

GW4



South West Doctoral Training Partnership



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# Finding the poverty line

Dr Marco Pomati,  
Cardiff University

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# Rowntree's 1936 budget

a week for an urban family of man, wife and 3 dependent children.  
 The figure, exclusive of rent, was 43s. 6d., made up as follows:

	s.	d.
Food .. .. .	20	6
Clothing .. .. .	8	0
Fuel and Light .. .. .	4	4
Household Sundries .. .. .	1	8
Personal Sundries .. .. .	9	0 <sup>3</sup>
	<hr/>	
	43	6
	<hr/>	

<sup>1</sup> *The Human Needs of Labour*, Longmans, 1937.

<sup>2</sup> My estimates for rural families were 41s. with, and 35s. 6d. without, rent.

<sup>3</sup> The amount will, of course, be spent in different ways by different people, but the following illustration of how it might be spent will enable the reader to judge whether or no the allowance is extravagant.

	s.	d.
Unemployment and Health Insurance .. .. .	1	7
Contribution to sick and burial clubs .. .. .	1	0
Trade Union subscription .. .. .	0	6
Travelling to and from work .. .. .	1	0
Such necessaries as stamps, writing-paper, etc., for the family .. .. .	0	6
A daily newspaper .. .. .	0	7
Wireless .. .. .	0	6
All else: beer, tobacco, presents, holidays, books, travelling, etc.	3	4
	<hr/>	
	9	0
	<hr/>	

# Minimum Income Standards

- Minimum, socially acceptable standard of living
  - Not asked specifically about poverty, but relevant to that debate
- Items selected by members of the public – in groups (experts
- check that budgets meet certain standards)
- Single person requires £287 per week (net income)
- ‘In 2016, an out-of-work single person achieves 40 per cent of what the public says they need.

- Minimum Income Standards  
Visit website

- Example for single person  
Including Rent: £ 286.54  
Excluding Rent: £198.85

## Weekly outgoings - (?)

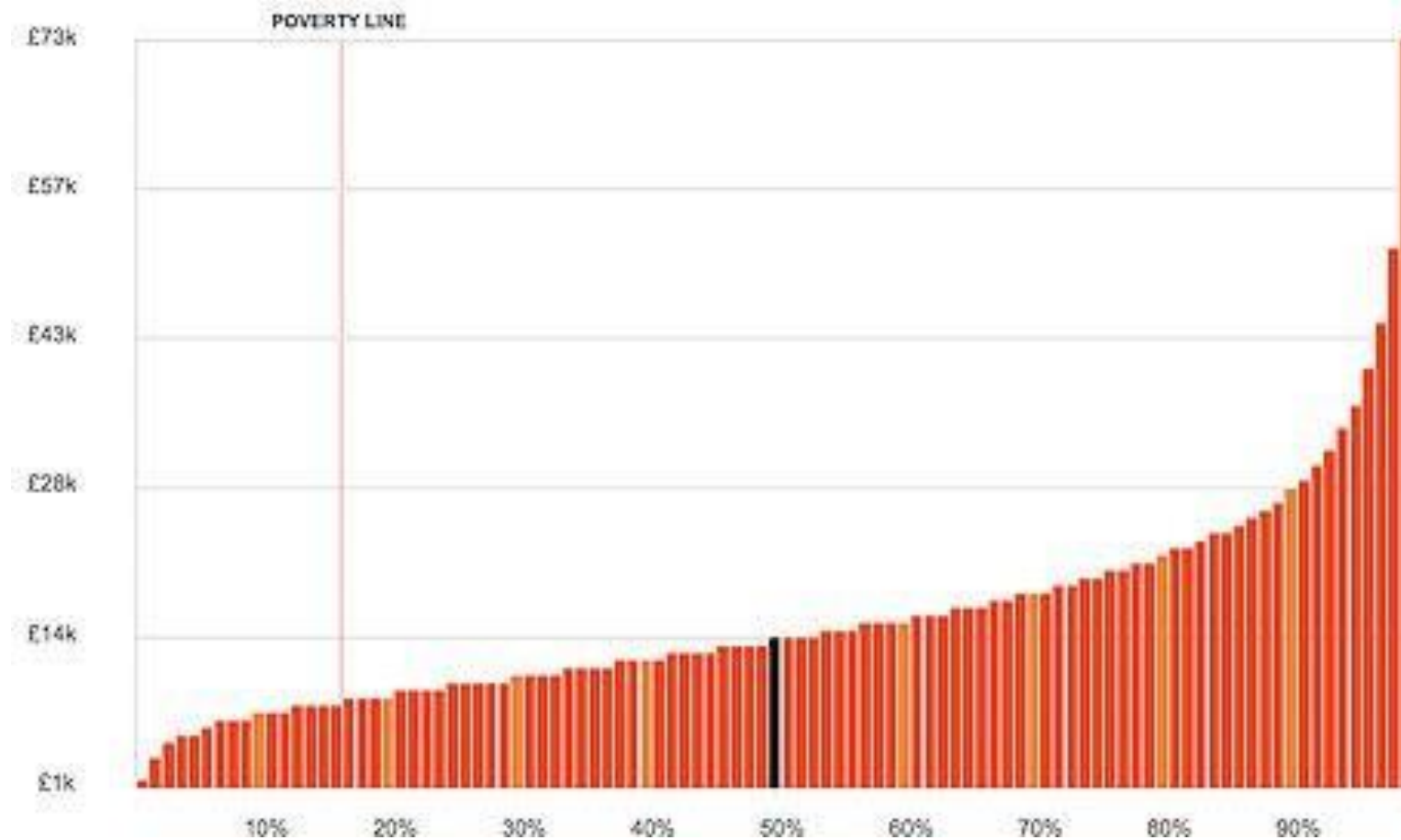
**£286.54**

Food	£44.72
Alcohol	£4.89
Clothing	£7.12
Water rates	£5.67
Council Tax	£15.19
Household Insurances	£1.21
Gas, electricity, etc	£15.96
Other housing costs	£1.95
Household goods	£12.19
Household services	£2.96
Childcare	£0.00
Personal goods and services	£14.00
Travel costs and motoring	£26.89
Social and cultural activities	£46.11
Rent	£87.68
Mortgage	£0.00

	<b>Weekly budget requirement (excluding rent and childcare), April 2016</b>	<b>Percentage of budget provided by safety net benefits*</b>	
		2010	2016
Single working-age person	£198.85	41%	39%
Couple with two children aged 4 and 7	£468.98	62%	61%
Lone parent with one child aged 1***	£300.73	65%	56%
Pensioner couple	£267.39	102%	98%

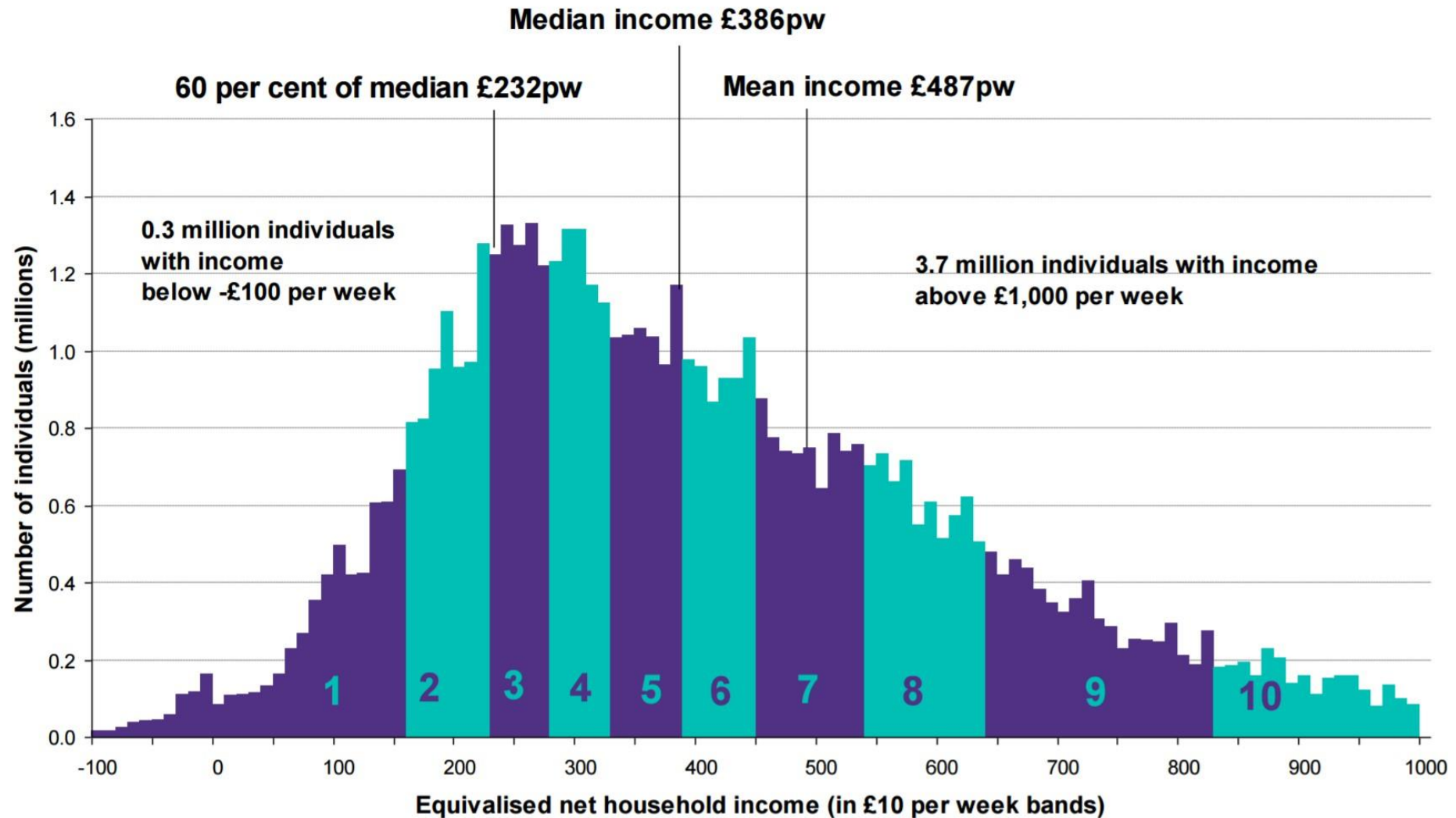
# LOW INCOME MEASURES

# 60% median income poverty line



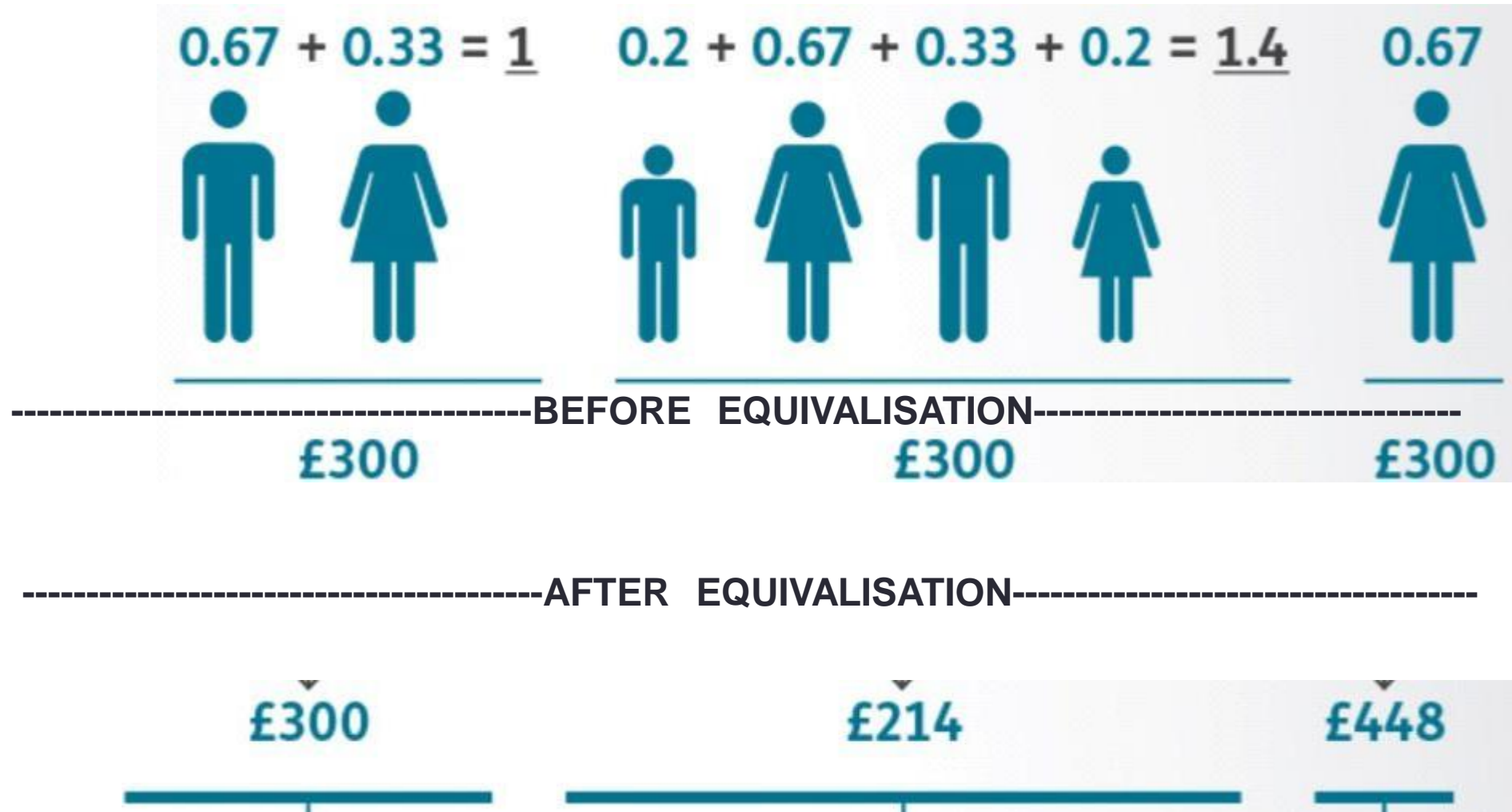
- Source: Guardian

Chart 2.4 (AHC): Income distribution for the total population, 2013/14



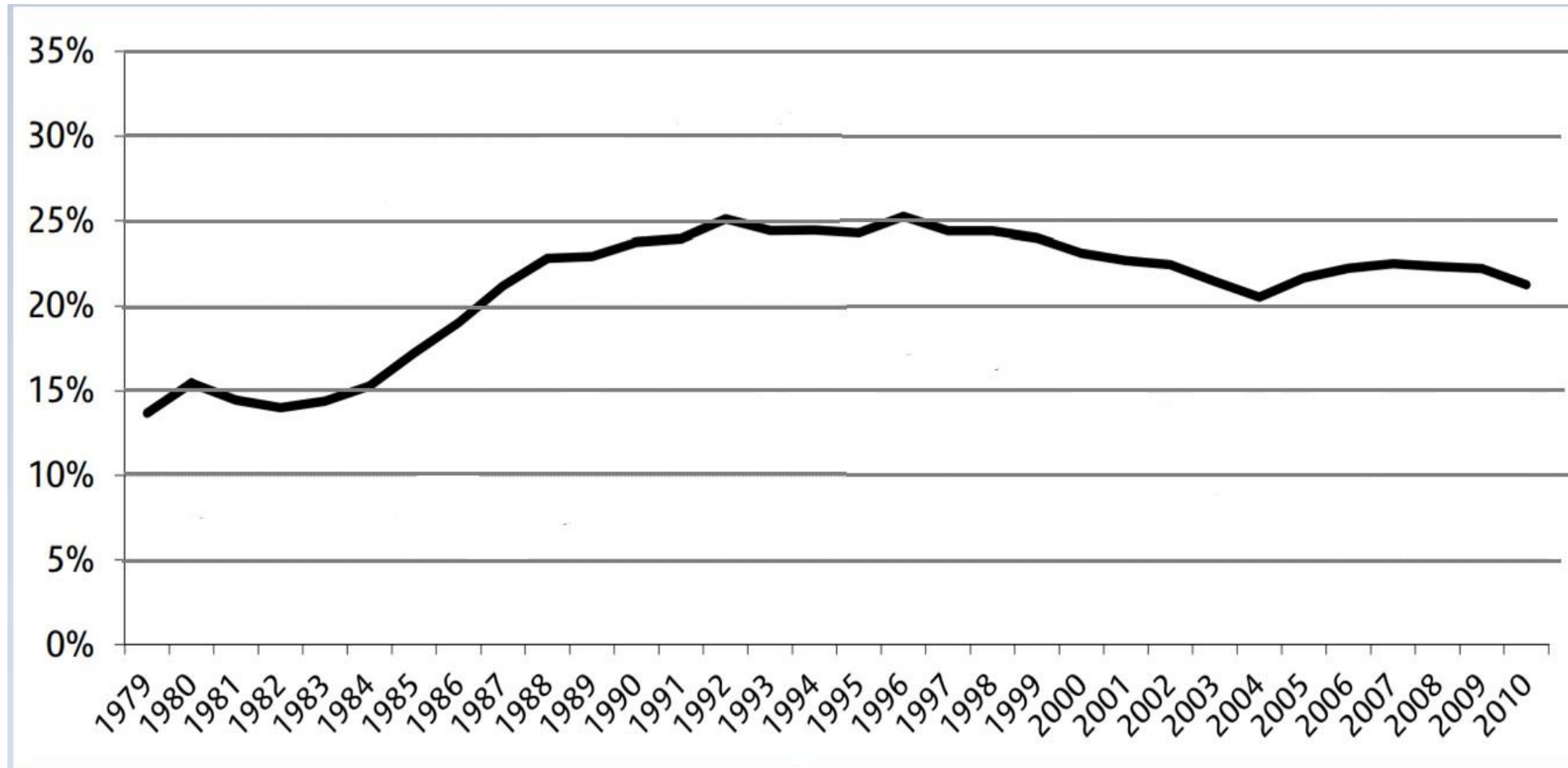


# Income is first equivalised



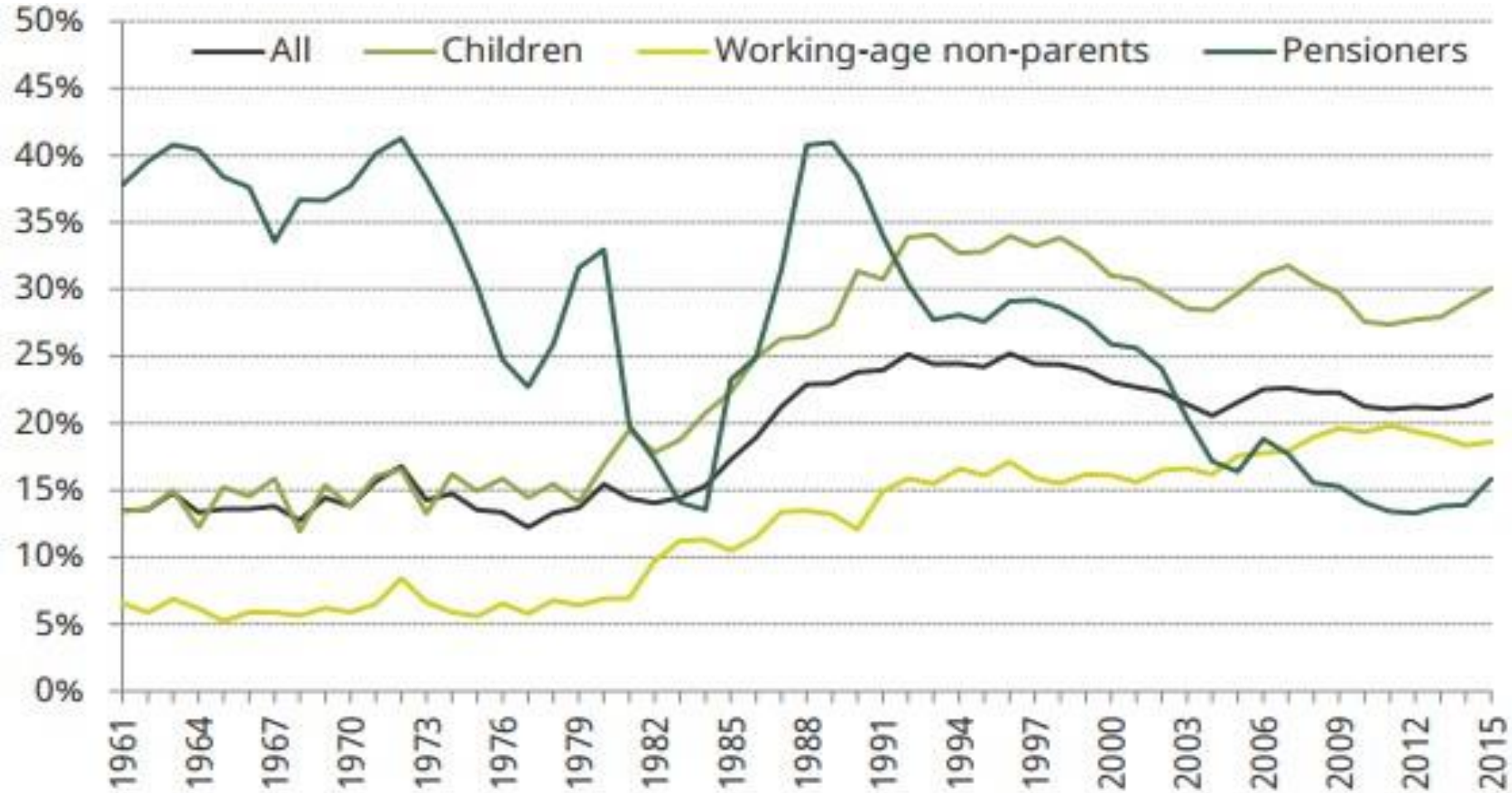
# Trends in poverty

- % of individuals in households with incomes below 60% of the median



# Trends in poverty

- % of individuals in households with incomes below 60% of the median



- Why the median and not the mean?

**Table 6.3.** *The deprivation index.*

<i>Characteristic</i>	<i>% of population</i>
1. Has not had a week's holiday away from home in last 12 months	53.6
2. <i>Adults only.</i> Has not had a relative or friend to the home for a meal or snack in the last 4 weeks	33.4
3. <i>Adults only.</i> Has not been out in the last 4 weeks to a relative or friend for a meal or snack	45.1
4. <i>Children only</i> (under 15). Has not had a friend to play or to tea in the last 4 weeks	36.3
5. <i>Children only.</i> Did not have party on last birthday	56.6
6. Has not had an afternoon or evening out for entertainment in the last two weeks	47.0
7. Does not have fresh meat (including meals out) as many as four days a week	19.3
8. Has gone through one or more days in the past fortnight without a cooked meal	7.0
9. Has not had a cooked breakfast most days of the week	67.3

# Townsend's deprivation index

10. Household does not have a refrigerator	45.1
11. Household does not usually have a Sunday joint (3 in 4 times)	25.9
12. Household does not have sole use of four amenities indoors (flush WC; sink or washbasin and cold-water tap; fixed bath or shower; and gas or electric cooker)	21.4

# Townsend's concept of poverty

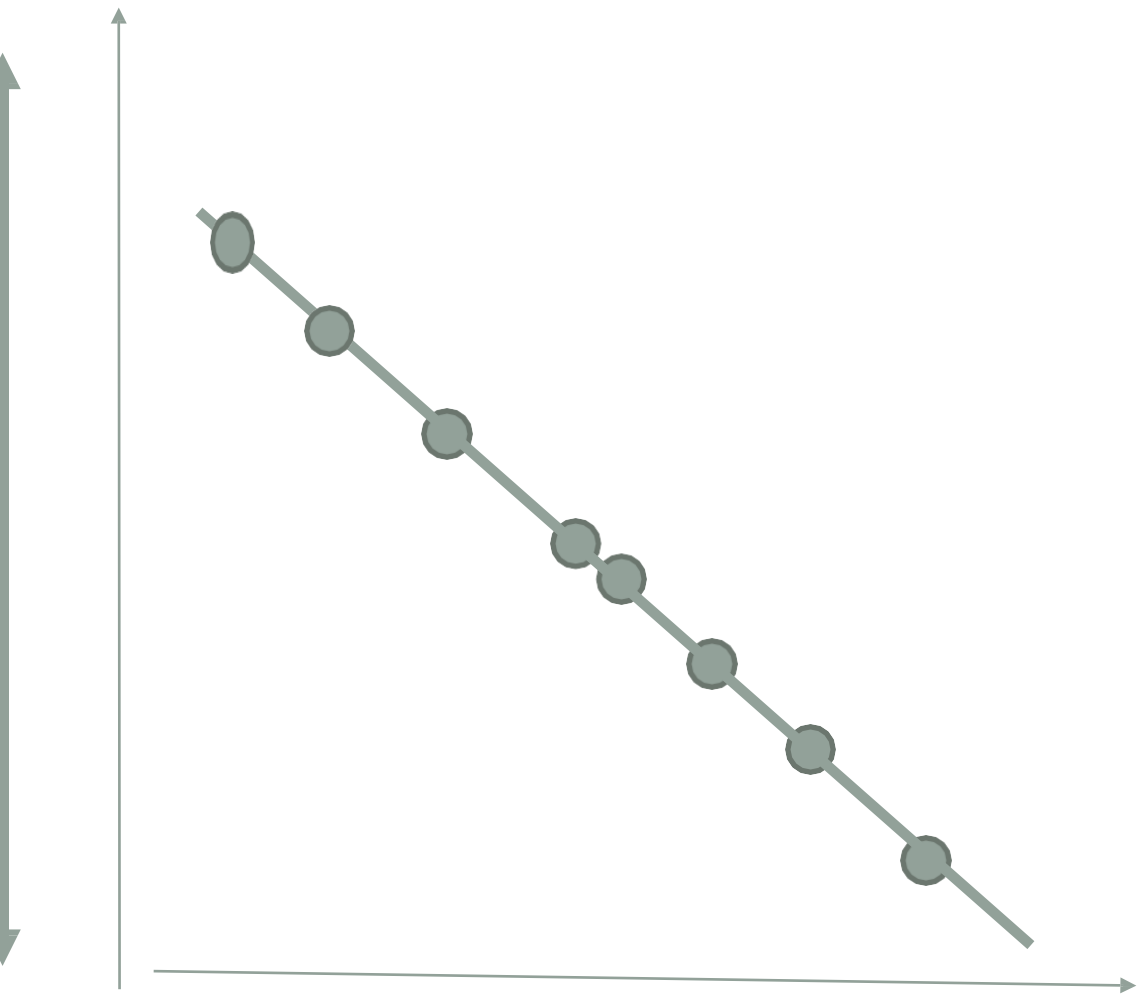
- 'Their resources are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns, customs and activities'

(Townsend, 1979).

# What is the relationship between income and deprivation?

8 i.e. a lot of deprivations

0 i.e. No Deprivations



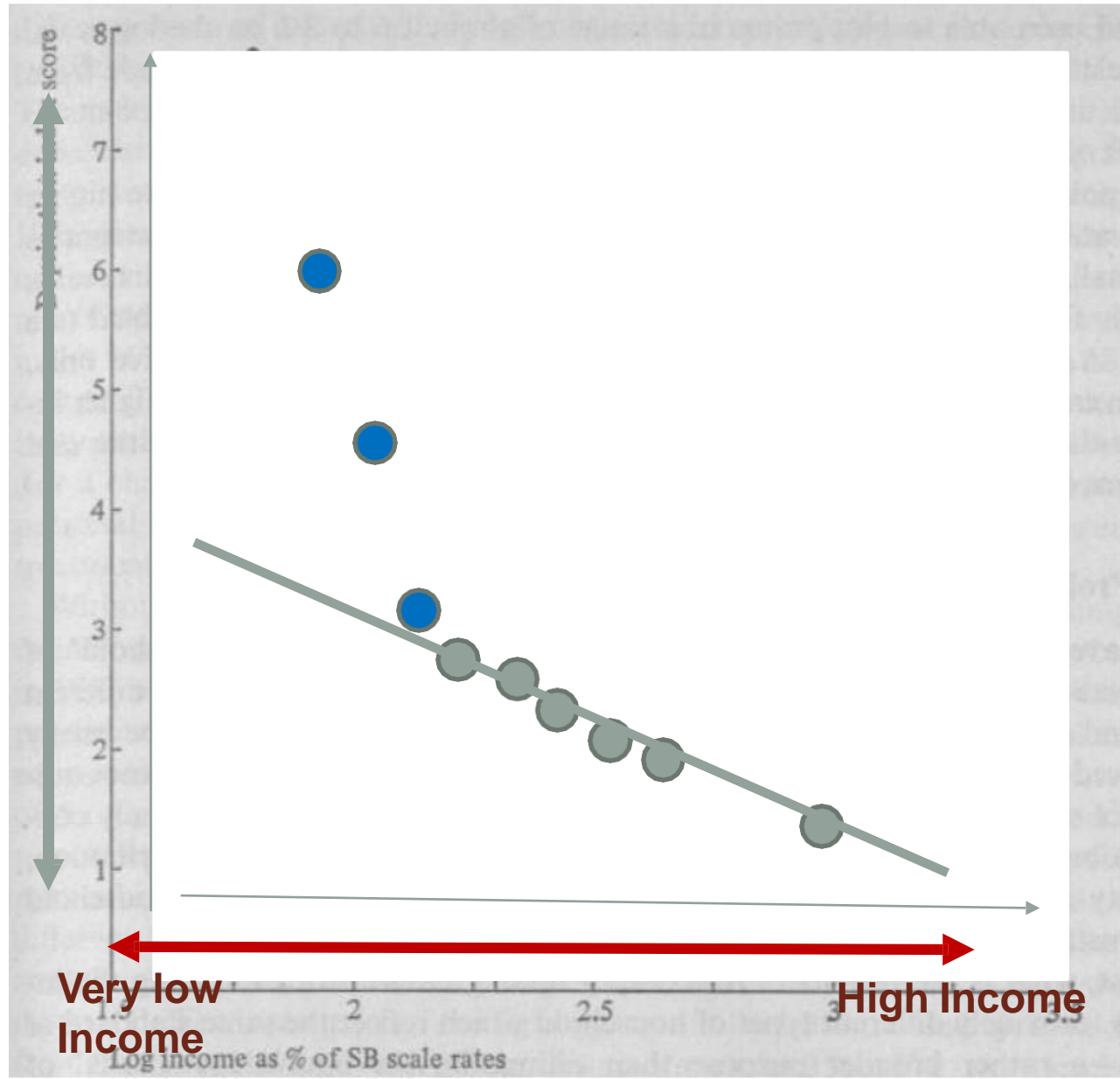
**Very low  
Income**

**High Income**

# Townsend's poverty threshold

8 i.e. a lot of deprivations

0 i.e. No Deprivations





# Townsend's poverty threshold

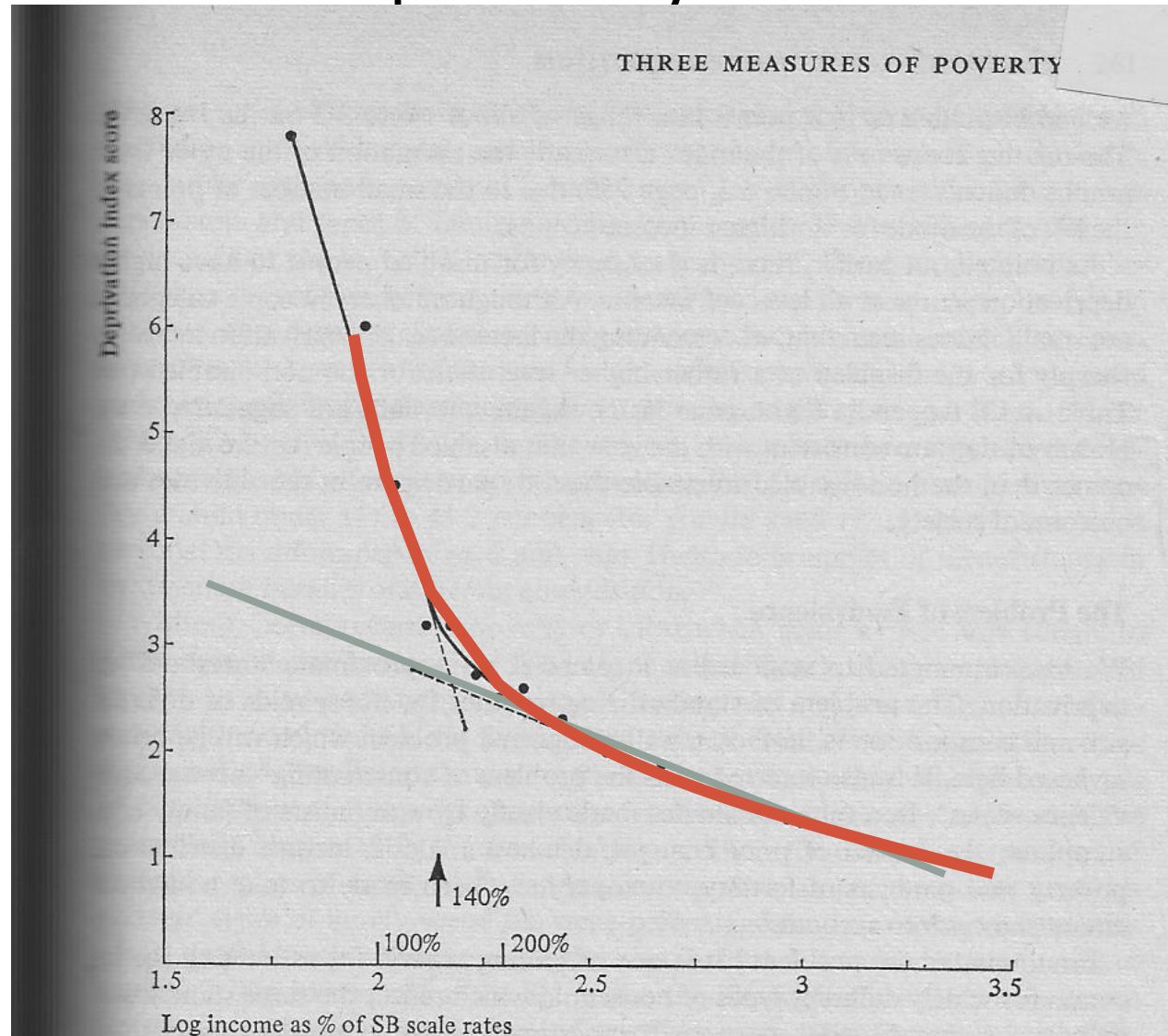
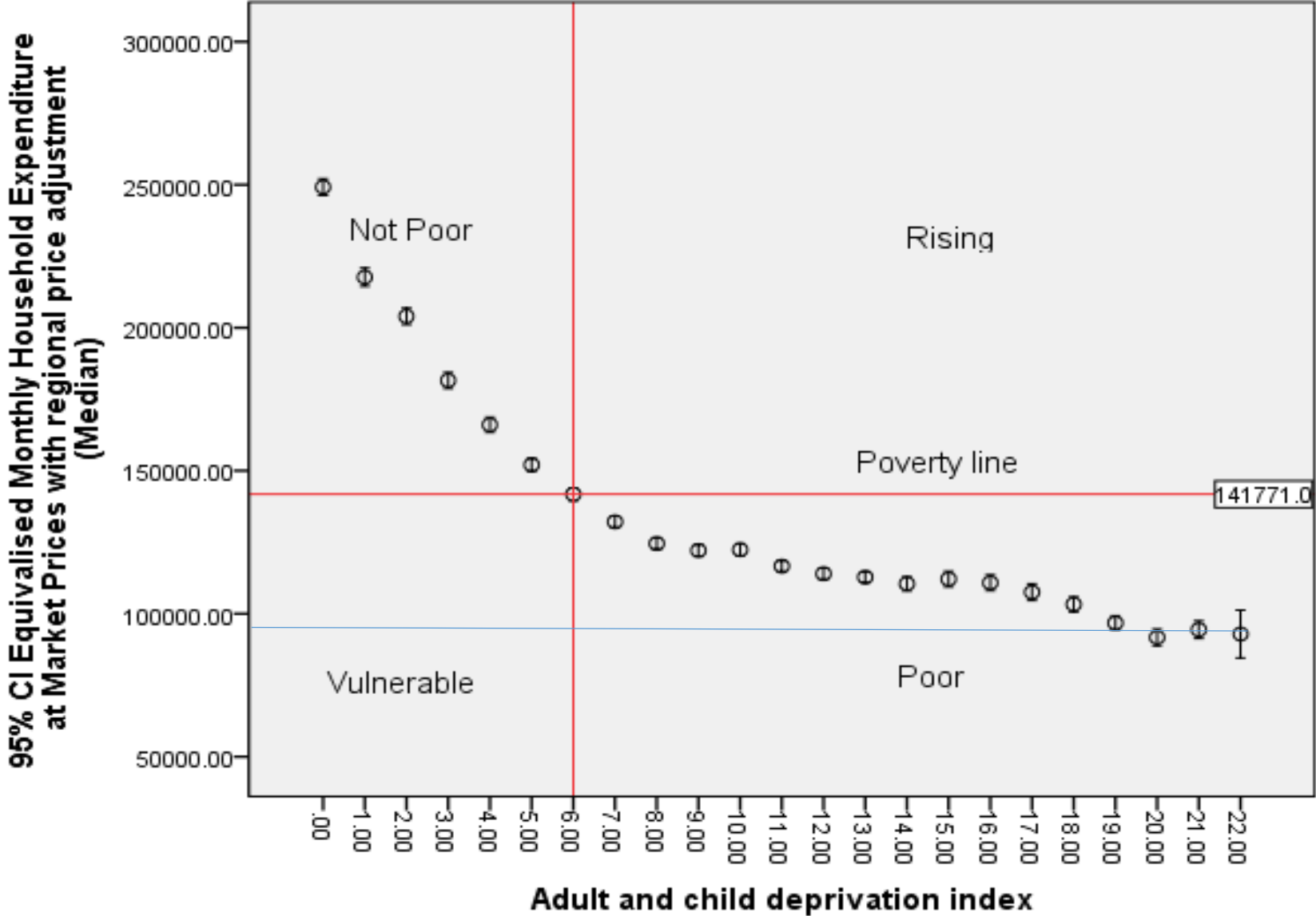


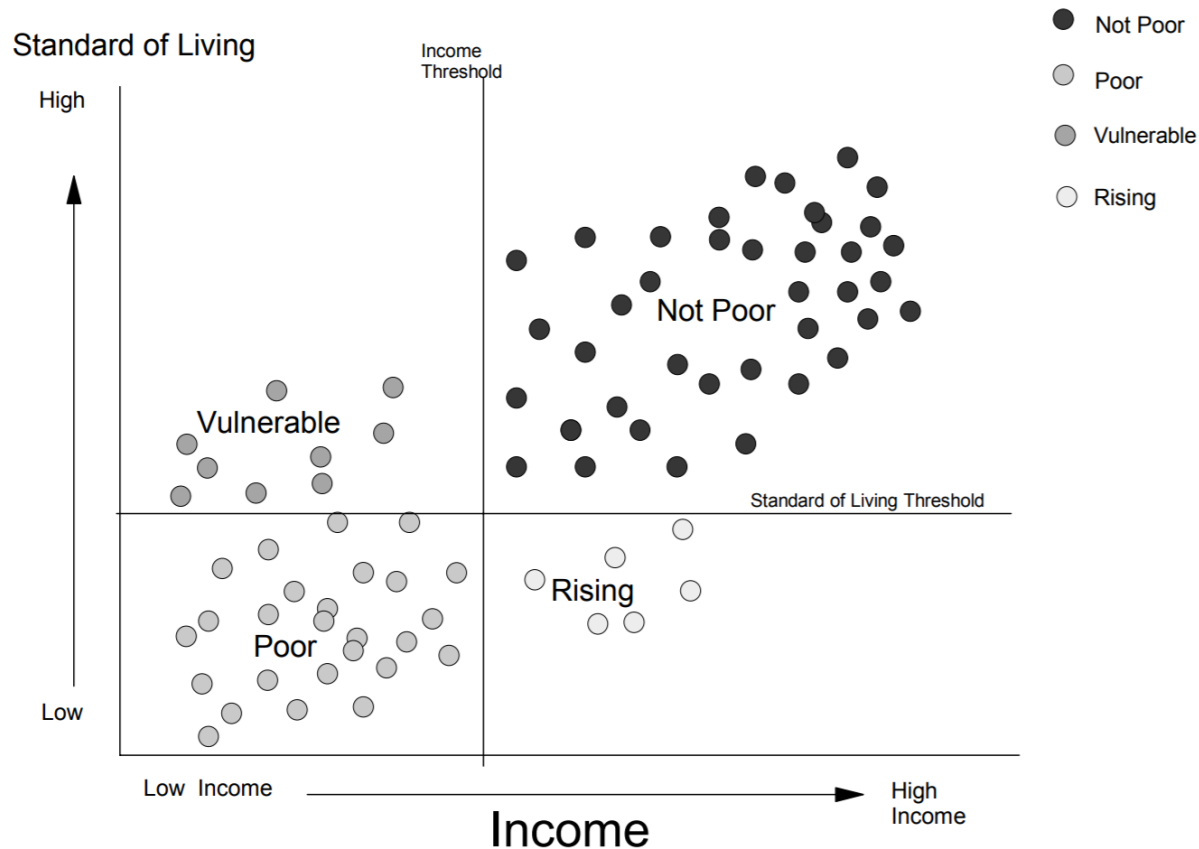
Figure 6.4. Modal deprivation by logarithm of income as a percentage of supplementary benefit scale rates.

# Finding the poverty line



Cases weighted by Sample adjusted for age and sex, weighted down to original sample size

# Finding the poverty line



Rio Group's Compendium of best practices in poverty measurement, 2006, p. 132

[https://ww2.ibge.gov.br/poverty/pdf/rio\\_group\\_compendium.pdf](https://ww2.ibge.gov.br/poverty/pdf/rio_group_compendium.pdf)

# The mismatch (Bradshaw and Finch, 2003)

- Different measures (direct, indirect, subjective) identify different people
- Transitions
- 'False consciousness'
- Individual vs Household

# Conclusions

- The different conceptual traditions translate into distinctive approaches to measuring poverty
- These different measures of poverty often produce quite different results
  - Identifying different households as being poor
  - Identifying different countries as being rich/poor
- Forces us to take seriously the choices involved in measuring poverty