days a week in a care home as a cleaner and cook. For five months previously he had been working full time to cover staff shortages, but this role had come to an end and he was back working part time.

Financially, the couple was struggling. Luis said, *"It's all about money ... there's always some sort of stress with it"*. Changing his hours from part time to full time and then back to part time had caused large fluctuations in the Universal Credit payment. *"After that five months (of full-time work) ... they didn't take into consideration that, you know, the month coming up I would get paid a lot less ... we really struggled last month."* Matilda felt condescended to when she called up to query the amount they had been paid. *"They say, oh, 'keep on*

top of your money' and things, but how can you when you don't know what you're getting, you only know, like, two days before, and ... they keep chopping and changing the amount." When Luis's employer failed to report his earnings one month, they notice the mistake and are careful not to spend any of the overpayment, knowing that it will be clawed back. *"We basically just didn't touch the money in my account when he'd done it, because I thought 'we're going to have to pay it back anyway'."* A particular blow is the loss of entitlement when Luis receives a Christmas bonus and backdated pay increase as a lump sum. Overall, they find it difficult to understand the way in which the monthly award is calculated and hard to work out how earnings will affect their Universal Credit payment from month to month.

Even though he is the sole earner, Luis felt that having to choose a lead carer was inappropriate for modern relationships. *"This isn't the olden days",* he said, *"it's not always the man going to work and the woman staying at home ... in a lot of cases it's the other way round".* As the lead carer for a three-year-old, Matilda is not required to look for work. *"[My work coach] said, 'wait until she gets in the swing of things at school' ... because my partner does work ... there's no rush to get back into work ... when my daughter's at school, I probably will just start looking."* Their daughter attends nursery for 15 hours per week as part of the government's universal childcare offer. The child care is free, but having to contribute £80 per month towards lunches is a struggle. Matilda enquires about help from Universal Credit towards this expense but is told that it does not qualify.

As a part-time sole earner, Luis is required to job search and was meeting his work coach on a regular basis. They had built up a good relationship. *"[It was] the same bloke and you can see them over there and you know they'll give you, like, a little wave when you come in."* He is crestfallen when allocated a new work coach. *"It's ... a bit of a bummer really, especially when you've built up that bond over the last couple of years ... it's not explained either why they've changed it."* He finds his new work coach less supportive. *"It wasn't like they were there to help me find a job ... it was just, like, 'OK, we can see that you're looking, and we'll see you in, like, six to eight weeks'."* It knocks his confidence and *"puts your motivation down"*; but he continues to look for full-time work.

In 2020, there have been a number of changes. Matilda's mobility problems entitle her to Personal Independence Payment and, with both members of the couple now aged over 25, their Universal Credit standard allowance has increased. They have moved into a flat with a garden. Still working part time in the same job, Luis had continued to work through lockdown, so his wages are unaffected. Having learned how Universal Credit works, they have achieved greater predictability and control over the payment they get by Luis limiting the amount of extra shifts he works. Matilda says, *"The month after, it gets took off your UC, so it doesn't really benefit us ... he doesn't want to do too much because then it will just mess it up"*. With her daughter now attending school, she had been thinking of getting a part-time job, only to find herself pregnant with their second child. Her plans to return to work are again on hold.

Even though he is the sole earner, Luis felt that having to choose a lead carer was inappropriate for modern relationships. "This isn't the olden days", he said, "it's not always the man going to work and the woman staying at home ... in a lot of cases it's the other way round"

Combining Part-Time Work with Language Training

Another couple managing to get by with one part-time earner are Heidi and Philip. In their early thirties, in 2018 they have two children, aged three and seven. They describe themselves as white Bulgarian and moved to Scotland in 2012. When they first arrived, the couple both worked as pickers at a mushroom farm. Heidi stopped working after having their first child, and they began claiming tax credits. After her maternity leave, Heidi started part-time work as a kitchen porter until having her second child. In 2017, the family moved into a new socially-rented house on the outskirts of a large city in Scotland, triggering the Universal Credit claim.

Realising that her job prospects were being hampered by her poor standard of English, rather than return to work Heidi signed up to an English language course for three days per week at the local college. Philip then joined her. At the time, he was working on a zero-hour contract at the minimum hourly rate as a delivery driver for a local food take-away restaurant for between 20 and 25 hours per week. By working evenings, he was able to study English alongside his partner during the day. The college they attended paid the couple's childcare costs, including the after school club fees for their older child. The Universal Credit payment was regular and reliable and contact with a work coach appears to have been minimal.

In 2020, little had changed. Philip was still working as a delivery driver and Heidi was still unemployed, though she had recently started a computing course. Both were still learning English. The Universal Credit claim, Heidi said, was going fine. *"If I need help just I can write message in my journal and ... they answer me fast."* Philip liked Universal Credit because it allowed him to study and work part time: *"They helped for us for the study ... it has worked for us ... I am happy because they give enough money for everything"*. With both the children at home, lockdown had been a challenge. Philip had continued working throughout and both parents were trying to keep up with their college work, which had moved to online learning. When their younger child starts school, Heidi was expecting to start part-time work. With their standard of English significantly improved, both parents were confident of eventually finding better-paid work.

Sticking with Part-Time Work to Avoid the Taper

Alyssa is in her late twenties and Dave in his early forties. In 2018, they have one child, a seven-month-old baby. The family lives in a socially-rented flat in a small town in the north west of England. Alyssa has mental health issues and has never worked. She has been awarded the limited capability for work and work-related activity element in Universal Credit; but it is less money, she says, than she used to receive on Employment and Support Allowance. Dave works a single 12-hour shift per week as a night security officer in the centre of town. He previously worked longer hours and supplemented his income with self-employed earnings running a mobile disco but, after being moved on to Universal Credit, he gave up these activities.

The tapered withdrawal of entitlement as earnings rise had persuaded him to keep his working hours to just below the work allowance. *"It's pointless working basically because what I earn, they take back, so ... I'm just going to stick to the [12] hours I do."* He would be prepared to work more hours, he said, if the work allowance were higher and the taper lower. With his low earnings at or near the administrative earnings threshold, Dave would normally be in the intensive work search group but, in 2018, he said that he was not required to job search, had minimal contact with a work coach and felt no pressure to increase his hours. *"They've not contacted me to up my hours, they've not contacted me at all."* In the limited capability for work and work-related activity group, and with a young baby, Alyssa had no work conditionality and similarly minimal contact with a work coach.

In 2020, their work situation and conditionality were largely unchanged. Perhaps in response to the increase in the work allowance, Dave had increased his weekly hours to 15, while Alyssa remained at home looking after their child, now aged two. She was unable to work, she said, *"because my mental health is so severe; I don't cope"*. Dave had been furloughed at 80 per cent of his wages during the first lockdown but had restarted work when pubs were allowed to reopen. Aware of the £20 per week temporary uplift in the Universal Credit standard allowance, he said that they only saw *"around £12 of this ... [because] that [furlough money] was put down as wages ... Well, the Government gave us the £86 [extra per month] UC, the Government took it back again!"* His light touch treatment for conditionality appears to be the same as before. Meetings with a work coach took place every six months, for *"a quick catch-up, what I'm doing, how many hours I'm doing ... because I'm working 15 hours, I'm classed as meeting the threshold"*.

Switching Single Earners and Adapting to Self-Employment

A couple in their early forties, Victoria and Ted live in a three-bedroomed housing association property in a rural location in the north of England. Ted has worked as a factory operative, farm worker and cleaner, but is currently unemployed and the nominated lead carer for the couple's two children, aged nine and three. Victoria is a carer in a residential home and contracted to work 16 hours per week, but often works 25. She works shifts with early starts and late finishes and her hours of work vary, so their monthly Universal Credit payment fluctuates. She says, *"My salary for ... last month was only £500 because I was ... only 16 hours ... but it can come up to £800 ... UC will be again between £500 and £800 ... We would prefer if it's the same money every month"*.

Ted loves caring for the children and is happy to swap roles. He says, *"When I finished [as a cleaner] ... a job came up for Victoria ... it wasn't planned, it just sort of worked out that way"*. But the couple objects to the term 'lead carer'. Victoria says, *"Nobody in a relationship is a lead carer, you both have to take responsibilities"*. With a single part-time earner, the couple are not 'working enough' to have no work conditionality.

Victoria should normally be required to look for additional hours or another job, to take her earnings up to the conditionality earnings threshold. However, since starting her job, she has had no contact with a work coach.

As the lead carer with a three-year-old, Ted, on the other hand, is only required to prepare for work. He meets his work coach occasionally but says that she offers little help. *"They don't really offer that much ... She'll tell you what jobs they've got that's come in but ... that's about it ... [She said] if Victoria's wages dropped below £500 in any one month, then I'll have to go into the job centre and re-do my commitments."* So far, this has not happened. They have never enquired about child care, *"because I'm their carer"*, he says. He is interested in self-employment but the minimum income floor has put him off. *"A friend of mine was wanting us to do some work for him, but on a self-employed basis ... between 14 and 16 hours a week. So when I looked into it ... I couldn't do it ... [Victoria's] at work Monday, Tuesday, Wednesday, so I could [work] ... Thursday, Friday, and he'd have been very flexible ... but the minimum floor for self-employed ... just ruled it right out."*

They are unperturbed about the loss of Universal Credit entitlement as earnings increase. Ted reasons, *"The more you work, the more you've got coming in ... it's not all getting knocked off your money ... [just] a percentage ... which is only fair ... we're still going to be financially better off ... it always balances out"*. When his youngest starts school and he is working again, they will be likely to lose all entitlement to means-tested benefits – quite right, he says. *"You can't expect to get two wages and the government to give you a load of bloody money!"* Victoria is on the same page, though she feels that she might be more inclined to work longer hours if she were paid a better hourly rate and her earnings were not means tested. *"If I'm paid ... a minimum salary, I think it really doesn't matter how many hours you work, because then UC will ... top it up ... If you've got a good paid job, it will make you ... want to work more because I'm going to have more money."* They would like to be in a situation in which they are not reliant on benefits, but their low earnings potential makes this impossible for now. *"It would be great if I don't need any UC ... but with the salary what I've got, there is no way ... To be independent from UC, I would have to work full time, and it's a very, very hard job to work full time and for that money."*

Two years later, in 2020, a lot has changed. Victoria has been off sick for a year after being treated for cancer, but is hoping to return to work in a few weeks. Her employer paid her six months' sick pay before Universal Credit stepped in. Still the nominated lead carer, Ted has begun a new online business venture restoring and selling furniture. *"The chemotherapy ... it was making Victoria so ill ... I had to be at home to look after the children ... I spent a bit of time looking for a job working from home but I couldn't find anything suitable ... so I thought, well, I can start up self-employed."* When Ted approaches his work coach for advice about setting up in business, she fails to convey some important information. *"I said ... 'I'll register self-employed in February', she said that was fine ... So I [was] ... buying lots of items of stock ... When I went*

The minimum income floor does not apply for the first year of new gainful self-employment, but unfortunate timing means that he has barely started trading when the pandemic hits

self-employed, I was then told any expenditure prior couldn't be classed as an expenditure for UC ... She didn't tell me that before." He is obliged to treat the expenditure as an unrecoverable loss. A referral to the local Chamber of Commerce is also ill-timed. *"When I went to see them, they told me ... you've got to go on that course for three months before you register self-employed. I says, 'well, I've already registered' ... She said, 'oh I'm sorry, we can't help you then'."* Everything seems back to front, he says: *"You don't actually get the guidance book till after you've actually registered self-employed ... you'd think they'd give you that prior"*. He concludes that his work coach knows little about how self-employment works in Universal Credit. *"They're still trying to understand it themselves."*

The minimum income floor does not apply for the first year of new gainful self-employment, but unfortunate timing means that he has barely started trading when the pandemic hits. He is grateful that Universal Credit makes up the shortfall in his anticipated earnings. *"I didn't technically have any earnings over the £290 something, I got the full amount of UC."* With Universal Credit the only source of income, the family is able to manage because of spending much less than normal. Victoria says, *"Because it was lockdown, we didn't spend any money, only on food ... we didn't go out"*. Ted agrees. *"We saved a lot of money during lockdown ... because we weren't having unnecessary visits to the shops ... I'm surprised how much we saved."* Ted recently resumed trading and says that uploading his income and expenditure is straightforward. *"I declare my earnings and then they deduct my earnings off my UC ... It takes about 20 minutes once a month."* But he has a number of concerns. *"I'm still on ... the start-up period ... once that 12-month period is up, they will automatically class me as having a minimum earnings flow, so they'll deduct £800 straight away."* Unable to trade during the first lockdown, he feels that an extension should be offered. *"I've been asking [my work coach] am I going to get an extension to this 12-month start-up period ... I'm still waiting to find out."*

He nevertheless remains positive about Universal Credit. *"I still think it's a very good system ... All your money is there, your one payment ... It makes it a lot easier ... It's all there, you can budget for the month, it's very simple. Any earnings that come in get deducted off ... I find that the payment can go up and down with your earnings easy to understand ... I haven't really struggled with anything."* Victoria is ready to go back to work. *"[Ted's] job is quite flexible ... I [will] work, like, just three days per week ... 7 till 1 o'clock ... [Ted] ... can drop them off at school ... he works mostly ... from home."* Their main concern for the future is how they will manage when Ted is subject to the minimum income floor. *"[The income] is up and down ... £400 or £500 in the month ... but I'm not getting £800."* He is not disheartened. If he fails to generate sufficient self-employed income, *"I'll just get a part-time job"*, he says.

From One Earner to Two Earners

Three couples with one earner at phase 1 of the research had two earners in 2020. All had dependent children. In two cases, the female partner had been the sole earner in 2018 and in one case it was the male. Two of these couples were no longer claiming Universal Credit. At first sight, these stories of work progression and leaving benefits seem to fit with the idea of what policy success in Universal Credit might look like. However, closer inspection reveals a more complex and nuanced picture. In all three cases, having two working parents was proving to be a difficult transition to adjust to.

Work Progression and Policy Success?

Having progressed from being unemployed to having one earner, then two, and finally leaving Universal Credit altogether, Harriet and Craig could be seen as exemplars of policy success. However, juggling full-time work and child care is more of a challenge than Harriet, in particular, imagined.

A couple in their early thirties, in 2018, they have two children aged five and four. The family lives in a privately-rented three-bedroomed house on the edge of a large urban conurbation in the north west of England. They arrived in the UK from Poland in 2017 and started their Universal Credit claim in 2018 when both parents were looking for work. Craig found a job first as a picker and van loader for a large supermarket chain. He works an eight-hour night shift from 11pm to 7am, five nights per week, and has a rolling work rota which means that his two free days change each week. Offered the choice to do an afternoon shift, he chose nights instead, to allow him to spend more time with his children. He says, *“My wife asked me why don’t I go to the ... afternoon shift and I said because ... then I won’t see my children for a whole week ... [now] I sleep for when they are in school, when they’re sleeping I’m in work ... when they come back [from school] we are together ... they are my life”*. Harriet sees things differently. *“I really don’t like him working night shifts ... it’s destroying [his] health.”* However, £12 per hour is a decent hourly rate for unskilled work, and the best Craig can get. They want to buy their own house, so maximising the household income is a priority. She is therefore frustrated when he turns down the offer of additional hours to spent time with the children. *“When ... he’s finished his [shift] ... they ask him will he want to do more picking or he wants to go home, then he choose to go home because he has two little kids ... I told him it’s going to change when I start working ... he needs to work!”*

Harriet is currently unemployed and the nominated lead carer. She is also the Universal Credit payee. *“Because he had a salary, I decided to take UC ... I had to have something.”* But this is no traditional stay-at-home mother. *“I’m not a housewife ... I need to work.”* She appreciates the financial support the family is getting but dislikes claiming benefits. *“I don’t like anyone to help me or support me ... but since I’m getting it, I feel safe and secure, because I know that I’ll get it*

every month on the same day." She is particularly uncomfortable with not having her own earnings. *"I feel useless ... if I'm not working ... Through all my life ... everything I wanted I did it by myself, I've earned it by myself."* Important, too, is the need to maintain her own financial footprint in case she ever separates from her partner. *"You never know what's going to happen ... if it comes to separation ... I need to have everything in my own name ... to prove that I'm here."* She has had no contact from a work coach since the start of the claim but needs no encouragement to job search. *"I have more than 100 applications for a job."*

She has investigated the financial help in Universal Credit towards paid child care, but is shocked at the high cost of nursery fees. *"It's ... crazy to pay nursery, like, for one full salary ... [it] makes no sense."* Paying childcare costs upfront and a Universal Credit award paid in arrears also seems unmanageable. *"I would need around £800 ... UC returns ... up to 85 per cent of that amount but still I don't have that money to invest ... and [then] the nursery expect you to pay month in advance ... I can take my UC in advance, but that would mean I would get less money next time ... I need that money to manage through the month ... I don't have £800!"* For now, she says part-time work is the most cost-effective option. *"If I start working ... in a part-time job ... I wouldn't pay tax ... Craig works for £1,000 ... at that point we would already have £90 something more than we have now with UC."* £90 per month is not a huge difference, I remark. She is puzzled. *"But [it] means I would have more money if I get the job!"* She also expects to work full time as soon as their four-year-old starts school. The conditionality regime only requires both parents to work full time when the youngest child is aged 12, but she looks askance. *"I hope I will not wait till they're aged 12 to start a full-time job!"* She could be a poster girl for Universal Credit.

In 2020, Harriet is working full time as a customer services adviser for a building society. Starting as an hourly paid agency worker, she has progressed to become salaried on a temporary six-month rolling contract. Craig is working permanent nights in the same job. With two full-time wages, the family is no longer entitled to Universal Credit. They had no contact from a work coach before the claim ended. *"No one ever got in touch with me to ask me to look for a job or anything like that",* she says. The increase in their household income, though welcome, is not huge and has also come at a cost. Harriet's work pattern varies, with frequent early starts and late finishes, and alternate weekend working, all with no extra pay. Recently she was informed that bank holidays are now to be treated as a normal working day. *"We have to work on bank holidays, which was a bit upsetting."*

Something else she did not anticipate is how hard it would be to juggle full-time work with looking after the children. Since the first lockdown, she has been working from home. Both she and Craig are classed as key workers, so the children continue going to school, but Harriet says that school is more like child care than education and there remains much for parents to do at home. *"I'm drained after I finish my work, I can sit with them during the weekends but ... it's not manageable for me because I work full time."* Arranging child care during the school holidays is also problematic. *"[Craig] was taking holiday off work [but]*

Clearly conflicted, she has recently begun to think about reducing her working hours and reclaiming Universal Credit

it's not really manageable with the amount of holidays we have ... to cover all school holidays [so] my mum comes from [abroad] and takes care of them ... but she also works, so she has to take her annual leave to come here." Harriet's home working makes it difficult for the children too. *"I am on the phone with the customers ... it's a bit difficult really to handle calls and children."* Craig agrees. *"I was happier when she was in [the] office, because [with] the kids they have to be a bit quiet ... it's difficult ... but still better to have a job than not have a job."*

Harriet has recently asked her employer to change her shift pattern to better accommodate her children. *"My employer ... agreed for me ... to amend [my shift] from half 10 to 6 rather than till 8, because I've explained to them, they need to take a bath ... they do need me."* But it is a delicate balance to strike; she is desperate for a permanent contract and wants to show willing. *"I'm hoping for the permanent contract once this one comes to an end, so I'm ... trying not to ask too much."* Two sets of full-time earnings are needed if they are to buy their own home. *"We are trying to save for a deposit ... to buy our own house, so [working from home] is helping me ... I don't have travel costs ... since April we do manage to save."*

Clearly conflicted, she has recently begun to think about reducing her working hours and reclaiming Universal Credit. *"[It's] just the stress ... it's not right thing to do ... but it would be much better!"* She then confides: *"I haven't even said it to my husband, I have applied for ... a part-time job in [a] shop!"* He may be more aligned with her way of thinking than she realises. Craig, too, looks back fondly to the time when they were claiming. *"We have a bit more money [now] ... but, to be honest, when we had the UC it was better ... because that allowed me to sometimes come early from my job."* He elaborates. *"Let's say ... I came home early, instead of 7, I came home at 5 ... UC [will] make up that for me ... but without UC, if I come home early, then I won't be paid!"*

Struggling with Two Part-Time Earners

Pete and Kate would love to come off Universal Credit but have not yet been able to achieve it. A married couple in their forties, they have two children at home aged 12 and 10 and two adult children living independently. The family lives in a three-bedroomed, socially-rented house in the north of England. In 2018, they have been claiming Universal Credit for three years. Kate is working as a part-time cleaner while studying for a degree. Pete is unemployed and the children's main carer. He has not worked for seven years following a serious illness. He struggles with his IT skills, so it is Kate who completes the online journal to evidence his job search. Month to month variability in the couple's payment, and the high rate of withdrawal, were causing them serious budgeting difficulties. Kate says, *"My hours change from week to week ... the UC payments [are] never the same each month ... and then they take ... 63p ... any extra hour I work over"*. With responsibility for working, studying, budgeting the household finances and managing the Universal Credit claim, Kate was feeling the strain.

In 2020, Kate is still working part time in the same cleaning job. Although she now has a degree, she feels unable to change jobs because her daughter has developed anxiety and is often reluctant to attend school. Pete is now working as a cleaner for the same employer as his wife. *"Pete does part-time hours, I do part-time hours, so one of us are always here with the children when they're at home."* Pete says that he got a job to help share the load. *"[My wife] was under a lot of strain ... It's always pressure, UC."* Kate elaborates. *"I was trying to get the income through my wages and study and do everything else in between and it was just far too much ... I felt like I was having a breakdown ... We didn't know where we stood with UC from one month to the next. So at least if we knew how many hours we were doing, at least we could budget somewhat with our wages at the end of the month."*

The couple are both employed on zero-hour contracts at the national minimum hourly rate. Pete typically works 24 hours per week and can be called in at short notice to cover for absent colleagues. He mainly does this *"to please the boss"*. He says, *"I'd love a full-time job"*, but his boss will not commit to giving him any more contracted hours. Kate works 15 hours spread across five weekdays. Managing work and child care is a complex juggling act. *"I [start] work at 4 o'clock (am) ... [Pete] would get them up and ready for school, I'd come in at 8 o'clock, see them off to school, and then I've ... gone to a second job ... and then Pete ... works ... half 11, finishes at 3, and then I go out 4 till 6 ... I don't drive, so I'm walking between jobs."*

Although both parents are now working part time, their financial situation has barely improved. Working more hours to boost their earnings is also a double-edged sword, giving them extra money in the month it is earned, but a lower benefit payment in the next. *"You're working to make your life better, but ... when the UCs come in, you're not really that much better off ... [Last month] ... we had to go to food bank ... We're working and we shouldn't have to do that."* Although she understands the work allowance and taper, Kate finds it difficult to precisely work out how earnings will affect the monthly payment. She says that the payment is often reduced by much more than appears to be warranted by their extra earnings. *"This month, we've only earned £400 more than last month, but we're only getting £300 [from Universal Credit] instead of £1,100."* Working extra hours also means that they lose out on a budgeting loan for which they would otherwise have been eligible. *"They do, like, an advance payment for people ... struggling with, like, washing machines, uniforms ... but because we actually earn over £3,600 between [us] over six months, we're not entitled to that help."* Earning more also has knock-on effects for eligibility for other means-tested benefits. *"We're not entitled to [help with prescription charges] at the minute because we earned over the amount last month ... There's no way I can go and afford a pair of glasses, so I'm waiting till next month when I'll be able to get free prescriptions again ... [With tax credits] I got an NHS exempt card that I had for the 12 months ... and it never changed from one month to the next."*

This loss of entitlement makes the couple wary of working any longer than is necessary to meet their immediate needs. *"We work overtime ... to get something we need ... but you're not getting any benefit really ... It's always a worry the next month ... if we've got enough money to live on."* The DWP suggests that claimants should put money aside when earnings increase to compensate for the reduced payment the following month; but when the extra money is needed for a specific item of expenditure, this strategy does not work. *"If we're doing overtime, [it's] for a reason ... because we need to pay for something ... Last month we had to work overtime ... to pay for the children's school uniforms, and then this month UCs are paying ... £300 ... We weren't any better off ... because obviously the money was for uniforms."* A further strain on their finances is Kate's older son, who has recently moved back home. Also claiming Universal Credit, he gets no help with housing costs, but as a 'non-dependent' adult, a deduction of £75 is applied to the couple's monthly payment. Kate helps her son to evidence his job search, adding to her workload. *"He's not computer [literate] ... He'll write his job search down and ... [I] type it up for him. So it's like an extra job that I'm trying to fit in in between everything else ... During the pandemic ... he's not had to write any job search down, which has been a bonus."*

The Real Time Information (RTI) earnings feed is one aspect of Universal Credit that works well for them. *"I like the way that they know our earnings ... whereas with tax credits we had to ... put our earnings in off our P60 ... there was overpayments, [though] we never experienced that ... Whereas UC, they know what we've earned direct by our employer ... I think that's the only good thing about UC!"* The worst thing, Kate says, is *"the inconsistency in payments"*. She preferred the fixed payments under tax credits. *"[With] tax credits ... you knew what you were getting, you could budget, whereas I don't think you can budget properly with UC ... Having a fixed monthly payment for a year was much easier to manage ... If you did overtime one month ... it would work out over the year."* They are not aware of the temporary £20 per week uplift in the Universal Credit standard allowance. *"I think it might be because they're that inconsistent anyway that I wouldn't know ... We never get the same payment."*

Pete says, *"I'd like to get us out of this rut ... I'd love to be off UC"*. With joint earnings above the administrative earning threshold and below the conditionality earnings threshold, the couple are in the 'light touch' group but, even before the COVID-19 pandemic, there was little contact with a work coach. *"[Now] I'm working, they don't ask me for nothing"*, he says, but in the same breath adds, *"they're not very helpful ... I was out of work for a long time and ... they've never, ever been any help really ... They put me on a fork lift course ... It [was] quite difficult for [Kate] to go to work ... I'd be out six and a half, seven hours"*. But the competition for jobs was fierce and his licence had since expired. *"When you went for a fork lift job, there was, like, 30 people going for the same job because they've all got fork lift licences."*

Many couples in this research preferred to be left to their own devices, but not this one. *“My husband would like the extra support of, like, courses ... My son, he’s [unemployed] ... and they offer him all kinds, whereas because we’ve gone into light touch, it’s like Pete has been forgotten ... he doesn’t even have to do his job search.”* Pete concurs. *“I think it would be helpful [to have more contact] ... [someone] you could actually speak to ... perhaps it would take a bit of the strain off.”*

Increasing Hours to Avoid the Uncertainty of Universal Credit Contributions Towards Childcare Costs

The monthly volatility of the Universal Credit payment, and the impossibility of achieving a stable income while they juggled stressful jobs and childcare arrangements, led Marion and Seth to increase their working hours and change shift patterns so that they would no longer have to claim benefits. A couple with a two-year-old child, living in the south west of England, they claimed Universal Credit in 2017 when Marion was on maternity leave from her job as a theatre nurse. Though modest, the payment allowed Marion to stay at home for a year rather than returning to work when her statutory maternity pay ended. Her partner, who was the Universal Credit payee, had recently been made redundant and the payment provided him with a small income. *“It took the stress away because I knew that he was getting something ... it did feel like it was his wage.”*

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Back at work in 2018, her variable shifts and fluctuating earnings, paid close to the end of the monthly assessment period, meant that their Universal Credit payments began to oscillate unpredictably. *“Because I do shift work, my pay is different each month ... sometimes ... it looks like I’m having two payments ... sometimes it looks like I’ve been paid nothing. I’m still not sure how it even works ... I find it all very stressful, I actually don’t know what I’m getting ... it’s really hard to sort of, like, plan.”* Seth, too, finds monthly assessment bewildering. *“It was quite hard to understand the breakdowns ... and the rationale behind it.”* Queries are not satisfactorily answered. The couple asks, *“how much [are] we allowed to earn as a couple ... the childcare element, if we’re both earning full time ... do we still get that?”*, only to be told: *“‘Oh, it’s dependent on your earnings’ ... but that’s not going to help me”*. Without knowing the answers to such questions, it is impossible to work out the financial implications of Marion taking on extra shifts. Marion was also aware that if she worked longer hours, Seth’s Universal Credit payment, and his only source of income, would decrease. *“You can do [extra] shifts, but actually if you do [extra] shifts then Seth’s not going to get a payment.”*

The stress of dealing with an unpredictable benefit payment placed additional strain on the couple’s relationship and for a short time they separated, each claiming Universal Credit in their own right. During the period Marion claimed as a lone parent, she applied for help with childcare costs. But her irregular hours and shifts, over which she has no control, meant that she did not know in advance how many days of child care she would need or how much she will be reimbursed.

"If you had set days, you could [plan] ... but I work shifts ... I can request [set shifts] but it's not always practical." Things become more complicated when the couple get back together again and Seth starts a new job. Marion says, "I'm not actually getting the payments back for the childcare element ... I've put the receipts in for this month but ... it's all this online journal thing and you can't actually get through to anyone".

The inclusion of the childcare costs element of Universal Credit within the monthly payment, which creates uncertainty over how much they will be refunded, acts as a disincentive to Marion working longer hours. She explains, *"It didn't help me to be able to work more because I didn't know how much childcare element I'd get ... I can't commit to another day, knowing that actually I might not actually get the payment back for it".* She began to reconsider whether it was worth taking on extra shifts. *"I think sometimes, like, am I better off doing less hours ... I love my work, but I don't know actually if I'm worse off working."* Often the nursery was reluctant to provide invoices for each session of additional child care, making it difficult to reclaim the outlay. *"Sometimes I like to do extra shifts and then pay for, like, a day extra child care ... so if the [nursery] don't do me a new invoice ... I'll just pay for that on top."* In the end, she stopped reclaiming. *"I got to a point where ... it's more hassle than it's worth ... I'd rather pay the [childcare] money now."* Marion suggested a simpler system might be *"where you have an amount for the year and then maybe, like, pro rata and then split each month"*.

Having tried but failed to make Universal Credit work for them, the couple were re-evaluating their work-care arrangements. *"I've just got to a point now where ... I cannot wait to get off UC ... and not have to, like, input these things, it's so stressful."* Their plan is for both parents to earn enough to enable them to leave Universal Credit, while avoiding the need for paid child care. *"I just can't wait for [Seth] to be back at work, me, and hopefully just get off this whole thing, which I suppose in a way is probably what the Government want!"*

In 2020, a lot has changed. The couple have married and bought their own house. Seth has been in and out of three different jobs, but currently both parents are working full time. Their combined earnings mean that they are no longer entitled to Universal Credit but, in the periods between Seth's jobs, they do not reclaim. Marion says, *"Even if Seth lost his job again ... I would just pick up extra shifts because I can't deal with that whole process"*. She is still employed as a nurse but now has a 20-hour contract which allows her to pick and choose the shifts she works – generally evenings and weekends when Seth can look after their child. In spite of having a part-time contract, she typically works around 45–50 hours per week. With their daughter now attending school, they rarely need paid child care but, when they do, they use the 'tax exempt' childcare scheme.

The downside of working such long hours, Marion says, is that *"it does affect [the] work/life balance, because I work a lot of weekends, which is quite rubbish, so we kind of have opposite lives"*. However, coming off Universal Credit was a huge relief: *"It literally felt like a weight had been lifted off, like, our shoulders"*. Reflecting back,

Marion said, *"You can't budget because you don't know how much you're getting ... you couldn't rely on it ... Not knowing how much you're going to get each month is a horrible way to live ... it was living month to month ... We couldn't commit to the days at nursery because sometimes I might have been left with a bill"*. She says that there is no recognition in Universal Credit that many people getting it actually work. *"They almost assume that ... no one works that's on it."* Seth expresses similar views. *"We could never see any good out of it and certainly from ... a young, hardworking family ... couldn't make it work."*

From One Earner to No Earners

The stress of dealing with a low and unreliable monthly Universal Credit payment, together with unmanageable debt, featured strongly in the narratives of the three couples with a sole earner at phase 1 of the research who had no earners at phase 2. In all three cases, the male partner was the sole earner. Two of these couples were no longer together. In both cases, the separation had resulted in the female partner claiming Universal Credit as a lone parent, while male ex-partners continued working full time without claiming means-tested benefits.

Struggling to Manage Fluctuating Universal Credit Payments with a Zero-Hour Contract

Another hardworking family struggling to make Universal Credit work for them were Sofia and Fred, a couple in their mid-thirties with a two-year-old child. They went from having one earner when interviewed in 2018 to having no earners in late 2020. In 2018, they were living in a socially-rented flat in the centre of a city in the south west of England. Fred was working between 48 and 60 hours per week in a food processing plant on a zero-hour contract at the minimum wage – *"too many hours for too little money"*, as he described it. Sofia had previously worked as a full-time carer but stopped working when she had their first child. In 2018 she had no immediate plans to return to work, mainly because she wanted to continue breastfeeding her child.

As a couple with one earner on a zero-hour contract, Sofia and Fred were struggling to cope. Fred had no control over his hours and said that his contract stipulated a willingness to work for at least 48 hours per week. But, on the other hand, no minimum hours were guaranteed. He found his workload exhausting but felt that he had no choice but to work the hours offered in order to keep his job and prevent the family sliding further into debt. *"When car insurance, rent and everything else has got to be paid out, it leaves no money for nothing else ... unless I hit a seven day week."* But his long and irregular hours cause large fluctuations in the monthly Universal Credit payment. Sixty-hour weeks would take the couple over the threshold of entitlement, resulting in a nil payment.

In the early days of their Universal Credit claim, successive visits were made to the job centre to find out why their payment kept stopping

The stress of dealing with their finances in the face of such uncertainty was taking its toll on the couple's relationship. Sofia was resentful about a debt relief order she had been obliged to take out to help manage the £11,000 of debt they were responsible for repaying, a large part of which Fred had accrued before they had started living together. *"So it's still going to be a stress for me, as we're a couple. So it will get wiped out in my name ... it's still going to be part of my worry ... His debts are my debts."* Adding to their financial difficulties, large deductions were being taken from their Universal Credit payment to repay an advance based on an estimated award that it subsequently turned out was much higher than the couple was entitled to. *"Because he was on a zero-hour contract, I put down that he was getting £350 a week, which is about the average [but then he got more hours] ... Why put a new family into that situation of lending them money and not working out that you're not actually going to give them money?"*

In the early days of their Universal Credit claim, successive visits were made to the job centre to find out why their payment kept stopping. They both found it a distressing experience. *"They are not friendly at the ... job centre"*, Sofia said, *"uncaring, unsympathetic. You feel that you're ... a burden on society ... we're treated as almost second-class citizens"*. Fred described an incident when he was obliged to attend a meeting after finishing a 20-hour shift. *"The woman said, 'stop falling asleep', and started shouting ... I did have a hard job keeping my eyes open ... I'd been up, like, for about 28, 30 hours ... she was just rude, very rude."* There seemed to be no awareness or understanding that he was working. *"They keep sending me a text message every week about going to an appointment when I'm working."*

The couple had discussed the possibility of them both working, but the cost of paid child care was a key stumbling block. Rather than a solution, help with childcare costs in Universal Credit was felt to be part of the problem. Sofia said, *"You have to pay the money up front ... how would anyone who's working class come up with that sort of money ... and ... they only give you 85 per cent of it back, so what about that 15 per cent? Where does that come from?"* The fact that Sofia was still breastfeeding also made the prospect of returning to work impractical at that time.

Their situation in 2020 had not improved. Fred had attended court for a driving offence which had somehow caused the Universal Credit payment to stop when it was mistakenly believed that he was in jail. Then he became ill. Poor ventilation at the factory he worked in had contributed to a chronic lung infection. Too ill to work, he received no sick pay and eventually lost his job. Having agreed that they would both look for part-time work, their plans changed when Sofia discovered recently that she was pregnant, and Fred reverted to looking for a full-time job.

Deductions, Debt and Relationship Breakdown

Sylvia was a lone parent in 2018 and talked about how she and her partner split up under the strain of debt after claiming Universal Credit as a couple. Living in the south west of England, in 2018, Sylvia was 42, divorced, and had three children aged 15, 13 and 11. Her partner (not the father of the children, and not interviewed for this research) had been a jobbing joiner. Her youngest child had a number of learning and mental health difficulties including ADHD and anxiety, for which he received Disability Living Allowance and Sylvia received Carer's Allowance. Previously, the couple had been claiming tax credits and Sylvia had been working part time. Giving up her job to care for her child had triggered the Universal Credit claim. She said she would prefer to work – *"I don't want to be sat in my house cleaning all day, it's not gratifying"* – but felt that there was a strong need for her to be at home for her child. Moreover, she said, *"If I went to work at the minute, the more money they take off ... then Universal Credit will force me to go to work full time, which I can't do because I have an 11-year-old that ... can't stay at home on his own because he has major panic attacks and anxiety"*.

Once the couple was claiming Universal Credit, the treatment of self-employed earnings and imposition of the Minimum Income Floor caused serious financial difficulties. *"The job centre [told us] that [her partner] had to go self-employed, which made the situation much, much worse ... because he couldn't get payslips, UC weren't happy with that ... and they wouldn't take the proof [of earnings] off the bank statements."* Deductions were also being taken for a large tax credit overpayment of £2,000. With insufficient income on which to live, they began to conceal some earnings. *"[He was doing] some work on the side ... if we did not ... cheat the system, we would not have been able to live. So he would do a couple of jobs for friends for, like, an extra £80 ... that was keeping us afloat, at least our head above the water, because if not we'd be drowning."*

Sylvia bore the brunt of the anxiety and stress of their difficult financial situation. *"Everything used to fall on me ... I was the one that had to worry about the money ... Everything just got on top of me and I just couldn't do it any more."* Being on Universal Credit made things worse, she said, and the couple's relationship deteriorated. *"The arguments got worse ... Once we were put on UC, money was our main argument and the last two years, our relationship just went downhill, and funny enough we went on to UC two years ago."* Eventually, she asked her partner to leave. Now claiming Universal Credit as a lone parent, her financial situation remains precarious. With high private rental costs, she had recently received a journal notification that her payment would be capped. *"[It said] 'the benefit cap limit is £1,666.67 ... your payments might be reduced' ... So they're going to take off, clean off me... £300."*

Sylvia said that 2020 was a really difficult year. However, the temporary £20 per week uplift, and an increase in the housing element she was entitled to, had been a significant boost to her finances. Asked how she will cope when the Universal Credit allowance returns to pre-COVID-19 levels, she was unequivocal: *"I will be f****d!"*, she said,

adding wistfully, *"I would love to go back to work ... I hate being stuck at home ... but I [don't want to be] cleaning people's houses"*. However, with a disabled child, no requirement to look for work and no contact with a work coach, the prospect of her returning to the labour market in the near future was looking increasingly remote.

Fluctuating Universal Credit Payments, Debt and Relationship Breakdown

Ellie and her partner (not interviewed for this research) are another couple who split up under the strain of fluctuating Universal Credit payments and debt. In 2018, Ellie is a lone parent, aged 25, has one child aged five, and lives in a socially-rented house on the edge of a large city in the north west of England. She suffers from anxiety and has a chronic digestive disorder. She briefly worked as an apprentice florist after leaving school but has not been in paid work since having her child. She had recently separated from her partner and had started claiming Universal Credit as a lone parent. The joint Universal Credit claim had begun when her ex-partner's employment contract changed from fixed hours to zero-hours. The shift from tax credits to Universal Credit, she says, was instrumental in the relationship break-up.

Having waited almost eight weeks for the first payment, the couple accrued rent and council tax arrears which began a spiral of debt. Issues then began to emerge due to her partner's irregular hours. *"It was a low-paid job ... on a zero-hours contract ... [His wages] would fluctuate quite a lot, where some weeks he would work 40 hours and then some weeks he would get three!"* Alongside large fluctuations in the monthly Universal Credit payment, two sets of earnings would frequently be counted in the assessment period, causing the payment to stop. *"He was assessed, like, double what he had earned and then we had to do an earnings dispute ... That process was horrendously stressful."* Ellie's partner is obliged to take time off from work to evidence his earnings. But this was not an isolated incident. *"It wasn't just once as well, it happened quite a few times ... one after another ... once it was at Christmas time ... I was really stressed out, I was crying."*

Unanswered journal messages and long waits on hold to the service centre add to the sense of frustration. *"I was leaving messages ... and it would take maybe two or three weeks for somebody to write a message back ... if you're quite stressed out about what amount of benefits you're going to get ... it can be a long time to wait. And ... you could be waiting on the phone for an hour or two hours ... it's a long time."* She feels that different parts of the system do not necessarily communicate well with one another. *"I had to go between the ... service centre and ... debt management ... I rang each of those people about eight times in one day, going back and forth ... but neither would pick up the phone to liaise with the other one."* In the end, the stress was too much for the relationship to bear and her partner moved out.

Ellie claimed Universal Credit as a lone parent and her ex-partner continued working full time. Ellie says, *"Personally I don't think that UC really works for families where somebody works"*. She felt that weekly tax credits gave the family much more security. *"We had the security of getting those tax credits each week, so at least we knew that we'd be able to top up the gas and electric and buy a small amount of food, and ... the rent was being paid ... that was all very secure ... and that [tax credit] money was safeguarded for [my child]."* The single, integrated Universal Credit payment and monthly means test are much more difficult to manage, she says. *"It obviously comes in one payment, doesn't it, UC, so you don't know if that is the child element or if that's the housing element ... the deduction for wages is then taken off ... with UC, the more you earn, the less you get."*

Two years later, Ellie's health condition has worsened. She has been assessed as having limited capability for work and work-related activity and awarded the limited capability for work and work-related activity element in Universal Credit. The extra money makes a big difference, enabling her to pay off her debts and rent arrears. *"I had quite a lot of debts ... and I've mostly managed to pay them off."* She is grateful for the COVID-19-related temporary uplift in the standard allowance which helped with additional expenses during the lockdown. *"UC did increase ... the adult element to £409, which again did help because ... I had to go out and buy a printer ... and the electricity and the internet costs and the gas, all those costs, and especially my food shopping bill was sky high."*

Prior to being assessed as having limited work capability, she was called by a work coach every six months. *"It was just a two-minute call ... there's no ... personal relationship ... they see that many people."* No longer required to job search, she now has little or no contact. *"I'm no longer required to meet with a work coach ... [or] do the work search ... I haven't got any commitments at all in my journal."* But she regrets the lack of support. *"It would be nice to have slightly more support ... maybe somebody to check in from time to time to say, 'how are things going and is there anything that we can do to support you?' ... Now it's just ... 'OK, this is what you're going to get in money each month', that is that ... it's just sort of, like, radio silence."*

She contrasts the approach with when she first claimed Universal Credit as a lone parent. *"When I did the first claim as a lone parent, they were really pushing for me to work ... my son ... wasn't even five then ... and they said, 'oh well, you will get help with child care'."* But when she investigates the help on offer, she is put off by the fact that the contribution towards childcare costs decreases in line with rising earnings. *"When they are deducting wages from your UC amount, your ... child care is also included ... So if you picked up overtime ... you could also be losing out on childcare amount that you might desperately need."* It makes no sense to her. *"It seems like they're giving in one hand and taking with the other ... I was actually surprised to see that the childcare, just like the rent ... it's not some sort of separate element ... it's not ring-fenced ... you could possibly have ... your whole UC, childcare included, wiped out. So it doesn't seem like a very good*

incentive for people to maybe work full time.” For the foreseeable future, she says, she will remain out of the labour market caring for her child.

Reflections

In couples with children, having both partners in paid work offers strong protection against poverty and long-term reliance on means-tested benefits. However, for many one-earner couples in this research, the overriding consideration determining employment decisions was to ensure that one parent was always available to care for the children at home and, for children of school age, to drop them off at and collect them from school. While income inadequacy and pressure on household budgets are clearly to the fore in many of these narratives, money matters were generally of secondary concern. As highlighted in previous studies (discussed in chapter 1), prioritising time with children, and as a family, was the primary driver of work decisions. Most couples were averse to using paid child care and so had organised their working lives to deliberately avoid or minimise its use.

The strong disinclination to using paid child care sometimes reflected concerns about its high cost. Some couples had investigated help with childcare costs in Universal Credit only to discount it, mainly due to the need to pay fees upfront and reclaim them in arrears. But in most cases, couples simply expressed a strong preference to care for children themselves, particularly when children were young. That most households had at least one child of pre-school age, and some had a child with disabilities, thus formed an important part of the context in which work-care decisions were made by this group of parents. Some parents themselves had a disability or mental health condition which limited the amount of paid work they felt able to do.

Work-care arrangements for this group are thus a highly contingent mix of constraints and personal factors in which decisions about which parent should work, and working hours, are fitted around children’s and, in some cases, partners’, needs and capabilities. Whether couples achieved their preferred arrangement with one full-time earner or one part-time earner, few in this group felt that both parents could or should engage in paid work until children were older, or their children’s, their own, or their partner’s health improved. By phase 2 of the research, with the onset of COVID-19, and some parents newly assessed as having limited capability for work and work-related activity, this constraining context and the accompanying rationale for work-care decision making had, if anything, become more deeply entrenched.

Against this background, one-earner couples, particularly those who remained so between phases 1 and 2 of the research, might appear to be quite different from the group of couples with two earners, many of whom wanted and expected to have both parents in work, and were more amenable to using paid child care (notwithstanding

As highlighted in previous studies, prioritising time with children, and as a family, was the primary driver of work decisions. Most couples were averse to using paid child care and so had organised their working lives to deliberately avoid or minimise its use

their largely negative experiences of the childcare costs element of Universal Credit). However, three couples had in fact come to have two earners by phase 2. In all cases, the youngest child was now attending school. Most non-working partners with children under school age also envisaged getting a job as soon as their youngest child started school. As acknowledged by the conditionality regime, having a youngest child settled into school makes it much more feasible for both parents to work. This suggests that work-care arrangements strongly reflect family life cycles and therefore change over time as children get older and/or babies are born.

Older studies indicate that a preference for having only one working parent may indicate a greater propensity to conform to traditional gender roles, as highlighted in chapter 1. What is noteworthy in our new study, however, is instead the extent to which decisions about which partner in the couple works are pragmatically rather than ideologically driven. In contrast to these earlier studies, choices about which partner was the sole earner were rarely determined by gender (breast-feeding excepted). Although several couples said that they aspired to traditional roles of male full-time worker and female full-time carer, there were, in fact, almost as many female sole earners as there were male. Some couples also swapped lead carer roles during the course of the research. Sometimes the better-qualified partner with higher earnings potential is the female. But who is the wage earner is frequently determined by factors other than earnings potential – which partner has fewer health limitations, who can drive and, ultimately, who succeeds in getting a job first.

In these respects, early concerns that Universal Credit would reinforce traditional gendered patterns of work and care do not appear to be borne out for these couples. Even fathers saying that ideally they wanted to be the ‘breadwinner’ seemed happy and comfortable to take on the role of lead carer. Against this background, whether lead carers were male or female, many couples disliked the term which neither symbolically, nor in actuality, reflected shared parenting roles. As highlighted in our phase 1 report, the notion of a ‘lead’ carer was felt to hark back to a bygone era of employment for men and family care for women. Irrespective of which or how many partner(s) in the couple worked, the requirement to nominate a lead carer was seen as dated and out of step with modern relationships in which both parents want and expect to share responsibility for the care of their children.

Where concerns about the privileging of one-earner couples did resonate more strongly was in relation to Universal Credit’s incentive structure. While couples understood the reasons why the payment varied with earnings, for many, the often large amount by which entitlement decreased when earnings rose was experienced as a financial penalty rather than a reward for working. Several couples had rigidly stuck with a single part-time earner or reduced their hours of work explicitly to avoid the effects of the taper. Couples had also come to learn that increased earnings not only reduced the Universal Credit payment but also often resulted in a reduction or loss of

entitlement to other forms of means-tested help, including budgeting loans, support with Council Tax and prescription charges and free school meals.

The withdrawal of entitlement as earnings increase, together with greater understanding of how monthly assessment actually works had, by phase 2, thus persuaded several couples to minimise rather than maximise working hours. Unmanageable income uncertainty due to month-to-month fluctuations in the Universal Credit payment also led some couples to adjust their work behaviours by accepting offers of additional hours only when force of circumstance required it – to pay for costly items they could not otherwise afford, such as school uniforms, for example. The practical difficulties of budgeting a fluctuating payment were a further discouragement to working additional hours – difficulties which increased in magnitude when jobs were insecure and earnings irregular.

In these different ways, super-responsive means testing – whereby the benefit amount is adjusted immediately and visibly at the end of each month in response to earnings – could undermine Universal Credit’s policy goal of incentivising additional hours of work, entirely contrary to the policy intent. The collateral damage to relationships caused by financial uncertainty and stress, and the disproportionate effects on women – common themes across many narratives – led four couples to split up under the strain (with two couples getting back together later). In both cases in which the separation was said to be permanent, the added burden of dealing with the Universal Credit claim and budgeting a benefit payment that fluctuated monthly in unpredictable ways was said to have been a key reason for the breakdown of the relationship.

Couples in which a second parent had moved into work by phase 2 reported similar experiences to those of two-earner couples covered in the previous chapter. The couple who had taken up the childcare costs element of Universal Credit gave up on it, as others had, choosing instead to work longer and more unsociable shifts rather than suffer the financial uncertainty of a monthly means test and administrative hassle of reclaiming childcare costs each month. The two couples with both partners now working full time regretted their long working hours and the reduced time spent together as a family. But whereas one couple said that their experience of Universal Credit had put them off ever claiming it again, the other was giving serious consideration to whether they should reclaim it. Having one full-time and one part-time worker, they believed, might provide them with a better work-life balance. Only the (increasingly elusive) dream of owning their own home was stopping them from doing this.

Experiences of the conditionality regime and employment support were mixed, but there was little evidence that these policy areas had had any discernible influence on the job or earnings prospects or work behaviour of couples. In part this reflected the generally minimal contact partners in couples had with work coaches. The suspension of conditionality during the early stages of the coronavirus pandemic is clearly an important key reason for the lack of contact seen here.

But, even before the COVID-19 pandemic, contact and communication with a work coach were negligible

But, even before the COVID-19 pandemic, contact and communication with a work coach were negligible (for either partner) and job search, if done at all, often perfunctory and undertaken largely for reasons of compliance. The rules on work conditionality for couples are complex, as discussed in chapter 1, but there often seemed to be a mismatch between the conditionality groups and labour market regimes to which these couples had been assigned, and their individual circumstances and work aspirations. Irrespective of their hours or earnings, most couples with one earner appeared to be being treated with the same ‘light touch’. For the few participants having regular meetings, work coaches seemingly had little to offer.

It should be said that minimal contact suited many couples, allowing them to choose their preferred work-care arrangement at the particular stage of the family life cycle they were at, without feeling pressurised to work more. However, there were others who clearly wanted and would have benefitted from personalised support to help them prepare for work, find a full-time or more secure job, or move on to better-paid work. Overall, there was little evidence that any of these couples had been offered employment support, training or support that was customised to their particular needs and circumstances, or that would help them in the longer term to make the transition from the very low wages and precarious employment to which many seemed perpetually condemned.

5

**No Earners in
the Household:
Struggling to
Make Headway**

Universal Credit has, first and foremost, been designed to support, incentivise and, in cases in which a claimant is deemed to have capability to work, mandatorily require one or more members of a couple to search for and enter employment. The full weight of policy, including the work allowance, taper, conditionality regimes and employment support delivered by work coaches, is therefore intended to encourage one or both partners to move into paid work. This said, not everyone entitled to Universal Credit is expected to work or look for work. Depending on the severity of their impairments, those assessed as having limited capability for work (and work-related activity) and, in some cases, their carers, may have reduced, or even no, work conditionality. Lead carers in couples with dependent children also have fewer or no work or job search commitments, depending on the age of the youngest child and any disabilities the children may have. Couples in which no one is earning therefore represent another highly diverse group, and this was clearly reflected in our findings.

In 16 of the 39 households in our longitudinal sample, neither partner was working when (or, in three cases, before) phase 1 interviews were conducted in 2018–19. Two years later, a large majority were still without work: 12 of the 16 households with no earners also had no one in paid work in 2020. However, it would be wrong to conclude that no one in this group had undertaken any paid work in the intervening period; some had. Four of the 16 couples had also become single-earning although, in two of these cases, the couple had split up and formed two separate households. In this chapter, we highlight the changes in work and care among a selection of 10 couples, both without and with experience of paid work in the period between the two phases of our research. Couples have been selected to highlight a range of different circumstances and experiences. Not all cases are included here, due to the large number of couples in this category and coverage of the kind of issues faced in other recent research.¹⁸ Some couples were also omitted due to the particularly distressing nature of their situations and to protect them from the risk of being identified. For the couples included, minor details have been changed to ensure their anonymity.

No Earners at Either Phase 1 or Phase 2

Of the 12 no-earner couple households at phase 1 (or before), six were also no-earner couple households at phase 2 and six were single no-earner households at phase 2. Here we describe what happened in seven of these cases.

18. See, for example, the CovidRealities project: <https://covidrealities.org/>

Struggling to Become Work-Ready

Phoebe and Thomas are a couple whose circumstances typify those of many couples who struggled to find and sustain paid work between phases 1 and 2. They are in their late twenties and, in 2018, have two children aged seven and nine. The family live in a socially-rented, three-bedroomed house on the outskirts of a town in the south west of England. Neither partner has had any paid employment since leaving school. Phoebe has a joint disorder and both she and her partner suffer from anxiety and depression. Thomas reveals that the couple have been struggling to cope since losing their first child 10 years ago. At that time, he was training to be a car mechanic but, following the bereavement, dropped out of his apprenticeship. The couple were moved on to Universal Credit in 2018 after losing entitlement to Employment and Support Allowance (ESA) when they were both judged fit for work following work capability assessments. A family support worker is helping them to manage the children's behaviour, improve their employability and help get their lives back on track. The referral was made after an anonymous caller contacted social services with concerns about the poor condition of the house and possible neglect of the children.

She regularly checks that their journals are up to date and walks the three miles to the job centre to meet her work coach every two weeks to save on the bus fares

Reflecting their health conditions, the couple's job search requirements are reduced to 18 hours per week for each of them. Thomas is dyslexic, so Phoebe does the online job searches and fills in both journals. Thomas meets his work coach twice a month. He says she is tough but kind. *"I like my work coach, she's awesome ... Basically I was a bit lazy and unmotivated and she would ... be stern with me ... it made me motivated ... she did it in a politer way than like some others possibly."* She seems sensitive to the family's difficulties. *"I do like working with her because she is nurturing me ... she's not forcing me to do things that I don't want to do ... I've done a little course ... about anxiety, mental illnesses ... It did help ... She even lets [Phoebe] sit with me ... when I go for my appointments because I don't like talking to people on my own."* Thomas appreciates the help, which he never got when claiming ESA, and the "step by step" approach, though it has yet to yield results. *"She's not forcing me into work straight away ... because she's knows about my anxiety and depression ... On ESA, it was just hand the sick note in and that was it basically, so it is a little bit different in that way."*

Phoebe is finding the Universal Credit conditionality regime harder to adjust to. *"We didn't have to look for work when we were on the ESA, the anxiety was a bit less ... because we wasn't panicking we're going to get sanctioned if we don't find a job. If we don't look and if we don't do all these things that they've asked us to, then it's a panic. Will they sanction us? Will they take the money off us? What's going to happen?"* She regularly checks that their journals are up to date and walks the three miles to the job centre to meet her work coach every two weeks to save on the bus fares. But neither partner has qualifications or work experience and she finds the constant but unproductive job search demoralising. *"I've applied for, like, loads and loads of jobs and you just don't get nothing back."*

Two years later, in 2020, both parents remain unemployed but there have been some developments in the intervening period. Their family support worker organised some taster sessions with a personal trainer for Thomas. *"It's [helped] my self-confidence ... I'm quite a big guy."* But after the free help, he is unable to afford the £25 hourly fee. He is, though, sufficiently motivated to sign up to forklift driver training to which his work coach refers him. *"There was jobs going for being a warehouse picker ... I was picking and [doing] forklift [training]."* But he is there *"for barely a month"*, before he is let go. He is self-critical. *"They sacked me because I wasn't up to their standards. I don't blame them, I'd not worked for thirteen years and I was not [as] highly motivated as I should have been."* He tells his work coach that he has been fired. *"I said to [work coach], 'look, I've been sacked ... but I don't blame them ... they need people that are up to date and doing it, like, appropriately.'"*

It subsequently transpires that Thomas had not been sacked, simply not hired; the 'job' was in fact a training course and paid work trial, a crucial difference in terms of benefit eligibility that no one had explained to him. But it was too late. The week before Christmas, without notice, the family's Universal Credit payment stopped. Phoebe takes up the story. *"We went on to log into the UC to check it ... it said 'your claim's been closed' ... I was [in] shock ... It had stopped and then obviously he'd lost the job ... It was Christmas and we had no money coming in."* Her work coach advises them to open a new claim and request an advance but, in the meantime, their only income is Child Benefit and they are forced to use food banks. *"It was awful ... having to use the food banks and not being able to put food on the table for the children, it was horrible."* Thomas's brief period of paid employment reduced entitlement to other means-tested help too, generating arrears of council tax. *"We didn't get told that our council tax would go up ... we were unaware of that, so then we ended up with a big hefty bill."*

In 2020, their financial situation seems more precarious than ever. The couple had assumed that the financial help they got with housing costs covered all their rent but, with three bedrooms and two young children of the same gender, entitlement was subject to the 'bedroom tax' (or abolition of the spare room subsidy in social housing, as it is called officially). The £20 per week uplift to the Universal Credit standard allowance, though welcome, was being used to help repay the rent arrears that they accrued. Having just cleared the advance they took on with the new claim, the couple had recently arranged a budgeting loan of £300 to pay for the children's school uniforms. The help that they had been getting from the family support worker had ceased, due either to COVID-19 or to the withdrawal of funding. Phoebe says that she wants to work part time, and Thomas full time; but without personalised and sustained support, the chances of this happening in the near future were looking decidedly slim.

Deductions, Debts and Depression

Another couple struggling to cope are Keira and Brendan. In their early twenties, in 2018 they are living in a council-owned property in a northern town. Keira has two children, aged four and six, from a previous relationship, and is expecting her third child with her current partner. They were moved on to Universal Credit after Brendan was sanctioned for not evidencing sufficient job search. He explained, *"Everyone was saying that my signing on was perfect, like I was doing enough jobseeking and there was just this one woman ... the two times I went to see her, both times she sanctioned us saying that my jobseeking wasn't enough"*. Keira says, *"[It's] an absolute nightmare, there is not 35 [hours] a week worth of job search to be done"*. The sanctions, on top of an initial eight week wait for payment and deductions for Keira's tax credit overpayments, had begun a spiral of debt that they were struggling to repay.

Adding to their difficulties were serious rent arrears caused by a lack of understanding about the Universal Credit payment, which they did not initially realise included help with housing costs. *"They never explained that we had to pay our rent ... We got no explanation from the job centre ... and we just ended up getting ourselves in a lot of debt that we've still not cleared, nearly six months later."* Both partners are required to look for work, but neither has recognised skills or qualifications and their job search had yielded few results. *"[Brendan] applies constantly, and I apply with him as well ... but it's just when we're not hearing back, and the ones that we are hearing back, there's loads of people, it's kind of group interviews, so there's, like, maybe 10 or 15 other people there, so you've got all them to fight for one job."*

Entirely reliant on the Universal Credit payment, with no carpets, scant furniture and regular visits to the foodbank, Keira worried that the family's difficult financial circumstances would come to the attention of social services. Her distress, and the strain on the couple's relationship, were palpable. *"I feel so overwhelmed ... It's money, that's all we argue about ... My son was telling the teacher that this man came in a wee black van and gave us lots of food ... so the teacher ... she's, like, 'is everything OK at home?' ... And I was, like, 'oh God! ... if they're thinking I'm getting food parcels, maybe they're thinking I'm not coping with being a parent and then I'm going to end up with a social worker' ... Mentally it's destroyed me ... I constantly worry my kids will be taken away from me, because obviously if I can't feed them, I can't have them ... I feel like I'm getting to the position right now where I've no other avenues, I've nowhere else to turn ... if we continue the way we're going, I will end up losing my kids in the next year."* Knowing that they would get no additional child element for the new baby, she found her recent pregnancy an added source of anxiety. *"I was so happy I fell pregnant but I totally regret it now ... we're really struggling to cope right now, we're just scraping by every month and the thought of having another mouth to feed ... is just awful ... I would never have had the baby had I known I was going to go on to Universal Credit."*

Two years later in 2020, the precariousness of both their financial and work situations seems little improved. Brendan has had three zero-hour contracts in the intervening period, but the jobs are temporary and last only a matter of months. Short-term, minimum wage, zero-hour contracts are all that seem to be on offer locally, but Brendan feels obliged to accept them for fear of being sanctioned. *"We've got to accept anything that the job centre make him go for",* Keira said, *"if you don't apply for it they stop the money"*. What he desperately wanted and needed was help to secure full-time work, but this too appeared to be in short supply. *"They don't really care ... but they [should] stop being threatening ... judgmental and ... forcing [people] into jobs that they know are not going to help."* Brendan's irregular and intermittent wages also made the Universal Credit payment fluctuate unpredictably. Keira explained, *"[It] just ended up mucking our money up obviously because he was getting wage sometimes and then he was coming off Universal Credit the month after he stopped working, so there'd be, like, less money that month"*.

One positive development in 2020 was that Brenden had a new work coach who had a more sympathetic approach. *"She ... got us the food parcel ... I don't think she'll sanction us for no reason ... she doesn't degrade you",* Brendan said. The couple were also grateful for the suspension of work conditionality during the lockdown. However, they knew that the temporary respite would be short-lived. *"It'll be coming [back] shortly so I think maybe that's adding to the stress we've had maybe the last couple of weeks."* Their tax credit deduction, which they had been led to expect would stop, also continued to be taken throughout the lockdown period. *"I can't prove that I was never in tax credits debt and they just say that ... I've got no other choice but to pay it ... They did say there was something about deductions stopping but ours never did."*

Recently, Keira had been trying to earn some money buying and selling online. *"I get maybe, like, £30 a month from that."* She said that it was not enough to affect the Universal Credit payment, but she was finding it hard. *"I've just not got the time with three kids."* She had also worked for cash in hand at a local shop, but *"I wasn't comfortable with that"*. Aware that she risked prosecution for benefit fraud, she asked the owner if he would employ her legitimately, but he declined. *"I asked ... if I could put it through my UC just in case I got in trouble and they said no. So I had to leave ... if I had stayed there and then I had been reported, we would then risk all our money getting stopped and it was not worth the risk."* Another blow to their finances and work situations is that Kiera is pregnant with her fourth child. The house is too small to accommodate their growing family, but they have rent arrears of £800 so cannot move. With four children, only two of whom attract a child element, their prospects of being able to clear their debts seem less manageable than ever.

The spectre of having their children removed and placed into care looms large for Keira once more. *"[It's] just getting worse",* she said. *"If it continues to go this way and my partner doesn't get a job ... I don't know what will happen."* The situation has badly affected her mental health. *"I feel so negatively towards my pregnancy ... I said to*

my midwife, I feel very depressed.” That Brendan’s debts had been transferred into the couple’s claim was an added source of stress. *“We pay quite a few debts that are [Brendan’s] from when he was younger ... before we got together ... for court fines and stuff ... that comes off our money ... it’s now affecting our current life.”* Kiera’s debts from a previous joint claim with her ex-partner were also being deducted from the couple’s Universal Credit payment. *“All the debt that we ever got ... when I was in a relationship with ... the kids’ dad now comes off our money, so any, like, crisis grants ... budgeting ones ... community care grants, are all coming off our money.”* In 2018, Keira had wondered if she would be better off claiming as a lone parent. Though still clinging together in 2020, neither partner was positive about the relationship’s future prospects.

Moving in together after the children were removed, they found that the single monthly payment they receive is much less than the aggregate of what they previously got as single claimants in receipt of legacy benefits

Young Parents with Complex Backgrounds and Needs

Fears about having their children removed, expressed by several parents in this research, were not misplaced. When interviewed in 2018, Eloise and Callum, both in their early twenties, had recently had their two children, aged one and two, taken into care and placed for adoption. Eloise herself was adopted as a baby and has spent her life in and out of the care system. Callum, too, had had a troubled past, including periods of being street homeless. Both are unemployed and living in a sparsely furnished flat on a housing estate in the south west of England. Prior to the Universal Credit joint claim, Callum was getting Employment and Support Allowance (ESA) and Eloise was claiming as a lone parent. Moving in together after the children were removed, they found that the single monthly payment they receive is much less than the aggregate of what they previously got as single claimants in receipt of legacy benefits. Deductions for advances, together with their combined overpayments of Housing Benefit and tax credits, mean that they quickly slide into rent arrears and debt. The couple are left with around £80 per week between them to live on.

With a distressing set of personal circumstances, the couple’s request to have the Universal Credit payment split and paid four times per month into their separate bank accounts has been approved. *“Going on a joint claim together and getting monthly wasn’t working”,* Eloise explains. *“We argue over money”,* Callum adds. *“At one stage I’ve had it come into my bank account and [Eloise] felt that she wasn’t having more of a say, so we changed it over to hers and I started feeling that way myself ... And so we got it split ... it gives us that little bit of independence.”* The couple’s work conditionality has also been suspended. Eloise said, *“We’ve not long had the kids removed, that’s still affecting us ... badly affecting my mental health ... [My work coach] turned around and went ... ‘we’ll turn that off until you’re sorted, you’re on the right track, on the right medication ... until that’s happened, you’re not going into work, we’re not going to even get you to search for it’”.*

Another small help is a reduction in the monthly amount taken in deductions. But it is one step forward, two steps back. After their social landlord threatened them with eviction, they agree to pay extra on top of their rent to clear the arrears. The additional amount, deducted from their Universal Credit award, is barely affordable, but the sum they agreed at the magistrates' court was recently increased without their knowledge or consent. *"How much they take off for rent arrears ... the percentage went through the roof ... It wasn't requested by us to be paid any higher."* It has pushed their finances over the edge. *"We're not managing ... we're going food banks more often ... absolute nightmare."* Eloise was recently forced to sell her smart phone. *"I went and sold it so I could get food in."*

Two years later, the couple have separated. We are unable to contact Callum, so only Eloise is interviewed. She recounts a harrowing story of domestic violence leading up to the split. She has since had another baby with a different partner but currently lives alone and is claiming Universal Credit as a lone parent again. Prior to her relationship ending with Callum, she was very briefly employed but, with no work allowance, the 63 pence reduction in Universal Credit entitlement for each pound of net earnings jars. *"Just before me and my ex actually split, I done a shift for [the local] stadium ... and [festival] clean up ... I got £41 ... and UC took £25 out of my payment ... and out of the £75 ... they took £45 off me ... but I honestly don't think that's actually fair."* To her surprise and relief, the change of circumstances when they separate goes smoothly as far as her monthly Universal Credit payment is concerned. Her social worker also helped her to claim a discretionary housing payment, which clears the rent arrears. *"They actually put in a request, a discretionary housing payment, to see if they would clear my rent arrears of the £990 odd that my ex put me in, and they actually wiped it clear."* For the first time since claiming Universal Credit, her rent is up to date, which means that she can move house.

But her finances remain very finely balanced. She has another large advance to repay from the current claim and waits a month after the baby is born before receiving any Universal Credit child element. *"It's a month after your baby's born you receive the Universal Credit money. So for that month that you've had your child, you get nothing, you have to provide off your money alone, which was very, very, very hard to do on £118."* Fortunately, she manages to have the Child Benefit payment rushed through. *"When I rang them up and explained to them, I've got severe mental health issues ... they rushed the back pay through."* Being on a single adult claim, too, gives her more control over the household money, and her standard allowance recently increased on account of her reaching the age of 25. She is grateful for the temporary increase in Universal Credit given in the COVID-19 pandemic, but worries about what will happen when it is withdrawn. *"They gave us an extra £80 a month. That's due to end around March or April next year [2021] ... I think I'll be struggling again."* (In the event, the uplift was extended until October 2021.) Deductions for her advance continue to be taken

throughout the pandemic. *"I'm on groups on Facebook over it and loads of people had their advances stopped whilst we were going through COVID, where with me they've continued to take it throughout."*

Recently diagnosed with a further set of mental health conditions, she has a forthcoming telephone medical assessment which she is hoping will determine that she has limited capability for work. What will make the biggest difference, she says, is if she is awarded the extra money the limited capability for work and work-related activity element brings. *"If you pass and qualify for that, you get a bit more extra money on top than your standard living allowance ... I've also been told to apply for PIP [Personal Independence Payment] as well because of my mental health."* She says that she would like to work and has looked into the childcare costs element of Universal Credit, but the upfront payment and reduced entitlement as earnings rise make her wary of taking it up. *"I've seen people's posts online over it but there's been loads of problems ... because ... you're forking out of your own money and then UC will only pay so much back to you out of it ... I've seen a lot of people struggling with childcare costs."* She will therefore wait, she says, until her child reaches the age of two, when she can access the government-funded free child care. *"Once I can get him into nursery, I want to try and see if I can get a part-time job ... When he's about two or three years old."*

Mental Health Issues and Unmanageable Deductions

Another couple struggling with mental health issues, and whose child has been removed by social services, are Andrea and Robert, a couple in their forties. In 2018, Andrea, who has adult children, is pregnant with the couple's first child. Both suffer from depression and both have been unemployed long term. They live in a one-bedroomed socially-rented flat on an outer housing estate in a town in the south west of England. The walls of the combined kitchen/living room are stripped bare and the couple's bed is positioned in the centre of the room. There is no other furniture. They started decorating, Robert says, but ran out of money. It is eight years since he has had a job and he recently served a short prison sentence. Mostly he has worked on and off in a series of temporary agency positions in warehousing and security. There are no *"proper jobs"* available locally, he says. Andrea, too, has had a series of different jobs over the years, including catering assistant and carer, but it is more than three years since she last had paid work.

Universal Credit is the couple's only source of income. Deductions for rent, council tax and water rates arrears, together with Andrea's historical overpayment of Child Tax Credit, and a court fine of Robert's, leave the couple with barely £400 per month to live on after their rent is paid. *"They're saying that we should be able to manage on £50 a week [each] ... I don't put no credit in my phone, I just have it so that if anybody needs my number then they can contact me ... I can't even call [Robert]."* Without the deductions, they would manage, Andrea says. *"Really they should give us enough money to live off*

on.” A local food bank is helping them to manage their debts and a request for a deferral of deductions has been granted, but only for three months.

Both are required to job search for 35 hours per week and they meet face to face with their respective work coaches every two weeks. They regularly attend mandatory courses but this never results in work. *“It’s a waste of time”,* Andrea says, *“you’re just going round in circles ... The last course that I went on, it was ... to update your CVs and things that you’ve already learned ... you’re not gaining anything out of it”.* She recently attended a three-week training course to be a cleaner – but *“cleaning’s not really what I want to do at the end of the day”,* she says, *“because ... it’s only part time”.* They both agree that full-time work is the only way forward. *“I’ve asked my adviser ... what happens if [we get a part-time job], and she said, ‘well, it would go by off like pound [for pound]’ ... And I was, like, ‘well, is it worth me going to work then if you know you’re going to take my money off me?’ ... She was saying ... ‘it’s to better yourself’, but I’ve still got to cover my rent.”* Without qualifications, full-time jobs are pie in the sky, Robert says.

Two years later, their new baby has been removed by social services and taken into foster care. Their work conditionality has been eased in recognition of their emotional distress and time needed to attend court hearings. Robert says, *“We’re not really mentally [or] physically [ready] to go back to work”.* His work coach suggests that he should have a work capability assessment and emails him with information about support for people with health and disability issues. But he does not feel well enough to take up the offers. Their rent is now paid direct to their landlord, but the monthly payment arrangement for the housing element means that the arrears are never cleared. Robert struggles to understand why. *“They said I’m in arrears again. It’s, like, how’s that my fault? That’s, like, UC’s fault.”* With the £20 per week temporary uplift, Robert says that they are managing better. *“At the moment [it’s] improved a little ... with the little extra, with the pandemic, it’s, like, helping us out a little bit more.”* But their situation seems more precarious than ever, and the prospect of paid work remoter still.

Managing to Get by with Disability and Carer’s Benefits

Another couple for whom paid work seemed less likely in 2020 than it was in 2018 are Holly and Ralph, a married couple in their late twenties. Holly’s recent award of the limited capability for work and work related activity element, and the extra disability and carer’s benefits they get, are key reasons for this. In 2018 they have two children, aged five and two, and live in a three-bedroomed council house on a Scottish housing estate. Neither partner is employed. Holly suffers from anxiety and depression stemming from a previous, abusive relationship, and rarely leaves the house. Currently in the work preparation group, she has little contact with a work coach, but likes it that way. *“I’ve just got to go up when I’ve got a sick [note] ... I’m happy, I don’t like the job centre.”* But she is anxious that she will be forced into work when her youngest starts school. A recent attempt to do some unpaid

work experience seriously dented her confidence when she was reported for fraud. *"Last year ... I was helping a friend round at the local hairdressers ... didn't get paid anything for it ... It was just to get me out the house and get my confidence up, to try and get me to be able to go into work. There was a malicious phone call made to the benefits ... saying I was working full time."* She sighs, *"I would love to go back to the way it was ... in the sixties ... you know, the woman brought the kids up ... Ideally I would want my husband to be out working full time and I want to be the stay-at-home parent"*.

Ralph would prefer to be in full-time employment too. *"If I had my way, the wee one would be at nursery and I'd be working, but unfortunately it doesn't quite work out that way."* His last job, as a warehouse stacker, was a year ago and the latest in a long line of temporary agency jobs that have never lasted more than a few months. *"What I wanted at the time [was] full-time work but [with agency work] you get a phone call ... or there's a text ... saying you're not wanted the next week ... so you're back to square one again."* Working long shifts, he also missed spending time with his children. *"You were out at 5 in the morning ... and back for 10 o'clock at night ... So both were in their bed when I left and both of them were in their beds when I came home... which sucked."* Agency work nevertheless gave the family just enough money to live on. *"When I was working ... we always had ... food ... gas and leccy ... clothes on our back."*

Since Ralph's last job ended, the family has struggled to get by. Difficulties in applying for Universal Credit before any help was available meant that the first payment was delayed longer than it should have been, and they were forced to use food banks and local welfare charities. An advance, though offered, was turned down. *"We're better off not going down that line because we need to pay it back and it would get us in more debt and would struggle more than what we are."* It is a relief when the payment is finally awarded, but deductions of £75 per month are taken to repay rent and council tax arrears. Thinking it will help, they opt to change the frequency of their payment to twice monthly, as claimants in Scotland are allowed to do more readily than in England. But this causes difficulties with paying their rent, so they switch back to monthly. What has recently made a difference is Holly's Personal Independence Payment award and the Carer's Allowance Ralph now receives to look after her. Though this is a welcome boost to their finances, it makes the possibility of either partner engaging in paid work much less likely.

Two years later, the family finances are under further stress. This time it is due to a new addition – a third child. Holly says that they were aware of the two child limit but that the pregnancy was unplanned. *"I knew that I wouldn't be entitled to it ... but from my religion, an abortion is out of the question."* They have not applied for Child Benefit, in the mistaken belief that it is not payable for a third child. *"I was always told that it was ... capped at two."* No one has informed them otherwise, in spite of the fact that the couple were obliged to visit the job centre in person to present their new child's birth certificate. *"Nobody's said anything about it",* says Ralph. An unexpected windfall,

The temporary £20 per week uplift to the standard allowance of Universal Credit has been another welcome bonus, though this additional amount will be sorely missed when it is withdrawn

though, is the removal of the 'bedroom tax'; with a third child, they are now entitled to three bedrooms and the abolition of the spare room social housing subsidy therefore no longer applies to them, increasing the financial help they get with housing costs. It makes a big difference. *"My rent got paid an extra £100 a month ... because now we're entitled to three bedrooms."*

Living in Scotland, the family is also entitled to additional cash and in-kind help for the new baby. *"We got ... £350, and that paid for ... a cot, pram ... I also got the baby box, which was a great help."* They also receive a COVID-19-related grant on account of Holly's requirement to shield. The temporary £20 per week uplift to the standard allowance of Universal Credit has been another welcome bonus, though this additional amount will be sorely missed when it is withdrawn. *"Because now I've got [baby], that £20 a week helps towards getting her clothes and food for her and things whereas, once that's away, I'm going to be stuck with what I had before and I think I will struggle a lot more."* These additional forms of support all help to soften the blow of the two child limit. With Holly's Personal Independence Payment and Ralph's Carer's Allowance in addition to their Universal Credit payment, they are just about getting by. They have even got used to getting their Universal Credit paid monthly. *"Getting it going was a nightmare ... hated it ... and then changing benefits from every two weeks to every month was difficult, trying to budget that way. But now, because I'm so used to it, it makes it easier."* Nevertheless, with three young children, living on benefits is a constant struggle. *"It is hard, my other children have had to give up a lot so that we could provide for [baby] ... We've actually been told we can no longer go back to food banks, we've ... exceeded the times that we're allowed to use them."*

With a new baby, Holly is not required to look for work, but a deterioration in her mental health before she got pregnant meant that her work conditionality had already been lifted. As her official carer, Ralph has no work conditionality either and it is now two years since either of them saw a work coach. Holly says a huge weight has been lifted off her shoulders. *"I don't have to go up to the job centre; that takes a big weight off my mind."* Although Ralph says he would love to go back out to work, the chances of this happening in the foreseeable future seem unlikely.

The Co-Dependence of Cared-For and Care-Giver

Elise, in her late twenties, and Gerry, in his mid-thirties, are another couple in which the male partner is the female partner's carer. The couple have no dependent children and live in a two-bedroomed, socially-rented flat in a small rural town in the south west of England. Elise has mental health issues, and has not worked for three years. Prior to that, for seven years, she worked as an office manager for a large company in the south of England. For eight years Gerry worked full time as a self-employed gas fitter but, after the couple moved in together, he became Elise's full-time carer and was recently awarded Carer's Allowance.

Gerry's attempts to remain self-employed while claiming Universal Credit began to falter because, he says, he fails to meet the requirement for being gainfully self-employed. *"The job centre were hounding me to try and find a job ... I was classed as ungainfully self-employed ... I wasn't bringing in enough."* He is required to record income and expenditure for the smallest of jobs using the online system, something he finds onerous. *"Every job I done, no matter how small, I had to declare it ... give a brief description of the job, any expenses such as fuel or materials ... it was all online ... It was tedious, really tedious ... then [it was] ... deducted off the UC because it was then classed as earnings."* He says that the administration and reduction in entitlement act as a huge disincentive to declaring his earnings. *"It didn't seem to make it sort of worthwhile. If I'm going out to work and literally making less than minimum wage, and then that small profit that I was to make just gets taken off us ... if it gets given to us with one hand and taken out the other, then what's the point?"* His self-employed prospects have suffered a further blow because he cannot now afford to keep up his gas registration certification. *"It's currently ran out and I simply can't afford to renew it ... it's ... three and a half grand, which I simply can't afford."*

He discloses that he now does small jobs without declaring his earnings. *"I just stopped declaring ... so any little job then wasn't declared, just so we could have some spare money."* In justification, he says, *"There's no incentive to work with UC ... [this way] I would still be able to claim my UC, I can tell little fibs about my actual income and ... I'll be much better off"*. He knows that this is fraudulent but believes that the system encourages dishonesty. *"If you fiddle the books, it's a great incentive, but if you do it honestly, there's no point ... for someone that's ... claiming UC, doing jobs on the side, it's great. And I'll hold my hands up and I'm taking advantage of that fact but it's the only way that the ... average person can live."* He says that he is forced to do this because the income they get from benefits is insufficient to cover their basic living expenses. *"We'll basically live off the PIP [Personal Independence Payment] until UC payment comes in and then ... we're sort of back to square one ... Even with the extra payment for the Carer's Allowance, it's still not enough."* One irritating hangover from being self-employed is the ongoing monthly administration. *"I still have to fill out an expenses form each month, in order for us to get our UC payment ... I don't know if someone's just forgotten to take it off the system."*

Two years later, in 2020, Elise has been awarded the limited capability for work and work-related activity element. *"We had a diagnosis on my mental health ... I've still got my, like, borderline personality disorder, OCD and depression and anxiety, but I've now been diagnosed with bipolar ... and I've now been put on the enhanced rate."* Neither she nor Gerry has any work conditionality. *"I don't have to look for work, I don't have to see a work coach ... I'm quite happy because they are very judgy ... so no contact is ideal for me."* With the COVID-19 pandemic, Gerry no longer works for cash. *"Last time I was doing, like, a bit of cash in hand work ... that's obviously stopped with*

COVID.” But he is still required to complete an online declaration of his non-existent earnings every month. *“The only sort of contact we have is, I’ll get a message each month ... to report my self-employed income and expenses, even though I’m not doing anything.”* He is irritated but does it to ensure that the payments continue. *“I have to go on, tick a few boxes ... [If I don’t], I would assume that our payments would be stopped.”*

Elise says that she will return to work when well enough. *“I’ve got to complete my therapy first before I’m mentally in a decent position to go out to work. I may go part time first of all, just to ease myself back into it.”* She says that, with the additional benefits they get, work for Gerry is not an option until she is also able to earn. *“With him being my full-time carer ... we rely on the [money] ... so he stays at home with me, just so we ensure we get that money.”* Longer term, if her condition improves, the intention is that both will get full-time jobs and leave means-tested benefits altogether. *“Ideally I’d want to go full time ... we have always said, if one goes back to work, we both go back to work, because if I go back to work, he’s not needed as my carer, so the benefits system would completely stop for us, I would just be carrying on with my PIP payment.”*

A Carer Who Wants to Work

Most carers we interviewed did not feel able to work and did not want a paid job, but Victor is different. He receives Carer’s Allowance for looking after his wife, Summer, who has epilepsy and learning difficulties, and has received Personal Independence Payment (PIP), and previously Disability Living Allowance, since she was a child. Married, with no children, and in their late thirties, the couple live in a privately-rented three-bedroomed house in north west England. Victor has had a variety of temporary agency positions, mainly in warehousing, but is never kept on. *“As soon as it’s got to the end of the three-month contract ... I’ve been ditched and I’ve had to go and get another job ... there’s no permanent contract.”* Victor desperately wants a secure, full-time job. *“I’d love to go back to work ... I’m sick and tired of not working.”* But as Summer’s carer, and in receipt of Carer’s Allowance, he has no work conditionality, no work coach, and restrictions on how much he is allowed to earn. Summer, on the other hand, who has learning difficulties and has never had a paid job, is required to job search for 25 hours per week.

With Victor’s help, Summer completes her journal daily. Victor also accompanies his wife on the mandatory training courses she is required to attend. *“She’s been on a computer course, she’s currently on a cleaning course ... I go everywhere she goes, just to make sure that she’s OK.”* Summer finds the mandatory courses unhelpful but attends to avoid being sanctioned. *“I am getting bored of doing the courses ... it’s the same old thing all the time ... I have to attend, because otherwise they sanction you.”* Victor challenges Summer’s work conditionality. *“I said, ‘why are you making [Summer] go to work when it should be me that’s going to work?’ There was no explanation.”*

The work coach is sympathetic but says that she has no authority to reduce the number of hours' job search in Summer's claimant commitment. *"Even [her] adviser disagrees with how many hours' job search she has to do but ... an adviser has to do her job."* He asks for a mandatory reconsideration, but the decision is upheld. *"It went to a decision maker ... and they said [Summer] should be doing 25 hours' job search ... they said there's no appeal."*

Victor has qualifications in computing and business administration that he is keen to update but, as Summer's carer, he gets no employment support. Victor finds these conditionality rules baffling and perverse. *"I've got no work commitments, which I think's a bit bizarre because I'm the one that's capable of working ... I'm not treated as a jobseeker ... I'm just left alone."* Accompanying his wife to a meeting at the job centre, he asks the work coach whether she can help. *"[Summer's] adviser said ... because the way the job centre works, they've got me down as a carer, according to them I am actually working, but I'm not ... she's my wife ... so it's not a job, it's something I want to do."* He is warned that attending a training course may affect his entitlement to Carer's Allowance. *"[I'm] a bit annoyed really because it could be detrimental to me looking for work ... The job centre have said ... if I do ... more than 16 hours' training ... I've got to go and tell the Carer's Allowance, so that they can reduce my ... payments."* He is allowed to work part time and earn a small wage without losing his Carer's Allowance, but what he wants is a full-time job and decent earnings. *"I want to earn a proper wage ... I could get into work ... quick, through an agency ... [but] I've had nothing but trouble with agencies ever since I started working ... promising work for more than three months and [the] ... company got rid of everybody ... or promising a couple of months and only getting a couple of weeks. Agency staff are treated like crap, they're not treated the same as a normal person on a normal contract."*

Getting a recognised qualification is key, he says, to break the cycle of low-paid, insecure work, but the rules currently prohibit him taking part in longer training courses. *"The opportunity to ... get better paid ... is removed from you because the job centre ... say you're not looking for work. But in reality you are looking for work, it's just going to take a year for you ... to get the qualifications you need ... They only allow you to do small part-time courses that are not really getting you anywhere."* Another concern, if he takes another poorly-paid or temporary job, is continued involvement with Universal Credit. He preferred the clear line of demarcation between being in work and out of work under the legacy system. *"When it was JSA [Jobseeker's Allowance] and ESA, once you went to work, you signed off, that was it, all finished, done and dusted, there was no involvement with the job centre. But now apparently you stay with the job centre ... I preferred it that way, with a clear line between in or out."*

Two years later, in 2020, little has changed. Summer is still unemployed, still subject to 25 hours per week work conditionality and, prior to COVID-19, was still attending mandatory courses. *"They keep putting me on these CV writing and ... confidence building courses ..."*

It doesn't get me anywhere ... It's the same thing you do and the staff are not very nice ... I do it just to keep them quiet." She knows about the suspension of work conditionality due to the COVID-19 pandemic but continues her job search regardless, for fear of being sanctioned. She has also recently been signed off sick after a worsening of her epilepsy so has no need to job search, but she does it anyway. *"I don't have to do my job search because I've been handing in the sick notes, but ... I've still been doing it because ... I've got so little trust in them."*

Victor still wants a job but he, too, is no further forward. The different treatment he receives compared with his wife's, and the lack of employment support tailored to their particular circumstances, continue to irk him. *"Whereas my wife, when she logs into her UC, she's got messages nearly every day ... there's, like, job fairs, or there's companies coming into the job centre to do things, or there's courses ... I receive none of that information at all ... [it's] frustrating ... the lack of willingness of the job centre to try and help you improve that situation."* A better-off calculation confirmed that part-time, minimum wage work would make the couple worse off, due to high travel to work costs. *"It would not be financially viable ... to do part-time work because I'd be spending what money I'm making on bus fare ... That's why full time at more than minimum wage would be much better."* This might then allow Summer to try some voluntary or part-time work. *"I could never do a full-time job, even if I tried",* she says, *"but I've always wanted to be a care assistant"*. In the absence of any policy change to make this scenario more likely, the chances of either Victor or Summer being able to realise these modest, but potentially achievable, ambitions seem quite slim.

From No Earners to One Earner

Four couples in which neither partner was earning at phase 1 had one earner at phase 2. Two couples had dependent children and two did not. In three cases it was the man who had started work and in one case it was the woman. In this last case, the couple had split up and the female partner was no longer claiming Universal Credit, while her ex-partner was claiming as a single claimant. For these couples, their situations, circumstances, and motivations giving rise to work entry and the number of hours worked, together with their experiences of Universal Credit, were all quite different. Here we include coverage of three couples: one with dependent children and one without and one couple whose relationship had ended.

Precarious Work and Unreliable Universal Credit Payments

Aiden and Lara are 43 and 32 respectively, and in 2018 have two children aged two and four. Aiden also has adult children from a previous marriage. Their three-bedroomed socially-rented house perches high on a windswept hill on a housing estate located on the edge of town in rural south west England. Huddling together

with Aiden under a duvet for warmth, Lara says that they cannot afford to heat the house during the day. *"We wait until an hour before the children come home from nursery before putting the heating on."* A two-year period without either partner in paid work has hit the family finances hard. Yet prior to this recent spell of unemployment, both partners had a long history of paid work, Aiden in a variety of different jobs, from fairground worker to contract cleaner to factory operative, and Lara mainly in retail.

For 11 years, Lara worked 15 hours per week as a supermarket cashier, before being made redundant soon after the birth of her second child. Complications during the pregnancy meant that she was obliged to attend a specialist clinic some distance away. Her employer was unsympathetic. *"I had pre-eclampsia ... there was a chance of miscarriage, I had to take some time off work and they weren't happy."* Earning below the National Insurance lower earnings limit, she is not entitled to Statutory Maternity Pay, but must claim Maternity Allowance instead. *"They didn't pay any maternity or anything, I got that off the government."* This ends their tax credits claim, and they are required to claim Universal Credit. Since Lara has a job to return to, Aiden is nominated as lead carer, a role he is happy to take on. She doesn't yet know it, but she has been earmarked for the next round of redundancies.

After returning to work, with only a 15 hours per week contract, Lara finds her work coach telling her that she must find additional hours, another job or job search to take her up to the 35 hours specified in her claimant commitment. She finds this onerous. *"I was working, but I still had to find another job."* She asks her employer for more hours, but they are unable to accommodate her. It is a request that she has made repeatedly over the years, including during the couple's previous tax credits claim, but she has always been turned down. *"I tried for, what, five, six year to get [my hours] up and no ... when I went back [to work] after having the kids, I tried to and they wouldn't let us. [Employer] wouldn't ... give us any more hours."* Local job opportunities are scarce. Even if she could drive, they cannot afford to buy or run a car and the bus service in this rural area has been severely cut back.

Struggling to meet her job search obligations, Lara is sanctioned. *"I was applying for jobs online ... but [my work coach] wasn't happy because I was putting the same jobs down."* The couple find their Universal Credit award reduced by a week's standard allowance – money they can ill afford to lose. The sanction comes on top of multiple deductions for an advance loan, rent and council tax arrears accrued during the move from tax credits, and debts incurred by Aiden five years before he and Lara even met. These include a tax credit overpayment from when his ex-wife continued to claim after the couple separated, and council tax arrears from a house mate who disappeared without paying his share of the bill. Aiden challenges this but is told

After returning to work, with only a 15 hours per week contract, Lara finds her work coach telling her that she must find additional hours, another job or job search to take her up to the 35 hours specified in her claimant commitment

that the tenants had joint and several liability. Deductions reduce the family's Universal Credit payment for more than two years after the start of the claim.

Then Lara is made redundant. When her children are ill, she struggles to fulfil the required 35 hours per week of job searching. *"My work coach wasn't happy that I didn't do the right amount of job search ... she wouldn't accept that my kids were poorly ... and they wanted me ... My kids come first ... but they wouldn't take that as a reason ... with him being the main carer."* They find the treatment of two-parent families harsh and hard to accept. Aiden says, *"The fact is that we're both parents, but it's like trying to make one individual to do it ... We're a partnership, we're both together, but with this, it's ... making you feel like you're not"*. Lara's work coach is unyielding and sanctions her again, this time for 20 days. Finding it hard to combine full-time job search with being a mother to two young children, she and Aiden switch roles. He takes on responsibility for full-time job search and she becomes the nominated lead carer. Now in the work preparation group, she finds the easing in work conditionality a welcome relief.

Aiden has recently enrolled in a security training course. *"I did it all myself, because if I wait for the job centre, I'd be still waiting 20 years ... now you're on UC ... you have to do everything yourself."* The training company conducted a better off calculation which shows that they will be £50 better off if he works for 35 hours per week, but he says that this is not enough and that he needs more hours. He is looking forward to working and to respite from the constant scrutiny they feel they are under. *"UC ... it's like big brother ... they're watching you ... checking on what you're doing ... You can't go on holiday ... So we're hoping that I'll get a good job, security job, then we can go on holiday."* When their financial situation is more stable, they plan to get married.

For now, the household finances remain precarious. Rent arrears are taken directly from their Universal Credit payment, but they never seem to clear the backlog. *"We pay the [rent] and ... extra on top to try and clear the arrears ... but we're always ... behind."* Aiden says that this is due to the way in which rent payments are processed. *"Everyone who are UC with [housing association] ... [are paid] all in one go. So we're in rent arrears because of that."* This delay matters. They have anti-social neighbours and are desperate to move, but they are not allowed on to the transfer list until their arrears are cleared. Aiden points to the end of the street. A sooty stain encircles the charred remains of a burnt-out scooter. *"Down there is where all your drugs are."* He signals to a derelict house opposite: *"She went to jail for dealing ... and number 3 never had a door because it kept on just getting raided by the police"*. He laughs: *"She nearly blew up the street because they bypassed the electric illegally!"* But it is no laughing matter. *"Couldn't let the kids out"*, Lara says. It is not a place they want to live in to raise their children.

In 2020, a lot has changed. Aiden found work as a security guard on the same day that he was awarded his licence. *"As soon as I got my licence ... I messaged my mate ... He told me the fella's name ... I messaged him, says I've got my licence this morning ... and by that night, I was ... on the doors ... It was quick."* With Aiden working

regular shifts, it is almost a year since either of them had any contact with a work coach. Aiden's earnings, topped up by Universal Credit, mean that they are finally able to clear their rent arrears and move. The new house is bigger, in a quiet estate with gardens front and back, and is closer to family. There has been another significant change in their lives: a third child, born a year ago. He was not planned, and they knew they would get no additional Universal Credit child element, but they go ahead with the pregnancy regardless. *"He was born after 2017 ... It's a life ... we made him, so I wasn't just going to get rid of him."*

Financially, the family continues to struggle. Aiden works 12-hour shifts for £9 per hour, but the work is irregular and insecure. *"After Boxing Day, I had no work until April this year."* His next job is similarly short-lived. *"They left us in the pouring down rain for 12 hours and I had no waterproofs ... I was absolutely soaked wet through ... I says, 'you were supposed to supply me with waterproofs' ... They says, 'well, we don't like your attitude', and ... they got rid of us."* Ever resourceful, he contacted the first security company he worked for, and they took him back on the books. But stopping and starting different jobs, together with wrongly reported earnings, play havoc with the family's Universal Credit payment. *"[Previous company] ... told [the] job centre that I worked one month when I didn't ... so we ended up with hardly any money."* Whether the fault lies with the employer, HMRC or the DWP is unclear, but it leaves the family with no income for a month. Lara says, *"We rang up ... I said ... I've got no money ... They said, 'well, we can't do nothing'. We had to get family and friends to help us that month".* Aiden resents the response they get and the implication that they cannot budget their money. *"They say ... 'would you like us to put you on to one of our ... budgeting teams so you can talk to somebody that can help you with your money?'"* The reason they are struggling, he says, is lack of money, not lack of budgeting skills. *"We're not getting that much to live on, but they're, like, making out that we can't budget our money, and we are ... If it's been a good month, then we're happy, if it's a bad month then you're, like, left in the middle of the sea, treading water with no life support, that's how it feels."*

Aiden's next job entails covering for colleagues off sick or shielding due to the pandemic, but it is too few hours. *"I left that because I was only doing cover and the people that I was covering for were back at work ... so I ended up with nothing."* Now with his fourth employer in the space of a year, he is on a zero-hour contract and does not know in advance how many shifts or hours he will be working. *"I've got an e-mail thing ... I've got to type my code in ... and they say 'this job is available today or tomorrow, will you be able to do it?' And then you click on it saying, 'yes I'll do that job', and then that's assigned to you and then you just make your way to that job."* One good thing about Universal Credit, he says, is not having to produce wage slips. *"Years ago ... you had to have three months of work certificates ... that's the only decent part of UC ... it's automatically calculated there and then."*

Currently, entitlement to the work allowance means that he is earning under the threshold for the 63 per cent taper, so his wages do not affect their monthly payment. *"I've done the couple of nights ... [they]*

come under the £292, so that's extra money for us ... they won't take that off us ... if I do a whole week of nights, that's when it will affect the UC." But he is emphatic that the taper does not stop him from working extra shifts. "If you turn work down nowadays, you'll get nothing more ... [If] I say, 'oh no, I don't want to do that' ... then they'll say, 'why do we want to employ you for?' There's many, many lads out there have got an SIA [Security Industry Authority] licence that will just snap their hands off ... If I turned round and say ... 'I don't want to be doing these nights because I'd rather be at home' ... they'll say ... 'he's not reliable', and ... I'm not going to get any work at all." He would willingly work longer hours if they were offered to him, but the competition is tough. "[Training organisation] is putting more and more people on the licence ... So then you've got to fight with everybody else to get the jobs ... I'm 48 ... most companies want to take on the younger ones." Lara says that she plans to return to part-time work when the youngest child is able to access free child care. Knowing how insecure Aiden's work is, she may even consider a full-time job. "When [youngest] goes to full-time school, maybe I could see if I could get a full-time job." With their confidence in Universal Credit severely dented, the expectation is that they will find this work themselves, as they have done before.

Paid Work as a Respite From Caring

Dean's reasons for working and the number of hours he works are intimately connected to his caring responsibilities; work for him is about respite from the job of looking after his partner Bella. She suffers from mental ill-health stemming from domestic abuse by her ex-husband and losing custody of her children and has not worked for over 20 years. She is not required to job search, receives the limited capability for work and work-related activity element of Universal Credit and is awaiting the outcome of a recent application for Personal Independence Payment (PIP). Dean is currently unemployed. He wants a job and has a long history of employment – mainly as a cleaner and kitchen porter – but is waiting for an operation. He is required to look for work of 16 hours per week, although it is unclear whether this is due to his own health issues or Bella's. Ideally, he wants a job that he can fit around caring for his partner. "I'm hoping to have ... a little part-time job ... so I could nip out, do a couple of hours and hopefully she'll be still in bed and I can get back." He meets his work coach every two weeks and recently asked her for help with updating his CV, but he finds the attitudes of staff in the agency he is referred to patronising and judgmental. "I was treated like a kid ... I'm 55 ... not 18, I haven't just left school ... [It's] as though ... I didn't know how to go about looking for a job ... I don't need help of people what's going to be making me feel that small." He has therefore embarked on job search under his own steam.

Two years later, in 2020, Dean is working 14 hours per week as a cleaner on the minimum wage. Leaving home at 6am, he is back soon after 9am, just before Bella gets up. For him, paid work provides social contact and respite from his caring responsibilities. "I needed

a break ... some time out ... because when you live with someone 24/7, with her anxiety and her depression and mood swings and everything else, I thought 'I need a break!'" He finds the job himself when he is still signed off sick after having a gall bladder operation. "It was nothing to do with the job centre, because ... I was still on sick at the time ... in fact I got the job while I was on sick!" At the time of accepting the job, Dean had little idea how his earnings would affect the couple's Universal Credit entitlement. "I didn't realise [the impact] at the time ... Money didn't come into it in my eyes, it was just a break because ... we was sitting on top of each other for 24 hours ... I needed to get out ... that's all I was bothered about ... I didn't think about money." It only later becomes apparent that, with the 63 per cent taper applied to the first pound of earnings, and a reduction in the help they get with council tax, the couple are no better off. "It was a bit of a burden to begin with because I had to re-budget ... I felt as though I was worse off working rather than just sit at home looking after my partner ... I got less money ... because they have paid [only] part of my rent and my council tax ... I ended up working for about 20 quid."

But although Dean is irked by the reduction in entitlement, both for Universal Credit and other means-tested support, it does not stop him from working, largely because his reason for going to work is not financially driven

But although Dean is irked by the reduction in entitlement, both for Universal Credit and other means-tested support, it does not stop him from working, largely because his reason for going to work is not financially driven. "I thought, 'well, at the end of the day I ... just [need] to go out [to work] for my sanity'." If the weather is fine, he minimises travel costs by walking to work. However, as time goes on, the large decrease in Universal Credit entitlement for each hour he works begins to rankle. When first employed, if colleagues were off sick or on leave, Dean would happily accept the additional hours offered by his employer. Now, when asked to work longer hours, he refuses. The 63 per cent taper is a key reason why. "[When] other member of staff is off and I'm covering ... I get penalised because ... they take more money off me ... I refuse to do it ... so I'm working for nothing ... well, technically I'm working for 37p rather than the pound!"

Another unwelcome discovery is the impact of being paid wages four-weekly. Twice a year he loses a month's entitlement to Universal Credit including help with the rent, along with Council Tax Support. "Last year when I got two lots of wages, I lost my Council Tax Benefit, I lost my rent benefit, I had to pay full rent, I had to pay full council tax ... all because they thought I was working full time." Bella describes the worry and disruption it caused. "They stopped our council tax, so we got a big bill through for about £141 ... and we said 'we can't pay that', so we had to go down to the town hall ... we found that a bit of a struggle." Universal Credit should be paid four-weekly, Dean says, to replicate his earnings cycle. "They should pay it ... every 28 days, and you can coincide it with paying your bills and your direct debits."

When Dean is furloughed, this adds to the couple's financial difficulties. "I've took a credit card out for £1,000 due to the coronavirus because ... I lost £140 in my wages." Bella's application for Personal Independence Payment (PIP) was turned down, so he is not entitled to receive Carer's Allowance. Each year, the couple take out a budgeting loan to pay for Christmas, and repay it over 12 months, so there is no

option to take out another. Going back to work after the first lockdown is lifted, he is pleasantly surprised to be getting a higher monthly payment than before, but at a loss to know why. *“Since I’ve got back in to proper work now, I’m getting more UC than what I was ... I don’t know [why]!”* Has he not heard about the £20 per week temporary uplift in the standard allowance? *“No”,* he replies, *“I wish I knew that!”* Monthly variations in the payment are the likely reason why. *“I never get two months the same, never.”*

Although his employer regularly asks him to work extra hours, he now turns down these requests. During the COVID-19 pandemic, Bella’s mental health has deteriorated, and she rarely leaves the flat. *“I should be at home looking after my partner, caring for her ... I’ve had words with [employer], tell him I can’t do the extra hours because I need to get back home for my partner, because ... she suffers from anxiety, she doesn’t want to be left too long on her own ... I don’t mind doing the work, but ... I don’t like to leave her too long ... I have gone in some mornings and she’s been sitting on the bed crying her eyes out!”* He has no idea what is in his claimant’s commitment and is unsure of the hours or earnings he is meant to achieve. *“They’re not even bothering me. I keep going on my journal to ... check to see if there’s any messages coming up and what do you need to do and they says, ‘no, you don’t have to do anything’, so ... I’m happy with that.”* He has had no contact with a work coach since he started his job and feels no pressure to work longer hours. *“I just thought, ‘well, I’ve got a job’, you know what I mean, I’m earning something ... I’m doing my bit, so I don’t see why I should need to elaborate on anything else ... I don’t feel pressurised.”* Caring for his partner is precisely why he chose the job and hours he did. *“That was the idea of doing the job, so hopefully she’ll still be in bed while I can get up, sneak out, go to work, come back and ... she’ll ... just [be] getting out of bed!”* Therefore, unless and until Bella’s mental health improves, the prospect of additional hours or full-time work seems remote.

Earning to Secure an Independent Income

Karen’s and Ian’s decisions about work are also interdependent but, in this case, the way in which the single monthly Universal Credit payment affects who has access to household money is the most important factor. An unemployed couple in their late thirties, in 2018 they lived on the outskirts of a northern city. They had only recently moved in together after they both found themselves homeless – Karen after her abusive ex-husband made serious accusations against her, and her four children were taken into foster care; and Ian after accruing high rent arrears following his loss of entitlement to Employment and Support Allowance (ESA). Karen’s ex-husband never allowed her to take up paid work. *“My ex said if I stayed pregnant and bringing the wee ‘uns up then I wouldn’t need to look for a job.”* Ian has had a succession of different jobs, mostly agency work paid at the minimum wage, interspersed with long periods of unemployment and ill-health.

He attends training courses when mandated to do so: *"I done, like, health and safety courses ... first aid courses ... two-day courses"*; but none has resulted in sustained employment.

Due to his health problems, Ian's claimant commitment only requires him to job search for 15 hours per week, but he finds it a thankless task. *"I've applied for about 10 jobs in the space of a week and I've had no feedback on that whatsoever."* Karen, on the other hand, has work conditionality of 35 hours per week. Her children have been placed with three different foster carers in disparate parts of the city and it takes a day to visit each of them, but there is no easement of conditionality in recognition of her ongoing parental role. *"I have to do 35 hours [job search] ... I've put on my claim that, yes, I do have children, but they don't live with me."* Karen says that she is keen to work and has applied for many jobs: *"I'd rather be out there doing something ... even if it's a wee part-time job, it's better than nothing"*. She too finds the lack of response demoralising. *"I applied for, like, bar work, a kitchen porter job, admin work ... a cleaner job, I've still not heard nothing back."*

Universal Credit is the couple's only source of income. It is paid into Ian's bank account and Karen receives no money in her own right. Ian says, *"[Karen's] ex-husband never let her see a penny when they were living together. He controlled all the money ... pissed it away and ... there was hardly any money for her ... so I gave her a chance to trust me"*. Karen has a different version of the story. *"[Ian] doesn't like women being in charge of the purse strings ... he likes to spend money!"* She qualifies this. *"He isn't a control freak ... not like my ex."* But access to and control over money are clearly to the fore. *"I am going to actually ask to see if I can get the Universal Credit put in my account ... because ... when he was having his ESA, he would spend money on rubbish and he wouldn't have nothing to show for it ... He wants us to get married ... but if my kids ever did come home, then obviously he's got to budget because they cost and they're not cheap."*

Managing solely on the Universal Credit payment is a constant struggle. They both attend a numeracy class to help them budget more effectively, but deductions from the award – Karen's for a tax credit overpayment and Ian's for overpayments of Employment and Support Allowance (ESA) and Housing Benefit – leave them with insufficient money on which to live. The cost of bus fares to enable Karen to visit her children is refunded, but it takes up to eight weeks for the money to come through. An advance they took out at the start of the claim was repaid, to be immediately replaced with a budgeting loan. They receive regular food parcels and help from a local welfare fund. When all sources of help have been exhausted, they pawn one of their mobile phones and share the other. Personal belongings of any value were sold off a long time ago.

In 2020, Karen has parted company with Ian and is living in temporary accommodation. She seems like a different person – confident, happy and working. Far from struggling with her numeracy skills, she is working as a clerk in the local bookmakers. Aged 39, this is her first ever job. *"I had no experience in a betting shop at all"*, she says, but adds, *"I had a brilliant work coach"*. She

was referred to an employment agency which helped her to put together a convincing CV. It made all the difference, she says. Bringing home around £900 per month, she is no longer entitled to Universal Credit but is managing to pay her rent and get by without falling into debt. The job is a stone's throw from her flat, so she has no travel costs. She frequently works beyond her contracted 24 hours per week to cover for absent colleagues. As she is no longer claiming means-tested benefits, she gets to keep all her net earnings.

Money issues are to the fore in the relationship breakdown. Karen's job ends their Universal Credit claim and her earnings reverse the power dynamic. Ian finds a job, but it is only for six hours per week and his earnings are much lower than hers. *"She was earning way more than I was ... and I felt upset about it because ... the way I see it, so if you're a couple ... whoever's got the highest wage is the one that pays the most bills."* Karen has a different take. *"Because I was bringing more money in than him, he didn't like it ... I was putting more money into the house than he was ... I was paying the rent, the gas, the electric, the food ... and he done hardly anything ... he kept all the money to himself ... like what he earns is his money ... I constantly argued with him to get a better job and he wouldn't do it."* When she finds Ian a job with more hours, he refuses to apply for it. *"There was a position at my work ... Ian would have been a good candidate ... You don't need experience ... they actually train you up ... It was about 18 hours a week ... He turned round, told me to shove that job position up my arse."* It was the final straw and she decided to leave. Soon after, Ian's job ended and he reclaimed Universal Credit as a single person.

No longer claiming benefits, Karen is on a different trajectory. Her willingness to step in and work extra hours when needed has not gone unnoticed by her employer. Recently asked if she was interested in training to be a manager, she jumped at the opportunity. *"It means that I get more hours and more money ... I'm showing my kids that there's more to life than sitting about doing nothing."*

Reflections

While having no earner in the household in (or, in a few cases, before) 2018–19 is a characteristic common to this group, couples without earnings during the first phase of the research were a highly diverse group of claimants, comprising those aged under 25 and over 50, with and without dependent children, some with physical disabilities and mental health conditions, and those with extensive experience of work and none. Some desperately wanted a job, but many more had limited work capability, often due to mental health issues, or caring responsibilities for children or a partner. In several couples, one partner (all of whom were male) was the official carer for the other. Facing a complex array of household and family circumstances, their work situations and aspirations, and their partnership and labour market trajectories over the next two years, were highly varied.

Among those couples with no earnings was a discernible group just about managing to keep their heads above water

With few shared demographic or attitudinal traits, and a seemingly different set of issues affecting work-care decisions, there appears to be little that binds these claimants together. However, when read together in succession, these narratives reveal a number of important commonalities. The message that comes across is of a group of people who are struggling to make headway in their lives. Income inadequacy, unmanageable debt and poor mental health feature strongly, particularly among those who have had no earnings between phases 1 and 2 of the research. Through sheer determination, some claimants have managed to haul themselves out of 'worklessness', only to be faced with a further set of challenges when in work. But whether they had engaged in paid work or not between phases 1 and 2, Universal Credit, rather than being supportive in helping them to navigate, manage and overcome the challenges they face, has, in many cases, added to their difficulties.

Among those couples with no earnings was a discernible group just about managing to keep their heads above water. They tended to be couples who had been awarded additional disability and health-related benefits in the interim, including the limited capability for work and work-related activity element of Universal Credit, Personal Independence Payment (PIP) and/or Carer's Allowance. This additional income had often enabled them to avoid or repay the debts that most couples incurred when making the transition from the legacy system. For families subject to the two child limit, these income top-ups often meant the ability to have enough money to feed their children and heat their homes without the need to turn to their families, or food banks and other charitable sources of help. For the most part, neither partner in these couples was capable of, or required to, work or look for work. Few had found work coaches helpful in the past and having the threat of benefit sanctions lifted came as a welcome relief. The absence of work conditionality and the limited contact they had with work coaches, therefore, was a situation that most were happy with, or at least resigned to, for the foreseeable future.

There was one important exception. One of these couples had a partner in the all work-related requirements conditionality group. With a serious health condition from birth, and no prior employment experience, distressed by the mandatory job search and the repetitive courses she was obliged to undertake, she was the partner who least aspired to and was least capable of finding paid work. Yet her husband, who wanted to work and was desperate for support and training to help him secure a full-time job, had no work conditionality. Moreover, as a recipient of Carer's Allowance, he was effectively prevented from taking part in any training that might compromise the 35 hours of caring per week that was a condition of benefit receipt. This and other cases underline the limits and sometimes perverse effects of the Universal Credit conditionality regime in which the treatment and help people receive are driven by the particular conditionality and labour market group to which each member of the couple is assigned, rather than being tailored to their needs and aspirations as individuals.

As highlighted in previous chapters, the entry level, generic and repeat courses which those in the intensive regime were typically mandated (under threat of benefit sanctions) to attend, whilst intended to increase motivation and boost confidence, frequently seemed to have precisely the opposite effect.

For couples with no other sources of income than Universal Credit at both phases of the research, income inadequacy and increased debt, together with the accompanying hardship and stress this caused, adversely affected their relationships and emotional wellbeing. Whilst several individuals suffered mental ill-health prior to claiming, and many had complex backgrounds, their ability to cope has, in many cases, been further impaired by a combination of low benefit rates (especially for couples and parents under the age of 25), high deductions, and sanctions, all of which have resulted directly from Universal Credit policies. The sanctioning of couples with children, particularly in cases in which there is already one part-time earner – entirely at odds with the more lenient ‘light touch’ treatment reported in the previous chapter – seems unnecessarily harsh and counterproductive.

For those who had moved into work between phases 1 and 2, jobs were typically low paid, temporary and precarious. A few claimants had supportive or understanding employers, but most did not. Some employers had wrongly reported wages to the couple’s detriment, leaving them in some months with no earnings and no Universal Credit payment. Hopes of steady incomes, stable employment and earnings progression therefore remained largely unfulfilled. In work, couples’ financial circumstances barely improved. In some respects, they actually worsened, with reduced or loss of entitlement to Council Tax Support and other means-tested help effectively cancelling out the small net gains in household income from tapered earnings. Couples ‘doing the right thing’ by working felt penalised, rather than being encouraged to work more. Although intended to smooth peaks and troughs in earnings, a benefit payment that varied from month to month also often served to exacerbate rather than counter income insecurity.

Particularly distressing is the number of parents who have had their children removed by social services. Three of the couples categorised here as claimants ‘without dependent children’ were in fact parents whose children had been removed and placed in foster care or for adoption. For families struggling to get by on the very lowest incomes, many of whom were having multiple deductions taken from their Universal Credit payment, fear of having their children removed was therefore far from misplaced. Bare floorboards, sparse furniture, inadequate cooking facilities, unheated properties and a reliance on food banks – experienced by a number of families in this research – are indications of poverty and income inadequacy, but also represent the kind of home circumstances that are likely to attract the attention of social services. While couples who had recently had children taken into care were treated with compassion by work coaches and had had easements to work conditionality appropriately and sympathetically

applied, once the formalities of the child protection system had ended there was no recognition within the Universal Credit conditionality regime of ongoing parental roles.

Amidst these sometimes unsettling accounts (the most distressing of which we decided to omit), the dignity and stoic resilience of many couples to get by and get on shine through. There was one example of genuine work progress and earnings progression. Notwithstanding the fact that the single household payment may have helped to precipitate the break-up of her relationship, and though she gave a favourable account of her work coach, her employment progress is mainly due to personal motivation and a determination to succeed, rather than being attributable to any particular Universal Credit policies. Indeed, overall, it is hard not to conclude that the few work-related achievements here, and as illustrated in the preceding chapters, are largely won in spite of, rather than because of, Universal Credit.

6

Conclusions and Reflections

Our first report was based on key issues in relation to monthly assessment and payment of Universal Credit and focused on how couples dealt with their claims and their household finances in that context (Griffiths et al., 2020). This report examines couples' experiences of work and care over time, although the issues in both reports are clearly closely connected. Our couples included a range of working patterns and were grouped in this report into three categories by their employment status in (or, in a few cases, before) 2018–19: 10 households with two earners, 13 with one and 16 with none. The analysis was designed around longitudinal case summaries of the couples.

In this concluding chapter, we consider the key issues arising from these findings. In particular, we assess to what extent the employment trajectories of our participants follow the pattern anticipated by the DWP's 'theory of change'. We discuss the wider impact of Universal Credit on our participants' lives, and then highlight some issues about how couples are seen and dealt with in Universal Credit. Finally, we draw out the wider learning from our research and its implications for policy, in relation to both Universal Credit specifically and other policy areas.

The Theory of Change and Our Research Participants

In this section we examine to what extent the experiences of the participants in our research in relation to employment were consistent with the aspirations for transformative trajectories envisaged by the designers of Universal Credit. We are not attempting here to judge whether Universal Credit is 'successful' or not. Instead, we assess whether the underlying approach and theory of change resonate with what people in our research do, and why, exploring the extent to which the underlying assumptions fit the circumstances and experiences of our participants.

The evaluation framework for Universal Credit was published in 2012 and updated in 2016 (DWP, 2016). This framework is informed by a 'theory of change' based on the most important aim behind Universal Credit – to increase employment and prompt earnings progression once in work, with a view to reducing 'welfare dependency' (Duncan Smith in DWP, 2010, p1). Within the theory of change, the policy levers and effective delivery of Universal Credit (which include the financial incentives, personalised employment support, simpler work transitions, work conditionality and childcare offer) are intended to lead to changes in attitudes and behaviour, in turn resulting in people being more willing to work and thus more likely to increase their job search, to enter work, or to work more hours and/or achieve a higher pay rate.

But, although there is a body of evidence from the DWP's official evaluations, it has to date been rather limited. The research on work entry was focused on single unemployed people with simple circumstances (DWP, 2015). There has been some research on in-work

progression (Langdon et al., 2018) and on perceptions and attitudes to paid work (Johnson et al., 2017; Rahim et al., 2018). But couples and parents have not been the main focus, due in part to the delayed and staged roll-out of Universal Credit, which limited the numbers of couples and parents claiming it initially. The major welfare conditionality research project funded by the Economic and Social Research Council (ESRC), for example, did not include couples in the original sample for its longitudinal qualitative study (WelCon, 2018). In addition, we understand that the pilot for 'managed migration', in which legacy benefit claimants are moved to Universal Credit by the DWP, included no couples at all before it was suspended because of COVID-19 (House of Lords EAC, 2020).

Our research is therefore valuable in exploring the experiences of couples, and couples with dependent children, in particular in relation to how the elements of the DWP's theory of change were experienced by our participants.

Financial Incentives

Claimants often found it hard to work out how the award of Universal Credit had been calculated, especially if they also had other sources of income, in particular wages. Universal Credit is designed to be very responsive – to change month by month if earnings go up or down, or if circumstances change. This is a key part of the design, to ensure that the financial reward for entering work or working more should be immediately apparent to claimants. Some of our participants found it helpful that Universal Credit was adjusted automatically with their earnings, rather than them having to report these; and they appreciated not incurring overpayments. But the interaction of pay periods (weekly, fortnightly, four-weekly or even monthly) and changes in earnings due to working more or fewer hours with the monthly assessment of Universal Credit often resulted in significant fluctuations in income from month to month for those households with earnings. This could affect one partner more than the other, particularly if they were the Universal Credit payee (as discussed further below). Potential time lags and mistakes by employers or HMRC/DWP further complicated this situation for some. In addition, the work allowance can be lost in a month when the amount of recorded income exceeds Universal Credit entitlement. This makes it challenging to see how there can be a direct line to claimant behaviour. The lack of transparency resulting from the complex calculation of Universal Credit also echoes our (separately reported) findings about the varying impact of the £20 per week uplift to the standard allowance of Universal Credit (Griffiths, 2021).

Most of our participants were able to benefit from a work allowance (meaning that some earnings were ignored before the Universal Credit award was reduced) because they were responsible for dependent children and/or had limited capability for work. However, whilst both partners may be subject to conditionality, couples only have one work allowance between them, resulting in the 'second earner' not being

Participants had differing views on the taper, with some seeing it as only fair that their award was reduced as earnings increased, but others finding it punitive

able to benefit if the first earner has already ‘used’ it (In-work Progression Commission, 2021, p25). Given the likely greater sensitivity of second earners to incentives, this may seem an odd design choice. It stemmed from – or at least was justified by – the policy focus on ‘workless households’, resulting in priority being given to getting at least one earner in a household into work (DWP, 2011; In-work Progression Commission, 2021, p24). Second earners in our sample often struggled to see that work was paying for them (though ‘first earners’ might do so too). The decision in Budget 2021 to increase the work allowance further tilts the balance in favour of one-earner households. (We discuss below how incentives may be experienced in practice by couples, as the Universal Credit payment may go into either partner’s account or a joint account.)

Participants had differing views on the taper, with some seeing it as only fair that their award was reduced as earnings increased, but others finding it punitive. The percentage taper rate of 63 per cent applying at that time was also seen by some as demotivating. The decision taken in Budget 2021 means that it has now been reduced from December 2021 to 55 per cent, matching the original proposal for the design of Universal Credit by the Centre for Social Justice (Haddon, 2012).

There were some couples in our sample whose response to the design of Universal Credit was to reduce their working hours or earnings. This was in part because of the patterns of financial incentives for second earners, more likely to be women (In-work Progression Commission, p25). The difficulty of predicting drops in Universal Credit and the fear of a reduced payment in future months, or of losing payment altogether, also discouraged some couples from working more hours, taking on extra shifts or accepting offers of overtime. The second earner in a couple – usually the woman – was particularly likely to be affected by this, both as the second earner and because they were more likely to be the Universal Credit payee.

Employment Support

There was praise for the work of some work coaches, not least in dealing sympathetically with some difficult situations. But many of our participants who had some form of work conditionality appeared to find the range and type of employment support available via work coaches limited. Those who had regular contact felt that there were too many short training courses, sometimes not well linked to the local labour market. For people with differing skills, qualifications and needs, work coaches did not seem to be sufficiently trained or specialised enough. Both work conditionality (below) and employment support could be inconsistent, with couples in what appeared to be similar sets of circumstances treated differently. Some individuals would have liked employment support and did not receive it, whilst others found the repetitive nature of the offer less than useful. These findings are not, however, intended to negate the appreciative comments made by some participants about specific work coaches.

Work Conditionality

The conditionality regime was not found by many to be tailored or personalised. Most decisions on conditionality and easements are not subject to appeal, as these are largely discretionary. The job search requirements can be onerous and demoralising, reducing confidence and motivation. For 'lead carers', the requirements are graded by the age of the youngest child; but there is no recognition of the other partner's caring role. And, whilst a common aim amongst many couples with pre-school children was to have one parent at home rather than in employment, the concept of 'lead carer' was seen by those couples who discussed it as unwelcome and unhelpful. For parents whose children were not living with them, there was also no formal recognition of their role, although some work coaches lifted conditionality for a transitional period after children went into care.

The Childcare Offer

The way in which childcare costs are dealt with in the Universal Credit system (see Chapter 1) was experienced as particularly unhelpful. Out of six couples who received the childcare costs element in 2018–19, only one still did so by 2020. Some couples tried to tailor their working hours as far as possible to avoid having to use external child care. This could be by choice, although participants who had children of the relevant ages tended to use and appreciate the free childcare offer. But for those who did use the childcare costs element, the upfront payment and administrative requirements for reporting, together with the fluctuation in the contribution towards childcare costs caused by the monthly assessment of Universal Credit, often proved highly challenging to manage. The unwieldy and unreliable nature of this financial help led some second earners to reduce their hours of work or leave their jobs.

The discretionary Flexible Support Fund can be used by work coaches to help people with the first month of childcare costs when they go into work, although none of our participants mentioned having been offered this help. As explained in Chapter 1, Northern Ireland has gone further and changed the first month's assessment formula to help claimants. But fundamentally the nature of the monthly assessment for Universal Credit – which derives in part from the priority accorded to avoiding fraud and overpayments, rather than arrangements that best suit low-income families – accounts for many of the problems experienced by our participants with childcare costs.

Complexities of Claimants' Lives

In this section we turn from the theory of change to the real-world complexities that confronted our participants in arranging their work, care and finances. These included in particular the lack of control over aspects of their lives, especially in relation to employment; motivations

that did not necessarily fit with assumed triggers for behavioural change; and how the design of Universal Credit influenced our participants' lives in other ways.

Lack of Control Over Conditions

The operation of the policy levers and effective delivery of Universal Credit is by no means as straightforward as it may appear, not least because the theory of change may not match the real world for many. This real world, for our relatively low-income sample of couples, involves employment in which it is usually not possible just to add hours or change jobs, and in which pay rates are difficult to increase. Home locations could determine, and often restrict, access to local labour markets and transport at appropriate times. Not least, work also had to fit with family life, which might include care responsibilities, and childcare constraints as well as options, and personal health conditions and/or health problems for children or partners.

Some couples did change their employment behaviour over time; but this was not always by choice, or due to the policy levers and effective delivery of Universal Credit as set out in the theory of change. The accounts of our participants include examples of redundancies, temporary jobs ending, and employers reducing hours. Opportunities to increase or change hours of work were strictly limited for most. The poor quality of work available was thus a significant element of the context in which our participants lived and had a major impact on families' employment options. For those on low pay, especially if earnings and hours vary, and working conditions are poor in other ways as well, it is very hard to maintain work and family life – with implications for relationships, mental and physical health, and wellbeing ('sweeping away family life', as one participant described it). As Chapter 1 demonstrated, this sort of picture is familiar from other research about the constraints on employment.

So, whilst couples' decisions about work and care take account of their financial impact, what people do (and can do) is also strongly influenced, or more affected, by many other factors. The 'marginal deduction rate' (how much of each extra pound earned is retained), which is often at the centre of economic modelling, may carry some weight with claimants, in particular those more sensitive to the influence of incentives, such as second earners. But how this actually operates in practice and over time, particularly for couples, together with other issues described above, is more important than is often recognised in modelling exercises – and in schematic theories of change.

Motivations for Change

Ironically, given the twin aims of increasing employment and earnings, where Universal Credit did frequently help couples in our sample was, first, to allow some to work fewer hours without being heavily penalised financially and, secondly, to give at least partial compensation to

On the other hand, some couples did succeed in leaving Universal Credit, as did four individuals after splitting up with their partners

some if they were unable to work when they, or their children, were ill. Thus, it was the adjustment of Universal Credit when their earnings were lower, rather than higher, that was most valued and beneficial to these families.

The topping up of income during their own or a child's sickness was helpful in particular for parents without good working conditions. But a work-care arrangement in which both parents worked part time seemed possible only for those with higher earnings (above the conditionality threshold). Universal Credit provided the extra income to allow that choice, and the accompanying 'light touch' conditionality meant little or no contact with, or hassle, as some saw it, from, work coaches.

Like the demotivating impact of the taper and fluctuations in income when earnings increased for many, these outcomes when earnings decrease are not necessarily in line with what the designers of Universal Credit had envisaged. They had certainly suggested that the new benefit could facilitate families' chosen work/life balance. But this was in the context of a defence of the incentive for couples to adopt a single-earner pattern and a perception of work/life balance as a household rather than an individual issue (Bennett, 2021).

On the other hand, some couples did succeed in leaving Universal Credit, as did four individuals after splitting up with their partners. They were thus in principle acting in accordance with the ultimate goal of Universal Credit, to facilitate in-work progression and for claimants to leave benefit altogether. But in practice, some couples were driven to increase their working hours and/or earnings not so much by the support and incentives within Universal Credit but instead by their desire to get away from it. They wanted to escape the constant scrutiny, their feeling of a lack of control, the fluctuations in income, and the time and effort involved in managing their claim. Whilst many of our participants did not want to rely on benefits long term, the motivation to avoid the 'looming presence' of Universal Credit in their lives does not match the desirable scenario of the transformation of lives and futures envisaged by its architects.

And this could come at a cost. These couples were often in jobs paying relatively low hourly rates; to leave Universal Credit usually therefore meant long hours of work, sometimes for both partners, with sacrifices in work/life balance, personal wellbeing and relationship quality; some couples split up under the strain. So, there may be a high price to pay for leaving Universal Credit in the impact on family life, and in-work poverty may only (partly) be avoided by long hours and continuing insecurity.

Other Influences of Universal Credit's Design

In addition to potential behaviour change in relation to employment, the design of Universal Credit influenced our participants' lives in other ways. The simplicity of having only one payment was appreciated by some. Several claimants also said that they had adapted over time to receiving a monthly payment and budgeting on a monthly basis.

But our research also showed that significant ongoing 'work' was often required to maintain Universal Credit claims, particularly for households with one or more earners. These demands were especially burdensome in relation to childcare payments, but also related to self-employment, shift work and zero-hour contracts. Childcare payments had to be evidenced to the DWP monthly, and only recently can this be done online. Self-employed people must report income and expenditure monthly, which is more frequently than for tax purposes. For most employees, the HMRC's Real Time Information (RTI) feed has removed the burden of reporting earnings to the DWP, and this was appreciated; but mistakes could occur, and those whose earnings are too low have to report these themselves. There has been growing interest in the 'administrative burdens' (Herd and Moynihan, 2018) or 'compliance costs' (Bennett et al., 2009) that affect people who seek to access benefits and services. These costs were clearly apparent for our participants, despite the aim of simplification underlying the creation of Universal Credit.

The work required to try to manage the income volatility caused by the way in which the monthly Universal Credit means test interacts with earnings was particularly onerous and stressful – and was doubled for couples with two earners. The fluctuating Universal Credit award, of which claimants are given only a week's notice, could be hard to unpick and to check for accuracy. A recent legal judgment against the DWP means that it can now arrange, for those with monthly earnings who receive two wage payments in one assessment period, for one of these payments to be transferred to another assessment period. But this has only solved the problem for a small group of monthly paid claimants and has been automated only since July 2021. A particular bugbear for one couple in our sample was the offer of advice on budgeting, when it was precisely the way in which Universal Credit worked that created the extreme variations in their income that caused their budgeting difficulties.

The fluctuations in income caused by the calculation algorithm, and concern about possible errors, caused some couples who had other sources of income not to rely on the Universal Credit payment, or to hold back on spending in case benefit had to be repaid. Continuous monitoring of the online account and journal, and micro-managing household money – to try to control, or at least anticipate, the impact of the fluctuations – was another tactic adopted. Quite often this fell to the woman, who was more likely to have no job or part-time work, and might also be seen as more skilled, for example at household money management or using the computer. We discussed this in our first report (Griffiths et al., 2020), which focused on the Universal Credit claim itself. Some couples did adapt to Universal Credit over time, as they got to understand what they needed to do to manage their money and their claim. This might involve creating their own audit trail. One self-employed man was asking his customers to pay him at certain times, to even out the Universal Credit payment. Thus, other practices in people's lives had to be altered to suit how Universal Credit works.

But there were also many examples of people being highly stressed by their interactions with the system, with arguments and constant worrying taking their toll on individuals and relationships. A few of the couples in our sample did split up, either temporarily or, it appeared, permanently. This stress was related in part to the uncertainty caused by the Universal Credit system but also in part to the low and insecure incomes these couples received, which were not enough to meet their needs. Some had to make use of foodbanks or fell into debt and had to seek help from family and friends. Those who suffered in particular were aged under 25 and receiving a lower monthly rate, those subject to maximum and third party deductions, and those with a third (or fourth) child who did not receive any additional child element for them.

The theory of change therefore leaves out of account some of the effects of one of the fundamental building blocks of Universal Credit – the calculation formula which takes any income received in the assessment period as the basis for the award, and also operates a whole month approach to changes of circumstances. This core feature results in a degree of income volatility which would be very difficult for anyone to manage, let alone the low-income families in our sample who were struggling to maintain an even keel in challenging circumstances.

Couples and Universal Credit

In this section, we discuss the treatment of couples within Universal Credit more generally, and some of our findings which were particularly pertinent to this.

Universal Credit: Both Individual and Joint

As described in Chapter 1, Universal Credit for couples is made up of a complex mix of individual and joint elements, and the use of ‘you’ in official guidance may not help couple claimants to work out whether one or both is being addressed (Bennett, 2021). Partners in couples must each fulfil conditionality, albeit sometimes modified by caring responsibilities or health conditions. But this does not give an individual right to income, as all the Universal Credit is paid into one account by default. Moreover, if one partner refuses to sign their claimant commitment, the claim cannot proceed.

One partner’s earnings may affect the conditionality applied to the other (SSAC, 2018) and also the amount of Universal Credit received by the payee (in one-earner couples often the non-earner, typically the woman). There is only one work allowance per couple, and no differential taper rate to recognise increased responsiveness to incentives or increased difficulty in obtaining employment, both particularly relevant to second earners. But on the other hand, the business case for Universal Credit assumes that everyone can find a job for their preferred number of hours; and, for couples,

Our research, on the other hand, was careful to gather views from both partners in couples whenever possible. We have therefore been able to uncover and highlight issues relating to the mix of individual and joint elements within Universal Credit and their (often gendered) impact

it assumes that the number of hours worked or the employment decision of one partner is not affected by the other (DWP, 2018). These are, on the evidence of our research, heroic assumptions, to say the least.

As noted in Chapter 1, one recent government publication focused on families with children as part of the ‘test and learn’ evaluation of Universal Credit (Johnson et al., 2017), using longitudinal quantitative and qualitative methods. Some questions were asked about joint responsibilities in couples. But it is unclear which interviews were joint and which individual; and the report is described as analysing the views and experiences of ‘families’. A government-commissioned survey also refers to the ‘claimant’, even when describing someone in a couple with a joint claim (IFF Research, 2018).

Our research, on the other hand, was careful to gather views from both partners in couples whenever possible. We have therefore been able to uncover and highlight issues relating to the mix of individual and joint elements within Universal Credit and their (often gendered) impact.

Issues Arising from our Findings

Our sample comprised a mix of couples, including those with two earners, one earner and no earners (and some individuals who had separated). Universal Credit was designed to amalgamate the different systems of support for those ‘in work’ and those ‘out of work’ and to smooth the transitions from one employment status to another. However, these divisions can be misleading in the case of one-earner couples, as one partner is ‘in work’ and the other ‘out’. The boundaries may also not be as clear-cut as they seem, as demonstrated in the preceding chapters. And these labels may appear to give policy priority to the partner in work in a so-called ‘in work’ couple (see, for example, Langdon et al., 2018).

It is also only recently that the focus has shifted somewhat from promoting employment for ‘workless households’ to helping individuals to progress in work. There was not much evidence from our participants of conditionality being strictly or consistently applied; but where there was, they tended to engage with the work coach as individuals. (In one couple in our sample, however, the man accompanied his partner on jobcentre visits and on courses, because he was her carer; and in another, one partner sat in on the other’s interviews as they found these difficult on their own.) Given this individual focus, there is an onus on work coaches to be sensitive to any household circumstances that may affect claimants, in particular of course domestic abuse.

Public debate about incentives has highlighted the issue for couples of the single work allowance, as noted above. But the implications have not necessarily been drawn out. This is an issue in particular for those couples who arrange payment of Universal Credit into the account of the partner with no other income or lower earnings – usually the woman. For some one-earner couples in our research, the earner

could be wary of taking on additional hours because their increased earnings would reduce their partner's Universal Credit payment. And in two-earner couples, if (as was common) the woman was the partner paying the childcare costs, she was affected more by the monthly fluctuations in the contribution towards these costs through Universal Credit, with the same potential problem. The DWP tends to look at total household income, rather than its division between the partners. But some of our couples wanted to safeguard the income received by the non-earning partner, affecting their decisions about working more.

The issue of incentives and the balance of work and income between partners will take on increased significance when in-work conditionality is in full operation. Then, there could in theory be a choice between (for example) encouraging a second earner in a couple into work, or to work more hours, and encouraging a first earner to earn more. Each of these could have very different effects, in the short and longer term, on the different partners (Bennett, 2021). There seems to have been little discussion of these policy choices, however, or of their potential impact, either in relevant government documents or in wider policy debates.

Whilst behaviour in relation to the labour market seems to be seen as almost infinitely malleable, care preferences within couples (and indeed for lone parents) can be seen as rather fixed (SSAC, 2018: 17). But in our research, gender roles seemed more flexible than was evident in the findings of research exploring couples and work-care arrangements a generation ago (discussed in Chapter 1). In our study, both parents were more likely to want to be involved with looking after the children, and decisions about the division of paid work and care between partners were frequently pragmatic. There was some evidence of the desire for an independent income as a motivation for getting a job.

Our findings suggest, therefore, that it will be important for future research on Universal Credit to include both partners in couples as far as possible, and to look within the household in relation to these key issues.

Wider Policy Issues

Universal Credit is now described as the 'cornerstone' of the UK benefits system (DWP, 2021b). Early design decisions – the way in which the monthly assessment works, for example – now appear to be locked in via the automated system. This is despite a range of legal challenges and calls for reforms, such as pro rata calculations or awards fixed for a certain period of time (e.g., House of Lords EAC, 2020). In this final section, we reflect on some policy issues relating to the structure and level of support offered by Universal Credit and aspects of the wider context in which it operates.

Adequacy and Security of Universal Credit

Universal Credit is one system for people of working age, which is therefore trying to meet a range of different needs and circumstances. The significant differences between the main issues experienced by those of our participants who were in and out of employment demonstrate the challenges of having one system for all.

Much of this chapter has focused on couples with at least one earner, in part because Universal Credit may bring about more changes for them (whilst acknowledging that these statuses are often fluid). However, as noted above, our findings strongly suggest that, in particular for people with no other income, Universal Credit is inadequate for their needs, in part due to its introduction alongside substantial benefit cuts (Freud, 2021). The withdrawal of the £20 per week uplift to the standard allowance from October 2021 exacerbates this for many (Griffiths, 2021).

Our research adds to the evidence that the adequacy of Universal Credit is a serious and continuing issue. Couples also did proportionately less well out of the uplift because it was a flat-rate increase (Griffiths, 2021). But many of our participants would have suffered even more hardship without it, and the Budget 2021 changes to reduce the taper rate and increase the work allowance will give no more income to those without employment. So these changes are unlikely to halt the continuing discussion of Universal Credit adequacy, especially for those out of work.

On the other hand, our research found that for those in work, and thus with income from earnings, Universal Credit often creates insecurity. The super-responsive nature of Universal Credit's design resulted in it sometimes working against its own aims and created additional problems for many, illustrating the gaps between policy intent and lived experience. The logic of monthly Universal Credit assessment is that people are motivated to increase their earnings because they see an immediate financial reward. Instead, for many in our research, the workings of the monthly assessment formula in relation to pay periods, and its requirement for upfront payment of childcare costs, together with the high withdrawal rate, created insecurity. This problem was foreseen by claimants themselves, as reported in DWP research before Universal Credit was introduced: 'If the payments were seen to be too unreliable or unpredictable there was a view that claimants may choose not to increase hours due to a preference for a stable Universal Credit payment', with one participant describing this as a potential 'rollercoaster' (Rotik and Perry, 2011, p17). Rahim et al. (2018) also stressed families' need for predictability and security of income.

The reduction of the taper rate from 63 to 55 per cent will clearly help to some extent, although it will also draw more people into Universal Credit eligibility. But a floor of income that does not fluctuate unpredictably but is secure enough to build on could result in more sustained and sustainable work-care combinations. In addition, some stability could be provided if partners have access to non-means-tested individually based benefits, especially when

they are out of the labour market. Benefits for additional costs without a means test (such as Personal Independence Payment) also performed this function for some of our sample, as well as giving access to more income.

This is not to say that those with earnings necessarily had an adequate income. In particular, repayment of advances, overpayments and arrears can result in deductions causing great difficulties for claimants, whether in or out of work. Recent moves to reduce further the maximum percentage of the standard allowance which can be deducted and increase the repayment period would thus have been welcomed.

Second Earners and Parents

Despite official analysis assuming that additional hours of work by Universal Credit claimants will largely be contributed by women, especially mothers (DWP, 2018), there is currently insufficient emphasis on how policy might facilitate this. There is still only one work allowance per couple, as noted, with no benefit bonus for a household, or partial disregard of a partner's earnings when the other enters work. Action to ensure more favourable incentives for second earners to participate in employment and increase their earnings could also go further than modifications to Universal Credit and include consideration of leave policies for parents following childbirth and childcare provision.

Our findings demonstrating the difficulty of dividing 'lead carer' and 'jobseeker' roles rigidly within the couples in our sample echoed those of the Universal Credit study cited above (Johnson et al., 2017). But to date no policy changes have been made to recognise these shifts and to make the strict division between the 'lead carer' and the other parent for whom no caring responsibilities are recognised more flexible. Whilst we had fewer examples of couples with caring responsibilities for disabled or elderly people, there were some in which one partner was caring for the other; in these cases, too, it seemed that greater flexibility was needed in relation to how both partners were treated in relation to employment expectations and support.

Childcare Provision

Attitudes to formal childcare provision seemed to be becoming more positive amongst some of our sample, perhaps in part resulting from more widespread use of the free early years provision, although some still preferred to have one parent at home when children were young or had health problems. Yet those few families in our sample who received help with childcare costs in Universal Credit found this a hugely frustrating experience. The Government has rejected the idea of paying support for childcare costs in Universal Credit direct to providers, as is possible with help with housing costs, and proposals to separate support for childcare costs for those on low incomes from

the Universal Credit system. Childcare costs in the UK are also amongst the highest in Europe, and the complexity of our systems of support is well-known (Wood, 2021). The evidence from our findings supports the case for a review.

Employment Support, In-Work Progression and Good Work

Employment support did not emerge from our study with the transformative reputation that is often mentioned in descriptions of Universal Credit, although there were individual stories of valued help from work coaches. Currently this support is tied to conditionality group status and was therefore not available to some in our sample. A more flexible approach to employment support would have allowed more access to this.

It was evident from our participants that there was still a fear of sanctions, and some job search behaviour that appeared to be motivated primarily by compliance conformity. Our evidence therefore supports the reform of the sanctions system in recent months, with a more considered process before sanctions are imposed, and far fewer sanctions (at the time of writing).

We also discussed above the need for work coaches to be alert to individuals' household situations. This would be even more necessary with the (delayed) introduction of in-work conditionality. The Flexible Support Fund has already been extended to those looking to take on more hours; but this is discretionary. The recent review (In-work Progression Commission, 2021) suggested a range of voluntary steps for those on low pay.

Our research also suggests more consideration of the individual's household circumstances – including caring commitments, transport, local labour markets and child care, as the Commission recommends. The Commission does not focus on the mix of individual and household conditionality rules or earnings thresholds for couples within Universal Credit, but our evidence suggests that reviewing these in relation to policies to further in-work progression will be important. The announcement in Budget 2021 about further training opportunities appears to target those in the intensive work search group, so many of our participants will not be eligible to take these up.

The evidence above also suggests that the often poor quality of work is a critical issue for low-income couples on Universal Credit. Taylor (2017) has highlighted many of the problems in the low-waged labour market that we recognised in the accounts of the couples in our study, including shift patterns that were unpredictable as well as difficult to manage, zero-hour contracts and lack of compensation for sickness (of employees and their children) and for pregnancy/early parenthood. The Government plans to introduce an Employment Bill which would address some of these issues.

We also discussed above the need for work coaches to be alert to individuals' household situations. This would be even more necessary with the (delayed) introduction of in-work conditionality

Conclusion

Qualitative research delves deeply into people's lives and the narratives we have presented here provide compelling examples of the ways in which people engage with the challenges of work, care and household money

Qualitative research delves deeply into people's lives and the narratives we have presented here provide compelling examples of the ways in which people engage with the challenges of work, care and household money. The issues drawn out highlight both the variation in the experiences of couples on Universal Credit and the processes involved in dealing with work, care and household money over time.

We hope we have in this way been able to reveal some of the impacts of Universal Credit on these couples' lives, to highlight policy implications arising from that learning and to suggest areas that could benefit from improvement. In particular, the fluctuations in income caused by the formula governing the monthly assessment of Universal Credit, and the impact of the repeated monthly means test, not only muddied the main message of Universal Credit about the importance of work and more work but also created major budgeting challenges and a level of insecurity that many couples found hard to cope with. The evidence here also suggests that working mothers in couples claiming Universal Credit may be disproportionately affected by reductions in entitlement when earnings increase, as well as additionally burdened by extra administration which can arise from managing the claim and household income. Official analysis assumes that additional hours of work by claimants will largely be contributed by women, especially mothers (DWP, 2018). If Universal Credit is to succeed in these terms, greater thought will need to be given to how policy might be adapted to better support working mothers and potential second earners in couples. More generally we believe the evidence of our research shows that consideration of the interrelationship between the individual and their household circumstances has not been sufficiently integrated into the thinking behind the policy design or the practical delivery of Universal Credit, and this report suggests ways in which this might begin to be changed.

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