

'Don't give us the humiliation of a means test. Don't make us wait a month. Don't take child benefit away from women and give it to the man in the household.'

Child benefit is being downgraded and devalued. Yet the Child Poverty Action Group has always maintained that it is extremely important to the mothers who receive it. In the first detailed large-scale survey of mothers' attitudes to child benefit, CPAG has collected evidence that endorses this view. *Mother's Life-line*, by setting out the findings of this survey, gives mothers a voice. And it places their views in the context of the arguments put to the government in favour of the retention and improvement of the universal child benefit scheme.

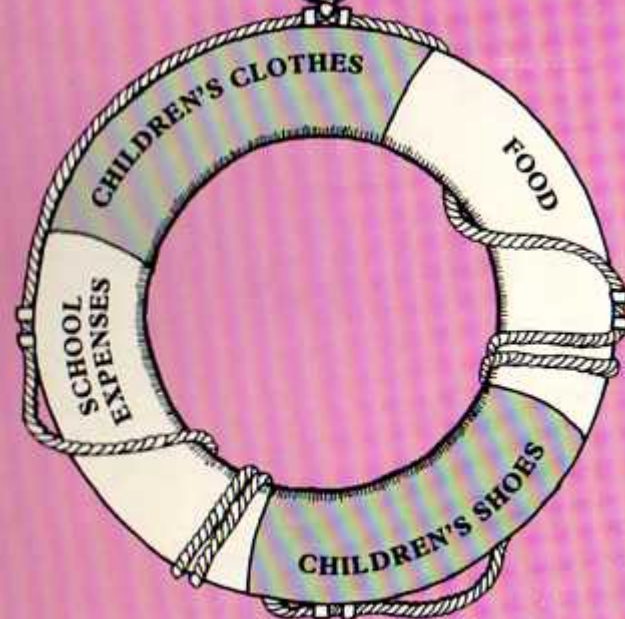
**CHILD
POVERTY
ACTION
GROUP**

Price £1.95 (incl p&p)
Poverty pamphlet 68
ISBN 0 903963 89 2

Mother's life-line

*A survey of how
women use and value
child benefit*

ALISON WALSH
and RUTH LISTER



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Published by Child Poverty Action Group
1 Macklin Street, London WC2B 5NH

Preface

The views expressed in this publication are not necessarily those of Child Poverty Action Group.

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© Child Poverty Action Group 1985
ISBN 0 903963 89 2

British Library Cataloguing in Publishing Data

Lister, Ruth

Mother's life line.

1. Family allowances—Great Britain

2. Mothers—Great Britain—Attitudes

I. Title II. Walsh, Alison III. Child Poverty
Action Group

362.8'282 HD4925.5.G7

ISBN 0-903963-89-2

Cover design by Susan Hobbs

Designed by Hilary Arnott

Typeset by Boldface Typesetters, London

Printed by Calvert's North Star Press (TU), London

Government enquiries rarely elicit evidence from those receiving the benefits under review. A small-scale qualitative study of mothers receiving child benefit was commissioned by the DHSS, but the results were not published among the background papers to the government's Green Paper, *Reform of Social Security*. As those raising children are a minority at any one point in time, their voices tend to be muffled in the results of more general opinion polls testing attitudes towards welfare benefits. This can lead to claims that child benefit is unpopular. But our experience tells us that child benefit is extremely popular with the mothers who receive it. Indeed, the Green Paper admitted as much.

CPAG therefore decided to conduct its own survey into what mothers themselves think about the child benefit scheme, as a contribution to the debate around the Green Paper and subsequent reforms. The purpose of this survey was to collect information and opinions about child benefit from mothers throughout England and Wales. In particular, we wanted to find out what child benefit is spent on and what it means to the mothers receiving it. We also wanted to find out how satisfied (or otherwise) mothers are with the present level of child benefit and the arrangements for paying it. We deliberately chose a sample of mothers likely to be in families with reasonable incomes and, therefore, above the qualifying limit for means-tested benefits for children.

Part Two of this pamphlet contains the results of the survey. Chapter 1 provides a brief summary of other studies of child benefit. Chapter 2 outlines the framework and methods used for this study, carried out by Alison Walsh, who was seconded to CPAG. The main findings of the survey are set out in Chapter 3. Conclusions based on the results are discussed in Part Three, as are the policy implications of these findings in the light of recent policy developments.

While we recognise the methodological limitations of the study, the findings do, we believe, provide a strong endorsement of the case for an adequate child benefit paid for all children, put forward by CPAG and many other organisations in their evidence to the government's review. Before turning to the study itself, we therefore, in Part One, place it in the context of the arguments that we have put to the government in favour of the retention and improvement of the universal child benefit scheme.

Ruth Lister

Acknowledgements

I should like to thank the following people, without whose help this pamphlet would not have been possible. All the mothers who completed and returned the survey questionnaire, and those who were interviewed. Staff at CPAG, especially Jo Roll, Hilary Arnott and Fran Bennett. The Pre-School Playgroups' Association, especially *Contact's* editor, Ann Henderson, and business manager, Pauline Plumb, and local PPA organiser, Jayne Arnott, for her help with the pilot study. Staff at the Polytechnic of North London, especially Doreen Burton, Lesley Doyal and John Hall. Jenny Hyatt, Social and Community Planning Research, David Piachaud, London School of Economics, and Hilary Land, University of Bristol.

Finally, I want to thank my friends and family, particularly Martin Peach and Tricia Bickerton, for their patience, understanding and support during the eight months which the research took to complete.

Alison Walsh

The boxed quotes are taken from the additional comments made by mothers in the survey, except for those on page 5 which are taken from a small number of independent interviews.

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PART I

'Compared with what my mother-in-law could buy with her family allowance 30 years ago—she had more spending power than I have now.'

Child benefit: what is at stake?

The beginning of the end for child benefit?

The replacement of child tax allowances and family allowances by child benefit during the period 1977 to 1979 achieved a remarkable degree of all-party support. Introduced by a Labour government, it embodied the previous Conservative government's ideas for a child tax credit and also received strong support from the Liberal Party. The consensus surrounding the switch from child tax allowances and family allowances was based on a recognition of the importance of paying money directly to the mother and of the inability of tax allowances to help the poorest families below the tax threshold. Despite continuing strong support within sections of the Conservative Party, the all-party consensus around child benefit has now been seriously fractured.

On 18 June 1985, almost 40 years to the day since the Family Allowances Act received Royal Assent, Norman Fowler, Secretary of State for Social Services, announced that child benefit would be increased by a mere 15p to £7 in November. This represented a cut of 35p or nearly 5% in its real value.¹ In terms of the overall child benefit budget, it amounted to a cut of £175m. Mr Fowler justified the cut on the grounds that the government's 'first priority must be to give help to families in greatest need'.² This help, in fact, amounted to minor improvements in the means-tested family income supplement (FIS) and housing benefit, the cost of which represented less than 15% of the savings from child benefit.

This was not the first time that the present government had cut child benefit. But widespread criticism of an earlier cut in 1980, not least from the Conservative benches of the House of Commons, led the then Social Services Secretary, Patrick Jenkin, 'to reaffirm the government's commitment to family support. We are committed to the child benefit system, and it is our intention, subject to economic and other circumstances, to uprate child benefit each year to maintain its value.'³ The 1980 cut was finally restored in the 1983 pre-election Budget and much was made of the fact that it was worth marginally more than in 1979. The Prime Minister emphasised that the 1983 rise in child benefit was 'evidence of our commitment to the family'.⁴

Pre-election rumours that the government was planning to means-test child benefit were firmly denied by the Prime Minister, but they surfaced again in the context of the review of the social security system announced by Mr Fowler in April 1984. The persistence of these rumours, taken together with the position adopted by the Children and Young People's Review team

during its oral sessions,⁵ suggested that the future of the child benefit scheme was under serious threat.

That threat has not receded even though the option of means-testing child benefit itself was rejected in the subsequent Green Paper (published in June 1985) which set out the government's proposals. Instead, the government plans to revamp and build up existing means-tested benefits for children at the expense of child benefit. FIS will be replaced by a means-tested family credit, the implication being that any extra expenditure on family credit will be financed out of the child benefit budget. Thus, this year's cut in child benefit looks like being the first of many. Indeed, it has been suggested in the press that child benefit might be frozen completely in future years.⁶ Our fear is that this year's cut marks the beginning of the end for the child benefit scheme.

The case for child benefit

The case for an adequate system of financial support for all children has always been at the heart of CPAG's work ever since its formation 20 years ago in 1965. It rests upon a number of principled and practical arguments both in favour of providing financial support for all children regardless of their parents' position, and against restricting such payments to poor children by use of means tests.

The financial position of families

The government's Green Paper recognises that 'in 1985 it is families with children who face the most difficult problems'.⁷ The Green Paper defines low income in terms of the bottom fifth of the overall distribution of incomes; according to the Central Statistical Office, the proportion of households in the bottom fifth of incomes that contained children rose from 7% in 1975 to 17% in 1983.⁸ DHSS figures also reveal an alarming increase in child poverty in recent years. Just between 1979 and 1981 (the most recent date for which information is available at the time of writing), the number of children living below supplementary benefit (SB) level nearly doubled to over half a million. Of these, 55% were the children of wage-earners. If we include children in families with incomes up to 40% above SB level (defined as low income by the DHSS), there were 3.7m children that can be said to have been living in poverty or on its margins. Of these, 1.75m were being raised in working families. Changing patterns of poverty mean that people living in families with children now outnumber pensioners among the very poorest living below SB level.

The extremes of child poverty need to be set in the context of the reduced living standards many families experience during the childrearing years. An analysis of official data by Michael O'Higgins of Bath University found that, taking account of family size and composition, groups in different stages of the life cycle form a clear hierarchy in terms of their net income, 'with childless non-retired households on top, households with children some way behind and even, in some cases for more recent years, sharing the bottom with retired households'.⁹

What do you think about the present rate of child benefit?

'Well, I think it should have gone up more than 35p the last time... 35p doesn't buy anything, well, a loaf of bread, that's all... I think it should be at least £10 for each child.'

'Well, I think personally it should be at least £10 per child. I mean, you can't get nowhere. Not even on £10, you can't get far...'

'When it went up this year by 35p, I thought it was ridiculous. I do think they could have given a sum that would be acceptable, because now you've got to wait another year for it to go up again.'

'I feel the same. I don't think £27 a month, although it may sound a lot to some people, is enough. I mean you can't buy much clothes or shoes for £27... and even vests and socks and things like that, they all add up.'

'I think £10 a week's not really enough.'

'I'd just like to see it raised, and I know a lot of people would.'

'At the moment, I'm getting just over £27 a month. It should be twice as much.'

'I just wish it was more.'

'I just hope if they can't raise it, they don't cut back on it... you come to rely on it.'

O'Higgins found that, in 1982, the average equivalent net income (which standardises income for household size and composition) for couples with children was between about 59% and 75% of that of older non-retired childless couples. Between about 16% and 31% of couples with children were in the bottom fifth of incomes, compared with only 8% of older non-retired childless couples. At the other end of the scale, just under two-fifths of older non-retired childless couples were in the top fifth of incomes, compared with between only 6% and 18% of families with children.

His analysis led O'Higgins to conclude that 'Rowntree's categorisation of periods of "want" and "plenty" remains valid: childrearing and old age are periods of (almost equal) relative want, whilst adulthood before and after childrearing is a time of relative plenty.'

Against that background, we turn now to look at the principled arguments in favour of helping all families with the cost of raising children.

The importance of child benefit for all families

'For many years the Conservative Women's National Committee has been promoting child benefit as the key benefit for the family. We argue strongly that child benefit should have a high priority in our welfare system.' (CWNC, 1985¹⁰)

It is important to remember that child benefit replaced child tax allowances as well as family allowances and, therefore, now performs the function of both. Child tax allowances, introduced in 1909 (and paid earlier from 1798 to 1806), were a means of trying to achieve some degree of equity within the tax system between those with and those without children. This is necessary because, at any given income level, those with children have a reduced taxable capacity as compared with those without children.

The family allowance, introduced in 1946, was in part a means of compensating for the fact that the wages system cannot and should not take account of family size. More fundamentally, it represented an acceptance that 'the state has a direct interest in the economic viability of the family and its ability to support its children', expressed through the family allowance as 'a sharing of responsibility with the family by the state'.¹¹ According to Joan Brown of the Policy Studies Institute:

the basis of this sharing principle is that families besides (hopefully) gaining pleasure and fulfilment from the children they have chosen to bring into the world, are also performing a service to the nation as a whole since it is these children, as adults, who will support services needed at some time or other by all citizens... Everyone, whether they realise it or not, has a vested interest in ensuring the viability of families and in being prepared to assist them to carry out their role as successfully as possible.¹²

Moreover, as most people have children at some stage of their lives, community support for children can also be seen as a means by which the state, in a small way, transfers income over the life cycle of individuals, redistributing income through the tax/benefit system to a point in the life cycle when people have higher expenditure commitments and tend to have fewer resources to meet them because of the absence of or reduction in a second wage. Michael O'Higgins' work, quoted above, shows how the present system is failing to perform this role adequately, and a study of European social security systems suggests that other countries are doing rather better.¹³

A Gallup Poll commissioned by the government for its review found that nearly three-fifths of those interviewed believed it very or fairly important that the state gives financial help to all families with children, irrespective of income. Among actual recipients of child benefit, this view was held by about seven out of every ten interviewed. Our own study revealed strong support for the universal child benefit scheme, with nine out of ten mothers supporting the present arrangements. It also demonstrated clearly the importance of child

'I know there is also the argument that well-off families shouldn't get benefit, but the problem comes, where to draw the line. We are just the wrong side of the line usually drawn for any help, and certainly wouldn't want to do without child benefit - indeed, would find it very difficult.'

benefit to these mothers, most of whom were in families with incomes above the qualifying limits for means-tested child support and over half of whom considered themselves to be middle class. The importance of child benefit paid directly to the mother is discussed further below (see pp 9-10).

The importance of child benefit for poor families

'We should all, I suspect, like to see an increase in child benefit. I think that it is one of the most effective ways in which you can deal with the problem of poverty and the problem of bringing help to children.' (*Rt Hon Norman Fowler MP, 1982*)¹⁴

An analysis by the Social Policy Research Unit at York University has underlined the importance of child benefit to low income family budgets. On average, it represents about a fifth of the net disposable income of low income families not on SB.

Although the level of child benefit is not of direct relevance to those on SB, because it is offset against their SB payments, child benefit is still of importance to those on benefit. It is more reliable than SB; is not affected by the cohabitation rules (although one-parent benefit is); and, in two-parent families, it directs the benefit to the mother, whereas in most cases the father receives the SB payment. Furthermore, its role in helping families involved in trade disputes, when SB payments are severely reduced, was underlined during the recent miners' strike.¹⁵

The quotation from Norman Fowler, reproduced above, is typical of the views expressed by many politicians across the political spectrum and by a wide range of commentators and organisations. Nevertheless, as noted earlier, the government appears now to have turned its back on the child benefit scheme as a weapon for tackling child poverty, in favour of improvements to means-tested benefits and to tax allowances.

Child benefit v tax allowances

The Prime Minister justified the decision to cut child benefit with reference to the government's 'great emphasis on raising the tax thresholds, which are of particular benefit to families'.¹⁶ Yet, in the past, leading Conservatives made clear that an increase in child benefit would be regarded in the same way as an increase in tax thresholds because it performs a similar function. And the belief was that child benefit would be increased in line with tax allowances. This has not happened, despite pressure from the Conservative Women's National Committee, among others. The *Financial Times* made the point that:

by looking for economies in the benefits but not in the tax allowances which form part of the welfare system, [the government] is open to the charge of unfairness... The real value of child benefit - in reality a substitute for child tax allowances - is to be cut by nearly 5%, yet the Chancellor recently raised the married man's tax allowance - enjoyed by couples without children - by twice the rate of inflation.¹⁷

The married man's allowance is now 17% higher than if it had been increased by the statutory price-linked uprating formula under this government. Child benefit is now 3% lower than if it had been consistently uprated in line with prices. This has meant the aggravation of a longer term fiscal trend which has penalised families with children and which Conservatives rightly condemned when in opposition. This can be illustrated by looking at what has happened to the real value of the tax break-even points for different groups over the last 25 years (tax break-even points are a measure of tax-free income devised by the Inland Revenue to allow comparison between tax-free income before and after the introduction of child benefit). Between 1959/60 and 1985/86, there was an increase of 47% and 39%, respectively, in the real value of the tax break-even points for a single person and a childless couple. For a couple with two children, the increase was only 4%, and for a couple with four children, there was a decrease of 16%.¹⁸

The present government's policy of giving priority to higher tax thresholds as a means of helping poor families in work simply does not make sense. It has been clearly demonstrated that an increase in child benefit is a more discriminating and cost-effective way of concentrating help on low paid families in need. This is for two main reasons.

First, an increase in tax thresholds gives most money to the highest paid who can set it against the higher rates of tax, and least to the low paid lifted out of tax. Moreover, the half a million working families with children with incomes below the tax threshold gain nothing from such an increase. Child benefit, in contrast, helps the very poorest families without giving the richest families any more than anyone else.

Second, among the low paid, it is those with children who are most likely to experience poverty. DHSS figures show that, in 1981, over four-fifths of those living below the SB level where the family 'head' was in full-time work, were in families with children.

Child benefit v means-tested child support

In March of this year, 38 organisations, representing families, women, children and the poor, wrote to the Prime Minister reminding her of her pre-election assurance that 'there are no plans to make any change to the basis on which child benefit is paid or calculated'. The letter stated:

In our view, the retention of child benefit, paid at a reduced level in real terms, alongside a restructured system of means-tested child support *would* mean a 'change to the basis' of that benefit. The government would be seen, we believe, to be paying lipservice only to the principle of a benefit for all children, and would be widely suspected of intending to allow the reduced universal benefit to decline in value until it withered away and was replaced entirely by meanstested provision.

This is now precisely what is happening. The government's Green Paper endorses the principles underlying the universal child benefit scheme:

The principle that we should give financial support to those who bear the extra responsibility of bringing up children is one to which this Government are committed. It acknowledges not only the duty to ensure that children should not face hardship, but also the importance of supporting family life and those who are ensuring our own future by caring for the next generation.¹⁹

However, having praised the child benefit scheme, acknowledging that it is 'simple, well-understood and popular',²⁰ the Green Paper effectively buries it by making clear that, in future, priority will be given to means-tested support for children through a revamped FIS scheme.

Few will mourn the passing of FIS. It has suffered from all the problems endemic to means-testing. Take-up has stuck at about 50% of those eligible, far below the 85% target set by Sir Keith Joseph at the time of its introduction in 1971. Yet it was deliberately designed to be a relatively 'simple', rough and ready benefit in order to maximise claims. It has been a key component of the 'poverty trap', reducing the incentive of low paid workers to improve their financial position by their own efforts. Its administrative costs as a proportion of total expenditure are nearly double those of child benefit.

But FIS's successor, family credit, will not solve these problems. Indeed, it is likely to exacerbate them and create new ones. (For a more detailed critique of the family credit scheme, see *Burying Beveridge*, CPAG's response to the Green Paper, *Reform of Social Security*.) It is proposed that the family credit will be paid through the pay packet instead of through the post office. This will mean, in most two-parent families, that the money will be paid to the father, instead of to the mother. (Nine out of ten two-parent families on FIS are dependent on the father's wage alone.²¹) At the same time, the child benefit, which the mother will continue to receive, is being reduced in value.

Our survey underlines the importance to mothers of benefits for children being paid to them through the post office. Over three-quarters felt that it was essential or very important that child benefit be paid regularly and directly to them. Among those whose partners were on a low wage, the proportion was over 90%. Opinion polls tell the same story. A recent MORI poll found that 77% of people thought that benefits for children should be paid to the mother. And the Gallup Poll commissioned by the DHSS 'revealed strong support (71%) for the current child benefit arrangement of paying benefit to the mother rather than the previous system which involved a combination of tax and family allowances (12%). Among child benefit recipients, support for child benefit was even more marked, 80% for and 11% against.'²²

The view that benefits for children should be paid to the mother rests in part on the belief that the money is thereby more likely to be spent on the children (as our survey shows that it normally is) and in part on a recognition of the importance to mothers of having a source of income independent of their husbands (also emphasised strongly by the mothers in our survey). The latter point has been made by Emma Nicholson, a Vice-Chairwoman of the Conservative Party, with regard to child benefit:

It is cash that goes directly to the parent looking after the child which is in most cases the woman. Many married women still don't have an income of their own. It matters a great deal to have economic freedom; just that tiny little gap between not having to ask and having that cash.²³

'I think it essential that child benefit be maintained for those on very low incomes. However, even in families where the husband's income would appear more than sufficient, it does not mean to say that the wife and children have an adequate portion of it. At least child benefit gives the mother a little bit of income and independence.'

'Speaking to many other women, it seems many are *very* dependent as it [child benefit] is sometimes the only money they handle or is very much part of the housekeeping money.'

'Not every well paid *family* benefit from their husband's income.'

'Child benefit paid directly to me enables me to provide my children with their needs, without my always asking my husband for more money. My little independence.'

Married women without an income of their own are very much over-represented among families eligible for FIS, and the same is likely to apply to family credit.

The importance of benefits being paid direct to the mother also has to be understood in the context of the distribution of income within the family. Research suggests that income is not always shared fairly within the family. For example, a recent study of patterns of income within families (see p 17):

underlines an important point about the nature of family life: it can be very misleading to regard the family as a single economic unit. Members of families have much in common, but there are crucial ways in which their interests can be different or even in opposition. Child benefit is more important for wives than husbands and it is important in different ways. Any proposals for change must take account of the different positions of wife and husband within families... Giving appropriate financial help to families depends on understanding what happens to money *within* families.²⁴

The government's Green Paper argues that the pay packet is the most appropriate place to pay the family credit. But it is clearly not most appropriate from the point of view of the person providing day-to-day care of the children, nor of the children themselves. The only basis for arguing that it *is* most appropriate is if family credit is regarded primarily as an inducement to accept low wages rather than as a means of tackling child poverty. And, indeed, the Green Paper virtually admits this, arguing that the new scheme should 'offer significant advantages for employers in ensuring that employees perceive more clearly the total net remuneration they receive'.²⁵

Although payment will be through the paypacket, claims will still have to be

made to the DHSS. This is likely to mean even lower take-up than of FIS, as research suggests that the involvement of employers can discourage some people from claiming means-tested benefits.²⁶ Furthermore, claiming will be more difficult. Claimants will have to produce 13 weeks' payslips, instead of five as at present, and will have to resubmit a claim every six months, instead of every 12.

Some, although not necessarily all, of any savings from future cuts in child benefit will go into the family credit, so that it will be rather more generous than FIS. But in the absence of any figures, it is impossible to gauge just how much more generous. Calculations by the Institute for Fiscal Studies and by CPAG suggest that any gains are likely to be relatively small, and in many cases will do little more than compensate for the loss of free school meals and cuts in housing benefit. Indeed, in many cases these other cuts are likely to outweigh the gains from family credit.

It is proposed that free school meals will, in future, be confined to those on SB (to be renamed income support). Those on family credit will receive some compensation, although, once more, this will be to the disadvantage of mothers, who are likely to have to meet the cost of the substitute for the free school meal, while fathers receive the compensation. For the 300,000 children who currently receive free school meals under local authorities' discretionary powers, there will be no compensation unless they become entitled to the family credit.

The Secretary of State has emphasised the government's desire 'to do more to help low income families with children'.²⁷ FIS is currently received by only about 200,000 families. One of the background papers to the government's Green Paper shows that in 1982 there were over 700,000 working families with children in the bottom fifth of the income distribution – as noted already, the Green Paper's definition of low income. Similarly, FIS is paid on behalf of only about 417,000 children, a fraction of the 1¼m children of working families being raised in poverty or on its margins in 1981.

Leaked DHSS figures suggest that family credit may reach about 300,000 families, and that a hundred thousand low income families would actually get *less* help than now under the family credit scheme.²⁸ Those low income families with incomes too 'high' to qualify for means-tested child support will be particularly badly hit by the decision to cut child benefit in favour of this means-tested support. So will those who do qualify but who do not claim the benefit and mothers in families where the income is not shared fairly. In each case, we are talking of children in families where there is a clear 'need' for an adequate child benefit, even on a very restricted definition of need.

We believe that the arguments against the structure of child support for which the government has opted are overwhelming. We are supported in this belief by the findings of the survey reported in this pamphlet. In the final chapter, we make the case for a substantial improvement in the child benefit scheme as the only acceptable basis for meeting the needs of the children of this country.

References

- 1 The term 'real value' is used for convenience. In fact, because the May retail price index is now used for the benefits uprating, the figures relate to May rather than to child benefit's actual real value in November.
- 2 *Hansard*, 18 June 1985, col. 177.
- 3 *Hansard*, 28 July 1980, col. 1063.
- 4 *Hansard*, 28 June 1983, col. 49.
- 5 see *Poverty*, no 54, CPAG Winter 1984/5.
- 6 *The Times*, 3 July 1985.
- 7 *Reform of social security*, vol 1, para 1.12, Cmnd 9517, HMSO 1985.
- 8 *Economic Trends*, CSO December 1984.
- 9 Michael O'Higgins, Unpublished paper, December 1984.
- 10 Conservative Women's National Committee, Submission to the Chancellor of the Exchequer, 1985.
- 11 Joan Brown, *Evidence to the review of benefits for children and young people*, Policy Studies Institute 1984, p 2.
- 12 Brown, see note 11, p 7.
- 13 Lawson, Townsend and Walker, *Responses to poverty: lessons from Europe*, Heinemann 1984.
- 14 *Minutes of evidence to Treasury and Civil Service Select Committee, 3rd special report*, 28 July 1982, p 472.
- 15 See Hilary Land, *New Socialist*, July/August 1985.
- 16 *Hansard*, 20 June 1985, col. 433.
- 17 *Financial Times*, 20 June 1985.
- 18 Calculations from *Inland Revenue statistics 1980*, Tables 2A1 and 3; *Hansard*, 26 July 1985, cols 855-6.
- 19 *Reform of social security*, vol 1, para 8.1.
- 20 As above, vol 2, para 4.44.
- 21 *Hansard*, 16 May 1985, cols 223-4.
- 22 MORI poll, May 1985, Gallup quoted in *Reform of social security*, vol 3, para 4.10, Cmnd 9519.
- 23 'A Week in Politics', Channel 4, 8 February 1985.
- 24 Jan Pahl, *New Society*, 25 April 1985.
- 25 *Reform of social security*, vol 2, para 4.50, Cmnd 9518.
- 26 cf Anne Corden, *Taking up means tested benefit*, HMSO 1983, and J Ritchie and A Matthews, *Take up of rent allowances*, SCPR 1982.
- 27 Norman Fowler, *Conservative Newline*, July/August 1985.
- 28 Reported in *The Times*, *Guardian* and *Daily Telegraph*, 18 June 1985.

PART II

Child benefit: what mothers say

Alison Walsh

'Don't give us the humiliation of a means test. Don't make us wait a month. Don't take it away from women and give it to the man in the household.'

Other studies of child benefit

As is the case with many of our social security benefits, there has been relatively little research into child benefit, or its predecessor, family allowance.

Joan Brown has written an excellent account of the historical development of child income support in the UK.¹ In it, she draws attention to the fact that child benefit (and, previously, family allowance) has wide support for a number of reasons. Child benefit is a way of contributing to the costs involved in bringing up children. It is a means by which the whole community shares in the costs of raising the next generation, thereby promoting its health and welfare, and reducing poverty in families with children. The payment of a cash benefit to mothers is important because child support then goes directly to the parent with primary responsibility for children's welfare (generally the mother).

As Joan Brown, Hilary Land,² Jean Coussins and Anna Coote³ and others have stressed, the payment of cash directly to mothers is of particular importance. It is a reliable, independent source of income, supplementing their housekeeping money, which, for whatever reason, may fall short of the amount needed to feed, clothe and generally provide for their children's needs. In addition, the receipt of a small income, for which they do not have to ask their male partner, is of particular value to non-waged mothers – for whom child benefit is the source of 'a little pride and dignity'.⁴

As well as the collection of letters published under that title, CPAG also instigated three other studies which related to the proposals in the early 1970s to replace family allowance with a system of tax credits.⁵

In 1971, Virginia Bottomley (now a Conservative MP) produced a study of 28 low income families in London.⁶ She focused on four characteristics of family allowance: its payment to mothers; its payment weekly; the fact that it was easy to save, and its value as a reliable source of income. In respect of payment to mothers, her findings supported the premise that family allowance played a major part in ensuring adequate provision for children, and in reducing financial and power inequalities within couples. Weekly payment was shown to be very important in tiding families over until the next payday, and in preventing mid-week financial crises. In addition, getting family allowance on a regular weekly basis made it relatively easier to save up for larger items such as clothing, rent and fuel bills – although food was the single most important item on which it was spent. Lastly, the study found that the reliability of family allowance made it 'a cornerstone in the budgets of low income families', and highlighted the crucial importance of the almost 100% take-up rate in alleviating family poverty – a point stressed by CPAG elsewhere.⁷

In 1972, CPAG carried out an attitude survey of mothers, to discover how

'Child benefit is a life-saver to many families when money in the bank is running out. I am strongly in favour of a weekly paid benefit. Although I like to try to save a bit each week towards holidays, I find I often need it for school outings (must have the money tomorrow) or items of food.'

'For many mothers it is their only "income". For this reason, I think it is important that it can be obtained easily every week. It is there during the week when the money has run out at the weekend.'

they viewed the replacement of family allowance by tax credits likely to be paid to the father (as proposed by the Chancellor of the Exchequer in his Budget speech earlier that year).⁸ One thousand one hundred and ninety-six women, 879 of whom were in receipt of family allowance, were interviewed. The major finding was that 71% of the women disapproved of the proposed change, while only 8% positively approved of it. Although disapproval was strongest among those on low incomes, 69% of the middle-class sample also expressed strong disapproval. The women defended family allowance not only for its material benefit (ie, as an important cash addition to the family budget), but also in principle, as a source of independent income over which mothers had control.

The survey also looked at the items on which family allowance was spent, and found that 71% of mothers spent it on food or clothes for their children. A further 20% spent it on general housekeeping items, or specific ones such as school dinners or rent. It has been shown elsewhere⁹ that food occupies a larger proportion of spending in low income families, and this was also shown to be true in respect of family allowance income. Similarly, those with higher family incomes were more likely to save up their family allowance over a period of time. Access to the male breadwinner's income was shown to be most uncertain among women in low income families.

'Child benefit is to most mothers, myself included, the only "personal" income that we have... It is a very important independent income for the majority of mothers.'

'I am not short of money. However, child benefit is the only money I feel is entirely mine to dispose of. After having a well-paid job for eight years, I see this as my one bit of "independent" money.'

'It is important for all women, whether working or not, to have some money they can say is their own. It gives a degree of dignity and independence.'

The study concluded that it was children and women in low income families who were most in need of the reliable and independent income which family allowance provided, but the results also showed the strength of hostility

among middle-class women towards the proposed shift in child income support from the mother to the father.

In January 1973, CPAG commissioned a Gallup Poll to test 'public support for the payment of family allowance or child credits to the mother'.¹⁰ The poll showed overwhelming support, regardless of age or class, for continuing payment of child income support to the mother. Most notably, 93% of married women with children felt that payment should continue to them. A key influence on their opinions was the tendency for increases in housekeeping allowances to lag behind price rises.

Later research into child benefit, by David Piachaud, has focused on the costs of raising a child.¹¹ He has shown that the current level of supplementary benefit scale rates for children, and of child benefit, falls far short of the actual money needed to provide adequately for a child in our society today. This is without taking into account loss of earnings due to time spent – predominantly by mothers – on caring for children. His research prompts a reappraisal of the level of child benefit, and of how this level relates to the degree of financial responsibility which falls on individual families with children.

David Piachaud also raises the question, highlighted by Joan Brown,¹² of how much of the costs of children should be borne by the family, and how much by the state. Both authors suggest that, at present, the sharing of the cost burden via the benefit and tax systems is limited, and can hardly be said to constitute a fair distribution of the money and time costs involved in raising the next generation. An obvious consequence of this is that families with children, and especially young children, are much more likely to be living in poverty than the childless.

One of the issues raised in all three of CPAG's studies of family allowance in the early 1970s was its importance in relation to access to and control over money within the family/household. This has been the focus of a recently completed research study by Jan Pahl, reported in *New Society*.¹³ In-depth interviews with 102 couples (both jointly and separately with the man and woman) were carried out to explore the way family finances are managed. Four distinct patterns emerged:

- 1 *The whole wage system*: one partner, generally the wife, manages almost all the money.
- 2 *The allowance system*: the wife is given housekeeping for set items, with her husband responsible for all other spending.
- 3 *The pooling system*: both partners have access to all the money and share responsibility for managing and spending it.
- 4 *The independent management system*: each partner has his/her own income and responsibilities, with neither having access to the whole household income.

The study showed that the whole wage and pooling systems were most common in families with total net incomes below £9,000 per year. For families with incomes higher than this, the allowance and independent management systems were more likely.

The relationship between a couple's money management system and the importance of child benefit to the wife was explored. As Table 1 shows, the vast majority of mothers, at all income levels, felt child benefit was important or very important. However, it was most important for those women with restricted access to family income (under the allowance system), and relatively less important for women with independent incomes and independent money management.

Table 1: *Woman's view of child benefit in relation to family's money management system (%)*

	<i>Whole wage</i>	<i>Allowance</i>	<i>Pooling</i>	<i>Independent</i>	<i>All</i>
Very important	86	50	39	11	45
Important	7	50	54	78	49
Not important	7	0	7	11	6

With regard to which items child benefit is spent on, it was found that, in almost all cases, the cash went towards food, bills or items for the children. Only six women said they saved the money, and only one said she spent it on herself. A large majority of the women said that they thought they should have the choice of how and when their child benefit was paid. The only support for a switch from payment of it to the wife came from some men.

In her conclusion, Jan Pahl points out the danger of introducing means-testing for child benefit on the basis of aggregated household income. Then, women for whom it is most important would be deprived of an independent source of income. This conclusion parallels the recommendation made by Jean Coussins and Anna Coote, that an acceptable family policy must take account of 'the rights and needs of individuals within families, as well as those of the family as a unit'.¹⁴

References

- 1 Joan Brown, *Children in social security*, Policy Studies Institute 1984. See also John Macnicol, *The movement for family allowances 1918-45*, Heinemann 1980, and Hall, Land, Parker and Webb, *Change, choice and conflict in social policy*, Heinemann 1975.
- 2 Hilary Land, *The family wage*, Eleanor Rathbone Memorial Lecture 1979.
- 3 Jean Coussins and Anna Coote, *The family in the firing line*, CPAG 1982.
- 4 Jen McLelland (ed), *A Little pride and dignity*, CPAG 1982.
- 5 Various, *Some mothers' reactions to the tax credit proposals* (Papers 1, 2, and 3), CPAG 1971-73.
- 6 Virginia Bottomley, see note 5, Paper 1.
- 7 For example, Coussins and Coote, see note 3, and *Evidence to the social security reviews*, CPAG 1984.
- 8 See note 5, Paper 3.
- 9 *Family Expenditure Survey*, various years, HMSO.
- 10 See note 5, Paper 2.
- 11 David Piachaud, *The cost of a child*, CPAG 1979, *Children and poverty*, CPAG 1981, *Round about 50 hours a week: the time costs of children*, CPAG 1984.
- 12 Brown, see note 1, esp pp 65, 96-7, 131-3.
- 13 Jan Pahl, 'Who benefits from child benefit?', *New Society* 25 April 1985.
- 14 Coussins and Coote, see note 3, p 38.

The survey of child benefit recipients

In conducting a fundamental review of social security, it might have been expected that the government would endeavour to find out the views of those receiving social security benefits about the adequacy and structure of benefits and make these views known. A survey was carried out into attitudes of the public towards social security, the findings of which were published, but the three questions on child benefit asked nothing about the experience or importance of child benefit. A smaller scale study (of 54 parents) specifically into child benefit was carried out, but the government itself has not published the findings and independent publication of the study (which was completed in November 1984) was delayed.¹ Publication was too late for account to be taken of the findings in this report, but a summary is included in Appendix 2.

CPAG, with its long-standing concern about child benefit, was anxious to learn and make known opinions on the benefit – on its importance, its level, on methods of payment – and on how child benefit is spent. A survey was therefore carried out.

Ideally, a large sample, randomly drawn, would have been screened to identify child benefit recipients who would then have been interviewed. Such a study might have cost more than CPAG's entire annual budget and was simply not feasible. It was therefore necessary to do the best possible survey within the resources available.

The first requirement was to reach those receiving child benefit. This was done through the Pre-School Playgroups' Association's monthly magazine *Contact*, which is distributed throughout England and Wales. The readership, predominantly women, is clearly biased towards those with pre-school children who are involved with playgroups and is not perfectly representative of all child benefit recipients, but, as will be seen in the next chapter, the readers – and respondents – are widely distributed geographically and socially.

The second requirement was a questionnaire that was simple and clear enough for self-completion without prompting or guidance from interviewers (who could scarcely be mailed out with *Contact*). To avoid ambiguity and reduce the time needed for analysis, multiple choice or pre-coded questions were used wherever possible.

The questionnaire sought information of three main types:

- 1 on how child benefit is spent: when it is spent and what it is spent on;

- 2 on opinions about child benefit: its importance, amount, payment arrangements, etc;
- 3 on the respondents' circumstances: age, number of children, employment, etc.

It was decided to restrict the questionnaire to women receiving child benefit since men constitute a very small proportion of recipients.

A pilot questionnaire was drawn up and distributed with the Islington PPA newsletter in December 1984. An amended, final version of the questionnaire was drawn up, and is included in Appendix 1. It was distributed in the March 1985 issue of *Contact*. Mothers were asked to complete and return the questionnaire to CPAG by 10 April 1985.

Almost 2,500 questionnaires were filled in and returned to CPAG. This represents 16% of those distributed, but this certainly understates the response rate. Copies of *Contact* are also distributed to local authorities, voluntary organisations, the media and even pressure groups, so that only a proportion go to playgroup participants. Of the participants, a proportion are organisers not receiving child benefit. Thus, the true response rate is well over 16%. Nevertheless, this response may seem low. It should, however, be borne in mind that cost restrictions meant that no pre-paid reply envelopes could be sent out and that response rates to this type of survey are generally low. It is certainly not suggested that the survey is perfect or ideal. But within the resources available, the response does seem a satisfactory basis for understanding mothers' experiences of and attitudes to child benefit.

Reference

- 1 A Hedges and J Hyatt, *Attitudes of Beneficiaries to Child Benefit and Benefits for Young People*, Social and Community Planning Research 1985.

CHAPTER 3

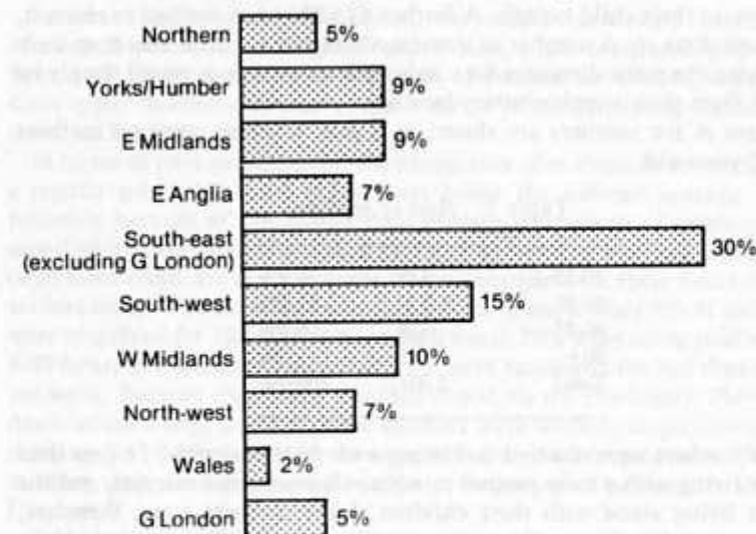
The findings

The findings of this study of mothers receiving child benefit have been organised as follows. First, data on the background of respondents (age, class, etc) is set out, to give a summary of the composition of the sample population. The findings are given in the same order as the questions appear on the questionnaire (see Appendix 1). Then, data on the dependent variables (how child benefit is spent and opinions about it) is given. Quotes from some of the mothers have been used to illustrate and highlight aspects of the statistical data. Within each of the sections, similarities and/or variations in the findings when related to the independent variables are indicated, and briefly discussed.

The sample size for the findings is the 2,001 cases in the sample of mothers getting child benefit that were analysed. (Because of limitations of time, the processing and analysis was restricted to 2,001 cases randomly selected from the nearly 2,500 questionnaires that were returned.)

(a) Summary of composition of the sample

Diagram 1: Regional distribution of mothers



The geographical distribution of mothers in the study is shown in Diagram 1. The reason for the large response from the South-east is, at least partly, a reflection of the relatively high population contained in this region – even if Greater

London is excluded. Also, there are comparatively more pre-school playgroups in this region.

Table 2: *Number of children for whom mothers were getting child benefit (%)*

1	281	14.0%
2	1,221	61.0%
3	389	19.5%
4+	110	5.5%
Total	2,001	100.0%

Table 2 shows the number of children for whom mothers were receiving child benefit. The sample included mothers with children of all ages. 51% had one or more children under 5. This figure is higher than the national average of 37% because the survey was directed to users of pre-school playgroups. Nevertheless, just over half of the mothers in the sample had one or more children over 5, and two-fifths had one or more aged over 10.

A majority of mothers (74%) received their child benefit weekly, the remainder (26%) monthly. This is in line with previous research findings and official figures. Mothers were asked how often they collected their child benefit on the first day it was due. Just under a quarter (22%) said they always did so; nearly a half (47%) said they usually did; slightly more than a quarter (28%) said they sometimes did, and only 47 mothers (2%) said never.

Of the mothers in the sample, 81 (4%) were in receipt of one-parent benefit in addition to their child benefit. A further 42 (2%) were entitled to claim it, but had not done so. A number of those mothers made it clear that they were not claiming the extra allowance for single parents because it would simply be deducted from their supplementary benefit.

The ages of the mothers are shown in Table 3. There were no mothers under 20 years old.

Table 3: *Ages of mothers*

20-29	338	16.9%
30-39	1,310	65.5%
40-49	328	16.4%
50+	25	1.2%
Total	2,001	100.0%

93% of mothers were married and living with their husbands; 14 (less than 1%) were living with a male partner to whom they were not married, and the rest were living alone with their children. Lone mothers were, therefore, underrepresented in the sample, as about one in seven families are headed by a lone parent. Their underrepresentation probably reflects the method of distributing the survey – with single parents more likely to be working and using alternative pre-school childcare facilities. Overall, differences in responses

made by single parents and those by mothers living in couples were not significant. The responses of single mothers largely concurred with those of mothers in low income families (see pp 34 and 37 for specific comments about the level of benefit provision for single parents).

An overwhelming majority of the mothers – 85% – was living in owner-occupied accommodation. Again, this probably reflects the form and method of distribution of the survey, as well as the high response rate from the south of England, where levels of owner-occupation are higher than elsewhere (excluding Greater London). Of the other mothers in the sample, 8% were council tenants, 4% were in housing association or private rented accommodation, and 4% were living with family or friends, or in other types of accommodation such as tied houses, etc. Where significant differences between responses made by owner-occupiers and other tenure groups occur, these are dealt with in the later sections. The overall effect of the bias in the sample towards owner-occupiers is also discussed in Chapter 4.

Table 4: *Social class distribution of mothers*

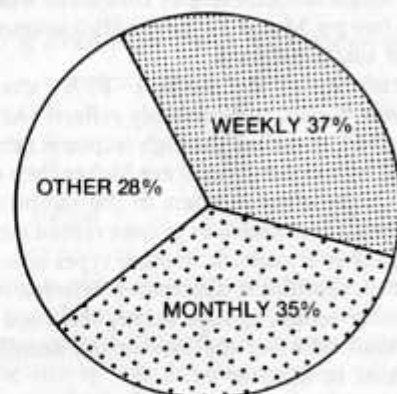
Working class	739	36.9%
Middle class	1,030	51.5%
Upper class	10	0.5%
None of these/don't know	222	11.1%
Total	2,001	100.0%

In terms of social class (self-assigned), the sample was broadly representative of class distribution in England and Wales, when compared with official figures. To the question 'Do you think of yourself as working class/middle class/upper class/none of these or don't know?', the mothers responded as indicated in Table 4.

In terms of paid employment, the proportion of mothers in the sample with a regular paid job – 1,005 (53%) – was below the national average. This is probably because of the higher than average proportion of mothers in the sample with children under 5, and the fact that working mothers with children (who need childcare arrangements which coincide with their hours of work) are less likely to be involved in pre-school playgroups. Only 3% of the sample were employed for 30 hours or more each week; 29% were doing paid work for 8-30 hours per week, and a further 21% were employed for less than 8 hours per week. Because the survey was distributed via the Pre-School Playgroups' Association, a large number of the mothers were working in playgroups. The remaining 47% of mothers in the sample had no paid employment. For those mothers who were doing paid work, the frequency of payment is shown in Diagram 2.

One hundred and forty-one mothers received direct income in the form of state benefits other than child benefit. A majority of these were single parents. Income in the form of state benefits ranged from less than £1 to a maximum of £73 per week. One hundred and forty-nine mothers had income from a source

Diagram 2: Frequency of payment of the 1,005 mothers in paid work



other than child benefit, state benefits or wages (eg, maintenance or interest on savings). Half of the mothers in this group received £10 weekly or less, and only 12% received over £40 per week. Income from employment ranged from less than £1 to £160 net per week. However, only 10% of the mothers who were doing paid work took home more than £50 per week. Furthermore, 50% had take-home pay of less than £20 per week.

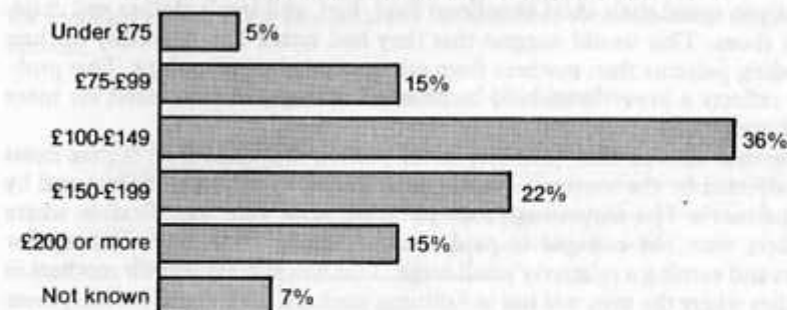
For mothers living with male partners, data on their partner's employment status and net weekly income from all sources was collected: 94% of partners were in full-time work, and less than 1% were in part-time work; 3% were unemployed, less than 1% were chronically sick, and 2% were outside these four categories. It is clear that the sample is biased towards those mothers with partners in employment, since national average figures for male unemployment are around 12%. It would seem to derive from the higher response from the south of England, and the fact that the sample did not include mothers from Scotland and Northern Ireland. It might also be that mothers in families where the male breadwinner is unemployed are less likely to use pre-school playgroups. The bias towards mothers with partners in work parallels the bias towards owner-occupiers.

The partner's income level distribution is illustrated in Diagram 3. The bias towards partners in full-time employment tends to skew the figures towards the higher income bands. However, the data are clearly representative of income levels for men in paid work—although still veering slightly towards those with above average incomes, since the £100-149 net weekly income band corresponds to the typical net income of a married man earning the national average wage. There were 131 instances in which the partner's income level was not entered—almost all of these being where the figure was not known to the woman. (The significance of this is discussed below, pp 30-32.)

(b) What child benefit is spent on

The mothers in the sample were asked to indicate whether they spent their child benefit on each of six specified items. It is clear from Table 5 that, in

Diagram 3: Partners' net weekly income from all sources



order of frequency, children's clothes and shoes, food and school expenses are the items on which child benefit is most commonly spent. The use of it to pay for fuel bills or children's pocket money is significant, but intermittent rather than regular. Nearly two-thirds of mothers never used child benefit for their children's pocket money, and an even higher proportion (nearly three-quarters) never used it for fuel bills or heating costs.

Table 5: Frequency of child benefit being spent on six specified items (%)

	1 Always	2 Usually	3 Sometimes	1+2+3	Never	All
Food	24.3	27.8	35.6	87.7	12.3	100
Fuel	4.1	4.6	18.4	27.0	73.0	100
Children's clothes	15.6	29.5	49.8	94.9	5.1	100
Children's shoes	16.6	24.2	49.0	89.8	10.2	100
School expenses	13.3	15.6	39.5	68.4	31.6	100
Pocket money	8.3	7.0	23.2	38.5	61.5	100

In families with older children, the more children in the family, the more often child benefit was used to pay for school expenses and to provide the children with pocket money. Overall, the more children in the family—whatever their ages—the more likely it was that mothers would spend child benefit on food.

The age of the mothers in the sample made no clear difference to their patterns of spending of child benefit on the six specified items. Single parent mothers were more likely to use their child benefit to pay for food, and twice as likely to use it to pay for fuel costs, than married women. This almost certainly reflects their sole responsibility for household bills, as well as the generally lower level of their household incomes. A similar pattern of use was indicated by council tenants and, to a lesser extent, by other tenants, compared with mothers living in owner-occupied accommodation.

Social class differences had little effect on patterns of spending on the six

items, although working-class mothers were slightly more likely always or usually to spend their child benefit on food, fuel, children's clothes and children's shoes. This would suggest that they had rather less flexibility in their spending patterns than mothers from other social class groupings. This probably reflects a lower household income, on average, and the need for more rigid budgeting.

The data showed that flexibility in the pattern of spending on the six items was affected by the mother's employment status, by her own income and by her partner's. Not surprisingly, spending patterns were least flexible where mothers were not engaged in paid work, or where they were working few hours and earning a relatively small wage. This was also evident for mothers in families where the man was not in full-time work. As with single parents, these mothers – who relied almost entirely on income from various state benefits – were more likely to use their child benefit to pay for food, fuel and children's clothes and shoes. A similar spending pattern was clear for households where the man's wage was below average and/or the total household income was comparatively low. In particular, mothers in such families more often used their child benefit towards fuel costs.

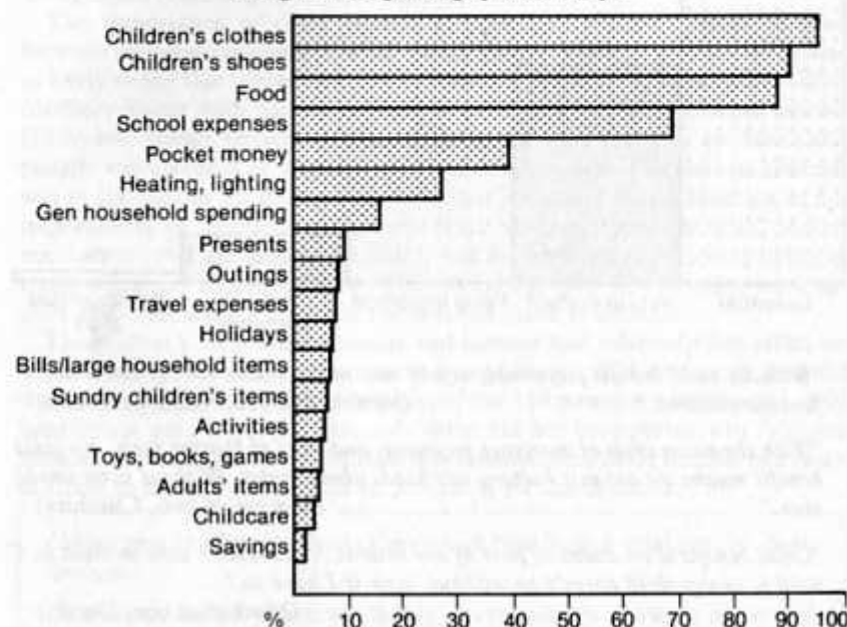
Table 6: *Spending of child benefit on additional items (%)*

Activities	5.5
Outings	8.1
Holidays	6.7
Toys, books, games	4.5
Presents	9.4
Savings	1.8
Travel expenses	7.4
Sundry children's items	5.9
Childcare	3.7
General household spending	15.3
Bills/large household items	6.1
Adults	4.4
No items other than 6 basics	46.7

As well as spending on the six specified items, mothers were asked to list any other items on which they always/usually/sometimes spent their child benefit. While 47% of mothers never spent it on other items, 5% did. With a maximum of four items coded per respondent, total coded responses were 1,579. It is clear from Table 6 that a significant number of mothers put all or part of their child benefit into their general household spending money. Only a very small percentage of mothers used it specifically to buy clothing or other items for adults in the household. Of the small number who said they did, it is worth noting that many had no other income in their own right and were also in a low income household, or did not know what their partner's income was. Travel expenses were more often listed by mothers in rural areas; childcare expenses by single parents. Otherwise,

there was little variation in the figures for spending on items additional to the six specified items, when the different independent variables were taken into account.

Diagram 4: *Spending of child benefit*

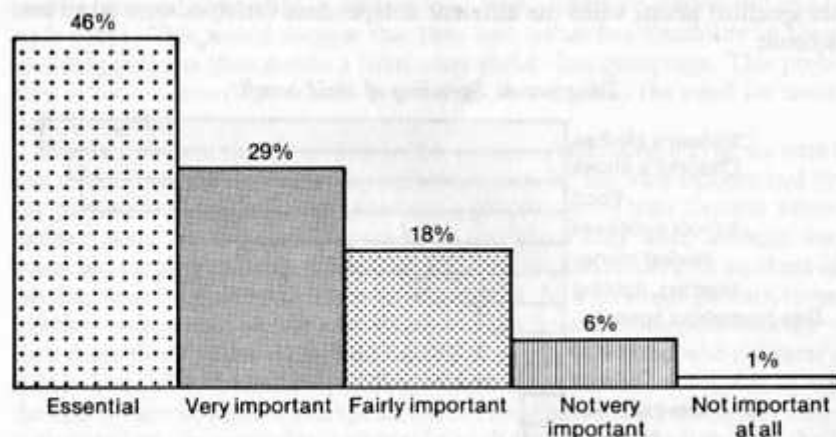


Looking at spending patterns overall (on the six specified items, plus the 12 additional ones) Diagram 4 shows clearly that mothers largely spend their child benefit on the basic items which they have to provide for the healthy and full development of their children.

(c) The importance of child benefit in providing for their children's needs

To assess the importance of child benefit in providing for their children's needs, mothers were asked to tick one of five boxes to indicate whether it was essential/very important/fairly important/not very important/not important at all. As Diagram 5 shows, an overwhelming majority of mothers (93%) said that child benefit was important in meeting the needs of their children – 75% said it was very important or essential. The strength of feeling was highlighted by the number of mothers who stressed how important child benefit was in making ends meet when asked if there was anything else they wanted to say about child benefit (in their own words at the end of the questionnaire). Of the 876 mothers who did give their own additional comments, 291 (33%) repeated their view that child benefit was very important or essential. The following comments are representative of those made.

Diagram 5: Importance of child benefit in providing for children's needs



'Without child benefit payments, myself and many others simply could not feed our children.'
(Mother of three, North Yorkshire)

'With the rising costs of mortgage payments and costs of heating fuels, my child benefit means we are just keeping our heads above water. Without it we would sink.'
(Mother of two, Cheshire)

'Child benefit is an essential part of our income... I couldn't cope without it. I need it so my child doesn't go without, even if I have to.'
(Mother of one, Dorset)

'My husband is a skilled man and I worked until the children. We simply could not eat and pay our mortgage without child benefit.'
(Mother of three, Lancashire)

'My child benefit is a life-line when we dare not go back to the bank.'
(Mother of four, West Midlands)

'I need it to survive financially.'
(Mother of two, Cumbria)

As might have been expected, there were some regional variations, with mothers outside London and the South-east slightly more likely to say that child benefit was essential in providing for their children. This would seem to reflect lower wage levels away from the South-east of England, and may also stem from differing household management systems (see p 17) in the north and south – with the whole wage system more prevalent in the north.

The more children they had, the more important mothers felt child benefit to be in meeting their children's needs. Thus, 39% of mothers with one child felt that it was essential in this respect, as against 63% of mothers with four or more children. Even so, over half of the mothers with one child said child benefit was very important or essential in providing for their child's needs.

Younger mothers were more likely to judge child benefit as essential for their children. This reflects the generally lower household incomes in younger families. Single parents were twice as likely to say that it was essential in providing for their children as mothers in married couples (87% compared with 43%), again reflecting lower household incomes.

The importance of child benefit in meeting children's needs differed between owner-occupiers and other tenure groups. Council tenants were twice as likely to say that it was essential as owner-occupiers – 85% as against 42%. Mothers living with family or friends (77%), housing association tenants (72%) and private tenants (61%), were also far more likely to say that child benefit was essential in meeting their children's needs. The starkest contrast was in the figures for mothers who felt that it was not very important or not important at all. All the mothers who felt it was not important at all, and all but four of the 119 mothers who felt it was not very important, were living in owner-occupied accommodation. This divide was also clear between working-class and middle-class mothers, but was not quite so extreme.

The mother's employment status and income had relatively less effect on whether child benefit was important in providing for children's needs than did the husband's/partner's. Most notably, of the 119 mothers who thought child benefit was not very important, only three did not have partners in full-time work. In households where the man was unemployed, child benefit was twice as likely to be seen as essential in providing for the children.

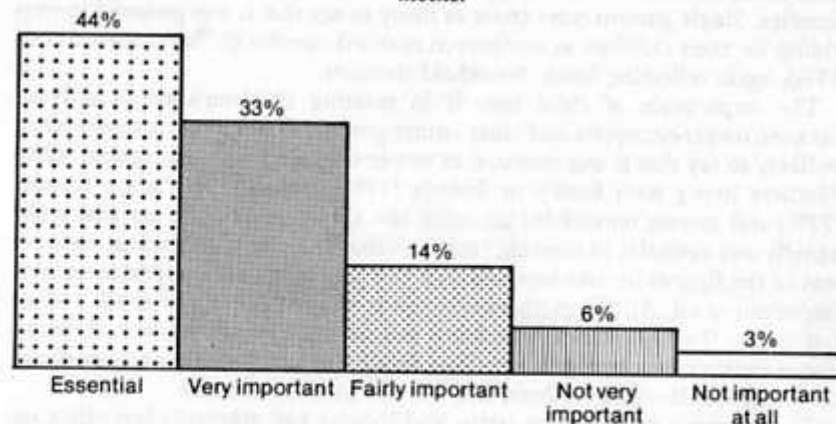
'Most people I know rely on their child benefit as a vital part of their budget.'

'We are an ordinary, average family, lucky enough to own a house and be employed. We don't live extravagantly and often have a job to make ends meet – we certainly couldn't manage without family allowance.'

'In order to live rather than exist, even a family of our size who do not live extravagantly, with a husband in full-time work, find that we are always broke. Without child benefit, we would not be able to live a life of reasonable quality.'

There was a clear relationship between the level of the father's income and the importance of child benefit for meeting the children's needs. Figures for mothers judging it to be essential ranged from 78% in the lowest net weekly income band, to 50% in the middle band, and to 18% in the highest band. It should be noted, however, that at levels far in excess of entitlement to Family Income Supplement, mothers said that child benefit was an essential or very important component of the family's income when it came to providing adequately for the needs of their children. In the two lower income bands, no mother said the receipt of child benefit was less than fairly important in meeting their children's needs. Notably, where the mother did not know her partner's income, 31% of mothers said that child benefit was essential to the children, whereas only 5% said that it was not very important or not at all so.

Diagram 6: Importance of child benefit as a regular and direct payment to the mother



(d) The importance to mothers of child benefit as a regular payment made directly to them

Mothers were asked to assess on a scale (essential/very important/fairly important/not very important/not important at all), how important they felt it was that child benefit was paid regularly and directly to them. As Diagram 6 shows, a huge majority of mothers considered child benefit to be important because it is paid regularly and directly to them. Indeed, over 75% felt it very important or essential because it gave them some independent income on which they could rely, without having to go to their partners. Many mothers made this point in their additional comments about child benefit. Others stressed the importance of the regular receipt of child benefit in particular, in terms of making ends meet between their partner's paydays. These were mainly mothers dependent on low or irregular household income, or with limited access to the household income. The woman's employment status made little difference to whether or not she thought it was important that child benefit was a regular payment made directly to her. This is probably a reflection of the general insecurity of jobs today—especially part-time employment, in which most of the mothers in the sample who were working were engaged.

The following comments (just five of the 204 made on the subject) illustrate why mothers feel it is important to have child benefit as a regular source of income paid directly to them.

'It would be a serious mistake to consider basing it [child benefit] on a family's income—it is the one thing payable to me for my children that my husband has no control over. Very important in many households—if you are thinking of the children as of prime importance...'

(Mother of two, Surrey)

'Whilst my husband earns over £100 per week so we are not on the poverty line, he is bad at managing money and mean with it. Therefore I couldn't get through the week if I didn't have my child benefit. For many women, child benefit ensures they can feed their families for most of the week. It is essential it is paid directly to the woman of the family.'

(Mother of one, Cumbria)

'Child benefit should be the right of every mother no matter what her income or, more importantly, no matter what her partner's income is. For many of us, child benefit is the only money we have that we do not have to ask our husbands for.'

(Mother of two, Hampshire)

'As I have no real income that is entirely my own, the weekly child benefit payment gives me token financial independence from my husband. In other words, it is my money to spend as I wish, without resort to my husband.'

(Mother of one, West Sussex)

'Child benefit is my only income in my own right. It is therefore essential that I should receive it, in order to maintain some self esteem and feel that I can contribute to my family's well-being.'

(Mother of one, Avon)

A number of mothers (94) said that they felt the payment of child benefit to them was some recognition—even though token in amount—of the importance of mothering. Some stressed the contribution of mothers to children's welfare, especially while the children were young. The vital role of mothers in raising the next generation was also pointed out. The following comments are typical of those made.

'Child benefit should be available to the mother or person whose job is looking after the children...'

(Mother of three, Kent)

'Child benefit provides an indirect source of recognition that motherhood (however meagrely) is recognised by society to have its "costs", and a small payment helps to reinvest "non-productive" women with a little status and sense of worthiness...'

(Mother of two, Bedfordshire)

'The present token amount of financial help in the form of child benefit needs to be raised, if motherhood as a 7-10 year job is ever to acquire the status needed to offset the stresses and isolation it entails.'

(Mother of two, Yorkshire)

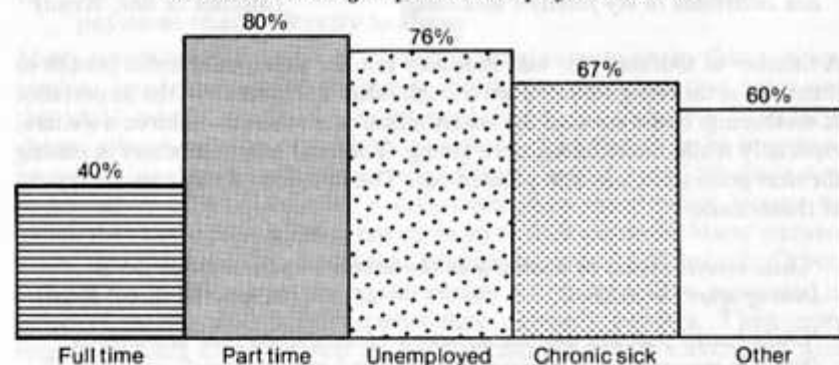
Mothers' opinions on the importance of child benefit as a regular payment made directly to them showed little variation either regionally or in terms of the number or ages of their children—except that mothers of four or more children, and of older children, placed most importance on this feature. Mothers in the 20-29 age group were more likely to see the regular payment to them as being essential (59%). It is not possible to say whether this reflects the lower household income level generally in this age group, or the fact

that younger mothers were less likely to be doing paid work outside the home.

The regular and direct payment of child benefit was twice as likely to be seen as essential by single parents as by mothers living with a partner. Similar variations to those in respect of the importance of child benefit for children also emerge when the importance of direct and regular payment to the mother is looked at in terms of tenure and class – mothers living in non-owner-occupied housing thought it of greater importance than owner-occupiers, and 86% of working-class mothers reckoned it was essential or very important, as compared with 71% of middle-class mothers, and 79% of mothers who said their social class was other/not known.

Whether or not a mother was doing paid work outside the home, and the income she received for it, had a limited influence on her reply to this question, although those mothers whose only direct source of income was child benefit were the most likely to see its regular payment to them as essential (49%, compared with 37% of mothers working for 30 hours per week or more).

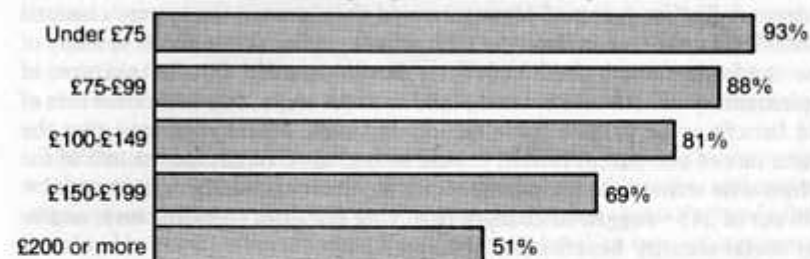
Diagram 7: Proportion thinking regular and direct payment of child benefit essential according to partner's employment status



Partner's employment status and income were a much more significant influence on the mother's opinion about the importance of child benefit as a regular payment directly to her. Diagram 8 shows how opinions as to whether this was essential varied according to partner's employment status (the sample size is 2,001 less single parents – ie, 1,878). Of the 179 mothers who said that this aspect of child benefit was not very important or not at all so, only four did not have partners in full-time work.

Diagram 8 shows the proportions of women who said it was either essential or very important that child benefit was paid regularly and directly to them according to their partner's net weekly income. Even in the highest income band, over half the mothers in the sample felt it was very important or essential, while the figure for those with partners on average wages (£100-149 net weekly income – well above the qualifying income levels for Family Income Supplement) was over 80%.

Diagram 8: Importance of child benefit as a regular and direct payment to the woman according to partner's net weekly income



(e) Importance of the option of weekly payment of child benefit

When asked to answer 'yes' or 'no' to whether they thought mothers should have the choice of receiving child benefit on a weekly basis or not, the quite overwhelming response was yes. Of the 2,001 mothers, only seven said no. In other words, 98% of mothers favoured there being a choice of getting child benefit via weekly payments. In fact, this choice no longer exists for all mothers. In 1982, the government introduced monthly payment of child benefit. Existing mothers were allowed to retain weekly payments if they wished. But new mothers can only choose weekly payments if they or their husband are in receipt of supplementary benefit or FIS, if they are a lone parent or if monthly payments cause hardship.

Many chose to raise this issue in their additional comments. The quotes below represent the opinions expressed:

'I think child benefit should be paid... by the payments most suitable to the mother's own needs.'
(Mother of two, Suffolk)

'I need to be able to get my child benefit every week now, as more and more we are asked to pay for many school items – trips, dinner money, school fund...'
(Mother of three, Surrey)

'I believe everyone should have the choice of being paid weekly or monthly.'
(Mother of two, Isle of Wight)

'Child benefit paid monthly is paid in arrears. Apart from the collapse of my monthly budget this would mean, I strongly object to the Government getting four weeks interest on my money.'
(Mother of two, West Midlands)

(f) Support for the present system of child benefit

It is clear from the survey that a very large majority of mothers want to retain the present system of child benefit. When asked whether or not they thought mothers should go on getting child benefit for each of their children in the way they do now, 89% said 'yes', and 11% said 'no'.

Some of the minority of mothers who wanted the child benefit system changed gave their reasons. About 6% of them wanted a selective rather than an universal benefit – though a number of these said specifically that they

would not want to see selection via a means-test. A few of this group wanted child benefit to be paid at a lower rate, or stopped, beyond a set number of children. A further group of 46 women said they wanted the system changed in order to alleviate the interaction with other benefits. Most notably, many of these mothers wanted child benefit to be disregarded for the purpose of supplementary benefit assessment. Some mothers wanted an additional rate of child benefit to be paid to those on low incomes; others suggested that the present rate of one-parent benefit should be higher. Overall, almost half of the mothers who wanted the arrangements for payment of child benefit changed – ie, 98 out of 215 – suggested changes involving *increased* spending on it and/or other social security benefits (see also, pp 37-8).

(g) Level of child benefit

Mothers were asked to say whether the level of child benefit (then £6.85 per child, per week) was far too low/too low/about right/too high/far too high. Table 7 shows that less than 1% said it was too high or far too high. Conversely, over two-thirds thought it was too low or far too low.

Table 7: Mothers' opinions about the level of child benefit (%)

Far too low	16.9
Too low	51.7
About right	31.2
Too high	0.2
Far too high	0.1

Comments made by mothers illustrate the dissatisfaction of the majority with the then current rate of child benefit, and why they felt £6.85 per week to be inadequate. (As noted in Part I, the rate announced for November 1985 will be even lower in real terms.)

'I would like to see child benefit brought up to a more realistic level. As it stands at the moment it is totally ridiculous. As a working Mum, with a working husband, who can't afford to clothe my children or heat my house adequately – something must be done.' (Mother of two, West Midlands)

'It is insufficient to feed let alone clothe teenage boys.'
(Mother of two, Cleveland)

'I feel strongly that £6.85 per week nowhere near covers expenditure on a young dependant. Whereas parents must be expected to accept some financial responsibility for offspring, some allowance must be considered for hidden needs of a young family – a bigger house, higher fuel bills, more washing, more bus fares etc.'
(Mother of two, West Yorkshire)

'The amount of child benefit ought to be doubled.'
(Mother of one, Cornwall)

'If child benefit is to continue, it ought to be more realistic – bearing in mind school dinners are £3.25 a week, shoes may now have 15% VAT on top of their dear prices now, and the ever-increasing extras that schools give you the "option" of – ie, trips, plays, shows, etc. "Option" is used, but blackmail is probably truer, as who wants to see their child be the one left in school while the others are out?'
(Mother of two, Cambridgeshire)

Differences in terms of region, number of children, ages of children, age of mother, marital status, mother's employment status and income, and partner's employment had very little effect on mothers' opinions about the level of child benefit. However, answers were significantly related to type of accommodation. As Table 8 shows, mothers living with family/friends, or as council, private or housing association tenants are more likely to state their dissatisfaction with the present rate of child benefit and to feel it should be more, or considerably more, when compared with those living in owner-occupied accommodation. This probably reflects lower income levels and a higher incidence of single parents among tenants than owner-occupiers. Working-class mothers were more likely to feel that child benefit was too low/far too low – 74% as against 65% of middle-class mothers, and 67% of mothers who said their social class was none of these/don't know.

Table 8: Mothers' opinions on the level of child benefit according to tenure (%)

	1 Far too low	2 Too low	1+2 Total too low	About right
Owner-occupier	15.3	51.1	66.4	33.4
Council tenant	31.0	53.5	84.5	15.5
Housing association tenant	44.4	27.8	72.2	27.8
Private tenant	16.1	67.9	84.0	16.1
Living with family/friends	38.5	53.8	92.3	7.7
Other	12.1	55.2	67.3	32.8

Partner's net weekly income also influenced opinions about the level of child benefit – 85% of mothers with partners in the lowest net income band (under £75pw) said it was too low or far too low, compared with 70% in the middle band (£100-149pw), and 62% in the highest band (£200+pw). Whilst income levels of their partners affected the mothers' opinions about the rate of child benefit, it should be noted that almost two-thirds of mothers with partners earning well above the national average wage thought child benefit should be higher.

The level of general dissatisfaction with the current rate of child benefit is undoubtedly linked to whether the mothers said they saved any of it over a period of several months or more (85% did not, compared with 15% who did), although household management systems and overall income levels also affect

the ability to save child benefit, as does personal preference on the part of each mother (where other factors permit this).

Mothers employed in paid work for over 30 hours per week were more likely to save child benefit than those with no paid employment – 22% of the former saving some or all of their child benefit regularly, compared with 13% of the latter. A slightly larger difference in saving existed with respect to partner's income level – 20% of mothers with partners in the highest income band saved part or all of their child benefit over a period of several months or more, as against 11% of those with partners in the lowest income band. Overall, however, the incidence of saving was very small, regardless of income and other factors.

A number of mothers said that they would like to be able to save up their child benefit over a period of time, but could not do so because it and/or other income was too low, and because of urgent demands to spend any available money on their children. As one mother put it:

'I used to be able to save child benefit for several weeks, but I am no longer able to do this because of the cost of living generally.'

(Mother of three, Oxfordshire)

Mothers were also asked to say whether or not they thought child benefit should be enough to pay for all the basic needs of a child. Opinion on this was split almost 50:50, with 54% of mothers saying it should and 46% saying it should not.

(h) Mothers' additional comments about child benefit

In the last question on the survey mothers were asked: 'Is there anything else you want to say about child benefit?'. The comments fell readily into 11 broad categories which are summarised in Table 9. Just under a half of the mothers made some comment (876 – 44%), and some of them made several, so that there was a total of 1,793 comments.

The responses to the overall importance of child benefit and its significance

Table 9: Mothers' own comments about child benefit
(% of total number of comments)

CB is very important/essential	16.2
CB should be universal	16.2
CB should be more	11.5
CB is important as independent income for women	11.4
Mothers should choose how often and/or where CB is paid	9.0
CB should be selective	6.5
CB is important as recognition of mother's role	5.2
Interaction problems with CB and other benefits	2.6
CB should be linked to inflation	1.7
CB should be (even) higher for single parents	1.3
All other comments (various)	18.2

as an independent income for women, as well as a payment for mothering, have been discussed earlier in this chapter, as have the choice of how frequently it is paid, and mothers' support for selective payment. Comments relating to single parents, and problems arising from the interaction of child benefit and other benefits have already been mentioned, but are discussed further below. The remaining comments – those relating to the inflation-linking of child benefit; choice of where it is paid; universal payment and a range of other aspects are also discussed below.

A small number of mothers (1% of the sample), mainly but not all single parents, said that the present level of child benefit (even including one-parent benefit) was insufficient for single parents to provide adequately for their children's needs, in the absence of a partner's income. As one mother put it:

'Having been a single parent at one time, I feel that the additional benefit paid to single parents is inadequate, and unrealistic in today's terms.'

(Mother of two, Merseyside)

Single parents were in the majority among mothers who commented about the problems arising from the interaction of child benefit (and one-parent benefit) with other benefits – 2% of the mothers in the sample. The benefit causing the most concern in this respect was supplementary benefit, with child benefit being taken totally into account when assessing the household income and entitlement to benefit. A similar problem with housing benefit was also raised by a few mothers. The two comments below illustrate the problems which this group of mothers wanted to highlight.

'Whoever decides that child benefit should be classed as an income for supplementary benefit, gives it to the needy in one hand and takes it back in the other.'

(Mother of one, London)

'I think child benefit should not be taken into account when claiming supplementary benefits, as this means that it is almost always used for household needs and is therefore not spent on the child.'

(Mother of one, West Midlands)

A number of mothers (2%) said they thought child benefit should be increased regularly in line with inflation.

'Child benefit increases bear no relation to the inflation rate, particularly with effect to the ever-increasing cost of clothing and shoes...'

(Mother of two, South Yorkshire)

'I think child benefit should be linked to inflation, otherwise in a few years it will have been effectively phased out.'

(Mother of two, South Yorkshire)

The fact that the huge majority of mothers wanted there to be the choice between weekly or monthly payment has been discussed above (p 33). An issue closely linked to this, and forcefully raised in the additional comments, is that of choice of *where* it is paid. Mothers said that they should have a choice

between the local post office, or the bank or the building society. The majority wanted to retain the right to cash their child benefit at a local post office – an opinion most often expressed by mothers living in rural areas. The reasons for this preference were convenience and accessibility, and also the wider need to keep open local post offices (especially in villages) for the benefit of all users in the local community. The following comments are typical:

'Child benefit should continue to be administered through the local post office. Banks are harder to get to for mothers. Not many women have accounts in their own right, and many banks still charge for accounts under £100 – much of the child benefit will be eaten away by such charges.'
(Mother of two, Greater Manchester)

'Keep it payable weekly. Keep it payable at the local post office.'
(Mother of two, Norfolk)

The 6% of mothers who, in additional comments, were in favour of the selective payment of child benefit has already been discussed (see pp 33-4). This figure must be set against not only the overall figure of 89% of mothers who were in favour of retaining the present universal system, but also against the 15% whose additional comments included the statement that they thought child benefit should remain a universal benefit.

Universality was supported because it was both cheaper and less divisive than means-testing; because it was a right long fought for and of value to mothers and society as a whole; because it prevented children (and mothers) being deprived of security and the basic necessities, when a father was unable or unwilling to pass on sufficient of his income to provide for these. The following quotes are vivid expressions of the various arguments in support of retaining a universal system of child benefit.

'If the Government only pays child benefit to people whose income is below a certain level, it will cause undoubted hardship to many families. Just because a man earns a good wage – this does not mean that any part of that wage is automatically passed on to his wife or children.'
(Mother of two, Berkshire)

'I rely on it totally for the children's upkeep... As it is at the moment, I find it hard to manage with what I'm given. I dread to think what it would be like without it. If benefit had to be claimed similarly to social security, my husband wouldn't allow me to, as he objects to handouts – and I'm sure we would be above the poverty line. The way benefit is now, that everyone is entitled to it, is the best policy...'
(Mother of two, Cheshire)

'I think it is vital that women of all classes should continue to receive a weekly sum of money. All women may find themselves with a partner who will not say how much he earns and contributes less than is necessary for the keep of his children.'
(Mother of one, London)

'Child benefit is a life-line to some women, and to take it away or give it to only part of the community would be disastrous...'
(Mother of two, Berkshire)

'The fact that it is not means-tested, but is given to everybody as a right (although no one is forced to accept the money), means that there is no stigma attached to the money – as is the case with some benefits. Were it to be means-tested, many families most in need of it might not claim (as is the case with FIS)...'
(Mother of three, West Midlands)

Finally, some of the other aspects of child benefit that mothers raised are discussed briefly below.

A number of mothers pointed out that there are instances when the payment of child benefit departs from the assumed norm – ie, universal payment to the person with primary responsibility for childcare, and for each child being cared for.

- Wives of members of HM Forces serving abroad, and who are living abroad with their husband and children, do not receive child benefit. Instead, it is paid along with their husband's pay, and is not always passed on to the mothers.
- Parents who adopt a child they have been fostering have to wait a long time for child benefit for that child – until adoption is finalised – and payment is not back-dated to the time when fostering arrangements ceased.

One mother raised the question of multiple births – pointing out that the cost per child is relatively higher, and that no provision for this is made by the state.

Other mothers compared the level of child support in the UK with other EEC countries, and observed that most other countries had a far more substantial system of child income support, as well as a more positive attitude to children in general.

A number of mothers said that child benefit should be only a part of a comprehensive child support policy, which should include adequate provision of statutory pre-school and nursery facilities. Failing this, it should be increased to meet the costs of children attending such facilities when these were provided by the voluntary or private sectors – especially in areas where there was little or no such statutory provision.

These other comments all suggest that there are shortcomings in the present system of child income support, and also suggest ways in which it might be improved – perhaps as part of a more far-reaching policy for children in the UK.

Conclusions and recommendations

Ruth Lister and Alison Walsh

The conclusions below are based on a study of 2,001 mothers conducted by means of a postal questionnaire through the Pre-School Playgroups' Association. The method of enquiry meant that the sample of mothers was biased in certain key respects. Owner-occupiers and households where the father was in employment were over-represented, and council tenants and households where the father was unemployed were under-represented. Analysis of the data showed that child benefit was twice as likely to be regarded as essential to children's welfare by mothers in the two under-represented groups as by mothers in the two over-represented groups. This suggests that, if anything, the study's findings may understate the importance of child benefit in providing for the needs of children and the value attached to it by mothers.

The limitations of the survey method and of the sample used were discussed in Chapter 2. While recognising these limitations, we believe that the study represents the best available evidence on important questions concerning the role of child benefit. CPAG would welcome further research on these issues and is confident that larger and more expensive studies would broadly confirm the results of this study. In the absence of such research, we hope that the government will take seriously the conclusions and recommendations presented here.

Conclusions

The overall conclusions which can be drawn from this survey of mothers getting child benefit are these:

- Child benefit is used to provide for the needs of children. Almost all mothers spend a large part of their child benefit on food, children's clothes and children's shoes. It is also widely used for school expenses, pocket money, fuel costs and general household spending, and, rather less frequently, to pay for travelling expenses, children's presents, holidays and outings for the children. In addition, the benefit is sometimes used to help meet a variety of costs incurred in raising children – toys, sweets, haircuts, babysitters, etc. A very small minority of mothers occasionally use some of their child benefit to buy clothes or other items for themselves. Of these few, most do not get money for these items from their partners.

- Child benefit is very important, indeed essential, to a large majority of mothers in providing for the needs of their children.
- Child benefit is too low. Mothers think that it nowhere near covers the costs of providing for children's needs.
- Child benefit is very important, indeed essential, to a large majority of mothers, as it is a reliable payment made regularly and directly to them.
- Mothers want the choice of how frequently and where they get their child benefit.
- A large majority of the mothers supports the continuation of the universal payment of child benefit for each child.

The importance of child benefit to children and their mothers cannot be over-estimated. Although it is most important to low income families (including single parent families), it is also of great importance to families with net household incomes up to and beyond £200 per week.

Implications

These findings have clear implications for the government's policy on child support as set out in the Green Paper, *Reform of Social Security*. Government policy is to downgrade the universal child benefit scheme in favour of putting more resources into means-tested support for children in only the very poorest families. At the same time, by cutting the real value of the child benefit paid to the mother and transferring the payment of means-tested child support to the father, it plans to reduce the money available directly to mothers to spend on their children's needs. The role played by child benefit in the household budgets of this sample of mothers, the majority of whom is outside the scope of any means-tested scheme, and the value placed upon the benefit by the mothers themselves point to a very different set of policy conclusions than those reached by the government's review.

Level of child benefit

Opinion polls have tended to show only moderate support for an improvement in the level of child benefit. A recent MORI poll found that about a third believed child benefit to be too low, 47% considered it about right and 14% too high. Among households actually receiving child benefit, two-fifths thought it too low, 52% about right and only 4% too high. Our own study, confined to mothers receiving the benefit, revealed much greater dissatisfaction with its present level. Nearly 70% thought it was too low or far too low, and less than 1% considered it too high. Even among middle-class mothers, and among those with incomes over £200 per week, nearly two-thirds considered child benefit to be too low. Just over half of all the mothers believed that it should meet the basic costs of children.

A wide range of organisations who submitted evidence to the government review supported an increase in child benefit and a number of them called for an investigation of the basic costs of children.¹ A recent analysis of family

policy in western Europe suggests that such an investigation should have been the *starting point* for any coherent review of financial support for children:

European experience certainly suggests that as a first step towards developing a coherent policy on child support, it is essential to establish the costs associated with children. Equally necessary is debate, followed by explicit decision, as to how the costs of children should be apportioned.²

No such investigation and no such debate have taken place.

In the absence of the necessary evidence about the costs of children, CPAG argued in its evidence to the review that child benefit should be raised to a level which would subsume the payments for children made under the supplementary benefit (SB) and national insurance schemes. All children would then receive the same amount of benefit (possibly age-related), regardless of the employment status of their parents, and child benefit should then no longer be treated as a resource for SB purposes. Similarly, an increase in child benefit would provide the same benefit for those in and out of work. This would overcome the problem mentioned by some of the mothers in the study, particularly lone parents on SB, that an increase in child benefit is of no direct financial benefit to SB claimants because it is treated as income and offset against SB entitlement.

At current (1984-85) benefit rates, this would mean a weekly child benefit rate of at least £14.50 (assuming a proper system of educational maintenance allowances for those aged 16 and over). This would cost approximately £3.8bn.³

The independent Policy Studies Institute, having considered various ways of directing more help to poor families with children, also concluded that the most efficient mechanism was a big increase in child benefit. It suggested that 'this could be counted as a tax credit to avoid an apparent effect on public expenditure' and that 'the resources are available from a demonstrably less well-targeted form of family tax relief—the married man's allowance'.⁴ The married man's allowance now costs £4.4bn. If just the £3.9bn received by those below pension age were used, it would be sufficient to increase child benefit by about £7.80. In other words, on the costings available to us, it should be sufficient to meet the cost of raising child benefit to our initial target level, which should then be index-linked by statute. Consideration could then be given to introducing an element of age-relation into the benefit.

Unfortunately, the Chancellor of the Exchequer would appear to have other ideas and he has given notice that he will be proposing a system of transferable tax allowances to replace the married man's allowance, in a further Green Paper due out in late 1985. CPAG will be putting the detailed arguments against transferable allowances in its response to the Green Paper. Our main objection, however, is that it would be a wasteful use of resources which could be put to better social use through the child benefit scheme.

Frequency of payment

We were surprised by the strength of feeling expressed by the mothers in the study on the question of the right to choose the frequency with which child

benefit is paid. CPAG vigorously opposed the decision to switch to monthly payments, with the choice of weekly payments confined to limited categories of parents, and argued that all parents should have the right to opt for weekly payments. Most mothers receiving child benefit at the time of the switch to monthly payments in fact opted to remain on weekly payments, so that the savings to the government were less than anticipated. We hope that the findings of this study will lead to a reappraisal of that policy and that all mothers will once again be allowed freedom of choice as to frequency of payment.

Summary of recommendations

- The government should undertake an investigation into the basic costs of children.
- Under a phased programme, child benefit should be raised to a level which subsumes the payments for children made under the supplementary benefit and national insurance schemes. One way of paying for this would be to phase out the married man's tax allowance for those under pension age.
- Child benefit should be statutorily index-linked. At a minimum, it should be protected against rising prices. When tax allowances are raised by more than prices, the same should apply to child benefit, in recognition of its status as a substitute for a tax allowance.
- All mothers should, once again, be allowed to choose weekly payments of child benefit if they so wish.

'For the sake of our country's future, the needs of children must come first.'
(Mother of three, Suffolk)

References

- 1 See *Poverty*, no 59, CPAG, Winter 1984/5.
- 2 Lawson, Townsend and Walker, *Responses to poverty: lessons from Europe*, Heinemann 1984.
- 3 The costing of £3.8bn is likely to be an underestimate as it assumes savings in SB payments. But once child benefit has subsumed the under-11 SB scale rate, savings would no longer accrue in the case of children aged under 11.
- 4 PSI, Briefing, June 1985.

APPENDIX 1

Survey questionnaire

As you may know, the Government is reviewing the amount of Child Benefit (often still known as Family Allowance) and whether everybody should get it. Child Poverty Action Group is therefore carrying out a large survey of mothers, to collect facts, figures and opinions about Child Benefit.

We would like you to fill in and return this questionnaire by 10 April.

For each question, please tick one of the boxes given, or write your answer clearly in the space provided.

NB: Only women who get Child Benefit should complete this questionnaire.

Please do not write in this column

Serial
(1 - 4)

Blank
(5)

- Q.1 Which county (or city) do you live in? (6)
1 2 3 4
5 6 7 8
9 0
- Q.2 Are you the person who receives CONTACT for your playgroup? (7)
yes ☐ 1
no ☐ 2
- Q.3 How many children do you have for whom you get Child Benefit? (8)
1 ☐ 1
2 ☐ 2
3 ☐ 3
4 or more ☐ 4
- Q.4 How many of these children are under 5 years old? (9)
0 ☐ 1
1 ☐ 2
2 ☐ 3
3 or more ☐ 4
- Q.5 How many of these children are over 10 years old? (10)
0 ☐ 1
1 ☐ 2
2 ☐ 3
3 or more ☐ 4
- Q.6 Do you get your Child Benefit — (11)
weekly ☐ 1
or monthly ☐ 2
- Q.7 Do you collect your Child Benefit on the first day it is due? (12)
always ☐ 1
usually ☐ 2
sometimes ☐ 3
never ☐ 4

Q.8 Do you get One Parent Benefit?

(13)
yes ☐ 1
no ☐ 2

Q.9 This question is about what you spend your Child Benefit on. For every item below please tick one box, to show if you always, usually, sometimes or never spend Child Benefit on that item.

	always	usually	sometimes	never					
food	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(14)	1	2	3	4
heating/fuel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(15)	1	2	3	4
children's clothes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(16)	1	2	3	4
children's shoes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(17)	1	2	3	4
school expenses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(18)	1	2	3	4
children's pocket money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(19)	1	2	3	4

Q.10 Do you spend your Child Benefit on anything which is not in the list in Question 9? (20)

yes, always ☐ 1
yes, usually ☐ 2
yes, sometimes ☐ 3
no, never ☐ 4

If yes, what are the other items you spend your Child Benefit on? (21 - 24)
1 2 3 4
5 6 7 8
9 0 X Y

Q.11 Do you regularly save all or part of your Child Benefit over a period of several months or more? (25)

yes ☐ 1
no ☐ 2

Q.12 How important is Child Benefit to you in providing for the needs of your child/children? (26)

essential ☐ 1
very important ☐ 2
fairly important ☐ 3
not very important ☐ 4
not important at all ☐ 5

Q.13 How important is it for you that Child Benefit is a regular payment made directly to you? (27)

essential ☐ 1
very important ☐ 2
fairly important ☐ 3
not very important ☐ 4
not important at all ☐ 5

Q.14 Do you think Child Benefit should be enough to pay for all the basic needs of a child? (28)

yes ☐ 1
no ☐ 2

Q.15 Do you think Child Benefit should be paid weekly to anyone who wants weekly payments? (29)

yes ☐ 1
no ☐ 2

Q.16 Do you think all mothers should go on getting Child Benefit for each of their children in the same way they do now? (30)

yes ☐ 1
no ☐ 2

Q.17 Would you say that the present level of Child Benefit is — (31)

far too low ☐ 1
too low ☐ 2
about right ☐ 3
too high ☐ 4
far too high ☐ 5

Q.18 How old are you? (32)

under 20 ☐ 1
20 - 29 ☐ 2
30 - 39 ☐ 3
40 - 49 ☐ 4
50 or over ☐ 5

Q.19 Are you — (33)

married and living with your husband ☐ 1
living with a partner as a couple ☐ 2
other ☐ 3

Q.20 Are you — (34)

an owner-occupier ☐ 1
a council tenant ☐ 2
a housing trust or housing association tenant ☐ 3
a tenant of a private landlord ☐ 4
living with family/friends (not your husband/partner) ☐ 5
other ☐ 6

Q.21 Do you think of yourself as — (35)

working class ☐ 1
middle class ☐ 2
upper class ☐ 3
none of these / don't know ☐ 4

Q.22 Do you have a regular paid job? (36)

no ☐ 1
yes, less than 8 hours weekly ☐ 2
yes, less than 30 hours weekly ☐ 3
yes, 30 hours or more weekly ☐ 4

Q.23 If you do have a regular paid job, are you paid — (37)

weekly ☐ 1
monthly ☐ 2
other ☐ 3

Q.24 This question is about your income.

You should not include any money you get from your present husband/partner. For Child Benefit please give the exact amount. For your other income please give the amounts to the nearest pound.

What is your normal weekly income from —

Child Benefit (including one-parent benefit) £..... (38) _____
 other state benefits paid to you £..... (42) _____
 your take-home pay £..... (45) _____
 all other sources £..... (48) _____

You should only answer the next 2 questions if you are one of a couple. If you are not, please go on to Question 27.

Q.25 Is your husband/partner — (51)

in full-time work (30 hours or more weekly) ☐ 1
 in part-time work (less than 30 hours weekly) ☐ 2
 unemployed ☐ 3
 unable to work for health reasons ☐ 4
 other ☐ 5

Q.26 How much is your husband's/partner's normal total weekly income from take-home pay, State benefits and all other sources? (52)

£75 or less ☐ 1
 £75 — £99 ☐ 2
 £100 — £149 ☐ 3
 £150 — £199 ☐ 4
 £200 or more ☐ 5
 don't know ☐ 6

Q.27 Is there anything else you want to say about Child Benefit? (53 — 57)

Please use the space below, or write on a separate piece of paper and attach it to this questionnaire.

1 2 3 4
 5 6 7 8
 9 0 X Y

Please return this questionnaire to:
 Benefits Survey, PO Box 136, London WC2B 5NU

Spare
 (58 — 74)

Gangpunch
 (75 — 80)

CPAG85

THANK YOU VERY MUCH FOR YOUR HELP

APPENDIX 2

Summary of main findings of 'Attitudes of Beneficiaries to Child Benefit and Benefits for Young People'*

1 Most people find it difficult to estimate the marginal cost of maintaining a child. Estimates vary between £10 and £20 a week — £15 is a fairly common guess.

2 The costs vary across the child's life-cycle — usually rising fairly steeply from about age 11 through the teens. The costs of meeting the rising social expectations of teenagers can be a major burden. Some people feel these changes should be reflected in child benefit rates.

3 The costs of maintaining children can impose considerable economic stresses on the family, particularly since the wife's earnings often stop at the same time as the first child arrives. Sometimes in middle-class homes rising earning power matches the increase in child maintenance costs over time, but manual workers and the unemployed may not have this kind of cushion.

Child benefit

4 Child benefit is very well known and its basic elements are well understood (unlike many other state benefits). However, most people still talk of it as 'family allowance', a name with subtly different implications. It is seen to be a universal benefit, and therefore free from the kind of stigma which often attaches to supplementary benefit and the like. Indeed, many do not see it as a 'benefit' in that sense at all.

5 Most parents think there is a need for something like child benefit, but since they usually take it for granted, they have not often thought out a reasoned justification for it. Arguments in favour stress the need to ensure that children are properly provided for; the difficulties some families would experience if it were withdrawn; the importance of making some money directly available to the wife; and the value of cushioning economic stress for families.

6 Few people wanted to make any case against child benefit — even those who said they didn't need it — but some were anxious about possible misuse by parents who spend the money on themselves instead of the children; and a few favoured reducing taxes instead.

7 The great majority of parents see child benefit as a form of support for the family which should be used for the benefit of the children, not as money always to be applied directly and exclusively to children's needs. Indeed, it would often be hard to disentangle exactly what is spent on the children and what is not.

8 The majority of people do seem to apply it fairly conscientiously within this framework, and the impression is that only a small minority would spend it in other ways.

* A qualitative study of 54 parents, by Alan Hedges and Jenny Hyatt, Social and Community Planning Research, September 1985.

However, because in many families there is very little slack in the economic rope, money has to be used as it comes in for whatever are the most pressing needs. So it often goes into general household groceries or even gas and electricity bills—from which children are argued to benefit.

9 The favourite use of child benefit is for children's shoes and clothing and such like periodic expenses. Some use it to provide trips or treats for the children which they could not otherwise afford, or to support school activities and equipment.

10 Only a few give the benefit direct to (usually older) children, or put it in a savings account for the children's future use.

11 Child benefit is usually felt important—sometimes because families would be pressed without it, but because it provides a much needed reserve for immediate use at the discretion of the wife and mother, not of the husband. Sometimes this is of practical importance, sometimes psychologically important to the wife. On these grounds alone, it would be much missed if it disappeared, and many feel that withdrawal would lead to an outcry.

12 Most people take child benefit weekly in cash, although some save up a few weeks (where they can afford to) to provide a handy lump sum for clothing and so on. Monthly payment is usually rejected because it would reduce flexibility to meet cash-flow problems.

13 Awareness of automatic credit transfer is patchy and often hazy, but when attention is directed to it few people would choose to change. For various reasons, it seems simpler and more useful to be able to get cash freely in the high street with no bank charges. Payment into an account would tend to bring child benefit back into the mainstream of household finance, rather than being a small pot of readily available cash under the wife's direct control.

14 There is little spontaneous dissatisfaction with the available payment options, and few parents are particularly enthusiastic or excited by being able to cash their orders at a wider range of places. Payment through the paypacket or the tax system is usually felt undesirable—largely because it again destroys the idea of a separate cash fund under the wife's control.

15 There is some disagreement about whether child benefit should be available to all as at present or restricted to those most in need. There is a strong argument (based mainly on a notion of fairness) that everyone contributes and therefore everyone should benefit, and means-testing is not a popular idea. On the other hand, most people support the view that help should go to those most in need.

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