

# Childhood Bereavement Network response to Child Poverty Strategy 2014-17

*'Our findings about the financial implications for children when one parent dies require policy attention. There is need for further systematic research about circumstances in which a parent's death is an immediate route to child poverty.'*<sup>i</sup>

## Introduction

1. The Childhood Bereavement Network is the hub for those supporting bereaved children and young people. We provide our members with essential support and representation, advocating for bereaved children and those supporting them.
2. For more information on our work and on this response, please contact Alison Penny, CBN Coordinator [apenny@ncb.org.uk](mailto:apenny@ncb.org.uk)

## Bereavement and child poverty – a neglected policy area

3. We are very disappointed that the evidence review of drivers for child/future adult poverty does not look at the impact of a death in the family.
4. While the review looks in detail at the impact of family instability, it seems to equate the transition from a couple to a single parent family with parental separation, whereas this could also be caused by the death of a parent. 12% of single fathers are widowed, and 5% of single mothers<sup>ii</sup>. While small, this is not negligible, and the needs of these families are likely to be different to those for families experiencing other forms of transition.
5. In parallel, the review looks at the impact of parental ill health on child poverty, but does not extend this to an analysis of the impact of parental death.
6. This neglect is particularly disappointing given calls to devote policy attention to the financial implications for children when one parent dies. Findings from the most comprehensive study of the financial impact of the death of a partner suggest that *'death of a partner may be one factor contributing to child poverty, and point to the need for further research here'*<sup>iii</sup>.
7. Caring for grieving children has a significant impact on parents' capacity for work. These challenges differ from those of other lone parents, as they are grieving themselves, supporting their children through grief, and unable to share childcare with the other parent.
8. This research is now even more urgent, with the introduction of Bereavement Support Payment in the Pensions Act 2014, which DWP's own analysis shows will make 88% of working families with dependent children, and 57% of non-working families with dependent children worse off.

## Links between bereavement and poverty

9. Links between poverty and bereavement seem to operate in several ways:

- children in poverty are more likely to be bereaved
- bereavement is a route into child poverty
- bereavement has particularly harmful effects for disadvantaged children
- bereavement in childhood increases the risk of poverty in adulthood.

These will be examined in turn.

### Children in poverty are more likely to be bereaved

10. Socio-economic factors affect the likelihood of people of parental age dying early<sup>iv</sup> and children dying early<sup>v</sup>. This means that children living in poor families are more likely to be bereaved of a parent or sibling, and to experience multiple bereavements, which is known to have particularly harmful effects<sup>vi</sup>. As gaps in life expectancy are widening<sup>vii</sup>, this is likely to get worse.

### Bereavement is a route into child poverty

11. A study from the Social Policy Research Unit found *'one route to poverty and one cause of deepening of poverty to be the death of a life partner'*<sup>viii</sup>.

12. If a death follows illness, parents may already have had to give up work to care for the person who is dying – or to take on childcare responsibilities - and family savings may have been spent.

13. Following the death, families have to meet the immediate costs of paying for the funeral, settling debts and managing other immediate expenses. The average shortfall among those struggling to pay for a funeral is £1277, meaning that overall funeral poverty in the UK in 2013 could be £131 million. After the costs of disbursements, the value of the means-tested Funeral Payment has been held constant for the last decade, although overall funeral costs have risen by 80% over that time<sup>ix</sup>. Confusion about eligibility for Funeral Payment means an increasing number of claims are turned down: 44% in 2010/11<sup>x</sup>.

14. Families then have to address the changed household income. This challenge varies according to the pre-death income profile of the household, but may involve loss of earnings (of the person who died, or of a surviving parent who now needs to care alone for the children) and/or of benefits or occupational pension.

15. Corden et al<sup>xi</sup> found that the household incomes of three out of four families with dependent children in their study declined after the death of a partner, including almost half whose equivalised incomes dropped by more than £100 a week. Altogether, 24 families with dependent children before and after the death of a partner provided information about household incomes on both occasions. Their household incomes dropped by £192 a week on average (SE= £25), a 38 per cent

cut, or by £60 a week (SE= £20) when equivalised. Of these 24 families, before the death, seven per cent (n=3) were below the official poverty threshold; after the death this proportion had increased to 29 per cent (n=8). Moreover, those in poverty after bereavement all had household incomes less than 50 per cent of the median, well below the poverty line.

16. As well as this evidence of objective poverty, more families felt worse off after the death. 30 families with dependent children before and after the death of a partner provided an assessment of recent financial change on both occasions. Before the death, 17 per cent (4) felt their financial situation had worsened over the previous 12 months; after the death this proportion had increased to 49 per cent (12). In fact, more people with dependent children felt worse off after the death of a partner than before.
17. The study found that most households had equivalised their income within 12-18 months of the death, but for some people, financial difficulties were longer lasting. Fluctuating household incomes after a partner's death meant that some women of working age (with and without dependent children) dipped below the poverty threshold at different times, maintaining poverty among these women above pre-bereavement levels. Fuel and housing costs remained an underlying cause of concern for many.
18. Some groups of parents face particular financial vulnerabilities following their partner's death.
  - **Unmarried parents** are ineligible for Widowed Parents' Allowance (and for the new Bereavement Support Payment). Some parents are caught out simply by not knowing the implications of their marital status: 47% of 18-34 year olds believe that living together gives couples the same rights as marriage<sup>xii</sup>. This is contrary to current understandings of what constitutes a 'family' and differs from how cohabitation is interpreted in other Government legislation: for example tax credits and Universal Credit are assessed on a household basis looking at cohabiting couples regardless of marital status.
  - **Young parents** whose partner had less time to build up earnings capacity, make mortgage payments or contribute to pension schemes, and who are less likely to have planned their future finances including making a will and taking out life assurance. *'Further, these deaths are more likely to be unexpected, or especially traumatic (through violence/ accident/ suicide/ substance abuse/military or civil protection service), and survivors must cope with unpreparedness or extreme shock, which in turn may lengthen a process of readjustment'*<sup>xiii</sup>
  - **Parents previously included in a partner's benefit claim** who found problems and delays in establishing their own benefits entitlements, and who also had health problems or outstanding debt

- **Parents facing loss of earnings** both from their partner and having stopped work themselves (eg to care for the person who was dying, or to care for the children, or because of their own health issues) spending life insurance and savings, or moving to benefits, without plans for future income.
19. Caring for grieving children has a significant impact on parents' capacity for work. These challenges differ from those of other lone parents, as they are grieving themselves, supporting their children through grief, and unable to share childcare with the other parent. Compared to separated/divorced couples, they may be more likely to have to pay for childcare as only one parent survives.
  20. Many of the challenges experienced by bereaved children have an effect on their parent, meaning that they need to monitor and support their child more than before the death. The additional strain of raising children compounds bereaved people's experiences: widow(er)s with dependent children report more distress than those without children. Studies have consistently found that children's outcomes are very closely related to how their parent manages to function in the face of their own pain, loss and grief<sup>xiv</sup>.
  21. Children's need for stability following a parent's death makes it vital for the surviving parent to be able to respond flexibly to them: their adjustment is closely associated with this parent's capacity to care for them, including being physically available to them<sup>xv</sup>. Many parents report struggles in finding appropriate work that allows them to care for their children in the way they feel they need<sup>xvi</sup>.

### **Bereavement has particularly harmful effects for disadvantaged children**

22. The impact of bereavement is worse for disadvantaged children. Those who experience multiple bereavements, or bereavement alongside other difficulties, are statistically 'at risk' of experiencing negative outcomes (in areas such as education, depression, self-esteem and risk-taking behaviour) later in life<sup>xvii</sup>.
23. Low income households are most vulnerable economically following the death of a partner: the lower their pre- bereavement income the greater the risk, pointing to persistent or recurrent poverty in some households<sup>xviii</sup>
24. Families whose socio-economic circumstances make it more likely for them to face a death in the family are also more likely to live in areas of disadvantaged labour markets, making it harder for parents to find appropriate work.

### **Bereavement in childhood increases the risk of poverty in adulthood**

25. After controlling for other factors, bereavement by the age of 16 is associated with both men and women being **unemployed at the age of 30**<sup>xix</sup>.
26. Bereavement in childhood also seems to have an indirect link on future poverty through its impact on attainment:

- Parentally bereaved young people's **GCSE scores** were an average of half a grade lower than their non-bereaved peers. Girls bereaved of a sibling scored almost a full grade below their controls<sup>xx</sup>.
- After controlling for other factors, the death of a parent by the age of 16 is associated with women **failing to gain any sort of qualification**<sup>xxi</sup>.

## Likely impact of current and future policies

27. A number of recent or forthcoming policy changes are likely to worsen the impact of bereavement on child poverty.

### **Bereavement Support Payment will make 75% claimants with children worse off**

28. The Pensions Act 2014 introduces Bereavement Support Payment (BSP), which will replace the current Bereavement Payment and Widowed Parent's Allowance (WPA). WPA is a taxable weekly benefit paid until the youngest child leaves full-time education. BSP will be paid for just one year – 96% of WPA claimants currently claim for longer than this, with the median claim being 5-6 years. Even with an increased lump sum replacing Bereavement Payment, for 75% of claimants with children, the support won't just be curtailed, it will be cut. 88% of working families - and 57% of those out of work – will be worse off<sup>xxii</sup>.

### **Widowed parents claiming Universal Credit will have to be available for work before their children are ready**

29. The Government intends to meet the longer-term income support needs of widowed parents through Universal Credit.
30. Claimants will have different 'conditions' imposed on their claim, based on the age of their youngest child and other circumstances. Widows and widowers whose youngest child is three or four will have to be preparing for work, and by the time the child is five, they will have to be actively seeking and available for work within school hours. The Department for Work and Pensions suggests that these requirements would be relaxed for the first six months following the death of a husband or wife<sup>xxiii</sup>, but this still means that the Government will be expecting parents of bereaved children to be looking for work just six months after the child's mother or father has died.
31. We believe that subjecting widows and widowers to full conditionality at this early stage in their child's grief – and their own – would be
- **unnecessary**, given that most bereaved partners return, return or enter work within 18 months of bereavement<sup>xxiv</sup>
  - **counterproductive**: increasing the risk of the parent being unable to work at all because of their own difficulties, or those of their children. Obliging parents to seek or take up work before they are ready can have a detrimental effect on children in two ways: by increasing the parent's stress levels and depressive

symptoms (strongly correlated with children's emotional and behavioural difficulties) and by reducing the parent's availability to the child (quality of bond and family routines promote children's healthy adjustment. *'Inadequate care, including neglect and a failure to discipline, increases bereaved children's risk for psychological problems'*<sup>xxv</sup>)

32. The DWP is currently undertaking a review of situations in which a child might reasonably be expected to be distressed, and where this might have an impact on their parent's capacity for work.

### **Already-widowed parents will pay to receive WPA and Universal Credit**

33. Current claimants of Widowed Parent's Allowance (WPA) will not be affected by the introduction of Bereavement Support Payment. However, they will be affected by the introduction of Universal Credit (UC). Many claimants are likely to be in receipt of WPA and UC for some time into the future.
34. For the purposes of UC, WPA will be treated as "income other than earnings". This means that it will be deducted at a pound-for-pound rate from the claimant's UC entitlement. This means that the actual value for a widowed parent with no other income will be £0 per week.
35. However, WPA will also continue to be treated as taxable income. For this reason, working claimants may not only have their WPA deducted in full from their UC entitlement, but also pay tax on it in addition. The outcome of this is that working widowed parents in receipt of both UC and WPA could end up overall paying £7.56 per week, on account of their receipt of WPA.

### **Families in social housing with a spare room as a result of bereavement will have just 3 months before their housing benefit is cut**

36. Meeting housing costs is a significant source of concern for newly bereaved people<sup>xxvi</sup>. Qualitative findings showed that *'of the most pressing financial issues immediately after their partner died was how 'safe' their home was. The previously shared home usually had deep emotional significance and most, in the immediate aftermath of death, wanted to stay on. For most bereaved parents, the family home offered at least some security and stability for their children'*<sup>xxvii</sup>.
37. The spare room subsidy affects any family in social housing where the death means they have what is determined to be a 'spare' room. Currently, families have 52 weeks after a death before they are re-assessed.
38. Once Universal Credit is introduced, they will have three months in which to decide whether to move to a smaller property (assuming there is one available) or face a reduction in their housing benefit<sup>xxviii</sup>. This may mean uprooting themselves from supportive friends and communities, as well as moving away from the memories in the house. Research shows that for bereaved children, lots of other changes in

their life around the time of the death puts them at greater risk of poor health and difficulty adjusting<sup>xxix</sup>.

## Recommendations

A number of additional measures could be included in the Child Poverty Strategy to make a significant difference to bereaved families.

**39. Pay Bereavement Support Payment for longer to those with dependent children.**

We recommend increasing the duration of BSP for those with children from one year to three years, or until the youngest child has reached the age of 7. We have calculated a cost-neutral way of doing this, by adjusting down the monthly rate of BSP for parents, and by reducing the lump sum for non-parents.

**40. Introduce an easement to conditionality requirements for adults caring for a bereaved child.** Given our concerns that imposing conditionality on parents of bereaved children may be counterproductive, increasing their length of time away from the labour market, we believe that the parent should be exempt from full conditionality for two years following the death of a child's parent or sibling. To maintain their connection with the labour market, they could be invited for periodic work-focused interviews during this time. We also believe that ad-hoc easements could be strengthened to make it easier for a parent to request a temporary switch-off for a future period because of their child's bereavement distress further down the line, or because of the death of someone else close such as a grandparent who provided much of the childcare.

**41. Treat Widowed Parents Allowance as earnings, or partially disregard it, when calculating income for the purposes of Universal Credit.** This would avoid claimants seeing a net loss through claiming both benefits.

**42. Extend eligibility of Bereavement Support Payment to unmarried partners.** The Armed Forces Pensions Scheme successfully uses a definition of 'eligible partner' which could be used as the basis of determining eligibility to BSP. Concerns have been raised about how uncomfortable it would be to ask intrusive questions about the nature of a relationship, shortly after the person had died. However, many of the administrative procedures around a death could be seen as intrusive, but we believe they are recognised as being necessary, and do not accept that determining eligibility for BSP would be any different.

**43. Extend the period before bereaved families in social housing are assessed for the spare room subsidy under Universal Credit.** We recommend extending this to one year, in line with the pre-Universal Credit arrangements.

**44. Commission and fund services for bereaved families.** The Child Poverty Strategy promises continued support for families who want to stay together, through relationship support. Bereaved families do not have a choice about staying

together, and we would argue that their need for support through this life transition is just as great. Parents describe the benefits which child bereavement services have brought to them, supporting them to adjust to their new role parenting their grieving children. Children too talk about the difference that services have made to them and their families<sup>xxx</sup>, including their parent's coping, and their own ability to get into and engage with school.

## Conclusion

45. There are already strong links between bereavement and poverty:

- children in poverty are more likely to be bereaved
- bereavement is a route into child poverty
- bereavement has particularly harmful effects for disadvantaged children
- bereavement in childhood increases the risk of poverty in adulthood.

46. The impact of current and forthcoming policies will exacerbate these.

47. The recommendations we make would significantly improve the situation for bereaved families, building parents' capacity to support themselves and their children and weakening the links between child poverty and child bereavement.

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<sup>i</sup> Corden et al (2008) *Financial implications of the death of a partner* York: Social Policy Research Unit

<sup>ii</sup> <http://www.gingerbread.org.uk/content/365/Statistics> Accessed 20 May 2014

<sup>iii</sup> Corden et al (ibid) p155

<sup>iv</sup> Public Health England (2013) *Mortality rankings* <http://longerlives.phe.org.uk/mortality-rankings#are//par/E92000001> Accessed 9.8.2013

<sup>v</sup> Woolf et al (2014) *Why Children Die* London: Royal College of Paediatrics and Child Health and National Children's Bureau

<sup>vi</sup> Ribbens McCarthy, J (2005) *Young people, bereavement and loss: disruptive transitions?* London: National Children's Bureau

<sup>vii</sup> ONS (2011) *Statistical Bulletin: Life expectancy at birth and at age 65 by local areas in the United Kingdom, 2004-6 to 2008-10*. London: Office of National Statistics

<sup>viii</sup> Corden et al (2008) *ibid*

<sup>ix</sup> Sun Life Direct (2013) When it's gone, it's gone. The paradox of saving for funeral costs. Sun Life Direct Cost of Dying Report 2013

<http://www.sunlifedirect.co.uk/About-Sun-Life-Direct/Press-Office/Research/Cost-of-Dying-2013/>

<sup>x</sup> Woodthorpe, K (2012) Affording a Funeral: Social Fund Funeral Payments. *Axa Sun Life Direct*. <http://www.sunlifedirect.co.uk/About-Sun-Life-Direct/Press-Office/Research/Social-Fund-Funeral-Payments/>

<sup>xi</sup> Corden et al (2008) *ibid*

<sup>xii</sup> <http://www.oneplusone.org.uk/2013/02/05/nearly-half-of-uk-citizens-believe-in-the-common-law-marriage-myth/> Accessed 20.5.2014

<sup>xiii</sup> <http://www.york.ac.uk/inst/spru/pubs/pdf/BereavementBenefitsDWPsubmission.pdf>

<sup>xiv</sup> Worden (1996) *Children and Grief: when a parent dies* New York: Guilford Press; Lin, K. K., Sandler, I. N., Ayers, T. S., Wolchik, S. A. and Luecken, L. J. (2004) 'Resilience in parentally bereaved children and adolescents seeking preventive services.', *J Clin Child Adolesc Psychol*, 33(4), 673-83. Christ, G. (2000) *Healing Children's Grief: Surviving a Parent's Death from Cancer*, New York: Oxford University Press.

<sup>xv</sup> Worden (1996) *Children and Grief: when a parent dies* New York: Guilford Press

<sup>xvi</sup> Corden et al (2008) *ibid*; Oldfield K, Adams L, Gunstone B (2012) Department for Work and Pensions Research Report No 790: Bereavement benefits: findings from qualitative research [http://statistics.dwp.gov.uk/asd/asd5/report\\_abstracts/rr\\_abstracts/rra\\_790.asp](http://statistics.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_790.asp)

<sup>xvii</sup> Ribbens McCarthy J with Jessop J (2005) *Young People, Bereavement and Loss: disruptive transitions?*

<sup>xviii</sup> Corden et al (2008) *ibid*

<sup>xix</sup> Parsons, S. (2011) *Long-term Impact of Childhood Bereavement: preliminary analysis of the 1970 British Cohort Study (BCS70)*, London: Child Well-being Research Centre.

<sup>xx</sup> Abdelnoor, A. and Hollins, S. (2004) 'The Effect of Childhood Bereavement on Secondary School Performance', *Educational Psychology in Practice*, 20(1), 44-54.

<sup>xxi</sup> Parsons, S. (2011) *Long-term Impact of Childhood Bereavement: preliminary analysis of the 1970 British Cohort Study (BCS70)*, London: Child Well-being Research Centre.

<sup>xxii</sup> DWP (2013) Further analysis on the reform of bereavement benefits for new claims from April 2016

<https://www.gov.uk/government/publications/further-analysis-on-the-reform-of-bereavement-benefits-for-new-claims-from-april-2016>

<sup>xxiii</sup> DWP (2013) *Impact Assessment: Replacement of existing Bereavement Benefits for New Claims from April 2016 29/04/2013*

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/197843/pensions-bill-ia-annex-c-replacement-of-existing-bereavement-benefits-for-new-claims-from-april-2016.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/197843/pensions-bill-ia-annex-c-replacement-of-existing-bereavement-benefits-for-new-claims-from-april-2016.pdf) Accessed 24 May 2013

<sup>xxiv</sup> Corden et al (2008) *ibid*

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<sup>xxv</sup> Lin, K et al (2004) Resilience in parentally bereaved children and adolescents seeking preventive services *Journal of Clinical Child and Adolescent Psychology*, 33:4, 673-683.

<sup>xxvi</sup> Corden et al (2008)

<sup>xxvii</sup> Corden et al (2008) *ibid*

<sup>xxviii</sup> <http://www.housing.org.uk/policy/welfare-reform/bedroom-tax>

<sup>xxix</sup> Worden (1996) *Children and Grief* New York: Guilford Press

<sup>xxx</sup> Rolls, L. and Payne, S. A. (2007) 'Children and young people's experience of UK childhood bereavement services', *Mortality*, 12(3), 281-303; Braiden, H. J., McCann, M., Barry, H. and Lindsay, C. (2009) 'Piloting an Therapeutic Residential for Children, Young People and Families Bereaved through Suicide in Northern Ireland', *Child Care in Practice*, 15(2), 81-93.