



Pushed into Poverty: Working Families Hit by Spending Cuts

- Low income working families penalised by Spending Review Changes
- Families Lose weekly equivalent of the grocery bill

Charity Family Action is warning that low income working families will be hit hard by spending cuts. A new report into the impact of the Spending Review and Emergency Budget changes shows that poor working couples with children will be up to £3810 worse off a year because of the reforms to working tax credit alone. The requirement to find a further 8 hours a week will penalise families struggling to find extra hours in areas of high unemployment and those who lose out in the race for full-time jobs because of disadvantage and discrimination.

A report by Family Action, a charity which provides practical, emotional and financial support for vulnerable families, shows that low income working families could be penalised by 21 changes announced by the Government to try and cut the deficit.

Poorer families could be pushed back into poverty due to changes to working tax credit entitlement which will see families losing over £50 per week, the equivalent to household expenditure on food and non-alcoholic drink.*

Family Action Chief Executive Helen Dent said: "We know pushing low income working people into poverty is not the Government's aim but for many families the 21 cuts to welfare provision announced in the Spending Review and June Budget will do just that. Losing the equivalent to the weekly food shop would be a blow to many families but for those on the lowest income it could be disastrous. This package of measures will penalise many low income working families, including vulnerable families with whom we work. For many families in work welfare payments provide a safety net which helps them stay in work and makes work pay. Many low income families, and particularly couples, will be the losers as cuts to welfare push hard working people below the poverty line."

Ends

Notes to Editors:

Average household expenditure on food and non-alcoholic drinks is £50.70 per week according to family spending survey:

http://www.statistics.gov.uk/downloads/theme_social/Family-Spending-2008/FamilySpending2009.pdf

For further information please contact Anthony McCaul, Senior Media and Campaigns Officer at Family Action on 0207 241 7632 or 0781 309 2040 or email anthony.mccaul@family-action.org.uk

Family Action has been a leading provider of services to disadvantaged and socially isolated families since 1869. We work with over 45,000 vulnerable families and children a year by providing practical, emotional and financial support through over 100 community-based services across England. Additionally in 2009-2010 we distributed 4,218 grants totalling over £1,104,883 to families and individuals in financial hardship throughout the UK. Family Action won the 2009 Charity Awards Foundation award for effectiveness and jointly with CAB, Gingerbread and our sponsors Barclaycard the 2010 Third Sector Award for best corporate partnership for Horizons, an integrated welfare advice, training and educational grants package for lone parents. Find Family Action on the Web at www.family-action.org.uk.