

The Future of Child Poverty Measurement in the UK

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Seminar

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The current official child poverty measures

- Suite of indicators developed following extensive consultation, in place since 2003:
 - Relative measure: below 60% of contemporary median income Before Housing Costs
 - ‘Absolute’ (fixed income) measure: below 60% of 2010-11 median income, updated for inflation
 - Combined low income (below 70% median) and material deprivation
 - [Persistent poverty: below 60% median in three out of four years]
- Targets for all four enshrined in law in the Child Poverty Act 2010, passed with cross-party support...
- ...though the Conservatives argued that the measures were “poor proxies for achieving the eradication of child poverty”, and that they would focus on “tackling the causes rather than the symptoms of poverty”, targeting four areas in particular
 - Family breakdown
 - Education and skills
 - Addiction to drugs and alcohol
 - Worklessness

Towards new measures

- Coalition consultation on *Measuring Child Poverty*, November 2012 – February 2013.
- 257 responses from a wide range of individuals and organisations
- 2014: a very brief summary of results presented in an Appendix to the Consultation on the Child Poverty Strategy 2014-17
- But issue then set to one side until after the 2015 election
- July 1 2015: Changes announced to the child poverty measures by Iain Duncan Smith

Press release

Government to strengthen child poverty measure

From: [Department for Work and Pensions and The Rt Hon Iain Duncan Smith MP](#)
First published: 1 July 2015
Part of: [Poverty and social justice](#)

Government to introduce a new and strengthened approach to tracking the life chances of Britain's most disadvantaged children.



The government will introduce a new and strengthened approach to tracking the life chances of Britain's most disadvantaged children, Secretary of State for Work and Pensions, Iain Duncan Smith, announced today (1 July 2015).

Improving people's life chances will be central to the government's 'one nation' approach to the next 5 years and ministers want a much more effective measure focused on the real causes of poverty.

The current child poverty measure – defined as 60% of median income – is considered to be deeply flawed and a poor test of whether children's lives genuinely improving.

This was shown when the number of children in poverty went down

Proposed changes to the Child Poverty Act

Child Poverty Act 2010

- **Relative income**
- **'Absolute' income**
- **Combined low income and material deprivation**
- **Persistent poverty**

- Targets to be met by 2020/21
- Annual reporting against targets
- Requires regular publication of UK child poverty strategy
- Duties on Local Authorities
- Child Poverty Commission

Life Chances Act 2010

- **Children living in workless households/long-term workless households**
- **Education at end of Key Stage 4 for all children and disadvantaged children**

- No targets, no strategy
- Govt must annually “publish and lay before Parliament a report containing data on...”
- No duties for Local Authorities
- Social Mobility Commission

Our contribution: an analysis of the consultation responses, in light of these changes

- 257 responses from academics, think tanks, local authorities, voluntary sector organisations, front line services, individuals.
- What did they say?
 - About the existing measures: was there an appetite for change?
 - About the importance of including income in poverty measurement?
 - About introducing wider dimensions – if so which ones?
- Our sources
 - The published summary from the DWP
 - DWP unpublished analysis (Fol request from Child Poverty Action Group)
 - 230 of the 257 responses (our own Fol request)

About the consultation document

- Poverty is not clearly defined

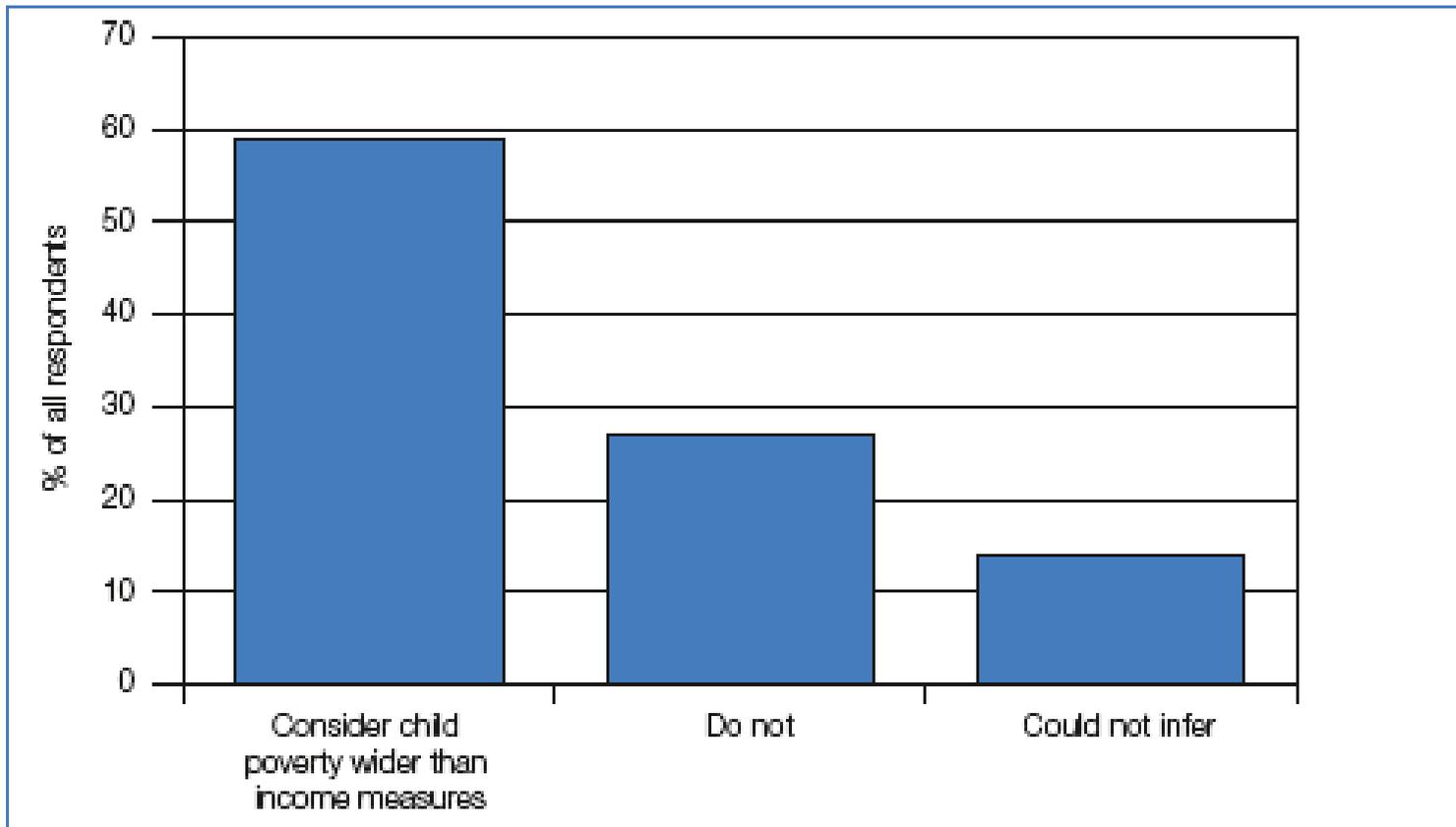
*“In this document, where we have referred to **poverty**, we are asking about what it means to grow up experiencing the myriad of factors that make up the reality of child poverty in the UK today”*
(p.9)
- Some conceptual confusion – measures, causes, consequences, risk factors, experience of poverty...
- Assumption that a multidimensional measure would be introduced
- Questions on individual dimensions ask about fit within a multidimensional measure:

‘How should we measure income as a dimension in a future multi-dimensional measure of poverty?’
- Not clear whether this would replace or complement existing measures; no question about support for existing measures

Consultation Key Findings (published 2014)

1. *There is support for developing new measures*
2. *Income matters and a measure of this should be included in any new measures*
3. *Poverty is about more than income*
4. *There are a variety of ways to measure child poverty but there are key principles that must underpin any measure*
5. *We must be clear about the purpose of new measures*

“There is support for developing new measures”



There is strong support for maintaining the current measures

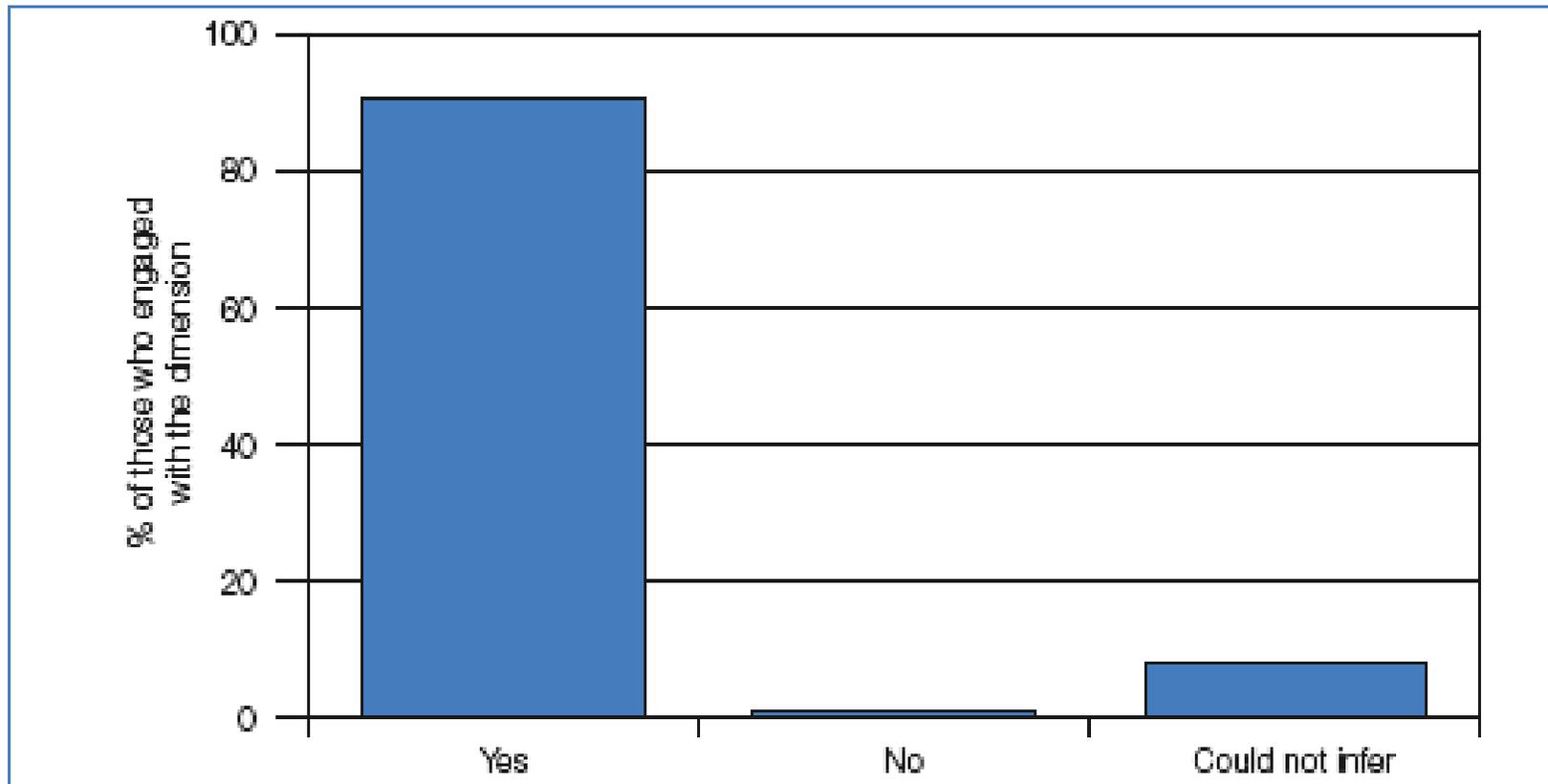
- In our analysis we separated out those who were open to supplementary information but specifically **NOT** as part of a measure of child poverty

Does the respondent see the need for new <u>child poverty</u> measures?		Total
47%	Yes, to <u>replace</u> current measures	29
	Yes, in <u>addition</u> to current measures	23
	Yes, to change income measures	4
	No, but open to supplementary information	52
	No, keep as they are	82
	N/A	40
		230

56

134

“Income matters and a measure of this should be included in any new measures”



Poverty is defined by a lack of material resources

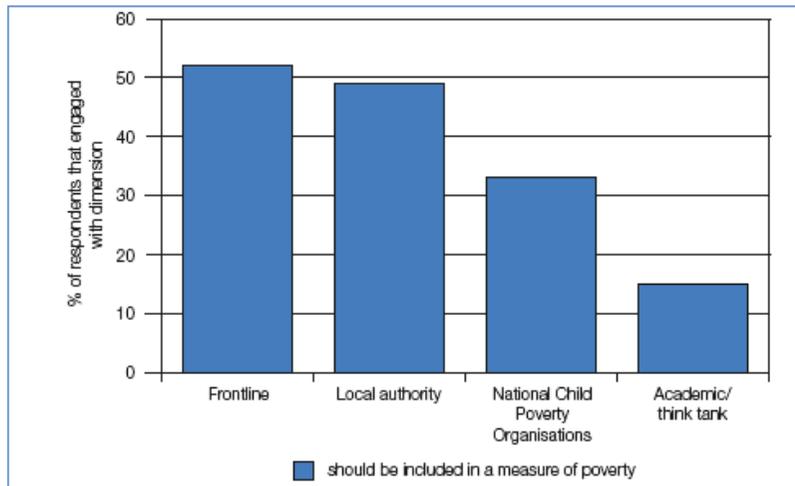
- ...with income - alongside material deprivation – the best proxy for measurement

Should income be included as a measure of child poverty?	Total
Yes, poverty is lack of material resources	134
Yes, as a key measure	28
Yes, dangerous to switch measures no	5
Yes, but with a focus on MIS-type measure	6
Yes, but with a focus on living wage-type measure	4
Yes, but with a focus on basic income-type measure	13
Yes, but with a focus on current absolute measure	2
Yes, but not as a headline indicator	9
Yes, but as an expenditure measure	1
No, income shouldn't be included	1
N/A	27
	230

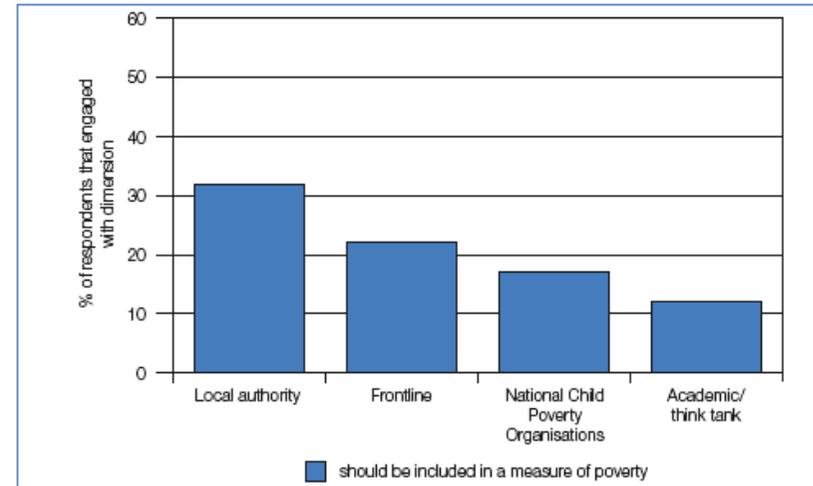
“Everyone in the debate agreed that income and other measures of financial resources are essential measures. Poverty is a lack of material resources – the definition is the consensus of social scientists all around the world” (All Party Parliamentary Group)

“Poverty is about more than income”

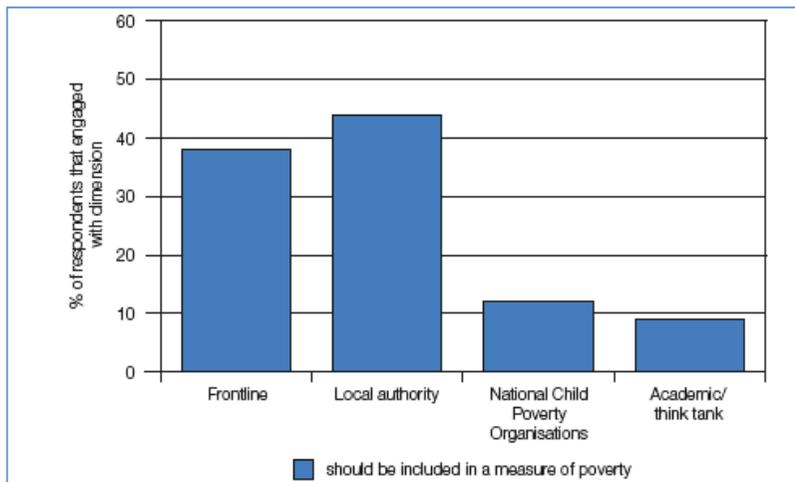
Worklessness



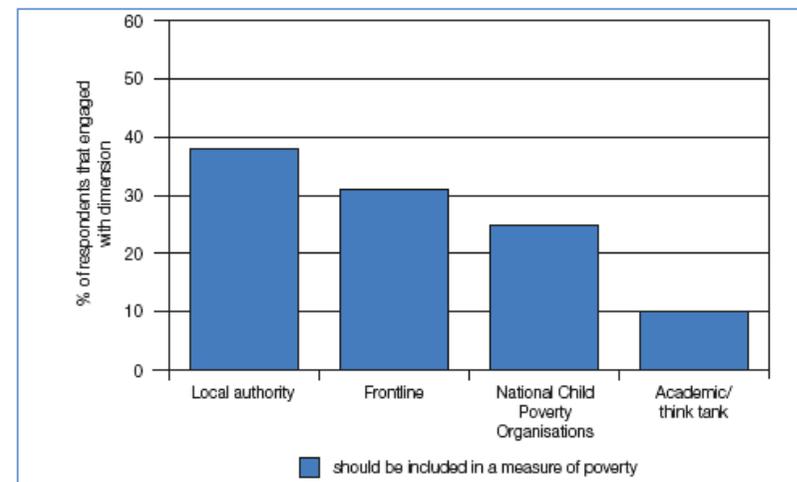
Education



Parental Skill Level



Parental Health

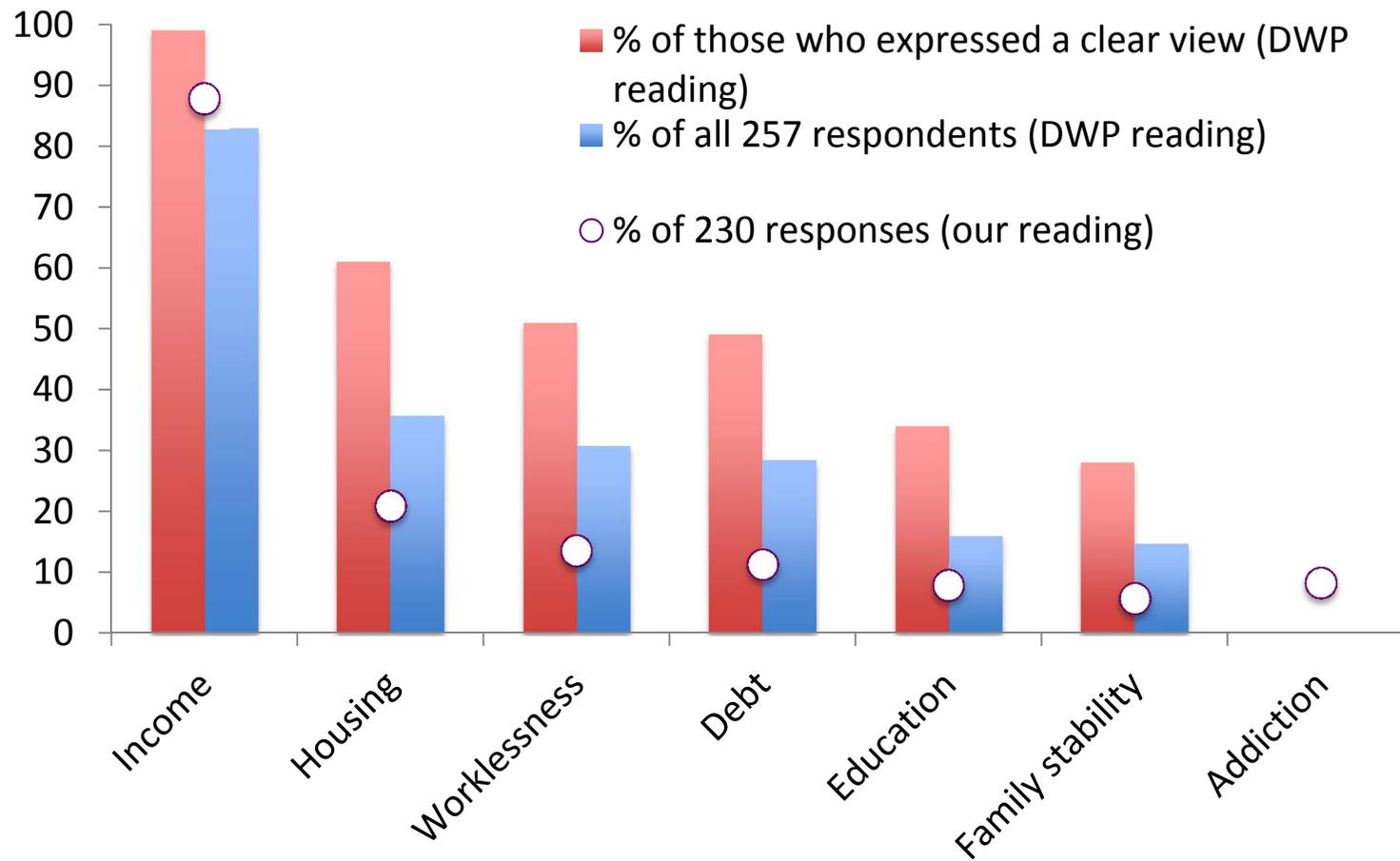


The experience of poverty is about more than income

- Some of the other dimensions are clearly related to poverty BUT they do not define the state and cannot therefore be considered to measure it
 - Only a lack of material resources is common to all of those experiencing poverty
- Other dimensions may describe the causes, consequences or risk factors associated with poverty – and may be worth measuring for that reason – but they are NOT poverty itself

“Many of the items proposed for a multidimensional measure of child poverty are consequences of the experience of poverty, others may also contribute to its cause, and yet others are only distantly related to poverty. None, as far as the evidence available, affects every family in poverty except income, the proxy for the command of resources over time”
(University of Edinburgh)

Support for dimensions as a measure of child poverty



Worklessness

- NOT a measure of poverty!
 - Many working people lack material resources and some with material resources choose not to work
- But clearly linked to child poverty
 - As a *cause* or *risk factor* via insufficient income
 - For a minority also a social issue – intergenerational transfer / stigma
- And much more positivity expressed about a supplementary measure related to employment also taking account of...
 - In-work poverty – now the majority
 - Structural factors e.g the availability of local work opportunities

“A focus on ‘worklessness’ as a concept reinforces myths about poverty and agency. A measure or understanding of child poverty that emphasised this concept would be deeply flawed and would fail to capture the experience of more than half the children who live in poverty or explore the reasons for in-work poverty. It would be more accurate to adopt a broader concept which incorporated households on very low earnings and trapped in ‘low pay/no pay’ cycles” (Citizens Advice Bureau)

The future of child poverty measurement?

- The consultation revealed near universal support for keeping measures of income poverty and material deprivation at the heart of poverty measurement
- The new measures being introduced in the amendments to the Child Poverty Act are not poverty measures: the Government is no longer holding itself to account for child poverty.
- Arguably they are better interpreted as selected indicators of life chances... But not the prime candidates for life chance measures
- Households Below Average Income data will continue to be collected and published; many respondents highlight that they will continue to assess the government on its record on child poverty using the existing suite of measures.
- But what the Government measures and reports on matters: not being held to account on income poverty is likely to make a difference to policy decisions.
- Furthermore, what is being repealed is not 'just' the measures: removal of the strategy requirement and the duties on national and local authorities is a real concern.
- 'We must be clear about the purpose of new measures' – and about the cost of abandoning existing ones.

“...key principles that must underpin any measure”

- There is no perfect measure of child poverty. All measures have limitations and the Government should be clear about the limitations of any new measures
- The Government should measure separately the number of families experiencing poverty now and the number of poor children at risk of growing up to be poor adults.
- Measures of poverty should differentiate between causes of poverty, (for example worklessness) and effects of poverty (such as being behind on household bills).
- Care should be taken when combining different dimensions of poverty and how they have been combined should be set out transparently to ensure that the effects of a change in some dimensions are not masked by changes in others.
- Measures should be based on a robust evidence base.
- Different measures are better for different purposes.

Respondents

**Sam Royston, End Child Poverty
Commission**

[http://www.endchildpoverty.org.uk/talking-
about-poverty/](http://www.endchildpoverty.org.uk/talking-about-poverty/)

Ryan Shorthouse, Bright Blue

www.brightblue.org.uk