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**Employment and budgeting decisions of low-income
working families over a period of welfare reform**

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**Thesis submitted to the University of Nottingham
for the degree of Doctor of Philosophy**

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Abstract

This study examines the implicit assumptions underpinning reforms to the tax and benefit system by the Labour Governments since 1997. It questions whether individuals are income-maximising individuals responsive to changes in the costs and benefits associated with employment. The Working Families' Tax Credit and its replacements the Working Tax Credit and Child Tax Credit, elements of the Government's strategy for encouraging employment and reducing child poverty (HM Treasury, 2001), contain an unspoken acceptance of a particular 'rational economic man' model of behaviour. Recent sociological research around employment and parenting indicates that decision-making is more nuanced than the rational economic model allows. Duncan and Edwards (1999) suggest instead a 'gendered moral rationalities' model, placing specific socially negotiated moral understandings of children's needs at the centre of employment decisions, with financial incentives, a secondary concern. A central question of this thesis is therefore, do prior policy assumptions about employment and budgeting decisions accord with reality? How has the reform of the tax and benefit system affected decision-making around employment and family budgeting, and what has it meant for individuals and their families?

Little longitudinal qualitative research has been conducted into the employment and family budgeting decisions made by families in receipt of tax credits and how these alter over time. Based on two waves of interviews with lone parent and couple families receiving income from the tax credit system this study, as such, contributes to the above debates about employment and budgeting behaviour. The study suggests there is a need to focus greater attention on the temporality of decision-making, as economic and social processes are themselves temporally situated. Participants sought a 'welfare balance' that reconciled their current commitments to care and material needs. Decisions shifted in response to changes in policy structures, notions of moral behaviour, caring responsibilities and financial needs over time.

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List of Abbreviations

| | |
|-------|---|
| CTC | Child Tax Credit |
| cctc* | childcare tax credit element of WFTC/WTC |
| CTB | Council Tax Benefit |
| ESRC | Economic and Social Research Council |
| ETU | Earnings Top-Up |
| FC | Family Credit |
| FIS | Family Income Supplement |
| HB | Housing Benefit |
| IS | Income Support |
| JSA | Jobseeker's Allowance |
| SCELI | Social Change and Economic Life Initiative |
| SOC | Standard Occupational Classification |
| WFTC | Working Families' Tax Credit |
| WTC | Working Tax Credit |

*Throughout this document the cctc appears in lower case because it is not a stand-alone tax credit; rather it is an element of the Working Tax Credit and previously the Working Families' Tax Credit.

Chapter 1

Introduction

1. Research rationale and questions

The thesis examines the implicit assumptions at the core of reforms to the tax credit system. It questions whether the Government's reliance on altering the costs and benefits of employment by 'making work pay' through reform of the tax and benefit system, has affected the employment decisions of individual adults within families and what this has meant for those individuals and their families. It explores whether individuals are self-interested income-maximising agents responsive to economic incentive signals, thus contributing to ongoing debates about the nature of decision-making and the current policy focus around encouraging individuals into employment.

The Government have attempted to use the Working Families' Tax Credit (WFTC) and the Working Tax Credit (WTC) and Child Tax Credit (CTC) to identify more clearly employment with financial reward, thus encouraging employment and delivering greater financial support to low-income families. The Government's twin goals of reducing child poverty and improving work incentives (see HM Treasury, 1999) have, however, created a tension within tax credit policy and this has been most evident in debates around who within couple families should receive payment of tax credit income. Considerable evidence exists to suggest that directing payment to the mother ensures children receive a greater share of any extra financial resources directed to the family (Goode et al, 1998; Middleton, 2002). From a child poverty perspective this suggests it would be most appropriate to make payment to the mother. A problem arises, however, because the Government (at least initially) feared that payments to the mother would reduce the transparency of total family income, obscuring for the main earner the true value of support delivered by the WFTC, consequently sending a weaker signal about the value of employment (see HM Treasury, 1998). The reforms of April 2003 attempted to resolve this issue by splitting child-related payment of tax credit income and paying this to the main carer while making adult support payable to the wage earner. This highlights continued tension within policy between ensuring financial support for families reaches those intended (children) while maximising incentive signals about the financial value of employment.

The Government's approach to social security reform has been underpinned by the implicit presumption that adults will indeed respond to changes in the cost/benefit structure associated with decisions around employment. In addition it has argued that the new tax credits maintain the 'work incentive' while enabling extra resources to be directed to main carers which will ensure children are more likely to benefit from extra resources channelled to families. This study asks whether these prior policy assumptions about decision-making around employment and family budgeting accord with reality.

To this end, the aims of the research are:

- To examine whether individual adults make income-maximising decisions in response to financial signals from the tax credit system about the value of employment.
- To examine the extent to which 'economic rationality' is circumscribed by socially and morally negotiated understandings of appropriate parental (maternal) behaviour and to investigate how these relate to perceptions of what children need.
- To examine the nature of decision-making over time. How is choice embedded in specific periods of an individual's life-course? Do individuals anticipate, and how do they respond to, changing circumstances? In light of reforms to the structure of the tax credit system what is the role of social security in this process?
- To examine the impact of the tax credit system on how couple and lone parent families have approached budgeting over time and the potential impact of this on employment decisions.
- To explore how the extra financial resources directed to working families through the WFTC and WTC/CTC have been utilised. Are the increased resources provided by the tax credit system directed to children and, post reform, has payment to the main carer made a difference to whether those resources reach children?

2. Background and the study

The Labour Government has committed itself to the twin goal of tackling child poverty and delivering employment opportunity for all. To this end reform of the social security system has sought closer integration of the tax and benefit system with the improvement of work incentives to 'make work pay' a central objective. Replacing Family Credit the introduction of the Working Families' Tax Credit (WFTC) in 1999 increased the level of financial support available to working families and the move away from a social security benefit to a tax credit was calculated to further reinforce signals about the financial value of employment and would, it was hoped, reduce any stigma associated with receiving financial support (HM Treasury, 1999). Further reforms to the system occurred in April 2003 when the WFTC was replaced by Working Tax Credit and Child Tax Credit (WTC/CTC). The latter brought together the existing child-related elements of tax credits and the main out-of-work benefits (Income Support and Jobseeker's Allowance) to provide a more seamless system of support for families with children. The adult elements of WFTC were rolled over into the Working Tax Credit, which is payable through the wage packet. In addition coverage of low-income earners has been expanded and subject to certain restrictions the WTC is available to individuals and couples in low-paid employment with or without children (HM Treasury/DTI, 2003).

In this thesis I examine the assumption underpinning the introduction of the WFTC and its subsequent replacements, the WTC/CTC, that adults within families respond to changes in cost/benefit signals about the value of paid work, by making income-maximising decisions. The research investigates if and how changes to the payment of tax credits feed into changes in the budgeting strategy of families and how this relates to the source of payment and a family's management and control of the budget. This will contribute to our understanding of the distribution of resources within families and the role of in-work benefits in this. The policy implications of different payment methods leading to different outcomes are clear. If mothers are more likely to focus money on the children and, if necessary, go without to ensure children receive adequate resources, then payment to the main carer (usually the mother) of benefits intended to reach children would appear prudent. If not, then the argument that payment through the wage packet can support the improvement of work incentives is strengthened, although evidence that this improves the clarity of the incentive 'signal' and encourages employment is minimal (see Brewer and Sheppard, 2004). In addition the extent to which adults respond to changing financial signals to maximise their income is strongly

contested by those who suggest that caring activity and moral responsibilities for care are equally, if not more important for employment decisions (Himmelweit, 2002; Crow, 2002; Duncan and Edwards, 1999; Williams, 2002).

The implicit expectation guiding social security policy is, nevertheless, that through changing an external economic stimulus you will lead individual adults to respond accordingly. Through increasing the income of low-paid employees via the WFTC and subsequently the new tax credits (WTC/CTC) the Government have sought to reduce disincentives to employment created by out-of-work benefits (unemployment trap) and disincentives to progression within employment caused by the withdrawal of means-tested benefits when wages rise (poverty trap). The reform objectives of the Government were laid out clearly by the Chancellor of the Exchequer Gordon Brown in 2000 in the James Meade Memorial Lecture,

"...we are building a new and modernised welfare state, one that in addition to its traditional and necessary function of giving security to those who cannot work, promotes work, makes work pay and gives people the skills they need to get better jobs. When this Government came to power, with no minimum wage in place and the tax and benefits system unreformed, many of those without work faced an unemployment trap, where work paid less than benefits, and the low-paid in work faced a poverty trap which meant that they faced marginal tax and benefit rates of 80, 90 or even over 100 per cent. To tackle this, we needed to combine a sensible and prudent minimum wage with a generous and fair system of in-work support." (Brown, 2000).

The model of human behaviour underpinning this is 'rational economic man' (*homo economicus*). Recent sociological research has sought to develop a more nuanced understanding which suggests that contrary to the model of self-interested rational economic actors, mothers' decision-making around employment is influenced by socially embedded moral expectations of paid work and care (Duncan and Edwards, 1999; Edwards *et al*, 2002, Duncan *et al*, 2003). In Chapter Two I discuss these issues in more detail. The key point, however, is that it suggests appropriate parental (mother) behaviour drives employment decisions and views are informed by, and negotiated with, local and national frameworks of what is understood to be morally 'the right thing to do'. In contrast to the model of 'rational economic man' choices are viewed not simply as being governed by economic constraints or opportunities, but as reflecting (variable) parental obligations to prioritise caring for young children over and above monetary concerns, giving rise to a 'gendered moral rationality' model of behaviour.

Although the Government do acknowledge the importance of factors other than direct income in decision-making these are viewed through an economic lens which emphasises the economic cost and benefit of each factor. Government, for example, accept that the freedom to take up employment may be constrained by barriers; an in-exhaustive list includes the lack of flexible affordable childcare and poor human and social capital. The issue, however, is not that constraints on labour market participation do not exist or that money does not matter; individuals can and do feel their employment opportunity is limited and the absence of childcare is but one clear example where income can be an issue (Ford, 1998). The question is whether it is the main motivation for decisions. For many parents the cost of childcare may have less bearing on choice than who performs the childcare itself. Socially negotiated expectations about the importance of relatives in delivering childcare for reasons of trust, emotional bonding and flexibility can drive selection of childcare (Wheelock and Jones, 2002). Similarly couples may deem it morally proper for one partner to provide the children with their main caring needs, particularly during the pre-school years.

The acceptance of economic rationality within Government social security policy demonstrates an expectation that individual adults will respond to signals about the marginal financial value of paid work. This raises the question of whether amongst couple families decisions around employment and budgeting behaviour are driven by joint or individual income maximisation. Duncan and Edwards' (1996) critique of 'rational economic man' argues that it minimises the socially negotiated and embedded nature of decision-making. It does not necessarily inform us, however, whether one partner may be income-maximising whilst another makes moral decisions around employment, based on thinking about 'the right thing to do'. Furthermore if we accept that socially negotiated decisions and views of what is appropriate action change over time, then what is the relationship between moral and financial incentives over the life-course? Are choices situated temporally as well as socially and what is the interaction between them? Do notions of what is appropriate behaviour, such as prioritising care, conflict with financial incentives and economic self-interest? Are individuals responding to both moral and economic motivations simultaneously and what are the policy and theoretical implications of this?

These are some of the questions informing the structure and focus of the study. Examination of decision-making amongst families receiving WFTC and the New Tax Credits is designed to inform ongoing debates around whether adults make income-

maximising decisions, or whether they are circumscribed by parents' notion of appropriate caring (especially good mothering).

3. Sample

The group of families participating in the study contained couple and lone parent families receiving the Working Families Tax Credit and subsequently the Working Tax Credit/Child Tax Credit. I outline in Chapter 3 the rationale underpinning the selection of the sample. I interviewed a total of twenty one families, carrying out separate interviews with each partner within couple families.¹ Two waves of interviews were conducted, the first under the Working Families Tax Credit and the second following reform of the system in April 2003 and the introduction of the new tax credits (an overall total of 50 interviews). Through this I have been able to examine the development of individual and family decision-making around employment and budgeting over time and the relationship to financial incentives within the tax credit system.

4. Structure of thesis

4.1 Chapter 2: Economic rationality, social security policy and employment and budgeting decisions

This chapter reviews the literature that provides the framework for the research and situates the research questions, and the gaps in knowledge they seek to fill, in a wider context. The chapter begins by examining the structure of the social security system and its relationship with the idea of economic rationality. It shows that the idea of individual adults as rational economic actors (*homo economicus*) is threaded through post-war social security policy, influencing the development of in-work benefit schemes and subsequently, post 1997, the introduction of the WFTC and the WTC/CTC. It then considers two contrasting approaches to understanding behaviour, beginning with an examination of the rational economic actor model. Following this I draw upon sociological literature which questions whether the 'rational economic actor' model can provide a useful guide to employment behaviour. Recent debates suggest that decisions about employment mobility, particularly for mothers, are motivated not by the

¹ This was not always possible, however, and chapter 3 details some of the problems and resistance I encountered during both waves of interviews in conducting separate interviews.

pursuit of income-maximisation, but moral and socially negotiated ideas of what is 'right and proper' behaviour. Money is acknowledged as possibly impacting on behaviour, but is very much relegated to a secondary and marginal role in choice. The chapter discusses the implications of this for my research and for policy.

There follows consideration of how decisions around employment may or may not link to decisions around family budgeting and the consequences of this for the research. A body of literature on budgeting behaviour amongst families is reviewed. Beginning with the pioneering work undertaken in this area by Pahl (1989), it then examines research that outlined different forms of money management and control and their effect on the distribution of resources within households. It considers the evidence that mothers are more likely than fathers to spend money on the children and that income spent on the children is also classified by mothers and fathers as part of mothers' personal expenditure. The review highlights areas warranting further investigation taken up later in chapter 6. How do different family members respond to changes in payment of the WFTC and its relationship to employment decisions over time? How is income from the tax credit system being put to use by individual family members?

4.2 Chapter 3: Methods

Chapter Three provides a detailed summary of the links and rationale between the research aims and the research methods used. The research process is mapped out, beginning with sample selection, before turning to discussion of the recruitment of participants and problems encountered during this stage of the project. I refer to problems encountered persuading couple families to participate in the research and the difficulties of first establishing an agreement amongst partners to separate interviews and subsequently maintaining this agreement in practice. The implications of this for the research, particularly in relation to its longitudinal nature, are examined and related to existing debates within the literature on the advantages and disadvantages of interviewing couples together and apart. The role of money as a sensitive research topic in the process and the importance of gaining informed consent are detailed. The management and analysis of the data are discussed, before finally I reflect on my role as a researcher and its effect on the collection of data.

4.3 Chapter 4: Blending paid work and caring: a temporal welfare balance

Drawing on the data gathered from the first phase of the fieldwork this chapter examines the nature of decisions around employment. It focuses on the relationship of financial incentives and disincentives to employment and the negotiation of these with other commitments and influences, most notably caring for children.

Making a choice about participation in the labour market occurred within a temporally situated framework that saw parents seeking to maximise the 'balance' between social, emotional and material welfare for themselves and their children. Decision-making was guided by social negotiated moral concepts of what constituted appropriate parental involvement in caring activity over time. This drew on perceptions of children's needs and best interests and mothers' needs. Examples included the importance of developing maternal bonds for the mother and child and the importance of this for current and future emotional, social and educational development. This held for both lone mothers and couple families, but a gendered picture of the decision-making process presented itself. Fathers' decision-making continued to be bound to close identification with breadwinning; conversely, and as may be expected, the role of 'carer' exercised a greater influence on mothers' pathways into and out of paid work. A complex picture emerges of decision-making driven by social, moral and economic influences. In contrast to the 'rational economic man' model that broadly informs social security policy and the gendered moral rationality approach developed in opposition, I draw on the 'balance model' hypothesis of Glover (2002) to suggest that both socially embedded notions of 'good mothering' and economic incentives were central to decision-making. Rather than acting as self-interested income-maximisers families sought a standard of living they deemed adequate for their children and themselves, but negotiated this with individually held and temporally situated ideas of 'good mothering'. The maintenance of a balance between these forms of social, emotional and material 'welfare' underpinned employment behaviour.

4.4 Chapter 5: Responding to change? Decision-making following reform of the social security system

Following an examination and discussion of material gathered during the first wave of interviews in chapter 4, this chapter makes use of material collected for wave two interviews. It considers the choices made by families around employment over time

and how these related to changes in the tax credit system and the maintenance of their 'temporal welfare balance'.

Parents were both proactive and reactive to changing circumstances, planning employment mobility in response to expected changes (children starting school) and reacting to change that was unexpected or incorrectly anticipated (problems with childcare provision, negative impact of employment on children's behaviour). Decisions around employment were shaped by temporally situated notions of good mothering and issues around achieving financial security. Like the WFTC that preceded it, the WTC/CTC provided lone parents with economic security and this delivered a significant measure of flexibility in negotiation and renegotiation of their participation in paid and unpaid work. In contrast, amongst some couple families the tax credit system appeared to diminish mothers' choice during children's pre-school years. Financial disincentives for these mothers were reinforced by gendered notions of caring (mothering) held by both partners. Expectations held by both partners that the mother would become a second earner once the children began school show the contingent nature of these effects. Choice was subject to particular social and institutional structures, but the specific reforms of the social security system made no discernible impact on how families made employment decisions at wave two. This may reflect a delayed awareness of all the changes in policy development, despite an understanding of broad policy goals and direction, which through personal experience and that of relatives, friends and colleagues may be subject to change over time.

Contrary to the implicit assumptions of social security policy I suggest that neither lone parent nor couple families' employment behaviour was solely governed by a response to signals about the marginal financial value of employment. Monetary concerns were also not necessarily a secondary element of the decision-making process, subordinated to deeply held gendered moral notions of care. The economic was important and was weighed and traded against other forms of familial welfare goals.

4.5 Chapter 6: Managing the family budget and living standards: the role of employment and tax credits

This chapter examines the nature of family budgeting over time, its relationship to employment and the role of the tax credit system in structuring how couples organised the management and control of resources. Following this the chapter considers how children within families benefited from income directed through the tax credit system.

Earlier chapters suggested decisions around employment, particularly for mothers, involved the pursuit of a temporally situated welfare balance. Here I begin the chapter with an exploration of whether any mother faced restricted access to family resources. If so, did restriction translate into an inability to secure material welfare for themselves and their children and subsequently encourage an earlier return to employment or increase hours of paid work? The evidence to suggest that it did was limited, with none of the couple mothers indicating that access to resources affected decisions around employment, even where access to, and distribution of, resources was a contested issue between partners. On the other hand two lone mothers suggested during previous relationships with their ex-partners limited access to resources had influenced decision-making around employment.

Examination of budgeting decisions revealed that all couples held to an official picture of budgeting as shared, not in terms of management and control, but in relation to the distribution of resources. It was evident nevertheless that some families were 'more equal than others'. An ideology of sharing did not necessarily mean an acceptance of egalitarian resource distribution or result in actual sharing of resources between partners. Ongoing conflict amongst families usually centred on access to, and amount of, personal spending money. The most intense conflict occurred within the one family to receive payment of WFTC through the wage packet of the father at wave one. The mother indicated implicit dissatisfaction with the family's budgeting arrangement demonstrated through use of a credit card to avoid her partner's control. In case of conflict the use of credit to avoid the management strategies and control of partners was a common theme.

The existence of sustained conflict over resource distribution was not however a feature of the majority of the families (who were relatively egalitarian). Nonetheless the promotion of financial equality between partners and establishing value recognition for caring suggest it is prudent to ensure the majority of in-work financial support for couple families continues to be directed to the main carer (usually the mother). The focus of expenditure in all families, particularly discretionary spending, egalitarian or otherwise, was the children and indeed it was this which occasionally contributed to conflict between partners as it squeezed adults' personal spending.

The impact of tax credits income for family budgets and living standards was significant. Typically, income from the tax credit system fed into the general budget

rather than being set aside, irrespective of whether it was WFTC, WTC or CTC. Extra resources received did nevertheless translate directly and indirectly into benefits for children. In keeping with previous research (see Farrell and O'Connor, 2003) children were the first to benefit from a rise in income and the last to suffer if income was disrupted, as experienced by a number of participants following reform of the tax credit system in April 2003. Interruption to normal payment had serious consequences for family living standards and the experience of hardship and threatened to affect decisions around engagement in the labour market. Receipt of the tax credits enabled lone mothers to participate (and fine tune participation) in employment at a level which supported their desired balance between material, social and emotional welfare for their children and themselves over time. Disruption to the receipt of tax credit income threatened to derail mothers' continued participation in paid work, as sustaining their particular work-life balance became more difficult in light of increased financial pressure. This was, however, mitigated by short and long term personal and social considerations, reinforcing the temporal context of decision-making around employment, and its interaction with social and economic factors.

4.6 Chapter 7: Temporalities, employment decisions and the tax credit system

Drawing on the material gathered from interviews with participants over the two waves this chapter sets out how decisions are embedded temporally in addition to socially and economically. It does this with particular reference to mothers' experience of participation in the labour market and caring activity. The nature of mothering activity encompasses many roles ensuring that mothers' experience of time as a factor in decisions and everyday living is different to that of fathers who occupy the role of main earner. I consider how multiple temporalities were linked to caring activity and how seeking a change in labour market activity stemmed from involvement in the different temporal spheres. In addition, a response to, and frequently a precondition of, changes in labour market activity was the renegotiation of participation in these temporal spheres.

The tax credit system is, I argue, enhancing some lone mothers' weaving together of paid and un-paid work by enabling them to respond to changing material needs and moral notions of mothering, which impact on their experience of time. I examine and outline the temporal welfare balance with regard to the role of the tax credit system in assisting the realisation of a particular balance at a given moment in time, and how this

was linked to family type. The WFTC and later the WTC/CTC permitted lone mothers to alter their engagement in one temporal sphere concerning amount of time (chronometric) by reducing or increasing hours. Often in response to the schedule and needs of children it gave them the ability to ensure they possessed time at the right time (day, week etc) to meet the rhythm of the other family members (the chronologic and synchronic spheres). For partnered mothers the tax credit system did not deliver these opportunities. Instead the financial structure of the tax and benefits system reinforced the social expectation that they should fulfil the position of main carer, although this was time specific to the pre-school period.

The chapter discusses how time is an issue that rarely features explicitly within policy documents about the operation and purpose of the tax credit system. As a consequence a life course perspective examining the impact of changes in the tax and benefit system on decision-making in the present, and their long term consequences for individuals' welfare, are rarely given sufficient attention. For women who continue to occupy the default position of main carer, interruptions to employment coupled with low paid part time working that enhances work-life balance in the present, can have negative consequences for future earnings, employment opportunities and income in retirement. There was minimal indication that the mothers themselves were explicitly involved in trading off future individual welfare for the improvement of the welfare balance for the family in the short term. The gendered nature of the consequences that arise from the employment decision mothers make in the short term does, therefore, raise questions of social and temporal justice. I note that further research into how the *WTC/CTC and wider social security system mediates short to long term decision-making horizons* is required, alongside investigation of the extent to which individuals actively discount future individual welfare.

4.7 Chapter 8: Conclusions

In this chapter I provide an overview of the study and draw together and consider the main themes of the thesis. These centre on the role of the tax credit system in decision-making around employment and family budgeting, what affect it had on participants' living standards and how they organise their paid and non-paid working lives. Participants' perception of support provided through the tax credit system and that given to people claiming out-of-work benefits is examined in relation to whether the psychology and rhetoric of the making work pay strategy has reinforced paid work as the most valued work activity for adults. The process of decision-making engaged in by

families did not accord with assumptions contained within the social security system that adults within families are income-maximising individuals whose decisions are responsive to financial signals about the value of employment. Employment transitions were contingent, socially negotiated and temporally situated. The importance of care for children was an ongoing but variable influence on choice intersecting with wider social structures and the policy framework around employment, primarily the tax credit system, to facilitate or constrain choice. The implications of my findings for current sociological and policy debates around employment, including Duncan and Edwards' gendered moral rationalities model and the wider literature concerning an ethic of care approach is discussed. I also consider the impact of the tax credits on the organisation of family budgeting and living standards and the relationship of these to employment transitions. Applying a temporal lens to how parents and mothers, in particular, approach decision making is, I suggest, necessary for deepening our understanding of how employment behaviour and caring activity is embedded in social and economic processes and structures that change over time.

Chapter 2

Economic rationality, social security policy and employment and budgeting decisions

1. Introduction

This chapter reviews the literature on current tax credit policy and decision-making around employment and family budgeting. It examines social security policy over the last thirty years and argues that policy increasingly favours wage supplementation in order to encourage participation in employment. These policies are based on a number of assumptions about human behaviour and, therefore, how to proceed to effect changes in attitudes and behaviour. Implicitly they take as their starting point the acceptance that individual adults are 'rational economic actors', assessing the cost and benefit of any given course of action in order to maximise their income. Economic rationality informs the expectations of policy makers and government, and consequently the development and enactment of social security reform, most notably the recent introduction and reform to the tax and benefit system (HM Treasury, 1998b; HM Treasury, 2002). The message from government ministers that these reforms mean employment now pays and individuals no longer have an excuse not to seek paid work is indicative. The right to a financially worthwhile income has been provided for by government and must be matched with a responsibility on the part of individuals to seek out and take up paid work (Blair, 2002, Blunkett, 2000). Of course, whether the structure of the tax and benefits system was, in reality, the sole or main reason for an individual's absence from the labour market is left open, but the presumption is that improving the financial returns of employment will lead to individuals making decisions in accordance with the new economic reality. Assumptions such as these have been heavily criticised for promoting a misleading and, at best, partial understanding of how individual adults within families actually engage in decision-making and make choices about participation in paid work (see Carling *et al*, 2002).

To place recent reforms to the tax and benefit system, and their underlying assumptions about human behaviour, in recent history, the chapter begins with a brief overview of the development of in-work financial support for families in Britain since the 1970s.¹ The modification and expansion of policy in this area of social security

¹ A full consideration of the social and economic reasons driving the implementation of in-work benefits and the centrality they have come to possess in labour market and broader economic policy is beyond the remit of this thesis. For a detailed and informative discussion of these issues see Grover and Stewart (2002) and Wilkinson (2001).

demonstrates the determination of successive British Governments to maintain the strength of work incentives for low-income earners with families, whilst attempting to address the problem of poverty amongst the employed. From the 1970s onwards the use of in-work benefits grew as Governments tried to ensure work incentives could be maintained while increasing the resources directed to working families.

The presumption that runs through policy around in-work support from this period (although it is, in effect, present throughout social security in the post war period) is that individuals respond to changes in the incentive structure of social security with a corresponding change in their behaviour. Individuals, as I touched on in Chapter 1, are assumed to make rational, self-interested, income-maximising decisions, which derive in the main from neo-classical economics and its model of human behaviour *Homo Economicus* or 'rational economic man'. The second section of this chapter therefore focuses on the theoretical underpinnings of this idea and how it has implicitly informed government structuring of in-work support. Following this the considerable criticism that has been levelled at the *Homo Economicus* model is examined.

Drawing on recent sociological evidence, I investigate the flaws that detract from its explanatory power and discuss how choice and behaviour do not necessarily correspond with an 'economically rational' income-maximising course of action. Individuals may take action that appears to be 'irrational', but which may nonetheless be a perfectly rational approach to making decisions that simply works within a different framework of rationality (see Edwards and Duncan, 1996). This section outlines alternative explanations of behaviour associated with advocates of an 'ethic of care' who argue for a reorganisation and focus of policy that recognises this. The 'political economy of care' approach (see Williams, 2001; Fitzpatrick, 2004a) starts from an understanding that, for many people, the Government focus on paid work ignores their marginal position in the labour market and the valuable contributions to society many (women) make through unpaid work. It fails to acknowledge how responsibilities and obligations to care, and indeed the finding of fulfilment in caring activity (Williams, 2001) ensures that behaviour is not defined or guided primarily by a strategy of economically rational individuals striving to maximise their income.

To this end I discuss the challenge mounted to the income-maximising rational economic man framework of behaviour made by the 'gendered moral rationalities' approach, associated with Edwards and Duncan (1996). Rather than income-maximisation, mothers' behaviour is identified as situated in morally rational notions of

the appropriate form motherhood should take; itself linked and embedded in local and socially negotiated ideas of right and proper behaviour. This model maintains a place for economic calculations affecting behaviour, but these take place within an overriding framework of moral rationality, rather than an individualised model of universal rational economic income-maximisation. The thesis identifies both the useful insights provided by the gendered moral rationalities theory and the potential problems. It seeks to build on the work already carried out by the ethic of care school of thought in terms of how social security policy facilitates and/or frustrates moves in this direction.

The opportunity to consider further the role of specific social security policy in decision-making, and its relationship to moral and socially negotiated understanding of behaviour, is noted, particularly how this operates over time. I suggest that individuals' awareness of the financial impact of a given choice is informed by, and considered alongside, the operation of the tax and benefit system. This is pivotal at times to the making of decisions and indicates the salience of the temporality dimension. Here changing circumstances alter the relationship between economic influences, and socially negotiated moral understandings of behaviour, and these interact with an individual's experience of time and multiple temporal dimensions. I discuss in detail in Chapter Seven how the tax credit system is linked, to decisions made at different points in the life course and how it may permit or limit the reorganisation of time by an individual.

The thesis contributes to ongoing debates around employment, decision-making and economic rationality as it contests the policy assumption (see HM Treasury, 1998a) that adults are necessarily income maximising, and thus builds on our understanding of how the incentives and disincentives of the social security system inform behaviour. It considers the consequence of this for engagement in the labour market and the distribution of resources within the family for individual adults and their families. The longitudinal nature of the research is valuable in that it provides the opportunity to examine the present circumstances of respondents, look back at their life and employment history, seek a prospective account of these through exploration of employment plans and then, at wave two, track the expected changes in peoples' lives with the ones they have actually experienced. This study commencing in 2002 represents one of the first longitudinal qualitative investigations of the impact of incentives associated with the tax credit system on the decision-making of individual adults within families over a period of welfare reform. Qualitative studies exploring the same broad topic area of employment transitions, low income and benefits (Dean and

Shah, 2002; Bell *et al*, 2005) have tended to be organised and set up to deliver a 'snapshot' of decision-making. While useful, the disadvantage is that they limit our ability to follow the evolution of choices over time, and how the balance and weight given to different issues in the decision-making process changes.

The final section of the chapter considers the potential consequences for other family members if individual adults are self-interested income-maximisers. This is particularly salient in light of ongoing debates around whether policy should direct extra resources intended for children through either the mother or the father. The section examines the tension that exists in policy between maximising work incentive signals and ensuring that extra resources directed to families reach those intended. It explores the evidence regarding the receipt of wages and benefits for the control and management of family budgeting and how control and/or management by men and/or women affect other family members, especially children. The Labour Government's compromise position over payment of the WFTC (HM Treasury, 1998) and its subsequent decision to make all child-related payments to the main carer (usually the mother) and direct payments for the employed (WTC) to the wage earner, highlight the continued tension between their anti-poverty and work first agenda. The research builds on previous work in this area through exploration of the situation faced by families in receipt of the WFTC, and post reform, the WTC/CTC. Doing so enhances our picture of the nature of the interaction over time between budgeting, employment decisions and the system of tax credits introduced by the Labour Government. I explore whether a mother's access to resources impacted on her employment behaviour, for example, did those with minimal access to family resources move into employment in order that they might improve their individual access to resources or not?

The focus and particular type of reforms to the tax and benefit system favoured by the Government is arguably part of a wider international move to deliver financial assistance to families through the tax system and encourage participation in employment. While there are country-specific variations in circumstances and the particular policy mix utilized, there are increasing similarities in policy reforms around tax and benefits (Rowlingson and Millar, 2002: 209). Bradshaw and Finch (2002: 38), for example, note the significant expansion of the Earned Income Tax Credit in the United States during the 1990s, Australia's move from a system of cash benefits to children's tax allowances and credits (Family Tax Benefit A and Family Tax Benefit B) and the French introduction of a working tax credit.

A cross-national comparative study of the effect of in-work benefits on decision-making around employment and budgeting is, however, beyond the scope of this study. Instead the focus is on the reforms to the tax and benefit system within the UK following the introduction of the Working Families' Tax Credit and subsequently the Working Tax Credit and Child Tax Credit.

2. In-work benefits & tax credits: maximising work incentives

If wages are unable to deliver an income that is sufficient to maintain a family and raise them out of poverty then intervention to provide support, particularly to families with children, becomes necessary. At the same time Governments have feared eroding the differential between in-work and out-of-work income and have sought to maintain this. The solution favoured for the past thirty years has been the provision of some form of in-work benefit. The advantage of this, as Grover and Stewart (2002) note, is that it offers the opportunity to alleviate poverty and create incentives to employment, without addressing the circumstances that lead to poverty and unemployment. The Labour Government has acknowledged that delivering support to families in work through the tax credit system is advantageous precisely because it does not raise the direct cost of low earners to employers (HM Treasury, 2000, 16). To do so would, it is assumed, diminish the competitiveness of the national economy in a global market. The former Secretary of State for Trade and Industry, Peter Mandelson, has shown the parameters within which the Labour Government believes it necessary to work.

"... globalisation punishes hard any country that tries to run its economy by ignoring the realities of the market or prudent public finances. In this strictly narrow sense, and in the urgent need to remove the rigidities and incorporate flexibility in capital, product and labour markets, we are all 'Thatcherite' now" (Mandelson, 2002: 16).

Government action is not ruled out by this view, but the form intervention can take is circumscribed. In policy terms, the outcome is an emphasis on 'social investment' in human capital, through training and education, thus delivering the opportunity for individuals to improve their economic situation, and hence reduce poverty. Delivering greater incentives to take up paid work through the social security system, in combination with active labour market programmes, potentially reduces wage inflation through increasing the effective supply of labour. To deliver 'employment opportunity for all' and address child poverty, New Labour identified early during its first term four

elements it perceived as vital to the effective operation of the labour market. These were:

- Flexibility, underpinned by minimum standards
- Skilled and adaptable individuals
- Policies to encourage movement from welfare to work
- A tax and benefit system that makes work pay

(HM Treasury, 1997a: 27)

Since 1997, and the advent of the Labour Governments, a number of policy documents have been produced. These have outlined the importance of reform of the tax and benefit system for delivering improvements in work incentives and the realisation of a reduction in child poverty (see HM Treasury, 1997a; 1997b; 1998a; 1998b; 2000; 2001; 2002; 2004a: DWP, 2001). To this end the following section charts the progress of policy around in-work benefits and examines Labour's modification of the tax and benefit system, suggesting it represents the latest stage in thirty years of reforms to maximise the financial incentive given by in-work and out-of-work benefits. Driving this has been the presumption that individuals are guided in the decisions they make by the relative benefit and cost associated with employment, and will respond to signals about the marginal financial value of paid work. Changes to social security policy have sought to ensure that the financial attractiveness of employment to individuals who may be able to command only low wages is improved.

2.1 Supporting families and maintaining incentives: the move to Family Income Supplement and Family Credit

The necessity of maintaining a gap between income received out-of-work and income received in-work (the unemployment trap) has been a constant feature of the post-war social security system. In the 1942 report into Social Insurance and Allied Services Beveridge put forward the not unusual argument that it was necessary to ensure the greatest possible gap existed between what an individual would receive in-work through wages and what the same individual could expect to receive out-of-work through the benefits system if work incentives were to be maintained. By advocating the introduction of a system of Family Allowances, in recognition of the greater costs incurred by large families, Beveridge made it clear that any allowance for children

should be paid to families, whether or not they were earning, to maintain the gap between in-work and out-of-work income.

“Abolition of want requires, second, adjustment of incomes, in periods of earning as well as in interruption of earning, to family needs, that is to say, in one form or another it requires allowances for children. Without such allowances as part of benefit or added to it, to make provision for large families, no social insurance against interruption of earnings can be adequate. But, if children’s allowances are given only when earnings are interrupted and are not given during earning also, two evils are unavoidable. First, a substantial measure of acute want will remain among the lower paid workers as the accompaniment of large families. Second, in all such cases, income will be greater during unemployment or other interruptions of work than during work”. (Beveridge, 1942: 8)

Policy has been haunted by the spectre of the individual who reacts to the interaction of the financial incentive structure of the social security system with employment in an economically rational manner. The provision of the ‘wage stop’ mechanism within National Assistance sought to ensure that economic disincentives to employment were minimised by ensuring individuals did not receive benefits greater than they could command as wages in the labour market. The gap between in-work and out-of-work income was pursued through the reduction, in certain circumstances, of benefit levels for individual recipients (Fitzpatrick, 1999: 26; Elks, 1974: 9).

Concern about the continued existence of disincentives, and a failure to introduce a form of negative income tax that they initially favoured, led the Conservative Government in 1971 to settle on the introduction of an in-work benefit system: Family Income Supplement (FIS) (Walker & Howard, 2000). This sought to provide extra support for working families and was continued under the Wilson and Callaghan Labour Governments of 1974-79. The drive to increase work incentives within the social security system continued apace following the re-election of the Conservatives in 1979: a twin track strategy of reducing the value of out-of-work benefits, altering eligibility and improving the operation and value of in-work benefits, was pursued. The achievement of a greater gap between wages and out-of-work benefits was sought in order to minimise disincentives and send out signals about the financial value of paid work. The FIS was maintained until 1988 when the Conservative Government decided to replace it with Family Credit (FC). The 1985 Green Paper *Reform of Social Security*

outlined the view that the proposed reforms would reduce the worst excess of the poverty and unemployment traps contained within FIS.

“While it is one of the functions of the social security system to help those who are unemployed, it is self-defeating if it creates barriers to the creation of jobs, to job mobility or to people rejoining the labour force. Clearly such obstacles exist if people believe themselves better off out of work than in”. (Norman Fowler, Secretary of State for Social Security 1985, cited in Grover & Stewart, 2002: 29)

The FC was a more generous system of financial support for low-income families and its objectives were in line with those of FIS. Modifications were made to deliver improvements in work incentives, including a minimum number of hours per week eligibility condition. Initially twenty four hours, this was reduced to sixteen hours per week in 1992 to encourage greater take-up of part time work amongst single parents with young children. To further encourage mothers to enter the labour market a childcare disregard was introduced in 1994, and a further credit was introduced in 1995 for those working at least thirty hours per week in an attempt to offset any incentive to limit or reduce working hours to the minimum eligible (Blundell, 2000: 34; Duncan and Reed, 2000: 5). The maximum amount of FC was payable if the family income was lower than a certain level (£79 per week in 1998-99) with the credit withdrawn at a rate of 70% as income increased. The payment was made to the mother even if entitlement was based on the father’s earnings and by the end of 1996 FC had a take-up rate of 69% of eligible individuals (Blundell, 2000, 35; Dilnot and McCrae, 1999: 3). The focus on improving the in-work incomes of low-income families as a means through which to maximise work incentives led to pilot schemes, such as the Earnings Top-Up (ETU) introduced as a three year programme beginning in 1996. Designed for groups not traditionally eligible for in-work benefits, namely individuals and couples without children working sixteen or more hours per week, it provided financial encouragement to maintain or take-up employment (Heaver *et al*, 2001; Marsh *et al*, 1999).

The policy developments from 1979 onwards around in-work benefits demonstrate an expectation that modifications to the operation of the social security system, particularly with regard to altering the balance between in-work and out-of-work incomes, would effect a change in behaviour. That is, low paid individuals were assumed to respond to signals about improvements in the marginal financial value of employment by moving into paid work. Returned to power following their victory in the 1997 general election, the Labour Government picked up these themes and developed them further. The new

tax credit schemes have been more generous than the system they replaced, but essentially the theoretical underpinning of policy remains the same, namely, individuals will respond 'positively' (take up employment or increase hours) to improvements in the financial attractiveness of paid work.

2.2 Developing in-work benefits: the movement to tax credits under New Labour

In May 1997 a Task Force headed by Martin Taylor was established to explore reform of the tax and benefit system with an eye to how it could contribute more fully to addressing issues Labour identified as pressing. These included the promotion of work incentives, reductions in child poverty and welfare dependency, and strengthening family and community life (HM Treasury, 1998a). The recommendations contained within the report endorsed the development and introduction of a tax credit for working families. In October 1999 the Government duly replaced FC with the Working Families' Tax Credit (WFTC) a more extensive and generous version of FC, with some noticeable structural differences. The WFTC was available to all single and two parent families who worked at least sixteen hours per week, and the threshold available to recipients before the credit begins to be withdrawn was increased to £91.45 per week. A reduction in the withdrawal rate from 70% to 55% and more generous provision for childcare costs through the childcare tax credit (cctc) element of WFTC accompanied this. Covering 70% of actual childcare costs, up to £135 per week for one child and £200 per week for two children, cctc sought to begin to address the problem and disincentive of high childcare costs faced by families moving into work (Blundell, 2001: 198). A Children's Tax Credit (Children's TC), essentially a tax relief reducing the tax paid by working families with children, was also introduced in April 2001.

The reforms sought to establish a clear link between employment and financial rewards to encourage people to move off 'welfare' and into work (HM Treasury, 1998b). Mclaughlin (1998: 102) has suggested that the WFTC should be regarded as essentially supplementary to the central piece of Labour's welfare to work reform programme: the New Deal. Sidelining the role of the WFTC seems misplaced: when one considers the salience given by Labour to the WFTC in improving the income of working parents (work incentives) and making inroads into child poverty, it becomes far more central to the achievement of these goals. The tax credit schemes and New Deal programmes are complementary elements of the same package that are working towards similar goals. As Millar (2003a: 133) notes, while the social security system remains complex there is a 'developing coherence in both goals and policies' contained

within Labour's approach. The various New Deals attempt to reconnect individuals and families to the labour market through a mixture of information, encouragement and sanction. The WFTC sought to convey the message that, 'work pays', through its provisions of improved financial incentives. It reinforced the supply side measures underway through the New Deals to improve the connection of out-of-work individuals to the labour market (Millar, 2000). The first report on *The Modernisation of Britain's Tax and Benefit System* outlines the thinking behind the introduction of WFTC rather neatly,

"People are understandably reluctant to take work that does not pay. For the vast majority of those in work there are clear financial rewards. But for those facing low potential wages, and especially for those supporting children, wages alone are insufficient to provide incentives to work. The tax and benefit system therefore play an important role in determining whether work pays". (HM Treasury, 1997a: 29)

Although the Government acknowledge that people face a variety of other barriers to work that have to be negotiated, reforms made to the tax and benefit system imply (lack of) financial rewards are a prime determinant of how individual adults engage with the labour market. The assumption that altering the financial costs and benefits associated with employment will bring about a corresponding change in behaviour suggests a view of decision-making that gives primacy to money in motivation.

Further development of the tax and benefit system occurred in April 2003 when the WFTC was succeeded by the Working Tax Credit and the Child Tax Credit. Structurally the new tax credit represented a more fundamental break with FC than did WFTC by extending coverage to childless couples and singles (see below), splitting support for adults (WTC) and children (CTC) and altering the frequency of assessment. It is however underpinned by the same assumptions about how the low-paid and those in receipt of out-of-work benefits make decisions around employment and the consequent concern to maximise the financial incentive to work.

The reforms made to the tax credit system included the rolling of the adult element of WFTC into the WTC and (reminiscent of the ETU) the inclusion, subject to certain restrictions of low-paid individuals and couples without children. The WTC maintains a sixteen hour eligibility rule for claimants with children, and, like WFTC, a further credit is available for those working thirty hours or more a week, thereby offering an incentive to increase or maintain hours of work. Couples with children are able to spread the

thirty hours between them and still receive the extra credit. For those low-income childless households a thirty hour a week minimum eligibility rule is applied in addition to an age qualification of over twenty five (HM Treasury, 2002: 3).

Assessment for eligibility is based on annual income for the previous tax year. By abolishing the six monthly applications process the Government hoped to eliminate manipulation and injustice within the system, as snapshot assessment of income over a period of seven weeks was not necessarily representative of income across the year. The potential for annual WTC/CTC awards to be unresponsive to changes in circumstance during the year led to the inclusion of a facility that enables families to notify Inland Revenue of a change in income and reassess WTC/CTC awards. A £2500 disregard was included so that families did not require a reassessment unless their income increased by an amount greater than this (HM Treasury, 2002). Whiteford *et al* (2003: 25) suggest this may be at the expense of equity, as families experiencing an increase in income during the year will be better off than those whose income is more accurately assessed at the beginning of the year. It may smooth administration by reducing the need to report changes in income as often as otherwise would be the case and it gives the all important financial incentive to accept higher waged work if obtainable, as any reduction in income is delayed until the following financial year, provided the raise is no greater than the disregard of course.

Another change was the move to determining eligibility by gross income rather than net income (as was the case with FIS). The Government believe this will help those households which pay less tax and lower National Insurance contributions, and improve incentives for the second earner to take up or remain in employment (HM Treasury, 2001). Concern was voiced that this could create a situation, as under FIS, which resulted in high marginal reduction rates, though the Government suggests the reduction in the rate at which the credit is withdrawn, from 55% to 37%, addresses this (HM Treasury, 2002). We can see the implicit presumption that tinkering with the incentive structure of the tax credit system will encourage and result in changes in the behaviour of potential recipients and recipients themselves.

The adult element of WFTC was rolled into the WTC and the Child Tax Credit brought together the child elements of WFTC, Income Support (IS), Job Seeker's Allowance (JSA) and the Children's Tax Credit. There are no work conditions attached to the CTC, ensuring it is available to all low-income families either in work or out. This extended eligibility to a number of groups who had no taxable income but were

ineligible for IS, such as students and student nurses. The CTC is paid to the main carer in the family, to be decided by couples themselves based on whoever is primarily responsible for the children. The cctc element of WFTC remains part of the WTC and the sixteen hour rule is continued, but cctc is now directed to the main carer like other child-related payments (HM Treasury, 2002: 5). This raises the issue of the distribution of, and access to, resources within the family and its relationship to decisions around employment. For example, if the decisions are made in response to signals about the financial incentives of paid work, will directing resources intended for the children to the main carer (usually the mother), as under the CTC, obscure or diminish the work incentive for the main earner within the family?

2.3 Purse to wallet, wallet to purse

The provision of in-work benefits has been driven by an interest in ensuring the maintenance of strong financial incentives to work and recognition that wages are not always high enough to lift a family out of poverty. Consequently part of Labour's objective has been to alleviate hardship faced by families in the labour market by directing to them extra resources. This raises questions in relation to who within the family receives payment of in-work benefits/ tax credits and what impact this has on other family members. Debates around which partner within couple families should receive payment of support intended for children are nothing new. On March 8th 1945, during the second reading in the House of Commons of its Family Allowances Bill, the Government faced a revolt over its intention to make them payable to men rather than women. The venerable campaigner Eleanor Rathbone MP, who had done so much to publicise and put the case for Family Allowances (see Rathbone, 1927), threatened to vote against the bill rather than acquiesce and see payment to men. A number of women Labour MPs took the opportunity to forcefully remind their male colleagues of the importance of payment direct to the mother (Fleming, 1986: 89). Edith Summerskill MP commented,

"As to the status of the mother, I was interested to learn from the Hon. and gallant member for Brighton that while he accepted the principle of paying 5s to the father, he had no time for women or individuals who talked about the status of women. It is very difficult for any man to understand that imponderable. One has to be a woman who is humiliated week by week when she has to ask her husband for necessities to understand it... he has never been put in this humiliating position". (Fleming, 1986: 90)

The Government eventually relented and Family Allowances were payable to mothers, but the issue of payment to the main carer or main earner has continued to reappear as a source of contention in policy debates around reforming benefits for families. The Conservative Government in the 1985 Green Paper, *Reform of Social Security* initially proposed that FC be directed through the wage earner's pay packet, to demonstrate more clearly the value of employment (DHSS, 1985: 29). When, however, Family Credit was introduced the position had been reversed and payment was directed to mothers within couple families. Similarly the original intention of Labour appears to have been to pay the WFTC to the wage earner to signal the financial advantages employment delivers.

"... a new tax credit paid to families on low incomes, directly through the wage packet. In principle a working family tax credit has a number of attractions. It could reinforce the effect of the minimum wage by making work pay. It could build on the success of Family Credit, increasing potential in-work incomes and therefore the incentive to work.... Its clear link with the pay packet and the tax system should help demonstrate the rewards of work over welfare. As well as improving work incentives it could also help reduce poverty and strengthen the family."

(HM Treasury, 1997b: 56)

Martin Taylor, appointed to think through modernisation of the tax and benefit system, supported this, with the caveat that an element of choice could be introduced if payment to wage earners proved problematic (HM Treasury, 1998a: 22). The clear intention was nevertheless to pay WFTC through wages to reinforce the distinction between the rewards of work and remaining on welfare. The potential for a transfer of resources from women to men within families receiving the WFTC was evident. The potential effect on the living standards of mothers and children of directing resources to the main earner has been well documented.² The Labour Government, like previous governments (see Land, 1998), came under pressure from some of its own backbench MPs, campaign groups for women and child poverty charities to rethink this proposal. In response a compromise was reached, reminiscent of Martin Taylor's recommendations, that should payment to the main earner prove to be viewed as a problem a measure of choice could be introduced (HM Treasury, 1998a: 23). Payment of the WFTC now enabled couple families to nominate either the mother or father to receive payment, with WFTC delivered either through the wage packet or paid direct to

² See discussion below and in chapter 6 on the distribution of resources within families and the significance 'ownership' of income gives to recipients.

the non-earning partner. Of course the extent to which choice could be realised in families where the working male partner exercised considerable control over family finances remained questionable and, as Mclaughlin *et al* (2001: 169) note, this is most likely to be where women are most at risk of poverty. Interestingly the introduction of the WTC/CTC saw all child-related payments, including the cctc (which persisted as an element of the WTC), being paid direct to the main carer. This research investigates the decisions families made around budgeting under the WFTC and compares it with the initial policy intentions and the literature on intra-family distribution of resources. Further, due to the longitudinal nature of the project, the impact of the 2003 reforms on the tax and benefit system is explored, offering the chance to compare and contrast decisions made pre and post-reform and examine how this linked to choices made around employment.

For example, concerns have been raised about the gender implications of the incentive structure of WFTC, with the suggestion that the pursuit of a reduction in the number of workless households has weakened the employment incentives for second earners (usually mothers), potentially leading to a decrease in employment participation amongst this group (see Millar, 2004). Blundell (2000) argued that for single parent families WFTC reforms would increase the incentive to work, but for two parent families the WFTC could create incentives for lower employment participation. The financial incentive of WFTC makes the transition to employment of sixteen or more hours per week particularly appealing for single parents, increasing employment participation an estimated 2.2%. Additionally, for two parent families with neither parent working, the incentive is to move into employment. For couples where both partners are employed though, there are incentives for a reduction in hours by one partner or a move out of employment altogether. The increased generosity of the WFTC meant that some income would be lost if one partner worked full-time and another more than ten hours a week, although this could be partially offset by the childcare tax credit providing the mother worked more than sixteen hours per week. Initial estimates suggested a reduction of about 0.57% would occur in the number of married women in employment (Blundell, 2001: 40). In contrast Brewer and Gregg (2001) identified a strong incentive effect on the employment behaviour of lone parents with an increase in labour market participation. Between 1996 and 1999 a reduction in the number of single parents living in workless households of around 1% a year took place, but following the introduction of WFTC a fall of 3% during 1999 - 2000 was registered (Brewer and Gregg, 2001). Recent analysis of longitudinal data drawn from the British Household Panel Survey (1991-2001) provides some support for this, suggesting that the WFTC reform

increased the number of lone mothers entering or remaining in employment of sixteen or more hours per week by 7% (Francesconi and Van der Klaauw, 2004: 6).

If second earners are responding to signals about the financial value of paid work for a family's overall income by moving out of paid work, or delaying a return to the labour market, this raises questions of gender equity over the long-term. Research into women's earnings over their lifetime provides a clear picture of the disparity in incomes and pension entitlements that women, in particular those who are low and middle income earners, receive in comparison to men. Absence from the labour market because of caring responsibility for children negatively impacts on the income women receive over their life-course, contributing to the greater proportion of pensioners with low incomes and reliant on means-tested benefits being women (Rake, 2000: 152; Bradshaw *et al*, 2003). It is important to gain a clearer understanding of how the tax credit system is impacting on mothers' decision-making around employment. The extent to which decisions factor in and reflect a consideration of the potential long term effects of making a particular choice, and whether there is a disparity between women's assessment and response to the potential long term impact on themselves and their children. The introduction of the WTC/CTC may have begun to address disincentives for second earners within couple families, but as Millar (2004) notes, disincentives continue to exist and this will impact disproportionately on mothers.

Through examining the decision-making of lone and partnered mothers around employment and budgeting over a period of welfare reform the thesis contributes to ongoing discussions around the gender impact of changes to the social security system. In addition it seeks to explore how the decision-making of adults within families is situated within a life-course perspective and the extent to which choices are driven by the short, medium and long term objectives of individuals for themselves and other family members and how these interact with the financial incentives provided by the tax credit system and notions of caring. The success of the WFTC and its successor the WTC/CTC rest on the presumption that, broadly speaking, individuals will act in accordance with the particular costs and benefits of a given situation. The next section details the theoretical underpinning of this version of human behaviour and decision-making before considering the challenges that have been made to this framework and what this means for the research.

3. Rational Economic Man

The previous section explored the development of policies designed to deliver financial support to low income families and, more recently, low paid individuals in work. It argued that this was driven by a desire to maximise the gap between in-work income and out-of-work income so that the financial incentive to take up paid work is maximised. The theoretical underpinning of this approach draws on a model from neo-classical economics that considers individuals as rational economic actors. This position has come under considerable criticism from both those working within economics as a discipline and also the wider social science community. The following section examines the basis of 'rational economic man', before considering the criticisms made against it.

3.1 The Homo Economicus model of behaviour

The 'rational economic man' (*Homo Economicus*) model of decision-making pioneered by neo-classical economists offers a method for assessing and predicting the actions of individuals in any given situation. It provides an understanding of behaviour that treats humans as rational economic actors constantly involved in a process of deciding the costs and benefits to themselves of any given action. The expectation is that people act as self-interested individuals making rational decisions based on careful consideration of the available options. Early neo-classical economists set out rather aptly the reasoning behind this model. Expanding upon Bentham's theory of utilitarianism that individual behaviour derived from the avoidance of pain and the pursuit of pleasure and that all decisions could be reduced to these two positions (Keen, 25: 2001), Jevons (1911) suggested that a hierarchy of feelings existed to guide individual behaviour. From this he considered economics to be concerned with what is termed the 'lower rank of feeling'. Thus,

"The calculus of utility aims at supplying the ordinary wants of man at the least cost of labour. Each labourer, in the absence of other motives, is supposed to devote his energy to the accumulation of wealth. A higher calculus of moral right and wrong would be needed to show how he might best employ that wealth for the good of others as well as himself. But, when the higher calculus gives no prohibition, we need the lower calculus to gain us the utmost good in matters of moral indifference". (Jevons, 1911: 27).

Decision-making is concerned only with the individual, hence economics need only address the self-interested rational economic actor who will seek to maximise their personal satisfaction (utility). In *Elements of Pure Economics* Leon Walras argued for an economics that should only concern itself with the exchange of objects for other objects between humans. The issue of relations between humans was dismissed as the concern of ethics, not something that pure economics, primarily concerned with production and exchange in the abstract, need address (Bensusan-Butt, 1978: 129). The possibility that not every individual action resulted from deliberate economic rational calculation, and that they could be influenced by other motives, was noted by Marshall (1920), who cited habit and custom as examples. Even then it was surmised that habit and custom most likely developed out of close attention to the advantages and disadvantages to be gained through following different courses of action (Marshall, 1920: 17). Marshall assumed that the rational calculation individuals use to make decisions would always lead to expected satisfaction matching actual satisfaction resulting from their decision (Marshall, 1920: 78). Contained here is the idea that the costs and benefits of any given action can be accurately predicted over a period of time and, consequently, rational calculation in decision-making is not disrupted by time. Advocates of the 'rational economic actor' approach to behaviour have applied their model to a number of areas of human decision-making. For the purposes of this chapter and thesis our interest is limited to how this has been applied to choices made around employment and family behaviour. Perhaps the most famous of these in the area of family behaviour has been Becker and the 'New Home Economics' framework developed to aid analysis of the division of labour within households and the labour supply of women (Gardiner, 1997: 39). Using this framework Becker (1993a) developed an account of why women have begun to see their earnings and employment opportunities improve only recently. This provides a rather useful example of the 'rational economic man' view of human behaviour.

Becker identifies human capital as the key to higher earnings in society, with the more educated and better trained increasingly receiving higher returns. For women, having children may mean withdrawal from the labour force followed by an increased likelihood of part time work rather than full time upon return to the labour force. The result is that few incentives existed for women to invest in their education or training, as little time would be spent using it. The changing nature of the labour market (expansion of the service sector), the growth in divorce rates, and the decline in family size all served to mitigate this, and, Becker suggests, now actually encourage women's participation in the labour market. This has created the incentive to invest more in their

own human capital, an act that in turn leads to improved employment opportunities. Accordingly women have responded as self-interested rational economic actors to changing costs and benefits of the labour market and family life. The result has been new employment opportunities and a relatively large improvement in the incomes of women (Becker, 1993a: 394; Becker, 1993b).

The attraction of this model for Government and policymakers is that, as a model of human behaviour, it provides a straightforward template for formulating policy to achieve the outcome desired. The concept is simple - if Government alters the balance between the cost and benefit of any given situation and/or action, the expectation is that individuals as rational economic actors will modify their behaviour to reflect this (Hutton, 1995). The implication of this theoretical framework is that disincentives should be reduced and incentives to take up employment strengthened, something which, as I outlined earlier, runs through the present Government's reforms of the tax and benefit system (see HM Treasury, 2005: 27).

This does not mean that economists completely discount other factors; they can and do concede that behaviour may result from 'social influence'. That is, the behaviour of an individual may depend on perceptions about what others in society are doing. This opens up the personal preferences of an individual and their pursuit to external influences through social interaction, whereby the individual learns from others' experience. Despite the recognition of social interaction as a factor in the behaviour of individuals, the decision-making process remains firmly locked within a framework of rational utility maximisation. Ermisch (2003) gives the example of childbearing outside marriage to demonstrate how this may be discouraged by social stigma when the number of births outside of marriage is low, but as non-marital births increase stigma is eroded. Additionally even relatively small changes in policy, such as higher benefits for single mothers, are considered to impact on the number of women becoming single mothers, as policy change combined with social interaction with peers and experience of their behaviour creates a multiplier effect (Ermisch, 2003: 19). While preferences can be shaped by wider social forces, this suggests that the response of the individual is determined by a rational calculation of the costs and benefits of the course of action necessary to achieve their preference. The important point about the 'rational economic man' model of behaviour is that it informs and guides, at least implicitly, Government and policymakers' understanding of decision-making and, consequently, how they structure policy. The Social Security system has been built around the view that decisions are made in accordance with financial incentives/disincentives. The

existence of the 'wage stop' was a clear attempt to create a greater gap between non-earned income and earned income to improve work incentives through ensuring even the lowest paid would be financially better off in work. The supposition was that the lower the support for the unemployed then the more quickly they are likely to move back into even low-paid employment. Similarly the growth of in-work benefits and more recently the WFTC and WTC, have approached the issue of maintaining the non-earned – earned gap through increasing in-work income. Of course, there is recognition that level of income is not the only barrier to work, but a concern to improve financial incentives retains a strong influence in policy. Moreover other barriers to taking up paid work are usually understood within a framework of individuals' rational economic calculations about engagement with the labour market (HM Treasury, 1997a: 30; HM Treasury, 1998a).

3.2 The problem with *Homo Economicus*

Considerable criticism has been levelled against the neo-classical economic assumptions made about human behaviour. Such criticism has often attacked what is perceived to be the narrow parameters of human behaviour *Homo Economicus* permits, in particular the presumption that rational economic actors are fundamentally self-interested (see Slater and Tonkiss, 2001). A number of psychological experiments have noted that people frequently act in a more co-operative way than supposed by a model that emphasises the individual taking self-interested decisions in pursuit of their preferences (see Ormerod, 1994: 34; Seguino *et al*, 1996). That an individual may choose to remain in certain jobs, even if they could earn more elsewhere, because they enjoy helping others, even if they receive no extra financial reward from this, has been used to cast doubt on the validity of 'rational economic man' (Hutton, 1995: 231). The existence of co-operation and altruistic acts does pose a problem for the neo-classical model, but as Le Grand (2003) has pointed out, it is quite possible that a self-interested individual will act co-operatively if they believe this is the best way to promote their self-interest. Similarly, neo-classical economists can argue that those claiming to be acting altruistically may, in fact, be covering up behaviour in pursuit of a particular preference and thus be regarded as making a rational self-interested choice. The problem with this is that effectively the conclusion one can draw from this line of thinking is that all behaviour could be regarded as self-interested. Through the very fact of embarking on a course of action, the individual has been motivated by a preference for that act and pursuing that preference makes them self-interested (Le Grand, 2003: 27). As an

explanation of what underpins the behaviour and decisions of individuals and families it is questionable how useful this is. All decisions are situated within a rationalist model that ignores the fact that individuals may not know why they made a particular choice at a particular time or that actions themselves may not be intended. As Hoggett (1999: 52) notes, individuals may not always know why they are doing something even as they are doing it. In reducing all decisions to the pursuit of a preference, the opportunity to examine and map how social and moral contexts affect decision-making is diminished and the existence of altruism neatly brushed to one side.

Interestingly Le Grand (2003) has argued that policymakers for the most part switch between a view of people as either self-interested or altruistic (within his model he terms these knaves and knights respectively) in their decision-making. In the immediate post-war period Le Grand contends the latter view dominated policymaking until post 1979 when the former gained ascendancy. Such a view is, he suggests, not an accurate representation of individual behaviour, because they can be both selfish and altruistic at the same time. The implementation of particular policies in particular circumstances can lead to the reinforcement of one or the other tendency. Similarly Talbot (2005) has suggested that human behaviour and decision-making is paradoxical: that is, both altruistic behaviour and self-interested rational economic calculations may co-exist and function simultaneously. Le Grand's recent work developing a theory concerned with motivation and agency in welfare policy only briefly touches on social security policy. This is despite hinting that this is the one area in British post-war welfare policy whereby individuals were not presumed to be merely passive recipients of state resources, but were in fact expected to respond rationally to the incentive structure of the social security system (Le Grand, 2003: 7). Interestingly the division outlined above between altruism and self interest focuses on one form of self interest and rationality (economic) that may be at work in decision making. Yet, moral practices and the social expectations of individuals are compatible with, and can represent the pursuit of self interested actions.

It is, for example, perfectly possible to argue that the decisions parents make about the integration of paid work and caring activity are self interested and rational, but not necessarily, economically rational (Edwards and Duncan, 1996). As I discuss below, the emphasis of policy (see HM Treasury, 2002, 2005; HM Treasury/DTI, 2003), nevertheless remains centred in the presumption that individuals act in pursuit of economic self interest, making cost benefit analyses to maximise their income. Increasingly this view is being challenged by the theoretical and empirical arguments

levelled by proponents of an 'ethic of care'. This approach seeks acknowledgement and recognition in employment and social security policy of the social process of decision making and the moralities and concepts of obligation and responsibility that are said to underpin how mothers exercise choice (Duncan and Edwards, 1996; 1999; Sevenhuijsen, 2002; Williams, 2001; 2002). To ignore this risks ascribing the position individuals find themselves in solely to their self interest and rational behaviour in pursuit of this, whilst ignoring the differing opportunities and constraints people face and consequently their capacity to act as they choose.

These issues are at the core of criticisms directed toward Hakim's (2000) 'Preference Theory' which seeks to identify and explain work orientations and employment decisions. Preference Theory argues that women's employment is, at least in contemporary British and American society, less the consequence of external constraints and more a result of work-lifestyle preferences and the aspirations and motivations that underpin them. Decisions around employment are said to reflect genuine choices made by women who are either: home centred (prioritise family life)/ work centred (prioritise employment) or adaptive (variable preference for work and home over time). The adaptive category is the only one in which preferences change over time, women within the 'work' or 'home' centred category are said to display a consistent commitment to their sole work or home 'preference' across the life-course (Hakim, 2000: 275). Considerable debate has raged around 'Preference Theory' and the extent to which women's choices are actually linked to, and representative of, their preferences over time (see Crompton and Harris, 1998; Procter and Padfield, 1999; Walsh, 1999; Charles and James, 2003). Much of the criticism sustained has concentrated on the continued existence of different opportunity sets amongst women and how this affects and shapes choice and 'preference'. Women holding the same preferences for work and/or family may experience very different employment outcomes because of the particular situation they find themselves in as they negotiate and balance varying constraints and opportunities (McRae, 2003b: 586). Further, a focus on individual actions and preferences neglects the role of social ties in shaping individuals' moral responsibilities and its importance for choice (Edwards *et al*, 2002: 28). Essentially not all individuals possess the capacity to act on their preferences and 'Preference Theory' risks mistaking voluntary action for a genuine choice made in the absence of constraints (McRae, 2003a: 333).

4. An 'ethic of care' and employment decisions

A powerful critique of the Labour Government's policy focus on the centrality of paid work in a reformed welfare state and social security policy, what Lewis (2002) has termed the adult worker model, has been mounted by advocates of a more expansive understanding of 'work' that includes various forms of unpaid work. In this approach the social process of (various) caring activity is identified as of key importance in and of itself, with the suggestion that, while demanding, it is often of benefit to the maintenance and expansion of human relationships. Placing greater emphasis on moral considerations of care gives recognition to its salience in the every day behaviour people exhibit (Sevenhuijsen, 2002). To this end a recasting of labour market and social security policy within a framework set by an 'ethic of care' rather than, primarily, an ethic of work that currently dominates the Government's approach is favoured. Williams (2001) argues that doing so would allow policy to begin to address the reality of life for many (often women) outside of, and marginal to, the labour market who are engaged in various forms of care activity. Instituting a 'political ethic of care' that recognised the value of non market forms of work, and the interdependence of everyday life and activities, could lead to a policy emphasis on enhancing the capacity people have for self determination. Entrenching such a vision requires the implementation of policy that seeks to enhance work-life balance, as at present men and women struggle to fit together the disparate strands of their lives. Employment (over) commitment is viewed as negatively impacting on the ability of mothers and fathers to realise a satisfactory balance with other domestic and relationship commitments, which in turn impacts on employment opportunities and gendered experiences of poverty. As Lister (2002b) notes, tackling this requires encouraging both men and women to adopt a balanced mixture of different forms of work that range across the paid and unpaid divide. If this fails to occur the risk that gendered ideas of caring responsibilities and division of labour within the household is reinforced, with women encouraged to view themselves primarily as mothers for significant parts of their life (Williams, 2004: 76).

The current approach of the Labour Government has been to introduce a number of measures that acknowledge the issue of work-life balance as a pressing issue for people, particularly mothers' participation in paid work, including reviews of, and extensions to maternity and parental leave. It is arguable however that the implementation of these has been limited in scope and reflects the willingness to remain within a framework dominated by an ethic that enthuses the value of paid work

in itself (Lister, 2002b: 523). The lack of recognition by Government of the importance of care responsibility and the morality and obligations surrounding this in facilitating or constraining how individuals behave in relation to the labour market may lead to policies based on erroneous assumptions, making a 'morality and rationality mistake' (Barlow, Duncan and James, 2002; see also Crow, 2002). This latter criticism is rooted in the view that, contrary to the implicit presumption of Government social security policy, individual adults are not stand alone income maximisers in the rational economic sense, but make decisions within a web of social and moral relationships. The consequence for policies designed to encourage individuals to take-up employment through making work pay is evident. It raises the question of whether individuals make decisions around employment without regard to the incentives/disincentives contained within the social security system. If they do, then this challenges the basis of government reforms to social security policy and their assumptions about behaviour. The following section outlines and considers a key body of work that may be located within the broad framework of a 'political economy of care' (see Fitzpatrick, 2004a: 339). It has set out to challenge the notion of rational economic income maximisation underpinning the tax and benefit system and its relationship to decision making, and is thus of considerable interest to this study.

4.1 The Gendered moral rationalities model

Contrary to the presumption that altering the costs and benefits of any given situation alters behaviour, Simon Duncan, Rosalind Edwards (1996; 1999) and colleagues (see Edwards *et al*, 2002, Duncan and Irwin, 2004) have developed an alternative approach to understanding and explaining mothers' employment decisions. Thorough and comprehensive, it details how decision-making and notions of rationality are embedded in structures of class, ethnicity, ideology and locality. Duncan and Edwards take as their starting point a critique of how economic rationality informs much government thinking around policy implementation and the research conducted within the discipline of social policy. In place of the rational economic man shaping policy, where the pursuit of individual utility is interpreted as individuals seeking income maximisation, they posit that decision making may indeed be self interested, but this is informed by, and negotiated with, a (sometimes overlapping) range of factors around ideas about morally proper behaviour around employment and mothering. Termed gendered moral rationalities (see below) it is suggested that this provides a better understanding of how mothers make choices. Decisions that may be perceived by policymakers as irrational, because they fail to conform to an economically rational framework of responses to

financial cost and benefit signals, are perfectly rational when seen through the lens of what a mother understands as morally right behaviour (Duncan and Edwards, 1999, Barlow and Duncan, 2000)

Duncan and Edwards make a forceful and cogent argument that policy presents, and is based on, a misleading understanding of how both lone and partnered mothers make decisions. Drawing strongly on intensive qualitative research and (to a lesser extent) quantitative analysis they question the validity of the assumptions behind the theory and policy practice of rational economic actors. Their initial research (see, 1996: 1999) focuses on how lone mothers negotiate paid work with ideas about motherhood. They explore through the selection of specific groups of mothers, divisions relating to class (identified broadly as working class and middle class), ethnicity (experiences of White and African-Caribbean mothers), ideology (pursuit of alternative lifestyles) and locality (inner city, suburban). They also attempt to gain a hold on differences linked to national welfare states through interviews with a selection of mothers from Sweden and the USA.

The argument builds from the idea that lone mothers presented with the challenge of combining motherhood and paid work are guided in their decisions by rational socially embedded moral choices that reflect different types of gendered moral rationalities.

“They were gendered because they fundamentally dealt with notions of mothering, they were moral, in that they provided answers about the right and proper thing to do, and they were rationalities in providing a framework for taking decisions about participation in the labour market” (Edwards et al, 2002: 10).

Care is not viewed as simply a barrier to participation in the labour market that needs to be overcome by reductions in the cost of childcare or improvements in the value of paid work. We might broadly locate them with the ethic of care approach discussed earlier as they draw attention to the role morality, based on socially informed and individually felt obligation and responsibility, plays in shaping the role of ‘good mother’, and its relationship to employment behaviour. The possibility that mothers find care an engaging and fulfilling alternative to paid employment, regardless of opportunities and constraints, is set out as one form of gendered moral rationality alongside others that emphasise a greater role for employment (Edwards et al, 2002: 5).

For example they cite one mother (Susan) who discusses the financial benefits she would accrue from a return to employment. However the conflict this action would cause with her own moral belief about mothers looking after their own children, and in turn the moral disapproval of her mother (the grandmother) had encouraged her not to seek employment. The difficulty presented by the moral disapproval of the grandmother manifested itself in both a reinforcement of Susan's morality and the flagging up of potential practical problems (Grandmother's refusal to offer informal childcare). In this sense the financial advantages are recognised, but Susan acts rationally in ignoring these because of the mixture of practical and moral constraints on her employment (Duncan and Edwards, 1996: 120).

Drawing on their qualitative data, a variety of experiences, scenarios and attitudes to employment and motherhood are described, which they argue can be encompassed in three broad categories; primarily mother, mother/worker integral and primarily worker. These represent three social and moral orientations to paid work and motherhood, giving the basis of different gendered moral rationalities.

- *Primarily mother* gives priority to mothers caring for their children themselves and takes a position that not to do so is morally wrong, thus ruling out participation in paid work.
- *Mother/worker integral* views paid work as a moral action that meets children's need for a good employment role model and brings material benefit.
- *Primarily worker* relates to how lone mothers take-up and maintain paid work to meet their interests which are identified as separate from their children. In this approach being able to engage in employment is a woman's moral right. (Duncan and Edwards, 1999: 120).

Where mothers are located in terms of decision making within these three streams of gendered moral rationalities is related to issues of class, ethnicity, commitment to an alternative lifestyle and locality. These intersect and overlap, but there were differences, especially in relation to ethnicity with black lone mothers tending towards a more mother/worker integral than either white working or middle class mothers. The role of locality in decision-making accorded by Duncan and Edwards (1999) is interesting. That local labour markets impact on behaviour through the differing employment opportunities and constraints they provide is not surprising, the interesting element to their discussion is how these are interwoven with dominant (historical) expectations and social relations within the locality concerning the role of women and

how they are positioned as workers or mothers. Areas of economic growth and decline that offer economic opportunity and constraints in terms of job prospects for women are identified alongside evidence that participation in employment is linked to historical patterns of women's employment in the area. Areas in economic decline, but with a history of female employment, create different expectations of motherhood to those where this precedent did not exist. Past social and moral expectations help form the framework for the choices made in the present, even when the economic circumstances within which these arose have long since changed (Duncan and Edwards, 1999: 202). The key point is that it is the structure created by a moral rationality concerning the right and proper behaviour of mothers in how they engage with mothering and employment that is important for decisions around paid work (Churchill, 2004: 6).

They are clear, however, that this does not rule out mothers making an analysis of the financial benefits of a situation and acting on this, but that this happens within the context of a gendered moral rationality. Some mothers may view financial provision through paid work as a part of their moral responsibilities for their children, others less so. The primary element in decision making is not the individualised income-maximisation of rational economic man found to run through the structure of the social security system. The gendered moral rationalities approach is a call for policy to recognise that financial considerations are embedded in social processes and networks. These will blunt the impact of economic incentives on individual behaviour as decisions are necessarily constructed around a multiplicity of considerations within an overriding moral framework that guides decisions.

“Economic calculations, rather than asocial economic rationality are a factor in lone mothers’ decision to enter the labour force or live on benefits. They are not, however, the only form of rationality at work, and may be overridden by other ways of making sense of the world” (Edwards and Duncan, 1996: 119).

“This is not to say benefit levels, wages rates, day care costs and so on, are not an important factor in lone mothers’ decision about entering the labour force... rather this factor needs to be set within another model of rationality. It is socially negotiated, non-economic, understandings about what is morally right and socially acceptable which are primary factors in determining what is seen as rational behaviour – calculations about individual financial costs and benefits are secondary” (Duncan and Edwards, 1999: 118)

“...when it comes to care of dependent children, there is evidence that there are absolute and non-negotiable moral imperatives in which there is a deeply gendered requirement to take responsibility for children’s needs and place these first. Calculations about individual utility maximisation, and in particular perceived costs and benefits, may be important once these understandings are established, but are essentially secondary to such social and moral questions”. (Edwards et al, 2002: 5)

Following on from their research on lone mother’s employment choices, Duncan and Edwards expanded their work to consider the behaviour of partnered women and the interaction and relationship between paid work, partnering and childcare. Exploring the issue of childcare with their respondents they found different ‘moral’ interpretations of the most appropriate form of childcare in terms of their children’s needs and subsequent provision according to class. The middle class, higher income respondents emphasised the developmental aspects of childcare for children’s education and tended to favour formal provision. Working class mothers, in contrast, understood childcare in terms of their children’s emotional needs and practical constraints and this fed into a moral commitment to provide this care themselves or rely on relatives if they were not available. The navigation of childcare preferences then draws on the expectations and social capital that are pre-eminent within different social group and local contexts, both informing and reflecting a mother’s wider system of moral rationality (Edwards et al, 2002: 22).

A later paper (Duncan and Irwin, 2004) drawing together the empirical findings from two projects, elaborates on how inter and intra class distinctions mediate gendered moral rationalities and shape childcare and employment decisions. Amongst partnered white working class respondents those mothers least secure and with low skills tended to favour a more primarily mother position. Working class mothers with higher skills and engaged in more secure areas of the labour market were, in contrast closer to a primarily worker position. Reinforcing the argument in earlier work that there is multiple and overlapping influences linked to key social divisions informing mothers gendered moral rationality, the two groups of middle class partnered mothers were as split along these lines as the working class groups. Duncan and Irwin (2004) suggest that the divide here was based in ideology and locality, between mothers engaged strongly in conventional family building and typically living in an inner suburb of Leeds and those partnered mothers with a different concept of family life (alternative) who lived in Hebden Bridge, an area not far from Leeds and known for its relatively large gay and

lesbian population. Here participating mothers tended toward a more primarily worker position (Duncan and Irwin, 2004).

4.2 Problems with the gendered moral rationalities model

The gendered moral rationalities model is an innovative theoretical development grounded in empirical work that challenges the assumptions about individual adults' behaviour in and around the labour market that inform social security policy. The identification of mothers' engagement in moral judgements about the appropriate relationship between paid work and caring, and how this is individually held and socially negotiated with a wider collective, is central to their understanding of decision making. How to combine paid work with caring activity for children is understood primarily as a moral question that is situated in a web of social norms and practices that stem from locality, ethnicity, class and varied conceptions of what family and motherhood means. The creation of policy that expects mothers' orientation to employment to result from a rational economic calculation of the cost and benefits associated with employment is consequently believed to lead to a 'rationality mistake' (Barlow and Duncan, 2000: 37; Edwards *et al*, 2002: 4). Duncan and Edwards accept that economic considerations may be important, but these exist and operate within a moral framework that renders them essentially secondary as an impetus to action.

"Is it right that I, as a mother bringing up a child by myself, should try for a full-time job? What are my responsibilities, how will my behaviour affect my children? What do others expect from me, what do they see as right, and how will they treat me in consequence? Calculations about the perceived costs and benefits will be important once these understandings are established, but are essentially secondary to such social and moral questions". (Duncan and Edwards, 1999: 3)

The exploration of mothers' individual and collective agency, and its operation within varied structures and contexts, through the notion of gendered moral rationalities is an interesting approach to investigation of the relationships between employment patterns and policy. The risk exists, however, that Duncan and Edwards overstate their case with the primacy they give to gendered moral rationalities. As Lister (2002a: 238) notes, mothers' decision-making is likely to be characterised by a complex relationship between gendered moral rationalities and the economic incentives of different policy structures. Indeed Lister details a number of examples (which I expand on below) where the evidence on lone mothers' employment decisions presented by Duncan and

Edwards (1999) actually suggests the existence of rational economic decision making: including lone mothers making economic calculations which override at a given moment their gendered moral rationality (see Lister, 2002a: 239), suggesting that the economic can render the moral secondary.

Discussion of lone mothers with a strong orientation to paid work who were nonetheless unemployed show that whilst social and moral understanding are important, and mothers may view decisions through these, financial constraints and opportunities impact on behaviour, and rational economic behaviour may be more salient than is given credit.

"They say they're having a trend towards re-employing mothers, getting mothers back in, but I think the jobs they're having are very unskilled, low paid jobs... I don't want to be sitting around the house letting my brain die off... If I could get a decently paid job I'd be better off working, but the average wage here is £150. After they've taxed and I've paid the rent paid for childcare, I'd be worse off than I am on benefits" (African Caribbean lone mother – Duncan and Edwards, 1999: 139)

Now at this point Duncan and Edwards do acknowledge that the mother's decision was economically rational, but suggest that it may also have been morally rational as the 'quality' of jobs needed to fulfil a moral rationality that emphasises household support primarily by the mother's own job was not there. A concern must surely be raised here that there is a danger that examples which do not necessarily fit with the overall thrust of their argument are shoehorned into a moral rationality structure. This potentially downplays the very complexity of decision making that they indicate they want to draw out. In their comparative discussion of lone mothers within other welfare regimes, notably Sweden, the link between the expectations of the state and public, and mothers' moral rationalities is examined. Considerable emphasis is placed on one mother who resists the logic of Sweden's welfare state which is relatively favourable to mothers' employment. Instead the lone mother identified as not employed and holding to a primarily mother gendered moral rationality is taken as evidence that her behaviour provides an example of divergence from rational economic decision making. Yet in focusing on this particular example they brush over the larger group of Swedish mothers who follow the logic of the welfare regime and its policies and hold primarily worker views, or indeed the lone mother who despite a primarily mother position is engaged in paid work for financial reasons (see Duncan and Edwards, 1999: 133: 141; Lister, 2002a: 238).

Moving to their subsequent research looking at childcare, paid work and partnering amongst partnered mothers, again the concern arises that economic calculations and the role of policy in supporting the direction of these, are not fully explored and developed in terms of how these impacted on, and interacted with, gendered moral rationalities and decision making. Earlier I discussed the difference within and between class groups in attitudes to, and preference for, certain forms of childcare identified by Edwards *et al* (2002). White working class mothers were particularly concerned with the potential costs and convenience of childcare and similarly African-Caribbean mothers emphasised that the cost of childcare and ease of access was a salient issue for deciding on childcare. Although these mothers did also emphasise the emotional benefits of providing care for their children themselves and for the white mothers there was the expectation that they were homemakers, their partner the bread winner. Yet the nature of the relationship between these social (moral) expectations and the financial constraints is not made clear and not investigated fully by Edwards *et al* (2002). Did the economic disincentive created by childcare costs reinforce identification with the 'primary mother' gendered moral rationality or not, for example? A considerable body of evidence exists about the barriers to employment individuals face, including inadequate access to childcare, availability of informal support, concerns about financial stability and constraints and the effect they have on participation in the labour market (see Marsh *et al*, 1997; Ford, 1998; Bryson, 1998; Finlayson and Marsh, 1998; Seguino and Butler, 1998; Strangleman, 2001; Marsh, 2001, McKay, 2002, Harries and Woodfield, 2002; Kasparova *et al*, 2003). Changes to the tax and benefit system to restructure incentives/disincentives are likely to impact most heavily on low income families, it is important that the relationship between economic considerations and moral and social expectations is explored in detail.

Edwards *et al* (2002) once again show us the salience of morality and social and cultural context in forming versions of appropriate behaviour underpinning choice. There is a gap, however, in our understanding here of how this interacts with, and is influenced by, economic opportunities and constraints over time in response to new circumstances associated with, changes in children's and mothers' needs, the financial situation of the household, and alterations to the tax and benefit system.

Duncan and Irwin (2004: 396) recognise the importance of time, in terms of the lifecycle, so that the age of a child is understood to affect mothers' employment decisions which, as in previous work is indicated to have a class, ethnicity and locality

dimension. The class factor and how it interacts with the formation of gendered moral rationality is of particular interest here. Higher income mothers who see opportunities for paid work as compatible with mothering when a child is in primary school enjoy greater opportunities to take up paid work than the less advantaged and less skilled low income mothers, and this is discussed in terms of their different gendered moral rationalities³. The extent to which gendered moral rationalities themselves arise out of an *a priori* understanding of the economic opportunities and constraints mothers face when making decisions about participation in the labour market is a question largely left unanswered. How do the decisions of white working class mothers with few qualifications and skills, but an employed partner, identified by Duncan and Irwin (2004) as mothers favouring a primarily mother position, interact with concerns about childcare cost and the potential disincentives within the tax and benefit system for partnered mothers who might wish to work part time? To what extent is the primarily mother position here structured by the economic reality of the individual's situation?

A similar criticism can be levelled at earlier work discussing lone mothers' maintenance or change of gendered moral rationality as their children grew up (see Duncan and Edwards, 1999: 167). While recognising that morality and behaviour do alter over time, the issue of a time dimension in decision-making is given limited consideration and limited qualitative evidence from the interviews is deployed to discuss this suggesting that there is space to further develop our understanding of how mothers' notions of morality develop, are expected to develop and how they do in fact occur. The longitudinal aspect of the thesis provided an excellent opportunity to build the temporal dimension into the study and explore what this means for decision-making and its relationship with policy.

Interestingly, Duncan and Edwards' (1999: 168) discussion rarely broaches how policy might be interacting with moral and social expectations and processes to facilitate or frustrate changes in behaviour over time. One example provided is Beata, a Swedish lone mother formerly married to a relatively well paid husband. Duncan and Edwards argue that in economically rational terms Beata would have been best to remain married to her partner, but instead she preferred to be a lone mother in Sweden than an unemployed housewife in Britain married to a high earner. It is suggested that

³ There is also some intra working class differences related to labour market security and higher skill levels and alternative and conventional lifestyle preference within the middle class. Nonetheless the point raised remains valid as the economic remains an issue whose influence is not fully explained within the gendered moral rationality framework.

moving back to Sweden enabled her, to more easily fulfil her preferred gendered moral rationality of full time employed mother. Putting aside the fact that the nature of the relationship breakdown is not elaborated on, it is not clear that the conclusion drawn that remaining in the relationship would have been economically rational automatically follows. We know that mothers' access to household resources is variable (Molloy and Snape, 1999) and it may (Duncan and Edwards do not elaborate, so of course this remains purely speculative) have been perfectly sensible from an economically rational point of view for Beata to leave the relationship if she was pursuing a strategy of individual income maximisation. Indeed, from this viewpoint, that Beata returns to Sweden to pursue her strategy of lone motherhood and full time employment is telling. Beata's contrasting of the opportunities and support available in the UK for lone mothers' employment with Sweden's more comprehensive support for working lone mothers suggests that policy can be of considerable importance to the decisions individuals reach alongside, rather than subordinate to, moral frameworks. This is to say simply, that it is not clear from the evidence Duncan and Edwards present that her decision was motivated primarily by a deeply held gendered moral rationality.

The gendered moral rationalities approach provides us with a useful understanding of the nature of locally negotiated social and moral expectations of what constitutes proper motherhood and its relationship with wider social divisions in society for labour market behaviour. It shows that individual decision-making is not driven solely by economically rational income-maximisation and it is convincing in its argument that lone mothers' uptake of paid work is broader than a concentration on rational economic man calculations allows (Duncan and Edwards, 1996; 1999: 279). It is less convincing though in how we might view the relationship between social security policy and decision-making. Surprisingly given the emphasis on the expectations contained within government policy, there is little discussion of how those participating viewed, understood and acted on policies offering financial incentives to employment. The dominance given to morality is not entirely satisfactory and, as I note above, there are examples where mothers cited appear to be following economically rational choices that override their moral rationality. An explanation of how mothers with different moral rationalities arrived at this position to begin with and what different policy structures would mean for the decisions they might reach, if anything at all is also not fully explained. What are the events which might cause a change in moral rationalities? For example, would moving to a new area or re-partnering alter mothers' interpretation of what 'right and proper' behaviour means and how does this translate into action? Given that there are (inter and intra) class and ethnic differences in terms of adherence

to a particular moral rationality and hence employment decisions, the role of financial and institutional opportunities and constraints, and how they influence the formation of particular gendered moral rationalities themselves, are not explained fully.

A recent article by Duncan (2005) has touched on this in its examination of the interaction of issues around class, mothering, rationality and morality. This outlines and essentially restates the key themes of earlier work: that mothers' employment is underpinned by the moral negotiation of mothering in terms of 'right and proper behaviour'. Drawing on empirical qualitative research it contrasts a socially mediated form of decision making with more (economically) rational and individualised models of behaviour including Rational Action Theory and Hakim's Preference Theory. Duncan (2005) suggests that decision-making does incorporate economic considerations, but these may be experienced indirectly, as well as directly, through an individual's cultural (class) background. The tradition and expectation of others within a locality, combined with class roles, opportunities and constraints, create, inform, and are shaped by, the social and moral values mothers operate. In this sense class goes beyond economic opportunity and constraint in its impact on employment and is intimately linked to an individual's biographical history, creating the conditions for intra as well as inter class differences in mothers' personal identification with a primarily mother, mother/worker integral or primarily worker outlook. Moralities are then culturally constructed through a lens of previous (class) experience, (gendered) current values about employment and motherhood, relationships with partners and links with wider social networks (Duncan, 2005: 73).

The article sets out the importance of the cultural construction of class and its role in influencing mothers' identification around employment and care, but questions remain about its explanation of employment behaviour itself, particularly for the mothers with the least opportunities and greatest constraints. Of the four groups selected for the qualitative research by Duncan, two are categorised as working class and two middle class. The former are categorised along, peripheral (low pay-no pay cycle) working class and central (relatively secure employment) working class lines, whilst the middle class groups are characterised as adhering to conventional and alternative, lifestyle attitudes respectively.

Usefully, the mothers' orientations to employment are mapped out with individuals from each group clearly plotted on a graph, along an hours worked and work orientation - primary mother to primary worker - axis (Duncan, 2005: 64). This is interesting

because, while we may not expect all individuals within each category to work the same amount of hours, there is considerable variation within groups and at points between different class groups, who have, Duncan argues, the same gendered moral rationality view. For example, amongst the 'peripheral' working class primary mother group just under half were in employment of fifteen or more hours per week. The middle class 'suburban wives' group, who also favour a broadly primarily mother position, were nearly all employed at above twenty hours per week, with over half working thirty hours or more. Despite a common moral position the impact of different socio-economic status seems to be played out in the number of hours the mothers within each group worked. Duncan does accept that this may provide some evidence of rational economic action by mothers, but does not explain why mothers were working those particular hours. How are economic opportunities and constraints, and thus capacity to act, impacting on decisions, particularly where it is indicated (Duncan, 2005: 63) that mothers' work patterns conflicted with their identified moral rationality? Eligibility rules for in-work benefits have since the early 1990s have required paid work of at least sixteen hours per week to qualify for in-work financial assistance and this may be quite important in decisions over whether, and how employment is taken up. Towards the end of the paper an explanation focusing on, and drawing from, individual biographies is deployed that partly addresses why some people may feel conflict between their pattern of employment and their preference for hours of paid work, but it does not explore the different opportunity sets available to different class groups and their relationship to employment and social security policy. Of course this is not necessarily the objective of the piece but it is instructive that it receives little attention, when for low income mothers, the impact of extra or less income due to the operation of the tax and benefit system may have a significant affect on their living standards and capacity to act (Bell *et al*, 2005; see also Chapter 7).

This is not a cry for making economic incentives, once again, the defining factor in decision making or a suggestion that the gendered moral rationalities approach dismisses financial considerations entirely and that the role of social and morally negotiated notions of the proper relationship between motherhood and paid work is not important (Lister, 2002a). Rather it is to argue that the relationship between locally situated moral notions of motherhood and financial and structural opportunities and constraints, particularly the role of the tax and benefits system in underpinning decision making, requires further investigation. A gap exists to further examine the dynamic nature of decision-making over time and develop our understanding of how, when and why financial considerations may or may not be important in the employment

transitions of adults within families. An investigation of their relationship to moral understandings of the responsibilities and obligations of motherhood and the 'ethic of care' is further facilitated by giving consideration to the place of the tax credit system and recent changes to the structure of the tax and benefit system in the decision-making of mothers, and indeed fathers.

4.3 A different approach

Like Duncan and Edwards (1999), others, such as, Glover (2002) and Himmelweit and Sigala (2004), have been critical of the assumption that individual adults are rational economic income maximising individuals. They too have sought to detail alternative understandings of the process of decision-making around employment. An attempt to explain and incorporate how choices, opportunities and constraints and the factors shaping them, shift over time is present. Alongside this is a greater emphasis on the role of financial and institutional factors shaping choices and the nature and role of temporality in decision making. This indicates an approach that places less emphasis on culture and more on what is economic for families.

The study conducted by Himmelweit and Sigala (2004), drawing on a mixture of qualitative and quantitative research on the relationship between mothers identities, circumstances and their decision-making, conceives of behaviour as a dynamic process that changes over time. Mothers' choices are constrained by the external circumstances they find themselves in and their own personal identities in relation to attitudes to, and expectations of, caring and employment. These statements of personal identity reflect the notions of moral responsibility and appropriate motherhood expressed by Duncan and Edwards (1999), but Himmelweit and Sigala (2004: 461) use the idea of identity to concentrate primarily on how the views and expectations put forward by mothers were essentially personal and concerned with the self definition of a mothers own approach to negotiating and constructing participation in the labour market. External constraints are viewed as linked to, and interactive with, the internal constraints of a mother's own identity, creating an interactive and ever shifting base of internal and external influences.

The particularly interesting element of Himmelweit and Sigala's study is its exploration and discussion of attempts made by respondents to resolve conflicts between internal and external constraints. Some mothers responded to external constraints on their favoured work-life balance, such as the refusal or inability of an employer to grant part

time working, by attempting to reduce or eliminate external constraints, in some cases through changing the employer's mind or leaving their current job for a position elsewhere. Other respondents in similar situations began to alter their personal identity of themselves as a mother so that they became focused on their role as a worker, thereby lessening internal constraints. The term *personal identity* is used in relation to each mother's understanding of what is the right behaviour for them rather than the *right and proper behaviour for others*, but Himmelweit and Sigala show that changes in behaviour and in attitudes are not solely linked to mothers own experiences. They are very much part of a social process encompassing feedback from wider social networks. Observations of the behaviour of other mothers influence an individual's own attitudes and expectations of what is acceptable for them, and this process is in turn shaped by and shaping external systems that impact on the formation of their personal identity (Himmelweit and Sigala, 2004: 471).

The model develops an earlier theoretical piece on the positive feedback between change over time in social norms and behaviour (Himmelweit, 2002). It shows that external factors, like policy change focused on altering incentives, can have a greater impact over time than might initially be suggested due to a multiplier effect. Reductions in external constraints, such as the cost of childcare for families, will impact positively not only on the immediate financial obstacle, but also on internal constraints of individual mothers by unleashing this social multiplier effect. For example, a mother may regard her primary concern to be taking care of the children within the family rather than placing them in a nursery or with another childcare provider. Through changes in policy that make childcare more widely available and used however, it could be expected that the internal constraints imposed by the mother's identity would begin to change due to exposure to the larger number of mothers using formal childcare. In this sense it is argued that neither identity nor behaviour is fixed, and instead they adapt to each other on both the social and individual level. Local culture and particular social expectations of mothering are seen to impact on individual behaviour, which in turn leads to the development of particular policy structures in response, which then affects identity and behaviour (Himmelweit and Sigala, 2004: 471).

Similarly whilst the work of Glover (2002) is quite distinct from the above, with less emphasis placed on internal constraints associated with moral notions of 'right and proper behaviour' (though these are acknowledged as an influence). Glover's conceptualisation of a 'balance model' to explain the choices women make around employment does nevertheless address itself to the dynamic nature of decision-making

over time, and how a balance is mediated by a range of institutional and social structures. These include welfare state configuration, family type, occupation, change and flexibility in the domestic division of labour and their link to cultural power relations between men and women. The unsurprising expectation that employment transitions necessarily involve a trade off between time spent in paid work and time spent on unpaid work in the home underpins this. Glover takes unpaid work and considers how it breaks down into sub spheres of this (be it direct caring, emotional activity or domestic worker and general household management activity) and how changes in one area impact on other fields of unpaid work and on choice around participation in the labour market. So a mother may reduce the direct care she provides for her child, but experience an increase of indirect caring activity related to her new responsibility to organise and recruit paid carers. Consequently this may lead to an increase in household management tasks which may have a knock on effect elsewhere on unpaid work and the potential to take up or increase hours of employment. Conversely, taking up or increasing paid work may lead to a greater pressure for unpaid emotional work as relationships with partners and children become more demanding, thus reducing a mothers ability to maintain 'balance' and diminishing the likelihood that employment intensity can be sustained (Glover, 2002: 257).

The notion of work-life balance is not new and is indeed recognised by the Labour Government as an important issue for parents' participation in the labour market (HM Treasury/DTI, 2003; see also Chapter 7). Individuals attempt to juggle competing demands on their time made by partners, employers, children, relatives and friends (Himmelweit, 2002). What Glover's hypothesis adds is that a reduction in one sphere of unpaid work may not free up time elsewhere for paid work, and that decision-making is entwined in a web of social, cultural, institutional and financial relationships. This is, in part, reminiscent of the social and moral expectations and influences emphasised by Duncan and Edwards, and the variations between social and ethnic groups and localities they identify (see above).

Underpinning Glover's hypothesis is the idea that choice is contingent, mothers' are active decision makers who shape their own lives, but they are responsive to a particular set of circumstances and how this impacts on their desired balance. It is this awareness, that pursuit of an unbalanced 'juggling act' between paid work and unpaid work poses risks to themselves and other family members, which drives decision making. Individual mothers are seen to act in their self interest, but not as self interested income-maximisers, rather the conservation of balance becomes an object

of pursuit as they negotiate and consider employment transitions in a given set of conditions and with consideration of the need to maintain the flexibility to cope with unanticipated events (Glover, 2002: 263).

The thesis draws on the arguments outlined above, that decision making is contingent and dynamic, to inform its understanding of, and approach to, the decisions of individual adults within families towards employment. While I do not intend to directly apply the model outlined by Glover, developing this notion of maintaining a preferred balance between spheres of paid work and unpaid work offers a fruitful route through which to further investigate the relationship between social and moral expectations and wider structural factors, notably financial considerations linked to the tax and benefits system. The opportunity to examine how this operates over time will prove a useful addition to our knowledge on how choices are temporally contingent, and the extent to which decisions anticipate and account for a particular set of future social, moral and financial circumstance.

The qualitative research that has been conducted into the decision-making of individuals in receipt of tax credit income around employment is limited. Dean (2001) undertook a qualitative study of lone mothers claiming FC, but this was shortly before the introduction of the WFTC and does not cover more recent structural reforms to the social security system which the longitudinal nature of this project facilitates. Expansion of coverage to couple families as well as lone parents enables an examination of how financial incentive signals are read by different family members and whether different incentives for single earner families and those with a (potential) second earner are reflected within decisions, and how these alter over time in response to anticipated and unexpected events. We may examine then how this is integrated into the 'balance' mothers may be seeking to attain in the present and over time and what it means for the formation of moral expectations and the exercise of decisions that reflect these.

If it is indeed the case that individuals do not act in accord with the *Homo Economicus* model then it becomes difficult to assume that families can be treated as collective examples of this, where members have equal power and may expect to benefit equally from decisions made (Vogler, 1994: 226). Families organise the distribution of the resources at their disposal in a number of different ways and it is therefore unlikely that the financial signals they receive from the tax credits would be read in the same manner by individuals, either within families or across them. The initial indications that Government wanted to pay WFTC to the main earner, and its subsequent compromise

and decision to pay financial resources for children direct to the main carer, show an acknowledgement that this may be the case. The next section outlines how the distribution of resources within families may be organised and the consequences of this for individual family members, the formation of policy around employment and family finance. I suggest the Labour Government's policy changes and compromise between goals on poverty and employment incentives provide the opportunity for the research to contribute to ongoing debates around receipt of income from the social security system and its distribution within recipient families.

5. Family budgeting and tax credits

During the 1980s growing attention began to be devoted to the issue of how resources within families were shared (Morris and Ruane, 1989; Pahl, 1989). If family income was not distributed on a relatively equal basis amongst all family members then assumptions that an increase in income for the household would benefit all members were misplaced. This posed problems and continues to do so for the shaping of government policy, with regard to payment of both out-of-work and in-work benefits and tax credits. As noted earlier the Conservatives in 1985, and the Labour Government prior to introducing WFTC, considered making payments to the main earner through the wage packet the default setting of in-work support for families. Both Conservative and Labour Governments, under pressure from poverty and women's lobby groups in addition to pressure from back bench MPs, changed tack. The former decided to make payment to the mother the default and the latter opted for a compromise, enabling couples to nominate which partner would receive WFTC income. The desire to increase the transparency of the benefits of working by attaching payment to the wage packet was in tension with the aim of addressing poverty amongst working families. Directing extra resources to the main earner (usually the male) had the potential, it was feared, to impoverish other family members. The next section details the variety of money management and control systems used by families and draws on research which has indicated that directing extra financial resources for children through men could have serious consequences for the living standards of both children and female partners.

5.1 How families manage and control their money

The pioneering work of Pahl (1989) around the process of resource distribution within the family suggested that it could be divided between two key concepts: management

and control. The former is associated with responsibility for day to day expenditure of the family, such as the purchase of food and payment of utility bills, whilst the latter is concerned with power to make or veto strategic decisions about how to spend family income (often large purchases) and what share of resources other family members receive (Singh, 1997: 84). More recent research around money management systems within families has frequently drawn on the typology developed by Pahl (cited in Snape and Molloy, 1999) to determine the varied balance of access, responsibility and power between partners within families (see Morris, 1993; Vogler, 1994; Singh, 1997). Initially Pahl identified four methods of allocation: the whole wage, the household allowance, pooled management, and independent management system. Subsequently Pahl and Vogler (cited in Snape and Molloy, 1999: 29) modified this classification system for a survey conducted as part of the ESRC funded Social Change and Economic Life Initiative (SCELI). The following is an outline of what constitutes each approach to budgeting.

- The whole wage system can be divided into male and female versions. In the female system the male hands over their wage (often minus their personal spending money) to the female, who then has responsibility for managing the household finances. In the male whole wage system the man takes sole responsibility for the management of family resources, possibly leaving their partner with little personal money (see Vogler, 1994; Pahl, 1995).
- The household allowance system usually involves the male handing their partner a set amount of money, which is to be used for housekeeping, while they retain the rest of the money. They also tend to set the amount of the housekeeping allowance and operate control over the purchase of items not covered by the allowance.
- The pooling method of organisation in essence means that both partners have access to, and responsibility for, management of the shared resources. However, this system may mask the fact that one partner in the family is, in fact, ultimately responsible for the management of finances. For this reason it may be best to think of the pooling method as three separate systems; real joint/ shared management, female managed pool and male managed pool (Vogler, 1994).
- In the final method of organising the management of resources, the independent system, neither partner is able to access all family resources, though both will have independent incomes.

The ability to broadly determine how family resources are spent, who has access to any given amount of income and what they may do with it, has defined the parameters of 'control' an individual may exercise over the family budget. The following methods of budgetary control have been noted amongst families: female control, male control, shared control and independent control (Singh, 1997: 86).

5.2 Who manages what and why?

If there are a number of different methods for managing money within families then how do these relate to variations in income, employment, stage in life-cycle, and social and cultural attitudes? Research undertaken as part of the SCELLI indicated that both the female whole wage and female managed pool systems were associated with lower household incomes. In contrast, the two male managed systems were more often found amongst those with higher household incomes, as is the joint pool (Vogler, 1994). In a study of household finance management in Hartlepool, Morris (1993) obtained similar results. Low income was related to the use of the female whole wage while the frequency of the joint pool method increased as income improved. Up to a certain level of income, use of the male whole wage/allowance system also increased, but after this point was reached a swift decline took place (Morris, 1993: 516).

The significance of employment status for methods of resource allocation was investigated by the SCELLI. It found that if the female partner worked full time then one of the pool systems was more common, the joint pool being most common where both partners were employed full time, and the female pool where one or both partners was unemployed. If they were part time or non-employed then there was a high incidence of segregated systems in use (Vogler, 1994: 246). Morris (1993) however suggests that use of the female whole wage was associated with couple unemployment. It may be that definition of what constitutes unemployment/non-employment differed between the studies, and the possibility of misallocation due to the similar nature of the systems cannot be ruled out. Moreover it is not possible to assess the location and extent of female pool use within this study, as Morris does not differentiate between female/male and joint pool methods. More recent research by Goode *et al* (1998) does cast some light on this area, and supports the finding that the female whole wage system is related primarily to unemployment of both partners. The research points to a high frequency of the female whole wage system amongst households dependent on

Income Support/Jobseeker's Allowance (IS/JSA), whereas in households that received FC (an in-work benefit) the female pool was more prevalent.

One of the main determinants of management system usage appears to be whether the male partner holds the position of primary breadwinner in the family⁴. Where this was the case, Vogler (1994) found that couples were 40% less likely to use the joint pool and three and a half times more likely to use the household allowance system. If the husband had a traditional view of how family life should be organised, this had a significant bearing on whether a less egalitarian system of management was used, regardless of other factors. Here the household is being shaped by the ideology of breadwinning. In such a situation, by accepting and using a 'breadwinner' discourse, partners implicitly acknowledge the legitimacy of the breadwinner's claim to a greater share of income and control. This discourse is likely to be in conflict with modern notions of individual equality and sharing in marriage, but as a dominant idea it is able to constrain these. This is achieved through the representation of topics in a particular way, thus limiting the capacity of individuals to envisage how their situation could be different (Vogler, 1998: 701). This interacts with, and reinforces how, financial systems can lead to inequality in decision-making by foreclosing certain avenues of discussion. Any particular method of organising finances may, for example, establish a framework in which decisions concerning spending are taken. This dispenses with the need for any further discussion about expenditure, as priorities have already been determined and set, thus restricting and framing any subsequent negotiation between partners over money (Shove cited in Vogler, 1998: 697).

Discourses such as the 'breadwinner' model may guide not only management structure but also strategic control. The SCEL1 suggested that the joint pool, female pool and female whole wage methods for allocating resources seem more frequently associated with equal control than the male managed systems. Where the male partner managed the finances they were more likely to control them, yet under female and joint management a system of joint control often operated (Vogler, 1994, 234). This implies that female management is regularly subject to and constrained by joint control, while male management is simply an extension of male control. Evidence from the study by Goode *et al* (1998) does however point to countervailing pressures that can diminish the power of the 'breadwinner' ideology. Whether a woman had access to an independent income before their current relationship started encouraged women to

⁴ Where both partners agreed the male is ultimately the breadwinner.

exert greater control over family finances. Where the woman also challenged the notion of a single 'breadwinner', the male, even if they held more traditional views in theory, accepted in practice a more egalitarian method of organisation. It is not possible then to ascribe to the 'breadwinner' ideology an all-pervasive power as it can be, and is, challenged by women. Significant life stage events, such as the experience of lone parenthood and/or a previous relationship in which control and management was vested primarily in the male, may also affect the balance of control over resources. Burgoyne and Morison (1997), in a study of financial management amongst remarried couples, noted how independent management systems were far more common than had been expected, making up 50% of the sample. Here the end of a relationship appears to lead to a reappraisal by both men and women of previous systems of money management and control. The nature of decision-making may actually be far more fluid and reflect how social values interact in producing particular lived experiences.

Singh (1997), for example, based on a qualitative study of marriage and banking in Australia, has suggested that the picture of budgeting is more complex and her findings do not point to any clear pattern between employment status, income, and the various types of management approach. This might indicate that the picture of how families manage their income may be less fixed and more open than previously acknowledged. It does raise a question about the extent to which money management systems are more mixed and untidy than previous work suggests. Research into money management amongst older and younger couples has drawn attention to the difficulty of untangling which partner 'controls' income. It found a common commitment existed to the sharing of resources amongst both older and younger couples, although unlike the former the latter made attempts to establish mechanisms for deciding 'own' money. Indeed the differentiation between 'joint' and 'own' money was key to their process of managing spending decisions with couples feeling entitled to spend their 'own' money, but needing to consult each other about spending joint money.

The process of establishing which partner exercised control over finances was complicated by the often multiple and varied bank accounts held and used by each partner within a couple. Further, money was frequently moved between accounts with the result that the picture to emerge of budgeting practice was relatively untidy (Lewis, 2001). Despite this, Lewis (2001) does note that amongst younger couples there existed a greater commitment to achieving fairness in the distribution of resources than

amongst older couples, where decisions were not subject to discussion and negotiation in the same way. Interestingly the only two women amongst the younger couples to indicate they lacked access to personal spending money were in households where the finances were controlled by the man.

The implication of this for tax credit policy is clear: if couples are generally taking a more joint approach to managing and controlling family finance then it is arguable whether directing extra financial resources to the main carer (usually the mother) would matter. If, however, some women within couples are still restricted in access to family income because the male partner controls the family finances then this suggests it would be prudent of policy to indeed direct payment to the main carer. A gap exists in the literature to build on previous qualitative research which explores the budgeting of families on in-work and out-of-work benefits (see Goode *et al*, 1998; Snape and Molloy, 1999; Snape *et al*, 1999). This will improve our knowledge of how these operate following the reforms to the tax-benefit system introduced by Labour. This piece of research provides the opportunity to investigate the nature of decision-making around budgeting within families in receipt of WFTC and WTC/CTC and the effect policy changes have on how they organise and manage their money. Furthermore there exists the potential to examine whether there are any links between budgeting decisions and participation in the labour market.

The nature of the interaction of social attitudes, previous experience of financial management/control, current source of income and employment status and how this contributes to the particular system of money management families adopt, is contested. Currently a lack of contemporary qualitative data that examines the budgeting decision of families in receipt of tax credits is noticeable. Recent qualitative work in this area was conducted prior to the introduction of the WFTC and its replacement by the WTC/CTC, for example by Goode *et al* (1998) who looked at those in receipt of FC and JSA/IS, and Snape *et al* (1999) whose focus was solely JSA/IS claimants. The research addresses an area that has so far been relatively neglected. As Goode *et al* (1998) and Snape *et al* (1999) note, the means of benefit payment and to whom it is paid can affect both distribution of resources (who gets what) and methods of control⁵. The work adds to this existing material by expanding upon their remit, to include a wider decision-making process around employment, and the interaction between

⁵ For example Goode *et al* found that the change of name from Unemployment Benefit to Jobseeker's Allowance was seen by some women and men as awarding individual ownership of that income to the claimant because of their job seeking status.

employment, financial management and tax credit policy. Moreover the use of a longitudinal approach allows the research to track any changes in the nature of this interaction over time, something which previous studies have not attempted.

5.3 Inequality in access to resources

The evidence points to an existence of multiple models of management and control systems operating within families and it is evident that this could impact on the effectiveness of the anti child poverty element of tax credit policy. The Government's decision to direct money intended for children towards the main carer implicitly acknowledges that particular budgeting arrangements will affect the amount of extra resources that reach children.

Goode *et al* (1998) have drawn attention to how whole wage systems tend to allocate the man a regular amount of personal spending money. This personal spending money effectively becomes the money of the individual to do with as he chooses. This causes a reduction in the resources available to the rest of the household, resulting in increased deprivation for other family members. In addition it is uncommon for the partner of those given personal spending money to have his or her own 'pocket money'. For those in low-income households this increases the difficulty and stress⁶ of surviving on a small budget, a stress that continues to fall mainly on women (see Goode *et al*, 1998).

It might be assumed that male management would lead to greater deprivation for other family members. In contrast Vogler (1994) has drawn attention to how the male whole wage system and the male managed pool were actually linked with more equality and less unequal deprivation between partners. One possible explanation for this is that the greater equality is due to the higher income associated with male systems. The research by Goode *et al* (1998) focuses on the low paid, who use a predominantly female whole wage rather than male whole wage allocation scheme.

The systems most associated with equal access to family resources and less unequal deprivation within the family are the joint pool method and the female managed pool. Even when management responsibility is retained by the woman, personal expenditure

⁶ Other studies have also pointed to the adverse affects of being responsible for managing a low income. Rather than a source of power it is often a stressful burden (see Morris & Ruane, 1989; Pahl, 1989, Snape *et al*, 1999).

tends to be balanced between partners and monitored by both (Goode *et al*, 1998, 50). It would be incorrect to suggest that fathers do not go 'without' and it is often the case that when income is low both partners make sacrifices to protect expenditure on children. Despite this, there are differences between men and women in what they do go without, with women more likely to go without clothes, shoes, food, heating and telephoning family and friends. Men are more likely to do without visits to the pub and experience restricted access to hobbies or sport (Adelman *et al*, 2000: 20). This reflects the gendered nature of spending within families more broadly. Through an analysis of the Family Expenditure Survey, Pahl (2000: 8) has reported that women within families were often responsible for expenditure on childcare and more collective household expenditure while men were more preoccupied with individual expenditure. This is relevant to ongoing debates concerned with whether mothers are more likely than fathers to spend money on their children and whether this is viewed as an extension of their income. The evidence does seem to support the suggestion that male partners will often treat their partner's spending on their children as an example of the woman's 'personal' spending money and that this further contributes to the sense that children are primarily the responsibility of the mother (Kempson *et al*, 1994; Goode *et al*, 1998).

One possible reason for the disparity in expenditure patterns between men and women and the effect of this on children is that mothers feel a greater responsibility for maintaining the health and well-being of the family, and therefore feel guilty about personal spending (Snape and Molloy, 1999: 44). In a situation where women manage limited resources this is likely to be exacerbated, as an acute awareness exists that scope for personal spending is already limited. The maintenance of this arrangement does depend in part on the willingness of mothers to sustain the situation. Snape and Molloy (1999) have identified here something of a mismatch between theoretical accounts and empirical evidence. The proposal that ideology (breadwinning) frames the context of what can be discussed and shapes partners' understanding of their roles in the family is not conclusive. It conflicts with the knowledge that many women are aware of the inequality of access they have to family resources and, whilst some resist this situation, many fail to challenge it, even actively colluding in its maintenance (see Snape *et al*, 1999; Goode *et al*, 1998). An opportunity exists here to add to the development of theoretical explanations, which can more readily account for the diversity of women's response to the management and distribution of resources within the family.

6. Conclusion

The growth of in-work benefit policies, the latest manifestations of which are Labour's Working Tax Credit and Child Tax Credit, has been guided by the objective of maintaining and improving work incentives for low-income families, and more recently, low paid individuals. Through increasing their potential overall income from employment it seeks to encourage individuals into the labour market, secure the retention of the low paid in employment, and begin to address and alleviate the experience of poverty within working families. The desire to maximise the incentive signal delivered by these policies has occasionally conflicted with the potential to address hardship within families, resulting in tension and compromise as Governments have sought to direct payments to the main earner in the belief that this will strengthen work incentives.

A concern for those directing more resources towards families has been that there is no guarantee over how the extra financial support will be distributed. In light of the varied financial management and control systems operated by families it is conceivable that both within and across families individuals will respond to incentive signals in a variety of ways. The evidence does suggest though that children and women within families are more likely to find their access to extra resources restricted if funds are directed through male partners, although for younger couples this may be less pronounced and greater negotiation more common. The debate is ongoing and, at present, there is a lack of qualitative research concerned specifically with the budgeting of those families receiving WFTC and WTC/CTC and how this might impact on choice around labour market participation. Consequently, how decisions around money management and employment have altered with changes in the tax credit system have yet to be fully explored and the research aims to contribute to our understanding of the temporality of decision-making.

The tension between maximising work incentives and the most effective payment option for tackling hardship and poverty amongst working families neatly draws attention to the assumptions underpinning previous in-work benefit policies, such as Family Credit and the more recent introduction of WFTC and WTC/CTC. It indicates the conviction that making the financial benefits of employment clear to individuals ('making work pay') will in likelihood translate into a change of behaviour. In this sense they are presumed to be making cost benefit analyses of the economic opportunities and constraints of employment and are expected to act in accordance with their self

interest, which in policy is linked to income maximisation. That is, the WFTC and WTC/CTC are structured around the assumption that adults within families make income-maximising decisions in response to signals about the marginal value of paid work. Policy is premised on the individual associating their self interest with financial gain and proceeding to follow this with choices that are economically rational.

The chapter has outlined the critique of this approach from those such as Duncan and Edwards (1999), Sevenjhusen (2002), Himmelweit and Sigala (2004) and Williams (2002) who call into question the accuracy of this method in explaining behaviour and instead advocate a wider appreciation of individuals' motivations that incorporates an ethic of care and acceptance of social context and gendered morality into how we understand the choices people make around employment. The research for this thesis provided the opportunity to contribute to knowledge in this area by undertaking a qualitative piece of work that examines the decision-making of both couple and lone parent families receiving the WFTC and WTC/CTC. The longitudinal nature of the research offered the chance to more fully develop our understanding of how issues of context, morality and social expectations shift over time, the relationship of this to the tax and benefits system, and how interactions might affect experience of time at a given moment in the life-course. For example, an opening existed in the literature to investigate further the suggestions from quantitative research that the different incentive effects contained within the WFTC and WTC/CTC for single earners and second earners were proving a disincentive for the latter. If so, was this effect stronger at one point in time than another and how did this link to moral and socially negotiated expectations of parenting. The research considers how choice is embedded within social relationships and the financial incentive structure of social security, and how the connection between the two informs and frames employment decisions over time.

Chapter 3

Methods

1. Introduction

The study adopted a longitudinal qualitative approach based around two waves of interviews with couple and lone parent families receiving the Working Families' Tax Credit and subsequently the Working Tax Credit/Child Tax Credit. The chapter begins with a discussion of the rationale that underpinned this approach. It explores the nature of the project and how conducting a before and after account of the introduction of the Working Tax Credit/Child Tax Credit offered the opportunity to enhance our *understanding of individual decision-making*.

The first section details the links between the research questions and aims, and the particular research methods used. Following this, discussion turns to how the sample was selected, before moving on to consider the recruitment process and problems encountered. These difficulties and their links to the aims of the research and fieldwork tools used, along with consequences for the two-wave project, are then examined.

The chapter then explores the conduct of the fieldwork stage over two waves and reflects on the practicalities of gathering information and the ethics surrounding this. For example, the discussion of money within households, and particularly its distribution between family members, is a sensitive topic that individuals can be reluctant to talk through. Providing confidentiality and ensuring informed consent were central to the progress of the research. The research was co-sponsored by the Inland Revenue and it was necessary to clarify the independence of the research and reassure participants, to enable them to speak freely about the choices they made. Reflections on my role as a researcher and what this meant for data collection are then made, before finally the process of management and analysis of material following the completion of fieldwork is discussed.

2. Research aims and research methods

The rationale for the introduction of the WFTC and subsequent reforms is outlined in chapter two, but below is a summary of the key points:

- Individuals will seek to maximise their income and therefore make decisions with reference to the costs and benefits of employment.
- Families, irrespective of type, are likely to act in accordance with the above principle. There is some recognition that families are complex units and that negotiation and decision-making between members is unclear.
- The tax credits will contribute to reducing child poverty and children will be more likely to benefit from increased financial assistance if it is paid to the main carer.

The purpose of the research is to examine these assumptions; to tease out why particular decisions around employment were made. How did financial indicators about the value of work interact with other signals, such as social and material constraints and values? How did family decision-making around employment and the distribution of resources within the family alter in response to a shifting balance of opportunities and constraints over time? The introduction of the Working Tax Credit and Child Tax Credit that had been scheduled for April 2003 provided an opportunity to consider the impact of changes to social security policy on decision-making.

Adopting a longitudinal qualitative approach enabled a comparison of participant actions and behaviour before and after the April 2003 reforms. As Thompson *et al* (2003) note, this method deliberately makes '*change a central focus of analytic attention*'. It provided the opportunity to gather information on what participants said they had done and were doing and indicated what they would do in the future. Through doing this, identification of the accuracy of assumptions that guide policy could begin with reference to whether these were evident in individual decision-making and behaviour over time (Ruspini, 2000). The longitudinal approach also reflected the original research design drawn up by Inland Revenue as co-sponsor of the CASE studentship. They were keen to complement the programme of research already put in place by themselves and other government departments to evaluate the impact of WFTC with research not covered under this. The collection of detailed material on the actions, behaviour and choices families made over time through interaction with the

social security system would enable the salience of key ideas driving tax credit policy to be assessed.

The complexity of this process and the fact that the material sought would cover the sensitive research area of how families managed their resources and distributed money between members led to my selection of interviews as the appropriate fieldwork tool. The project was therefore based around two waves of interviews, the first of which preceded changes to the tax credit system whilst the second took place post reform. Conducting interviews raised questions about how they should be organised. The possibilities considered included: interviewing one member of a couple, interviewing both partners together, interviewing them together then apart and finally interviewing them both separately. Each approach had its own advantages and disadvantages. Millar *et al* (1989) noted that conducting joint interviews, followed by a separate interview with each partner, had been considered for their study of the response to financial incentives amongst the unemployed, but were abandoned in the face of resistance from participants and practical problems.

Interviewing couples jointly and then separately would have required that each partner was available at the same time and I felt this raised issues around childcare, adding to concerns about a potential recruitment problem. This method would have required that participants were willing to give up significant amounts of their free time for two interviews covering the same ground. In light of the practical implications and having considered the limited resources at my disposal and the fact that my research would be covering sensitive ground which could foster resistance amongst participants to a joint/separate interview, I chose not to pursue this approach.

The most straightforward practical method would have been to rely on one member of the couple to represent both partners. I felt however that interviewing each partner separately would enhance a full examination of employment decision-making and negotiation around intra family resource distribution. Pahl (1989), for example, notes that this method offers the opportunity to draw attention to the existence of difference and/or similarity in the answers provided by male and female participants in response to the same questions. A disadvantage is that it is resource intensive and subject to increased chance of delays because of the requirement that all parties be present at the right time. Another consequence is the impact on recruitment: while one partner may be willing to take part in the research the other may not and this was indeed the

case. As discussed in more detail below, recruiting both partners proved to be more difficult than assumed.

Having settled on participation in interviews by both partners I decided to interview each partner separately. This is not to say that joint interviewing is without its advantages, indeed joint interviewing may help relax the interviewee and establish rapport and help to produce more rounded knowledge as the couple fill in information missed out by their partner (Arksey, 1996: 3). Nonetheless personal and family finance is a sensitive topic that touches on issues of power and its distribution between partners. Elaboration on these points can disrupt a silence and acceptance surrounding particular power relations. For men who tend to retain a measure of control over family income even in the absence of female management (Goode *et al*, 1998; Vogler, 1994) this may be less important than for women for whom family financial responsibility may be coupled with an absence of final control.

Exploration of what is an important structure of family life is therefore likely to draw attention to underlying issues of control that might reflect the organisation of family life in other areas and decisions. The strategy of separate interviews was thus underpinned by recognition that it was important that neither participant be inhibited from answering questions by the presence of a partner and enjoyed the freedom to provide another perspective on how the family engaged in decision-making. Joint interviews in contrast potentially create 'simplified official accounts' of a couple's action, behaviour and choices (Valentine, 1999; Hertz, 1995) with each partner conspiring to deliver an acceptable public account, leaving hidden what may be private conflict. While Almack (2002: 77) suggests this risks dismissing 'public accounts' of private lives which may in fact yield material of considerable interest; in light of the particularly sensitive nature of interviewing couples about the management and control of money, separate interviews were deemed more appropriate. The choice of fieldwork tool represented a balance between gathering material about relevant social processes, gaining access to participants and acknowledgement that resources were finite.

To ensure certain topics within interviews were covered¹ a semi-structured interview method was used. It did not preclude participants from raising issues important to them, but a topic guide ensured all relevant areas were addressed. The interviews were, however, kept relatively informal and there was scope within the broad areas of

¹ For detailed information on areas covered see topic guides in appendices.

interest outlined in the topic guide for participants to 'speak freely' (May, 1998). Teasing out the full range of factors influencing decision-making within the family meant providing participants with a measure of freedom to define what these were. Macdonald (1994) has drawn attention to how allowing participants to talk about their whole working lives can release a flow of information that provides richness in breadth and depth of material, even across sensitive areas of research.

3. Sample and recruitment

The purpose of the research is to explore how the assumptions made by government correspond with the reality of decision-making by families in the area of employment and budgeting. Lone parent families and couple families were eligible for the Working Families' Tax Credit and its replacement the Working Tax Credit and Child Tax Credit. Furthermore research has raised the possibility that whilst some lone parent families are encouraged into employment by tax credits, the second earner (usually the woman) in couples may lower their participation in the labour market either through a reduction in hours or complete withdrawal (Blundell, 2001; Brewer & Greg, 2001). It was also surmised that policy effectiveness could differ according to family organisation and type. The number of lone parents, for example, in receipt of the childcare tax credit (cctc) in 2001 was 141,800 compared to just 16,200 for couple families (Inland Revenue, 2002: 27). For the former, changes to childcare policy for WFTC recipients could have been more salient than for many couple families because of lone parents' greater reliance on the financial support provided by the cctc. To explore the differences and similarities in decision-making between lone parents and couples over a period of welfare reform I therefore decided to include both within the study, once again in keeping with the original research design specification. None of the couple families were receiving the cctc at wave one, but amongst lone parents three of the final twelve families did receive the cctc. In addition I intended to examine the role of gender within the decision-making process of lone parents through selecting lone fathers as one quarter to one third of the lone parent group.

The longitudinal nature of the research was advantageous for drawing out the nature of changes over time but it did impose certain practical limitations on the project. Conducting two waves of interviews limited the number of interviews that could be undertaken if manageability of the project was to be maintained. Initially the sample was to contain twelve to fourteen lone parent families and twelve couple families. As each partner was interviewed separately this would provide a total of thirty six to thirty

eight interviews at wave one. The possibility of a low response rate from couple families due to the refusal of one partner to participate meant that I expected to conduct a small number of interviews (four) with the single willing partner. It was envisaged that this would contribute to addressing the issue of bias arising in a sample dependent on both partners agreeing to participate, through potentially indicating whether there was any difference between their responses and those of other participants.

Through contact with the Inland Revenue I was able to use their database of families receiving the Working Families' Tax Credit to draw a sample for the research. Recruitment began with an opt-out process to identify those families that did not want to be approached to take part in the study. The Inland Revenue wrote to all potential participants informing them that a reply was necessary if they did not wish to be considered for the study and subsequently contacted. The names and addresses of seventy-nine families who did not reply were passed to me and I began the process of contacting potential participants. At this point I began to realise just how difficult making contact to arrange interviews could actually be and a variety of methods were used in pursuit of this including telephone, letters and visits in person. With relative speed the lone parents group had been recruited and numbered fourteen including four lone fathers. Obtaining involvement from couple families, however, proved to be rather more difficult. On more than one occasion I obtained the agreement of one parent to take part in the study, only for this to be withdrawn when it became clear that their partner would not also participate.

From the names and addresses of forty couple families provided, ten were initially recruited out of which eight involved both partners and two involved one partner. In order to increase the numbers I engaged in a small-scale snowball sample asking participants if they knew relatives or colleagues receiving WFTC whom they could put in touch. This yielded three contacts and I was able to obtain the participation of one couple, with both partners taking part. Unfortunately two of the initial eight couples with both partners agreeing to take part withdrew from the study just prior to interview, as did two of the lone fathers in the lone parent group. Time constraints linked to the need to conduct interviews before the reforms of April 2003 and the withdrawal of the above families during the fieldwork phase meant that it was not possible to replenish the sample with other individuals. The final sample thus consisted of nine couple families, of which, both partners were interviewed in seven cases and twelve lone parent

families, two of which were lone fathers. The total number of interviews conducted at wave one was therefore twenty-eight.

3.1 Recruiting participants

Table 3.1 Proportion of couple and lone parent families approached that took part in the study

| Family type | No. approached* | No. participating | Acceptance rate (rounded up) |
|--------------------|------------------------|--------------------------|-------------------------------------|
| Couple | 38 | 9 | 24% |
| Lone parent | 28 | 12 | 43% |
| Total | 66 | 21 | 32% |

**Includes families from WFTC database and families contacted through snowball sampling.*

The acceptance rate is calculated on the basis of how many families I was able to actually contact and invite to take part in the study, either through telephone numbers or the address provided for each family. From the forty couple families from the WFTC database I was able to make contact with thirty-five families, of which eight took part in the first wave. The three contact names provided through snowballing garnered a further recruit. Twenty-eight lone parent families were approached with twelve taking part during wave one.

Attrition to the sample at the second wave of data collection reduced the number of participant couple families by two. This included one couple where both partners had been interviewed and another where one parent had been interviewed due to the refusal of their partner to take part. Of the lone parents, one lone mother made an explicit withdrawal from the study, but declined to indicate why, and another lone mother I was unable to make contact with to arrange a second interview. At wave two therefore seven couple families were interviewed and ten lone parents.

Reasons for not participating or withdrawing from the study included blanket refusal, time pressure, inconvenience, illness and refusal by a partner to also participate. The latter contributed to recruitment problems amongst couples, indicating that interviewing

two partners can present the researcher with recruitment and retention difficulties. The response rate from couples in comparison to lone parents was poor. I expected it to be slightly lower, but my expectations were exceeded. This research does not seek to be statistically representative and does not base analysis on any claim to this. Rather the research is seeking to examine why particular decisions are taken and, as Mason (2000) has noted, this does not rule out the development of 'theoretical' generalisations, which can use findings in one area to inform and ask questions of another. There is, however, always the concern that families and individuals that decide not to participate could be those whose decisions, behaviour and actions are of considerable interest.

3.2 Selection issues

The possibility exists that the decision-making, actions and behaviour of those families that took part in the study differed from those that did not. Those participating may feel particularly strongly about issues the research explores and therefore took the opportunity to accept the invitation in order to voice their views. Edwards *et al* (1999: 29) in their research into step-families found that one significant reason for refusal to participate was uneasiness with a current relationship and a desire not to 'rock the boat'. Within this study couples with a relatively harmonious relationship may have more readily agreed to participate than families unable to put forward a positive account of family life. Discussion of a sensitive area like budgeting is likely to draw attention to either explicitly or implicitly ongoing conflict within the relationship. Attrition at wave two provides some support for this with couples showing the most conflict over resources withdrawing from the study. It is not possible to establish to what extent this is the case, but it is possible to draw attention to the range of experiences and views that are contained within the research, indicating that variation in decisions around employment and family budgeting existed across and within participant families, particularly during wave one. The research makes no claim to represent the totality of the WFTC client population and neither can it do so, but table 3.2 draws attention to the range of occupational status amongst participants, confirming that interviewees were not drawn from one social stratum. Nearly all were drawn from SOC groups 4 – 9, which is where the majority of WFTC recipient families were located in 2001 (Inland Revenue, 2002: 18).

Table 3.2 Family characteristics²: occupational background of sample (using Standard Occupational Classification 2000)

| SOC | Lone Parents | Couples* |
|-----|--------------|----------|
| 1 | 0 | 0 |
| 2 | 0 | 0 |
| 3 | 1 | 0 |
| 4 | 3 | 3 |
| 5 | 1 | 4 |
| 6 | 1 | 4 |
| 7 | 3 | 1 |
| 8 | 0 | 1 |
| 9 | 3 | 3 |

**couple section includes SOC of both partners where interviewed – and if currently not working takes their last occupation for SOC.*

4. Conducting the fieldwork

4.1 Practical arrangements

The longitudinal design of the research project guided the collection of data in the field. It was necessary to ensure that material was gathered from participants while they were still receiving the WFTC. The wave one interviews were conducted between January 2003 and March 2003. The second wave of interviews took place between late October 2003 and the end of November 2003, seven to nine months after the Working Tax Credit and Child Tax Credit had been introduced. The interviews themselves were arranged at the time and convenience of the interviewees, usually through telephone contact. All interviews took place in the homes of the interviewees³ and interviews occurred anywhere between nine o'clock in the morning and nine o'clock at night, although they did tend to cluster between ten o'clock in the morning and three o'clock in the afternoon, often because parents felt more comfortable taking part when the children were at school.

² Appendices contain further details of sample profile.

³ This did not always mean in their house. On one memorable occasion I found myself conducting an interview on a brisk February evening while a participant fixed their mother-in-law's car.

Wherever possible I tried to limit the number of interviews carried out on one day to no more than three lone parent families or two couples. The process of interviewing is hard work especially when an individual is relatively inexperienced in its execution. I felt that carrying out more than the number of interviews indicated above would risk compromising the quality of those subsequently arranged. The process of interviewing extends beyond the immediate one hour to one and a half-hour period you spend interviewing a participant. Following the interview it is often useful to debrief yourself by going through the interview experience again in your head and through playback of the tape recorder. Furthermore as I relied on public transport to reach respondent homes it was necessary to ensure interviews with families were sufficiently spaced throughout the day in anticipation of delays during travelling, although thankfully this proved not to be a problem.

During the first wave of interviews I reiterated that the study was being conducted over two waves and that I still wanted to interview participants again six to nine months after reforms to the tax credit system were introduced. One month prior to the undertaking of wave two interviews I sent a letter to all those who had taken part in wave one of the study reminding them that I would be contacting them shortly. Over a three week period this had been followed up with a phone call to arrange interviews. At this stage those families not wanting to continue with the research withdrew prior to the start of wave two interviews.

4.2 The interview setting

The interviews were based around a semi-structured approach using a topic guide that defined the broad areas of interest I wanted to cover.⁴ At the same time I wanted to keep the interviews relatively informal and allow participants the freedom to express their views and discuss experiences they understood as important and relevant to them. The topic guide was therefore used as a flexible guide that was to give, and help maintain, structure to the interview for the benefit of the interviewees and myself. The topic guide was particularly useful in the first few interviews at the beginning of the fieldwork period as I could turn to it when the conversation stopped and remind myself of areas not covered or where more detail was required. Over time as I conducted more interviews I found that my use of the topic guide diminished as my ability to manage the ebb and flow of interview conversation increased. The developing

⁴ See appendices

experience of interviewing and its interaction with the subject area of the study enabled me, as I gained experience, to manage the pursuit of connections and interesting themes raised by participants in an increasingly flexible manner, whilst also maintaining coverage of all relevant areas. The guide was also of use as a form of prop for the interview. During brief conversational lulls a glance at the guide and continued silence on my part often encouraged participants to elaborate on a topic, although briefly *sipping a cup of tea or glass of water delivered similar results.*

With no experience of participating in a lightly structured research interview participants were initially unsure what to expect and what to contribute. Providing them with information on the areas that I wanted to cover enabled them to discern what information was wanted. As Adler and Adler (2002) note, respondents who are being asked about sensitive issues, and they suggest income and money may be one of the most sensitive of topics, may be reluctant to discuss these. To reduce potential resistance I began the interview by encouraging participants to take a broad perspective and tell me about their employment and life history since they had left school. This developed a momentum of conversation and created a map of the decisions they had made over time, in their own words, enabling me to identify further areas for examination around employment and family budgeting. It also helped to avoid the unnecessary use on my part of academic or technical language that might have created the impression amongst respondents that I was 'correcting' their language, causing embarrassment and the stifling of further conversation. In order to tease out detailed information on families' opinions and experiences of the distribution of resources and employment I posed possible scenarios to participants. The use of hypothetical statements and/or possible alternative scenarios such as, 'other people have suggested', or 'some families do this....' can be useful elicitation techniques (see Johnson and Weller, 2002: 503) and provided individuals with a stimulus and the opportunity to consider their behaviour and/ or decisions in comparison to the one I presented. It also provided the useful function of minimising the potential for participants to assume that I held an alternative or opposing viewpoint.

The nature of the research, touching as it does on the sensitive area of money management along with employment decisions, as noted led to the decision to interview partners separately. During the data collection phase I found that prior assent did not necessarily translate into a readiness to engage in this practically. Early in the research I arrived to interview one couple, but found that they were relatively reluctant to be interviewed separately suggesting that it was unnecessary, as there were no

secrets between them. Initially thrown by the disruption to what I thought were my smoothly laid plans for that day's interviewing I decided to renegotiate a separate interview with each parent. This was achieved by running through the importance to the project of separate interviews and reassuring the couple that I was not out to 'test' either of them and that their answers remained confidential. Having secured their agreement the interviews took place. Interestingly while disruption is to be expected as part of the research process, during these two interviews there seemed to be a more definite attempt to maintain a presence. Each partner entered the room as an interview was being conducted more than once, ostensibly in pursuit of their cigarettes or to make a drink. This seemed to indicate a continued resistance to this particular interview arrangement that was not present amongst other couples. This pattern was not repeated amongst other participating couple families, the only disruption to the majority of interviews being through children briefly entering the room, or pets.

4.3 Recording and transcribing

During both waves of the fieldwork all interviews were tape recorded unless those taking part disagreed and over the course of the fieldwork no objections were raised to the use of recording equipment. I was unable to record a wave one interview due to equipment malfunction that occurred during the interview, which I did not discover until after it had finished and I was en route to another. In this case detailed notes were made as a record of the information from that interview. Prior to interviews I explained to participants that I wanted to use the equipment to ensure that an accurate record could be kept of what was said during discussions. I also emphasised that confidentiality would be maintained and the tapes securely stored. Following the collection of material all tapes were then transcribed in full and the names of participants and their spouses were changed to pseudonyms. It is not uncommon for participants in qualitative interviews to continue, or restart, discussion around issues raised in the interview once it has formally ended and the tape recorder has been switched off (see Warren, 2002: 92). On three occasions after I had switched off the tape recorder and started to pack away, participants began to start giving me extra information. With the tape recorder switched off this information was not recorded and with the interview seemingly over it was unclear whether this information was simply for me, or could be included, where relevant, in the research. On the first occasion I failed to sufficiently establish that it was acceptable for the information given to appear in the study and so I have taken the decision not to do so. For the other two incidents I asked participants if it was okay to jot down notes of the issues they talked about and followed

this up by asking whether the material could be included as part of the study and both agreed.

5. Issues of confidentiality

The maintenance of confidentiality is an important part of the research process (Mason, 2000) if participants are to be protected from the unwitting exposure of personal and private information. This is particularly salient for my research, which touched on discussion of 'work on the side' and how couples organised the management and distribution of the family resources. At all stages of the research, from initial contact through to the end of the fieldwork, participating parents were assured of confidentiality. All correspondence⁵ contained a statement (*participation will not affect any current or future dealing you have with either Inland Revenue or any other government department or agency*) agreed in advance with Inland Revenue, assuring confidentiality. This was followed up at the beginning of each interview with a restatement of the research brief and explanation that participants were freely able to withdraw from the research at any point during the process.

To protect the identity of those taking part a record of their names, contact details and interview arrangements was stored in a locked cabinet. As noted, a pseudonym was assigned to each lone and couple parent taking part in the study and a list matching these to the real record of names was then placed in another locked cabinet. From the title of tape recordings, to transcripts and analysis, the pseudonym was used. This ensured that I protected the anonymity of the parents throughout the research process and during the writing up period.

5.1 Ethical considerations

The nature of the research necessarily involved discussion around sensitive topics, such as the control of money within families. Given this, interviewing participants about their past and current financial arrangements potentially meant, as Pahl (1989) and Millar *et al* (1989) noted in work addressing similar themes, that interviews could lead to increased levels of stress and anxiety. If the budget was fiercely contested within couples, or either partner had not disclosed financial secrets or problems, then the possibility of raised tension within the relationship was clear. The decision to interview

⁵ See appendices for copy of interview arrangements letter for wave one and wave two.

partners separately minimised this, but it must be recognised that this could fuel suspicion between partners and lead to increased questioning of choices and decisions.

In accordance with the British Sociological Association guidelines on ethical practice (<http://www.britsoc.co.uk/Library/Ethicsguidelines2002.doc>), participants were provided with the fullest information possible to ensure they would be able to give informed consent. Areas covered included: the aims and objectives of the research, how the interviews would operate, what participation involved, expected consequences of the research and my identity. The start of the fieldwork phase, with the running of the opt-out by Inland Revenue, began the process of gaining informed consent. At this point families could choose not to be contacted and this opportunity again arose during the contact phase. Correspondence with potential participants outlined the areas of the research and this along with the nature of the interview was further expanded when interviews were arranged. Inland Revenue's involvement during the initial recruitment phase and their part-funding of the research through the CASE studentship made it important to establish a contact point at Inland Revenue, in addition to myself. This gave potential participants the opportunity to seek further information on the project from Inland Revenue and confirm that the research was genuine. This was a useful point of information for participants, but it did have one consequence. Correspondence stated that I was an independent research student from the University of Nottingham, but the involvement of Inland Revenue led to the impression amongst some interviewees that I was a researcher employed by Government. Aware that this was misleading, I was concerned that participants could have felt pressured to participate, despite assurance that it was not compulsory. The potential impact on the research process was also a consideration. Would interviewees' willingness to discuss relevant issues be affected and did they have a false impression of how data would be used? At the beginning of interviews I therefore reiterated that I was working in partnership with Inland Revenue, but I was conducting the research as an independent research student and Inland Revenue would be unable to identify those taking part. In addition I stated that the research formed the main component of work towards my PhD and that the material would be used primarily for this purpose, although material might be included in a future report written for Inland Revenue.

5.2 The nature of informed consent

Agreeing to take part in an interview does not, however, mean full informed consent has been achieved. Limited understanding and experience of research and method can mean explanations of research and the operation of the interview itself do not accord with interviewee expectations (Mason, 1996). Recognising that interviewees' understanding of what participation implies can alter over the course of an interview, it can be necessary to renegotiate consent over the course of the research (Ritchie and Lewis, 2003).

To this end and while judgement had to be made about the level of detail necessary, prior to each interview I ran through the topics to be covered, the purpose of the research and my role. In addition, participants were assured that information provided would remain confidential and reminded that at any point they could stop the interview and withdraw from the study. The longitudinal aspect of the research made it necessary to obtain consent from families for further contact. During the second phase of the study the above action was again undertaken to ensure informed consent.

The example given earlier of interviewees continuing to talk about budgeting and employment decisions after the interview had ended indicates, as noted earlier, the importance of consent as an ongoing process. This issue was also brought to the fore in an interview where a participant broke down crying on discussion of issues around money management. In response to this I stopped the tape recorder and asked whether the individual felt able to continue with the discussion of this area and the remainder of the interview. After a few moments the interviewee said they wanted to continue the interview indicating that they wanted to talk about their experiences even though initially this proved upsetting.

6. The role of the researcher

Conducting qualitative research raises questions about the impact of the researcher's own background on the interview process. Throughout the fieldwork phase I was aware that as a young male postgraduate my life experience was at variance with the majority of those parents participating in the study. Nearly all the lone parents had at one point claimed Income Support for extended periods of time and lived in considerable hardship. Furthermore both lone parent and couple families were engaged in an ongoing process of renegotiating how caring and paid work was integrated into their

everyday lives over time. On the other hand, I have no children and only limited experience of receiving out-of-work financial support (although my socio-economic background was similar to the participants), so it was important for me to consider what this meant for the collection of data. Would participants be reluctant to divulge information, in light of my age and gender, particularly as the research explored the delicate issue of money management and the balance of responsibility for care and work within families? The evidence in support of the matching of interviewers to interviewees (in terms of class, gender, sexuality and 'race') continues to be contested (see Reinharz and Chase, 2002; Schwalbe and Wolkomir, 2002). These factors can influence the research process in relation to data collection and researchers' experience of power relations in interview situations (see Gill & Maclean, 2002; Archer, 2002) but there is no clear link between matching interviewers to interviewees and the collection of more detailed or 'better' information (Phoenix, 1994; 70). Research conducted by Padfield and Proctor (1996) examining the interaction of the issue of gender during the interview process and data collection found that broadly there were few differences in how women responded to male or female interviewers. The one exception was questions around attitudes to abortion, with an increase in reporting of abortion by respondents when the female interviewer was present. Outside of this, discussion around employment and the household produced broadly similar data. Accounting for this, the researchers suggest that while gender may affect data collection this is not necessarily automatic and predictable. If male interviewers were to step outside what respondents regarded as normal masculine behaviour and were 'prepared to listen' then they could counter their 'maleness' and create the same level of rapport that respondents expected from female interviewers (Padfield and Proctor, 1996; 363).

My experience of conducting the research was that even with the relative absence of common experiences around employment and budgeting, both male and female participants engaged in detailed discussion around these issues and frequently disclosed information they regarded as sensitive. This material covered a range of issues including long term work in the informal economy, the breakdown of relationships and the financial consequences and the experience of living in abject poverty.

The fact that I did not always share a common understanding and similar knowledge of particular situations proved at times to be advantageous. It enabled interviewees to gauge the level of information they needed to communicate to me more accurately and

enabled me to use an 'outsider' position to draw out further detail from the information initially provided. For example, in discussion around childcare parents initially tended to indicate their use of formal or informal care, but not go into detail. At this point I found that indicating that I do not have children and would require more information led parents to develop their explanations and talk through how choice of childcare related to their views of formal provision and informal care undertaken by relatives and friends.

'it was a lot easier with a child minder I used to go straight in and come straight out with him, but with a friend I used to sit there for hours you know and then come home, which was a bind really, but the childminder you just go straight in and come straight out, but I found the childminder a lot better than having a friend look after your child, they do more things with them don't they... (Penny)

do they? I don't have children myself... (Interviewer)

well say somebody me friend or whatever brings their child for me to look after I don't sit and paint or read the telly goes on and they watch the telly I don't amuse them myself, but if that's your job as childminder you've got to do those things with them haven't you, but what my friend used to do was bung them in this play pen cause she'd got a little boy as well and they'd play together and that's it, I think a childminder if that's your job your supposed to do things with them.. (Penny)'

Ribbens (1989; 584) has suggested that the volunteering of information about personal family experiences risks disrupting the flow of an interviewee's thought and some interviewees will view the researcher talking about themselves as an indulgence. During my fieldwork I attempted to be responsive to developing discussions and disclosed personal information of family experience where I felt it appropriate, as in the case above. There was no indication that this negatively affected the interaction between myself and participants and in fact helped provide greater in-depth knowledge of the decision-making process engaged in by individuals. In addition it helped build a level of 'rapport' with respondents during the research process. On occasion interviewees asked whether I would like to join them for lunch prior to the interview and participants commented at the end of the fieldwork that they had found the interviews an interesting and useful experience. This stemmed in part from prior assumptions about what form the interviews would take. It was envisaged that the interview would be relatively rigid, led by a questionnaire and with the discussion directed at all times by the interviewer. The reality of a relatively open discussion of the appropriate areas

permitted participants to reflect on their actions and behaviour and move between, and return to, areas with ease, something they had not expected. Of course it is not possible for me to assess whether more detailed information could have been gathered if the life experience of those taking part and myself, as the researcher, were closer. But despite the research covering sensitive areas, detailed information was collected from couple and lone parent families and from men and women.

7. Analysis of data

The analysis of the data took place after each wave of interviews had been completed. This enabled me to feed into the second wave of interviews the themes emerging that were of interest to the research. Indeed although the majority of analysis took place after each wave of interviews was completed, it was in part an ongoing process. It occurred during the fieldwork: decisions taken as to what information from interviewees should be pursued and elaborated on during interviews represent an engagement in analysis. These choices in turn helped to direct and shape other interviews, as developing ideas and interests were related to the original research questions and then integrated into discussions. Thus information gleaned from allowing participants to speak freely was combined with the maintenance of relevant research.

The longitudinal design of the study and the lightly structured interviews built into the research a process of continuous analysis as I used the prospective/present/retrospective focus (see Mcleod, 2003: 205) to explore, accumulate and tease out the sense patterns and themes to decision-making over time and external and internal motivations. The second visit to participants, this time post reform, provided the opportunity to further develop and refine information taken from the wave one interviews and check back and compare and contrast parents' decisions over both waves. For example, the use of the Working Families' Tax Credit as a mechanism by which lone mothers could re-orientate their relative commitment to paid work and caring had begun to emerge at wave one. I was able to consider how this mechanism operated over time and pursue the impact of the new tax credits on this behaviour because of the approach used.

The organisation and analysis of data after each fieldwork period ended involved the transcription of tapes followed by the entering of data into NVivo, a software package that I had experience of using prior to the fieldwork. Considerable debate continues around the use of computer assisted qualitative data analysis software packages

(CAQDAS) and their appropriate role in the analysis of qualitative material. One main area of contention is whether these packages facilitate the development of complex pathways through the data and aid analysis, or stimulate a reductive approach that encourages users to believe CAQDAS will lead to the production of information ready for writing up (see Ritchie and Lewis, 2003).

Recognising that there are advantages and disadvantages to their use, I opted to use NVivo mainly for coding and retrieval. Coding involved the development of themes and categories that brought together similar and divergent ideas, behaviour and patterns across the areas of employment decisions and family budgeting. Amongst others, these codes included the type of budgeting system used by couple families, based on those identified as part of the Social Change and Economic Life Initiative (SCELI) (see Vogler 1994).⁶ Also included were codes on the nature of expenditure on children (recreational, educational, essential material, nutritional), the links between budgeting and employment decisions and current and past experience, and attitudes toward care, paid work and receiving tax credits.

From the coded data I moved on to creating descriptive accounts of what decisions individuals had made and their actions and behaviour in relation to employment and family finance. During this period the codes were printed out and I turned to working with a pen and paper. This enabled me to step back and take a wider view, providing the freedom I felt necessary to develop ideas and begin assembling general and sub themes relating to the research questions, which provided explanations for particular choices and actions. During this process it was necessary to return frequently to the original transcripts in order to place events in their original context. Through this I checked that the ideas and themes developing represented the information gathered. As analysis progressed to writing up, the use of pen and paper was again combined with NVivo, which provided quick access to, and retrieval of, relevant material.

⁶ See Chapter 6 for further information on the money management and control systems developed during the SCELI research project.

Chapter 4

Blending paid work and caring: a temporal welfare balance

1. Introduction

The development of tax credit policy is underpinned by the implicit assumption that adults within families will, in response to signals about the financial value of employment, make income-maximising decisions. This is based on an understanding of behaviour derived in the main from neo-classical economics. It is the decision-making model of *Homo Economicus* or 'rational economic man', and, translated into policy, it treats individuals as rational economic actors involved in an ongoing process of calculating the economic cost and benefit associated with employment. For example, the expense and scarcity of childcare is thought to act as a constraint on transitions into paid work, because it raises the cost and reduces the financial benefit of employment for individuals with children. Reducing this cost, either through the provision of affordable childcare, or assistance with childcare costs through initiatives such as the childcare tax credit, is presumed to deliver an incentive that the individual will respond to. Similarly reforms to the tax and benefit system which reduce the financial cost of employment by increasing in-work incomes encourage participation in the labour market. As outlined in chapter 2, such assumptions have come in for repeated criticism and recent sociological research casts doubt on the extent to which parents make 'economically rational' income-maximising decisions. In place of the 'rational economic actor' model Duncan *et al* (2003: 313) have sought to develop a theory that places decision-making around employment within a framework structured by individual mothers' social and moral beliefs about mothering, a 'gendered moral rationality.'

Providing some support for this suggestion, the chapter will examine how decisions made by couple and lone parent families occurred within a framework set by notions of appropriate caring and responsibility for children over the life-course. In response to the demands of caring commitments and the acceptance of these responsibilities, paid work was negotiated temporally and spatially as mothers attempted to blend paid work and 'good mothering'. A picture emerges of behaviour driven by considerations of moral, social and economic pressures which vary over time and with the negotiation of

different temporalities (see chapter 7 for a fuller discussion of this point). The model of decision-making underpinning government social security policy is, at least implicitly, that individual adults within families are driven by income-maximisation (see Chapter 2; also HM Treasury, 1998a). The 'gendered moral rationalities' model turns this on its head and instead stresses the importance of social and moral factors in behaviour. Essentially ideas of what constitutes good mothering and its relationship to class, ethnicity and locality are viewed as critical in the formation of decisions. I suggest that the focus on non-economic factors is welcome and undoubtedly strengthens our understanding of the influences parents consider and the decision making process itself. There is, however, a danger that financial considerations are relegated to secondary status and the role of social security policy in the choices low income families make is minimised (see chapter 2). This chapter considers the affect a specific social security policy has on behaviour, in this case the WFTC, because this enables us to build on the findings illustrated by the gendered moral rationalities model and think about how financial incentives inform, shape and are informed by social expectations and morality and to focus more clearly on the temporal specificity of this.

Glover (2002: 263) has argued for a 'balance model' of decision-making, incorporating the importance of agency in mothers' decision-making, but recognising that choice is contingent; dependent on the interaction of a variety of structural factors and the socially negotiated roles and decisions taken by an individual in relation to other family members. Again decisions are understood to be rational, but not in the sense of 'rational economic man'. Rather choice is driven by mothers' desire to preserve their ability to strike a balance between paid and unpaid work in anticipation of potential risks to their own well-being and that of other family members.

The following chapter draws on this idea to argue that economic factors were a key part of the decision-making process of participants, but were not an indication that families were driven by income-maximisation. Rather the structure of financial incentives was an important institutional framework within which decision-making operated. Choice was contingent and drew on financial considerations and socially embedded moral notions of mothering, which were themselves temporally situated. Motivation was the pursuit of a balance that enabled parents and mothers in particular, to satisfactorily meet their commitment to each sphere of paid work and caring and maintain space for unanticipated change in circumstance. Economic incentives were

part of this balance as parents sought to raise the standard of living for the family¹ and it was here that the tax credit system, in the form of the WFTC, occupied a key role. In fact this was most noticeable in how it enabled greater freedom over how lone mothers chose to 'weave together paid work and motherhood' (Garey, 1999).

I begin with an examination of the temporally situated nature of notions of 'good mothering' and how this related to decision-making around employment and fathers' divergence from this approach. Explanations used by parents to frame their decision-making and the interaction of these with the structure of the WFTC are then considered. In doing so I outline the importance of the WFTC to lone mothers in enabling them to achieve an improved work-life balance and creating greater flexibility for an ongoing process of re-negotiation around involvement in paid work and caring. Following this I investigate the relationship between partnered mothers' commitment to care, their partners' views and the role of the tax credit system in structuring employment decisions.

2. Temporally situated decision-making

Mothers' labour market transitions occurred in response to the interaction of a range of social and wider structural factors whose influence varied over time. These included the changing needs of children, parents' notions of responsibility to care, issues around childcare and the financial advantages and disadvantages of engaging in employment. The dynamic and interlocking nature of family, home and employment has led Mckie *et al* (2002) to call for research and policy to develop a greater understanding of the spatial-temporal organisation of paid work and caring. They propose the idea of *caringscapes*, of thinking about families' management of employment and care in terms that encompass everyday and long-term choice and planning.

"the ways in which women (usually) need to anticipate contingency (such as child illness in relation to work commitments); monitor the everyday (such as dovetailing the demands of the schooling of siblings of different ages); and plan for the long term (such as constant awareness of the changing needs of family members over the life-course)." (Mckie *et al*, 2002: 917)

¹ Chapter 6 details how it was the family as a whole and children in particular that benefited from a rise in income.

The idea of *caringscapes* proved useful for developing an understanding of how mothers mapped a route through paid work and caring over the life-course and how consideration of 'time' can contribute to Glover's (2002) hypothesis of a 'balance model'. An exploration of time enables us to view the changing interface between parents' morally and socially embedded notions of caring and the financial incentive signals of the social security system. The relationship between these formed what I term the *temporal welfare balance*. This refers to how the weaving together of paid work and care was situated within the life-course and interacted with and responded to the structure of the tax credit system and socially embedded ideas around good mothering and appropriate parental roles. It also refers to the temporal effect of particular decisions and how a moral choice made by mothers to prioritise care for their child in the present could have a negative financial impact on their lives at a later point in the life-course. An interrupted employment history for women is associated with lower future earnings in employment, poorer promotional prospects and lower pension income in retirement (Rake, 2000). Rather than make economically rational, income-maximising decisions I argue that the choice made by mothers around employment was motivated by a desire to sustain a satisfactory balance, and their capacity to continue to do so, between the material, social and emotional needs of their children and themselves. Material welfare refers to the achievement of a level of income deemed by an individual adequate to enjoy the standard of living they regard as appropriate at a particular point in time; social and emotional welfare are discussed in detail below in relation to the concept of 'good mothering'.

3. Prioritising parental care

3.1 Mothering and appropriate care over the life-course

All participating women, prior to becoming mothers, were employed full-time. The birth of the first child saw mothers withdrawing (some for the short term) from employment in favour of a caring role within the household. Motivation was framed in terms of how this connected to notions of 'the right thing to do' and expectations of motherly behaviour. Edwards *et al* (2002) have identified this as the concept of 'good mothering' or what Hays (1996) has termed 'intensive mothering'. This refers to the considerable time and effort mothers invest in ensuring the social and emotional development of their children. Smart & Neale (1999: 49), exploring mothers' perspectives on childcare, note that two aspects to childcare were repeatedly identified: physical work, encompassing feeding and bathing and emotional care, such as anticipating a child's needs and being

aware of their preferences. The 'social and emotional welfare' I suggest parents are seeking to balance over time includes meeting these physical needs of children and in addition encompasses concerns over their educational development and ability to interact with other children and adults. Furthermore I suggest decisions are made that seek to maintain parents' capacity to meet current and anticipated future needs of children, therefore expanding coverage to their personal welfare and ability to take on extra tasks without compromising how they manage the balance between material, social and emotional welfare. The latter two concepts were bound up with ideas of how parents should look after their children and organise how and when participation in the labour market was appropriate. Parents discussed this in relation to it being the morally correct thing to do, focusing on the importance of delivering caring themselves especially during children's pre-school years.

"I mean I'd made the conscious decision that I wanted to be a mum and devote my time to Dean (her son) and any subsequent children, erm I don't know I don't agree with having children and then paying somebody else to look after them I feel quite strongly about that.... I think if you've tried so hard to have them it's you know they're special, I don't want somebody else to you know see all their little first steps, first tooth you know they're important." (Selma, partnered mother)

"I felt that nobody could do it like me and I feel that for the first five years prior to them going to school it's really important for you to be there if you can. I know that's not always possible, but I think children benefit from that, definitely.... I think from the child's point of view they have a greater confidence and security because you're there and you know meeting each milestone with them I think it's mutually beneficial for mother and child, for me I think it's the best, I guess because I think probably no one can do it as good as I can." (Ruth, partnered mother)

The temporal nature of this commitment is revealed by the future employment expectations of partnered mothers. Once the children reached school age, a return to paid work was anticipated. Before the birth of her fourth child Ruth had managed a hair salon, which she left with the birth of Daisy. During this time and anticipation of Daisy reaching school age Ruth was retaking GCSE qualifications as the first step on a path towards a degree qualification and a career in social work. The primacy and temporal nature of parental (mother) care over time helped frame decision-making. Mothers were making a moral judgement about their appropriate role in care, and during a child's early years this dictated a greater involvement in the development of their son or

daughter through shared activities, experiences and caring provision. As children grew up the notion of good mothering permitted a shift and enabled parental caring to diminish along with practical and financial constraints to employment as other agencies, such as nurseries and schools, began to take over caring responsibilities. Discussion of the decisions taken around employment was however, still embedded in how employment transitions impacted on 'mothering.' The centrality of 'motherhood' in the decision-making process of these women reinforces how, irrespective of employment status, when women become mothers then motherhood, defined as caring parenthood, becomes a core identity and influence on behaviour (Smart and Neale, 1999: 54). Decision-making was couched in terms of a moral position on the role of mothers in child rearing, rather than analysis of which option will maximise income although, as we shall see, economic calculations were often of considerable significance in the decision-making process as mothers sought a level of income commensurate with the standard of living thought acceptable and with their commitments to caring (social and emotional welfare).

3.2 Fatherhood and employment

Smart and Neale (1999) suggest that the willingness of men to adopt a caring identity is more closely related to their labour market position than it is for women, with only those fathers exiting the labour market or enjoying significant flexibility and autonomy at work adopting strong caring identities. Interestingly the first wave interview material I gathered provides little support for this position. Employed fathers demonstrated minimal attachment to a caring identity and neither did fathers who had left the labour market, even where they had become the main carer. For fathers with a strong attachment to the labour market (defined broadly as continuous employment since leaving education) issues of caring rarely featured in discussions of their decisions around employment. Discussion of employment transitions rarely went beyond job related issues, such as pay, redundancy and the structure of their particular labour market. Remaining firmly within the public sphere fathers' decision-making did not draw on an idea of fathering and caring that was similar to women's moral notions of appropriate caring. This is not to say that fathers did not identify themselves with contributing to caring: they did, but this was caring delivered as an addition to the majority of care provided by the mother. Partly this was recognition of the constraints they operated within: working full time impacted on the time available for fathers to become involved in caring activity for their children. This stemmed at least in part though, from the continued emphasis placed on 'breadwinning', which necessitated full

time employment. As Dermott (2003) has suggested, even where fathers demonstrate a strong attachment to ideas of caring this is not incompatible with the persistence of a commitment to a 'breadwinning identity'. The two can co-exist even if the latter, in reality, undermines the opportunity for fathers to engage more fully in caring activity due to the structural constraints imposed by full time work and long hours (see O'Brien and Shemilt, 2003: 27). Interestingly amongst non-employed fathers a focus on returning to the labour market existed, even where illness was an obstacle. Like employed fathers they continued to identify paid work as their 'proper role' within the family. Ron, following ill health, had been the family's main carer for the past two years looking after the couple's children, but it was clear that he still hankered after a return to employment and a reversal of roles.

"We're a bit of an old fashioned couple in respect of, the man goes to earn the dosh and the woman stops at home and does cleaning, but I think that we've been fairly modern in what we've done the last two and a half, coming up to three years, but we'd both be more than happy to go back to how it were." (Ron, partnered father)

Similarly Jamie, outside of the labour market since an accident at work, was focused on returning to employment and this was the focus of his identity. Moving back into employment was not discussed in relation to caring commitments, even though he had taken on a greater caring role since withdrawing from the labour market, but in terms of previous employment experience and limits imposed by his health. Fathers' identity was tied more clearly to participation in the labour market and subsequently decision-making was not framed by the weaving together of paid work and care over time. Employment transitions were more likely to be construed as an active pursuit of income-maximisation. One lone father Gary talked about how, every few months, he looked out for a new job and would attend interviews. This was to test the strength of his position in the labour market and he had recently been offered a job, but chose to turn this down because it meant a reduction in pay. One father, Adam, was quite explicit about the role of money and how this influenced the choices he made around employment.

"I've worked for various bus companies, John's coaches I used to work for them, I've also worked for Radson and Williams and then on the haulage side... basically what I do is float about with the money, where they're paying good money you go there, and where they're not paying it so good anymore, well, you go somewhere else." (Adam, partner father).

The decision-making of fathers resembled more closely the model of '*homo economicus*'. This disparity in approach to decision-making between mothers and fathers reinforces the sense that the economic rationality model is gendered, which, as Edwards and Duncan (1996) note, leads policymakers to erroneous assumptions about how mothers make decisions. It would be incorrect to conclude from this, though, that the economic impact of potential options was not considered and acted on by mothers. Economic calculations were made, but these were negotiated with moral notions of appropriate caring over the life-course. Motivation to move into paid work in pursuit of an improved income did occur, but this was negotiated with, and circumscribed by, the moral concept of mothers providing appropriate care.

3.3 Integrating economic security and moral notions of care

Tina had taken a year out from paid work following the birth of her son and had moved on to Income Support. The motivation at this point was to form a bond with the child at a young age, an act viewed as central to being a good mother and meeting the child's caring needs at this time. Such a commitment was, however, time specific and Tina moved back into the labour market after a year. The point at which this occurred reflected a shift in perception of caring responsibility. Notions of mothering continued to frame decisions, but having bonded with her son, Tina now regarded it as acceptable to return to paid work part-time. Moreover having existed on Income Support for a year a desire to improve the family's economic situation and raise their standard of living pushed Tina increasingly toward employment. Changing notions of care responsibility thus meshed with economic incentives to motivate Tina to return to employment, albeit part-time. The decision to take up paid work again was closely tied to two considerations: that Tina could meet her commitment to caring and that it was financially beneficial to return to employment. Initially Tina returned to working twenty-five hours per week, but found this did not provide the 'balance' she was seeking and negatively affected her ability to care. A reduction in hours of work was therefore negotiated with her employer, but crucially achieving balance then rested on whether the income from WFTC would prove to be high enough to deliver the level of adequacy Tina deemed necessary. The tax credit system operated as a mechanism that provided greater flexibility over work-life balance issues. The decisions Tina made regarding employment were underpinned by a desire to achieve the most suitable 'balance' of care and economic security and it was through the tax credit system that the particular balance was worked out and settled on.

The influence of a moral commitment to care was not confined to mothers employed part-time. After the birth of her daughter Samantha continued with full-time employment, but made repeated attempts to move from private sector to public sector employment, perceived as offering greater career prospects, but also greater flexibility and control over working hours. Samantha obtained employment as an environmental health officer in local government and this post provided the flexibility to take her daughter to nursery and collect her. The career focus of Samantha did not mean an absence of mothering, however, with Samantha taking on responsibility for the 'second shift' (Hochschild, 1997). Providing the majority of care for her daughter, even prior to the break-up of her partnership with the child's father, was Samantha's responsibility. The break-up of the relationship led to an assessment of how to negotiate the next phase of both motherhood and career. It was at this point that a potential conflict between mothering and career developed with Samantha unwilling to give up employment, whilst acknowledging that her wages alone could not pay for the necessary childcare. A move on to Income Support was considered before Samantha became aware of the WFTC and the childcare tax credit and decided to continue working. The tax credit system was a key mechanism here intervening within the decision-making process to promote employment retention and improve work-life balance. Samantha's choice in these circumstances when faced with a serious economic crisis was to respond to signals about the financial value of employment as an economically rational agent. Relying on a model of economic rationality to explain decision-making outside this specific context is however problematic. Prior to this, decisions were framed by the negotiation of notions of appropriate care with career aspirations. The importance of this for policy is that signals from tax credit policy about the value of paid work may be most salient in decision-making when mothers consider the income necessary for the family to realise a minimum adequate income. The WFTC provided lone mothers the financial support necessary to take up employment at the level deemed desirable and commensurate with their temporally situated commitment to mothering.

The lone mothers were not income-maximisers, but decision-making did take into account the economic impact of particular options and sought to balance achieving an acceptable standard of living with current caring responsibility. Achieving a stable and sufficient income formed a base from which to negotiate and re-negotiate appropriate caring involvement over time. This is perhaps not surprising since lone mothers face difficulties in taking up and maintaining employment alongside caring roles in the

absence of adequate resources (Innes and Scott, 2003). The WFTC may reduce this pressure and offer scope to reshape how paid work and caring are integrated by providing lone mothers, as Rowlingson and McKay (2003: 101) note, with essentially a full-time income for part-time hours. Delivering a sufficient income through the tax credit system removes some of the tension between mothers' notions of right and proper care and securing their children's social and emotional welfare and the potential need to increase hours of work to realise a sufficient income. The WFTC provides lone mothers the flexibility to negotiate and renegotiate how they weave together paid work and caring in response to changing circumstances.

4. A temporal and spatial approach to weaving together paid work and care

Recent research has suggested that issues around flexibility of employment, including flexi-time, part time and term time working and employers' attitudes and ethos is for some parents an important issue, but was unlikely to determine decisions about employment or specific jobs in general (Bell *et al*, 2005: 63). In contrast the explanations offered by mothers in this study, whether lone or partnered, indicated that flexibility was an issue influencing decisions. In pursuit of a more satisfactory balance between participation in the labour market and the changing needs of their children as they altered over time, mothers followed a number of temporal and spatial strategies to weave together new patterns of paid work and caring. Underpinning this was the necessity of building into everyday life capacity for unpredictable events, such as the illness of a child. Achieving this for some mothers required a reduction in the number of hours worked each week, or alteration to the time the working day began. A day job might be left in favour of employment during the evening, thus building 'spare capacity and flexibility into the normal working day in anticipation of disruption'. Catherine, for example, worked part-time in the evenings in case her son was ill during the school term and it enabled her to look after him during the day within school holidays. At wave one Catherine also planned a further reduction in her working hours from twenty four hours a week to eighteen hours a week due to what she described as an 'old fashioned' view that mothers should spend as much time as possible with their children. Similarly Sandra worked evenings and weekends and at the time of the first wave interview had recently curtailed her working week by dropping one evening shift. Working evenings and weekends provided Sandra with greater flexibility to respond to unexpected events, but reduced the daily contact time with her son as she left for work shortly after he returned from school. A reduction in hours was the response to this

dilemma and indicates the salience of time considerations for the ongoing process of organising and re-organising paid work and caring.

Complementing and partially incorporating time driven changes to employment were responses to the difficulty posed by moving between home, school and place of work. Travelling expenses took up a larger share of wages as distance travelled increased, thereby eroding the financial benefits of employment. In addition longer journeys were more complex, especially if made using the public transport system, consequently increasing the likelihood of encountering problems at some stage. Considerable planning went into countering possible difficulties, with mothers using networks of family and friends to pick up children from schools either regularly or in emergencies. Despite this, mothers viewed travelling long distances to employment undesirable because of the extra time taken and the potential for problems to arise. Seeking employment closer to the home or school was the response of a number of lone and partnered mothers. One partnered mother, Jenny, who returned to work relatively early before leaving again with the birth of the couple's second child opted to work from home. As a sewing machinist it was possible for her to work from home and following the negotiation of flexible working with her employer the couple converted their garage equipping it for the combined needs of working from home and caring for their child, although managing work tasks and providing care for a child throughout the day was difficult.

'I had the machine in the house at the time so I could keep an eye on her and work at the same time... but it's hard, it is hard work looking after a child and working at the same time, it's just that you have to find a job that you can work around your children.'
(Jenny, partnered mother)

In fact it proved too tiring and subsequently Jenny made the decision to begin working in a bar during the evening. While this was the only example of home working, blending together a commitment to caring with paid work often required some form of temporal-spatial changes in response to new circumstances. For Davina, a chef in a nursing home, an inability to obtain reduced working hours while her son was pre-school age led to the take-up of similar employment elsewhere.

"What it was I went to Shrubtree (nursing home) before I had my son and when I got pregnant with my son I worked until my maternity leave and when I, sorry, when they said they could only give me full-time I worked at another nursing home in Blidthorpe (a

different area of town) because they offered me part-time hours because Shrubtree couldn't give me part-time so I went to this other nursing home.' (Davina, lone mother)

This employment was about 5 miles from her home and her son's primary school. Davina suggested the distance, exacerbated at the time by a reliance on the local bus service, affected her ability to provide an acceptable level of caring. Moving employment again Davina took a position in a nursing home much closer to the school and home.

"They found me the hours in the laundry, which I do like it in there it's nice like I do two days one week and four days the next that's just how it is, it pays enough money to keep me going and it's really close to home. I mean even if I didn't have the car it's within walking distance, so you know it's quite good. And er it's nine o'clock in the morning till two so I've got enough time to take my son to school and then be there to pick him up at half past three... so it's ideal really." (Davina, lone mother)

These choices indicate the limitations of income-maximisation as an explanation for behaviour, as motivating employment transitions here was the pursuit of employment, which matched mothers' notion of good mothering at this point in the life course. A temporally situated understanding of the appropriate 'welfare balance' set the framework for decisions.

5. Managing childcare – economic constraints and the commitment to mothering

Commitment to the majority of caring provision being delivered by parents operated within, and interacted with, constraints, most notably childcare, particularly issues surrounding its affordability, flexibility and suitability. Since 1998 and the Green Paper on the National Childcare Strategy (DfEE, 1998) Labour has taken steps to increase the availability and affordability of the formal childcare sector, reducing the childcare constraints mothers face when considering participation in the labour market. The provision of free part-time (2.5 hours) nursery places for four year olds has improved the availability and affordability of childcare in the formal childcare sector. The Government intends to bring this down the age range and deliver the same provision to three year olds. In addition the childcare tax credit (cctc) element of WFTC/WTC provides a financial subsidy to parents using registered childcare which meets up to 70% of the costs of formal childcare up to a maximum of £150 for two children (Rahilly

and Johnston, 2002). Nonetheless problems remain with the provision of part-time early years care. Many parents find that it is still necessary to build other care, both informal and formal around this (Lewis, 2003). Further the cctc does not cover the costs of more than two children in formal childcare, creating problems for those with larger families (Daycare Trust, 2003).

The thrust of policy has been to reduce the 'price' of childcare and therefore remove one of the barriers to increasing women's participation in the labour market. Two of the mothers participating within the study indicated that childcare had been a critical factor in employment decisions. Both mothers lacked any local network of informal childcare support delivered by family or friends and were thus, perhaps unsurprisingly, the most strident in identifying formal childcare provision as an issue. Andrea and partner at the time of the interview were expecting their second child and thought it unlikely that Andrea would return to employment until the second child reached school age. While suggesting that this was the most appropriate way of organising caring and paid work responsibility within the couple at present, it is clear that Andrea's awareness of the cost of childcare deterred entry into the labour market.

"I would like to go back to work, but it's really the childcare cost of things, I think for some people for what its worth it's not worth going back to work because the childcare is expensive. It's just, you're just working for your childcare costs so you're not gaining anything really. No the way we do it now, Eric (partner) just goes out to work and that seems to work best." (Andrea, Partnered mother)

Similarly Sandra had worked full-time for a local retail store until becoming pregnant with her first child. Moving out of paid work while her then partner remained in employment seemed the best option and she remained outside the labour market for nine years, during which time another two children were born. During this time Sandra did not seek a return to full time employment because of the lack of affordable childcare, preferring instead to delay a return to even part-time employment until the youngest child was of school age. Supporters of the 'rational action model' of behaviour would not be surprised by these decisions. After a cost benefit analysis of the situation the mothers concluded that the most financially beneficial course of action was not to return to paid work. Indeed for these two mothers in this particular situation the decisions they made around employment were economically rational. For the remaining parents within the study, however, choice around childcare indicated a far more complex picture. Decisions married together economic considerations, moral

commitments to mothering, the developmental benefits of informal care and temporally specific notions of appropriate caring. Parents did not engage in a simple cost benefit analysis of the childcare options in pursuit of income-maximisation, but rather took these into account alongside moral and socially negotiated views of what constituted the right form of childcare over time.

5.1 Making use of formal and informal provision

Parents within the study developed what Lewis (2003) terms, a *package of care* mixing together both formal and informal childcare. Formal care was a minority within this mix, with parents making use of part-time public or private nursery places. Use of informal care provided by relatives and friends was prevalent amongst participating families. Wheelock and Jones (2002) have noted the benefits that families derive from using relatives (usually grandparents) to provide care and it was evident that parents valued aspects of this arrangement. It delivered flexibility and economy and fostered closer familial relationships between children and grandparents. Moreover children were in the care of an individual parents trusted to provide the attention the child required and not harm or neglect them. The issue of reciprocity did create a tension within informal care arrangements however, with parents feeling that it offered them real advantages, but it necessarily 'indebted' them to relatives or friends.

Trust was a recurring theme in the selection of childcare with childminders the least trusted of all options. Parents that sent children to nurseries often recoiled at the thought of using childminders. To use childminders was viewed as a risk that exposed their children to individual 'strangers' who might be 'child abusers'. For one lone mother, Simone, this fear was grounded in the knowledge that a close relative had suffered abuse in a care home and she was reluctant to therefore entrust her sons to anyone other than close family and friends. Issues of trust, affordability, flexibility and gains in social and emotional development from interaction with family members meant that informal caring maintained a considerable attraction for parents. The motivation for informal care poses a problem for the 'rational economic actor' model of behaviour. Decisions were based within a framework set by notions of the appropriate role of mothers over time, the value of parental care and the advantages of the next best thing: informal caring through family and friends. Sandra and Andrea implicitly suggested that the economics of childcare were the key issue for them in deciding whether they could return to employment, but for the remaining parents childcare choice and employment was situated within a *temporal welfare balance*. Ideas of how

caring and paid work should be woven together influenced childcare choice, as much as childcare impacted on the blend between paid work and caring.

The use of the free part-time nursery places by eligible families indicated that low cost formal provision (free part-time nursery places) was used where available, although this was seen as a preparation for children's move into school. There was some resistance to the majority of children's care needs being met through formal provision, particularly younger children of pre-school age. Selma and David were committed to the idea that it was their responsibility to meet the children's needs during their early years and it was only once the children started school that it would be acceptable and practical to reduce their role. Two lone mothers continued this thinking after their children started school. Simone was reluctant to send her six year old son to the after school club because she felt he was not mature enough and that it conflicted with her role, as a mother, to continue providing the bulk of his care needs. The impact of this on her employment was that Simone had made the decision to turn down an assistant manager post in the retail outlet for which she worked because this would have required her to go full-time. Rather than increase her hours of work and the family's income Simone decided that at this point in time it would be more appropriate to remain part-time, even though affordable childcare was available.

The recent indication by the Chancellor of the Exchequer and the Prime Minister that childcare provision will be extended and improved (*The Guardian* 27th September, 2004; *The Guardian*, 28th September, 2004), and the subsequent outlining of a ten year strategy for childcare in December 2004 (HM Treasury, 2004b), implies that this will remove childcare as a factor from mothers' assessment of the value of moving into employment. The issue of cost and availability was, however, only one of the considerations taken into account by parents within this study when making decisions about childcare and employment. Where formal childcare was available, as in the case of nursery places, it was used, but its use was firmly situated within the context of pre-school preparation. Resistance to a majority of childcare being delivered through formal means was linked to moral notions of caring as a necessary responsibility of motherhood and the social and emotional benefits derived from this for both parent and child. These mitigated the attraction of formal childcare provision. In addition, within couple families this was implicitly reinforced by the view of male partners about the appropriate division of caring and the incentive structure of the tax credit system. Childcare decisions were not motivated solely by moral ideas of 'intensive mothering.'

but occurred within a financial and socially negotiated framework that altered over time, creating a changing balance of motivational factors underpinning childcare.

6. The role of male partners in reinforcing 'good mothering'

The influence of male partners on mothers' decisions around employment was to an extent *hidden and subtle*, although there were also examples of explicit resistance to mothers' employment from male partners. A discourse of individual choice permeated how fathers talked about the actual and potential employment transitions of their partners. Whether or not mothers decided to take up paid work during children's pre-school years, or chose to remain at home was explained as primarily a question for the mother herself. Despite this, implicit within fathers' view of their partners' employment decisions was an expectation that the mother would not, and should not, take up paid work during their children's pre-school years. Indeed with the exception of Ron and Alison all couple families (even when the mother was employed) followed a familiar gendered pattern of work and caring. While men are more involved in childcare than in the past, the evidence suggests that change is slow and that mothers continue to be responsible for the majority of caring and domestic labour responsibilities (O'Brien and Shemilt, 2003; Harkness, 2003). Amongst the participating couples, participation in paid work for both partners was commonplace, but following the birth of children mothers moved out of the labour market, at least temporarily. One group of mothers were late returnees, moving out of the labour market immediately for four to five years, while another group returned to paid work in under three months. The early returnees with the exception of Annabel and Alison failed to maintain employment and within eighteen months had left paid work, motivated by a desire and sense of moral responsibility to care, and financial constraints. These explanations mirrored those provided by late returning mothers.

Outright explicit resistance to mothers' employment did occur, even when a commitment to individual choice was threaded through a father's explanation of their view of partners' employment decisions. Jenny's partner Jamie indicated that he would not intervene in the choice his wife made about participating in the labour market. On the other hand this conflicted with Jenny's recollection of events, which suggested that Jamie had been reluctant for her to take up a bar job believing it would conflict with her caring role and had sought to persuade her to leave. In response she drew on the discourse of individual freedom deployed by Jamie to continue working. After a short while however she left the job citing incompatibility with family life, although Jenny was

then able to renegotiate with her previous employer the home working she had engaged in prior to the bar job. While overt pressure of this kind was limited to this example, it is useful in demonstrating how male partners can influence mothers' decision-making around employment and how mothers seek to maintain the balance between work and income (material welfare) and caring (social and emotional welfare). Moreover it brings in to focus how men may be reluctant to fully disclose their role and influence in decisions and shows the partial information that can arise from data collected from one partner.

A more widespread, but subtle influence on mothers' decision-making was the existence of implicit expectations about their role within families which helped to structure the context of decision-making. For Daniel and Selma the role of parents (primarily the mother) in caring was central to the decisions they made around employment. Again the unspoken assumption had always been that once the couple had children it would be Selma who left work to care for them. Indeed Daniel admitted that if his partner had wanted to return to employment then he would have struggled with that, because of his belief that parental care (mothering) is important. Daniel's general attitude towards working mothers seemed to buttress notions about mother's appropriate role in caring that Selma already held. It subtly reinforced the limited framework within which decisions could take place without leading to a questioning of family structure and the role of herself and Daniel within that. It is difficult to gauge how influential fathers' views were because their partners frequently expressed a similar position. The absence of explicit disagreement does not necessarily indicate consensus though. Lukes (cited in Vogler, 1998: 699) suggests that the lack of a grievance may reflect the operation of 'latent power', whereby alternatives are precluded from developing. This shapes individuals' expectation of what options are available so that they come to accept their current situation as common sense. Implicit assumptions that mothers will provide the majority of care for children pre-school may limit the potential for other viable avenues to gain a hearing by reinforcing what they believe to be morally and socially appropriate. Such a process acts to pre-empt discussion of particular options by placing them outside the accepted narrative of a family's life. To consider moving down an avenue that challenged this narrative would be to engage in renegotiations over the structure of family life, a considerable undertaking.

The structure of economic incentives and disincentives helped reinforce this situation. Fathers' wages and potential earnings within the labour market were perceived by all

partners as higher than the wages mothers could command. Daniel, for example, was clear that motivation for the couple's decision for one partner to focus on caring whilst the other focused on paid work was also underpinned by financial considerations. The wages Selma could expect to command were lower than Daniel and his perception was that it made no sense therefore for him to stay at home. Decision-making was driven by perceptions of economic consequences of particular options and the couple's deep moral commitment to caring by the mother. The balance of actors in this scenario favoured Selma remaining as main carer until the children reached school age. Parents were not purely pursuing income-maximisation and nor was choice made solely with reference to the impact on moral commitments of care.

Charlie indicated that no effort had been made to persuade his partner Lisa to give up work to look after their son, but he acknowledged that this was an assumption he held. Care for children delivered by a parent was perceived to be the most suitable approach to taking care of children and this was supported by an economic argument that it made more sense for Charlie to work and Lisa to take on the role of main carer because of her weaker position in the labour market and the expense of childcare. The mixture of economic and morally driven behaviour took place within a temporally situated framework of labour. The couple's notion of how to weave together caring and employment over time meant that both Charlie and Lisa expected Lisa to return to employment once their son started school.

6.1 Second earners and the WFTC

A steady increase in economic activity amongst mothers with pre-school children is occurring; up from 48% in 1990 to 57% in 2000 (Dench *et al*, 2002: 33), but the WFTC created an incentive structure that potentially worked against increasing participation from mothers in couple families. As noted in chapter 2, simulation of changes to the tax and benefit system has raised awareness that the WFTC could potentially lead to a decrease in employment participation amongst second earners, albeit limited (Blundell, 2001; Bennett, 2002). To receive assistance towards childcare costs through the cctc it is necessary for second earners to be in employment for sixteen hours or more per week and financial assistance is only provided for up to two children. For those not employed for sixteen or more hours per week the WFTC presented a potential financial disincentive to involvement in paid work. An awareness of this potential disincentive was acknowledged by partners within couple families and the perception existed that to benefit from a second income, a family would need two parents in full-time paid work.

For mothers during the pre-school years this conflicted with a desire to maintain a significant caring role in their child's life. The policy implication arising from this is that whilst moral notions of appropriate caring motivated mothers to withdraw from the labour market following childbirth this was reinforced for some mothers by signals about the marginal financial value of paid work from the operation of the tax credit system. In contrast to lone mothers, the WFTC did not provide a platform from which a degree of flexibility could be gained as couple mothers reorganised paid work and care over time. A concern is that the WFTC helped reinforce the economic disincentives to partnered mothers' participation in the labour market at a level lower than sixteen hours per week and that in doing so it ignores or marginalises the importance of financial independence for securing women an adequate income over their lifetime (see Millar, 1997). The structure of the tax credit system may have strengthened fathers' implicit assumption that, in the short term at least, it was more appropriate for mothers to withdraw from the labour market reinforcing the gendered division of labour. Parents were engaged in a process of making rational decisions that were temporally situated and based around negotiation of socially embedded moral commitments to caring with economic security and the maintenance of a balance. In this sense couples' decisions were not solely about income maximisation or focused primarily on care.

7. Female main earner couples and the role of mothering

Families that did not fit the male breadwinner model were marked by the inability of the male partner to fulfil the role of main earner through poor health and/or fractured employment history. Exit from the labour market for Ron was associated with ill health and it was this event that sparked Alison's return to employment as a care assistant at that particular point. A desire to maintain family living standards was the motivating factor in this early return to paid work, which Alison had hoped to delay until the children were older. In fact each partner had mixed feelings about the change; Ron remained hopeful of eventually moving back into paid work and continued to identify himself more as a worker temporarily outside employment than a committed full-time carer. Alison in contrast would have liked to reduce the level of her participation in paid work and take on more of a caring role but recognised her employment was currently necessary to maintain an adequate level of family income. On moving back into employment she had turned down the option of returning to her previous managerial post in a nursing home, fearing work pressure would have a negative impact on the time available to spend with her children and reduce the quality of that time. Instead she took a job as a care assistant even though this paid a lower wage. Rather than

seeking to maximise income for her or the family, Alison's participation in employment was negotiated with, and bounded by, her perception of appropriate mothering at that point in time. This was assisted by the WFTC which the couple acknowledged as essential to family income and which partly offset the drop in wages Alison had chosen to take.

In contrast Annabel had returned to paid work relatively quickly, albeit part-time, and worked as an administration assistant for the local council. Eddie her partner worked in the building trade, but his pattern of employment consisted of numerous short term and adhoc contracts punctuated by spells of unemployment of varying length. The family could not rely on an unpredictable level and unstable source of income and so Annabel's income from part-time employment and support received from the WFTC became the family's main income. Eddie did not regard this as an ideal arrangement; like other fathers he identified himself closely with a work and 'provider' role, but acknowledged that the nature of his employment made this a necessity.

"I wish I could afford for her not to go to work, but I can't and that's the reality of it, I'd like her to be able to stay at home looking after the house and the kids, but you know the reality says that my wages isn't strong enough for that... so you know.." (Eddie, partnered father).

The weaker attachment of Eddie to the labour market created greater scope and flexibility for Annabel to negotiate the weaving together of paid work and care over time. The nature of Eddie's employment meant that whilst he ideally favoured an arrangement whereby he was the main earner and his partner was the full time carer, the unpredictability of his income meant that unlike in other families this had never been an expectation of either partner. The assumption that Annabel would not return to paid work in the short term was absent as she saw it as necessary to move quickly back into employment to help improve and stabilise family income. The structure of the tax credit system did not figure explicitly in the decision making of Eddie and Annabel around employment. It may be that this was subsumed under the influence of the broader economic concern with ensuring the family had a stable and adequate level of income, but it was not explicitly referred to. The couple did not demonstrate any concern that their fluctuating income and employment circumstances might potentially have a negative impact on WFTC income. Interestingly despite Eddie's weak attachment to the labour market there was no suggestion from either partner that he could take up a greater share of caring responsibilities, thus freeing up Annabel to

move into full-time employment and improve the overall family income. The couple eschewed an economically rational and income-maximising division of labour and subsequent specialisation in paid work or caring. The desire to preserve Eddie's position as 'main earner,' even during periods of extended unemployment, draws attention to how employment decisions continue to be socially embedded, even whilst subject to economic factors. Instead, like other fathers within the study, Eddie continued to identify his familial role in terms of breadwinning, despite, in reality being unable to deliver this. The persistence of Eddie's identification with a breadwinning role is perhaps not surprising. Female participation in the labour market may have grown during the 1990s, but there have been limited changes to the distribution of caring responsibilities between men and women (Harkness, 2003: 150). Moreover whilst fathers are not a homogenous group, recent research suggests that they continue to identify their familial role in relation to participation in the labour market and position as main earner. In addition, on becoming parents fathers make few changes to the structure of their working lives, in contrast to the considerable changes made by women on becoming mothers (Hatten *et al*, 2002: 13). A family's employment decisions, though subject to financial pressures and incentives, are also negotiated with current social expectations and these mitigate a strictly economically rational choice. The disincentive effect for second earners within the tax credit system may therefore affect women second earners more than male second earners. Economic factors reinforce social expectation of female labour market participation whilst children are young, yet for men any financial disincentive effect may be limited by a belief that they should be gainfully employed in the labour market.

8. Conclusion

Participants' conception and negotiation of decision-making around employment represented a departure from the assumptions underpinning the WFTC that individuals are rational economic actors seeking to maximise their income. The approach of fathers to decision-making came closest to the model of *homo economicus* implicitly espoused in policy. This reflected the attachment they placed on participation in the labour market as the defining aspect of their identity and the lack of expected involvement in the majority of childcaring. For mothers, decision-making around employment transitions took place within a framework of a moral responsibility for, and commitment to, providing care for children. Their approach to decision-making took them closer to the 'gendered moral rationalities' model developed by Duncan and Edwards (1999). When mothers made a choice about participating in the labour market

it was socially embedded in, and negotiated with expectations about, their appropriate caring role and behaviour. Duncan and Irwin (2004: 397) identify socially negotiated moral understandings and commitments as crucial to decision-making around care and employment while accepting that money plays a (secondary) part in the process. Similarly this chapter indicates that mothers' employment decisions drew on moral notions of good mothering. On the other hand it was evident that financial incentives and disincentives were a key part of the decision-making process and were not a secondary element. Families interacted with the structure of the tax credit system and considered actions in relation to both social and moral expectations and commitments and their economic consequences suggesting that decisions were not underpinned primarily, either by economic rationality or gendered moral rationalities. Instead decisions were temporally specific and motivated by how parents sought to balance the different aspects of social, emotional and material welfare so that their capacity to deliver each was not diminished.

Lone mothers demonstrated a particular awareness of how the WFTC functioned and were able to negotiate and re-negotiate the blend between these different factors more flexibly. Mothers faced the dilemma of how to achieve an income that permitted them to maintain adequate living standards, while weaving this together with their notion of appropriate mothering. The freedom to respond to changing circumstances and demands was sought and the WFTC provided a relatively secure stream of income from which lone mothers could alter their level of employment participation. The Government have signalled their intention to use the tax credit system to enable lone parents to find an improved balance between paid work and caring (HM Treasury, 2002: 18), and for the lone mothers within this study it was working. Conversely the impact of the tax credit system on the decision-making of some partnered mothers may implicitly reinforce their position as main carer. One third of partnered mothers did move into work during the pre-school period and two mothers presented this as an unfortunate necessity brought on by a partner's ill health. Though economically rational their employment was structured by mothering considerations and this led to part-time and/or home working, and a better paid, but pressured and time heavy job being foregone for lower paid employment. Income-maximisation was at times a motivation for both partnered and lone mothers' decisions around employment, but this interacted with temporally situated and socially negotiated moral expectations of behaviour and material needs.

Chapter 5

Responding to change? Decision-making following reform of the social security system

1. Introduction

From April 2003 the Working Tax Credit and the Child Tax Credit (WTC/CTC) replaced the Working Families' Tax Credit (WFTC) introduced by Labour in 1998. Coverage of in-work support has been extended to childless low-income families and individuals without children, through the WTC. The CTC rolls together the child elements of out-of-work benefits, such as Income Support and Jobseeker's Allowance. The reform of the tax credit system ensures that all child-related payments (CTC and cctc) are now directed to the main carer, while linking the payment of the WTC to main earner continues, albeit in an altered form; the implicit assumption that payment to the main earner is necessarily desirable and can improve work incentives. (see HM Treasury, 2002).¹

The extension of the tax credit system to those not previously covered demonstrates a desire to provide extra financial assistance to low-paid employees and improve the financial incentives for taking up and maintaining employment. Previous chapters have detailed the implicit behavioural assumptions underpinning the development of tax credit policy and the criticisms made of a rational economic man model of behaviour in social security. In chapter 4 I identified the way in which mothers' account of decision-making cut across accounts of behaviour that emphasised economic rationality and income-maximisation, and those such as the 'gendered moral rationalities' approach which, in contrast, focused strongly on socially embedded negotiations of 'right and proper' mothering (Edwards and Duncan, 1996). I suggested that insufficient attention had been paid to how notions of appropriate caring behaviour interacted with financial incentives provided by in-work financial support through the tax and benefit system. A moral commitment to notions of intensive mothering did inform the employment decisions of mothers (though fathers less so) and this influence was not only socially negotiated, but temporally situated, but the economic, in the form of the WFTC, could not be relegated to a subordinate role. Families (particularly lone mothers) showed an

¹ For a fuller discussion of specific reforms to the tax credit system please refer to chapter 2

awareness of the financial benefits of employment and of the incentive structure of the tax credit system and the likely financial consequences of their choices. Contrary to the presumption that individual adults are rational economic actors seeking to maximise their income, chapter 4 argued that employment decisions were motivated by the pursuit of a temporally situated balance between paid work and unpaid work (mothering). Choice was underpinned by a desire to maintain a level of commitment in each that did not impact negatively on the social, emotional and material welfare of the family, in particular the children. Families were attempting to maximise their 'temporal welfare balance' (see Chapter 7).

In this chapter I draw on material from the second wave interviews to investigate further the nature of decision-making over time and how the pattern of balance and thus motivating factors change. The new tax credits (WTC/CTC) contain changes that potentially alter the financial structure within which choices are made. An examination of the impact this had on decision-making is conducted alongside an investigation of how the period of reform itself impacted on choice. It is recognised that a comprehensive assessment of the new system is beyond the scope and remit of this study, but anecdotal evidence surrounding reform suggests some families encountered problems with the new system (*The Guardian*, Saturday April 19, 2003; Citizens Advice Bureaux, 2003; HC, 2003), and I examine how this impacted on employment decisions.

Before turning to consider the importance of problematic tax credit administration and payment in decision making I explore similarity and difference over time through a comparison of employment plans outlined by lone parent and couple families at wave one with decisions made during the intervening period. In doing so, links to temporal accounts of mothering and a changed tax credit structure are drawn out, and their relevance to families' account of employment behaviour is discussed.

2. Lone mothers' response to changes in circumstance

2.1 Supporting a balance: how the WTC/CTC facilitated choice

At wave one, parents were asked about their plans for employment in the short to medium term. McCrone (1994: 68) has suggested that the strategies which exist in most households are best viewed and understood not as clearly defined 'blueprints', but as approaches to understanding and controlling everyday life which are constantly changing. McCrone (1994) does consider it possible to discriminate between those

families 'getting by', coping on a daily or weekly basis, and those 'making out', who essentially take a longer term perspective to decision-making. The pattern of employment indicated by mothers at wave one and their intentions for the following year showed a mixture of approaches to planning employment mobility.² Responses ranged from the meeting of immediate short term objectives to more long term planning and these were not necessarily mutually exclusive. Irrespective of this, however, mothers placed planning within a discussion of how to weave together paid work and a commitment to notions of appropriate mothering satisfactorily. Decision-making continued to be socially embedded and temporally contingent as mothers sought to maintain a balance between paid and unpaid work in response to new circumstances. This affected employment mobility, with mothers altering place, time and hours of work in order to maximise their ability to 'balance' their and their family's social, emotional, personal and material welfare, rather than income-maximisation per se.

In addition the tax credit system continued to support lone mothers in negotiating and renegotiating how they engaged with the labour market both in the short term and over the longer term. At wave one, for example, lone mothers such as Davina anticipated changes to their employment over the coming year and viewed the tax credit system as a central part of their renegotiation of paid work. At wave one Davina indicated her intention to increase her participation in paid work and by wave two, paid working hours had risen from twenty hours per week to thirty five hours per week. Greater participation was linked to perceived changes in the care needs of her son as he started school and consequently her mothering role. Changes in the notion of mothering responsibility meant that it was 'right and proper' that Davina consider taking on extra hours at work. Simultaneously the extra time available during the day created a space for increased paid work without upsetting the balance Davina strove to maintain between paid work and caring. The actual increase in hours was only actioned, however, after an assessment of the economic consequences for overall family income of taking on extra hours. The moral notion of what constituted appropriate mothering evolved over time in conjunction with children's perceived needs and created moral and practical space for increased paid work, but the balance between paid work and care was also about securing material benefit for the family. Mothers were not self interested income-maximisers responding clearly and unambiguously to signals about the marginal financial value of paid work; these signals

² Defined as including moves into and out of paid work, movement between part-time and full-time employment, altering working hours and moving between jobs.

were negotiated with social and moral factors supported by a concern to avoid risking the welfare of the family and the mother herself. The structure of the tax credit system enabled Davina to increase her hours and benefit from an increase in work income that was not offset by an equal or greater withdrawal of WTC/CTC financial support.

"I wouldn't have done it if it had made me worse off, because there would have been no point really, it's not worth it do you know what I mean, so that's why I did look into it and it did work out that I'd be better off. I mean alright you get taxed and insured but it's nothing really, but to look at your wages at the end of the month you are better off, we are better off than we was before, when I was doing my old hours". (Davina, lone mother)

The qualitative study conducted by Himmelweit and Sigala (2004), discussed in Chapter Two, exploring mothers' identities and behaviour found some mothers following a return to employment after maternity leave, resented paid work. Subsequently these mothers left their jobs citing their employment as incompatible with the current caring needs of their children, choosing instead to accept a lower income and either return to caring full-time within the home or move into a job with reduced hours. While these were the mothers of pre-school children a similar pattern of behaviour could be found within my study amongst lone mothers with children at school. The movement of children into school did not necessarily equate with a sustained increase in employment for mothers; some chose to reduce hours once again. This was not simply a result of their resentment at working, but was linked to concerns about the effect extra working hours had on their children and their ability as mothers. A consideration of mother and child welfare wrapped in moral notions of appropriate mothering motivated change, but this was negotiated with the potential impact a reduction in hours would have on family income. The WTC/CTC and wider social security system provided Catherine with sufficient financial support to avoid a conflict between economic and moral factors in the pursuit of an improved balance between paid work, caring and the family's overall welfare. In addition this draws attention to the dynamic nature of plans and strategies, how they are temporally situated and form and reform in response to new circumstances.

During wave one, Catherine had shown concern that the increased time she had devoted to employment since her son started school contributed to deterioration in his behaviour and academic performance in school. By wave two Catherine had taken action to address the problem.

“He’s had a few problems at school, so I’ve cut the hours down so that I can still work, but you know I can spend more time at home, his school work seemed to be suffering because I seemed to always be at work I know it were only part time, but it seemed to be, the hours I do, I seemed to be more at work than I did at home.” (Catherine, lone mother)

Judging herself against what she perceived to be the ideal full-time carer model Catherine acknowledged that whilst she would have liked to have fulfilled this role, it was not realistic. The material and social rewards of employment outweighed a total absence from the labour market and position as full-time mother. Catherine planned to have reduced the hours worked per week from twenty four to sixteen by wave two and had achieved this by the time of the second interview. After negotiating with her employers, three eight hour shifts had been exchanged for one sixteen hour shift per week. While tiring, it did free up the majority of the week for caring activity and building in a considerable degree of flexibility. A strong sense of responsibility for the emotional and social well-being of her child and the negative effect of increased employment permeated her approach to weaving together paid work and caring. The ability of the social security system to offset this loss of income from paid work supported the reorganisation and pursuit of a more satisfactory balance between paid work and unpaid work. Indeed, prior to altering hours of work the potential impact on family income was investigated.

“It took some time, a lot of paper and time, I was like writing all that I’d got to pay out and if I knocked this shift would I be able to afford it and if I knocked this shift and then eventually er I think a couple of things got paid up. So that was like two things that I’d got to pay out so you know I worked it out and I managed to get housing benefit and so that helped, but it was easier than I thought. I was relying on too many hours and I didn’t need them.” (Catherine, lone mother)

Working twenty four hours a week (occasionally more) Catherine had not qualified for Housing Benefit, but having swapped to sixteen hours per week received Housing Benefit and Council Tax Benefit. The extra financial support provided by benefits and the tax credit system partly compensated for the lower wages. Coupled with the final payment of an outstanding debt and improved management of current debt Catherine felt the family’s financial position had stabilised.

Warren (2004) argues that mothers remaining in low paid jobs will find that any current financial problems they suffer will in all likelihood intensify, impacting negatively on their ability to save and acquire assets in the present for economic security in the future. The standard of living mothers are able to enjoy in old age is severely affected by the pay penalty of the lower earnings received by those engaged in part-time employment (Gregory and Connolly, 2001: 28). The initial impetus in Catherine's life for a renegotiation of the organisation of paid and unpaid work developed not through self-interested income-maximisation and the economic costs of employment, but the goal of maintaining a balance between paid work and caring, supportive of the personal and emotional welfare of her son. The new tax credits and wider social security system intersected with this by helping ensure this did not conflict with the necessity of work for the continued provision of material welfare for the family. Over the long term however the impact of Catherine's part time employment on future income and standard of living may be negative. As Rubery *et al* (2001) notes, particular tax and benefit systems may encourage women's participation in part-time low-paid employment and this can contribute to gender inequality in later life. The evidence from Catherine and other participating lone mothers was that tax credit policy was supportive of changes to their work-life balance and was meeting their family's financial needs. A concern is whether the flexibility tax credits facilitate around employment carries long-term risks that are less beneficial for the individuals concerned. Weighed against this must be the question of whether in the absence of the tax credit system Catherine would have remained on Income Support and been disadvantaged in the short, medium and long term?

There was no evidence to suggest that Catherine realised the long term economic implications of her decisions or saw decision-making as trading the long term against achieving the most satisfactory 'welfare balance' at that point in time. Decision-making was temporally limited primarily to the consideration of the short and medium term. Only two mothers (see below and Chapter 7) actively considered their current welfare balance and choice in relation to future welfare and opportunities and both were in part time education. Other than this the principle link to longer term consideration was through children. Mothers' short term caring decisions were linked to a desire to ensure the necessary social, emotional and educational development of their children, understood as integral to their children's future behaviour and success as adults. On the other hand there was no corresponding linkage by mothers of current employment decisions with future employment position and income. It may be that while parents readily identify themselves with children's current and future development they lack

awareness of how current employment decisions will affect pension entitlement and their means to address this issue. Indeed recent research into awareness of the pensions system and entitlement shows considerable variation in knowledge of how the system operates and what income pensioners can expect to receive from the Basic State Pension (Bunt and McAndrew, 2005).

Over the period defined by the two waves of interviews the tax credit system assisted lone mothers in their pursuit of a satisfactory balance between social, emotional and material welfare. Employment decisions were framed by socially embedded moral expectations of good mothering and financial need. Choice was not driven by self-interested income-maximisation; rather the maintenance of flexibility in the face of changing circumstances was sought to enable mothers to deliver the differing forms of welfare required by family members over time. Decision-making was motivated by the preservation of an acceptable balance between paid and unpaid work. For Lillian this meant resistance to increased hours of paid work at both waves one and two. Indeed this reluctance to move into full-time employment had been tested during the intervening period with an offer from her employer to take her on full-time. Lillian enjoyed her work, yet had no desire to become full-time:

"I couldn't do it full time, I couldn't do it full time, I wouldn't like to do it full time, but it's alright as a job goes... I've been given the option, when my last job share partner left, but no, no as I say I don't want to, no it's nice to spend time with Wes (son) and also I haven't like got a car and I need time to go shopping. I have to do it bit by bit and I need time to do that and the housework and like, in the summer, the garden. I like to have it done because I don't like to be cleaning when he's at home, I know that we might just sit here, but we're together. I like that bit of time when I can do things and then when we can do things together." (Lillian, lone mother).

The prospect of full-time employment was rejected because of the increased pressure it would bring, the consequence of which would be a diminished ability to combine paid work with Lillian's moral commitment to intensive mothering and other unpaid work responsibilities. Employment decisions were governed by the need to balance, creating a trade off between different aspects of welfare. This led to economic incentives circumscribed by moral expectations of good mothering and the pressure of domestic labour duties.

The data suggests a complexity in lone mothers' employment decision-making that indicates choice is part of a broader social process than policy assumptions necessarily allow. Decisions can be perfectly rational, but detached from a focus on income-maximisation. Further, elevating the importance of local socially negotiated notions of appropriate caring to a level that implicitly suggests this is the primary driver of women's labour market participation, similarly risks a too deterministic account of behaviour. It minimises the importance of income from the tax credit system for the decision low income mothers make. The reasoning of mothers within this study took into account the family's need for different forms of welfare, encompassing the economic, social and emotional and the actions necessary for the mother to provide these. For lone mothers within this study, the tax credit system post reform continued to deliver financial assistance that was key to their ongoing process of weaving together paid work and caring.

3. Couple families and employment planning

3.1 Fathers' views of their employment and family role

During chapter 4 I argued that fathers' decision-making around employment was closer than mothers' to the model of behaviour associated with 'rational economic man'. A neat categorisation of fathers as 'self-interested income-maximisers' and mothers as care centred does, as Neale and Smart (2002: 195) note, risk creating a simplistic dichotomy between how mothers and fathers make choices and can give the (wrong) impression that men are 'rational' and women somewhat 'irrational'. Despite this the gendered nature of parents' identities did infuse families' approach to decision-making and planning and were evident in the choices made by parents at wave two. For those couple families with a female main earner, the male partners continued to view their role as tied closely to employment and sought with varying degrees of success to move back into the labour market. Potential employment moves for the men were not considered in relation to the operation of the WTC/CTC and potential disincentives it might contain for second earners, although partly this stemmed from expectation that their movement into employment would be matched by their partner's withdrawal from the labour force.

During wave one interviews Jamie showed a keen determination to return to employment, while recognising this could be difficult, having sustained an industrial injury which ruled out movement back into the manual labour market. Interestingly

Jamie harboured significant misgivings about the family's receipt of income from the tax credit system, based on previous encounters with the wider social security system and its complexity. This is not surprising, as we know that experience of difficulties with the social security system in the past influences how people engage with it in the future (Ford *et al*, 1995). By wave two the misgivings had increased significantly following the introduction of the WTC/CTC. Receipt of awards letters all bearing different entitlements and the subsequent payment into the couple's account of an income that matched none of these led to an intensification of Jamie's job searching activity. Jamie, having secured employment just prior to the wave two interviews, hoped to move the family off the tax credit system. The mis-information the couple received and his previous experience of social security reinforced Jamie's already strong conviction that he should be working and that this would suffice for the family's needs. Jenny was adamant this would not happen. Jamie might return to employment, but for the stability of the family income and overall standard of living, the continued receipt of WTC/CTC income was seen by Jenny as central. Jamie's perception of the risk inherent in social security was supported by the problems the couple experienced during the reform period. This was countered however by Jenny's perception of the potential problems associated with Jamie's return to employment (due to ill health) and the suggested removal of the (relatively) stable financial platform the tax credit system provided. The plan outlined by the couple at wave one to get Jamie back into the labour market had been achieved, but movement off the tax credit system hoped for by Jamie had not. The material advantages it continued to deliver outweighed the problems experienced by the couple during the changeover from the WFTC. The financial stability offered by the WTC/CTC system was deemed greater than a reliance solely on Jamie's wages could deliver.

The employment goal detailed by Ron at wave one had not come to fruition. Ron remained the full time 'house husband' while Alison was employed full-time. The couple's desire to re-establish a 'traditional' male earner/ female carer arrangement continued to be undermined by Ron's health. At wave one Alison had thought it desirable, but generally unlikely, that she would be able to leave employment. On the other hand Ron was adamant about returning to employment and in the intervening period had visited the jobcentre and carried out work search activity. By wave two, however, following his failure to find suitable employment, Ron indicated it was unlikely, at least in the short term that he would return to employment.

A considerable body of evidence exists that fathers' thinking continues to be embedded in ideas of breadwinning (see Dex, 2003: 45). Recent research indicates that while fathers may genuinely want to spend more time caring with their children and develop more involvement in their life, fathers' identity and view of their key contribution to family life nevertheless remained tied to paid work and the 'providing' of financial support for the family (Reynolds *et al*, 2003: 39). The findings from my small scale qualitative study support the suggestion that 'breadwinning' persists in how fathers think about familial roles for themselves and their partners, including amongst the men who were unable to fulfil this role.

Despite ill health both Jamie and Ron showed at wave one a strong preference for returning to employment which continued into wave two, although Ron, in response to persistent health problems, accepted this would not happen. None of the couple fathers within the study related the decisions they made around employment to the WFTC, or post reform, the WTC/CTC. Nearly all acknowledged the extra financial support was beneficial, but none argued it had influenced their choice around participation in the labour market. Interestingly one lone father, Gary, had chosen not to inform Inland Revenue that his income from paid work had dropped considerably since the previous reassessment, following a reduction in overtime caused by his employer's loss of a large business contract. Rather than contact Inland Revenue and receive a reassessment and in all likelihood an increase in income (he was aware of this possibility) Gary opted to look for additional work part time. The decision to forgo extra assistance from the tax credit system can only be understood in relation to the value placed on employment and 'paying his way'. With an unbroken employment history he prided himself on his ability to find jobs. Furthermore there was a strong attachment to the idea of personal responsibility for providing for the material needs of the family. The support from the tax credit system was welcome, but Gary argued that rather than sit at home and receive any extra support he would rather be working.

Economic calculations were made about the relative merits of other potential jobs, but fathers within this study argued that it was their responsibility to be in paid work irrespective of the tax credit system and some fathers, such as Adam, were contemptuous of men that did not work. On the other hand some father could not work and their partners were aware of the financial risk posed to the family of a return to employment by the man. Nonetheless the 'breadwinner' ideal continued to influence and structure fathers' decisions and below I discuss how for some couples the tax credit system, despite the April 2003 reforms, may continue to reinforce this.

3.2 Couple families, the new tax credits and responding to change

During chapter 4 I discussed whether the WFTC was discouraging coupled mothers within the study from entering the labour market. Explanations provided by parents did suggest that for some mothers the perception that a family's overall income would decline if the mother returned to less than full-time paid work influenced employment activity. The economic impact of the WFTC was identified primarily by fathers and fed into and reinforced their perceptions of appropriate gender roles within the family and notions of good mothering. Fathers' position on these issues helped inform and shape the complex temporal framework of decision-making as mothers sought to achieve the optimum balance between the social, emotional and material welfare of the family and themselves.

The Labour Government has argued that reforms made to the tax credit system with the introduction of the new tax credits have reduced the disincentives faced by non-working partners of single earners (HM Treasury, 2002: 16). Recent research suggests that the increase in generosity of the new tax credits and lower withdrawal rates may have reduced the disincentive for second earners, but at the expense of moving this up the income scale so that more second earners may be subject to weaker incentives to enter employment (Brewer and Clark, 2003: 46), although more recent research indicates that the overall disincentive for second earners is greater now than in 1997 (see Brewer and Shepard, 2004). Our interest here, however, is whether the families within this study responded to signals about the changing value of employment for non-employed partners. The material suggests that the couple families identifying the potential costs of mothers returning to employment at wave one continued to perceive this as an issue at wave two. Interestingly it was again fathers who showed most concern about the potential negative financial consequences of their partner returning to employment. Daniel acknowledged that his partner wanted to move back into paid work once the children began school, but worried about the financial implications of this for the family income and thought the couple should obtain financial advice setting out the costs and benefits of particular options.

"I think we'd want to see if we could get some advice from the tax credit people or Citizens Advice, I know that they've got computers and things and they can give you an estimate it's not a guarantee but it is an estimate and they would probably be able to tell us... we would weigh that up; the pros would be if Selma was going out and it didn't make any difference to us financially, that is one consideration but there are other

considerations in the longer term one. One is it something Selma would really enjoy doing and what are the job prospects in the longer term, so it's not just a financial thing...." (Daniel partnered father)

Similarly Lenny and Ruth thought it more beneficial in the long-term for her to remain as main carer and study part-time. This would enable later employment mobility and transition into a better paid job. Taking up paid work during the children's pre-school years was viewed as counter-productive on a number of levels. It reduced Ruth's ability to realise long term aims, it conflicted with the couple's moral commitment to their perception of 'good mothering' and it was thought that paid work (unless very well paid) would at best simply offset income from the WTC/CTC. It was understood though that this arrangement was temporally situated and that over time Ruth would re-enter the labour market.

"Well Ruth's thought was that she is happy to be at home with them until they reach the age of going to playgroup and then going to school and so we said she could do three sessions now and then five sessions in January... quite often Ruth will use those sessions to do homework or research or whatever it is. So she finds that time, if she has homework to do, then that is a good time to do that". (Lenny, partnered father).

"We made the decision that whilst the children were young, prior to going to school that I wanted to be with them, I didn't want them to go into childcare and we made the right decision for our family. Ideally, ideally I should study while (daughter) is at playgroup as my brain is often dead of a night, so ideally I should, its all about time management obviously doing jobs during the day does free up my evenings a bit more, I do envisage that when (daughter) is at school, life will be easier in terms of studying". (Ruth, partnered mother)

Neither couple felt that the financial disincentives for a second earner had altered. Of course this may be due to a lack of clear information about the detail of changes to the tax credit system. There may be a period of 'lagged adaptation' (see Gershuny *et al*, 1994), whereby families are slower to respond to the new reality of changed financial structures created by the WTC/CTC. Nevertheless at the time of interview these couples, particularly the fathers, perceived there to be a disincentive for second earners. This helped reinforce the sense in which it was more 'sensible' for the couple to organise the division of employment and caring around traditional male breadwinner patterns. It would deny mothers' agency to suggest that partners could fully determine

their path into paid work, but the perceived financial disincentive did work to subtly constrain mothers' free 'choice'. In this sense the lack of clear information families had about the operation of the tax credit system for potential second earners fostered a default position of maintaining stability. Yet these same mothers held to the position that they would return to employment once their children started school irrespective of the financial impact. This suggests that the meaning of financial stability and parent willingness to make decisions they consider a risk at one point alters over time. During the pre-school years socially negotiated moral commitments to the importance of good mothering combined with (potential) financial disincentives to create circumstances where employment decisions for these mothers favoured remaining outside the labour market. This draws attention to the contingent and temporally situated nature of choice, with decisions subject, and responsive, to changing circumstances over time. It also draws attention to the contribution made by the WTC/CTC to upholding the single earner family model.

4. Childcare and the tax credit system: delivering opportunity?

During Chapter 4 I discussed the pattern of formal public and private childcare providers and informal care networks families relied on for the majority of their childcare needs. Childminders were unpopular, but nurseries continued to be a favoured method of formal childcare amongst all families, particularly as the children grew up. Parents viewed their children going to nursery as an important part of preparing them for school and for mothers such as Ruth (see above) it created a space during the day for her to pursue other activities. The decision of the Labour Government to bring provision of free nursery places down the age scale meant that Lenny and Ruth could take advantage of up to five nursery sessions each week.

Free nursery provision was a welcome help for both this family and other families within the study, but this continued to co-exist with some reservations about its coverage, notably that a free place was only part-time. This echoes the findings of previous studies which suggest the current level of formal provision is not comprehensive enough to meet the demands of many families (Daycare Trust, 2003; Lewis, 2003). Penny, for example, found it necessary to negotiate a new pattern of work with her employer when her son started school just prior to the wave two interviews. At wave one her son had been attending nursery three times a week with the family reliant on Penny's mother for collecting her. Anticipating the beginning of the school year Penny faced a dilemma, either to attempt to renegotiate her hours of work with her employer

or send her son to an after school club. Unfortunately the latter was located at another school five miles distant from both her son's school and Penny's employment. Deciding to send her son to the after school club would have increased the complexity of everyday life and made it more difficult for her mother to collect her son in emergencies, because she did not drive. The input of geography and time considerations into the decision-making process created a counterweight to Penny's initial preference for after school care. Penny instead decided to approach her employer about restructuring the working week so that she could collect her son in person. This was successful, but it highlights the need for childcare to be accessible, not simply affordable, as not all parents will be able to renegotiate hours and days of work with their employers and childcare that is distant does not assist parents to achieve a satisfactory balance of paid and unpaid work.

Of course it is important to acknowledge, as in chapter 4, that the Labour Government are building on current childcare provision and plan to develop a more comprehensive and universal service. The Chancellor of the Exchequer, Gordon Brown, outlined in the 2003 Pre Budget report the introduction of 'extended school' pilots in three areas exploring the potential effects of wraparound childcare (HM Treasury, 2003). Expanding on this the Prime Minister recently announced in a speech to the Daycare Trust the Government's vision of childcare provision over the next parliament.

"I want an end to latch key kids as we move from the traditional welfare state to an opportunity society that helps families with the daily problems they face. I can announce today that over the next parliament, every parent with children in primary school will be offered the guarantee of affordable school based childcare from 8 to 6, from breakfast clubs in the morning to after school clubs in the evening – and not just in term time but all year round. In reality we expect at least half of all parents to enjoy this service well before then." (Blair, 2004)

On the other hand while access to comprehensive childcare may still be patchy the tax credit system enabled some parents at wave two to improve their childcare arrangements. Sian, a lone parent, used the income from the WTC/CTC to pay for accessible all day childcare and cease reliance on informal assistance from friends, although her parents were still used in emergencies. Realisation of her long term goal of attaining a university degree rested on access to comprehensive childcare. Without this plans to eventually improve her position in the labour market, and consequently the family income, would be undermined. At wave one Sian suggested that her daughter

beginning school would provide just the right opportunity to start university and by wave two this had occurred. The changes in their routine were assisted by Sian's use of a childcare organisation paid for with income from the WTC/CTC. The childcare organisation took her daughter to school and at the end of the school day picked her up and looked after her until Sian was able to collect her in the early evening. In the absence of financial assistance from the new tax credits Sian indicated that it would have been difficult for her to manage university, caring and part time employment. The tax credit system supported the achievement of a satisfactory balance between Sian's priorities. Recent qualitative research into the effect of the childcare tax credit on employment decisions of lone mothers supports this. It found that the cctc and WFTC contributed to lone parents feeling more 'in control' of employment and childcare decisions and able to sustain a greater measure of independence from family and ex-partners than otherwise would have been possible given their employment and caring arrangements (Nicholls and Simm, 2003: 5).

Not all parents found the tax credit system helped them balance their concern to provide material, social and personal welfare. Annabel and Eddie for example had enrolled their youngest child at a local nursery taking advantage of a free part-time place. However, Annabel's working day straddled the morning and afternoon sessions forcing her to pay for extra hours of care. Annabel resented the cost of childcare and felt penalised for working.

"I'll take her in at 9.00 because I don't start until 9.30 and pick her up at 2pm and I have to pay for the extra couple of hours that she's there and for dinner, which works out to be quite a bit... if you want another couple of hours then you have to pay and I think that's terrible, they say they're supposed to be helping people get back to work and yet they are still charging an awful lot for you to get back to work." (Annabel partnered mother)

The family's mixed experience of formal childcare was exacerbated by the eligibility conditions of the cctc leading to difficulties in securing ongoing receipt of this tax credit. Between waves one and two the couple had made a successful claim for cctc which had benefited the family financially. The family thought this assistance likely to be short lived due to the precarious nature of Eddie's employment. Eligibility for the childcare tax credit rested on both partners working and the short term contracts Eddie took led to considerable employment mobility and consequently eligibility for the cctc could change quickly and frequently. When I spoke to the couple at wave one in February

2003 Eddie had just taken up a new contract, but their previous claim for cctc had been declined because Eddie was at that point out of work leaving Annabel's income to cover household expenditure and childcare costs until Eddie started work again. Interviewing the couple at wave two the couple were now receiving the cctc after Eddie found temporary employment. This had just finished, however, and with no immediate prospect for other work it seemed likely the couple would once again be ineligible for the cctc, pushing the cost of care back onto Annabel.

It may be argued that Eddie could provide the necessary childcare. It was clear, however, that this conflicted with his notion of appropriate parental roles and Annabel's desire to achieve stability in childcare for her children. Relying on Eddie, who would be required to take a job as soon as it came up, was an insufficiently stable basis on which to base childcare. It was unsettling for the children and, Annabel felt, for herself. The only solution Annabel felt was to persevere with the situation, cutting back on expenditure to cover childcare costs until Eddie found himself in paid work once again (*usually this occurred within a month*).

Again this emphasises how individuals negotiated with financial and social structures, such as the operation of the tax credit system and the views and employment decisions of partners. Furthermore these were tied to, in this situation, Annabel's commitment to paid work and the need to balance this against her concern to provide a stable caring environment for the couple's children. Decisions were not simply responsive to signals about the marginal financial value of paid work, although these were an integral part of the temporal balance framework within which participants made a choice about what course of action to take.

5. Informed decision-making: policy awareness amongst families

Effecting changes in the decision-making of individual adults through reforms to the social security system necessarily involves an understanding and awareness amongst individuals of the policy that is seeking to alter behaviour. Without this the potential for policy to effect change is diminished because those targeted have either limited or incorrect information regarding its operation. A study into families' awareness and understanding of how Family Credit (FC) operated indicated that typically a broad understanding of the outline of Family Credit policy existed, but when it came to details the understanding was sketchier and much less certain (Marsh and McKay, 1993). Similarly, a small scale qualitative study conducted with Family Credit recipients shortly

before the introduction of the WFTC found appreciation of the policy instruments used by government was hazy and that respondents were usually poorly informed. The move from a social security benefit to a tax credit was not, in general, understood, although some did assume the effect of increased earnings on the WFTC would be similar to their experience of FC and that WFTC would also reduce entitlement to council tax benefit and housing benefit (Dean and Shah, 2002: 74).

Amongst parents within my study, knowledge of the tax credit system and its relationship to employment behaviour was relatively well understood in terms of the overall policy goal of encouraging people to take up employment by making it financially viable. Parents with previous experience of receiving FC essentially viewed the WFTC as an updated version, whose most noticeable difference was an increased generosity in financial support. All participants were broadly aware of the principles underlying the WFTC and some of the potential problems, including the poverty trap effect. As noted earlier, for some couple families there was a clear awareness of the potential effect a non-employed partner moving into paid work might have on family income. Despite these concerns parents thought it right and proper that government should help those trying to help themselves through employment. One participant spoke of the opportunities provided by the WFTC for people to take a chance on employment that might not eventually work out.

"It's a good idea if you want to try, if someone is genuine enough and wants to try and do something on their own then that's there to help them, for to, you know, for them to find out at least whether it's going to work, if it don't well they've tried and at least they had enough money to keep their family afloat while they had a go at it." (Adam, partnered father)

The notion that helping people help themselves or, in government parlance, providing 'a hand up, not a hand out' (see http://news.bbc.co.uk/1/hi/uk_politics/298934.stm) was an appropriate role for government, permeated parental views of the tax credits both pre and post reform. There is a danger, however, that with the Government emphasising that there is now no reason not to work, those without employment come to be increasingly identified by the employed as unwilling to work.

"It's good I think, it's a good thing you know that they help you, you know you get to have a decent living out of it... people think you can't go back out to work, but you can go back out to work cause you get help with it. I'd rather go to work than stop at home

all day and have nothing like most round here.... perhaps a lot of people don't realise, I don't know, I think they don't look into it cause they don't want to work, that's why really, that's what I think anyway." (Penny, lone mother)

Clarity on the broad workings of the WFTC and post reform the WTC/CTC did not translate into a detailed understanding of whether increasing hours of employment would lead to an increase or decrease in income overall. Parents voiced the concern that the operation of the tax credit system was opaque; they were unsure how the level of financial support was assessed and could not accurately predict the amount of support they would receive prior to assessment. Unable to work out the potential impact of different employment decisions themselves except in broad terms parents relied on information from official and unofficial sources to improve their understanding of how policy would impact on them personally. Usually this involved a mixture of advice from relatives and work colleagues with similar circumstances to the individual and their family and/or information obtained from Inland Revenue or other government organisations, such as Jobcentre Plus.

One lone father, Peter, felt that the information he had received from Jobcentre Plus before he took up employment had been misleading and while welcoming the WFTC believed the impact on his entitlement to Council Tax and Housing Benefit was not made clear. Similar views were voiced by some of the lone mothers, although overwhelmingly they indicated that overall they were better off in work and receiving the WFTC. It does raise the question though of the extent to which signals about the value of employment are obscured by the partial information about the tax credit system which parents operated with.

Reform of the system in April 2003 had not improved parents' knowledge or understanding of the system. The main reform of splitting WFTC into two elements payable to different partners within a couple was identified by all couples. Chapter 6 covers this issue in more detail, but the effect of the reform on decision-making appears at the time of the second wave interviews to have been minimal. Few could identify how the replacement of WFTC with the WTC/CTC had impacted on either the decisions they made or the money they received through the tax credit system. Increases in income were noted, but parents felt variation in income received often happened following reassessment anyway and consequently had not attributed this to greater financial support through the New Tax Credits. One issue did animate

considerable discussion from some parents: the problems they encountered immediately prior to and after reform to the tax credit system.

5.1 Immediate impact of the reforms

Anecdotal evidence emerged following the introduction of the WTC/CTC that across the country some families were encountering considerable difficulties under the new system (see Citizens Advice Bureau, 2003). Previous research into recipients of Family Credit showed that while families waited for payment of their FC they could find themselves in increasing financial difficulty as they struggled to pay bills and rent and were likely to become more wary of the scheme as a result (Corden, 1991: 78). Evidence suggests that a poor experience from previous attempts to claim in-work or out-of-work benefits informs future decisions on whether or not it is worthwhile applying for support, even under different circumstances (Ford *et al*, 1995: 31) and of course this may then affect employment decisions.

Van Oorschot (1996) has drawn attention to the multiple level influences on take-up of social security benefits with interactions between three distinct but related factors: the particular client group, administrative practices and the rules of the particular benefit scheme. A notable element of this approach was to turn the focus back towards structural features and the role of policymakers and administrators in affecting take-up, moving away from an emphasis on the characteristics of potential recipients (Corden, 1999a: 149). For example eligibility decisions made by frontline administrators and the accuracy of benefit payments made to recipients reflect in part the context of the benefit structure created by policy makers and can be critical to whether individuals make claims or not (Van Oorschot, 1996: 8; Corden, 1999b: 44). The potential for the problems in transition to the WTC/CTC to negatively impact on confidence in the tax credit system and affect decisions around employment is evident.

The range of problems experienced by recipients during the transition phase from WFTC to WTC/CTC included delays in payment, the receipt of an incorrect payment and payment (correct or not) without award notices. Families experiencing the latter had received payment but the absence of an award notice setting out their entitlement caused anxiety and uncertainty over WTC/CTC income. Furthermore it resulted in added pressure on Inland Revenue as families continued to attempt contact in order to determine their entitlement. The number of families believed to have been affected by this according to Inland Revenue was in the region of 'hundreds of thousands' (HC

834, 2003: 8). It is unsurprising then that participants' experience of the new system ranged from smooth transitions to significant delays in payment and the persistent receipt of incorrect award letters. Remarkably most families encountered few or only short term problems, but a few parents faced acute difficulties which significantly impacted on the family's standard of living.³

Sian suffered a twelve week delay in payment of the WTC/CTC leading the family to incur debts they would otherwise have avoided. During this period friends and relatives repeatedly suggested she would be better off quitting work and moving onto Income Support. Despite this advice and the financial pressure Sian decided to persevere and wait for Inland Revenue to correct the problems. That the immediate and severe drop in financial support did not alter employment behaviour is interesting. The explanation for this can be found in how Sian viewed part-time employment as underpinning long term goals and short term necessities. The former was based on an eventual re-orientation away from the low-paid, low skill labour market towards higher skilled, better paid employment. The short and medium term advantage of part-time working was that it provided the time and space to combine and manage a commitment to mothering alongside study for a degree (the route to a higher income), while delivering an acceptable standard of living for the family. Presented with a short term drop in income that would, it was hoped, eventually be rectified, the decision to maintain participation in the labour market was taken. Sian's decision occurred within a temporal framework which weighed the immediate; short and medium term economic advantages of staying or leaving employment and negotiated these with longer term employment goals and a commitment to good mothering. The choice made reflected a desire to strike the most appropriate balance between satisfying the material welfare of the family, in particular the material needs of the children and their need for emotional and physical support (caring), with the future goals of Sian herself.

The twelve week delay in payment of the WTC/CTC to Sian was the most severe example of problems encountered. Most families found their problems were addressed within a month, but one couple family went two months without full payment, relying on occasional adhoc emergency payments until their full award came through. Their initial impression of the new system was not favourable and while what follows is a relatively long quote I think it is worth demonstrating the frustration individuals felt during the introduction of the New Tax Credits.

³ Further details of the number of families affected and the impact on income is provided in chapter 6.

“Oh it was something, I’ve never seen anything like it, I mean I sent my form in before it was January. I sent it in December, I filled in the forms and sent it off and April came and nothing came in. I thought well hang on my tax credits finished and I haven’t even had a letter to confirm that I’m receiving this Working Tax Credit, nothing at all, so I tried to phone them. I tried for weeks on end and I couldn’t get through, I could not get through at all, constantly, constantly engaged, ring later, ring later. I spoke to a close friend and she said that to sort it out she went down to the local tax office, so that is what I did, I went down to the local tax office. I managed to get a payment for a couple of weeks and they said by then it would be sorted and so another couple of weeks and still nothing. I went back down and they gave me another payment and a couple of weeks after that it got sorted, but it had taken me two trips and a two hour wait in a queue... really pissed off because it should have been sorted in April”. (Annabel, partnered mother)

The precariousness of Annabel and Eddie’s budget meant disruptions to income from the New Tax Credits contributed to non-payment of rent for three weeks. Defaulting on the rent led the housing provider to evoke a suspended court order and pass the case to a debt recovery agency. By wave two the couple had just started to recover from the sudden drop in income experienced due to non-receipt of WTC/CTC. Interestingly as with Sian, the impact of not receiving income from the tax credits during this period had not caused the couple to consider leaving the labour market, even though Annabel worked part-time and Eddie’s work was fractured and unstable.

The expectation that it would be dealt with satisfactorily meant the couple were waiting it out and believed the problems would be rectified quickly. Receiving income from the tax credit system usually provided a stable financial base for the family which was important given the fluctuation in Eddie’s employment and they were reluctant to relinquish this. In addition the couple felt a strong moral commitment to paid work believing that, like the notion of good mothering it was the ‘right and proper’ thing to do and provided a good role model for the children. A strong commitment to paid work has been linked to providing the main impetus to employment (Ford *et al*, 1995: 34) and it seems that the perception this was a temporary (which it was) disruption reduced the potential to trigger a move out of employment. It must also be remembered that as previous recipients both Annabel and Eddie and Sian had a relatively good idea of what figure they could expect to receive. The sense of uncertainty that often surrounds new claims was to an extent lessened by this prior information, although both families felt unable to predict exactly what they would receive.

Nevertheless the longer disruption continues, the more likely it is that an increasingly difficult to maintain, acceptable minimum standard of living will force a fundamental rethink of employment behaviour as parents adjust their ambitions and/or attempt to realise their preferred balance through other means. Annabel did indicate that if non-payment of WTC/CTC had continued for much longer then the couple would have reconsidered their position regarding the labour market. Sian conveyed a similar message. Indeed without the support of her family Sian was also clear her choice may have been different, indicating the important role social networks and informal support can occupy in labour market participation and the contingent nature of decision making.

6. Conclusion

The longitudinal nature of the research and the reform of the tax credit system during the intervening period between waves one and two permitted a comparison of lone and couple families' decisions over time. During chapter 4 I suggested that driving decision-making was not the self-interested economically rational income-maximising individual implicitly threaded through social security policy. Instead the pursuit of a temporal welfare balance was posed and I suggested decision making represented a process of weighing the individual's and family's need for particular forms of welfare. Essentially these were social, emotional and material well-being and parents sought to maintain an ability to meet these immediate needs for their family and themselves without compromising their capacity to meet them over time. This was achieved through ensuring flexibility had been built into their balance, by managing, creating and organising time through the renegotiation of different temporalities (see Chapter 7). The second wave of interviews provided the opportunity to consider how change over time impacted on how parents traded off the welfare of one area against another in order to maintain the most satisfactory balance they deemed necessary at that point.

Awareness of social security policy amongst participants demonstrated that whilst a detailed knowledge of the working of either the WFTC or its replacement, the WTC/CTC, was absent, both lone parents and couple families were aware of the broad principles of policy and drew on personal experience and information from wider social networks and official sources to create a picture of the general effect of particular choices on income. Furthermore, participants were clear about the value of the financial support received from the tax credit system. The difficulties experienced by some participants when they failed to receive payment of WTC/CTC around the time of

the reforms reinforced its centrality to family budgets, something the next chapter will discuss in greater detail.

Interestingly the chapter has detailed how parents responded to new circumstances and shown how the weaving together of paid work and caring is negotiated and renegotiated over time. The salience of the WTC/CTC in this process is mixed. On the one hand the tax credit system continued to be important in structuring how parents sought to achieve and maintain their ability to achieve the most satisfactory balance between material, social and emotional welfare. At the same time the reforms of the tax credit system did not appear to lead to any distinct change in the behaviour of participants over the two waves. Fathers continued to demonstrate a breadwinner mindset that meant work decisions for them centred solely on their responsibility to work. In addition, it was clear that for some fathers there was considerable interest in, and awareness of, the impact mothers' employment decisions could have on the family's income. The Government indicated that reform of the tax credits would reduce disincentives for the second earner within couple families, but recent research is less certain that this has created an improvement (Brewer and Shepard, 2004: 36) and participants perceived there to be a disincentive for the second earner pre-and post-reform. The danger is that we assume that a mother's decision to remain at home represented a straightforward response to incentive signals from the tax credit system: families perceived it as financially costly in light of childcare costs for a second earner to enter employment part time. Decision-making however, encompassed the influence of factors outside economic incentives, with socially embedded ideas of 'intensive' or 'good' mothering shaping mothers' and fathers' views of appropriate employment behaviour. During children's pre-school years the financial, social and moral framework reinforced for these mothers the attraction of unpaid over paid work. Unprepared to work sixteen or more hours per week because this would conflict with the couple's notion of 'good mothering', they could not benefit from the childcare tax credit and so there was limited scope for an acceptable financial return from working a few hours per week. Once children started school the mothers and fathers expected they would return to work.

Glover (2002) suggested that choice is subject to institutional and social structures. I have argued that decision-making around employment is temporally situated and framed by these institutional and social structures and how they alter over time. Decision-making represented the pursuit of a satisfactory balance between social, emotional and material welfare over time. The different solution adopted by couple

families around employment, whether the mother did or did not return to paid work during the children's pre-school years, represented the differing level of need in each family between social, emotional and material welfare. Those returning to employment were characterised by the male partners' inability to fulfil the role of sole or main breadwinner, increasing the salience of securing material welfare at that point within the overall 'welfare balance'. This was still negotiated with other aspects of the 'welfare balance' however: mothers such as Jenny (who chose to initially work from home) and Annabel (who moved to a job closer to the family home) sought to make alterations to time, place and hours of work to enable them to continue to meet some of their own moral responsibility to care. In families within this study where the male partner was able to perform the role of 'breadwinner' there was less financial necessity to move into employment to secure material welfare for the family, reinforced by the belief that it would conflict with the social and emotional welfare the mothers sought to maintain.

The WFTC had provided lone mothers with a measure of freedom to shape and renegotiate their interaction with paid work in light of the salience they placed on meeting other welfare goals for themselves and their family. Reforms to the system continued to facilitate this level of flexibility because the structure of the WTC/CTC meant that taking up extra work did pay. The level of income received through working part-time and receiving the WTC/CTC created a level of financial security that enabled lone mothers to fine tune participation in the labour market in response to the changing care needs of their children over time and their developing view of how and when mothers should engage in paid work. Lone mothers responded to changing circumstances by increasing or decreasing participation in employment and showed a willingness to alter their temporal and spatial engagement with the labour market and caring, through moving jobs and/or their child's care provision. This enabled closer integration of socially embedded ideas of 'good mothering' with the pursuit of an adequate level of income and meeting personal needs. The financial support delivered through the tax credit system under WFTC and post reform through the WTC/CTC ensured that balancing the material, emotional and social welfare needs of lone mothers and their families could be managed effectively.⁴

⁴ Chapter 7 provides a detailed exploration of how the tax credit system interacted with, and shaped the management of, different temporal spheres and what this can mean for employment decisions and opportunities over an individual's life course.

Chapter 6

Managing the family budget and living standards: the role of employment and tax credits

1. Introduction

The Government's initial intention to pay WFTC to the main earner (HM Treasury, 1998a), as I note in Chapter Two, was driven by a belief that this would make the financial gains from employment more transparent to families receiving the WFTC. Although the Government relented and enabled either partner within a couple to receive the WFTC, concern remained over resource equity within families in which payment was made to the main earner.

There is a considerable body of evidence that receipt of income confers on the payee a sense of ownership which provides the recipient with disproportionate access to, and control over, that income stream (see Middleton, 2002). Due to the continued position of male partners as main earners, payment of the WFTC through the wages potentially bolsters their access to financial resources at the expense of female partners who continue, in the main, to provide the majority of care. Furthermore, research indicates that mothers are more likely than fathers to spend money on children, and any reduction in mothers' access to family income would consequently impact on the standard of living enjoyed by the family's children (Goode *et al*, 1998).

In the light of this I consider how mothers' labour market participation was entwined with budgeting practices. Millar and Ridge (2001) have drawn attention to the need for improved understanding of how budgeting practices fit with in-work benefits and gaps in our knowledge about family labour supply. Prior to conducting the two waves of research I hypothesised a link between the budgeting practices of families and the employment decisions of mothers. Where a mother's access to the family's income was restricted then movement into employment might occur in order to increase her personal income and/or the resources being devoted to her children. The empirical data provided no evidence that this was occurring within couple families. Two lone mothers did state that access to family resources had partly underpinned their reason for moving into employment during their previous relationship. It is difficult, however, to disentangle the extent to which access to resources within their previous partnership influenced employment decisions or whether it reflected the mothers' preparations for

life as lone parents as the relationships broke down shortly after the two mothers returned to employment. On the other hand the chapter argues that employment does have an effect on the system of money management used, and suggests that receipt of tax credits may implicitly strengthen mothers' position in discussions around family finance. This supports previous findings that employment and financial contribution to the family budget increase women's access to, and control over, the family budget (Crompton, 1997: 96).

The chapter examines how families organised financial budgeting, suggesting they drew on ideas of skill and organisational efficiency to explain budgeting practice, but that these notions were tied to gender and the employment status of each partner. There was, however, no straightforward pattern between particular money management practices and either employment or gender, although in respect of control, the payment of the WFTC to the mother may have contributed to increasing a 'jointness' of control, absent in families with payment to the father. The exercise of control over resource distribution ranged from examples of conflict and the contesting of control, leading some individuals to circumvent constraints on their spending using 'new money' (see Pahl, 2000a), predominantly credit cards, to couples engaged in a process of negotiation and discussion around priority expenditure and a more egalitarian distribution of money.

What was clear from the accounts provided by parents was the importance to family living standards of the income they received through the tax credit system. Children, in particular, were the main beneficiaries of any increase in the family budget, gaining from both direct and indirect spending. Parents, in contrast, while gaining from indirect expenditure, continued to find the amount of personal spending money at their disposal limited. The interruptions in payment of the WTC/CTC, experienced by about one third of families at wave two, showed its continued importance to the living standards parents and children enjoyed and also demonstrated that despite parents' attempts to protect children, when family income suffers a sudden unforeseen reduction it is not possible for parents to shield children from its impact for more than a short time. With this exception, the April 2003 replacement of the WFTC with WTC/CTC had minimal impact on budgeting patterns of participating families. Management and control remained broadly constant across both waves of interviews, partly, I suspect, due to the nature of the sample at wave two.

2. Managing the family budget

2.1 Budgeting systems

Couple families were asked a number of questions about how they organised their money and who took primary management responsibility for this. The descriptions provided were broadly consistent with the financial allocation systems outlined by Vogler (1994) and detailed in chapter 2. A danger does exist, however, that categorising families according to this system risks losing some of the complexity and variation in money management techniques and approaches used. Hence, while the methods of budgeting used by families did correspond to the general outline of the classification system below (table 6.1), it is important to note that there existed considerable overlap between categories and that budgeting practices can shift over time. Receipt of the WFTC further clouds the picture of money management by delivering an income to an individual that may provide the basis for a measure of independent management within a wider system where overall money management rests primarily with one partner. The pattern of financial management covered female, male and joint pool systems, the female and male whole wage and a independent system.

Table 6.1: Number of couple families using each management allocation system

| | |
|--------------------------|---|
| Allocation system | |
| Male whole wage | 1 |
| Female whole wage | 1 |
| Housekeeping allowance | 0 |
| Joint pool | 1 |
| Male pool | 4 |
| Female pool | 1 |
| Independent management | 1 |
| | |
| Total | 9 |

2.2 Perceptions of skill and competence

Explanations given for using a particular method included: previous experience with money, perceived organisational competence and numerical skill, a change in

partnership status and changing parental roles within the family unit. Ruth and Lenny argued that Ruth's dislike of working with numbers meant Lenny took primary responsibility for the management of their financial affairs.

"My partner he's the money man, he's definitely better with money than I am... he's better my maths is hopeless for a kick off really. I mean I've just passed my GCSE Math I'm a bit of a Maths phobic really, Lenny he's just more organised with money than I am, I'm not very good with money. I don't like to be in debt, I don't like to owe anything, but I'm not as organised erm I think as well, Lenny sees the big picture better than I do". (Ruth)

"Ruth is not into money or finance that's just not her field at all she positively hates it I think... in one sense it's a chore because I'm so busy with other things that it comes down my pecking order. You know having to check on the internet how much we've got in and what we've spent and I'm quite able to do that and to make sure all the bills get paid and the direct debits are set up and you know dealing with the car insurance and you know that's fine I'm happy to do that, but it's a chore I'd rather not do, but I know Ruth hates it whereas I don't hate it it's just a chore". (Lenny)

Previous research in this area suggests that low-income couples find charging one partner with responsibility for managing the budget can provide 'peace of mind,' because it was felt to increase the likelihood that bills and rent would be paid on time (Rake & Jayatilaka, 2002; 17).

"I prefer doing it because then I know it's done, I prefer to take control, I think he likes me to do it because then he knows that it's done and everything is paid and bought, so I do it". (Andrea)

The focus on managerial competence amongst participants was linked to this concern, but interestingly discussion of partners' 'specialisation' in money management frequently drew on traditional concepts of the division of labour within the family to explain both male and female managed budgets. Adam's family ran a female wage system which he attributed to the lack of time available for him following work to organise the family's money. Adam saw his role as earning the family's money and there his involvement in the family budget ended, having only a vague idea of how his partner structured and managed their resources. Similarly the female partner (Jenny) within a male pool family suggested that budgeting practice was influenced by her

being 'hopeless with money'. Jamie, her partner, concurred and linked this to a wider consideration of their relative 'strengths' within the family unit.

"she is a little bit nervous, I mean I can run a house a lot better, I mean my wife's good at cooking and ironing and stuff and I'm good at gardening and paying the bills, we've all got our own jobs". (Jamie)

3. Interactions between employment and budgeting

3.1 The influence of budgeting on employment behaviour

During chapters four and five, I suggested that work decisions were tied to temporally situated notions of achieving the most satisfactory balance between social, emotional and material welfare. Seeking material welfare raises the possibility that the choice mothers made about employment mobility was not simply a desire to increase the overall income of the family, but demonstrated dissatisfaction with the distribution of resources within the family. Did lack of access to family income lead to decisions to move into paid work? For participating couple mothers there was no evidence that decisions were motivated by the management and control of the family budget. Discussion around the importance of increasing the material welfare of the family did not draw on mothers' access to that family's income as an explanation for employment behaviour, even when a mother's access to resources was limited. The exceptions were two lone mothers: during previous relationships their employment behaviour had been influenced by the desire to attain an income stream separate from their partner. Their employment decisions at this point were linked not simply to increasing material welfare of the family as a whole, but specifically increasing the resources at their personal disposal. This enabled greater individual control of a section of income entering the family and also conferred a greater sense of 'contribution' to the family. While caring provides a hidden economic contribution to the social reproduction of the family, employment signalled an explicit economic donation to the family, which lessened the sense of 'dependency' on partners.

"I felt like I was contributing and doing my bit...I like to be independent and I like to have my money and that's a way of getting your money and not feeling like everything was given to you through your husband". (Sandra)

“he did earn quite a bit of money, but I just needed something for myself, some money so I didn’t have to keep saying... ooh can I have some money, can I have some money”. (Penny)

This is interesting because it suggests that for some mothers, employment behaviour is linked to the need to establish some independence of income from their current partner, and in the two cases above this linked to the control their ex-partners had exercised over the family finances. Seeking improvements in material welfare in these cases therefore necessitated a return to employment as neither woman at this point had an alternative source of income, with the exception of child benefit. It is important to note however that none of the current couple mothers indicated that employment decisions were linked to their access to the management and control of money exercised within the family. The receipt of WFTC by mothers in the participating families may replicate the independent income that could be gained through employment, diminishing this as a reason for moving into paid work.

3.2 Employment and the shaping of family budgeting systems

The nature of the research and size of the sample mean that it is not possible to suggest particular employment patterns led to specific forms of money management, but employment did shape how families organised the management of their finances. For one couple, Ron and Alison, the allocation of responsibility had undergone sweeping change following Ron’s withdrawal from the labour market and Alison’s return to full time employment. The change in employment roles had brought with it a complete reversal of responsibility in other areas too, including managing the family income.

“I don’t think about it because Ron handles everything, when he was at work I handled all the financial matters but, he’s at home now so he does it. I don’t have anything to do with it.... we decided that if I was going back to work then it was only fair, if we’re going to swap roles then we are going to swap roles completely, so if I was going to work then he was going to do all the things I’d have to do which included sorting out the finances. I didn’t feel I could go to work, come home deal with the children and deal with all the financial details as well, he’d have to do that”. (Alison)

Elaborating on past budgeting experience Alison talked about the profligate spending of a previous partner which had encouraged her to insist on an independent

management system. When she moved in with Ron she decided against this, but felt the need initially to take charge of the family budget to provide some insulation against the risk of Ron over-spending. Despite being accustomed to managing her finances, responsibility for organising the family's money was a stressful affair. Echoing previous work in this area (Morris and Ruane, 1989; Pahl, 1989; Snape *et al*, 1999), Alison found the constant struggle to balance income and expenditure on a low income a pressured and onerous task and felt relief when Ron took over the role. Interestingly there was no indication Ron felt unduly pressured by the new role. Responsibility for the family finances had provided Ron with a role that offset his loss of 'main earner' in a way becoming the main carer could not. Detailed knowledge of the state of the family's finances provided Ron with a means through which he could maintain his contribution to the household and sense of importance, even in the absence of full time work. Alison saw the managerial role as helping to bolster Ron's confidence and sense of identity. Research into the budgeting behaviour of Income Support/Job Seeker's Allowance claimant families describes similar attempts by women to reinforce male partners' self-esteem through increasing their role in the budgeting process (Snape *et al*, 1999).

Conversely the budgeting arrangement of another couple was organised so that a decline in the male partner's income brought no more and no less managerial responsibility or control over family resources. Annabel and Eddie operated a relatively independent management system with each receiving a stream of income independent of their partner and neither enjoying access to the majority of family income. The use of this system was influenced by the employment behaviour of each partner. Eddie's employment, as noted in chapters four and five was insecure; in contrast Annabel's paid work, whilst part time, was seen as a stable source of income and this influenced who managed certain areas of the family budget. Annabel recognised that any disruption to childcare payments put at risk the childcare place obtained for their youngest child, and its loss would be damaging for the child and for Annabel's employment. For this reason Annabel insisted on paying for this from her income (wages + tax credits). Similarly the couple had almost lost their house at one point when Eddie failed to pay the rent and were living under a suspended eviction order and in light of this Annabel now made all rent payments.

"because he hasn't got regular work I pay the rent because it's got to be constant and I pay the childcare because that's got to be constant, but now he's working he gets the groceries, the gas and the electric". (Annabel)

"Like the gas and the electric if it needs it I get it. At the end of the day I get paid weekly so there are bills that I took on weekly, she gets paid monthly so she pays the rent because her job is more secure than mine and we are under suspended eviction notice so we can't afford any mishaps, so she pays the rent". (Eddie)

The past and current employment status of couples could be an important element affecting the management of family income. For the duration of their relationship Dorothy's participation in the labour market had been infrequent and minimal, as she had taken on the role of main carer. In contrast Des had been employed throughout this period and identified closely with a 'traditional' breadwinning idea of fathers' role in the family. The label of 'breadwinner' was felt by Des to confer responsibility on him to take charge of the finances. This continued even though Dorothy had returned to employment part time following their youngest child starting school. Des indicated that it made sense for him to take care of the finances because this was part of his role as 'provider' and it was his wages that were used to cover the majority of family expenditure.

Dorothy's contribution to money management was closely associated with her position as main carer, with responsibility for child-related spending and general daily expenditure. The only exception was the purchasing of food each week, which operated within Dorothy's managerial sphere, but involved Des. The WFTC was used to pay for the weekly grocery shopping and unlike all the other families within the study, was paid to Des through his wage packet. For this reason, Des accompanied Dorothy to the supermarket each week to pay for the shopping. In this case the receipt of the WFTC had been clearly identified by Des as part of his wages, consequently paying for the shopping which, though formally part of Dorothy's role, became entwined within the management sphere of Des. Chapters four and five suggest that payment of the WFTC to Des was not a key factor in his employment decisions, but payment through the wage packet did in this case confer a sense of ownership on income. Indeed, at wave one Des acknowledged that when the reforms to system occurred and the CTC was made payable to Dorothy then management responsibility for payment of the weekly shop would also transfer. Although only one case within the study, this echoes previous research (see Goode *et al*, 1998) and provides a clear example of receipt of, in this case, the WFTC providing the recipient with 'ownership' of that money.

The small scale nature of the study meant that it was not possible to detect any pattern between particular budgeting systems and employment status of each partner. Nevertheless labour market participation affected family budgeting decisions through influencing the structure of the management system used. Whether or not male partners were engaged in stable full time employment in some cases buttressed or undermined their position as 'breadwinner' and family provider and this in turn influenced the nature of budgeting approach used by each family.

4. Control over family resources

Previous research has demonstrated that management of the family budget does not equate to control and 'final say' over how resources are distributed and utilised. It is perfectly possible that one partner decides how much money is necessary to cover family expenditure on a daily, weekly or monthly basis, whilst leaving the actual task of managing within these parameters to their partner. Concern has been expressed that, although management of the budget frequently translates into control of the family budget for men, for women this is less likely to be the case, with male control often operating alongside female management (Rake and Jayatilaka, 2003: 18).

Financial control is defined by an individual's ability to access the family budget and direct its resources according to their priorities. In order to establish how *control* operated within the couple families' budgeting arrangements, I adopted the approach of Goode *et al* (1998). Participants' response to questions concerning access to bank accounts, extent and use of personal/partner's spending money and credit usage was examined. Alongside this, explanations given by each partner over who had the 'final' say in financial decisions were considered.

The budgeting arrangements of Ron and Alison and Des and Dorothy, both couples using a male managed system, were most closely associated with male control of the family finances. Negotiations over the distribution and use of resources within the family were not foreclosed prior to discussion, but the women's willingness and opportunity to press for a change in how the budget was used and organised were circumscribed. Ron's management and knowledge of the budget enabled him to operate as gatekeeper to the family resources. In effect, Alison was required to negotiate with Ron each time she wanted to withdraw money from the bank, even though their finances were placed in a joint account to which she had full access.

"I'd always say to him before I go, is it alright if I go to the bank is there enough money in to take any out... we always talk about it first I don't just buy it and then come home with it. I'd always say I'd like to buy what ever; do you think we can afford it and you know he'll say yes or no or perhaps I'll have to wait a few months". (Alison)

"I've said to her you don't have to ask me, all I'd say is that the last week leading to pay day because I've been caught out too many times by the bank you get a whacking great £30 because we haven't paid this direct debit and you'll end up £60 over the top because somebody had a tenner out on Thursday. So even though she'd prefer me to say have a tenner out now, I'll say don't love, leave it until Friday". (Ron)

Both Ron and Alison dismissed the idea that either of them controlled the budget, but despite this, they articulated a process of negotiation around family finances that meant Ron held a final veto and could and did use this position to deflect or reduce Alison's claim on the family income.

4.1 Using credit to subvert control

The management of the family budget by Des and his position as main earner, impacted on Dorothy's willingness to challenge how the family's income was used.

"If I needed anything I just asked him... sometimes I felt as though I shouldn't need to ask but then again he'd earned it and it was there for the bills and things like that". (Dorothy)

The limit of Dorothy's access to the family income is aptly demonstrated by the action she took to circumvent the necessity of requesting extra resources from Des. Dorothy was able to create a space for exercising some independent financial decisions through retaining control of the wages paid into her account from her part time employment. In addition, employment provided access to an individual credit card account, which Dorothy had readily taken up and subsequently run up to its limit. Use of the credit card allowed Dorothy to purchase goods and services for herself and the children without resorting to demanding an increased share of family resources that she perceived to be 'owned' and controlled by her partner through his position as main earner and money manager. The use of electronic forms of money may, Pahl (2000a: 512) suggests, be altering the balance between 'our' money and 'my' money and permitting individuals to avoid discussion over financial goals, increasing the difference

in power between those who earn and those who don't. It may be that it also provides the opportunity for partners with less power and restricted access to resources, at least in the short term, to avoid the command over family finances exercised by their more powerful partner, as in the case of Dorothy and Des. On the other hand, the example of another couple from the study draws attention to how disparity of income and access to credit can mean a 'credit rich' main earner within a couple can use credit to pursue their own financial goals (Pahl, 2000a).

In contrast to Des and Dorothy, Adam and his partner used a female whole wage system, which placed responsibility for managing the family income into the hands of Adam's partner. Adam suggested that all big decisions were taken jointly, supporting previous research indicating that female management, in contrast to male management, tends to be circumscribed by joint control (Pahl, 1995: 370). Despite this commitment to the ideal of joint control, Adam noted that if this placed 'unreasonable' constraints on his spending then he would use the credit card to avoid these restrictions. Action such as this was justified by reference to his position as main earner and the rights to personal spending it conferred. Adam supported this further by the argument that he did not drink or go out and only really spent money on his hobby, building sports cars. The credit card enabled spending to be presented to his partner as a done deal, limiting her ability to shape expenditure. Interestingly, although this led to arguments, Adam talked about it in terms of a game, regularly engaged in by his partner and himself, suggesting his expenditure led in turn to retaliatory personal spending by his partner. Unfortunately, Adam's partner was reluctant to be interviewed for this research and I was therefore unable to gain access to her understanding of the situation. It may be that despite Adam's assertion that his spending was affordable, it did affect the money available for other members of the household, but not having to manage the finances on an everyday basis shielded him from this.

One couple indicated an approach to the organisation, management and control of the family's resources that was relatively shared and joint, but was, in fact, riven by covert struggle over how much income each partner should be given and what it should be used for. The use of credit was again a technique for achieving desired goals otherwise blocked by lack of income and partner's agreement. Charlie and Lisa had a joint account into which Charlie's wages were paid and from which money was then transferred into a separate account for each partner. A greater proportion of this income was moved to Charlie's account, but Lisa received the income from Child Benefit and the WFTC, evening this up. The budget was managed through a joint-

separate approach so that once income had been divided, payments of bills for goods and services were split between them, leaving each partner with a relatively equal, if small, amount of money 'unallocated'. In reality, Charlie used the couple's credit card to negotiate the obstacle provided by the couple's lack of money, while Lisa limited her spending and felt it necessary to monitor and try to exercise some control over her partner's spending. Prior to their son's birth Charlie had purchased a camcorder on credit, which Lisa felt was a waste of money during exactly the time when they should have been saving money rather than getting into debt. Charlie referred to this purchase as a benefit for all the family as it would provide a visual record of their son as he grew up. Goode *et al* (1998: 39) have described this as 'the recourse to a rhetoric of collective expenditure', which is then used to justify the extent of male personal spending.

The study does, nonetheless, show how credit can impact on the balance and effectiveness of either nominally 'joint' control or may be used to avoid restrictions placed on access to resources through control exercised by one partner. Overall, considering the distribution of credit card ownership, with those in full time employment more likely to possess and use credit cards than those working part time or non-employed, the potential for electronic money to increase power differentials around the management and control of resources is evident (see Pahl, 2002: 81).

4.2 Pooling and joint control

The male and female pool systems were, with the exception of Charlie and Lisa, characterised by joint control of family resources, with couples engaged in an open process of negotiation and discussion over how resources should be spent and how this should be organised.

For Daniel and Selma, this process began at the management stage, after income had entered the household but before it had been allocated for any specific purpose. Working with a limited budget the couple discussed priorities and how much expenditure was required and should be allocated to specific areas. Daniel was responsible for overall management, but Selma was closely involved in negotiations at this stage in shaping the use of resources. The amount of actual money left after 'automatic' payment of bills, insurance, and car payments through direct debit left little room for manoeuvre, yet within this space Selma's close involvement at the initial stage contributed to creating joint control.

"we both talk it through about what you know we have got with income and we talk it through and most recently I've been trying to prepare an overall budget and asking Selma what does she spend and what does she want to spend on food and other stuff. So I organise it with that in mind to find out you know what is a realistic budget. We've now got a plan for the budget which I've prepared but we talked that through and talking it through led us to setting up this new weekly account". (Daniel)

After all necessary expenditure had been met, unallocated income was divided between Daniel and Selma reinforcing the sense of egalitarianism within the family. This personal discretionary money amounted to about £5 each per week, giving an indication of the constraints their budget imposed on personal spending. The couple also operated a number of bank accounts that both partners could access and held a joint credit card account accessible by either party to draw on as necessary. Moreover, in contrast to either Adam or Dorothy this credit account was used sparingly, if at all, and both partners drew attention to the fact that neither would use their card without consulting the other.

The existence of joint control amongst all male pool households confirms the trend identified in the literature (Vogler, 1994; Pahl, 1995; Goode *et al*, 1998) for all pool user families, even those managed by men, to tend towards more joint control than among those who used whole wage and housekeeping systems. Even the existence of a perceived skill gap, where couples argued management by the man had been determined by ability, this did not translate into control over family money and restricted access for female partners. Jamie and Jenny considered Jamie more skilful in managing their financial affairs, yet Jenny retained total access to the money within the family. The couple's finances were based on a stream of income from each partner, Jamie's Industrial Injuries payment and Jenny's part time wages and WFTC/Child benefit. This gave each of them an independent income but this money was immediately pooled. Like other families, a significant proportion of their money was allocated for certain areas of expenditure before it was received, usually mortgage repayment, bills, insurance and costs associated with their car. Access to the money that remained was enjoyed by each partner. A small amount of this was kept in their joint account with the rest placed in a box on the living room mantelpiece for individuals to draw on as they needed. Neither partner suggested that one had, or deserved, a greater share of the family budget and major purchases took place following discussion and agreement between the couple.

4.3 Distribution of resources within the family

The following section discusses equality of resource distribution between partners within couples. The WFTC income was not usually earmarked for the specific purpose of spending on children, although the increase in income did benefit children overall, as I will discuss later in the chapter. With the exception of Des and Dorothy, the WFTC was paid to the main carer. The literature suggests that money directed towards the mother is more likely to reach the children (Molloy and Snape, 1999), but, within the study couples frequently pooled WFTC with other sources of income entering the household. Parents did not identify the WFTC as income for their children specifically, in contrast to Child Benefit which was closely linked to and identified with child-related spending. Child Benefit was often used to cover the cost of children's shoes and cost of bus tickets to school, but was also used by parents as a rainy day fund, to protect against unexpected bills arising and this reflects the findings of previous research into how parents use Child Benefit (Walker *et al*, 1994). The WFTC contributed to covering a variety of expenditure, including child-related spending, but it was not associated with this in the minds of recipients. That the WFTC was not linked to child expenditure and kept separate, raises the question of whether it increased the likelihood that children within families are more likely to benefit if payment is made to the mother. The payment of WFTC to the mother may have helped reinforce and strengthen their position within family discussions around budgeting, leading to a more egalitarian system of money management and greater subsequent confidence in pooling this income. Six of the nine couple families operated a pooling system and the mothers showed no inclination to keep hold of WFTC for spending either on the children or themselves.

The distribution and use of income operated through a process of negotiation and discussion of family priorities, and drew on notions of sharing and equality in personal spending. Nyman (1999) has argued that even amongst families operating joint pooling systems and nominally committed to an agenda of equality between partners, an ideology of sharing may disguise serious disagreements over the share of resources each partner regards as equitable. While this is possible and the example of the conflict over resource allocation between Lisa and Charlie draws attention to this, amongst the remaining pool families, decision-making was discussed and negotiated around the notion of shared entitlement.

"I think it's joint, you know we sit down and work out what there is... we work it out between us. I mean we have sort of, we have got a watertight budget now because we've realised that in sort of another twenty years Daniel will retire so we've got to plan for the future". (Selma)

Personal spending money was split relatively evenly, (an act that, at least in part, underpinned the conflict between Lisa and Charlie) although often the amount of money available to parents to spend on themselves was very limited. Daniel and Selma, for example, allocated only £5 each per week for personal spending with anything more requiring negotiation between them. The independent system of money management used by Annabel and Eddie provided each partner with considerable autonomy over their finances, yet both ended up with relatively equal (limited) amounts of money for personal spending. It is possible for autonomy of income and expenditure afforded by such arrangements to lead to new inequalities in resource distribution as the size of a partner's income can define the extent of an individual's autonomy and the balance of power within a relationship (Elizabeth, 2001: 406). Amount of money available for personal spending was relatively equal between Annabel and Eddie with the former receiving an income from part time paid work and the WFTC, roughly equivalent to Eddie's income from paid work. During the periods when Eddie was without work and his economic contribution to the family decreased, his ability to influence negotiations around what should be priority expenditure for the family diminished. This is interesting because it indicates that not only did Eddie's employment status affect the management system, but also impacted on how resources were used. The families operating non-pooling or independent systems showed less commitment to shared resource distribution, as the use of credit to circumvent control by partners to make up shortfalls in access to income, showed.

Receiving the WFTC may have implicitly strengthened any claims mothers made on the family budget. Rake and Jayatilaka's (2003) analysis of the British Household Panel Survey points to the increased control exercised by women over financial decision-making the higher their level of personal income. The higher a personal income, the more autonomy that individual is able to exercise. For low-income mothers, receipt of the WFTC, even if it is pooled with other household income, is potentially a source of income separate from their partner that can be drawn on. The mere existence of an income that increases the ability of the mother to act autonomously may provide support to the maintenance of a process that favours negotiation and a more equitable distribution of income. For example, the fact that Dorothy did not

receive the WFTC contributed to her inability to access and use family resources and in another couple, Eddie and Annabel, financial contribution to the family was tied to decision-making with lower financial contributions to the household lessening the influence Eddie was able to wield in decisions around family finance.

5. Reform of the tax credit system and the impact on family budgeting

5.1 Management and control post-reform

The introduction of the new tax credits separated the child and adult-related elements of WFTC into the CTC and the WTC respectively. In addition the cctc element of WTC is now paid to the main carer ensuring that payment of all child-related support goes to the individual with responsibility for the majority of childcaring (HM Treasury, 2002). The division of the new tax credits preserves the 'work incentive' message to the main earner through the WTC, whilst attempting to ensure that extra resources directed towards children reach them. A number of studies suggest mothers are more likely than fathers to go without resources in favour of other family members, particularly children (see Middleton, 2002). The Chancellor of the Exchequer, Gordon Brown, has argued that the payment of financial support to the main carer (usually the mother) under the New Tax Credits is recognition of this (Brown, 2003).

Reform of the tax credit system had the potential to alter budgeting behaviour amongst families. Would the payment of WTC to the main earner reduce the access mothers enjoyed to tax credit income, considering nearly all mothers during wave one were recipients of the whole WFTC? Or would directing all child-related elements of WFTC to the main carer through the CTC and cctc strengthen the main carers 'ownership' of this income and result in extra resources for children?

Attrition at wave two had removed a family using the female whole wage and the family using the joint pool. Unfortunately Dorothy withdrew from the study removing the opportunity to examine how the transfer of tax credit income from Des to her had affected the budgeting arrangements of the family and how she approached personal and joint expenditure. It is important to acknowledge that a selection effect may be operating here, with couples enjoying more cordial relationships and perhaps less conflict around budgeting arrangements more likely to take part and maintain participation in the study. It is interesting to note, for example, that at wave two those not taking part were Charlie and Lisa, Adam (whose partner had not participated at

wave one) and Dorothy (whose partner Des continued to participate at wave two) and in each case conflict around money management was more evident than amongst other couples.

This may have contributed to the sense of continuity at wave two. Changes in budgeting arrangements tend to follow significant developments in other areas of an individual's life, including relationship breakdown, re-partnering or changes in the employment status of either partner (e.g. Ron and Alison's role reversal). Over the two waves little change had occurred in how the participating families at wave two managed and exercised control over the family budget. The introduction of the WTC and CTC had minimal impact on the distribution of resources within participating couples. The potential for income to transfer away from mothers following reform, with payment of the WTC to the main earner, did not materialise. The income of main earners was either too high to receive the WTC or, upon receipt, the main earner transferred the WTC to their partner. For Daniel and Selma, their award had been marginally reduced following an increase in Daniel's wages. Prior to the reforms, Selma received £354 per month in WFTC and under the new arrangement received £350 per month in CTC, whilst Daniel received £0 in WTC. Andrea's partner did receive the WTC, paid at £25 per week, while Andrea received £70 per week CTC compared with £45 per week WFTC at wave one. Andrea recognised a potential for employed partners to withhold this income, but stated that she had no actual experience of this occurring during her relationship.

"They might see it, say, as on my wages you know I'm going to work so Inland Revenue is giving that to me, so they might not give that to their partners, I think that some women might struggle getting it off them, but I mean my partner, the bit he gets he gives it straight to me... I've always received it". (Andrea)

Where it occurred, the transfer of a sum of money towards the main earner through the WTC within six of the seven families did not translate into conferring on that partner a sense of ownership over that income. In contrast, the introduction of the CTC was explicitly linked by Des (the couple operated a male whole wage) to a transfer of ownership of that income, previously managed by himself, to Dorothy his partner. At wave two Des suggested that, although he continued to manage the majority of the family's finances, the CTC was now part of his partner's income alongside money from part time employment and the Child Benefit. Prior to the reforms Des received £85 WFTC through his wages per week; post reform this had been reduced to £3 WTC with

his partner receiving £90 per week. The sum of money transferred from wallet to purse was considerable and over the long term may alter how the budget is managed, but at wave two the difference appeared to be a simplification of lines of responsibility for purchasing the weekly food shop. The couple's budgeting arrangement became more akin, following the reforms, to a housekeeping allowance system with CTC taking the place of housekeeping money from Dorothy's partner. Unfortunately, Dorothy's withdrawal from the study at wave two meant I was unable to compare and contrast each partner's perceptions of the significance of the reforms; consequently our understanding of how the New Tax Credits affected the family is diminished.

The longitudinal nature of the research did provide evidence that, despite the Government's intention to identify the Child Tax Credit more clearly as a resource for offsetting the cost of children (Brown, 2002), all families continued to view it as part of general income. It was not the case that couples identified and earmarked CTC as a source of income linked to direct expenditure on children, although the general rise in family income associated with receipt of the tax credit over both waves did lead families to direct extra resources primarily toward children. In addition, despite continued justification of money management systems used in terms of skill and organisational competence, all child-related expenditure was associated with and usually conducted by the main carer (with one exception all were mothers). Research continues to suggest that patterns of spending within households are highly gendered, with women spending more money than men on food, children's and women's clothes, childcare and educational courses and men tending to spend more income on cars, house repairs, meals out and gambling (Pahl, 2000b: 3) and while this divide was less clear amongst participating families, it was still the mother who was primarily responsible for expenditure on children and the family's food budget.

The next section explores further the nature of expenditure on children over the two waves. It is important to note that while spending on children fell typically to the main carer this did not necessarily mean they had less personal spending money than their partner. It was often the case that personal spending money for both partners within a couple was minimal, as it was in lone parent families.

5.2 Personal Spending Money

As noted earlier, access to, and size of, personal spending money was a source of conflict and dispute within some couples and led to the formation of strategies

designed to permit an individual to increase the resources at their disposal, even at the expense of their partner. Part of the conflict over personal spending stemmed from the limited resources these parents had at their command, but amongst the couple families where this conflict was largely absent limited resources were shared out relatively evenly between partners. Eddie's light hearted remark '*personal spending money what's that?*' reflected the widespread feeling and acceptance that spending on adults was constrained by the need to prioritise spending on children. The concrete result of this was that both mothers and fathers 'did without', buying cheaper and fewer clothes and substituting the purchase of 'treats', such as CDs and books with borrowing from the library.

"When you've four kids it is never cheap you know and they've got school uniforms to buy and they grow out of clothes unfortunately. Unlike us that can wear them out even if they are out of fashion, I can live with that, but of course kids grow and it's just one of those things... erm it would be nice, just to walk into a shop and say 'oh my jeans are wearing a bit thin or whatever, I can buy a new pair of jeans. It would be nice not to have to think well I have got to wait another six weeks before we can get enough money together for me to buy a new pair of jeans or whatever. So it's not that we're spendthrifts and we want to go and blow money, but it would be one less thing to think and worry about if you could walk into a shop when something is wearing out, or if you saw something nice. So it would be nice to be able to do that but we can't and we live with it, that is the way it is". (Lenny)

None of the couples, with one exception, reported increased spending on themselves since the wave one interviews. In two cases, participants argued that the prospect of a rise in personal spending money had in fact decreased at least in the short term. The increase in Daniel's wages had been partially offset by a lower tax credit award and the cost of moving house as the family relocated following the transfer of Daniel's job to another area of the country. At wave two the couple stated that their grasp of the family finances had slipped because of the disruption brought about by moving. They were, in fact, just beginning to focus on trying to rein in expenditure following a number of one off costs and were seeking savings in the weekly food budget and plans for Christmas. The personal spending money of each partner was exempt from this cost cutting exercise: as it was minimal there was little to cut back on.

Similarly, while the receipt of childcare tax credit enabled Annabel to focus more resources on the couple's children, Eddie's move into unemployment, a week prior to

the interview, had undermined their financial situation. Spending was already limited and was likely to remain this way as they prepared for the possibility that Eddie's spell of unemployment extended beyond the short term. Where families reported a more stable and secure budget, the focus was either general expenditure on the family and home benefiting all members, or spending directly on children. Parents identified the extension and protection of spending on children as a priority, although in families such as Charlie and Lisa the minimal resources left for each partner created conflict. For Des and Dorothy this led the latter to spend on the credit card, suggesting their shared commitment to spending on the children was, in practice, uneven. Andrea suggested that personal spending money was evenly divided between herself and her partner but if family income dropped then she felt it would be her who would 'do without', in order to protect spending on the children and enable her partner to keep some of the money he earned.

The limited amount of personal spending money held by adults within couple and indeed lone parent families meant that the scope for actually cutting back in this area of expenditure was limited. Of course this doesn't mean that no parents saw any benefit from the extra resources because they did, and some, such as Simone, ensured they purchased something for themselves each month to remind them of the benefit of working. Nevertheless budgeting on a limited income meant children were the priority for expenditure. Previous studies have shown that parents are more likely than their children to go without, sacrificing their own needs to shield children from the effects of poverty (see Middleton *et al*, 1997; Mckendrick *et al*, 2003), although in the event of a decrease in income persisting the potential to reduce further any area of the family budget is limited and eventually children suffer. Similarly Farrell and O'Connor's (2003: 51) findings from an examination of low-income families and household spending suggests that as families make the transition into employment and are better off financially, children feel the benefit of increases in family income immediately, but adults tend to experience an improvement in their personal spending money only once they are satisfied their children's needs are met.

6. Seeking stability – juggling income and expenditure

Managing a limited family budget meant that both lone and couple parents engaged in a variety of strategies to make their money go further and meet current needs. Elam *et al*'s (1999) investigation of management amongst minimal income households outlined a range of approaches to ensuring the minimum needs of the family could, as far as

possible, be met at any particular time. A non-exhaustive list included: use of credit, prioritising bill payment, reducing expenditure, savings (rainy day money) and assistance from relatives and friends.

Maintaining the stability of the family budget and avoiding financial shocks to the system were viewed as crucial to the successful management of the family budget and the use of the above strategies for balancing income and expenditure were common amongst families participating within my study. The use of direct debits was widely favoured for ensuring that bills were paid and the temptation to overspend removed.

"I have my direct debits out on the same day so once wages have gone in say on the 28th, your Working Families' Tax Credit is in with your wages and it is all paid in on the same day. Then you can have all your direct debits taken out on the sort of first of the month and you know exactly what you've got for the rest of the month". (Sandra)

"I like to er... say we get paid on the fifteenth, before I get paid I write down what needs to go out, I don't like to have money in my hand I like direct debit. The only thing I deal with money in my hand is my telephone bill and like if I've got a catalogue bill to pay that's it, everything else goes through the bank, I even do internet banking to stay on top of my bills. Sometimes I've had months where I think, god do not pay those bills this month, I just want to go out and spend, everyone has those months, but when it comes to money that is one thing I don't mess about with". (Tina)

Parents favoured use of direct debits for payments that did not vary month to month and were less keen to set them up for spending that could fluctuate from month to month. Catherine for example was reluctant to pay for the telephone on direct debit, even though it was cheaper. Fluctuating use of the telephone meant expenditure varied from month to month and taking this automatically from the bank account risked going overdrawn, pushing the family into greater debt. In contrast, the payment for the television licence was a fixed sum, which enabled spending to be predicted and this was paid through direct debit. The maintenance of financial stability was key, and this was a consideration in use of technology and payment methods.

Not all payment methods were a result of choice: one third of lone parents lived in homes equipped with gas and electricity meters and these influenced their approach to managing energy expenditure. Feelings towards energy meters were mixed, with these lone parents feeling they had little choice about the meters as they had been installed

prior to them moving in and that they cost more than quarterly billing. On the other hand, meters offered greater scope for them to control spending and maintain budget stability, avoiding the unpredictability of a bill dropping through the letter box at an inopportune moment. Seasonal variations in demand could also be smoothed out across the year with overpayment in the summer months, in relation to demand occurring in anticipation of the increased costs of the colder winter months.

“You can build up in the summer, I try to build the gas up, not so much the electric but I do build the gas up, you know to try and sort of see you through the winter. It works quite well, I like it cause you’re not getting a gas and electric bill come through you’re just paying weekly and you know I’m quite glad it was in when I moved in. It’s a bit of a bind sometimes if you run out of gas to go and you know hunt round for a shop that sells it, but I prefer to do it like that so I’ve not got big bills cause where I lived before we used to get these massive bills and you used to think, oh my god where am I gonna get the money to pay for that”. (Penny)

Payment meters may provide greater ‘real time’ control of spending, but it does raise questions about the desirability and morality of compelling low-income families to self regulate energy use in relation to what they can afford, rather than what they, in fact, need. Finlayson *et al* (cited in Millar and Ridge, 2001: 74) exploring the PSI British Lone Parent cohort study over 1991 - 1998 examine the impact of pre-payment meters on lone parent debt. Pre-payment meters can contribute to a reduction in the build up of debt with utility companies, but self-disconnection can be a problem for a minority of lone parents, with eight percent of lone parents in 1996 and five percent of lone parents in 1998 left without electricity because they could not afford the meter payments. Furthermore previous research has drawn attention to how making ends meet on a low income is compounded by the financial penalty families using payment meters incur, in comparison to families making payment by direct debit (see Whyley and Kempson, 1998).

6.1 Social network support: financial assistance from family and friends

Research by Middleton and Thomas (1994) into budgeting strategies amongst low income families identified help from the wider family as an important element of their budget, suggesting reliance on parents and grandparents for assistance was considerable. Participants within my study, particularly lone mothers, indicated that support from relatives and friends in the shape of financial assistance or help in kind

were useful contributions to family budgets and helped balance the budget. It was common to find lone mothers and couples talk of the help received from close family members (parents, grandparents and siblings). Help came in many forms and some families had been given or loaned money to make purchases or pay off debts, but indirect financial support either through the direct purchasing of new goods or services (including food) for the family or the passing on of second hand clothes and/or electrical equipment were most frequent. Lone mother families, especially prior to moving into employment, were the most reliant on these local social networks; for some they had formed a critical part of their budget when on IS. Simone, when claiming Income Support had been regularly 'loaned' £10 per week by her mother to supplement IS and less frequently received similar assistance from her parents' neighbour. Similarly other lone mothers, such as Tina and Catherine, were given regular meals at their parents, who would also 'buy too much' shopping and pass on the rest to their daughters, consequently reducing their food bill. Once in work, this level of assistance dropped and mothers felt increasingly guilty if they needed to call on help from family or friends because it reduced their status as independent adults and workers.

"My mum and dad are really good if I do need things like clothes... football boots when he grows out of those I just need to phone up my dad and he'll put the money in my bank account so I can go and get them. If it's for my children they'll help straight away ... I used to rely on them a lot more a few years ago because I wasn't on as good a wage as now, but I don't really like to ask them now because I'm on more money than my mum so I feel horrible asking." (Katie)

Engaging in paid work, in addition, reduces the time available to mothers in which they might carry out reciprocal actions for other members of their social network. Making use of a social network becomes problematic if mothers cannot meet the pressure of reciprocity. Brannen and Moss (1991: 228) investigating the relationship between social network, informal support and employment found that the social networks of women who returned to full time employment following childbirth underwent shrinkage, whilst those of non-returnees increased, at least initially. The former, following a return to employment, had less time available to invest in maintaining a wide range of potential financial and non-financial supports.

This did not mean support did not continue. It did, but in more subtle forms, particularly financial assistance targeting children, which relatives linked to 'traditional roles'

(indulging grandchildren, nephews and nieces), although on occasion friends of the family would also provide similar help. A long term close friend of Catherine had covered the cost of Catherine's son so they could all go on holiday together, the first holiday Catherine's son had taken.

The only families who made little use of social networks for direct or indirect financial support were the two lone father families. Gary had always worked full time and had only recently separated from his partner, becoming a lone father. With no relatives nearby, and working full time, the opportunity of falling back on a network of family and friends was less forthcoming than for lone mothers with local support. Similarly Peter had few relatives living locally and whilst he had, like nearly all of the lone mothers, received Income Support, he had supplemented this income with regular part time work in the informal economy, providing the family with the level of income it needed. Interestingly Sandra, the one lone mother whose family lived outside the region, received the least financial and in-kind help from her family, suggesting that locality was an important factor in strengthening and maintaining social networks. It would be incorrect to suggest that men did not feature in social networks and did not contribute to support, because they did (predominantly fathers, brothers and ex-partners). Nevertheless most regular assistance, especially for lone mothers, took place within and between a network of female relatives and friends. This offers some support for Mitchell and Green's (2002: 19) suggestion that assistance from female kin, particularly between mothers and adult daughters with children, continues to be pivotal in the provision of practical, social and emotional support.

Lone mothers experienced a mixture of support from ex-partners that ranged from none to financial (child maintenance) and childcare support, with the former organised and paid either through the CSA or informally direct to the mother. Research indicates that informal support from ex partners can play an important role in maintaining children (see Millar and Ridge, 2001: 114), but it does not necessarily come without cost. Lone mothers within my study receiving informal child maintenance from ex-partners understood the arrangement as a 'trade off'. The possibility that going through the CSA would lead to an increase in the maintenance paid by ex-partners and its regularity were assessed against the fear that going through the official channels would antagonise their ex-partner and lead to a withdrawal of all support, an issue of real salience for mothers who continued to receive valuable childcare support from an ex-partner. In addition mothers did not like the sense of dependency engendered by receiving income from a previous partner. This was something that applied to mothers

receiving support whether through official or unofficial channels. As early research into the impact of the Child Support Agency on women's relationships with ex-partners showed, these were among the main reasons why many mothers not receiving support have argued they have little interest in following it up (Clarke *et al*, 1994: 72; Clarke *et al*, 1996: 28). The participant lone mothers not receiving any child maintenance indicated that their ex-partner had little or no contact with the children, reflecting wider evidence that frequency of contact with children is related (amongst a range of factors) to likelihood of fathers making child maintenance payments (Bradshaw *et al*, 1999: 134; Marsh and Perry, 2003: 132). There was no suggestion by participating lone mothers as to whether the lack of contact between their ex-partner and their children was a contributing cause, or effect of non payment.

For mothers receiving child maintenance, it was a welcome addition to family income, and those with previous experience of FC were pleased that under the WFTC and the new tax credits all maintenance was disregarded in contrast to FC which disregarded the first £15 of maintenance, but treated anything greater as income (see McKay, 2002: 44). Maintenance was usually added to the general overall family budget, but some parents did set it aside for a specific cost. The regular payment of child support to Sandra was earmarked for payment of two areas related to her son; the payment of his golf lessons and the saving of money towards the cost of him participating in a variety of activities during the school holidays. Despite its use, reliance on this money was resented by Sandra who saw it as a form of dependence that continued to hand her ex-partner a measure of power and represented the substitution of financial support for practical assistance.

"I think if I could afford not to have it off him I wouldn't. I just think it's another hassle it just makes life difficult, you feel like he can hold it over you all of the time. If you could afford to tell him you didn't want it you could just get on with it ... it's just their way of giving you money so it makes them feel better... I think I'd much rather the practical things, rather than the money, you know taking him to the football matches". (Sandra)

Frequency of unofficial financial support was largely dependent on the willingness of the mother to request money and explain to the father why it was required. For Davina this mitigated the demands for financial assistance she placed on her ex-partner and although she indicated that he helped when asked she felt her independence required limiting requests. Although Sandra and Davina had different support arrangements, both were aware of the power the transfer of money handed to their partners. While

Sandra was explicit in her acknowledgement of and resentment about this, Davina's decision to modify demands was an implicit recognition of how money led to a power imbalance between her and her ex-partner. Although Davina recognised she could move down the official CSA route she did not want to jeopardise the existing help provided by her ex-partner.

Nevertheless other lone mothers receiving payment of maintenance argued that the financial benefits outweighed potential problems. The disregarding of maintenance payments in establishing WFTC award levels was a move particularly welcomed by those with experience of previous in-work support, such as Family Credit. Sian viewed the maintenance payment received as an important contribution to the rise in income and subsequent improvement in family living standards, experienced upon movement into employment.

6.2 Credit and debt

All families made use of credit facilities to finance the purchase or rental of goods and services, ranging from children's clothes and toys, white goods (fridges), televisions to cars and in one case (Adam) a sports car engine. In addition to consumer goods and services, credit (credit cards, bank loans, home credit) was also used to cover everyday spending and debts incurred, either through the use of credit or for late or non-payment of bills, rent or council tax. Being in debt is of itself not necessarily problematic if families are able to service that debt and avoid going into arrears. Experience of problems with making debt repayment and getting into arrears was concentrated amongst families that had been without employment for extended periods during their lifetime (primarily the lone mothers) or had experience of a 'no pay low pay' cycle (Annabel & Eddie, amongst the couple families). The predominance of lone mothers (especially ex-recipients of Income Support) is perhaps unsurprising and seems to reflect survey data which suggest that families most associated with long term arrears (three or more years of arrears) are more likely to be lone parents, be in receipt of Income Support and have a child under five years old (Kempson *et al*, 2003: 54).

Not all lone mothers experienced debt related problems: Tina and Samantha for example, indicated they had avoided going into arrears or incurring debt they struggled to pay off. Interestingly the former returned to employment relatively quickly and received considerable in-kind and direct family assistance whilst receiving Income

Support. Samantha was already employed full time upon becoming a lone parent, following a partnership breakdown which she suggested made her better placed to manage the financial upheaval without recourse to borrowing. Difficulties in repayment were most pronounced amongst the lone mothers who had received Income Support for periods longer than a year and/or cycled between Income Support and low-paid employment. These lone mothers had often resorted to borrowing money from credit companies that collected repayment from homes on a weekly basis. A small amount each week (£2 - £5) was repaid, but parents were often encouraged by doorstep lenders to consolidate their current loan, and any other debts since incurred, into a larger loan. This, as Kempson (2002: 17) notes, does not necessarily mean that those choosing to use home credit do so for negative reasons. Many may turn to Home Credit companies because they lack access to the mainstream or high street lenders, due to poor credit ratings, and find that they want to borrow relatively small amounts for (they hope) relatively short periods of time, which are less likely to be available from banks or building societies. The use of home credit companies by some lone mothers enabled them to bridge gaps in income. Problems arose when mothers engaged in a spiral of borrowing as they used the consolidation of existing loans and debts into one larger loan as an opportunity to borrow extra money, primarily in order to raise money for spending on the children.

"I didn't pay my water rates, I didn't have a TV licence. I used to have loan (company name) cheques, you know company people that knock on your door and say oh do you want this hundred pound loan and then they collect it at two pound a week. I used to get them to buy my son's Christmas presents you know I'd probably have a fifty pound one, but I couldn't afford to pay it back even though it was two pound a week I would not have that two pound a week and I got myself into trouble. I got took to court through the TV licence and then I ended up being fined eighty pound which I couldn't afford to pay and my water rates were extortionate. I got into so much debt with it, but I couldn't sort it out, you know it would be, cut your shopping bill, but we had no luxuries, we had no chocolate bars or crisps or anything it was just dinners". (Simone)

The lone mothers who had been on Income Support had found themselves trapped in a cycle of borrowing, with income from IS too low to cover outgoings. Consequently arrears built up, particularly with payments to utility companies and Council Tax and in part this stemmed from lone mothers' need to engage in the tactic of 'robbing Peter to pay Paul', typically non-payment or late payment of bills so that money was freed for spending elsewhere (see Kempson *et al*, 2003: 29). The movement into employment

and receipt of the WFTC and later the WTC/CTC enabled these lone mothers to reduce debt, stabilise their financial situation and begin to increase spending on their children and themselves. This is in keeping with research that suggests families, if at all possible, pay off pre-work debts on moving into employment (Farrell and O'Connor, 2003: 69).

7. Improvements in living standards: the importance of the WFTC and WTC/CTC

The panoply of measures, including the varied New Deal programmes and reforms to the structure of the tax and benefit system put in place by Labour to encourage employment and reduce child poverty are, the evidence suggests, having some effect (see Brewer and Gregg, 2003). Between 1996/97 and 2000/01 the number of children living below sixty percent of median household income fell by 600,000 before housing costs and 500,000 after housing costs (DWP, 2002: 44). Findings from the 2001 Family and Children's Survey indicate the importance of the WFTC to family income showing that, whilst eighteen percent of children in lone parent families who were eligible for and receiving the WFTC were in the group below sixty percent of median income (after housing costs), amongst lone parent families eligible for, but not receiving the WFTC the figure increased to thirty four percent. For couple families, the figures were twenty four percent of children in families receiving the WFTC and forty one percent in eligible non-recipients (Vegeris and Perry, 2003: 112). The following section explores the significance of income from the tax credit system for the family budget, and draws out how parents used this income and the difference it made to the standard of living of themselves and their children.

The income families received through the WFTC and the new tax credits underpinned improvements in the financial situation and material living standards of nearly all families. There were occasional uncertainties over whether a family was truly better off, but this was effectively limited to one lone father. Peter felt Jobcentre Plus had misinformed him about the financial gains of moving off Income Support and into paid work. There had been a lack of clarity over how moving into paid work in the formal labour market and receiving WFTC would affect entitlement to Housing Benefit and Council Tax Benefit. Overall he had not lost money, but neither did he feel the family's budget had significantly improved; rather the financial effects had been neutral. But now he was working in a part time job he loathed. This was the exception and couples

and lone mothers were broadly positive in their assessment of the contribution the tax credit system had made to their living standards.

7.1 Debt repayment and management

Families without a parent in paid work are at considerable risk of falling into hardship and the shortfall in income they experience can lead to a growing debt problem which becomes increasingly difficult to repay and this in turn can further increase the hardship experienced (Finlayson *et al*, 2000). For some of the participants the move into paid work and the increase in their income that followed enabled them to pay off debts accrued whilst receiving Income Support. Sian, for example, reported that the drain on the family's budget caused by debt repayments built up during receipt of Income Support had finally been paid off. Further, the practice of renting a television, video and washing machine, costing the family over £80 per month stopped. With a trace of irony, Sian noted the improvement in the family income provided her with the opportunity to take the cheaper option and actually purchase these goods outright. The rise in income also translated into an improvement in the quality and quantity of clothes bought for the children. Reliance on second hand clothes from charity shops and friends and family had decreased considerably. Sian was now able to purchase new items for the children and increase her personal spending money. The receipt of WFTC with the move into employment meant that at wave one the budget of the family was relatively stable and money previously spent on renting goods and debt repayment could now be spent on improving the material situation of family members. For Ron and Alison, it meant the difference between running out of money before the end of the month and being able to reach the next pay day without going into debt and maybe even putting some money aside.

"Like at the end of the month you know you're not, well you're waiting for pay day to come quickly, but it made things a lot easier, we didn't have to scrimp and save on the last few days until pay day. It has certainly made budgeting a lot easier, what has happened actually saying about not putting stuff away for Christmas, but Christmas presents have been bought each month, so obviously if that money hadn't been there then that would have been a lot more difficult to have happened... like I said it's made budgeting a lot easier and we don't like to say no you can't have, if you know what I mean. It's nice to say yes okay we can afford that this month, yes we'll get a couple of Christmas presents to put away this month, so it's been a lot easier". (Ron)

The receipt of an improved award following reform enabled Ruth and Lenny to focus increased resources on their priority area of debt reduction. Ruth was particularly keen on this, being less comfortable with debt than her partner, which she attributed to growing up in a debt averse household. Ruth had expressed at wave one an adherence to this view coupled with an acknowledgement that the couple's situation provided minimal financial leeway to address their level of borrowing. At wave two, the need to create a buffer in the overdraft in case of emergencies pushed debt reduction up the budgeting agenda and the extra resources gained through the CTC were consequently directed to reducing outstanding debts rather than being directed to spending on child-related goods and services, although there was no evidence to suggest that overall spending on the children during this period had decreased. Similarly Daniel and Selma continued to approach the distribution of CTC as they had WFTC, with tax credit income feeding into the overall budget. Thus, despite receiving the money, Selma did not manage this specific resource after it had been received. The couple had not experienced a rise in the tax credit award above the amount received at wave one, and while Daniel's wages had increased this had been eaten up by the cost of relocating to another town.

7.2 Directing extra resources towards increased spending on children

Vegeris and Perry (2003) suggest that between 1999 and 2001 a fall in the hardship experienced by low-income families occurred, which could be attributed to increases in employment, higher Child Benefit and Income Support rates and the replacement of Family Credit with the more generous WFTC. For the majority of families the rise in income translated into general increase in expenditure with a particular focus on nutrition, clothing and family entertainment (Vegeris and Perry, 2003: 142). Broadly the accounts provided by lone parent and couple families in this qualitative piece of work provide supporting evidence that extra income is directed into these areas, although the centrality of children in how extra resources are distributed is brought more to the fore. Children benefited directly and indirectly from the extra resources received through the tax credit system. Rising income enabled parents to increase the family food budget, leading to the purchase of greater quantities of food and food deemed to be better 'quality' (different cuts of meat, brand names rather than supermarket own names, more fruit). Parents enjoyed more scope to meet their desire to provide their children with a full and enriching childhood, increasing spending on material necessities such as food and clothes and more educational, social and recreational activity.

An inability to meet the cost of school trips associated with educational opportunities and social pressure left parents with a sense of guilt that their children were deprived of a proper start in life. Jenny and Jamie described the mixture of frustration, determination and embarrassment felt when faced with finding the money to pay for their daughter to participate in a school trip to Belgium. Determined that their daughter should go, the couple had to ask the school to make them up a special payment book to set out and record weekly payments made to the school. While Jenny and Jamie struggled to pay for the school trip, Ron and Alison and other couples and lone mothers indicated that the income from tax credits meant the family could enjoy a holiday together and children were more likely to be taken on school trips or days out. The Families and Children Study shows that low-income families were most likely to be unable to afford leisure activities, such as one week holidays and days out. Lone parents were especially likely to do without leisure activities and both lone parents and couples would do without these to prioritise spending on food and clothing (Barnes *et al*, 2004: 306). Within my study the inability to afford a family holiday had been a constant feature of life for lone mothers who had been receiving Income Support prior to moving into paid work. The rise in their budget following the transition into employment meant these mothers were now able to take family holidays. For some it had taken them a couple of years to achieve financial stability and reduce the debts incurred on IS, but they were now able to deliver for their children a broader range of experiences they saw as essential. By wave two Catherine felt she had reached a position where she could consider holidays and has decided to join an old friend on holiday for a week. Although her friend actually covered the cost of Catherine's son, Catherine was now able to afford to pay for herself and looked forward to taking her six year old son on his first holiday.

The continued receipt of resources from the tax credits system at wave two was important to the budget of all families, but one family experienced a real boost from a successful claim for childcare tax credit (cctc). Operating an independent management system, Annabel and Eddie agreed individual responsibility for areas of the budget alongside control of their own income. The main carer, Annabel, received payment of CTC and this was a continuation of arrangements for WFTC payment prior to the reforms. At wave one, the couple had talked about their failed claim for the cctc because of Eddie's unemployment. The unstable nature of his work with frequent labour market transitions complicated attempts to claim. Following Eddie's return to paid work between waves one and two the couple made a successful claim and were receiving childcare tax credit at wave two.

The payment of childcare tax credit eased the pressure on the budget brought about by the use of formal childcare provision. The instability of Eddie's position in employment meant that relying upon his income to cover childcare would transfer insecurity of work into insecurity of childcare, something Annabel did not want. Potential frequent disruptions to childcare arrangements were unacceptable because they would create problems for Annabel's continued participation in paid work and the upset they would introduce into her daughter's routine. Covering the costs of childcare without assistance at wave one meant that less money was available for other areas of the family budget, whereas receipt of childcare tax credit had an immediate knock-on effect and impact on the level of income available to Annabel.

"I'm getting it this time (cctc), but I wasn't getting it the last time and all that time I wasn't getting it at all and it's not something that you can reclaim for so all that money that I was paying for the nursery was just out of my money. It was a lot of money, it was quite a bit, more than half my wages and so we had to cut back on a lot of things. It was very depressing my daughter took a lot (new uniform and equipment) back to school that year as well, so that was hard because I had to pay for all her uniform."
(Annabel)

"A lot of difference because at least you know I'm able to kit my daughter out and the shopping is better the shopping is much better, I'm able to do a lot more because I'm getting the help with the childcare definitely... treats for the kids, food shopping and the general household." (Annabel)

The decision to pay childcare tax credit to the main carer provided Annabel with immediate access to the resources needed to pay for childcare provision and enabled her to redirect money that had been used for this purpose into other areas deemed to be a priority. This led to increased spending on both child specific and family items, such as an increased food budget. Alongside this the couple continued to experience limited personal spending money with neither partner suggesting the other was better off. The increase in resources had led to a direct improvement in the financial situation of the family, with the prime beneficiaries the children. The Government's aim of using tax credits to deliver more resources to alleviate and reduce child poverty amongst low-income working families was making an impact on the families within this study. In keeping with evidence from previous quantitative and qualitative research (see Barnes *et al*, 2004; Farrell and O'Connor, 2003) this study found the extra resources delivered

by the tax credit system provided lone parent and couple families with the means to reduce debts and increase spending on clothing, consumer goods, leisure activity and food. The increase in spending on the latter is of particular importance, as those living in poorer families are more likely to make dietary sacrifices due to a limited budget for food, which, in turn, impacts on the quality of health an individual will experience in the present and can expect to experience in the future (see Dowler, 1999; Walker *et al*, 1995).

Table 6.2 the allocation of extra resources for children

| Educational | Recreational | Necessities |
|---|---|--|
| School trips - home and abroad. | Family holidays/ days out – including trips to the cinema, amusement parks. | Purchase of greater quantity and quality of food. |
| Purchase of computers/ internet access (overlap with recreational). | Increased pocket money/ spending on toys. | Clothes – replacing worn out items & enabling children to fit in with peers. |

7.3 Consequences of an interruption to tax credit income

The roll out of the WTC/CTC was initially beset by problems surrounding non-payment and incorrect levels of payment (see HC, 2003; HC, 2004: 43). The impact of this was primarily felt by about one third of lone mothers who experienced delays of between four to twelve weeks in receiving the correct award (two couple families also experienced some delay). Unsurprisingly, this caused these parents significant difficulties, with the most acute problems felt by Sian, subject to the longest delay, finally receiving payment of the WTC and CTC after thirteen weeks. The behaviour and actions of the parents during this period support the contention that when budgets tighten adults become the first to go without, but the longer the situation persists the more difficult it becomes to shield children from the effect of a reduced income.

Interruption of tax credit payments meant living on wages from part-time employment plus Child Benefit and child maintenance while falling behind on rent, council tax and payment to utility companies. Quality and quantity of food and clothing bought declined and Sian found it necessary to rely once again on her parents for childcare because lack of money meant an inability to continue to afford formal childcare.

The limited personal spending money Sian had previously enjoyed each month ended as did treats for the children. Payment of bills and rent was delayed and non-essential spending halted, to free up resources for the purchase of food and other everyday shopping. Despite this, cutbacks occurred in the food budget with cheaper staple foods taking precedence over any item perceived to be 'luxury':

"beans on toast is really cheap, jacket potatoes stuff like that, I couldn't go out and buy a joint of meat to have at the weekend. It may be simple things but we had to cut back on them erm things like nice washing powder I had to go back on to really cheap stuff that makes you itch... having to cut back on everyday things, you get used to using these things and having a joint at the weekend, or you know nice food to eat, chocolate biscuits in, crisps for the kids, coco pops for breakfast it was all stopped". (Sian)

The impact of a lower family income on the food budget is not surprising. As noted earlier, low-income families are more likely to experience food poverty. Families may be skilled at managing their resources and careful to consider and develop strategies for maximising the amount of goods they can purchase with limited resources. Nevertheless lack of income is a major constraint on being able to ensure the food budget meets the nutritional needs of the family or that families can purchase food which reflects wider social and cultural expectations (Lang, 1997; Dowler, 2001).

The disruption of WTC/CTC payments created serious, if temporary, hardship for this family that led to consideration of a transition back onto Income Support. Despite advice and pressure from family and friends to return to IS, perseverance in the belief that problems would be short lived prevailed. Further, Sian's relatives and friends, while thinking the family would be better off claiming IS, nevertheless provided a wealth of support, both practical and financial, without which it is unlikely that Sian could have continued in paid work. The long term ramifications of short term difficulties are shown through the ongoing impact non-payment of electricity bills had on Sian's budget at wave two. The utility company had insisted on installing a meter in Sian's home and added the cost of fitting the meter to the debt already owed. Sian felt that it was a continued injustice that having paid off her debts by wave two she continued to be penalised through the higher cost of electricity in a meter payment system that the company refused to remove unless Sian paid.

Sandra shared some of the deprivation experienced by Sian when she failed to be paid the childcare tax credit (cctc) element of WTC. Over the ten week period without cctc,

childcare expenditure was taken from the rest of the budget, leading to a reduction in personal spending and non-essential spending on the children. Unlike Sian, there was no local network of support from family and friends that could be drawn on, increasing pressure on the family. Confident that Inland Revenue would resolve the problem Sandra remained in employment, but admitted that after two months without cctc, leaving the labour market was under consideration.

The failure to reach this group of lone mothers with the correct payment following the introduction of the WTC/CTC system casts light on the interaction of participation in employment and the achievement and maintenance of a certain standard of living. The lone mothers faced with a precipitous drop in resources nevertheless continued in employment because they saw this as temporary, but acknowledged that the longer the situation had continued the closer they had become to reconsidering their continued participation in the labour market. None indicated they had sought to increase their hours of work or move into employment full time in order to increase their income. This prospect was discounted because it conflicted with temporally influenced and social negotiated notions of appropriate maternal caring and the structural constraints, such as childcare, faced by these mothers. Continued participation in employment was dependent, at least in the short term, on the continued receipt of income from the tax credit system.

8. Conclusion

The April 2003 reforms of the tax credit system had minimal impact on how participating couples organised the management and control of family resources. Nonetheless, the Government's decision to direct child-related financial support to the main carer appears prudent in light of how receipt of income continues to confer a measure of 'ownership' which hands the recipient the potential to control that source of money. Whilst there was a considerable level of commitment and demonstrable exercise of joint control and access to family resources in pooling families, it was clear that amongst families not operating this system, control and access to resources were contested issues. The study confirms that electronic forms of money are becoming increasingly important for how money management and control operates within some couples, with both men and women using credit cards to circumvent the control exercised by their partners. For mothers in low-income families this is likely to be of considerable significance, particularly if they are not in employment. Not only will their partner receive wages, but they will be able to gain access to credit that is not available

to economically inactive mothers (see Pahl, 2002: 81). Directing increased financial support to the main carer contributes to gender equity directly through providing them potentially with greater access to and control over a specific source of income, whether it is exercised or not.

Amongst the pooling families, income from the tax credit system was rarely earmarked for specific areas and usually fed into general income. Nevertheless receipt of the WFTC or the New Tax Credits may implicitly strengthen a mother's claim on family resources and contribute to a more egalitarian distribution of resources. The difference made to families' material living standards from tax credit income in terms of financial stability, access to goods and services and ability to provide their children with an increased range of social, nutritional, educational and recreational opportunities was considerable. Even if parents did not associate the WFTC or CTC as income that should be set aside for spending on their children directly, it was children who were the foremost beneficiaries of a rise in the family budget. They benefited directly and indirectly from increased spending, whereas adults only began to see an increase in personal spending money once the majority of their children's needs had been met. The Government's intention of increasing the financial support to families in work in order to address child poverty was, amongst those participating within the study, bringing positive results. The temporary collapse of income experienced by some families, due to administrative problems following reform of the tax credit system, draws attention to the significance of WTC/CTC. Without it the lone mothers and couple family sank into debt and cut back on all but the most necessary expenditure.

A dramatic drop in in-work income led some lone mothers (following a considerable wait – see Chapter 5) to consider a move back onto Income Support if disruption to receipt of the WTC/CTC continued. This is consistent with evidence about the centrality of WFTC to lone mothers. Drawing on analysis of the Family Expenditure Survey, Millar and Gardiner (2004: 42) suggest that income from tax credits made a significant contribution to the incomes of low-paid lone mothers working sixteen hours or more per week, enabling about forty percent of these families to avoid poverty. Similarly, findings from the first two waves of the Families and Children's Study confirm the importance of tax credits for the family budget. Amongst recipients of the WFTC, only four percent of families said they could manage without cutting back the family budget if they stopped receiving WFTC, whilst sixty two percent indicated they would not be able to manage at all, giving an indication of its importance to the budgets of low-income working families (Mckay, 2002: 53). For the lone mothers the tax credits supported part time

employment with a full time income and this enabled lone mothers to achieve the balance they desired between material, social and emotional welfare for their children and themselves. Moving into full time work at this point in their lives was not an option these lone mothers were prepared to consider because it would unbalance their temporally situated commitment to 'good mothering' practice.

There was little evidence, however, to suggest¹ that budgeting practices in, and of themselves, affected employment decisions of mothers participating within my study, as I initially expected they might. In the light of payment of the WFTC to the main carer in all other families, there was no suggestion that absence of payment of WFTC through the wage packet had impacted on decision-making. The transfer of the majority of tax credit income from Des to Dorothy did not affect his employment behaviour, nor desire to work. It is possible that the receipt of income through the tax credit system may replicate the income from employment and reduce the financial attractiveness of paid. Yet Dorothy's return to employment was not made primarily because of her lack of access to family income, despite Des receiving the WFTC. Rather, as I showed in Chapters four and five, Dorothy's return to employment took place once the children had moved into school, in order to accommodate her commitment to 'good mothering'. Employment behaviour was contingent on the interaction of temporally situated social and institutional structures. Decisions reflected the pursuit of a balance between social, emotional and material welfare rather than a response driven primarily or solely by economic signals received through the tax and benefits system.

¹The exceptions were two previously married lone mothers who did indicate that it had been a factor considered in decision-making during relationships with their ex-partners.

Chapter 7

Temporalities, employment decisions and the tax credit system

1. Introduction

This chapter discusses how mothers' employment decisions are situated in a particular nexus in the life-course and require the arrangement and negotiation of different temporalities to realise a given employment outcome. These temporalities informed, shaped, and were shaped by - the social and moral expectations of appropriate behaviour and the structure of the tax and benefit system. Despite the increased interest in work-life balance within policy (DTI, 2004; HM Treasury/DTI, 2003), the affect the tax and benefit system has on an individual's experience and negotiation of time is rarely explicit within the literature around the tax credit system. The data from the research and literature for this thesis has led me to ask how the tax credit system under the WFTC and WTC/CTC interacts with and affects mothers' experience of time and what this means for employment decision-making. Evidence from the thesis suggests that changes here may impact differently for couple and lone parent families suggesting policy is important in facilitating particular choices. Some mothers used the WFTC/WTC/CTC to renegotiate their control over how they create, manage and organise time (in the light of not always complementary temporalities) associated with employment, unpaid work and caring.

The temporal framework guiding and framing the experience of employment and the labour market, developed with the process of industrialisation, whereupon time became rationalised into quantifiable discrete units and commodified, a resource to be bought and sold. It became separated from the experience of natural time, associated with the ebb and flow of different seasons, daylight and the biological rhythms of humans themselves that previously shaped experience of work and life (Adam, 1995: 95; Everingham, 2002). The predominance of 'clock time' has created the context where the likelihood that policy will feature and/or consider a diversity of temporalities and divergence in how men and women experience time, is limited. The lack of importance given to time within policy documents detailing the operation and purpose of the tax credit system is indicative of how a lack of explicit interest in the temporality of decision-making permeates social security

policy. The consequence is that a life course perspective is rarely applied to how choices are made or what they might mean for an individual and their family at different points in the life course. Therefore the future impact on the individual (in terms of decision making and living standards) of choices made in the present is not given due weight. This is an issue which has led Bennett (2005) to argue that social security policy addresses household needs rather than individual social protection over the life course, thereby disadvantaging women as they grow older.

Time is geared toward the needs and practices of business, marginalising the management of time by people engaged in activities, such as caring for others. Caring may cross a range of temporal boundaries around the employment and home divide that mothers (it is usually women who take on the role of main carer within families) have to negotiate (Brannen, 2005). In earlier chapters I have set out how social and moral ideas of appropriate mothering were linked to age of child and how this influenced mothers' participation in the labour market, reflecting some of the emphasis placed on moral notions of mothering by Duncan and Edwards (1999). The following chapter is an attempt to build on the discussion outlined already and on the work of those calling for an 'ethic of care' to occupy a central role in policy (Williams, 2002: 2004). Ensuring a political economy of care (Fitzpatrick, 2004b) underpinned policy would necessitate an increased focus in policy on temporalities because care, as I discuss below, is tied intimately to time. Indeed there is a growing literature on time and its relationships with and between work, employment, caring and individual behaviour (see Warren 2003; Perrons *et al*, 2005; Fitzpatrick 2004a). It is therefore important for those seeking a reorganisation of the current distribution of paid and unpaid work to ensure that policy changes are viewed through a temporal lens. This helps to ensure that both short and long term affects on the balance parents strike between social, emotional and material welfare are explored, as well as the nature of any trade offs this involves, willingly or unwittingly, across the life course.

The first section of this chapter begins by discussing the purpose and assumptions underpinning the tax credits system. It is necessary to have this discussion in order to establish how it sits with alternative positions advanced by advocates of a political economy of care (see Fitzpatrick, 2004b). This is important because the focus of the latter on an ethic of care fundamentally concerns itself with the ability individuals possess to use and organise time. Government discussions of tax and benefit policy meanwhile show

limited interest in how tax credits may interact with the temporal sphere or how this relationship may vary with family type and gender.¹ Following discussion of the above issues I elaborate on different notions of time and spheres of temporality that shape everyday life and which mothers seek to manage, before turning to outline what I have conceptualised in my thesis as the temporal welfare balance. Empirical examples of this from my research and the role of the tax credit system in framing the nature of this balance are then discussed. It is hoped that this contributes to a greater awareness of the relationship between morality, social expectations, temporality and the tax credit system in shaping mothers decisions around employment.

2. The expected incentive effect of tax credits in decision making around employment

The following is explained more exhaustively elsewhere², but it is worth reiterating here the broad focus of the study, the principles underlying policy and the critiques levelled at these ideas. The Labour Governments have introduced a package of reforms to 'make work pay' including a National Minimum Wage, various New Deal schemes and changes to the social security system, all indicating a Government seeking closer coordination of social security and labour market policy and hence social and economic policy (see Grover and Stewart, 2002). Our interest here and throughout the thesis has been the series of changes made to the tax and benefits system, specifically the introduction and modifications of the tax credits, and whether the implicit prior policy assumptions that underpin them are reflected in recipients' decision making. I will not run through the differences separating the Family Credit from its replacement, WFTC or the subsequent changes brought about by the WTC/CTC, but all are predicated on the assumption that offering a top-up to the wages of adults within families on a low income would achieve two principal objectives. It would ensure that employment remained more financially attractive to the low paid than receipt of out-of-work benefits due to reforms that reduced the

¹ See the series of reports produced by HM Treasury between 1998 to 2005 on the Modification of Britain's Tax and Benefit System for an indication of the lack of discussion around either the role of the social security system in altering the framework of time parents work within, or its potential benefits and disadvantages.

² Refer to Chapter 2 for further information including a discussion of the various differences between Family Credit, WFTC and WTC/CTC and an outline of the recent historical basis of in-work benefits in the UK.

unemployment and poverty traps; and it would increase the resources available to a family thereby reducing hardship and the prevalence of in-work poverty.

The significance given to reforming the tax and benefit system is made clear in the series of papers produced by the Treasury covering *'The Modernisation of Britain's Tax and Benefit System'* (see HM Treasury, 1997a; 1998a; 1998b; 1999; 2000; 2002; 2005). The promotion and strengthening of work incentives is seen as central to the successful functioning of the social security system, where reducing the number of workless households and increasing the number of lone parents in employment is key. Indeed the Government have set themselves a target of 70% of lone parents in employment by 2010 (DfEE, 2001).

"Families with children had often faced poor work incentives as they received more generous out-of-work support through the benefits system compared to those without children. As a step towards delivering a better system of support for families with children the Working Families' Tax Credit (WFTC) was introduced in October 1999:

- *to provide more generous financial support to tackle poverty amongst working families on low earnings;*
- *to improve the incentives to move into and progress in work; and*
- *to tackle childcare costs as a barrier to work through the childcare tax credit" (HM Treasury, 2005: 27).*

The important point here is to recognise that threaded throughout the reforms is the expectation that altering the costs and benefits of a given course of action will push individual adults in the desired direction because they will respond as income-maximising rational economic actors to changes in financial stimuli. Consequently a range of factors that affect the choices parents make around employment are recognised as economic barriers. Alleviating the cost these factors add to employment will result in greater labour market participation by a given target population (HM Treasury, 1997a: 30). As Duncan and Edwards (1996; 1999) have discussed, and as I have elaborated in Chapter Two and

elsewhere in the thesis, the presumptions embedded in social security policy are of rational economic actors driven primarily by the pursuit of income-maximisation.

The initial and arguably continuing ambivalence in policy over who to direct tax credit payment to within couple families is indicative of this (always) lingering belief about the importance of maximising the incentive effect of the extra financial support (see HM Treasury, 1998a). Policymakers continue to place considerable emphasis on financial incentives for directing employment behaviour. Despite moves away from a focus on the pay packet as the most appropriate payment method, the insistence on directing WTC to the main earner show an unwillingness to give up entirely on clearly linking some financial assistance to wages.

The confidence that economic costs and benefits of employment drive decision-making sits comfortably with the work-life balance reforms introduced by Government. These lean heavily towards enabling parents to maintain and/or engage in employment by freeing up parents' time through, for example, childcare provision or the potential to request of an employer a flexible application of employment hours that reduces the intrusion of other temporalities and social activities into the workplace. This is not to say these reforms are not valuable, valued and needed, but to acknowledge that they reflect and further the dominant (paid) 'work first' approach of Government. Moves in this direction are a partial break from the approach of previous British Governments which understood the family to be constructed along the lines of a male breadwinner model (McLaughlin, 1999). Lewis (2002) argues that this is being replaced by a presumption in favour of a more individualised model that is in theory gender neutral, an adult worker model whereby all adults have a duty to support themselves and their family through paid employment. Initiatives such as the National Childcare Strategy and making resources like the childcare tax credit available for families to pay for childcare requirements, indicate the assistance provided to this end (Rake, 2001).

Reality, however, as Lewis (2002: 53) notes, fails to match expectations so that changes in the economy and society have given rise to an increasing proportion of partnered mothers in employment, but it is less certain that the male breadwinner model has morphed directly into an adult worker model. The difficulty with the gender neutral vision presented by the adult worker model is that it emphasises participation in the labour market to the exclusion

of other identities and routes to citizenship. It fails to fully recognise the continued centrality of the pressure to care, and the practice of care activity in women's lives. Neither does it fully realise the value and well being many women (and men) associate with care activity, or how it continues to impact on decision making (see Edwards *et al*, 2002; Lewis and Giullari, 2005; Lister, 2002b). The important point for us here is that this failure means that policy is not fundamentally addressing, or considering the impact of, the issue of time. Either how it is used and organised or how it shapes the lives of mothers and fathers, for whom the experience of time may be very different.

The structure of policy does not necessarily reflect a new 'worker' reality either, as it is arguable that the expectation of increased participation by mothers in the labour market has not been entirely reconciled with the actual operation of the tax credits system for couple families. The nature of the assessment unit for receipt of the FC and WFTC was the household and this continues today under WTC/CTC. Second earners may find that their labour market incentives weaken as the increase in the family income brought about by a second wage is offset in total or at least in part by a loss of income through the reduction of a tax credit award (see Bennett and Hirsch, 2001: 12). Mclaughlin (2002), among others (Bennet, 2002; 2005) has raised the concern that household assessment for tax credit income would discourage second earners from moving into the labour market. The evidence gathered for this thesis indicates that some respondent mothers from couple families who were in the position of (potential) second earner did perceive a possible financial barrier. An implicit assumption existed that the family would not be better off with the mother working unless this was full time, which reinforced, during a child's early years, their status as main carer. That female partners are more likely to find themselves in this position raises issues of gender equity for current employment, domestic divisions of labour and caring responsibility. The impact on future employment earnings and women's experience of poverty in later life is also a concern (Bradshaw *et al*, 2003; Ginn, 2003). This supports Bennett's (2005: 74) point that the main concern of the tax and benefit system is with meeting household need rather than individual social protection over the lifecycle. Nevertheless, the orientation of the Government towards an employment ethic and particularly greater employment amongst lone parents has opened up, and added impetus to, discussion around the struggle for policies which improve work-life balance. Consequently it has raised the salience of 'time' as an issue within policy debates, reflected also in the wider literature (see Fitzpatrick, 2004a).

3. The ethic of care and contesting rationality

Basing social security reform on an employment centric approach has left key issues that surround parenting and mothers' participation in paid work unresolved. The main carer within families (usually the mother) is often harried on all sides by competing demands for their time from children, relatives, partners, household tasks - and where appropriate - paid work (Mckie *et al*, 2001). The Labour Governments' have recognised and articulated the need to help parents achieve an improved work-life balance (HM Treasury/DTI, 2003; DTI, 2004). Progress to alleviate some of the pressures arising through conflicts between paid and unpaid work has occurred with improvements in childcare provision and initiatives such as unpaid parental leave. This approach has not, however, fully considered how mothers experience time as multilayered. How this affects interactions with the tax and benefits system and what this means in the context of immediate decision making and longer term issues of social justice has not been addressed.

Modification to the tax and benefit system and work life balance reforms are tied strongly to perceptions that employment participation needs to increase. The Labour Government's employment strategy has drawn criticism from those concerned that policy should recognise that unpaid work is often infused with an ethic of care beyond commodification. It is about the intimate responsibilities and obligations individuals have for others and may be a fulfilling activity in itself that benefits the carer, in addition to the cared for (see Sevenhuijsen, 2002). Care of others is viewed as a meaningful activity in its own right and requires time, financial and practical support from government to ensure that it does not remain a valid activity only for women, but to which men and women are involved. Making 'care' a defining factor in how policy deals with the relationship between personal time, care time and (paid) work time would then take policy away from a focus on how mothers can be incorporated more easily into the labour market and provide directions towards a different conception of the welfare state (Williams, 2001; 2002).

Fitzpatrick (2004a: 349) notes that there is a conspicuous lack of empathy for recognition of natural time and space within the approach favoured by Labour, and the scope and ambition of its work-life balance policies remain limited and half-realised through a concern to avoid (supposedly) damaging the competitiveness of business with greater regulation. The political climate continues to be dominated by a voluntary rather than legislative

approach, and where reforms have been introduced by the Labour Governments they often have a distinctly minimalist flavour to them (Dean, 2001; 2002: 8; Fitzpatrick, 2004b). The Employment Act 2002 for example introduced paid paternity leave but this has been restricted to two weeks (<http://www.opsi.gov.uk/acts/acts2002/20020022.htm>) limiting its potential impact on caring patterns.

The application of work-life balance linked primarily to employment participation measures reinforces that mothers' employment behaviour is thought to be governed primarily by economic considerations of the costs and benefits associated with taking up paid work. The work of Duncan and Edwards (1999) in this area indicates that it is far from clear that decision making represents the choice of a rational economic income maximising individual. Instead they argue for the importance of grounding behaviour in mothers' concern with moral notions of mothering so that we understand how choices are negotiated and situated within a web of social and moral expectations. In turn these notions vary according to a range of social cleavages including class, ethnicity and geographical locality.³ Their theoretical framework and the empirical evidence they deploy supports the contention of Lewis (2002) that policy premised on an adult worker model is problematic, as it shades into a highly individualised account of behaviour which fails to accord with the social reality of a society where employment and caring activity remain strongly gendered (Edwards *et al*, 2002).

4. The time dimension

The shift towards time as an avenue for debate about the nature, value and mix of paid and unpaid work within and between families has, for Williams (2001), generated political space. Within this space the push for a political economy of care can occur as demands for 'family time' replace previous struggles engaged in by trade unions around securing a family wage. There is an extensive literature that details and explores questions about whether families and individuals find themselves increasingly 'harried' and subject to a 'time squeeze' or whether they enjoy an increasing amount of 'free' or leisure time than previous generations (Perrons *et al*, 2005; Southerton, 2003; Gershuny, 2000; Jarvis, 2005; Brannen 2005). Whichever is most accurate, a gender division in how time is

³ For an extensive and detailed discussion of the gendered moral rationalities thesis, its insights and the criticisms I make of it, please refer to Chapter 2.

experienced by men and women, related to the position they occupy in the sphere of paid and unpaid work, continues. Despite increases in male unpaid labour within the home, the domestic sphere and caring activity remains heavily reliant on unpaid (and paid) female labour (Warren, 2003).

The experience and process of paid work is frequently referred to as being governed by 'clock time' (Glucksmann, 2000), a process which provides a relatively clear demarcation between an employer's and employee's time. Conversely mothers find that the range of tasks encompassed in their role (usually) as main carer means that they operate across a number of temporalities. These include the biological rhythms and needs of children, the temporal and social schedules of other family members, and 'clock time' associated with their employment, or if they are a couple, their partners. In these circumstances mothers experience time not as a division between employment and time that is free, to be spent at their will on leisure activities, but as time that needs to be created in anticipation and preparation for potential problems arising and to provide for the maintenance of social relationships. Mothers are less required to spend time than they are to generate or create it in their everyday scheduling of tasks (Everingham, 2002: 338). The very organisation of society in terms of its spatial organisation exacerbates the complexity of organising household and caring activity, adding to the multilayered notion of time experienced by mothers. Turner and Grieco (2000) have drawn attention to how the range of tasks associated with motherhood ensures that even when a mother participates within the labour market the interaction between time and space in everyday life remain gendered. For male employees time may be spent on a journey to and from work, yet this is more likely to be a relatively simple return journey from point A (the home) to point B (employers) per day. Conversely for mothers, the combination of a greater proportionate share of a family's caring activity and domestic labour coupled with any employment activity create the need to organise and manage a range of activities within the structure of one journey as they travel from the home to the school, to the shops, to the doctors and to work. For those on low incomes a greater reliance on public transport further complicates the journey, reducing the temporal freedom of the mother.

4.1 The temporal welfare balance

It is the multilayered nature of time that is important for understanding how employment decisions are temporally embedded in the life-course and in the everyday multiple tasks mothers are engaged in, and how this relates to our focus on the tax credits. By layers of time what I am referring to can perhaps best be encapsulated by utilising the components or spheres of time that Warren (2003), drawing on the work of Reisch (cited in Warren, 2003), outlined and made use of in her examination of class, gender and time poverty. The different components include a chronometric dimension (having the right amount of time), a chronologic dimension (possessing time at the right time e.g. day, week, year), a synchronic dimension (essentially time that fits with the rhythm of family and friends) and an autonomy dimension (personal control over time) (Warren, 2003: 735). Adopting this framework enabled us to explore how decisions were located within the framework of a family's and individual's competing demands. How one dimension, the chronometric, was traded to enable improvements in the 'fit' with other temporal dimensions, particularly the chronologic and the synchronic. The initial questions parents were asking themselves when making employment decisions were: How many hours am/will I (be) employed? When will these hours of work be? How do they fit with the biological rhythm of family life (needs of my children), my desire for personal time, quality time with a partner and other unpaid work commitments?

The experience of a 'time squeeze' has been linked to all socio-economic group, but there has been considerable focus on what the participation in longer working hours of middle class professionals means for experience of time (see Brannen, 2005). A concentration primarily on hours of work alone may, however, as Warren (2003) shows, fail to detail the full complexity of how time is experienced and risks marginalising the experience of low income women. An emphasis on the number of hours worked focuses on one aspect of time, the chronometric, in terms of number of hours worked, rather than how this is negotiated with the synchronic, chronologic and autonomous temporal dimensions. Low income women working in manual labour occupations experience a higher proportion of caring work than professional women, due to the ability of the latter to buy in assistance, itself predominantly delivered by low income women (Warren, 2003). This experience of caring forms part of the temporal element to the temporal welfare balance I refer to in earlier chapters. To this it is necessary to add the role of moral understanding of

appropriate mothering and employment behaviour and its place within the temporal dimension defined by an individual's life course. Personal biographies help shape and influence peoples' perspectives on the appropriate relationship between employment and caring activity and the experience of these in turn shapes their life-course (Glucksmann, 2000, Duncan, 2005). We have here then the role of concerns, demands and temporal dimensions of time in the present and these are woven together with past experience and future expectations that make up the life-course, to affect employment decisions. A temporal impact of this is that a heavier involvement in care and unpaid work activity during motherhood creates the risk that in retirement women will experience a lower income. As Fitzpatrick (2004b) argues, this poses issues of social and temporal justice in how we distribute resources and opportunities between different socio-economic groups across time. The question of whether low income mothers consider the financial consequences of certain choices for future standard of living and experience when they make decisions about employment is therefore pertinent. Previous research suggests that choices and priorities are closely linked to position in life course. For example, retirement planning and issues related to pensions provisions only seems to begin to be considered once people are in their forties and fifties (Rowlingson, 2002; Hedges, 1998).

Chapter 4 discusses the elements making up the social, emotional and material aspects of the welfare balance and their link to mothers' personal welfare. Exploring the latter requires an understanding that this encompasses a life course perspective and the chronometric and autonomy time dimensions. Attaining a specific welfare balance requires that mothers maintain sufficient (time) capacity and some control of that sphere in anticipation of unexpected events and expected (time) pressure. A related idea of self preservation in the face of uncertainty (self interest conceptualised as concerned with balancing unpaid and paid work rather than income maximisation) is hypothesised by Glover (2002: 264). It is suggested that mothers might practice the avoidance of employment choices that disrupt or limit their ability to contain threats to their paid/unpaid balance from unanticipated and/or uncontrollable events.

Below I outline the interactive levels of decision-making. These draw out the basic building blocks and links between factors in respondent mothers' employment decisions providing a basic outline of the process of temporal welfare balance. All are situated in an individual's life-course reflecting past experience and shaping future opportunities and

constraints. The important point here is how time was tied to the formation of employment and mothering expectations, in terms of morality and practicality. I do not suggest the range of factors included in the process below is exhaustive, nor could I. Due to the nature and focus of the study it does not (with the exception of some interest in how experience of maladministration during the reforms affected choice) fully explore individual interactions with the administrative process of the tax and benefit system, or the impact on employment decisions of officials charged with deciding on eligibility. I do however, recognise that previous research suggests (Ford *et al*, 1994; Van Oorschot, 1996; Corden, 1999a: 149) that an individual's interaction with, and experience of, the administrative process linked to claiming benefits and tax credits may impact on their employment decisions. This is likely to have a temporal element as experience in the present becomes part of an individual's lived experience and life history, affecting their relative willingness to engage with particular state agencies at a future date. In the light of the administrative problems encountered by substantial numbers of recipients during the reforms made to the tax credit system (see Parliamentary and Health Service Ombudsmen, 2005) this would be a fruitful area for further research.

Separating out the elements of the decision making process enables us to consider the employment and mothering paths that were prioritised by mothers. In doing so we gain a hold on how the priority was arrived at, subsequent behaviour and the fluidity of decision making around paid work, the relationship of the priority to financial considerations, notions of mothering and temporality.

- Moral expectations - social and moral influences on behaviour and expectations of parenting, age of child, economic capacity (class), household structure.

These influences form the basis for mothers' preferred position toward paid work and caring activity. The position in the life-course and age of child feed into notions of appropriate mothering and their attendant ideas of obligation and responsibility, embedding decisions in wider social relationships. Duncan and Irwin (2004) and Duncan and Edwards (1999) have detailed exhaustively how class and other social cleavages affect the formation of morality and expectations, and others have drawn attention to how class affects mothers' capacity to act (Crompton and Harris,

1998). Similarly household structure is likely to affect the formation of social expectations and to be linked to different financial opportunity sets.

- Employment - potential employment, previous experience of employment and employment plans.

Employment participation is temporal. People move in and out of employment across their lives. Expected employment may be related to previous experience of employment, future employment plans and particular sector of the labour market.

- Temporal dimensions/ experience of time, childcare, tax credits and wider social security system

Time is experienced in different spheres and the interaction between these creates the time available or feasible for employment activity in the short term whilst also impacting on an individual's engagement in employment in the medium and long term and the welfare of their future self. The social security system may help open up or close off renegotiation of the boundaries of the different temporal spheres through its impact on family income, linking the tax credit system into social and moral expectations, occupation, household structure and question of social and temporal justice. The tax credit system is the key that turns (or does not turn) the lock, so to speak, deciding whether mothers can realise particular options at a given point in time, which can influence the formation of what options are favoured.

The following section provides examples from the two waves of empirical research that outline how behaviour was grounded in moral notions of mothering linked to age of child, household structure (social expectations of partners) and experience of time. These set the boundaries of potential employment participation and how this defined, and was itself, defined by, the financial needs of the family. The tax credits system in mediating and enabling a reorganisation of paid work, is a central part of the story in this development. I also consider the time horizons respondents used to reach decisions and the possible consequences for policy.

5. Tax credits as an enabling mechanism: facilitating or frustrating the temporal welfare choice of mothers

It has been known for some time that the age of child is strongly linked to mothers' participation in the labour market (Bryson and McKay, 1994; Rafferty, 2003). The thesis found extensive support for the role age of child played in shaping, informing and structuring the moral and social stance mothers adopted towards paid work and the practical, financial and temporal implications it carried. The research found little evidence that mothers were acting as individual rational economic income-maximisers in response to the financial incentives and/or disincentives offered by the tax credit system. Reflecting the findings of Duncan and Edwards (1999) we see that ideas of appropriate mothering and employment behaviour were socially and morally embedded. A key difference is the weight this study gives to different temporalities and their relationship to the role of the tax credit system in shaping how parents participate in paid and unpaid work. Chapter Two provides details of a recent paper by Duncan (2005) that considers rationality and explanations of participation in paid work. One group of working class partnered mothers were identified as holding a 'primarily mother' orientation to caring and paid work. Of this group around half engaged in paid work of over fifteen hours per week, yet Duncan leaves us unclear on why this is so because how it fits within the framework of a primarily mother identity is not adequately discussed. Duncan does not indicate whether this (in some cases considerable) involvement in paid work was part of their mothering identity, at which point the link between 'primarily mother' and unpaid work status would break down. Alternatively was it because the children within these families were older and the mothers' notions of what was socially acceptable and morally right permitted at that point a greater number of hours of employment? Or was the number working fifteen or more hours per week linked to financial considerations, such as the childcare tax credit or the level at which paid work by a second partner began to offset a drop in support from in-work benefit schemes if families were recipients? The absence of a temporal perspective and/or discussion of relevant policy around employment and social security potentially weakens the explanation relied upon by Duncan as it leaves us unclear on the role they played in mothers' decisions to work fifteen or more hours per week.

The thesis, so far, has shown that moral and social expectations around mothering are important to employment behaviour, but that they are temporally situated and decisions

intersect with previous and expected employment, household structure, temporal spheres and the structure of the tax credit system. The WFTC and subsequently the WTC/CTC proved for mothers to be a mechanism enabling or limiting how and whether temporalities could be bent to accommodate respondents' desired welfare balance. In this sense it gave parents the capacity to exercise choice around employment by partially decoupling their level of income from level of involvement in paid work. It provides some explanation of why mothers who said they would favour looking after their children full time were participating in a certain amount of paid work at particular points during motherhood.

Catherine, a lone mother, previously partnered, believed in the importance of a mother devoting herself to bringing up her children full time, if at all possible. On becoming a mother Catherine remained outside of the labour market whilst partnered. Following a relationship breakdown she moved onto Income Support for a short spell enabling her to continue meeting this desire, but it brought an economic cost in that she sank further into debt, falling behind on payment of Council Tax and payment to commercial loan companies. Concerned that the family would be evicted, Catherine decided on a move back into the labour market part time, as she was reluctant to work full time due to her commitment to caring for her son who had not yet started school. Uncertainty surrounding financial gains and stability of employment is significant in the transition from economic activity to labour market participation (Bryson and McKay, 1994; Ford *et al*, 1994). Catherine's sense of risk was mitigated by previous experience of employment with the company and a belief that she would qualify for the WFTC, having received advice from the Jobcentre that she would do so.

When her son started school it created the space to alter total hours of employment as the temporal rhythms altered in the synchronic and chronologic spheres, allowing her to make changes to the chronometric dimension and expand paid work. We can see here how initial attitude to paid work when she was partnered and during the son's early years of childhood began to alter with the shock event of relationship failure and economic difficulty. Slowly the economic conditions altered her perspective on participation, but this came up against a reluctance embedded in morality to abandon a heavy commitment to caring activity. The tax credit system solved this dilemma because it facilitated the matching of mothering desired, with the income sought, to reduce the economic pressure on the household. We know that for low income individuals wages alone are unlikely to

meet what they describe as an adequate income and therefore total income from all sources is important for understanding employment behaviour (Millar, 1994), as proved to be the case here.

Catherine's decisions were tied very much into a short term horizon and as detailed in Chapter Four, the relationship with the social and material welfare of the family. For example, the increase in paid work from sixteen hours to twenty four that followed her son starting school proved temporary following concern that a decline in contact with her son was fuelling poor educational and social development. In the light of this Catherine reduced her hours back to sixteen after calculating that the drop in income would be partially offset by increases in tax credit income and receipt of housing and council tax benefit. The working week was also now compressed into one sixteen hour shift, enhancing her autonomy over time. The decision was embedded in moral and social expectations of mothering, taking place within a short term framework that prioritised her child's immediate needs and her ability to maintain and manage the time to meet these. It relied on the operation of the tax credit system as a social wage to realise these goals. Notions of personal material welfare were broadly absent and employment choice did not concern itself with future personal welfare and employment plans. Having always worked in a variety of low skill jobs Catherine expected this to continue, with only vague notions that she might revisit the situation once her child was in high school.

In part Sian's decisions broke from the focus on the short term; common to most respondents, and her life course trajectory underlined the fluidity of employment decisions. Prior to lone parenthood Sian was in a relationship with her children's father and had taken a small number of part time jobs of minimal hours (fewer than eight) per week. Lack of regular childcare related to the evening nature of her work reinforced the belief that the children were not receiving the quality of care necessary. The bar work was not conducive with integration into the needs and schedules of the rest of the family, upsetting experience of the synchronic temporal dimension. The unsatisfactory nature of this situation for Sian meant that the social and moral expectations of mothering led to a withdrawal from this paid work. The subsequent breakdown of the relationship brought some time on Income Support, but debt and becoming aware of the WFTC, through family and what is now, Jobcentre Plus, encouraged her into employment. Although she could not remember receiving a 'better off' calculation from the latter, making it difficult to

ascertain the extent to which clear information on the financial benefit of returning to employment was given. As Millar and Ridge (2001) note, there is some evidence that better off calculations have a positive impact on the employment decisions of lone mothers.

At the stage of initial re-entry into employment Sian was adamant that this would be no more hours than the minimum necessary to satisfy eligibility conditions, so that it did not impact negatively on time with her children. Interestingly, once in employment and with the support of a friend, Sian decided to re-enter education to gain the qualifications necessary to lift her out of the low skill and low paid sector of the labour market and into (eventually) the graduate labour market. At this point she began to apply a more medium term perspective to behaviour that previously had been based on immediate income needs of the family and the social and emotional welfare of the children. Participation in education anchored current employment/mothering decisions to future employment and earnings prospects and hence personal welfare, and these became more important in choice.

It was, however, still important for these future plans to mesh with current mothering expectations and experience of different temporal spheres. By wave two Sian's start at university dovetailed with her youngest child's start at school with the cctc covering daily early morning and post school care until Sian returned from university or her part time job. The changes in synchronic time opened up room for heavier involvement in non-caring activity while remaining consistent with her beliefs about mothering. Enabling this was receipt of the WFTC and subsequently the WTC/CTC which smoothed management of the chronometric sphere with the synchronic and chronologic by enabling Sian to 'buy in' assistance in the early mornings and evenings. Even disruption to receipt of income from the tax credits during the reform period did not lead to her withdrawal from the labour market, despite enduring almost three months delay. It was feared that the balance constructed between employment and caring, between meeting moral obligations and responsibilities and providing the material resources necessary for her children, would break apart. The attainment of this very balance relied on the income from the tax credits and the expectation that delay in payment would be resolved kept Sian in employment. The educational commitments stemming from frustration at employment opportunities in this sector of the labour market gave an additional impetus to continued participation in employment. Support from the tax credit system was still seen as providing a bridge to a

future of better financial and employment circumstances and underwrote the interaction of factors affecting employment choice at this time. These included the need to fit in the social and material welfare needs of the children, Sian's (temporal) capacity to maintain the ability to meet these along with part time employment and part time study, a vision of future (medium term) goals, and previous job experience.

The WFTC and subsequently WTC/CTC did not so much incentivise lone mothers to maximise their income as provide them with a choice over how to organise and manage 16 hour plus (per week) employment, and the different temporal spheres they experienced. For lone mothers the tax credits operated as a social wage which, providing they met the qualifying criteria, partially recognised their participation in the reproduction of the next generation. It did not act as the sole trigger driving changes in employment, but rather facilitated the advancement of a new organisation of paid and unpaid work. The policy does not explicitly recognise the complexity and multilayered nature of mothers' experience of time, but assists in the negotiation of this. When the contribution of tax credits to work-life balance is discussed within policy documents, rarely is its effect for lone mothers' integration of paid and unpaid work discussed in detail in these terms (HM Treasury, 2005).

For the partnered mothers who were potential second earners the tax credit system implicitly reinforced their position as main carer rather than giving them greater freedom to choose a mixture of paid and unpaid work. This is in accord with previous research showing that household assessment for means tested benefits tends to encourage the formation of single earner households (Bennett, 2002; Mclaughlin, 1999: 188; Mclaughlin, 1994). Decisions were mediated by a mother's own understanding of her moral obligations during a child's pre-school years, the social expectations of her partner and their understanding of the broad impact an increase in a mother's working hours would have on family income overall.

Selma and Lisa held the view that mothers should remain in the home to look after their children until they begin school, but it was evident that this was reinforced by recognition and reference to their partner's stronger position in the labour market and/or the belief of their partner about mothering obligations. Whilst low level participation in employment might have been acceptable, the perception existed that unless the mother intended to

take up full time or almost full time employment then the family would most likely not be better off financially. To take up paid work full time would have conflicted with the valued and morally necessary role played by mothers in their children's early development and limited the ability of mothers to maintain sufficient time capacity to meet unanticipated needs. Once the children began school, however, this potential risk diminished as educational and social needs were partially met by the school, altering moral responsibility, changing the sphere of synchronic time and freeing space in the chronometric dimension for paid work. It became more morally and financially acceptable and temporally achievable to take up employment at this point, and Selma and Lisa expected to do so. Over time, as the children grew up, new moral notions of what constituted appropriate mothering altered the synchronic and chronologic temporal layers so that space for taking up employment became available. For some couple family respondents the tax credit system helped during a child's early years to support the male breadwinner model and the gendered nature of caring.

Of interest again is the role of education and medium term horizons intervening in current employment choice. Ruth and her partner Lenny were happy for Ruth to remain in the home and not engage in employment while their daughter was pre-school age because of the conflict with their moral beliefs and potential negative financial impacts. In addition it permitted Ruth greater scope to manage the demands of studying part time. Present employment decisions were also linked with perceptions of future career prospects and earnings security, giving the temporal welfare balance a short term meaning and a perspective which considered issues of a longer term work-life balance.

For couple families with the mother as the sole or main earner, there was little indication of either the WFTC or WTC/CTC acting as a disincentive influence on mothers' decision making, as might be expected given that they were the main earner. Neither, however, was there any evidence for the male partner's position as potential second earner having transferred into an awareness of, and/or response to, the implicit financial disincentive for them as a second earner. Male partners not in paid work did not consider the impact a return to employment by them might have on family income overall, partly as any such return was expected to restore them to the position of primary earner within the family. The underlying assumption was that it was simply their role to be breadwinning even when they were unable to do so, and it would seem that employment behaviour is in this sense

more individualised for men than it is for women, with the role of the latter more open to negotiation, showing a gender and socially embedded dimension to the operation of incentives. Fathers in general did not engage in the same process of negotiation and renegotiation of working hours in pursuit of a balance between social and material welfare. Echoing previous work in this area (Bradshaw *et al*, 1999; O'Brien, 2005), fathers, despite articulating a greater willingness to share domestic labour, notably childcare, continued to locate their role within a discourse of breadwinning.

6. Conclusion and issues arising

The previous section detailed how mothers engaged in a process of decision making underpinned by a weaving together of multiple temporalities so that they were able to realise a balance between social, emotional and material welfare, the composition of which is itself time contingent. In the examples above the focus has been on the age of the child and how this informs moral notions and social expectations of mothering. In turn this feeds into the changes made to temporal dimensions and the welfare balance sought and subsequently affects the decisions made. Family structure and gender influence the framework of decisions in terms of social expectations, the structure, operation and influence of the tax credit system in making decisions, and how time is experienced. The gendered moral rationalities framework developed by Duncan and Edwards (1999) shows that moral and social norms are situated in class, ethnicity and locality. It acknowledges that life course can affect the choice mothers make around employment (see Chapter 2), but it does not explore how these might link into in-work financial support, or what this might mean for the formation and consistency of different gendered moral rationalities and employment behaviour. The impact of class and ethnicity on decision making has been beyond the scope of this study, partly due to its size and resource constraints. Future research might consider the interplay between class and ethnic identities and how they shape individual and/or group perception of welfare balance and experience of time. The role of in-work financial support in mediating the formation of the balance sought, and how this may be realised through negotiation and management of different temporal dimensions (chronometric, chronologic, synchronic and autonomous) (Warren, 2003) would also need to be explored further.

With the exception of one lone mother and one partnered mother involved in education, an absence of thinking beyond the short term horizon about their personal welfare was common to all mothers. A split temporal horizon existed between welfare for the family and welfare for themselves. The commitment to a moral notion of mothering emphasising the importance of retaining a considerable investment in caring for their children occurred within a short, medium and longer term framework. Caring decisions were approached with reference to the effect this would have on children's immediate bonding with their parent, and the children's emotional and social development and behaviour. The impact of employment decisions on children's current and future educational attainment was, not surprisingly, an issue of concern for parents. Conversely this limited mothers' concern for their personal welfare to short term actions that bolstered their capacity to meet unanticipated demands, such as the renegotiation of labour market participation to build greater flexibility into the daily schedule. The temporal welfare balance was predominantly geared towards reorganisation of the multiple layers of time so that they met a family's current needs for social and material welfare, rather than the mother's future individual welfare either social or financial. Future needs were not considered beyond relatively short term employment plans. This limited the temporal welfare balance to a balance over the duration of parenthood rather than encompassing more distant projections of needs and demands. Two mothers involved in education were making decisions in relation to some medium term considerations of employment and earnings prospects. The requirement of specific qualifications to reach their future employment destination fed into the decisions they were making around employment in the present. There was, however no real discussion occurring of how choices made today around employment might affect employment and income later in the life-course. Decisions were situated within a short term temporal horizon, which would seem to partly reflect how individuals discount the future when making choices (see Fitzpatrick, 2001: 234).

The structure of the tax credits system may be encouraging greater flexibility for lone mothers but if this is less so for partnered mothers it could impact negatively on future employment and income. For women the fractured nature of their participation in employment across the life-course affects earnings potential and increases the likelihood that in retirement they will need to rely on means tested benefits (Wiggan and Talbot, 2005). Are low income women likely to spend large tracts of their life dependent for adequate financial support on the receipt of means tested benefits? A gendered social and

temporal injustice may persist with low income working class women experiencing 'free' time but little income in old age. In the absence of changes to the overall structure and operation of the labour market and a clear policy concern for the future needs of individuals, improvements realised in the present through social security policy and limited work-life balance measures, may be partially offset by the impact on future employment and income (see Rake, 2000). The current complexity and structure of the state pensions system makes it difficult for individuals to decide on the best course of action to obtain a sufficient income in later life even if we are to assume individuals were acting (economically) rationally and had the capacity to do so (see Rake *et al*, 2000; Bunt and McAndrew, 2005). A fruitful area of further research resides in consideration then of whether, and/or the extent to which, parents discount personal income and welfare in favour of the pursuit of goals linked to social and material welfare of the family within a short term horizon. Further examination of the role of the tax and benefits system in implicitly encouraging short-termism through enhancing capacity to manage different temporalities in the present, without a corresponding notion of social and temporal justice over the life course would be useful here.

A deeper understanding of the temporal negotiations that individuals engage in and the temporal impact of policy may help to realise the re-organisation of the current realm of paid and unpaid work and notions of equality that has been advocated (Williams, 2001; 2002). At present the employment focus of the Government ensures that the potential disincentives to second earners participation in employment is not seen as an extensive problem provided a family has one adult in employment. Yet the operation of the tax credits system for lone mother respondents appeared to have partially broken the link between wages and income. Of course income is still dependent on wages (e.g. eligibility conditions including hours of work), but lone mother participants had greater autonomy over how they organised paid and unpaid work over time. The WFTC and then the WTC/CTC with their increased generosity compared to FC provided a social wage for lone mothers caring role which enabled conciliation of moral commitments and social expectations of mothering. For partnered mothers, however, the gendered nature of the distribution of second earner status and the 'temporal' penalty this carries for current and future income amongst low income women suggest that the potential negative consequences for social justice require policy to seek to achieve the flexibility gained by lone mothers for partnered mothers.

Conclusions

1. Introduction

The thesis has focused on a central column of the Labour Governments' labour market activation policies: the intention to raise the incomes of low-income families and ensure that work pays, so that individuals are increasingly better off financially in paid work than out. Reform to the social security system through the introduction of the WFTC and its subsequent replacements, the WTC and CTC, have been the main policy tools used to achieve this, along with the National Minimum Wage which has set a floor for wages. The emphasis on, and development of, in-work benefits, coupled with their increasing integration with the tax rather than benefits system are defining features of recent social security policy. Implicit within this policy is a 'rational economic actor' model of behaviour, which posits that adults within families will make income-maximising decisions in response to signals about the marginal financial value of work. Changes to the balance of financial costs and benefits associated with a particular course of action would, it supposes, within limits, encourage individual adults to alter their employment behaviour accordingly. Driving this has been an agenda that approaches reducing child poverty as achievable primarily through encouraging employment and raising the income of those in paid work. The WFTC and WTC/CTC have improved the financial incentive to take up and maintain employment for some (see Brewer and Gregg, 2003). At times, however, the twin anti-poverty and employment raising goal of the Labour Governments has created tensions within the tax credit system, as manifest in discussion around which partner within couple families extra resources should be directed to.

An examination of lone parent and couple families' decision-making around employment and family budgeting over a period of welfare reform enabled the research to tease out how the interaction of the economic and social, structured decision-making and influenced individuals' motivation for making particular decisions over time. Contrary to expectations of income maximising behaviour the research conducted for this thesis suggests that, for mothers' at least, the choices they made around paid work were underpinned by desire to achieve a temporally situated balance between material, social and emotional welfare needs of the family. As such, this adds weight to a growing body of evidence outlining the importance of moral obligations and

responsibilities for mothers' employment in particular (see Williams, 2004), which policy tends to play down, in favour of a focus on barriers to employment that have an easily identifiable economic cost. This is not to diminish the role of the tax credit system within the decision making process. Indeed the thesis has drawn out how the WFTC and then the WTC/CTC systems operated for some lone parent families as a work-life balance mechanism helping to either facilitate or frustrate the pursuit and realisation of a favoured mixture between paid and unpaid work (see Chapter 7). Through providing an income akin to working full time at part time hours (Rowlingson and McKay, 2003), mothers' wishing to alter and re-negotiate the different temporal spheres of their life to fit in with the changing demands and needs of other family members were able to do so.

The thesis has put forward the argument that decision-making is temporally situated. Parents drew on both socially embedded notions of what constituted 'good mothering', and a consideration of financial incentives and constraints. They were not individual-income maximisers, but sought a standard of living deemed adequate for themselves and their children at a point in time, which was negotiated with temporally situated ideas of 'good mothering', encompassing ideas of appropriate social, emotional and practical support for children. The time specific nature of this also draws attention to how these decisions were predominantly linked to short term perceptions of needs and demands. Although longer term concerns tied to children's developmental requirements were also a factor, the decisions mothers' made were noticeable by the lack of consideration they gave to their own future needs. There was no mention that choices made now about participation in paid work would affect employment opportunities or income during retirement suggesting the decisions were in a sense temporally bounded. Of course it is not uncommon for people to discount the future (Fitzpatrick, 2001), but further research is required to ascertain the exact nature of how the social security system mediates current and future needs, decisions and opportunities for parents.

The first section of this chapter considers this 'temporal welfare balance' in the decision-making of couple and lone parent families, how it operated for fathers and mothers and the importance of the tax credit system in structuring how families approached the organisation of their particular welfare balance over time. The research provides support for the notion that different incentive effects for lone parent and couple families within the tax credit system (see Blundell, 2000; Bennett, 2002) did influence decision-making, although their influence was contextual and linked with what

constituted appropriate mothering behaviour. Addressing the significance of caring priorities within the decision-making process the research contributes directly to theoretical and policy debate around how 'choice' is influenced and exercised and the centrality of financial incentives in decision-making around employment.

For some lone mother families the tax credit system was central to their organisation of participation in the labour market. Diminishing the economic to secondary status, as I suggest in Chapter Two that the gendered moral rationalities model implicitly does, may therefore be problematic. The increase in resources received through the tax credit system was linked to improvements in living standards, with children the prime beneficiaries, offering further evidence that the Government's intention to reduce child poverty through directing extra resources towards families is having a positive effect. Following this, and adding to ongoing policy debates concerned with the effect of paying in-and out-of-work support through the 'wallet' or 'purse', I explore what we can draw out from the supposed commitments to resource sharing exhibited amongst couple families. In practice, the breadth and depth of this notion of sharing was patchy and did not extend in some families beyond a rhetorical commitment. There was however, no real indication that the level of access mothers' had to the family's financial resources influenced their employment decisions. I had initially thought this might be the case and this was responsible in part for stimulating my interest in exploring both employment and budgeting decisions over the period of welfare reform discussed.

Policy and academic discussion in the area of family budgeting is dominated by the evidence that children benefit most from extra resources if payment is directed to the main carer (Middleton, 2002; Molloy and Snape, 1999). I suggest that it was not clear that payment to the main carer amongst comparatively egalitarian families, who displayed a greater degree of joint management and control of the family budget, was necessary for children to be the primary beneficiaries of a rise in income. A commitment to sharing in itself, however, did not translate into a relatively equal distribution of resources within the family. The persistence of inequality within the family in the organisation and management of paid and unpaid work tasks (with the continued dominance of mothers as main carers), coupled with the strong conflict over resources demonstrated by Charlie and Lisa and Des and Dorothy, leads me to suggest that continuing to direct the majority of extra resources to the main carer is a necessary precaution.

2. Moving in, staying in and moving out

Unsurprisingly, decision-making around employment is complex and there are financial, practical, social and moral dimensions underlying individual labour market transitions. The research set out to examine whether individual adults were making income-maximising decisions in response to signals from the tax credit system about the marginal financial value of paid work.

Taking a temporal perspective enabled the research to situate decisions and financial, social and emotional influences in their specific context. Decision-making around employment, particularly the decisions of mothers, operated within parameters guided by what represented their notion of appropriate involvement in paid work and care over different points in the life-course. This was itself embedded in, and negotiated with, the views and behaviour of partners and institutional structures, including the social security system. Developing the 'balance model' hypothesis advanced by Glover (2002) we can view decision-making around employment as the seeking of a temporally situated welfare balance. At any one time, choices reflected the desire to achieve the most satisfactory balance between social, emotional and material welfare. Doing so required mothers' to manage and renegotiate their involvement in, and response to, the distinct temporal spheres (see Chapter 7) in order to create the 'time capacity' necessary for the realisation of the balance they sought.

2.1 Managing employment transitions

Working mothers frequently face a dilemma, being under pressure to engage in paid work, and facing the concomitant expectation that they will continue to perform caring activity which demonstrates they are 'good' mothers (Dean 2001). Mapping a route through this to reconcile paid work and caring was central to mothers' decisions around paid work. In contrast, fathers' decisions around employment were much more detached from this potentially conflicting pressure and centred more on their identification as main earners, although their expectation of partners' behaviour impacted on mothers' perception of the appropriate welfare balance required by the family.

The importance for decision-making around employment of the prioritisation mothers gave to care (because of a desire to engage in this activity) has been noted in previous research (Edwards *et al*, 2002; Himmelweit and Sigala, 2004). The movement of

mothers into employment was indeed affected by these issues, as demonstrated, in part, by the transition point of children's movement into school. Changes in practical, social and moral influences prior to this point reduced the attraction of employment for participant mothers. It is against this temporal backdrop that it was necessary to consider the formation and enactment of caring positions and how these were navigated around, and weighed against, financial incentives and consequently material welfare. One partnered mother, Jenny, had taken up home working to enable her to manage caring for her youngest child with the family's need for extra income.¹ Another returned to employment within a year of giving birth to the couple's youngest child, but worked part time close to the family home and nursery to help maintain a satisfactory balance between the delivery of material welfare and provision of social and emotional welfare tied up with notions of good mothering.

Financial incentives and disincentives were not peripheral, but an ever present element in the 'choices' made by participants. Although families found the calculation of Working Families' Tax Credit awards opaque and experienced difficulty in predicting the exact amount of money they would receive, they were relatively well informed of the general thrust of policy and broader details concerning eligibility and how income altered with increases or decreases in hours worked. Despite some confusion brought about by the administrative difficulties² following the April 2003 reforms, parents continued to maintain a relatively well informed understanding of the general principles guiding policy and potential interactions with the labour market.

Information was gathered from work colleagues, family and friends in similar situations. Contact with Inland Revenue or organisations such as the Citizens Advice Bureau were other avenues from which information was sought. Planning changes in labour market participation did involve investigation of the financial impact this would have on a family's budget and there is some evidence to suggest that the different incentive effects of the tax credit system for couples and lone parents impacted on decision-making. Recent research into lone parents' decisions around childcare and work suggests that financial factors can help strengthen or weaken the attractiveness of employment, but are not the only influence (Bell *et al*, 2005). This supports the findings from this study that parents did consider the financial impacts of their decisions

¹ This was prior to the introduction of the WFTC and the family had not claimed FC. As I discuss in chapter 6 the structure of the tax credit system seemed to implicitly work against second earners, at least during children's pre-school years.

² For further information refer to Chapter 5 and Chapter 6. The House of Commons Treasury committee 'Inland Revenue Matters' Tenth Report 2002-03 provides a summary of the problems that occurred during implementation.

alongside socially negotiated moral notions of care. Unlike the longitudinal qualitative research design of this thesis, however, the 'snap shot' design of the study conducted by Bell *et al* (2005) does not enable it to explore how the tax credits interacted with changed circumstances over time to influence working patterns.

For example, during the wave one interviews, as I note in Chapters Four and Five, lone mothers outlined how they envisioned their engagement with the labour market changing and then at wave two discussed what had been their actual experience. Labour market transitions were tied to perceptions of care responsibility, personal, social and employment objectives, financial feasibility and how these meshed with planned and unforeseen changes in circumstance. Creating a structure which 'makes work pay' did not lead directly to a reassessment of the relative costs and benefits of employment by participants. Instead this came into operation when changes in participants' lives relating to temporally specific notions of good mothering, or the need to improve the family's access to, and amount of, material welfare, were being rebalanced. This was a dynamic process and although a key transition point in hours of employment worked accompanied children starting school, the number of hours worked were subject to revision and change as circumstances altered further. In one particular case a reduction in hours to their previous level occurred in response to fears that maternal employment was impacting negatively on a child's behaviour and educational attainment.

The structure of the social security system meant this could be realised as the decrease in wages was partially offset by a rise in income from the tax and benefits system, softening the impact of reduced hours. The function of the tax credit system in enhancing work-life flexibility for lone mothers was consistent throughout the research, with mothers welcoming the fact that it enabled them to alter the number of hours they worked (chronometric temporal sphere) in response to their need to balance different aspects of familial and personal social, emotional and material welfare (chronologic and synchronic temporal spheres). By providing an environment in which work paid, lone parents enjoyed a measure of freedom to negotiate how the weaving together of employment and caring took place over time. It was less certain that this provided them with the ability to negotiate freely the trade offs that arise over the life course from particular configurations of paid and unpaid work activity. The tax credit system may be helping lone mothers to meet their children's current needs, but it does not necessarily guarantee or improve their individual future welfare. This supports Bennett's (2005) suggestion that the social security system tends not to concern itself with taking a long

term perspective, which might include a goal of providing social protection over an individual's life course.

2.2 Couple families negotiating financial incentives and caring

The potential disincentive effects of Working Families' Tax Credit on second earners within couple families have been speculated upon (Millar, 2003b; Bennett, 2002; 2005). The reforms of the social security system in April 2003 did make some attempt to address this issue. Under the WTC/CTC system couples are permitted to add their hours of work together to become eligible for the thirty hour bonus. Furthermore the first £2,500 of any extra income earned during the remainder of the tax year is ignored (Bennett, 2002, 567). The change in incentive structure for second earners following the introduction of WTC/CTC had not, by wave two, been recognised by couple participants, amongst whom some, such as, Daniel and Selma, continued to see potential financial disincentives to pre-school employment. The potential financial impact of the main carer (usually the mother) moving into employment (at less than full time hours) prior to the children starting school was implicit in discussions around the viability of employment. To move into employment at this point in time had practical implications in the light of childcare opportunities and constraints and often conflicted with moral notions of appropriate caring. Organising childcare was a temporal-spatial activity with childcare need and requirements changing over time and in relation to spatial distance between work, home and school. Frequently parents needed to build what Lewis (2003) terms a 'package of care', utilising both formal and informal provision to meet the families' requirements.

Childcare, of course, continued to be an issue once children entered school, not least during the school holidays and incidents of child illness. Nonetheless, particular childcare requirements, such as time of care, changed, and once children began school, parents within couple families indicated that it was expected and accepted that the main carer would return to employment either full time or part time. This reflected the mothers' personal interest in returning to the labour market combined with a reduced need for childcare, from both a practical perspective and parents' changing notion of caring responsibilities during this transition phase. What this reinforces is the temporally situated nature of decision and how socially embedded and gendered ideas of good parenting (mothering) interacted with economic incentive structures.

Fathers' notions of their familial role reflected a more 'traditional' provider concept of what form fathers' contribution to the family should take, in marked contrast to the carer role closely associated with mothers. That fathers, as I outline in chapter 4, predominantly identified their role or desired role as that of 'breadwinner' is not particularly surprising and has been shown in a number of previous studies (Millar & Ridge, 2001: 154). Fathers' decisions about their employment were less tied to issues around caring and, as opposed to mothers', there was no sense in which fathers' choice about employment mirrored how mothers were weaving together paid work and caring over time. Employment decision-making was 'their' choice, whereas mothers' decisions more often reflected an ongoing negotiation between their expectations and their partners'. It is difficult to gauge how influential father's views were on their partners' choices around labour market transitions, but by helping to define what the 'sensible' option meant, they did contribute to framing the terms of the debate and restricting other possible options. The particular configuration of the tax credit system reinforced further the attractiveness of parental (mother) care within couple families at this point. While labour market policy is increasingly focused on individual activation the operation of the tax credit system is effectively based around the assessment of family income rather than individual income, which interestingly puts it at odds with the rest of the individualised taxation system (see Millar, 2004).

The families with partnered mothers who had returned to work prior to children starting school were noticeable by the weak attachment of the male partner to the labour market. The employment of Annabel's partner Eddie, for example, fluctuated over the year because his employment on a variety of short term contracts in the construction industry made it difficult to predict income. Annabel's participation in the labour market prior to their youngest child entering school softened the impact of these ongoing fluctuations by providing a reliable source of income. This occurred despite both Eddie and Annabel's preference for the latter to devote less time to paid work and more time to caring. The material welfare of the family depended on Annabel and Eddie's continued participation in paid work and the pursuit of a satisfactory welfare balance led to Annabel working part time, thus increasing the family's resources and permitting her to satisfy the couple's moral commitment to good mothering.

2.3 Economic rationality, gendered moral rationalities and the temporal welfare balance

Pursuit of a temporally situated welfare balance that achieves a satisfactory blend of material, social and emotional welfare guided the decisions of lone parent and couple families. Parents were not motivated solely by the marginal financial value of employment: individuals approached decisions within a framework that examined their impact on (social and morally embedded) notions of good mothering, which in turn fed into personal and family plans and expectations. This reflects some of the findings contained within the gendered moral rationalities approach developed by Duncan and Edwards (1999). Its insight into the socially negotiated and locally situated nature of attitudes and behaviour usefully demonstrates the limitations of social security policies reliance on a model of economic rationality, which emphasises income maximisation as a guide to employment behaviour. I contend, however, that their readiness to relegate the role played by financial considerations to secondary status, coupled with the absence of a detailed examination of the influence of in-work benefits and temporality, is problematic. A strong moral commitment to care may, for example, be outweighed by concerns over material standards of living and financial necessity, and encouraged and/or facilitated by changing policy structures. The evidence from my research indicates that social and moral expectations did influence decisions, but were part of an ongoing process of negotiation with financial considerations and the economic structure set by the social security system. Furthermore, notions of morality were themselves contingent and subject to change over time either gradually as parenthood progressed and children grew up, or in response to sudden shocks such as, financial insecurity or relationship breakdown. The realisation of actions suggested by changed notions of appropriate mothering, were dependent, to an extent, on the structure of the tax credit system and how it enabled mothers' to reorganise their involvement in different temporal spheres. Decisions made around employment resulted from the particular configuration at a given time of parents' understandings of morally appropriate parenting behaviour, financial and social needs of the family, financial incentive/disincentive structure of paid work and the ability of parents to maintain the capacity to meet the specific balance sought between these, now and in the future.

There were differences, perhaps not surprisingly in how this operated for lone parent and couple families respectively. For lone parent families the decision-making process related to their own decisions, but for couple families the changing balance of work and care took place primarily within the main carer sphere with minimal changes over time in how the main earner (usually fathers) approached employment. Rather than

individual maximisation of income, decisions were essentially the maximisation of family material, social and emotional welfare over time. In this sense, decision-making was gendered, with mothers engaged in an ever shifting commitment to different configurations of paid and unpaid work. This raises questions of social and temporal justice for both women and men in terms of employment opportunities, income levels across the life course and the ability to meaningfully partake in caring activity rather than employment. The long working hours undertaken by fathers' in the UK is, for example, cited as limiting their ability to participate more fully in caring activity (O'Brien and Shemilt, 2003).

3. Managing the family finances

3.1 Structural change and the stability of budgeting over time

The Government's initial decision to direct extra financial support for families through the wage packet of the main earner³ was, as noted earlier, modified to allow the couple to nominate the recipient and the introduction of the WTC/CTC system brought a partial reversal of the focus on directing increased resources through the wage packet. WTC is paid through the wage packet as the 'work incentive' element for adults and CTC, alongside the cctc, is paid direct to the main carer in recognition of the responsibility for children and child-related expenditure this role accords. Over the two waves of interviews, the distribution of money within the families remained relatively stable and families did not alter how they managed and controlled the family budget. In the absence of a significant change brought about by relationship breakdown or the changing employment status of individual partners this is, perhaps, not surprising. The April 2003 reform of payment had little noticeable impact on the resources children and other family members received. This is attributable in part to the main carer in nearly all couple families receiving payment of WFTC prior to the reforms. There has been some concern that under these circumstances the main carer (usually the mother) may lose out financially. The adult element of WFTC is now payable as WTC to their partner (the main earners) increasing the potential for that partner to hold on to WTC income, which previously they did not receive, thus reducing the resources available to mothers (Bennett, 2002: 567). Amongst the couples participating within this study at wave two there was no evidence of this taking place.

³ See chapter 2 for a more detailed discussion of why the Government favoured payment of WFTC through the wage packet, but subsequently opted to direct CTC and cctc to the main carer.

3.2 Egalitarianism, sharing and circumventing control

Recognition that perceived care and skill with money may lead to management responsibility and control of family finances and that circumstance, including illness or disability affecting one partner, can influence this has been shown before (Kempson *et al*, 1994: 80). This study confirmed how the division of financial management and control is voiced by couples in terms of each partner's different ability and relative skill with money. The nominal manager of the budget often possessed a more comprehensive knowledge of the overall state of the family finances at any one time than their partner but this did not mean they exercised total control over how income should be spent. Daniel, for example, had a more in-depth understanding of long term financial planning than his partner Selma, especially around savings and pension issues. Despite this the organisation of the budget was drawn up through a process of negotiation. The initial and final budgetary system were outlined and drawn up by Daniel but were open to revisions and subject to Selma's agreement. A sense of sharing pervaded their discussion around money, and this idea of sharing existed amongst all couples, irrespective of budgeting methods, although, in practice, commitment to this notion varied. Nevertheless this attachment to the notion of sharing echoes Lewis's (2001) findings from a qualitative study which indicated that an ideology of sharing money was common amongst the couple families interviewed, particularly younger couples who were more ready to engage in negotiation over the distribution of income. The design of this study does not lend itself to investigating differences in money management across age groups, but it also found that the distribution of income within families was situated in an idea of sharing. The widespread commitment to sharing and discussion in financial matters did not always translate into an egalitarian division of income and resources between partners though. Conflict over the distribution of resources was evident in a number of families, notably those not operating a pooling system of management and with weak (superficial) or no attachment to joint control of income.

The use of credit cards was a tool often reverted to by those keen to avoid the management and control of the budget exercised by their partners. This raises questions about gender equity; with mothers continuing to form the majority of main carers, access to credit, due to absence from the labour market, is likely to be more restricted than for fathers. Pahl notes that, (2000a: 510) electronic forms of payment offer the opportunity for increasing personal spending and the chance to undermine the efforts made by mothers to control expenditure, particularly in low-income families, as

they struggle to match income with outgoings. This is particularly salient when we consider that as with previous research in this field (Goode *et al*, 1998, Molloy and Snape, 1999) mothers were (usually) responsible for the organisation and management of the majority of child-related expenditure, whether or not they managed or exercised control over other areas of the family budget. The lesson for policy is that maintaining a specific payment directed to carers in recognition of the costs of children and the value of the caring role they provide, is important. Irrespective of whether this income is kept separate from the main family budget or not it may implicitly strengthen the position of the main carer both directly through access to their 'own' financial resources and indirectly by enabling the main carer to 'bring something to the table' when the couples discuss budgeting.

4. The impact of money management on employment decisions

Considering the unequal distribution of and access to resources indicated within previous studies (see Molloy and Snape, 1999) the research explored whether budgeting arrangements had impacted on the employment decisions of mothers. It sought to tease out whether restricted access to family resources means a reduction in living standards and, if so, did this encourage mothers to re-enter employment earlier than they would otherwise have done so? Interestingly, despite the desire to provide material welfare underpinning some labour market transition engaged in by mothers, there was little relationship between the management and control of family budgeting, the distribution of resources within the family and employment behaviour. This reflects how prioritising material welfare was discussed in terms of delivering benefits to children combined with the possible obstacles of moving into employment faced by potential second earners. If the material aspect of the welfare balance for children was already being broadly met within couple families despite conflict between partners, either through one or both partners going without, then there exists less motivation to overrule prior expectations about labour market participation. There was, for example, clear evidence that parents put spending on their children first and attempted to protect them from hardship: in one case of resource conflict between partners (Des and Dorothy), the mother suggested she had, in the past, gone without in favour of the children. In addition, any move into employment by the mothers within this situation faced three constraints: it conflicted with attachment to notions of good mothering understood as central to children's social and emotional development; it raised the structural problems mentioned earlier around childcare; and took place within the

context of negative perceptions about the impact it would have on tax credit income and consequently a family's overall financial situation.

5. Parental spending and spending on children: the value of tax credit income

Research continues to suggest that while both parents may try to protect children from the effects of poverty, mothers go without more often than fathers (Adelman *et al*, 2000: 26; Goode *et al*, 1998; Molloy and Snape, 1999). Chapter Six provides some support for this finding, with Dorothy suggesting she had gone without in order to protect spending on the children and to a lesser extent her partner. Another mother (Andrea) indicated that if the couple found themselves in financial difficulty then she would expect to go without. In the former, the male partner suggested that while 'things were always tight' the family had never gone without: interestingly, this family exhibited an unequal distribution of resources, which the female partner had been reluctant to challenge directly because the family budget was predominantly made up of her partner's wages. It may very well be therefore that the male partner was unaware of the extent of incidents where his partner did without. Amongst the lone parents, one third of lone mothers also indicated that in previous relationships they had gone without more often than their ex-partner. Again, this signifies that directing income towards the main carer is an important element in promoting gender equity within families and avoiding potential poverty among women in households with low income.

It would be incorrect to characterise all the couple families as marked by a disparity in access to, and share of, the family budget. There were couples taking a more egalitarian approach to management and control and, in these circumstances, experience of doing without was not confined to, or disproportionately experienced by, one partner. A lack of personal spending amongst parents across couple and lone parent families can be traced to the emphasis placed on focusing resources on children's needs rather than their own. During times of hardship, parents usually attempt to protect children from the worst effects; conversely a rise in income is associated with children receiving immediate benefits, as parents forego spending on themselves until satisfied their children's major needs have been met (Middleton, 2002: 27). The priority parents give to children in the family budget permeated discussions around personal spending. Of course, this does not imply parents were satisfied with their lack of money. Lenny and Ruth found it frustrating that they could not simply decide to buy new clothes as and when, but needed to plan expenditure up to two

months in advance, in order to save the necessary funds for one pair of jeans. Despite the restrictions on their personal spending money, parents were, however, committed to attempting to ensure their children were able to enjoy an acceptable standard of living and take part in a range of social, recreational and educational activities (see chapter six).

Underpinning the introduction of CTC was the view that payment to the main carer would more likely result in the extra resources government was directing toward families reaching children. I found little indication that extra resources delivered through the tax credit system were specifically earmarked for children, but they were nonetheless its prime beneficiaries. Whether this resulted from payment to the main carer or simply a family's higher income is unclear, as there was little change over the two waves. It may be that receipt of WFTC and then CTC implicitly strengthened the negotiating and financial position of women in discussions around the family budget contributing to the maintenance of an egalitarian budgeting approach. On the other hand parents did not explicitly identify this and income from both WFTC and WTC/CTC was linked with the idea of government helping people to help themselves. Parents rarely stated that tax credit money, with the exception of the cctc, was regularly set aside for a specific purpose.

Extra resources were directed to spending that benefited children directly and indirectly. The rise in family budgets was spent on financial obligations such as: payment of bills, rent/mortgage, loans; daily necessities, typically food and travel; and recreational spending including holidays and days out. Children within participant families had gained educational, nutritional and recreational benefits from the extra money their parents were receiving through the tax credits system. Being in the position to 'treat' children to new toys or sweets or give them pocket money was particularly significant for families whose income prior to moving into employment had limited this. The importance of children being able to 'fit in' with their peers was a central concern for parents, be it in relation to school trips or clothing. Dorothy admitted she felt pressured to purchase the latest brand clothes for her children, but felt powerless to oppose this in case it impacted on her children's ability to mix successfully with other children. Being in a position to say 'yes' to their children and deliver what parents perceived to be a normal experience of childhood was very important. In times of hardship money was focused on children's immediate basic needs to maximise the money available for food and clothing. As income increased and these needs were met, attention turned to addressing secondary, but important needs that were

perceived as central to the fully rounded social and emotional development of a child. It was evident that the resources from the WFTC and the WTC/CTC were reaching the children of the families within this study. This study complements the quantitative research conducted in this area through the Families and Children Study (see McKay, 2002) by offering an in-depth account of how parents understood the purpose of the tax credits and how this interacted with decisions about use of the extra resources at their disposal. Overall, parents felt financial instability had reduced and general living standards improved.

The longitudinal nature of the study provided an opportunity to view the replacement of WFTC with the WTC/CTC and the effect this had on families. The administrative difficulties recorded during this period and the difficulties in receiving payment experienced by some families drew attention to the significant contribution tax credit income was making to the family budget. Failure to receive payment of the WTC/CTC or the receipt of an incorrect award immediately destabilised the financial situation of the family. The longer this continued the more serious the consequence for parents and children as less income transferred directly into lower spending: despite the efforts of adults to shield them, children were affected as this continued. Once the problems and mistakes had been rectified, then the circumstances of the family, as one might expect, improved dramatically. The Government's intention of directing extra resources through the WFTC and subsequently the WT/CTC to tackle the poverty and hardship experienced by children in low-income families is having a positive effect. Parents were not directing the extra money immediately toward themselves, but were instead choosing to focus on improving and enhancing multifaceted aspects of children's standard of living.

6. Concluding remarks

The research design of this thesis, based on a longitudinal qualitative piece approach, proved particularly useful for identifying and detailing the temporality of employment decision making, and the links to the WFTC and the WTC/CTC. Qualitative longitudinal research may not be a new method, but it is a developing field in social policy research that is attracting growing interest. The ESRC, for example has launched the 'Changing Lives and Times Longitudinal Qualitative Study Initiative' (<http://www.esrcsocietytoday.ac.uk>) and recently produced a discussion paper on the subject (Holland *et al*, 2004), whilst the Department of Work and Pensions has shown interest in its advantages for evaluation studies (Molloy *et al*, 2002). The ability of a

longitudinal study to examine change over time in social processes was central to examining how parents approach to paid work was tied to time specific notions of morality, gendered expectations of employment and caring, and perceptions of family need. By doing so the research was able to more fully appreciate the importance of temporality, viewed from a life course perspective and from how mothers experienced time on a daily basis. The before and after (welfare reform) perspective was an interesting experience for me as a researcher. By returning to the original respondents I was able to explore, only shortly after the event, how experience of the reform process had affected attitudes to the tax credit system, participation in paid work and family budgeting. This permitted the teasing out and examination of continuity and difference of employment and budgeting decisions pre and post-reform, adding to the contribution to originality made by this study. Recent research concerned with issues around decision making, employment, tax credits and family have not specifically focused their attention on this (see Graham *et al*, 2005; Bell *et al*, 2005).

The empirical results from this study indicate the making work pay agenda is delivering improvements to the material standard of living enjoyed by children within the participating families. In the light of mothers' continuing role as main carer and the resource conflict evident within some families the research provides support for the Government's decision to direct all child-related support to the main carer. Income from the tax credit system is having a positive effect on the Government's goal of reducing hardship and child poverty within low-income families. It cannot be concluded, however, from this that the rational economic man assumptions implicitly underpinning the employment goals of the making work pay strategy (and much of social security policy in general) reflected how participant families engaged in decision-making around paid work. Neither did it find that the gendered moral rationalities approach offered an entirely satisfactory explanation of their decision-making around employment.

Individual parents' attitudes to, and experience of, engagement with the labour market was variable, but underpinned by commonalities in influence and motivation. The study suggests that the concept of temporality requires greater consideration in how we understand behaviour and decisions and that the primacy given in policy to financial incentives is limiting. The moral dimension would also benefit from an increased focus on its time dependent nature, particularly in discussion of mothers' employment decisions. Fathers showed less interest in, or pressure to, alter their pattern of employment in response to caring responsibilities. This is not surprising when we consider that mothers continued to take on the role of main carer. This has implications

for how men and women experience time, which in turn, impacts on the options available and how mothers' and fathers' respond to the tax credit system. Mothers' decisions were more responsive to changes in the tax and benefit system than fathers within the study, partly because of the multiple expectations tied to paid and unpaid work, and its impact on mothers' experience of managing time to meet the range of tasks and needs they were presented with.

Interestingly the tax credit system was perceived by parents as different to the rest of the social security system, specifically the out-of-work benefit provision, such as Income Support and Job Seeker's Allowance. The view common to lone and couple parent respondents was that the WFTC and its successor, the WTC/CTC, were seen as appropriate Government action that provided support to those who were trying to take up or stay in employment. Respondents had internalised the idea espoused by the Labour Government that it is best to offer a hand up rather than a hand out, and that work is the best form of assistance (Brown, 2000; Brown, 2002; Rowlingson, 2003). Those reliant on Income Support or JSA were frequently derided as scroungers, with little interest in working. Even where the respondent themselves had previous experience of these benefits they were reluctant to accept that people needed to claim these for any length of time. With the tax credit system in operation it was regarded by respondents as removing many of the financial obstacles to employment that had limited their access to paid work. Some of the older lone mothers contrasted being a lone mother now, with being a lone mother ten years previous, commenting that the extra support received made it possible to work which had before been much more difficult. This supports the findings of Graham *et al* (2005: 48) who note that the tax credits, even though they were acknowledged as Government assistance by respondents in their study, are seen as distinct from benefits such as JSA. The WFTC and the WTC/CTC were more closely associated with wages and seen simply as an extra part of the household income, rather than a supplement to it from the state. Given the early objectives of the Government to achieve an association in recipients' minds between paid work and financial support, and to reduce stigma (HM Treasury, 1998a), these studies indicate that respondents certainly saw financial assistance in work as an acceptable form of benefit and reward for 'self help'. Of course this does pose the risk that enhancing the status of in-work benefits relative to out-of-work benefits could further stigmatise assistance for those without employment, or who prefer to remain a full time parent (Dean and Shah: 75, 2002). The emphasis on making work pay and the closer integration with the taxation system has ensured that the WTC/CTC was seen

by participants as respectable support, whilst out-of-work benefits were not, suggesting the above fear is being realised.

Ironically, given the rare mentions of work-life balance in tax credit policy documents (see Chapter 2), the operation of the tax credit system has created space for lone mothers to reconcile their obligations and enjoyment of caring, with a desire for (some) paid work. A concern must be raised, that the potential for this implicit recognition of care to become a guiding influence in the tax and benefits system is threatened by the strengthening of the principle of lesser eligibility. It may be politically expedient in helping the Government's redistribution agenda to the working poor, and is indeed in line with their work first agenda, but it does little to transform the ideological climate in which debate over redistributive policies take place. It makes the provision of security for those who cannot, for whatever reason, participate in the labour market more difficult and suggests that a commitment to this is not a high priority. The potential of the tax credit system to help stimulate reform of how we think about the interaction and distribution of paid and unpaid work, between people and across individual life courses, is therefore limited. It is currently used to reinforce the idea that paid work is the most desirable and valued activity, rather than a means by which it might support, through topping up income, the ability to choose how many hours of paid work or unpaid work you engage in. The consequence of this is that elements of the tax credit system could point the way to a realisation of an ethic of care driving policy, as some have argued for (Williams, 2002). Yet how it is currently construed does not actively promote this on the level of policy formation, even if it may in reality be currently assisting its achievement for lone parent families.

The theoretical implications of the research are that the implicit model of economic rationality evident in social security; the subject of, and motivation for, this research offers a partial view of individual behaviour around employment. If policy makers raise the expectation that altering the cost and benefit associated with different choices translates directly into individual behavioural changes then they will be making the 'rationality mistake' identified and outlined by Edwards *et al* (2002: 30). The rational economic actor model contained within policy of individual income-maximisation negates both the moral and socially negotiated nature of decision-making and how this is specifically situated in a temporal environment. Conversely the gendered moral rationalities approach makes social ties and socially negotiated ideas of moral behaviour central to the rationality of how mothers organise their involvement with the labour market adding greater breadth and complexity to the process of decision-

making. A problem arises in the extent to which this leads to the baby, bath and water all being thrown out. Economic factors and incentives are, in effect, relegated to a secondary status replaced and overridden by the moral position of mothers towards caring (see Chapter 2).

The decisions-making of participants within my study, reflected the contingent nature of choice around paid work and caring alluded to by Glover (2002). An ethic of care and notions of responsibilities and obligations did underpin choices, as parents sought to achieve and maintain a capacity to realise a balance between social, emotional and material welfare, favouring different elements over the life-course. However, my empirical results show that awareness of the financial consequences of decisions was an ever present element amongst mothers negotiating the weaving together of paid work and good mothering over time. The economic was an integral part of decision-making rather than a secondary factor, not least because it was central to enabling mothers' to change their involvement in one or more temporal spheres to meet changes to another. The structure of the tax credit system, helped to facilitate for particular groups, some forms of work-life balance, and not others, enabling lone mothers in particular to avoid being categorised solely as a 'worker' or 'carer'. As Millar (2003a: 135) notes, that the social security system is facilitating this is one of the most interesting and important recent policy developments. This thesis has contributed, through a consideration of the temporality of choice and decision making, to the increasing body of work around an ethic of care, and its relationship to people's interaction with employment and the social security system.

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Appendices

Appendix 1: First contact letter



0115 951 4891

lqxjjw1@nottingham.ac.uk

<Forename> < Surname>

<Address1>

<Address2>

<Postcode>

Dear (name)

You will have recently received a letter from the Inland Revenue asking for your help in a study being conducted on the Working Families' Tax Credit.

My name is Jay Wiggan from the University of Nottingham and I am currently in the process of organising interviews for this research. I plan to be in touch early in the New Year to answer any questions you might have and to arrange a time to meet you. I would like to be able to contact you first by telephone if at all possible. Unfortunately I do not have a contact telephone number for you. Therefore I would be grateful if you could provide a telephone number on the slip enclosed and return it in the stamped addressed envelope provided, or by giving me a call on 0115 951 4891.

Anything you say will be treated in the **strictest confidence** and will not affect any current or future dealings you have with either the Inland Revenue or any other government department or agency.

If you have any questions or need further information about the study do not hesitate to contact me on 0115 951 4891. Thank you in advance for your help.

Yours sincerely,

Jay Wiggan

Appendix 2: Information gathering slip

0115 951 4891
jay.w@nottingham.ac.uk



Please complete the following and return in the envelope provided (the information you give will be treated in the strictest of confidence).

Name :
Home telephone number :
Mobile telephone number :

As I mentioned previously the University of Nottingham is a leading research institution and we are pleased to have you as a student. We are looking forward to receiving your application for admission.

If you have any questions regarding the University of Nottingham please contact the Admissions Office on 0115 951 4891.

Yours sincerely,

Jay Wiggan

Appendix 3: Letter thanking participants for taking part in wave one interviews

0115 951 4891/
lqxjjw1@nottingham.ac.uk

Dear

I would like to thank you for taking part in the study I am conducting into the Working Families' Tax Credit, your help has been most appreciated.

As I mentioned previously the research runs for another year and I intend to carry out a second interview with those who participated in this first stage. I therefore look forward to contacting you again in the autumn.

If you have any questions regarding the research do not hesitate to contact me on 0115 951 4891.

Yours sincerely

Jay Wiggan

Appendix 4: Topic guide for wave one interviews

Wave 1 Topic guide

Decision-Making around Employment & Family Budgeting

Note

This guide covers the broad areas for discussion during the interview. It is not an example of how questions will be asked.

Section 1: Introduction

- Introduction to the study.
- Explain about confidentiality and tape recording.

Section 2: Background

- Household composition (partners, children)
- Age
- Employment activity (employed/ non employed/ type of employment/ looking after family)

Section 3: Employment history

- Experience of work since end of education (self & partner)
- Reasons for moves in and out of work.

- Through what process were decisions taken (discussion with partner/ family/ friends?)

- Attitude to partner's current and past employment.
- Attitude to current employment and expectation held when applying for current employment.

Section 4: Initial contact with WFTC

- How did they come to apply for WFTC?
- Role of partner/ others in decision making process
 - Source of information, encouragement, constraint.
- Expectations of WFTC before application.

Section 5: Decision-Making, Employment and WFTC

- Perceptions of local employment opportunities.
- Any change in their (partners) employment situation since receiving WFTC?
 - Reasons for any change/ no change?
Was this expected?
 - How do they feel about this?
- Personal or joint decision?
 - Influence of partner.
 - Attitude of family & friends.

Section 6: Children & childcare

- Effect of children on employment participation?
 - Initial expectations - employment related plans made to cope with arrival of children (short/ medium/ long term withdrawal from lab market/ help from family/friends).
Partner market
 - changing/maintaining lab market participation (how was this negotiated)
 - Actual experience

- Expectation of partner/ family? Financial impact/ employment/ childcare
- What did this mean to them at the time? ('work-life balance')
- What does this mean now?
 - Re-assessment of the situation
 - family/employment / WFTC related.

Section 7: Family Finances - day to day management

- Sources of income
 - Employment/ child benefit/ child support/ WFTC.
- How do they manage their finances?
 - Division of responsibility
 - Allocation of money from different sources to different partners?
 - Physical organisation of finance (cash, credit, bank account)
 - Allocation of money from particular sources of income for specific expenditure (e.g. WFTC, child benefit,

child support money for bills/childcare/holidays).

- Who is responsible for expenditure on the children?

Day to day goods/ more one off purchases & presents

- Consequences of this for person responsible
- How do they feel about this?
- Do others (family/friends) contribute towards spending on their children?

- How has this particular method of organisation come to be?

- Relationship to employment history/ receipt of benefit.
- Previous relationships/ family experience.
- Personal/ partners expectations.
- Role of children.
- Perceived skill with money.
- Change in banking (e.g. joint account, ACT).
- Role of WFTC (payment to claimant).

- How do they feel about this?
- Prospect of future change?

Section 8: Strategic Control

- The extent and nature of overall control of family finance?
 - Implicit/explicit
- Awareness of personal/ partners spending
 - Nature of expenditure
 - Use of credit cards/loans - who by?
- How has this been negotiated?
 - Association with employment
 - Previous experience
 - Links to management role
 - Personal/ partners ideology of family

Section 9: Aspirations and Plans

- Have they a plan for where they will be in a years time?
 - Employment related (job change, promotion, leave or start work).
 - Personal/ family related.
- Reasons for these

- Influence of partner/ family/ friends
- Role of WFTC
- Child related (e.g. age/ care)
- How do they expect to realise them?
 - Detailed approach (idea of what is wanted & how to obtain this, with plan of action for doing so)
 - Vague ambition (general idea of what they would like to achieve)
- Are there barriers ?
 - Childcare/ Family Expectations/ Skills/ Transport/ Health
 - How will these be negotiated?
 - Can they see things changing in the future?

Section 10: Anything Else

- Opportunity for participants to raise any issue they feel has not been addressed.

- 'Jointness' of goals, are both partners committed to plan/aspiration?

- Prior discussion of intentions.
- Nature of agreement
- What role are they to play in achieving it?

- How do they see realisation of plan/aspiration impacting on their life?

- effect on partner/ children

Thank participants for their time and once again reassure them about confidentiality.

Appendix 5: Profile of sample group

Table 1: Ages of participating parents at wave one

| | |
|------------|----|
| Under 20 | 1 |
| 21- 30 | 8 |
| 31 - 40 | 8 |
| 41 & above | 11 |
| Total | 28 |

Table 2: Ages of children at wave one

| | |
|---------------|----|
| 0 – 11 months | 0 |
| 1 - 5 | 11 |
| 6 - 11 | 15 |
| 12 - 16 | 7 |
| 17 | 2 |
| Total | 35 |

Table 3: Couple’s joint gross annual income from employment

| Earnings | Wave 1 | Wave 2 |
|-------------------|--------|--------|
| Under £9,999 | 1 | 1 |
| £10,000 - £15,999 | 7 | 5 |
| £16,000 – 19,999 | 1 | 1 |
| Total | 9 | 7 |

Table 4: Lone parent's annual gross income from employment

| Earnings | Wave 1 | Wave 2 |
|-------------------|--------|--------|
| Under £9,999 | 9 | 9 |
| £10,000 - £15,999 | 2 | 1 |
| £16,000 – 19,999 | 1 | 0 |
| Total | 12 | 10 |

Table 5: Employment patterns of lone parents at wave one

| | |
|---------------------|----|
| Paid work part time | 10 |
| Paid work full time | 2 |

Table 6: Employment patterns of couples at wave one

| | |
|--|---|
| One paid work full time, one paid work part time | 4 |
| One paid work full time, one non paid work full time | 5 |

Appendix 7: Topic guide for wave two interviews

Wave 2 Topic Guide

Decision-Making around Employment & Family Finance

Note

This guide covers the broad areas for discussion during the interview. It is not an example of how questions will be asked.

Section 1 Introduction

Explain that this is a follow up to the previous interview and that it will cover similar ground to previous discussion. Run through confidentiality and tape recording again.

Section 2

Background

Household details

- Make up of household/ who lives there and nature of relationships
- New children in household/ children leaving household
- Changes in marriage / cohabitation

This section covers the details of the family so that any changes in relationship status and membership of the household can be noted, and returned to during the discussion if appropriate.

Section 3

Employment situation

- Working – paid / unpaid
- Involvement in Education (basic to higher level courses and training).
- Hours of work
 - variation over last nine months
 - childhood transition (pre-school to school)
- plans/ ambitions
 - comparison to Wave 1 information
 - are they on same trajectory they outlined?
 - obstacles/ opportunities
 - commitment to goals from Wave 1

The wave 1 interviews explored participants' employment history from when they left school. However this time round this section will focus on employment and involvement in education/ training over the last 9 months.

It will tease out any changes in hours/ place of work that has taken place and relate these to stated plans/goals at W1.

Section 4

Caring responsibilities

- Childcare
 - formal (public, private)
 - informal
 - main carer/ division of responsibility/ role of non main carer
 - receipt of childcare tax credit
 - change since Wave 1/ nature of responsibility as child has aged over the last nine months.

Exploration of current caring responsibilities – are they the same as before? If not what are the changes related to- age of child/ availability of formal/ informal care/ relationship change, interaction with change in tax credit system with the ctc/cctc now paid direct to main carer.

Section 5

Managing family finances

- How do they negotiate expenditure priorities?
 - Luxuries v essential purchases
 - Everyday v longer term spending

- Variation over the year
- Variation over the long term
- Who has the final say?
- Which individuals have priority in household spending?
 - children
 - adults (which adults?)
 - do people go without? (what is 'without' for them?)
 - have priorities altered over time?

This section draws out in more detail the potential for (and actual) conflict and disagreement over resource distribution within the family.

Section 6

Changes in Income

- Sources of income (earnings, benefits, tax credits, maintenance payments and informal assistance from friends and relatives.).
 - change since wave 1 interviews.
 - how income is received and managed
 - frequency of payment
 - paid into account/ wage packet/ collected from post office
 - their preference
 - variation over time

- changes in tax credit payment and receipt (change since wave 1 interview).
- impact of changes to payment and receipt (budgeting aid or constraint)
- issue of control (who receives it to who controls it)

The data from Wave 1 for couple families does not appear to show any clear link between control and management of a family's finances and decisions around employment. A number of lone parents, however, did mention that when they had been partnered, ability to access family finances had contributed to decisions to move into paid work. Therefore examine the relationship between the main carer, management/control of resources and reasoning behind employment transitions.

Returning to this area to establish any alteration to family income over the past 6- 9 months. Also cover the effects of change in income on both family living standards/lifestyle (particularly in relation to children) and management/ control issues. Examine importance of routing CTC/cctc to the main carer in relation to budgeting and management.

Section 7

Employment/ budgeting links

- access to resources and participation in employment
- personal spending money and/ or secure resources for the children
- attitude of partner to participation in paid work and view of consequent extra finance brought into household.
- who benefits from the second earners wage?
- tax credit- who it goes to and employment choice
- change since Wave 1/ over long term