



Women's Resource and Development Agency

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1. The Women's Resource and Development Agency (WRDA) is a regional organisation whose mission is to 'to advance women's equality and participation in society by working to transform political, economic, social, and cultural conditions'. The organisation was established in 1983 and works with women's groups from all traditions in the most severely disadvantaged communities, and from urban and rural areas of Northern Ireland. We work from the grass roots to the highest levels of policymaking and politics, providing advocacy and lobbying support. WRDA is a membership organisation with over 400 members comprised of Women's Groups, Organisations, and individual members.
2. WRDA welcome the opportunity to respond to the inquiry into the progress being made towards the implementation of Universal Credit. The specific area that we are particularly concerned with is **"The proposed arrangements for claims and payments and the provision of support and advice for claimants"**
3. There are two key issues we would raise; the payment to one person in the household and the proposed monthly payment of Universal Credit. Both of these will disproportionately and unnecessarily impact upon women. In 2011 WRDA published a report entitled "The Northern Ireland Economy: Women on the Edge?" which includes a chapter on Welfare and Welfare Reform¹. This

¹ WRDA (2011) *The Northern Ireland Economy: Women on the Edge?* Available at

report gives a background analysis of the current position of women in Northern Ireland.

4. It is estimated that in 80% of cases Universal Credit will be paid to the male partner in the household². This is not surprising – the societal default situation, in relation to couple households, is that the ‘male head of household’ will be nominated as payee. This is a hugely retrograde step in terms of progressing gender equality and, we would contend, tackling child poverty. We are very concerned about the transfer of resources from the purse to the wallet and the backward step in terms of enabling women’s financial autonomy. Tax credits are typically paid to the person having the main caring responsibilities – in 80% of cases the mother. Chris Warburton Brown states, *‘...a substantial proportion of the income of lower income families, as much as one third of the total household income, is paid directly by the State to the mother.’*³
5. There is a Government assumption that financial resources equally benefit individuals in a household unit. Extensive research would point to the contrary. There is a gender difference in the distribution of money within a family unit and it does matter ‘who’ the money is paid to. Jan Pahl reports, *‘When money is short and making ends meet is hard, women typically manage finances on behalf of the household. At higher income levels, employment status becomes important.’*⁴
6. There is a wealth of research to show that money going to the family via the purse rather than the wallet is targeted more effectively on families and particularly children’s needs.⁵ Women will more readily spend their income on their children and on household essentials⁶. The link between spending from the purse and the alleviation of child poverty cannot be ignored. With the various benefits being rolled into one payment, many women will lose direct access to any financial resources.
7. Government’s rationale to pay Universal Credit to a nominated person is to

<http://www.wrda.net/Documents/The%20NI%20Economy%20-%20Women%20on%20the%20Edge%20Report.pdf>

² Warburton Brown (2011) ‘Should Mum Get the Credit?’ available at <http://www.social-policy.org.uk/lincoln2011/Warburton-Borwn%20P5.pdf>

³ ibid

⁴ Pahl, Jan (2000) ‘Couples and their money: patterns of accounting and accountability in the domestic economy’ pg 503

⁵ Lundberg, S; Pollak, R; Wales, T; (1996) ‘Do Husbands and Wives Pool their Resources? – Evidence from the UK Child Benefit’ available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=8604

⁶ Stotsky, J (2007) “Budgeting with Women in Mind” *Finance & Development* 44(2)

simulate wage earning. However, many working families have either two wages, or there is a main earner and the other person receives child benefit and often tax credits. One person holding all the income for a family does not reflect the reality of parental expenditure and will leave many women and children in vulnerable positions, most notably if there are abusive relationships at play.

8. We strongly contend that Universal Credit should therefore be paid to the 'main carer' or 'second earner' in the family. Another solution would be to split payments between joint claimants.
9. Universal Credit is to be paid monthly in order to resemble a salary. However, jobs can be paid weekly, fortnightly, or monthly. As Universal Credit is to subsume the majority of benefits and is to be paid to one person, monthly payments will not be compatible with low-income families' way of budgeting. Women in receipt of benefits are struggling to budget with weekly/fortnightly payments. The WRDA report states
 - a. *"Considerable opposition to monthly payments was expressed by young women and lone parents during this project who said even fortnightly payments made budgeting difficult to manage. There was a universal plea to return to weekly payments. Weekly payment of Child Tax Credit was mentioned by many as the lifeline that helped them to survive and there were plenty of examples of women who moved back to parents towards the end of their payment period as they had completely run out of money until their next payment came through."*
10. Within low-income families, the woman is typically responsible for the day-to-day budgeting. Often mothers will tend to go without themselves in order to provide for their family. A monthly payment will impact harder upon these women as it is one thing to go without for a day at the end of a week but another to go without for several days at the end of a month. It will impact adversely upon women's emotional and physical health.
11. With monthly payments, there is some concern regarding the ability of the system to respond to changes in circumstances. As it is one payment rather than a number of benefits as at present, any problems with payments, delays,

⁷ WRDA Report (2011) *The Northern Ireland Economy: Women on the Edge?* (p125) Available at <http://www.wrda.net/Documents/The%20NI%20Economy%20-%20Women%20on%20the%20Edge%20Report.pdf>

and appeals could have extensive and severe consequences.⁸

12. WRDA would strongly urge the Department to reconsider the proposed frequency of payments. Claimants should have the choice of being paid weekly or monthly to enable them to take responsibility for their income.
13. In conclusion, we would reiterate that firstly, Universal Credit be paid to the 'main carer' or 'second earner' in the household. At the very least payments should be split. Secondly, claimants should have a choice regarding payment frequency.
14. Both main concerns raised in this submission relate to 'operational' aspects of Universal Credit and are thus relatively easy to implement. The rationale to do so is overwhelming.

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⁸ WRDA Report (2011) *The Northern Ireland Economy: Women on the Edge?*, Bronagh Hinds (p125) Available at <http://www.wrda.net/Documents/The%20NI%20Economy%20-%20Women%20on%20the%20Edge%20Report.pdf>