

**CONSULTATION ON CHILD POVERTY MEASUREMENT**

PSE policy response working paper, No. 8

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**Introduction**

This consultation document<sup>2</sup> is of very poor quality. It surely cannot have been written by a civil servant?

Why is it so bad?

- It fails to acknowledge what has gone before. The measurement of (child) poverty has a long history (briefly reviewed below). DWP and its predecessors have played an important part in this history and that contribution is completely ignored in this document.
- There is also an admirable history of engagement between academics and government over the measurement of child poverty dating from the mid 1960s:
  - The origins of the *Low Income Statistics* is ignored;
  - There is not even a single footnote on the extensive consultation by DWP that resulted in the developments of the *Households below Average Income* (HBAI) indicators in the 1980s;
  - Nor on social exclusion after 1997<sup>3</sup>; and
  - Again in the 2000s in relation to the child poverty targets.
  - The *Opportunity for All* series might never have happened and
  - The work that the Cabinet Office did on multidimensional indicators of social exclusion<sup>4</sup> is ignored.
- The current government may deliberately want to ignore the academic work on the subject and also the work of previous governments. But the document also ignores the work of **this** government. So for example
  - the ideas in the *Child Poverty Strategy*<sup>5</sup> for adding indicators to the child poverty targets are completely ignored.
  - So are those in the Frank Field review<sup>6</sup> and responses to it<sup>7</sup>.
  - So are the outcomes for children and young people in the NHS Outcomes Framework<sup>8</sup>.
  - So are the commitments of the UK government to the EU 2020 strategy<sup>9</sup>.

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<sup>1</sup> Poverty and Social Exclusion in the UK is a major study funded by the ESRC <http://www.poverty.ac.uk/>

<sup>2</sup> Cm 8483 (2012) *Measuring Child Poverty: A consultation on better measures of child poverty*, London: DWP

<sup>3</sup> <http://www.bris.ac.uk/poverty/downloads/keyofficialdocuments/Drivers%20of%20Social%20Exclusion.pdf>

<sup>4</sup> [http://www.bris.ac.uk/poverty/downloads/keyofficialdocuments/SEU\\_Risks\\_Families\\_and\\_Children.pdf](http://www.bris.ac.uk/poverty/downloads/keyofficialdocuments/SEU_Risks_Families_and_Children.pdf)

<sup>5</sup> <https://www.education.gov.uk/publications/eOrderingDownload/CM-8061.pdf>

<sup>6</sup> <http://www.bris.ac.uk/poverty/downloads/keyofficialdocuments/Field%20Review%20poverty-report.pdf>

<sup>7</sup> For example, the [PSE consultation response, policy response working paper No. 1](#), on “Tackling Child Poverty and Improving Life chances”

<sup>8</sup> <http://www.dh.gov.uk/health/files/2012/07/CYP-report.pdf>

<sup>9</sup> [http://www.hm-treasury.gov.uk/d/europe\\_2020\\_uk\\_draft\\_national\\_reform\\_programme2010\\_22112010.pdf](http://www.hm-treasury.gov.uk/d/europe_2020_uk_draft_national_reform_programme2010_22112010.pdf)

However the main defect with the consultation document is that it is conceptually completely inept and confused in that it fails to recognise the fundamental distinction between **measures** of poverty and the **characteristics** of poor children and the **associations** and the **consequences** of poverty.

## What is child poverty?

Child poverty is children in households lacking access to **material resources** that are understood to be necessary in a given society. In Rowntree's first study of poverty in York those resources were defined as the income necessary for "the maintenance of merely physical efficiency"<sup>10</sup>. The World Bank still espouses such a nutritionally based measure in its consumption threshold of \$2 per day per capita. Townsend defined resources more broadly "... they lack the resources to obtain the types of diet, participate in the activities and have the living conditions and amenities..."<sup>11</sup>. He operationalized this in his measure of relative deprivation which was developed further by Mack and Lansley<sup>12</sup> and then in the PSE studies<sup>13</sup> became socially perceived necessities – lacking, because you cannot afford them, items and activities defined as necessary by more than 50% of the population.

Using socially perceived necessities, also known as the "consensual method"<sup>14</sup>, firmly embeds conceptions of poverty in the framework of what is "widely accepted by the public as a meaningful representation of child poverty"<sup>15</sup> as it draws directly on the public's perception of what is necessary to live in the UK today and that which no-one should have to go without.

When Townsend, Gordon and Nandy<sup>16</sup> developed the so-called Bristol method for measuring child poverty in poor countries they introduced a **multidimensional index** consisting of seven dimensions. Lacking one dimension was defined as poverty lacking two or more was severe poverty. But all these dimension were measures of a lack of access to **resources**.

- **Severe Food Deprivation**– children whose heights and weights for their age were more than -3 standard deviations below the median of the international reference population, i.e. severe anthropometric failure (Nandy et al, 2005).
- **Severe Water Deprivation** - children who only had access to surface water (e.g. ponds, rivers or springs) for drinking or who lived in households where the nearest source of water was more than 15 minutes away.
- **Severe Deprivation of Sanitation Facilities** – children who had no access to a toilet of any kind in the vicinity of their dwelling, including communal toilets or latrines.

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<sup>10</sup> Rowntree, B. S. (2000, first published 1901) *Poverty: A study of town life*. Bristol: Policy Press

<sup>11</sup> Townsend, P. (1979) *Poverty in the United Kingdom*. London: Penguin

<sup>12</sup> Mack, J. and Lansley, S (1985) *Poor Britain*, London: George Allen and Unwin; see also

<http://www.poverty.ac.uk/pse-research/past-uk-research/breadline-britain-1983> and

<http://www.poverty.ac.uk/pse-research/past-uk-research/breadline-britain-1990>

<sup>13</sup> Gordon, D. and Pantazis, C. (eds) (1997) *Breadline Britain in the 1990s*, Aldershot: Ashgate.

Pantazis, C., Gordon, D. and Levitas, R. (2006) *Poverty and Social Exclusion in Britain*. Bristol: Policy Press;

see also <http://www.poverty.ac.uk/pse-research/past-uk-research/pse-britain-1999>

<sup>14</sup> <http://www.poverty.ac.uk/definitions-poverty/consensual-method>

<sup>15</sup> Cm 8483 (2012) *Measuring Child Poverty: A consultation on better measures of child poverty*, London: DWP

<sup>16</sup> Gordon D, Nandy S, Pantazis C, Pemberton S, and Townsend P (2003), *Child Poverty in the Developing World*, Bristol: The Policy Press.

- **Severe Health Deprivation** – children who had not been immunised against any diseases or young children who had a recent illness causing diarrhoea or acute respiratory infection (ARI) and had not received any medical advice or treatment.
- **Severe Shelter Deprivation** – children living in dwellings with five or more people per room (severe overcrowding) or with no flooring material (e.g. a mud floor).
- **Severe Education Deprivation** – children aged between 7 and 18 who had never been to school and were not currently attending school (no professional education of any kind).
- **Severe Information Deprivation** – children aged between 3 and 18 in households which do not possess a radio, television, telephone or computer.

The introduction of the concept of **social exclusion** expanded the notion. Impoverishment or exclusion from adequate income or resources was part of the concept but in the *Poverty and Social Exclusion Survey*<sup>17</sup> it also encompassed

- labour market exclusion;
- service exclusion; utilities, financial and social
- exclusion from social relations
  - *Non-participation in (3) common social activities*
  - *Isolation (no contact with family/friends daily)*
  - *Perceived lack of support (in four areas)*
  - *Disengagement*
  - *Confinement*

This understanding was further developed in the Bristol Social Exclusion Matrix and this was the framework used when the Social Exclusion Task Force in the Cabinet Office commissioned a series of studies of social exclusion over the life course<sup>18</sup>.

Another conceptual development has been child **well-being**, commonly operationalized by indicators representing different dimensions<sup>19</sup>. One of the dimensions is invariably material well-being (poverty and deprivation). Others cover health, education (attainment and participation), risk and safety, housing and the environment and subjective well-being. This has been the basis of the ONS work on child well-being<sup>20</sup>.

## A response to some arguments in the document:

We are told that “The urgent need to rethink our approach to measuring child poverty” (para 1 and repeated in para 25) is the fact that child poverty fell in 2010/11 as a result of median incomes falling. This is not a justification for ignoring more than four decades of progress with poverty measurement. Unusually in 2010/11 child poverty did fall using the relative

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<sup>17</sup> Gordon, D., Adelman, L., Ashworth, K., Bradshaw, J., Levitas, R., Middleton, S., Pantazis, C., Patsios, D., Payne, S., Townsend, P. and Williams, J. (2000) *Poverty and Social Exclusion in Britain*, Joseph Rowntree Foundation: York

<sup>18</sup> [http://www.bris.ac.uk/poverty/downloads/keyofficialdocuments/SEU\\_Risks\\_Families\\_and\\_Children.pdf](http://www.bris.ac.uk/poverty/downloads/keyofficialdocuments/SEU_Risks_Families_and_Children.pdf)

<sup>19</sup> Bradshaw, J. and Richardson, D. (2009) An index of child well-being in Europe, *J. Child Indicators Research*, 2, 3, 319

Bradshaw, J. (ed) (2011) *The well-being of children in the United Kingdom*, Third Edition, Bristol: Policy Press.

<sup>20</sup> Joloza, T (2012) Measuring National Well-being - Children's Well-being, 2012, ONS  
[http://www.ons.gov.uk/ons/dcp171766\\_283988.pdf](http://www.ons.gov.uk/ons/dcp171766_283988.pdf)

measure of 60% median measure. It is surely a good thing that the poor became less poor relative to the median? It means that they caught up a bit, are less left behind than they were. Of course their living standards did not improve and this is clearly shown using the absolute (consistent) poverty measure. Material deprivation also probably did not improve. This why in HBAI we have a portfolio of measures and do not rely on one only.

“The measures in the Child Poverty Act focus heavily on income to measure child poverty. They do not capture the full experience of growing up in poverty or the barriers to getting out of poverty” (para 20). This completely ignores the deprivation measure (given one short paragraph in the whole document). Further it ignores the extensive tables in the official publication<sup>21</sup> (HBAI) that give the rates and composition of children in poverty. It also ignores the mass of academic work on child poverty and social exclusion – including the PSE work and the large body of work on multi-dimensional indicators of social exclusion referred to above.

Para 34 sets out the case for a multi-dimensional measure in five bullet points. It says we need data on

1. numbers,
2. severity,
3. groups,
4. public acceptability and
5. robustness.

**HBAI already provides all these qualities.** In particular the deprivation measure has been tested and retested for public acceptability using the PSE socially perceived necessities methods. These deprivation measures draw directly on what the public perceive to be necessary and are an important part of current measures, yet they are almost completely ignored in the Command Paper.

“In 2012, a Money Saving Expert poll found that 62 per cent of respondents thought that having a family income below the relative poverty line does not count as poverty.” Money Saving Expert - previously called MoneySuperMarket.com - produced a crude online poll which does not explain to what size/type of family the 60% median income threshold applies. The lack of this information renders the results completely meaningless. The respondents to this online poll are also self-selecting and unlikely to be representative of the UK population. It is really deplorable to be using this as evidence in a Command Paper.

There is a strong history of rigorous academic study that has found that the public do have a conception of a minimum level of income necessary to avoid poverty and that this level changes relatively over time.<sup>22</sup> Contrary to the suggestions of the Command Paper, the public do recognise the importance of income for understanding poverty.

## A brief review of what has gone before

It was not until the late 1960s that the government began to monitor poverty and in the course

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<sup>21</sup> DWP (2012) Households below average income 2004/05-2010/11, <http://research.dwp.gov.uk/asd/hbai/hbai2011/index.php?page=contents>

<sup>22</sup> Pantazis, C., Gordon, D. and Levitas, R. (2006) *Poverty and Social Exclusion in Britain*. Bristol: Policy Press.

of that establish what could be taken to be a first official definition of it. Prior to that administrative statistics on social assistance provided the only formal data on low incomes. It was Abel Smith and Townsend's study the *Poor and the Poorest* published in 1965<sup>23</sup> that started the ball rolling. They used Family Expenditure Survey data and applied a poverty threshold based on the then National Assistance Board scale rates. This was effectively the 'rediscovery of poverty' study. In response the government then launched two studies into the circumstances of families<sup>24</sup> and retirement pensioners<sup>25</sup> that used the same thresholds and confirmed Abel Smith and Townsend's findings. These studies were followed up by the *Low Income Statistics* series published annually between 1974 and 1985 based on the analysis of Family Expenditure Survey data and using the Supplementary Benefit scales plus 20% as a poverty threshold.

This series was abandoned by the Thatcher Government in 1985 on the, not unreasonable, grounds that when Supplementary Benefit was increased it increased the numbers defined as poor. It was replaced by the Households below Average Income series which was first published by DWP in 1988 covering the period 1981-1985. The switch in series resulted in a considerable discussion and research, including hearings by the Social Services Select Committee<sup>26</sup>. The poverty threshold first adopted in HBAI was initially 50% of the mean. This was eventually changed to 60% of the median and over time there were many changes to the way the data was presented, including changing the equivalence scale.

Following the Blair commitment in 1999 to eradicate child poverty discussion began about how it should be monitored. The DWP began the *Opportunity for All*<sup>27</sup> series which included the HBAI poverty indicators as well as indicators of health, education, housing, and social care covering children and young people, older people and communities. This was dropped after 2007 on the grounds that the government were reporting the same data to the European Union in the National Action Plans for Social Inclusion<sup>28</sup>.

In April 2002 the government launched a consultation on the best way to measure child poverty<sup>29</sup>. Four options were considered

- option1 – using a small number of headline indicators, such as low income, worklessness, educational attainment;

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<sup>23</sup> Abel Smith, B. and Townsend, P. (1965) *The poor and the poorest*, London: Bell.

<sup>24</sup> Department of Social Security (1966) *Circumstances of Families*, London: HMSO.

<sup>25</sup> Ministry of Pensions and National Insurance (1967) *Financial Circumstances of Retirement pensioners*, London: HMSO

<sup>26</sup> DHSS (1988), "Low Income Statistics: Report of a Technical Review".

DSS (1990a), "Households Below Average Income 1981 — 1987: A Statistical Analysis".

DSS (1990b), *The Measurement of Living Standards for Households Below Average Income*, Cm 1162, London: HMSO.

Johnson, P. and Webb, S. (1989), "Counting people on low incomes: the effect of recent changes in official statistics", *Fiscal Studies*, vol. 10, no. 4.

Social Services Committee (1990), *Low Income Statistics*, Fourth Report 1989 — 90.

<sup>27</sup> DWP (2007) Opportunity for all,

<http://www.bris.ac.uk/poverty/downloads/keyofficialdocuments/Opportunity%20for%20All%202007.pdf>

<sup>28</sup> But which were in their turn dropped by the EU.

<sup>29</sup>

<http://www.bris.ac.uk/poverty/downloads/keyofficialdocuments/Measuring%20child%20poverty%20DWP%202003.pdf>

<http://www.bris.ac.uk/poverty/downloads/keyofficialdocuments/Measuring%20child%20poverty%20consultation%20DWP.pdf>

- option 2 – amalgamating the indicators in the first option into an index to produce a single figure to track progress;
- option 3 – using a headline measure of ‘consistent poverty’ that combines measures of low income and material deprivation; and
- option 4 – a tiered approach, using a core set of indicators of low income and ‘consistent poverty’.

In *Measuring Child Poverty*<sup>30</sup> the DWP (advised by a distinguished academic panel) concluded “that income needs to be central to any poverty measurement, but also that income alone does not provide a wide enough measure of poverty. There was a lot of support for approaches that incorporate some measure of material deprivation. There was also wide support for the indicators included in *Opportunity for all* and for their continued use alongside whichever overall measure is adopted. There was generally strong support for a tiered approach, and very little support for a child poverty index”.

The report settled for absolute low income, relative low income and low income and deprivation combined.

These were developed into the Child Poverty Act targets:

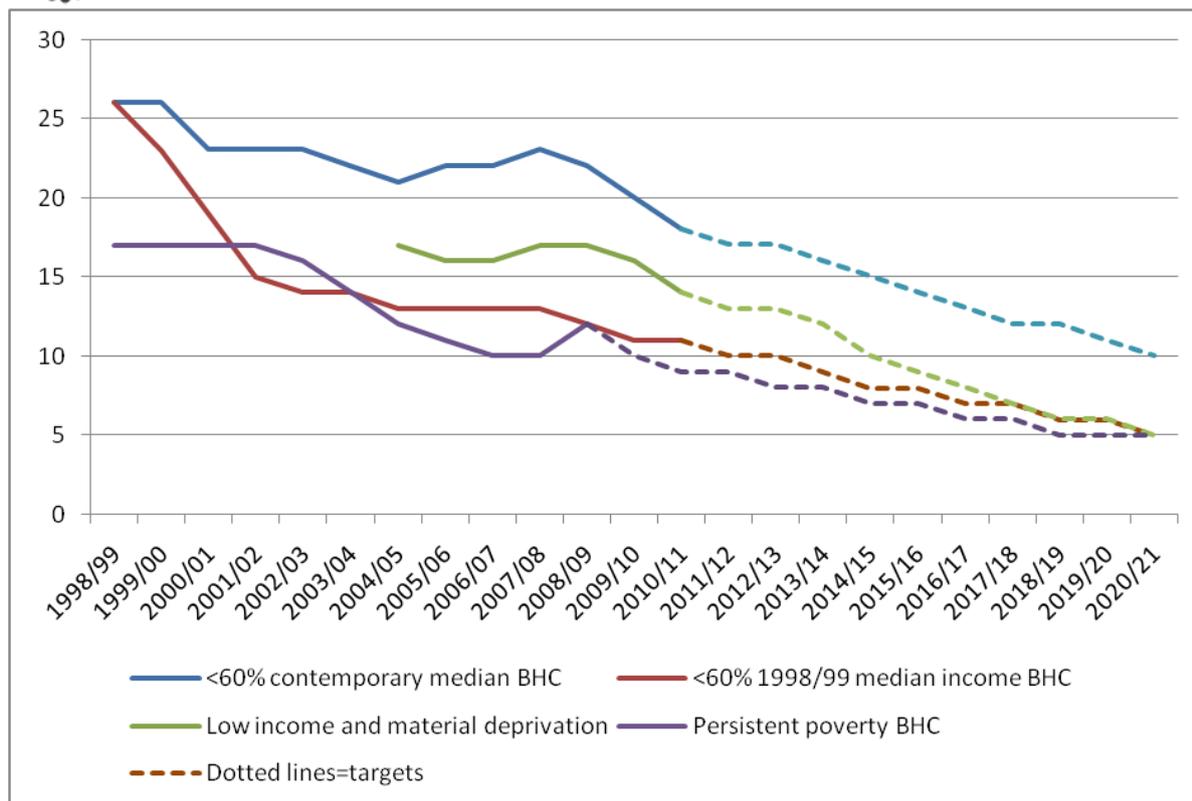
- **Relative low income:** proportion of children living in households where income is less than 60% of median household income before housing costs for the financial year. Target: less than 10% by 2020-21.
- **Absolute low income:** proportion of children living in households where income is less than 60% of median household income before housing costs in 2010-11 adjusted for prices. Target: less than 5% by 2020-21.
- **Low income and material deprivation:** proportion of children who experience material deprivation and live in households where income is less than 70% of median household income before housing costs for the financial year. Target: less than 5% by 2020-21.
- **Persistent poverty** - proportion of children living in households where income is less than 60% of median household income before housing costs for the financial year in at least 3 out of the previous 4 years. The target was to be defined in regulations by 2015.

Figure 1 shows trends in child poverty using these measures. The dotted lines are an indication of what needs to happen to meet the target.

## Figure 1: Trends in Child poverty

<sup>30</sup> <http://www.dwp.gov.uk/docs/final-conclusions.pdf>

<http://www.bris.ac.uk/poverty/downloads/keyofficialdocuments/Measuring%20child%20poverty%20DWP%202003.pdf>



In 2009/10 the government published a new severe income and deprivation measure (income less than 50% of the median and deprived).

In the UK National Reform Programme 2011, the government identified the Child Poverty Act targets as the vehicles through which it would contribute to the EU headline poverty and social exclusion<sup>31</sup> target. In the 2012 NRP it did not nominate any vehicle, and in general did not align its objectives with the Europe 2020 targets (though the devolved administrations did to a greater extent).

Then when it published its Child Poverty Strategy<sup>32</sup> in April 2011 it published an annex of Child Poverty Strategy Indicators 2011-2014 which as well as the child poverty targets and the new severe income a deprivation measure included a indicators of children in workless households and in work poverty, 18-24 NEETs, low birth weight, child readiness for school, educational attainment, teenage conceptions and young offending rates.

All this is ignored in the consultation paper which instead proposes a multidimensional index **as if nothing has gone before.**

Turning now to the questions.

<sup>31</sup> ‘Promoting social inclusion, in particular through the reduction of poverty, by aiming to lift at least 20 million people out of the risk of poverty and exclusion.’ The population is defined as the number of persons at risk of poverty and exclusion according to 3 indicators (at risk of poverty; material deprivation; household with low work intensity), leaving Member States free to set their national targets on the basis of the most appropriate indicators, taking into account their national circumstances and priorities.

<sup>32</sup> <https://www.education.gov.uk/publications/eOrderingDownload/CM-8061.pdf>

## **Q1: Are there other dimensions we should consider for inclusion in a multidimensional measure of child poverty?**

**Child poverty gaps:** There is a case for measuring child poverty gaps. This is a measure of how far the incomes of households in poverty are below the poverty threshold. This was considered by the 2003 consultation on child poverty but rejected for largely (spurious) technical reasons. Child poverty gaps data for the UK is published successfully by Eurostat using the EU SILC survey and, interestingly, the UK does relatively better on gaps than it does on rates. Gaps may be increasing or reducing at a time when rates are static and it is important to know whether this is the case. Gaps also feature in the approach to fuel poverty recommended by John Hills in his recent review<sup>33</sup>.

The consultation document is correct to note that a measure of income cannot, on its own, capture the full experience of poverty. However, the *experience* of poverty requires a qualitative approach<sup>34</sup>; as demonstrated by the use of quotes and vignettes presented in the consultation document itself. A quantitative *measure* of poverty should focus on capturing the scale and depth of poverty.

It is absolutely the case that any government measure needs to be recognised by the public; the government should adopt the most robust and ‘fit for purpose’ measure and then ensure that the general public is educated as to its value.

### **Dimension 1: Income and material deprivation**

## **Q2: How should we measure income as a dimension in a future multidimensional measure of child poverty? How important are relative and absolute income?**

In the child poverty measures we already have two multidimensional measures of poverty that include income and deprivation:

- <70% median and deprived
- <50% median and deprived

There is a strong case for continuing to use overlaps measure of poverty and deprivation. There are households who are income poor but not deprived – because current income does not capture their command over resources (from savings, gifts, borrowing, assets). There are households who are not income poor but nevertheless deprived – again because current income does not capture their command over resources (impact of debts or high expenses) or through choice.

Both the relative and absolute (consistent) income measures are useful in their own ways. One is related to current incomes and the other is related to income fixed at a point in time. The advantage of the relative measure is that it does not need to be changed. The consistent measure has been rebased every five years or so.

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<sup>33</sup> <http://www.decc.gov.uk/assets/decc/11/funding-support/fuel-poverty/4662-getting-measure-fuel-pov-final-hills-rpt.pdf>

<sup>34</sup> For example Ridge, T. (2002) *Child poverty and social exclusion*. Bristol: Policy Press.

David Laws's foreword refers to the continuing importance of lack of a decent income always remaining at the heart of poverty but this is not at all clear in the document and there is no discussion of the word 'decent' anywhere in the document. So the whole issue of adequacy explored in the Minimum Income Standards research is ignored. If you don't want to measure poverty using a relative measure then what measure of income adequate for decent living do you want? We should surely aim at one that avoids socially perceived deprivation.

### **Q3: How does the ownership of assets such as a house affect our understanding of poverty?**

The significance of owner occupier housing assets is one key reason why we use both the BHC and AHC measures ('Before' and 'After Housing Costs'). These different measures change the rate and composition of child poverty. Both are useful.

Owner occupiers who own outright or whose mortgage is relatively small in today's values will have low housing outgoings and so their AHC income will be higher, for a given BHC income. With a majority (two-thirds) of pensioners now owner occupiers, this has a major effect in reducing pensioner poverty in UK today. However, some owner occupiers may have substantial mortgage outgoings which they find difficult to meet, because of high house prices in a region or particular time period, high interest rates, or the size and type of house purchased. This situation of financial stress, and potentially mounting indebtedness, is often triggered by a change of circumstances (e.g. illness, job loss) after the initial purchase, and may be compounded by difficulties selling a house in a slack market. It may also arise from imprudent borrowing and lending decisions, including secondary lending. The AHC measure captures this problem as well, although there are supplementary indicators relating to mortgage arrears and repossessions.

The problem of poverty AHC but not BHC may be labelled a problem of 'housing affordability'. It is most prevalent in the private rented market, which has greatly expanded, but can occur in owner occupation as noted. Hitherto, social rented sector rents have been well below market levels, so that social tenants get some benefit in terms of AHC income relative to private tenants. However, current government policy in England is encouraging higher levels of social sector rents.

The AHC income measure does not fully measure the effect of home ownership assets on standards of living, or the longer term potential living standards, of households. If a household lives in bigger/better/more valuable house, then they get more benefits from that (income in kind) and they accumulate more wealth for the future, including the ability to borrow on favourable terms against the asset value. Measures of 'housing income' proposed by Stephens<sup>35</sup> would reflect this effect and the tenure differences referred to above. It should also be noted that the real incomes and asset values of owner occupied housing are systematically under-taxed in the UK (no wealth tax; no tax in imputed rental income; no tax on capital gains on principal residence; non-proportional Council Tax with low maximum band).

### **Q4: How can an income dimension in a multidimensional measure of child poverty avoid the drawbacks associated with a simple income threshold?**

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<sup>35</sup> Stephens, M and van Steen, G (2011) Housing Poverty and Income Poverty in England and the Netherlands, *Housing Studies*, 26(7-8), pp. 1035-1057

HBAI does not use a “simple income threshold”. It presents poverty risks and composition using a variety of thresholds. All poverty measures need a threshold. For every one of your proposed dimensions you will need to define a threshold – simple or otherwise.

## Dimension 2: Worklessness

Worklessness is not a measure of poverty. It is a characteristic of many (but far from all) households with children in poverty or a factor associated with child poverty. But it is not a very good one.

### Q5: How important is worklessness as a dimension in a future multidimensional measure of child poverty?

Being in a workless household is associated with higher risks of being in poverty. However, a majority of children in poverty live in a household where at least one adult is in work and this proportion has been rising sharply over the last ten years (HBAI series). Defining poverty in terms of worklessness therefore makes no sense.

Conceptually, worklessness is a factor which increases the risks of being in poverty but it is not the same as being in poverty. Very rich households may be ‘workless’ because they have no need to work, for example. The level of worklessness may be a useful background or contextual measure but it should not be part of a measure of child poverty. That should focus on resources and on consumption (deprivation).

Even for a background measure, the simple category of worklessness is not sufficient. Moving out of the ‘workless’ category is clearly not enough to remove risks of poverty. Simply comparing the risks of being in poverty for ‘workless’ and ‘working’ households is extremely misleading. The latter group includes people who have completely different economic characteristics (skills and work experience). The useful comparison is between people in ‘workless’ households and those with similar skills/experience who are in work. That kind of comparison would show that risks of being in poverty do not diminish by nearly as much with a move from ‘workless’ to ‘working’. The focus of the measure therefore needs to be not just on quantity of work (workless/working) but also on quality, particularly in terms of pay and hours or conditions of work.

One useful indicator on pay would be the proportion of children in ‘low pay’ households. This could be measured in terms of *proportion of children in households earning below the ‘Living Wage’*, for example. One of the benefits of the Living Wage is that it enables households to earn a reasonable income without having to work excessive hours, helping parents to balance work and family pressures.

For parents, requirements to work irregular or anti-social hours may be particularly difficult to reconcile with the demands on them as parents. A further useful indicator would be *proportions of children in households where parents work irregular or anti-social hours (very early starts, evening, nights or weekend working)*.

### Q6: How should worklessness be measured?

You might consider adopting the EU SILC measure of work intensity which is a percentage of the months employed in the previous year by all adults in the household. Other aspects of work should be captured as noted in Q5.

**Q7: Does the length of time for which a household is workless matter for measurement?**

Probably (see analysis of MCS<sup>36</sup>) as also probably do the number of episodes. Very difficult to measure. Risks of poverty are likely to rise with length of time that a household has been without work. The EU measure captures work intensity over a 12 month period, so already provides more than a snap-shot. Analysis of the PSE survey should demonstrate whether risks of poverty increase significantly when worklessness extends beyond this time.

**Dimension 3: Unmanageable debt**

Broadly, unmanageable debt is one possible outcome of child [family] poverty, not a direct measure of child poverty. Problem debt is often a product of poverty, because households have to make unpalatable choices about which deprivations to suffer, and running up debt may seem less unpalatable than seeing children go without food, clothes etc. Such debt often also results from unforeseen changes of circumstances (illness, job loss, relationship breakdown) or from adverse circumstances (e.g. illness, joblessness) persisting for longer than expected. Problem debt is compounded by the limited credit options available to poor and credit-impaired households, including doorstep and illegal lenders charging usurious interest rates. While some debts may reflect unwise decisions by households, these may be compounded by the irresponsible practices of un- or under-regulated lenders.

What ultimately matters is whether the child [family] is deprived and a deprivation index does that job better than debt being a dimension in your new index. However, it may be worth adding more debt/financial stress indicators alongside the deprivation measures as part of a wider indicator of subjective poverty, as in EU SILC use of ‘difficulties making ends meet’.

**Q8: How important is unmanageable debt as a dimension in a future multidimensional measure of child poverty?**

It is a possible outcome of child poverty not a measure of child poverty. What matters is whether the child is deprived and a deprivation index does that job better than debt being a dimension in your new index.

**Q9: What aspects of unmanageable debt should we be most concerned about capturing?**

Probably the bits that are most difficult to measure! – doorstep and illegal lending. In principle, this phenomenon may be expected to be associated with transitions into poverty and in some instances deep poverty gaps (people whose disposable income is significantly less even than benefit rates).]

**Dimension 4: Poor housing**

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<sup>36</sup> Bradshaw, J. and Holmes, J. (2010) Child Poverty in the first five years of life in Hansen, K., Joshi, H. and Dex, S. (eds) *Children in the 21<sup>st</sup> Century: The first five years*, The UK Millennium Cohort Series 2, Bristol: The Policy Press 13-32

Poor housing is not a direct measure of child poverty. Children in poverty may live in poor housing - damp, cold, overcrowded housing or be homeless. But many poor children do not. Indeed in UK housing has been arguably the saving grace of our welfare state – the one element that mitigates poverty, mainly through the role of public/social housing<sup>37</sup> (the gradual shift towards a more market based system combined with the restrictions in housing benefits/allowances could change this).

Some of the most basic elements of decent housing are regarded as necessities by nearly all adults in Britain (e.g. 94-95% in case of ‘heating to living areas’ and ‘damp-free home’, based on PSE 1999<sup>38</sup>). Some of the characteristics of poor housing are picked up in the HBAI deprivation index (‘decent state of repair’; ‘warm enough’; ‘enough bedrooms’; ‘outdoor space for children to play’). This suggests that use of the material deprivation index alongside low income poverty is necessary in order to capture families experiencing housing deprivations.

Also, housing indicators have been explored in the analysis of poverty across Europe using SILC data. These show that poverty and housing affordability pressures are associated with greater levels of material deprivation and financial stress, although there is not the same relationship with housing need measures. At a comparative level overcrowding is not a good indicator of poverty because in the newer EU countries the majority of poor children live in rural areas with less overcrowded households. Conversely, crowding, sharing and affordability problems with housing may be most concentrated in the major cities, where economic opportunities are greater – London being the obvious UK example<sup>39</sup>.

## **Q10: How important is poor housing as a dimension in a future multidimensional measure of child poverty?**

Again poor housing is associated with poverty, but it is not a measure of child poverty as such. Poor housing represents forms of deprivation which can impact adversely on child development and wellbeing, including health and educational achievement, and as such deserves a place in wider material deprivation measures to complement income-based measures of poverty. To the extent that poor housing is less correlated with poverty than some other material deprivations (as suggested above, particularly for Britain), there is a stronger case for explicitly including it in any wider measure of material deprivation.

## **Q11: What aspect of poor housing should be captured in a measure?**

Poor housing encompasses overcrowding, homelessness (or vulnerability to homelessness - see a census based indicator of this in the housing domain of the child well-being index<sup>40</sup>), and poor physical conditions including damp, cold, disrepair and lack of facilities. In UK these are reasonably well defined in law or policy (e.g. ‘bedroom standard’; Homelessness

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<sup>37</sup> Bradshaw, J., Chzhen, Y, and Stephens, M. (2008) Housing; the saving grace in the British welfare state? In Fitzpatrick, S and Stephens, M. (eds) *The future of social housing*, London: Shelter pps 7-25

<sup>38</sup> Pantazis, C., Gordon, D. & Townsend, P. (2006) ‘The necessities of life’, in C. Pantazis, D. Gordon & R. Levitas (eds) *Poverty and Social Exclusion in Britain: the millennium survey*. Bristol: Policy Press.

<sup>39</sup> Bramley, G., Pawson, H., White, M., & Watkins, D. *Estimating Housing Need*. London: Department of Communities and Local Government.

<http://www.communities.gov.uk/publications/housing/estimatinghousingneed> or

<http://www.sbe.hw.ac.uk/ResearchandBusiness/Housing%20and%20Urban%20Society/downloads.htm>

<sup>40</sup> Bradshaw J, Noble M, Bloor K, Huby M, McLennan D, Rhodes D, Sinclair I, Wilkinson K. (2009) A Child Well-Being Index at Small Area Level in England, *J. Child Indicators Research* 2, 2, 201-219

Also <http://www.communities.gov.uk/publications/communities/childwellbeing2009>

legislation; Decent Homes standard/SHQS) although some of these standards might be argued to be aspirational (e.g. DH). Housing needs or deprivations could also be argued to include involuntary sharing of dwellings or living as concealed household within existing households by families or older single adults, as well as problems of affordability<sup>41</sup>.

Fuel and water poverty could be measured – see recent review of Fuel Poverty by Hills. However, note that fuel poverty measures require a standardised measure of the energy efficiency of the dwelling, based on technical checklist and inspection, which is not available in general surveys like FRS or EU-SILC. This makes it more difficult to analyse in terms of individual household-level correlation of deprivations, although values could be imputed indirectly across into the FRS for this purpose using proxy indicators. Similar measurement issues apply to homelessness, because mainstream surveys like FRS are based on the private household population.

## **Q12: How can we consider the impact of where children grow up when measuring child poverty?**

The characteristics of a neighbourhood may affect the quality of life, wellbeing and development of children, although the extent of these effects is debated in the so-called ‘area effects’ literature<sup>42</sup>. It is reasonable to argue that these conditions do affect the immediate quality of life or standard of living, broadly defined, although there may be offsetting benefits in some cases (e.g. rural areas have poor access to services but a better natural environment with more space for play and recreation; urban areas have the opposite characteristics). There is also some evidence that some neighbourhood characteristics may affect certain key outcomes, for example educational achievement (particularly, concentrated poverty if reflected in neighbourhood schools, is likely to have this effect)<sup>43</sup>.

It is possible to measure environmental quality, accessibility to services, and safety at a spatial small area level, and these small area characteristics can be linked to micro data. This is being done in the PSE survey and is done in other government surveys to a limited extent

<sup>41</sup> (Bramley, G, Pawson, H., White, M., & Watkins, D. (2010) *Estimating Housing Need*. London: Department of Communities and Local Government.

<http://www.communities.gov.uk/publications/housing/estimatinghousingneed> or

<http://www.sbe.hw.ac.uk/ResearchandBusiness/Housing%20and%20Urban%20Society/downloads.htm>;

Bramley, G. Bramley, G. (2011) ‘Affordability, Poverty and Housing Need: Triangulating Measures and Standards’ *Journal of Housing & the Built Environment*, Fitzpatrick, S., Pawson, H., Bramley, G., & Wilcox, S. (2012) *The Homeless Monitor* <http://www.crisis.org.uk/research.php?fullitem=375> (chapter 5).

<sup>42</sup> For recent reviews of area effects studies see [Bond, Lyndal, Sautkina, Elena, and Kearns, Ade](#) (2011) *Mixed messages about mixed tenure: do reviews tell the real story?* *Housing Studies*, 26 (1). pp. 69-94.

ISSN 1466-1810 (doi: [10.1080/02673037.2010.512752](https://doi.org/10.1080/02673037.2010.512752)); Tunstall, R (2011) ‘Mixed communities and urban policy: reflections from the UK’ chapter 3 in eds. Bridge, G; Butler, T and Lees, L *Mixed Communities: Gentrification by Stealth?* Bristol: Policy Press; Lupton, R.(2007?) *Poverty Street*, Bristol: Policy Press

<sup>43</sup> See for example Bramley, G., Watkins, D. & Karley, N.K. (2011) ‘An outcome-based resource allocation model for local education services in Wales’, *Environment & Planning C: Government and Policy*. 29:8; 848-871; Burgess, S., Gardiner, K. & Propper, C. (2001) *Growing Up: school, family and area influences on adolescents’ later life chances*. CASE Paper 49, London School of Economics; Lupton, R (2004) ‘*Schools in Disadvantaged Areas: Recognising context and raising quality*’. CASE Paper 76, ESRC research Centre Report: London; Hobcraft, J. (2002) ‘Social exclusion and the generations’, in J. Hills, J. Le Grand & D. Piachaud (eds) *Understanding Social Exclusion*, Oxford, Oxford University Press..

(e.g. BHPS/Understanding Society). This can enable analyses to be carried out which show the impact of area environmental and social factors on key outcomes, such as worklessness, subjective wellbeing, or school attainment, alongside the influence of individual household factors, including poverty and material deprivation. Where the surveys are longitudinal, it is possible to look at relationships between the neighbourhood lived in at a younger age and outcomes at a later age and on into adulthood.

In order to perform this kind of analysis one preferably requires independent, population-based or administrative measures which are available and valid for all small areas. Key examples of such measures are used within the Indices of Multiple Deprivation (IMD) and published through the Neighbourhood Statistics service<sup>44</sup>. Ideally such measures would be available consistently on a regular basis (annually or bi-annually) in order to monitor progress, if used within a wider contextual index for child poverty. There are also measures derivable within the sample survey themselves, essentially giving self-reported/subjective indications of perceived environmental conditions (e.g. cleanliness, safety). These can be used to monitor change over time, and as a supplementary source of evidence on the association between neighbourhood problems, poverty and wellbeing<sup>45</sup>.

### **Dimension 5: Parental skill level**

Again, although low educational attainment is associated with child poverty it is not a direct measure of child poverty. Much evidence on the determinants of educational attainment shows that the strongest systematic predictors are the socio-economic background of child's family – poverty and factors associated with it, such as parental occupation and qualifications, housing tenure, and so forth.

Access to good quality pre-school childcare may mitigate child poverty but probably not as successfully as increasing family incomes does<sup>46</sup>.

As noted under Q.12, there is evidence that concentration of poverty within a school (reflecting concentration within the catchment neighbourhood, but possibly exacerbated by selection and choice processes) can damage the educational attainment of pupils there, over and beyond the effects of individual household level poverty. This may arise because of factors like the disruptive effect of having many pupils with emotional and behavioural disturbance (EBD), reflecting pressures and problems at home, or low expectations. Such a school may be characterised as 'failing', because its results are below acceptable levels, because less families choose to send their children there, or because of perceived behavioural problems. A school may have these characteristics even with a head and staff of average or

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<sup>44</sup> Bradshaw J, Noble M, Bloor K, Huby M, McLennan D, Rhodes D, Sinclair I, Wilkinson K. (2009) A Child Well-Being Index at Small Area Level in England, *J. Child Indicators Research* 2, 2, 201-219

Also <http://www.communities.gov.uk/publications/communities/childwellbeing2009>

<sup>45</sup> See for example, Bramley, G., Bailey, N., Hastings, A., Watkins, D., Crowdace, R. (2011) 'Environmental justice in the city? Challenges for policy and resource allocation in keeping the streets clean' *Environment & Planning A*

<sup>46</sup> Bradshaw, J. (2012) Does cash or services have the biggest impact on child poverty, New Statesman blog <http://www.newstatesman.com/blogs/economics/2012/06/does-cash-or-services-have-biggest-impact-child-poverty>

better-than average ability and commitment, simply because it is overwhelmed by the volume of difficult or disadvantaged pupils and relative lack of parental input, and it probably will not receive enough extra resources (even with the ‘pupil premium’) to enable it to compensate through e.g. remedial provision. To label such a school as ‘failing’ may be rather unfair on its head and teachers.

**Q13: How important is parental skill level as a dimension in a future multidimensional measure of child poverty? What level of skills matters?**

There are children in poverty in households at all skills levels.

While it is noted on p33 (dimension 5) that parental skill level describes the level of education and employability of a child’s parents using this term is confusing. On pg 17 of the Consultation document parenting skill is used in a different way to refer to style of parenting “parenting style and skill”. It therefore seems preferable to refer to dimension 5 as ‘employability’. [Note that the decision NOT to include parenting style and skills as a measure of poverty is the correct one. Not only, as the consultation document notes, because they are too difficult to measure in themselves but also because any potential association between parenting style and poverty needs to be measurable and this is not possible if they are combined into a single measure at the outset.]

**Q14: How can we best capture parental skill level in a new child poverty measure?**

‘Parental skill’ seems to mean the skills to find and keep a job, i.e. it is concerned with engagement in paid employment. While this sense of parental skill may be associated with poverty it is not a measure of poverty in itself. It would be useful to measure individual educational qualifications, skills and work experience and the amount and standard of paid work available (number of jobs, pay level, hours of work) within a commutable region, and examine this in relation to levels of employment and measures of poverty. NB While being unemployed is associated with poverty it is not the case that employment is necessarily a route out of poverty as that depends on the level of pay and finding affordable childcare.

**Dimension 6: Access to quality education**

Again although educational attainment is associated with child poverty it is not a measure of child poverty. Access to good quality pre-school childcare may mitigate child poverty but probably not as successfully as increasing family incomes does.

**Q15: What impact does attending a failing school have on a child’s experience of poverty?**

It would be better to use a term such as ‘challenged’ than ‘failing’, for the reasons given above. Broadly, a child’s experience of poverty may be altered for better or for worse by their experiences in school. In a more challenging school environment s/he may be less likely to have positive, compensating experiences which increase his/her confidence and capabilities.

**Q16: What impact does attending a failing school have on a child’s life chances?**

Life chances are not child poverty. It is a well-becoming concept. Poverty is (mainly) about well-being.

**Q17: How should access to quality education be measured?**

Utilisation of childcare can be asked directly in surveys. Quality of schools can be assessed only very indirectly using SATS data at a spatial level and then linked via post-codes. There are choices to be made about whether the school attainment data should be raw data or adjusted contextual value-added measures, which come closer to measuring the contribution of the school as opposed to the effects of background poverty and family background.

**Dimension 7: Family stability**

The meaning of ‘family stability’. It is not entirely clear what is meant by this term either. It would seem intuitively flawed to assume that any status, by not changing, should be considered good. Perhaps what is being suggested here is family structure? This would be an incorrect avenue to pursue. There is a higher risk of child poverty in lone parent and cohabiting families but this is a function of our social policy in the UK - it is not inevitable and some other countries avoid this association. Importantly, most poor children live in two-parent families.

**Q18: How important is family stability as a dimension in a future multidimensional measure of child poverty?**

It is not a measure of poverty.

**Q19: How important is the long term involvement of both parents to their child’s experience of poverty and life chances?**

Psychological research suggests that this depends on the quality of the relationship between parents, between parents and children, and probably between parents, children and other significant adults such as stepparents. It also depends on what is meant by ‘involvement’; financial, emotional, physical? It is too crude to simply suggest that ongoing involvement of biological parents is a requisite for positive outcomes for children. There is some evidence that relationships are important to child subjective well-being.

**Q20: How important is the presence of a father to a child’s experience of poverty and life chances?**

It certainly does not guarantee the absence of poverty. It is important to specify what is meant by father absence/presence. Fathers who are not co-resident on a permanent basis with their children are not necessarily absent from their children’s lives. There is some evidence that familial relationships are important to child well-being. Any evidence for the importance of fathers in relation to children’s experience of poverty is likely to be due to fathers’ contribution to household income and resources; this would therefore be captured by measures of income and employment history.

**Q21: Which experiences associated with family stability should be captured in a Measure?**

None. Again family stability is not a measure of child poverty. Neither is family structure. Most poor children live in two-parent families. There is a higher risk of child poverty in lone parent and cohabiting families but this is a function of our social policy in the UK - it is not inevitable and some other countries avoid this association. In families there is evidence that relationships not structure are very important to child well-being.

**Dimension 8: Parental health**

Parental health is not a measure of child poverty. Parental disability is associated with child poverty to some extent: parents with disabilities of various kinds, including mental health problems as well as physical disabilities, are more likely to be poor than those without such disabilities as a result of the increased costs associated with disability compared with income from either benefits or paid work. However, this is not a strong association in that the large majority of poor children do not have a disabled parent. As such it is not a particularly useful indicator and should not be used.

A small number of children, however, who have disabled parent or one suffering from mental ill-health, may end up acting as carer for the parent or for siblings and this may impact on their wellbeing and educational performance.

**Q22: How should we recognise young carers in a multidimensional measure of child poverty?**

You can ask the adults or in the BHPS/Understanding Society young people. There is also a census indicator of this.

**Q23: How should we recognise parental drug and alcohol dependence and mental health conditions in a multidimensional measure of child poverty?**

While there is an increased risk of poverty/social exclusion among people with poor mental health - the result of difficulties for some but not all people with poor mental health in finding and being able to maintain paid work, and the low level at which benefits are paid - this would not make a good indicator of child poverty because mental health problems are in themselves extremely difficult to measure. Similarly data on substance use are known to be difficult to collect.

It is altogether too simplistic to use data on mental distress or substance use among parents as an indicator of child poverty - parents with poor mental health or problems with substance use are not necessarily poor parents or parenting in poverty. There is an oversimplification and slippage here between the idea that children in households where parents with such problems will be poor, that results in an individualising and blaming culture.

Instead we simply need robust regularly collected data for all households with children which focuses on income and access to resources. Heriot Watt University are currently engaged in a project for the Lankelly Chase Foundation to develop a profile of severe and multiple disadvantage, which focuses on these groups and their overlap with chronic offending and homelessness. This tends to focus on adults, many of whom do not have dependent children, and it may be difficult to tease out the numbers of children affected, although we could look at that. Administrative and agency data on drug and alcohol treatment and offending and on homelessness are relatively good, and these measures could be enhanced with data linkage to DWP and other agencies. Mental ill-health is more problematic, because it has a more widespread incidence and because the overlap with the above problems is less well-defined by administrative data, because health-based administrative data tends to focus on the most severely disturbed rather than those with milder forms of mental illness which tend to be the ones which overlap with these specific problems. However, local profiles of mental ill-health

have been developed using national datasets through the network of public health observatories. ]

## **Q24: How can parental disability and general poor parental health be reflected in a multidimensional measure of child poverty?**

Disability is already recorded in the HBAI tables. The general health status question used in many surveys and the census is a reasonable proxy for more refined health status scales used in some surveys (including PSE).

### **Creating a multi-dimensional measure**

“International comparisons demonstrate that it is possible to create a multidimensional measure.” There are no references given for this statement. There are a variety of international measures of poverty and child poverty but they do not contain most of the dimensions identified above<sup>47</sup>.

There is a distinction to be made here between child poverty at a macro level and micro level. Sets of macro indicators of child poverty of the *Opportunity for All*, UNICEF Innocenti Report Cards<sup>48</sup> type or the child well-being type<sup>49</sup> are easier to establish. But the consultation implies that you are after micro measures, indeed it is implied by the aspirations to

- “give us a total number of children in the UK currently growing up experiencing multiple dimensions of poverty which we can track through time;
- show us the severity of a child’s poverty so that we can tell which groups need the most help;
- show us how poverty affects different groups of children, for example ethnic minorities or disabled children;
- be widely accepted by the public and experts as being a fair representation of those children that are growing up in poverty and those who are not; and
- be methodologically robust and draw on the best data that is available.”

So we are looking for a micro data set that includes all eight (in fact more because there is more than one indicator in each dimension). There is no extant survey in the UK that can do this very well. Many of the dimensions are already included in or could be added to the Family Resources Survey and or the Understanding Society (formerly British Household Panel Survey)<sup>50</sup>.

Some small areas spatial characteristics could be associated with the micro data from those surveys to represent neighbourhood characteristics and the quality of the school. The Cabinet Office project using the Bristol Social Exclusion Matrix Index did some of this work using

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<sup>47</sup> See Minujin A and Nandy S (2012), *Global child poverty and well-being: Measurement, concepts, policy and action*, Bristol: The Policy Press

<sup>48</sup> <http://www.unicef.org.uk/Documents/Publications/RC10-measuring-child-poverty.pdf>

<sup>49</sup> Bradshaw, J. (ed) (2011) *The well-being of children in the United Kingdom*, Third Edition, Bristol: Policy Press.

<sup>50</sup> Understanding Society is the best platform for this kind of work. You can do the conventional poverty measures, including material deprivation and financial stress, you can measure a range of other outcomes, you can do neighbourhood level data linkage, and it is longitudinal. However we only have about 2 waves so far.

the BHPS and the Family and Child Survey (since abandoned) and the PSE would be a good vehicle for much of this work.

But it would not be a measure of multidimensional child poverty.

**Q25: Are there other criteria that we should evaluate a new measure against?**

The first thing to do is to assess how successfully it describes child poverty!

**Q26: In creating a new measure, should any dimension be a gateway?**

Gateway? The focus of analysis should have resources - income poverty and deprivation as the dependant variable.

**Q27: Should the indicators be weighted and, if so, what factors should influence the choice of weighting?**

No decision can be made about this without exploration of the data.

**Q28: Which indicators should be weighted more or less?**

No decision can be made about this without exploration of the data.

**Q29: How could we measure child poverty at the local level?**

Using the IDACI index in the Index of Deprivation (IMD). Also repeating the local index produced using administrative data<sup>51</sup>. IMD captures some aspects of poverty and deprivation but is not ideal insofar as it does not pick up all of income poverty (particularly for those in-work) and does not directly measure material deprivation at this local level. Research on the development of robust proxies, such as that in Scotland<sup>52</sup>, could be useful in this respect.

**Q30: How should we check the robustness and simplicity?**

There are standard techniques for this<sup>53</sup>.

**Q31: What would you use a multidimensional measure of child poverty for?**

Good question! We already have a very good portfolio of child poverty measures. The conceptual basis of these proposed dimensions is so confused it is very difficult to know what it would achieve or indeed how it could be used.



PSE:UK is a major collaboration between the University of Bristol, Heriot-Watt University, The Open University, Queen's University Belfast, University of Glasgow and the University of York working with the National Centre for Social Research and the Northern Ireland Statistics and Research Agency.

<sup>51</sup> Bradshaw J, Noble M, Bloor K, Huby M, McLennan D, Rhodes D, Sinclair I, Wilkinson K. (2009) A Child Well-Being Index at Small Area Level in England, *J. Child Indicators Research* 2, 2, 201-219

Also <http://www.communities.gov.uk/publications/communities/childwellbeing2009>

<sup>52</sup> Bramley, G. & Watkins D. (2013 forthcoming) *Local Incomes and Poverty in Scotland: Developing Measures Of Local and Small Area Estimates and Exploring Patterns of Income Distribution, Poverty and Deprivation* Report of Research for the Improvement Service on behalf of four Local Authorities (Edinburgh, Falkirk, Fife and Highland) and the Scottish Government.

<sup>53</sup> Gordon, D. (2006) 'The Concept and Measurement of Poverty' in Pantazis, C. et al (eds) *Poverty and Social Exclusion in Britain*. Bristol; Policy Press