How does living in public housing affect women’s employment?

OPPORTUNITIES FOR TRAINING AND VOLUNTEERING CAN ASSIST WOMEN LIVING IN PUBLIC HOUSING TO ENTER OR RE-ENTER PAID WORK. HOWEVER, INCOME-BASED RENTS, POOR SECURITY AND STIGMA ASSOCIATED WITH PUBLIC HOUSING MAY PRESENT SIGNIFICANT OBSTACLES TO WORKING.

KEY POINTS

• A quarter of women living in public housing are in some type of paid work, with most employed part-time.

• Employment delivered important non-financial benefits for the 40 women interviewed in the study. These included improved physical and mental health, a feeling of belonging and contributing to society, and a sense of achievement.

• Some of the women interviewed felt that living in public housing had helped them to gain employment, by providing opportunities for volunteer work and paid traineeships with flexible hours and low-cost childcare.

• However, the rent rises due to income-based rents were identified as a strong disincentive to working, and contributed to a poverty trap (low or even negative financial returns from work). Some women with children were reluctant to work if it meant leaving their children unattended because they perceived public housing to be unsafe.

• A few women also reported difficulties finding paid work due to the stigma associated with living in public housing.

CONTEXT

Welfare reform and social inclusion strategies in Australia have sought to direct unemployed people and working-age people outside of the labour force, including sole
parents and people with disabilities, into paid work. Consistent with these strategies, the National Affordable Housing Agreement (NAHA) seeks to create incentives for public housing tenants to take up employment, and to create mixed communities that promote social and economic opportunities. This has proved to be challenging, in the context of increased targeting of public housing to those in greatest need. Public housing tenants are more likely to have characteristics and life circumstances that present barriers to employment (e.g. disability, health problems, poor educational attainment and solo parenting responsibilities).

RESEARCH METHOD

This project builds on earlier AHURI research, conducted as part of the National Research Venture on Housing assistance and economic participation (NRV1) into the way that housing assistance programs (public housing and Commonwealth Rent Assistance) impact on economic participation. This earlier research showed that rates of employment of women living in public housing are particularly low in the context of increases in female participation rates over the last two decades. It found that these women recognised the potential benefits of employment but faced significant practical barriers to finding and sustaining paid work. The most cited barriers were: mental and physical health problems; caring for children and family responsibilities; and the transport and other difficulties associated with living in some places.

This project investigated how female public housing tenants have been able to enter or re-enter paid work despite the obstacles identified in earlier research, and looked at how public housing affects women’s participation in paid work, either positively or negatively.

• The first stage of the research involved a literature review and analysis of data from the ABS Survey of Income and Housing 2007–08.
• The second stage involved a qualitative study of 40 women living in public housing who were employed at the time of the first interviews.

Three waves of in-depth interviews over a 12-month period were conducted in north and west Melbourne and in two Victorian regional centres, Geelong and Shepparton.

KEY FINDINGS

Women’s employment: insecure, part-time, low-paid

• All of the women in the study were employed at wave one; this was mostly part-time and casual work, with low wages. Most of these women (70%) were also in receipt of Centrelink payments (most commonly, Parenting Payment Single and Disability Support Pension). Their jobs included: community and youth work; care work; administration and secretarial; sales, retailing and catering; and cleaning.
• Of the 34 women who were interviewed three times over the 12-month period, there were very mixed employment outcomes. Only 6 of the 34 women interviewed in all three waves did not experience any changes during the year. By the third wave, seven were either unemployed or no longer in the labour force, and all of the other women were in jobs with different hours, pay, and/or conditions (whether the same or a different job). Of those who had experienced changes, half had experienced an improvement in hours, pay and/or conditions, and half had experienced a deterioration.
• Getting a job did not enable many of the women to be much better off financially once the costs of working were taken into account. This poverty trap is the result of a combination of low wages, tapering away welfare payments as income increases, and tax and rent increases.
• None of the women interviewed had moved, or considered moving, out of public housing into the private rental sector because of the insecure, low-paid nature of their employment.

Non-financial benefits of paid work

All of the women interviewed preferred to be employed, even if it was only for a few hours
a week. The women reported a number of non-financial benefits of paid work, including: improved self-esteem and self-confidence; enhanced sense of independence (even when in receipt of welfare payments); the feeling, for mothers, that they were providing a better role model for their children; and better physical and mental health. One interviewee reported that working had helped with her depression:

It gets you out and about, back in the workplace again. You’re working with other people, you feel like a human being again. Interacting and mixing with people gives you back your dignity.

Features of public housing that affect the employment of female tenants

Several women said that living in public housing had given them opportunities for paid employment that they would not have had otherwise. A few women did not think that living in public housing had either helped or hindered them in finding paid work. Many found that living in public housing presented obstacles to remaining in paid work.

Traineeships and volunteering offer effective stepping stones to work

• Some women were able to take up paid traineeships and work experience offered by welfare organisations, often developed in partnership with local councils and the Office of Housing. These were specifically tailored to the needs of public housing tenants: they had flexible hours in order to accommodate tenants with health problems and low-cost childcare for women with children. Some women found these traineeships led to regular paid employment opportunities in the community sector.

• Other women found that living in public housing had given them work opportunities through initial involvement as volunteers, for instance, in the local public tenants’ association. This resulted in some women gaining paid employment within the organisation, and others developing the self-confidence to find paid work elsewhere.

Income-based rents and income reporting requirements present significant disincentives to sustaining paid work

• The combination of the withdrawal of income support (from Centrelink) together with increased rent (up to market rent) as wage income increases was identified as an ongoing obstacle for women remaining in paid work. Some women decided to reduce their working hours because, by the time their income support had decreased and their rent increased, working left them worse off financially. This is consistent with the NRV1 research which found that poverty traps among working-age people living in public housing are severe, particularly for sole parents and female partners of unwaged men.

• The way income-based rents are reviewed and adjusted can present further obstacles to working. Any lag in rent adjustment, in the context of fluctuating incomes, means that a tenant's rent is not necessarily aligned with their current income (which may have dropped). Many of the women found themselves in very difficult financial situations as a result of such lags; sometimes financially worse off than if they had not been working.

Locational factors affect employment

• The proximity of public housing to paid work was often a deciding factor for the women interviewed. Most women were in jobs that were within walking distance, on a public transport route, or a short drive away from home. Most said that they would not have taken employment that was further away. This had to do with the need to be available to pick up children from school, and the financial and health costs of travelling longer distances to work.

• A lack of security in public housing had a negative impact on women’s employment. Some women were not comfortable to work if it meant their children would be at home unattended because they perceived their public housing estate and/or neighbourhood to be unsafe.

• Stigma that is associated with living in public housing was experienced as a barrier to finding paid work by a few of the respondents. This
confirms common understandings that some public housing tenants in areas with a poor reputation feel they are discriminated against when applying for paid work once their postcode is disclosed.

POLICY IMPLICATIONS

There are a broad range of public policies that can impact on the ability of people to participate in paid work, including tax, income security, housing, planning, physical and mental health, and disability policies. Key public housing mechanisms that can promote employment for women living in public housing include: providing good stepping stones to work, reviewing income-based rents, and addressing locational barriers. However, the success of these mechanisms in improving women’s employment can only occur in the context of other policy responses, especially those to do with employment and welfare reform, which have significant bearing on the opportunities of women living in public housing.

Extending paid traineeship and work experience programmes

The paid traineeships and work experience program tailored to the needs of public housing tenants, provide a positive example of supporting the employment arrangements of women living in public housing. These could be extended to all larger public housing estates. There is a need to provide pathways into work when women have completed the traineeships or work placements—involving local employers could be part of an effective strategy.

Reviewing income-based rents

It is broadly acknowledged that a different rent setting system is desirable to break the nexus between incomes and rents in order to reduce the financial obstacles to working. Previous AHURI research (NRV1) explored the ways different State Housing Authorities have responded to concerns about work incentives by introducing changes to rent formulae that are designed to sharpen incentives to work. For example, ‘rent holidays’, which leave rents unchanged for a period of time following acceptance of a job offer, aim to encourage the take-up of temporary or casual jobs.

Acknowledging locational barriers

To support the entry of female public housing tenants into paid employment, it is preferable that tenancies are located with convenient access to job opportunities—via walking, public transport, or a short drive. This will help ensure that these tenants can sustain their employment while managing their other responsibilities, such as caring for children and managing their own health conditions. Policies could also address the stigma and the perceived lack of safety attached to living in some public housing estates. These could be addressed at an estate or housing office level.

FURTHER INFORMATION

This bulletin is based on AHURI project 50515, Public housing and employment: challenges and strategies.

Reports from this project can be found on the AHURI website: www.ahuri.edu.au or by contacting the AHURI National Office on +61 3 9660 2300.