

Women and the cuts

Jackie Barron on behalf of Bristol Fawcett, March 2014

In 2011, Bristol Fawcett undertook a **Human Rights and Equality Impact Assessment** of the effect of budget cuts on women in Bristol (published November 2011). This was a **snapshot** of cuts identified (having occurred or planned) in September 2011. Now 2½ years later, the situation has steadily worsened, and is likely to continue to do so - at least as long as the current government's approach remains in place – and we are hoping later this year to provide an update of this report.

[A **Human Rights and Equality Impact Assessment** is a process for ensuring that **human rights and equality implications of policy are taken into account** in developing or revising policy. It is based on legal principles: in the UK, the equality duties under the Equality Act 2010 and human rights obligations protected by the Human Rights Act; as well as international human rights under UN CEDAW (Committee for the Elimination of Discrimination Against Women).]

Our report, ***Cutting women out in Bristol***, constituted an analysis of the public spending cuts that had taken place and were underway, and their actual and potential impact on women in Bristol. It was based on *Unravelling inequality: an assessment of the impact of cuts on women in Coventry* by Mary-Ann Stephenson and Dr. James Harrison (Coventry Women's Voices and the Centre for Human Rights and Practice at the University of Warwick.)

We looked specifically at **9 areas** which had been identified as a particular concern to women in relation to the impact of the cuts:

- Employment
- Housing
- Incomes and poverty
- Education and training
- Violence against women
- Health, social care and other support services
- Legal advice
- Women's voluntary and community organisation
- Transport

Here, I'm only going to be able to look briefly at a few of these areas.

But firstly – **why look just at women?**

Are women **particularly affected** by the public spending cuts?

And if so – **why?**

While the public spending cuts affect both women and men, they have a **disproportionate impact on women**, as they taken place within a context where **women are already unequal**; thereby **increasing the existing inequality** between women and men.

Recent tax and benefit changes have hit women nearly **4 times harder** than men; and while women's incomes have been cut, it is most often men who benefit from tax cuts (for example, 85% of the gain from the cut in the top rate of tax went to men)¹.

A briefing from the Women's Budget Group in June 2013, assessing **the overall impact of both tax and benefit changes and cuts to public services** implemented by the Co-alition Government between May 2010 and June 2013, emphasised that the two groups which lost **most** from the combined impact of all these measures were **single parents** (over 90% of whom are women) and **single pensioners** – who again are predominantly female.

Four main reasons why the cuts affect women more than men:

1. **Women earn less** than men – women in Bristol working fulltime (in 2011) earned on average £11.13 p.h. compared to £12.93 for men; and in addition, many women need to work part-time because of caring responsibilities (hence earning even less). Also – as they make up 65% of the public sector workforce - they are hardest hit by **job cuts in the public sector**.
2. They are **twice as likely to rely on benefits and tax credits**: 30% women but only 15% men rely on state support for 75% or more of their income. This is largely because they have greater responsibilities for children, for example as **single parents**.
3. Women are more likely to use services such as public transport, libraries. Women are also **over-represented in groups which are more vulnerable** – as e.g. victims of domestic and sexual abuse, disabled people, older people, refugees and asylum seekers, etc. They are therefore more likely to **use services** – such as after school and holiday club provision, day centres, Children's centres, advice centres, VAW services, and so on... all of which are experiencing cuts to funding, hours, or complete loss of services.
4. And as these services are withdrawn, women will be expected to **fill the gaps as unpaid carers** - for the disabled, the elderly, and children.

The impact of these cuts is also **cumulative**: for example, loss of job can lead to the need to claim benefits/tax credits, hence reliance on housing benefit (and the limits of local housing allowance and bedroom tax), rent arrears, debt, eviction and subsequent health problems. And eviction might also mean moving away from family, friends, and other support networks, maybe losing help with childcare, and being further from existing or future employment opportunities.

¹ Andrew Grice writing in *The Independent* 8/3/14.

To look at some of these factors in more detail:

A: Employment

Women have been hardest hit by **public sector job cuts**: 40% of women's jobs are in the public sector (compared to 11% of men's) and **65% of public sector jobs are done by women**².

At the time of researching our report, jobs to be cut included: 240 posts at **Bristol City council**; and 200 civilian posts and 40 officer posts in **Avon and Somerset police** – and women are over-represented among these civilian support staff posts.

The Office for Budget Responsibility estimated that, **by 2017, 710,000 jobs would be lost in the public sector** as a result of spending cuts – and around **70% of these would be women's jobs; i.e. 497,000**.

Women were also affected by the 2 year **public sector pay freeze** – which has just ended.

There is also a disproportionate impact on women who are employed part-time, and those who are employed in low-paid insecure jobs – such as the so-called “zero-hours contracts”. (In some cases, this could lead to earnings below the National Insurance threshold – hence having a future impact on entitlement to e.g. state pension.)

B: Benefits and Tax Credits

Women are **more often the claimants of benefits**. This is because women **live longer**, they have **maternity needs**, they are more likely to be **lone parents** or **carers**, and are more likely to be **victims of intimate partner violence**. They are also more reliant on benefits and tax credits to **top up their lower earnings**.

We estimated that the changes to the benefit and tax credit system cost Bristol's women **£44,825,450** in 2011/12 - nearly **double** the cost to men. While some women gained a small amount from tax and benefit changes, the overall impact was, and is likely to continue to, make women poorer, and therefore further increase gender inequality.

Benefit changes:

- **Child Benefit** rates were frozen for 3 years from April 2011, and will rise by just 1% in April 2014. Even so, this will mean the value will have been eroded permanently, (unless subsequent rises are beyond the rate of inflation, which is unlikely).
- **Housing benefit** – has been replaced by Local Housing Allowance, which only covers up to the bottom 30th percentile of private rents in Bristol. Single tenants under 35 have an even more reduced allowance, forcing many of them into shared accommodation.

² This rises to 80% in some sectors such as education, health, and social care.

- Since 1 April 2013, welfare reforms have also cut the amount of benefit that people can get if they are deemed to have a spare bedroom in their council or housing association home. This measure applies to housing benefit claimants of working age, and is commonly referred to as the **bedroom tax**. Again, this has a greater impact on women than men, and can lead to the build-up of rent arrears, and subsequent evictions; or – instead or as well - having to move to a smaller house and/or a cheaper area, with disruption to friend and family networks, children’s schooling, and often making it harder to find or travel to work.
- **Benefit cap**: From 2013, there has also been a **cap on the total amount of benefit paid to any household** – and this (according to DWP) is likely particularly to affect lone parents. The total weekly amount of benefit that can be paid to a single person is £350, and for a family with children it is £500 per week.
- **Health in pregnancy grant** has been abolished
- **Sure Start maternity grant** of £500 for women on low incomes now only paid for first pregnancy.

Changes to Tax Credits

While there was an above inflation increase to child element of Child Tax Credit in April 2011 and April 2012, all other changes appear to be negative:

- Basic rate of tax credit has been **frozen for 3 years**.
- Rate at which **tax credits are withdrawn as income rises** will increase slightly (39% - 40%).
- **Falls in income** of up to £2,500 will not lead to an increase in tax credits.
- **Baby element** of tax credits withdrawn.
- Families with children now have to work for at least 24 hours a week (in total) and one must work for at least 16 hours.
- **Child Care** element of tax credit cut from 80% to 70% of childcare costs.

The biggest changes will come with the (delayed) introduction of **Universal Credit**³.

Universal Credit will be paid to **one person in the household**. In heterosexual couple households, this is likely to be the man – hence **increasing women’s financial dependence on men**. In situations where there is financial abuse or other domestic violence, this will be particularly disastrous.

³ originally phased in from 2013, but now further delayed.

C: Lone parents

More than 90% of lone parents are women⁴.

- From October 2011, **lone parents with children of 5 and over** have been required to move from Income Support to Job Seekers' Allowance and be **actively seeking work**.
- **Child Support Agency** has been replaced by CMEC and fees are charged to use it (up to £100, plus 7%-12% of any maintenance paid.)
- **Cuts to legal aid** will make it harder for women to go to court to arrange child contact, or protection for abuse, or to challenge welfare benefit or immigration decisions. (57% of legal aid recipients are women.)

D: Disabled women and their carers

There have been a number of changes (and associated cuts) affecting disabled people and their carers (are high proportion of whom are women.)

- **Employment and Support Allowance** replaces Incapacity Benefit. This was claimed by 12,860 women (and 8,530 men) at the time of our research in 2011.
- **Problems in assessment:** Seriously ill people (who should be exempt from assessment) were and are often forced to be assessed. These assessments are often found stressful, in some cases making health condition worse. Moreover, as has been reported in the media nationally, assessment was often cursory, undertaken by minimally trained staff, and often produces inappropriate outcomes; for example, judging people as fit for work when they clearly were not, and often ignoring variable symptoms. **Mental health conditions** are particularly likely to be disregarded.
- **Disability Living Allowance (DLA)** – cut in total budget of 20% as it is replaced by **Personal Independence Payment (PIP)**
- **Carer's Allowance:** fewer will be deemed eligible, due to changes to DLA (e.g. an assessment to lower level of PIP).

58% of fulltime carers are female, as are **89% of those who combine caring responsibilities with part-time work**. In Bristol, 75% of those currently receiving Carer's Allowance are female: in 2011, 2,740 women received Carer's Allowance, compared to 900 men. Changes to DLA will mean some of these will **no longer be eligible for Carer's Allowance**.

Conclusion

A statement from the national Fawcett Society in 2012 called on the government to recognise "the **cumulative impact of austerity** [measures] on women's equality and take steps... to support women's employment and to protect incomes and services provided by those women who are most disadvantaged..." (p.4., *Impact of austerity on women* Fawcett Society Policy Briefing, March 2012.) This is still a very relevant demand, and one that Bristol Fawcett would endorse.

⁴ Data from ONS.