

# We can work it out: Parental employment in London <sup>[1]</sup>

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## AVAILABILITY

Full report in pdf <sup>[2]</sup>

Excerpts from the introduction:

London has the highest rate of child poverty of any English region, with as many poor children as in Scotland and Wales. Thirty-seven per cent (592,000) of all children in London live below the poverty line. Child poverty damages children's experience of childhood and harms their future opportunities. CPAG believes that this level of disadvantage is unacceptable in what is one of the richest cities in the world.

When the London Child Poverty Commission examined the causes of this poverty in 2008, it came to the conclusion that:

The underlying causes of this entrenched child poverty are surprisingly simple - the employment rate among parents, in particular mothers, is much lower than elsewhere in the country, driven in part by a lack of part-time jobs and flexible childcare, as well as higher housing, childcare and living costs.

In London, 17.2 per cent of children live in workless households, compared with 15.1 per cent in the UK as a whole; over half of lone parents in London are out of work, compared with 38 per cent in the UK.

Yet improving rates of parental employment in London is often seen as too difficult. London's complex labour market, its high levels of disadvantage and high costs are all cited as reasons why parental worklessness, and the resulting child poverty, is an issue that may be too hard for policy to deal with. This report aims to challenge this position, drawing on the views of a range of experts to demonstrate that progress can be made to help more parents in London access employment, and laying out the policy options for those in central, regional and local government who are committed to this goal.

Improving rates of parental worklessness is more important than ever at a time when life is becoming more and more difficult for parents who are not in paid work. Our October 2012 report, *Between a Rock and a Hard Place: the early impacts of welfare reform in London*, highlighted the fact that around 27,440 households in London will be affected by the new 'benefit cap'. From April 2013, this will restrict a family's total benefit entitlement to £500 a week. London's high housing costs mean that 49 per cent of those likely to be affected by the cap will live in the capital. The government believes that this change will be an incentive for families to enter paid employment, as once working 24 hours a week they will no longer be subject to the cap. But, as this report makes clear, considerable policy action is needed before this will be a feasible option for many London families.

The key message of this report is that low parental employment rates in London are not an intractable problem. Many more parents in London have moved into work in recent years, and many more could do so if this were made a priority for local, regional and central government.

**Region:** Europe <sup>[3]</sup>

**Tags:** economics <sup>[4]</sup>

mother's labour force participation <sup>[5]</sup>

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**Links**

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