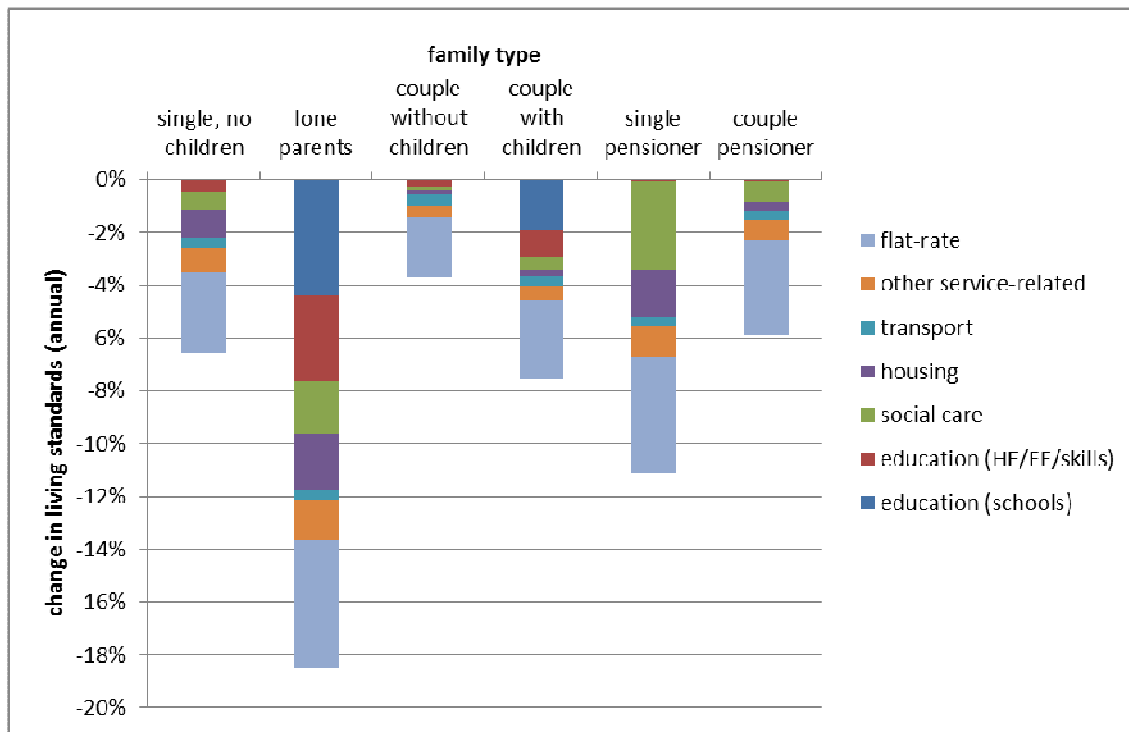


**How the coalition Government got it wrong on gender equality, and how to make it better**

When you compare single women with single men, it is clear that the coalition Government’s record on gender equality so far is poor and that the particular mix of fiscal consolidation measures introduced have a more adverse impact on women than men. While it is true that spending cuts would have been implemented even if Labour had won last year’s general election, the cuts did not have to be made in a way which disadvantaged women this much. Furthermore, the Government’s failure to conduct *any* gender equality impact assessment of the June 2010 Budget suggests that it didn’t particularly care what the gender impact of the tax and welfare measures was. It is to be hoped that the Government learns from its mistakes (and the subsequent legal challenge by the Fawcett Society) and incorporates gender analysis into policy design in subsequent budgets.

**The coalition Government’s spending cuts hit some households harder than others:**

**Figure 1: losses from spending cuts up to 2014-15, as a proportion of disposable income, all households, by family type**

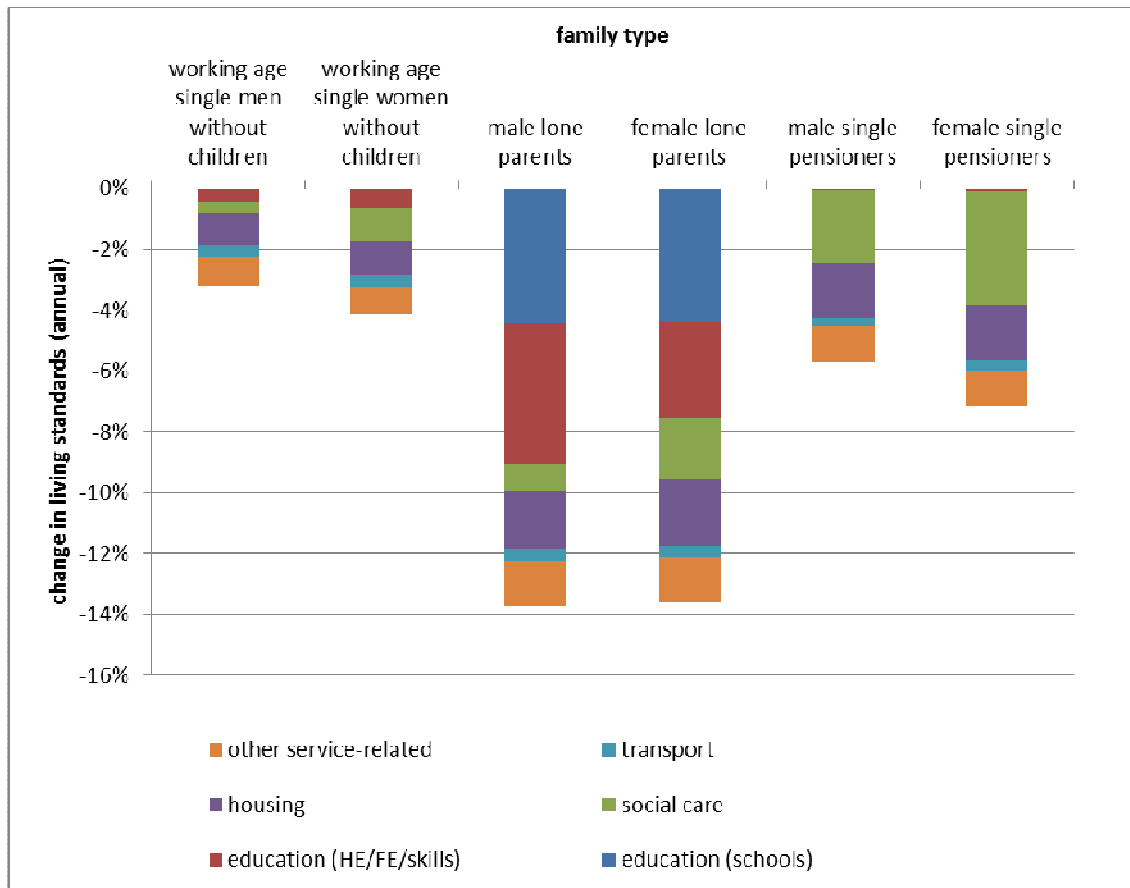


Source: calculations based on Horton and Reed (2010)

\* In cash terms, single parent households are by far the worst affected by the cuts, as Figure 1 shows. There are around ten times as many female single parents as there are male single parents in the UK, and hence the impact of the cuts to single parent households falls mainly on women. This is because households with children use the vast majority of publicly funded education services, which are facing cuts of around 10 per cent in real terms for school level education, and around 30 per cent for higher education, further education and adult skills funding.

\* The next worst affected groups are male and female single pensioners, largely because they make much more use of social care than working age single people without children, and social care is facing particularly severe cuts over the next five years. Figure 2 shows the cuts expressed as a proportion of average disposable income for each group: **women have lower average incomes and hence are worse affected by the cuts.**

Figure 2: losses from spending cuts up to 2014-15, as a proportion of disposable income, single adult households



Source: calculations based on Horton and Reed (2010)

**Reducing the generosity of the Working Tax Credit will have a big impact on working single parents, around 90 per cent of whom are women:**

\* On average, single parents claiming Working Tax Credit and using paid childcare **lose over £300 per year in childcare support.**

\* The average **reduction in tax credit payments is around £135 per year** for single parents working 16 hours or more per week and claiming tax credits, around 2.5 per cent in real terms.

**The Government has argued that its tax and welfare reforms ‘make work pay’, but for single parents the opposite is the case.**

\* For single parents claiming Working Tax Credit and Child Tax Credit, **the average cash gain from working will fall from £10,390 per year to £10,142 per year** – a reduction of £248, or about 2.5 percent.

\* The **reduction in the incentive to work is largest for families with more than two children, families using paid childcare, and full-time workers.** The increase of £1,000 in the income tax personal allowance does not generate a big enough uplift to in-work incomes to compensate for the cuts to WTC and the increase in the rate of National Insurance Contributions.

**References**

Horton, T and Reed, H (2010) “The distributional impact of the 2010 Spending Review”. *Radical Statistics*, Issue 103, pp 113-124.

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*Howard Reed is Director of Landman Economics.*