



Child and Family Poverty in Northern Ireland

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A report prepared by
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Foreward

The Equality and Social Inclusion in Ireland project is a cross border collaboration between University College Dublin and The Queen's University of Belfast. The two year project was funded under the European Union Special Programme Board's Higher Education research initiative. It applies cutting edge scholarship on issues of social injustice and inequality to the island of Ireland. The relationships between social injustice, equality, social exclusion and societal conflict are infrequently articulated.

Consequently the contribution which reduction of inequality and social injustice makes and can make to the establishment and practice of democracy and peace is poorly understood. In pursuance of the projects' objective of stimulating public debate about social justice, equality, peace and conflict resolution the project is pleased to be associated with this definitive report on *Child and Family Poverty in Northern Ireland*. The research which was funded by OFMDFM utilised a number of datasets to comprehensively document the extent of child poverty in Northern Ireland. It builds on and extends reporting from the Poverty and Social Exclusion Study Northern Ireland, first published as Hillyard et al (2003) *Bare Necessities*, Belfast Democratic Dialogue: report no. 14.

Eithne McLaughlin
Equality and Social Inclusion in Ireland Project Director
28th March 2006

Foreward

Save the Children is an international non-government organisation working at home and in over 50 countries worldwide. Building on our experience and heritage in working for children's rights, we fight for children who suffer from poverty, disease, injustice and violence. We work with them to bring about lasting change in their lives. One key focus of our work internationally and in the UK is child poverty. In 2004 Save the Children commissioned Professor Eithne McLaughlin and Marina Monteith to conduct an analysis of severe child poverty in Northern Ireland using the 2003 Poverty and Social Exclusion (NI) Survey data resulting in a report called *The Bottom Line*. We are pleased that this report in turn stimulated OFMDFM's interest in and recognition of the issues of child poverty generally and the commissioning of a further report from the *The Bottom Line's* two authors. As a member of the Steering Group for the research, Save the Children is pleased to endorse ***Child and Family Poverty in Northern Ireland*** and its recommendations. We encourage government, in its work to eradicate child poverty, to bear in mind the findings of this report and urgently implement its recommendations.

Alex Tennant
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Eithne McLaughlin

Marina Monteith

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Chapter 1 Measuring Child Poverty

Introduction

1.1 In the past there has been a dearth of information on the extent and depth of child poverty in Northern Ireland. A number of information sources have recently become available and it is important that these data are fully accessed to provide a comprehensive picture of child poverty in Northern Ireland. This report commissioned by the OFMDFM provides an analysis of the levels and composition of child and family poverty and social exclusion shown by all the datasets currently available. This will inform the further development of the Northern Ireland Anti-Poverty Strategy, the Children and Young People's Strategy and other government policies and in turn support Northern Ireland's contribution to the UK Government's pledges in respect of child poverty. The research provides insights into the particular characteristics of child and family poverty in Northern Ireland using several nationally and internationally established measures of poverty. The report also applies the new UK government child poverty measure to Northern Ireland data for the first time. The report provides recommendations on the ways poverty and child poverty should be monitored measured and reported on in the future. The report also provides recommendations on the direction anti-poverty strategies need to take.

Child Poverty Policy

1.2 Child poverty emerged as a major policy issue nationally and internationally during the 1990s. The UN Convention on the Rights of the Child (UNCRC) requires state parties to recognise the need to protect children from deprived childhoods and to ensure that all children have an adequate standard of living (Articles 6 and 27). 189 UN Member States have pledged to eradicate extreme child poverty and hunger as one of eight Millennium Development Goals (UNESCO, 2002). Analysis of Great Britain data undertaken by Brewer for the Institute of Fiscal Studies (Brewer 2004), using the HBAI (Households Below Average Income) figures, ranked the UK/GB as

the fifth worst amongst 15 EU countries in terms of the level and extent of child poverty.

1.3 In March 1999, the Prime Minister announced the UK government's commitment to halve child poverty by 2010; and eradicate it by 2020. The UK government's pledges on child poverty and the subsequent consultation on and change to the measurement of child poverty (DWP, 2003) reflect domestic political factors but they are also very much the result of international policy developments and commitments (see also Monteith and McLaughlin, 2005 and McLaughlin and Monteith, 2005). The international origins of these developments can be traced to both the UN Millennium Development Goals and to the EU NAPS Inc. (National Action Plans for Social Inclusion) and open method of coordination process adopted over the period 2000-2002. The EU's establishment of an Income and Poverty Measurement Working Group under the leadership of Tony Atkinson has also been highly significant. In terms of domestic politics, the House of Commons DWP Select Committee investigated child poverty in the UK in the 2003-2004 session (House of Commons, 2004). The DWP consulted in 2003 on how child poverty should be measured in *Measuring Child Poverty. Measuring Child Poverty* (DWP, 2003) set the long term UK target of achieving a child poverty rate which is among the best in Europe and a country where no children experience material deprivation (the UK's equivalent of the UN millennium goal of eradicating extreme child poverty). Whether the UK's targets will be considered to have been met on the basis of aggregate or disaggregated measurement and rates of child poverty within the UK has not been discussed, but is clearly of importance to Northern Ireland. If each constituent unit of the UK must meet their own targets for reduction as well as the UK as a whole doing so, there will be greater urgency and resources attached to anti-poverty strategies in the devolved countries and greater pressure on the public sector and civil service and political institutions in these territories to play their part in delivering the UK government's policy agenda.

The Measurement of Child Poverty in the UK

1.4 Until *Measuring Child Poverty* the UK government's approach to measuring child poverty involved two regularly reported sets of information. Firstly the child specific indicators of the annual report *Opportunity for All*. Secondly, household low income poverty statistics were published in The *Households Below Average Income (HBAI)* series. Prior to 2004 neither of these sets of statistics/indicators included data from Northern Ireland. Until 2002/3 the annual UK government statistics on child poverty were in fact Great Britain statistics as they had not included Northern Ireland. The set of 15 child specific indicators in *Opportunity for All* capture aspects of poverty or its consequences such as health inequalities, educational attainment and housing quality. Statistics in the HBAI series reported household income data from the Family Resources Survey and provided information on the composition and risk of poverty for adults and children living in Great Britain.

1.5 While Northern Ireland was not included in the *Opportunity for All* indicators, the research branch of OFMDFM published a similar set of indicators of social need for Northern Ireland in December 2002 and these were subsequently developed further with the latest set published in October 2004.

1.6 Also in 2004 for the first time the UK's HBAI analysis included data from Northern Ireland using data from the first wave of the annual Family Resources Survey to be completed with Northern Ireland households (2002/3). The Family Resources Survey and the NI Household Panel Survey (the first wave of which collected data in 2001) are both datasets with potential for future monitoring of trends in child poverty over time. The Poverty and Social Exclusion Survey in Northern Ireland (PSE NI) carried out in 2002/2003 may also be repeated in 2007 as indicated in the draft NI Anti-Poverty Strategy published in 2005. Assuming this is so, trends over time may be assessed in the future across the two PSE NI time points, 2002/3 and 2007. This report has accessed all three of the currently available data sets to provide a comprehensive baseline analysis of the risk and composition of child and family poverty in Northern Ireland at the start of the 21st century. Progress against this

baseline can be monitored over the next two decades. The Millennium Cohort Survey will be another source of invaluable data regarding the study of child poverty in Northern Ireland.

RISK (poverty rate)

This is the chance of individuals in a group falling below a given threshold (e.g. the risk of children living with lone parents being poor. It is calculated as the number in the group below the given threshold divided by the total number in the group.

COMPOSITION (concentration)

Composition of poverty looks at who is included in those counted as being poor. How many of the poor for example come from lone parent families, from workless households and so on. This is calculated by taking the total number of poor and dividing those children into various categories.

Income Poverty Measurement in the UK and Europe

1.7 Traditionally the UK government measured and defined poverty in terms of low household income using a poverty line set as a proportion of mean income. Arguably this was a measure of income inequality rather than poverty as such. In Europe practice has been different in two key respects – the arithmetic basis of the poverty line and the adjustments made to raw income to reflect household size and composition. In 1998, median household income was adopted by the European Union as the key income threshold against which to measure sufficiency. Typically a threshold of less than 60 percent of national median equivalised household income has been the definition and measure of poverty used by European bodies since then. In analysis of income data and low income thresholds, household incomes are adjusted statistically by a process known as equivalisation. Equivalisation takes account of the variations in household size and composition. A number of equivalisation scales or systems of weights have been in use internationally. The UK's HBAI series used Mc Clements scales but EUROSTAT used the modified OECD scale. From 2005 the UK will also use the Modified OECD equivalence scale.

This is one of the outcomes of the EU Expert Working Party on Income Data and Poverty Measurement. Greater technical harmonisation between member states will improve comparison between and monitoring of member states' progress against National Anti-Poverty and Social Inclusion Plans and Reports. Under the Open Method of Co-ordination sharing of these plans and transparency as regards member states' progress or lack of it in reducing poverty and social exclusion is intended to create European-wide progress in redressing these social problems. In addition, to adoption of the OECD equivalisation scale and the development of the UK's new child poverty measure (DWP, 2003) the UK will adopt the new EU-SILC mixed poverty measure which combines indicators of deprivation with household income data. The EU-SILC aims to provide comparable statistics on income and living conditions for each EU member state. The General Household Survey (GHS) in Great Britain has been identified as the most suitable "vehicle" for this work. A recent paper by the GHS user group indicates that NI will run the same survey to ensure UK coverage as GHS only covers GB (ONS, 2005).

EQUIVALISATION

The process by which household income is adjusted to account for variation in household size and composition. Income is divided by scales which vary according to the number of adults and the number and age of dependants in the household.

EQUIVALISED INCOME

Income which has undergone the process of equivalisation

EQUIVALENCE SCALES

Scales used in equivalisation e.g McClements, Modified OECD

Mixed Poverty Measures

1.8 Deprivation refers to the involuntary or enforced lack of those things or activities commonly believed to be necessary parts of a decent or acceptable standard of living. Deprivation and lack are highly but not perfectly correlated with low money incomes. The Poverty and Social Exclusion Surveys in Britain (1999) and Northern Ireland (PSE NI 2002/3), like the Republic of Ireland's *Living in Ireland* Surveys, developed a poverty measure which used a combination of low income and evidence of deprivation to define measure and count poverty. These precursors to the new EU-SILC mixed poverty measure were largely the result of academic and scholarly efforts to improve the technologies of income and poverty measurement available, rather than being the result of policymakers' or politicians' recognitions of the need for improvement in those technologies. The mixed poverty measure used in the PSE surveys combined low income with data on the enforced lack or deprivation of items and activities the general public believed to be necessities of life. The general public were surveyed to determine what items and activities are necessary parts of an acceptable standard of living today. The resultant measure is termed the consensual mixed poverty measure (Hillyard et al, 2003). As noted above, the Irish government has used a mixed measure combining indicators of deprivation with a number of income thresholds for many years but in those measures the indicators of deprivation were chosen by a panel of 'experts' rather than the public. The definition and measurement of poverty has become a highly technical and expert field. It is however important for public and political debate that the technical issues involved are not allowed to overshadow the main issue or the big picture, nor to obscure the fact that there is very substantial public and expert consensus on the existence, nature and measurement of poverty in modern society. Dignan and McLaughlin (2002) and Hillyard et al (2003) provide further information on and accessible discussion of definitions and methods of measuring poverty. That the definition and measurement of a complex social phenomenon such as poverty is not static but changes over time does not mean that measurement is unscientific. Rather such change reflects the development of scientific knowledge as well as more general social and political trends. Presently, the measurement and definition of poverty is increasingly being

broadened to become part of measuring and assessing human welfare, wellbeing development and quality of life generally. This trend will undoubtedly affect practices in the measurement and reporting of poverty over the next decade.

Subjective Poverty

1.9 A further dimension in poverty definition and analysis is the experience of poverty. In subjective poverty measurement a number of questions are asked about people's views on their own circumstances. For example, people may be asked whether they consider themselves to be poor, how adequate their household income and whether they think of themselves as being poor. Subjective poverty measures thus use people's own perceptions of their circumstances. A number of variations on this simple approach have been developed. For example, people may be asked to define their own poverty line in terms of how much a household like theirs needs to live on and then whether their household is below or above the income line they have just specified and so on.

Core, Consistent and Severe Poverty

1.10 Poverty is inherently a phenomenon of varying extent, depth and duration. Although it is commonplace for governments to count and report proportions of the population in or out of poverty, that is, above or below a poverty line, the extent, depth and duration of poverty is as or more important than such 'headline counts' (see also Borooah et al, 2004). In addition to the important technical developments in the measurement of poverty generally outlined above, the end of the last decade also witnessed the emergence of a number of attempts to refine measurement by focusing on the extent of poverty experienced. Thus Bradshaw and Finch (2003) developed a concept and measure of core poverty while Adelman et al (2003) developed a concept and measure of severe poverty. The latter was applied by Monteith and McLaughlin (2004) to Northern Irish data in *The Bottom Line*. These together with the Republic of Ireland's consistent poverty measure and indicators of deprivation in the PSE-GB and NI surveys can all be regarded as measures of the deepest poverty. Consistent

poverty in the south of Ireland as discussed earlier combines low income with indicators of deprivation. Core poverty combines three sub-measures of poverty: low income; deprivation and subjective poverty. Severe child poverty also combined three sub-measures: low income threshold; adult deprivation and child deprivation. The combination of a number of sub-measures is also the pattern of the new child poverty measure adopted by the UK government in 2005. The new UK measure is summarised below and applied in chapter 4 of this report. Bradshaw and Finch (2003), Nolan (2000), Nolan and Cantillon (2002), Adelman et al. (2003) and Monteith and McLaughlin (2004) all measure the deepest child poverty and identify those who are the poorest of the poor.

The new UK Government Child Poverty Measure

1.11 In *Measuring Child Poverty* The Department of Works and Pensions (DWP) decided on a tiered measure of child poverty as the best way to monitor progress over the long term. The tiers involve a set of inter-related indicators of absolute low income; relative low income and a mixed material deprivation and low income tier. The three tiers and their objectives are:

Absolute low income – to measure whether the poorest families are seeing their incomes rise in real terms.

Relative low income – to measure whether the poorest families are keeping pace with the growth of incomes in the economy as a whole.

Material deprivation and low income combined - to provide a wider measure of people's living standards – the mixed tier.

Measuring Child Poverty states that each indicator has significance in its own right and that the objective is to make progress against all indicators. At the time of writing the precise method of production of the mixed tier has not been published by DWP, but it is likely it will follow much or all of the EU-SILC methodology.

1.12 It is intended that the three tier measure will be used in long term monitoring of child poverty in the UK commencing with 2004/5 data from the Family Resources Survey. The first government analysis using the new child poverty measure will not

therefore be available until 2006. In Chapter 4 of this report we have applied the new measure as far as possible to data from the first year of the Family Resources Survey in Northern Ireland supplemented with data from the Poverty and Social Exclusion Survey. Both datasets relate to 2002/3.

Summary of the research Objectives

1.13 The objectives of this research report are to:

- review comment on and make recommendations about the definition and measurement of poverty, with a particular focus on child poverty measurement;
- comment on the prevalence, characteristics and extent of child poverty in Northern Ireland utilizing a plurality of poverty measurement technologies including: absolute and relative income measures; mixed measures and subjective measures;
- comment on the composition and risk of child poverty using a plurality of poverty technologies;
- compare measures using a variety of NI data sources (Poverty and Social Exclusion survey, Family Resources Survey, NI Household Panel Survey);
- establish, the baseline position of child and family poverty in Northern Ireland in 2002/03 utilising the new UK Child Poverty Measure;
- Identify those children and young people experiencing the most deepest poverty using a plurality of poverty measures;
- Make recommendations on the most suitable measures for monitoring child poverty within Northern Ireland over time and those most suitable for making comparisons between NI, GB, RoI and the rest of Europe;
- Identify the implications of these analyses of child poverty for the ongoing development of the Anti-Poverty Strategy; the Children and Young People's Strategy and other significant welfare strategies and policies;
- Quantify in broad terms what is required for Northern Ireland to contribute to meeting the UK's Child Poverty targets.

Report Structure

1.14 This chapter has briefly outlined the child poverty policy framework in the UK and introduced methods of measuring child poverty measurement. Chapter two provides an analysis of the risk and composition of child poverty in Northern Ireland using the simplest of poverty measures – relative income only. Chapter three examines child poverty using the consensual mixed poverty measure. Chapter four provides an analysis of PSE-NI and FRS data, applying the new UK 3 tier child poverty measure. Chapter Five considers the deepest child poverty using three measures: severe poverty; core poverty, and consistent poverty. Chapter six analyses the available spatial data in relation to the distribution of child poverty within Northern Ireland. Finally chapter seven provides a summary of the key findings, commentary on the policy implications arising from the extent and characteristics of child and family poverty in Northern Ireland and recommendations as to future best practice in relation to the measurement and reporting of child poverty.

Chapter 2 Child Poverty using Income Only (HBAI) Measure

KEY FINDINGS

- It is estimated that between one fifth (FRS, NIHPS) and one quarter (PSE) of all children in Northern Ireland are living in low income households

RISK

- 71% of children living in workless households are income poor
- 64% of children living in households claiming income support or job seekers allowance are income poor
- 59% of children living in NIHE accommodation are income poor
- 46% of children living with lone parents are income poor
- 47% of children living in large families are income poor
- 36% of children living with a disabled or chronically ill parent are income poor
- 32% of disabled children are poor.

COMPOSITION

- Half of all income poor children live in workless households
- Half of all income poor children live in families dependent on benefits
- Almost half of all income poor children live in public sector accommodation
- Two in three income poor children live in couple families

Introduction

2.1 This chapter examines the composition and risk of poverty for children living in Northern Ireland, analysing their family circumstances and household characteristics using two income only poverty measures. The measures used adopt the McClements and OECD equivalence scales and the poverty threshold is based on an equivalised income of less than 60 percent of the median household income. These two measures are applied to data drawn from several sources including the Poverty and Social

Exclusion Survey Northern Ireland (PSE NI), the Family Resources Survey (FRS) and the Northern Ireland Household Panel Survey (NIHPS). There are, however, slight differences in the definition of a child between data sets in relation to the analysis of children living in households with low income. The analysis provided in this report using the PSE NI includes all people under 18 as children as this is the definition recommended by the UNCRC. The FRS survey, however, uses a traditional UK survey approach of defining children as those aged under 16 and unmarried 16-17 year olds in education, and any analyses supplied here are based on these assumptions. Therefore there are some slight differences between the analyses using different datasets, as some 16-17 year olds may have been excluded from the FRS analysis. Despite these differences FRS and PSE NI report similar rates of child poverty for the 16-17 year olds. In addition, Catholic children are under-represented by FRS in 2002/3 in comparison to 2001 census figures for Northern Ireland (FRS 2003/4 shows slight changes to religious composition of children with increase in the proportion of catholic children). The analysis from the NIHPS includes children aged under 16 only.

EQUIVALISATION

The process by which household income is adjusted to account for variation in household size and composition. Income is divided by scales which vary according to the number of adults and the number and age of dependants in the household.

EQUIVALISED INCOME

Income which has undergone the process of equivalisation

EQUIVALENCE SCALES

Scales used in equivalisation e.g McClements, Modified OECD

2.2 This analysis first explores the risk (rate) of child poverty using an income threshold of less than 60% of the equivalised median household income and both the

McClements (PSE, FRS, NIHPS) and the modified OECD (PSE, FRS) equivalence scales. Most of this analysis is completed using before housing costs data. The analysis also examines the composition of child poverty using these low income measures. The McClements income measure can also be used to provide after housing costs data and statistics comparing the risk and composition of child poverty. Traditionally, the HBAI (Households below Average Income) presents analysis of disposable income on two basis: Before Housing Costs (BHC) and After Housing Costs (AHC). Differences in the way water charges are collected in NI and GB has meant that BHC analysis is not consistent. People in NI do not pay council tax; instead a rates system operates where the amount paid depends on the local council area, the size of the house and includes payment for water and sewerage. While AHC take account these differences, they can understate the relative standard of living where households are enjoying a better quality of living by paying more for their accommodation. In addition, while housing costs may be lower in some areas compared to others, this does not take into consider other costs which may be higher, for example fuel, utilities and food. Therefore there is much debate around BHC and AHC when comparing poverty rates on a regional basis. It should be noted that the new DWP three tier measurement of child poverty is based on the OECD equivalence scales which are BHC. For a more detailed description of the calculation of incomes before and after housing costs see Annex B.

2.3 The analysis in this chapter uses a NI equivalised median household income (apart from the before and after housing costs comparison using FRS data) while in chapter 4 we compare the use of the modified OECD equivalence scale in low income measures using both the NI and GB (as a proxy for UK) median household income.

RISK (poverty rate)

This is the chance of individuals in a group falling below a given threshold (e.g. the risk of children living with lone parents being poor. It is calculated as the number in the group below the given threshold divided by the total number in the group.

Risk of Child Poverty

2.4 Child Poverty rates (risk) are shown in Table 2.1 indicating that while the McClements and Modified OECD equivalence scales use different weights to adjust for household composition, the overall child poverty rates are quite similar for both measures. There are some differences between surveys with FRS and NIHPS reporting lower child poverty rates in comparison to the PSE NI. While the PSE NI survey indicates a child poverty rate of 24-25%, the FRS and NIHPS indicates a lower rate of 18-19%, based on a poverty threshold of less than 60 percent of the NI median household income.

2.5 An analysis of the risk of child poverty across groups of children produced similar results using both the McClements and the Modified OECD equivalence scales with a poverty threshold of less than 60 percent of the NI median equivalised household income. Therefore to simplify the analysis of the risk of child poverty the figures quoted below refer to McClements and are taken from the PSENI survey. The risk rates using FRS are generally slightly lower than PSENI but both analyses identify similar patterns regarding those groups most at risk of poverty. Further analysis using the Modified OECD scale is provided in chapter 4. For a detailed comparison of child poverty rates using both surveys please refer to tables 2.3 to 2.6.

Table 2.1: Comparison of Child Poverty Rates (risk) using Income Only Measures (less than 60% NI median equivalised household income)

Equivalence Scale (using NI median)	PSE (NI) % of children who are poor	FRS (NI) % of children who are poor	NIHPS* % of children who are poor
McClements	24	18	19
Modified OECD	25	19	-

* note NIHPS calculated on gross household incomes

2.6 Children most at risk of experiencing poverty in Northern Ireland included children living in workless households (71% of these children), children living in households where the household respondent was claiming income support or job seekers allowance (64%), children living in public sector accommodation (59%), children living with lone parents (46%), children living in large families (47%), children living in households with an ill or disabled parent (36%) and children who were disabled themselves (32%). Table 2.4 provides a more detailed analysis of child poverty rates using the PSENI data while Table 2.6 provides equivalent data from FRS.

2.7 Children in lone parent families make up a smaller proportion of the overall child population than other children but they are at much higher risk of poverty. Dignan (2003) reported an increase in Northern Ireland in the proportion of lone parents over the period 1990 to 2002. He found that the increase in concentration of children in low income households over the period was greater amongst single parents compared to couples with children, a change driven by the increased risk associated with single parent families. He indicated that children in single parent families without full time work had the highest risk of being in the bottom 30 percent of the income distribution.

2.8 *The Households Below Average Income, Northern Ireland, 2002/03* report (DSD, 2004) provided an analysis of the risk of child poverty using a Great Britain equivalised median household income rather than a NI median income threshold. This analysis is useful as firstly, by using the GB median income as a proxy for a UK wide median household income it allows a comparison of the NI position to that of Britain within a UK framework of child poverty monitoring. In practice, the impact of NI on a UK wide median is marginal and as the report indicates, the GB median is to all intents a UK median for the purposes of NI comparison. Secondly this analysis is useful as it also provides both before housing costs and after housing costs statistics. Table 2.2 indicates that while Northern Ireland has a very slightly higher child poverty rate than Great Britain using a before housing costs income only poverty measure, the position is reversed when using an after housing costs measure. When sampling errors are taken into account these differences are not significant.

Table 2.2: Child Poverty Rates (risk) in Northern Ireland and Great Britain using a GB median income threshold (<60% of median)

Percentage of children	Northern Ireland	Great Britain
Before Housing Costs	22	21
After Housing Costs	26	28

Source: DSD, 2004 (n.b. uses McClements equivalence scale)

COMPOSITION (concentration)

Composition of poverty looks at who is included in those counted as being poor. How many of the poor, for example, come from lone parent families, from workless households and so on. This is calculated by taking the total number of poor and dividing those children into various categories.

Composition of child poverty

2.9 The analysis explored the concentration of child poverty in Northern Ireland using a variety of data sources and methods of poverty analysis. Whilst the risk of poverty is far higher in lone parent families, such families make up a smaller proportion overall of poor children. Two parent families make up a much larger proportion of families in Northern Ireland and similarly a higher proportion of poor children are from couple families (63% FRS; 48% PSENI, McClements; 58% NIHPS). The PSENI figure would most likely be higher if families with adult children living at home were included in the couple figures. That is, two parent families with a mix of children under 16 and children 16 years or older are classed as a household with 3 or more adults with children (i.e in FRS family composition breaks down to single parent family or couple family – in PSE NI there are a substantial proportion categorised as other family type). The slightly lower proportion of couple families in PSENI

analysis is possibly explained by differences in the categorisation of couples with children. Figures using the Modified OECD equivalised income scale yielded similar results.

2.10 Approximately one in five of all children in Northern Ireland (20% FRS; 15% PSENI; 28% NIHPS) live in households with no workers, compared to almost half of children living poverty. Using the McClements equivalisation scale half of all poor children were living in households with no workers (47% FRS; 52% PSENI; 60% NIHPS). Analysis of the data using the modified OECD scale showed a similar result.

2.11 Analysis of child poverty using income only measures also indicated that almost half of income poor children lived in NIHE accommodation or were living in families dependent on income support or job seekers allowance. Those children living in households with no workers were living in families dependent on benefits as their main source of income. These families were more likely to be dependent on the public sector or private rented sector for their housing.

2.12 Catholic children comprised a slightly higher proportion of children living in poverty than Protestant children when using income only poverty measures (PSENI) for the analysis. Further analysis showed that larger families had a higher rate of poverty and that there were significant differences in poverty rates for larger Catholic families in comparison to larger Protestant families. Where families comprised 1 or 2 children there were no significant differences in poverty rates. As there were more Catholic larger families generally and the poverty rate was higher for large families, particularly Catholic larger families, then this will to some extent have affected the composition of poor children with more poor children being from Catholic families. The analysis of composition of child poverty using the FRS did not show any differences by religion when comparing poor children to all children. However, as noted above the FRS 2002/3 under-represented catholic children in the sample in comparison the NI census figures. 46% of children under 18 in the 2001 census were Catholic compared to 40% of children in the FRS sample. 48% of children in the PSENI sample were Catholic. These differences in sample composition may account for

some of the differences found in terms of risk and composition in relation to religion. In addition, the religion of Household Reference Person in both surveys was assigned to all children in the household as a proxy for their religion. This again may lead to anomalies between the survey data and that of the census data. For further analysis of the composition of child poverty see tables 2.3 and 2.5.

Disability and the Measurement of Poverty

2.13 It should be noted that this analysis of child and family poverty has not removed either the additional income which some families may receive by virtue of the presence of disability within the household (eg through Disability Living Allowance nor sought to compensate for the additional expenses and higher costs of living of households experience. Rigorous analysis of poverty and disability requires these kinds of adaptations to be made in the calculation of poverty rates (see McLaughlin, Kelly and Scullion, forthcoming). It was beyond the scope of this report to do so and the result is that poverty risk rates for households with disabled children and/or a disabled parent may be higher than reported here.

2.14 In summary, the following family circumstances are correlated with higher proportions or risks of child poverty:

- Children living in households with no workers
- Children living in lone parent households
- Catholic children (PSE NI analysis only)
- Children living in public sector housing
- Children living in families dependant on benefits.
- Children living with a disabled or ill parent
- Disabled Children.

Table 2.3 : Composition of Child Poverty: Income Only Measures (<60% median) using the McClements and the Modified OECD Equivalence Scales (PSE survey 2002/3)

	Composition of poor children in NI		Composition All NI Children
	McClements	OECD	
Employment Status			
1 worker	30	31	33
2 workers	18	17	43
3 workers	1	2	6
no workers (sick/disab/ret)	8	7	3
no workers (unempl/other)	44	43	15
Family Type			
Couple	48	44	58
Lone parent	32	31	17
Other	20	25	25
Age of Child			
1 year and under	8	8	10
2-4 years	13	12	14
5-10 years	35	32	34
11-15 years	37	36	31
16-17 years	7	12	11
No. of children			
1	23	25	24
2	28	27	38
3	22	24	24
4 and over	27	24	14
Ethnic Group			
White	96	96	96
Non-white	4	3	4
Religion			
Neither Catholic/Protestant	6	5	6
Catholic	57	56	48
Protestant	37	39	46

Table 2.3 (cont'd)

	Composition of poor children in NI		Composition of ALL NI Children
	McClements	OECD	
Housing Tenure			
Outright Owner	7	8	11
Owner with Mortgage	33	30	62
Private Tenant	13	16	8
NIHE/HA tenant	47	46	19
Child Disability			
Yes	7	7	5
No	93	93	95
Parent Illness/Disability			
Yes	32	33	22
No	68	67	78
Receipt of Income Support/Job Seekers Allowance			
Yes	50	53	19
No	50	47	81
Base (n)	345	366	1434

Note: calculated using NI equivalised household median income

Source: Poverty and Social Exclusion Survey (NI) 2002/3

Table 2.4: Child Poverty Rates (risk): Income Only Measures (<60% median) using the McClements and the Modified OECD Equivalence Scales (PSE survey 2002/3)

Row %	McClements	OECD	Base (n)
Employment Status			
1 worker	22	24	467
2 workers	10	10	623
3 workers	3	8	85
no workers (sick/disab/ret)	63	60	45
no workers (unempl/other)	71	73	214
Family Type			
Couple	20	19	828
Lone parent	46	47	242
Other	19	25	364
Age of Child			
1 year and under	19	20	144
2-4 years	23	22	197
5-10 years	25	24	488
11-15 years	28	29	452
16-17 years	25	28	153
No. of children			
1	23	26	334
2	18	19	516
3	23	16	330
4 and over	47	43	195
Ethnic Group			
White	24	25	1383
Non-white	27	27	51
Religion			
Neither Catholic/Protestant	24	24	83
Catholic	28	29	694
Protestant	20	21	657

Table 2.4 (cont'd)

Row%	McClements	OECD	Base (n)
Housing Tenure			
Outright Owner	17	20	157
Owner with Mortgage	13	13	882
Private Tenant	38	50	113
NIHE/HA tenant	59	60	279
Child Disability			
Yes	32	32	68
No	25	25	1213
Parent Illness/Disability			
Yes	36	39	313
No	21	22	1121
Receipt of Income Support/Job Seekers Allowance			
Yes	64	72	268
No	15	15	1166
ALL NI children	24.1	25.5	1434

Note: calculated using NI equivalised household median income

Source: Poverty and Social Exclusion Survey (NI) 2002/3

Table 2.5 Composition of low-income groups of children using the HBAI Equivalence Scale BHC (FRS 2002/3)

Percentage of children			
	Composition of Poor Children in NI		Composition of All Children in NI
	Below NI Median		
	60%	70%	%
Employment Status			
no workers	47	46	20
1 worker	40	41	33
2 workers	13	12	47
Family Type			
Lone parent with children	37	41	25
Couple with children	63	59	75
Age of Child			
1 year and under	7	7	10
2-4 years	12	14	17
5-10 years	39	39	38
11-15 years	34	33	27
16-17 years	7	7	8
No. of children			
1	16	20	23
2	32	34	40
3	31	26	24
4 and over	21	19	13
Religion			
Protestant	57	55	50
Catholic	38	40	40
Neither Catholic/Protestant	5	5	10

Table 2.5 (cont'd) Composition of low-income groups of children using the HBAI Equivalence Scale BHC (FRS 2002/3)

Percentage of children	Composition Poor Children		Composition of All Children In NI
	Below NI Median		
	60%	70%	%
Housing Tenure			
Outright Owner	13	10	11
Owner with Mortgage	40	38	62
Private Tenant	11	15	8
HA tenant	2	3	2
NIHE Tenant	31	30	16
Other	3	4	1
Child Disability			
Yes	20	18	13
No	80	82	87
Parent Disability			
Yes	28	28	20
No	72	72	80
Income Support			
Yes	33	37	18
No	67	63	82
Jobseekers Allowance			
Yes	9	6	2
No	91	94	98
All Children (base N)	233	368	1283

Table 2.6 Risk of being in low-income groups of children using the HBAI Equivalence Scale, BHC

Percentage of children

**Source: FRS
2002/03**

	Below NI Median		All Children (base N)
	60%	70%	
Employment Status			
no workers	42	66	294
1 worker	22	36	423
2 workers	5	8	566
Family Type			
Lone parent with children	27	47	360
Couple with children	15	23	923
Age of Child			
1 year and under	16	24	126
2-4 years	16	25	213
5-10 years	21	32	447
11-15 years	27	38	341
16-17 years	18	28	110
No. of children			
1	13	25	251
2	15	25	476
3	23	32	339
4 and over	29	42	217
Religion			
Protestant	21	31	635
Catholic	17	28	528
Neither Catholic/Protestant	10	16	120

Table 2.6 (cont'd) Risk of being in low-income groups of children using the HBAI Equivalence Scale, BHC

Percentage of children			
	Source: FRS 2002/03		
	Below NI Median		All Children (base N)
	60%	70%	
Housing Tenure			
Outright Owner	22	27	132
Owner with Mortgage	12	18	778
Private Tenant	25	51	109
HA tenant	23	52	24
NIHE Tenant	35	54	223
Other	45	84	17
Child Disability			
Yes	28	40	170
No	17	27	1113
Parent Disability			
Yes	26	40	250
No	16	26	1022
Income Support			
Yes	33	59	261
No	15	22	1022
Jobseekers Allowance			
Yes	68	78	32
No	17	28	1251
All Children in NI	18	29	1283

Chapter 3: Child Poverty and the Consensual Poverty Measure

KEY FINDINGS

- Almost two fifths of NI's children are considered poor using the PSE household consensual poverty measure

RISK

- More than four out of every five children living in workless households were poor under this measure
- 84% of children living in NIHE accommodation were poor under this measure
- Two thirds of children of lone parents were poor under this measure
- Three in five children living with a chronically ill or disabled parent were poor
- Three in five disabled children were poor
- 55% of children living in large families poor
- Two fifths of catholic children were poor
- Two fifths of children living in households with one worker were poor under this measure

COMPOSITION

- Children living in couple families comprise two fifths of all children poor under this measure
- Children living in households with no workers comprise two fifths of all poor children under this measure
- Catholic children comprise almost three fifths of all poor children under this measure.

LACK OF NECESSITIES

- 47% of NI children lack one or more necessities
- 29% of NI children lack three or more necessities
- 7% of NI children lack 8 or more necessities

CHILD CONSENSUAL POVERTY INDEX

- 32% of children lacked one or more child necessities and lived in a consensually poor household
- 24% of children lacked two or more child necessities and lived in a consensually poor household
- 19% of children lacked three or more child necessities and lived in a consensually poor household
- 15% of children lacked four or more child necessities and lived in a consensually poor household.

Introduction

3.1 This chapter presents an analysis of child poverty based primarily on the PSE consensual poverty measure (Hillyard et al, 2003). The chapter firstly outlines the risk and concentration (composition) of child poverty using this household based consensual poverty measure. It also examines the lack of child necessities experienced by children in Northern Ireland compared to Great Britain. Finally, the chapter combines a lack of child necessities with the household consensual poverty measure to further explore child poverty. This chapter uses data from the PSE (NI) survey only.

RISK (poverty rate)

This is the chance of individuals in a group falling below a given threshold (e.g. the risk of children living with lone parents being poor. It is calculated as the number in the group below the given threshold divided by the total number in the group.

COMPOSITION (concentration)

Composition of poverty looks at who is included in those counted as being poor. How many of the poor for example come from lone parent families, from workless households and so on. This is calculated by taking the total number of poor and dividing those children into various categories.

Household Consensual Poverty (PSE)

CONSENSUAL POVERTY

The consensual poverty measure used in the PSE survey involved a mixed income-deprivation measure. The PSE consensual poverty threshold was established by combining data on household income with adult deprivation items, using a number of statistical procedures designed to best distinguish the 'poor' and the 'non-poor'.

Households which were poor on this measure in Northern Ireland lacked at least three deprivation items and had on average an equivalised household income of £156.27 per week.

3.2 Applying the household consensual poverty measure, derived in the PSENI survey by Hillyard et al (2003), to children in the sample households (children under 18 years), a poverty rate of 37.6% was calculated for children in Northern Ireland. The consensual poverty threshold combines experience of deprivation along with experience of low income and therefore has a wider catchment than income measures alone. With this measure almost two fifths of children in Northern Ireland are living in poor households compared to one quarter using the income only measures. While income measures such as the HBAI approach are important to understanding the risk of poverty and changes in income inequalities over time, there is a broader argument that income only measures do not measure the consequences of persistent low incomes over time and the experience of deprivation associated with this. The higher poverty risk rate found by consensual poverty measurement reflects the deprivation, low standard of living and social exclusion which are the consequences of persistent low income over time.

Table 3.1 Main groups at risk of child poverty using household consensual measure (PSE NI 2002/3)

Child poverty rates (risk)	% of children poor	Base (n)
No workers (sick/disabled/retired)	98	45
Income support/Job Seekers Allowance	87	268
Public sector housing	84	279
No workers (unemployed/other)	82	214
Lone parents	68	242
Ill/Disabled Parent	59	313
Private rented accommodation	58	113
Child with disability	57	68
Large families (4+ children)	55	195
Catholic Children	44	694
One worker in household	44	467
All Children	37.6	1434

3.3 The risk of child poverty (table 3.1) using the consensual poverty measure is greatest for children living in households with no workers (98% and 82%), children who are living in public sector accommodation (84%) and children who are living in households dependent on income support or job seekers allowance (87%), all of which are highly correlated and interrelated as those households with no workers are dependent on benefits as their main source of income and are often marginalised in terms of housing choices. Poverty rates were also high for children in lone parent families (68%), large families with 4 or more children (55%), children with a disabled or ill parent (59%), disabled children (57%), children living in private rented accommodation (58%), and catholic children (44%). A more detailed analysis of child poverty rates using the PSE consensual poverty threshold is provided in Table 3.7.

3.4 Examining the concentration or composition of child poverty using the PSE household consensual poverty measure (Table 3.6) it can be seen that over one third of children poor on this measure live in households with one worker (38%) and a further two fifths live in households with no workers (41%). Children living in couple families comprise 43 percent of all poor children compared to 31 percent who are living in single parent families. Catholic children represent almost three fifths of poor children (57%) compared to Protestant children who comprise 38 percent. While children living in owner occupied homes experience much lower rates of child poverty, those living in homes owned with a mortgage, nevertheless comprise over one third of all poor children (37%). However, as 62 percent of all children are living in homes owned with a mortgage, this population share results in a greater concentration of poor children living in such homes despite a lower child poverty rate (23%).

3.5 In comparison to income only measures (chapter two), the household consensual poverty measure produces some differences in poverty rates. In addition to child poverty rates being higher generally using the consensual poverty threshold, children living in households with one worker are shown to have a higher than average

poverty rate compared to that using income only measures where the poverty rate for this group is lower than the average.

Child Necessities

3.6 The analysis above using the PSE consensual poverty threshold, enables us for the first time in Northern Ireland to consider a combination of income and deprivation. The data and analysis does not however include within the measure a consideration of the lack of specific child necessities for households with children. The PSE survey asked adults to identify necessities for children as well as adults. A list of 33 items and activities were agreed as children's necessities by the majority of adults. These necessities were organised into five domains including Food, Clothes, Participation and Activities, Developmental and Environmental items. In the PSE survey the parent nominated as most likely to know about the children's standard of living was asked to answer questions about children's necessities. It should be noted, however, that the questions about children's necessities were not asked for each individual child but for all the children in the family together. This next section provides information on the number and detail of necessities which children in Northern Ireland lacked. A comparison with Great Britain is provided where possible but it should be noted that there is a two year time difference between the PSE survey in Northern Ireland (2002/3) and that in Great Britain (1999). It should be noted that in this part of the analysis, children under 16 only are included (as defined by PSE NI).

3.7 As reported in Table 3.2, the necessity most lacked by children both in Britain and Northern Ireland was a family holiday for one week per year. A family holiday was lacked by 28 percent of children in Northern Ireland and 22 percent of children in Britain. Parents surveyed in Northern Ireland were also asked about family day trips and 10 percent of children were not able to take family day trips because their parent(s) could not afford them. Children in Northern Ireland were more likely to wear second hand clothes with 6 percent of children lacking "new, not second hand clothes" compared to 3 percent of children in Britain. Children in Northern Ireland were also more likely to go without sports gear or equipment (9%) compared to

children in Britain (3%). In Britain parents did not consider a home computer for school work a necessity whereas in Northern Ireland parents did deem this a necessity. The time lag between surveys may have influenced this difference as the PSE (GB) was completed in 1999 compared to PSE (NI) completed in 2002/3. It may be that 3-4 years on access to a home computer has become more essential to the completion of school work. In Northern Ireland 20 percent of children did not have access to a home computer for school work while parents considered this a necessity of life.

Table 3.2 Proportions lacking Children's Necessities in NI and GB

Percentages of children lacking necessities	Northern Ireland	Great Britain
FOOD		
Fresh fruit or vegetables at least once a day	4	2
Three meals a day	1	1
Meat, fish or vegetarian equivalent at least twice a day	4	4
CLOTHES		
New, properly fitted shoes	3	2
Warm waterproof jacket	3	2
All the school uniform required by the school*	1	2
Buy new clothes when needed	9	x
At least seven pairs of new underpants	4	2
At least four pairs of trousers, leggings or skirts	4	3
At least four warm tops, such as jumpers, fleeces or sweatshirts	4	3
New not second hand clothes	6	3
PARTICIPATION and ACTIVITIES		
Opportunities to take regular exercise	1	x
Celebrations on special occasions	<1	4
Hobby/leisure activity*	4	3
School trip at least once a term*	1	2
Family day trips	10	x
Youth Club or similar activity*	3	x
Sports gear or equipment	9	3
One week's holiday away from home with family	28	22
Friends round to for tea/snack fortnightly*	2	4
DEVELOPMENTAL		
Books of their own	1	<1
Playgroup (pre-school age)*	3	1
Educational games	4	4
Toys (e.g. dolls, play figures etc)*	<1	<1
Construction toys such as lego	5	3
Bicycle*	7	3
At least 50 pence per week pocket money	4	2
Computer suitable for doing school work	20	(36 –not necessity)
Comic, or magazine once a week	13	x
ENVIRONMENTAL		
Health/disability aids and equipment if needed	2	x
Their own bed	2	<1
Enough bedrooms for boys and girls over 10 to sleep separately*	9	3
Garden to play in	3	3

Base NI = 1195 GB = 792 Sources: PSE (NI) 2002/3 PSE (GB) 1999

* age related items

3.8 The PSE (NI) survey included 33 items which were considered necessities for children. This analysis also examined the number of necessities which children went without. The mean number of necessities lacked by children in Northern Ireland was 1.74. In Northern Ireland 47 percent of children lack one or more necessities compared to 34 percent of children in Britain, while 29 percent lack two or more necessities in Northern Ireland compared to 18 percent in Britain.

3.9 Over one fifth of children in Northern Ireland (22%) are deprived of 3 or more necessities while 16 percent lack four or more necessities. One in every 14 children (7%) lack 8 or more necessities. While there are some differences in the individual items used in the Northern Ireland survey in comparison to the PSE (GB) survey, and these may contribute to higher overall figures of the number of children lacking one or more necessities, a considerable proportion of children in Northern Ireland are lacking 8 or more basic necessities of life.

Table 3.3 Lack of key children’s necessities (PSE NI, 2002/3)

Necessity Domain	Number of necessities lacking			
	1+	2+	3+	4+
Food	7	3	<1	-
Clothes	15	8	4	3
Participation and Activities	32	13	6	3
Developmental	29	14	7	3
Environmental	14	3	<1	-
Base (n) = 1195				

Source: PSE NI 2002/3

3.10 A further analysis was completed examining the five different domains of necessities and children were more likely to lack one or more participation and social activities or developmental necessities in comparison to food, clothes and environmental issues. However, research on severe child poverty in Northern Ireland (Monteith and McLaughlin, 2004) has shown that where poverty is deepest a substantial number of children are going without basic food necessities such as fresh fruit and vegetables. Table 3.3 above shows that almost one third (32%) of children do not have access to one or more essential participation or social activities, and 29

percent lack basic developmental items such as books of their own, educational games, construction toys, a comic or magazine once a week, or a computer suitable for doing school work. One in eight (15%) children lack basic clothes items such as new properly fitted shoes, a warm waterproof coat, the necessary school uniform items, and a number of changes of clothing. Three percent of children lack four or more clothing items while 3 percent lack four or more developmental necessities and 3 percent also do not have access to four or more social activities.

Table 3.4 Exclusion from public and private services (PSE NI, 2002/3)

	Don't Use – Unavailable or Unsuitable	Don't Use – Can't Afford
PUBLIC SERVICES		
Libraries	3	0
Public Sports Facilities	5	5
Hospital with A&E	<1	0
Doctor	0	<1
Dentist	0	<1
Optician	2	<1
Public transport	5	1
PRIVATE SERVICES		
Place of worship	1	0
Chemist	<1	<1
Corner Shop	8	0
Medium/large supermarket	2	<1
Cinema/theatre	6	4

3.11 The PSE NI survey also included data on access to public and private services.

These questions were asked of all adult respondents who stated whether they used these services and if not whether this was because they were not available or could not afford to use them or simply because they did not wish to use them. In this analysis the response of the household respondent is used for children in the household. As with the children necessities, we rely on an adult in the household to provide information about access to key services. Since questions were not asked

directly about children's access to public and private services, the household respondent's data was used for children within the household to gain some insight into access to public and private services. Therefore it is assumed that access problems the household respondent may have with key services apply to children within the household.

3.12 As reported in table 3.4, the main public services of concern for children were access to public sports facilities (10%) because they were either unsuitable/unavailable or were not affordable. Five percent of children had a parent who said they did not use public transport because it was unsuitable or unavailable. Access to key public services such as hospitals, doctors, dentists and opticians was not a problem. The main private service of concern was access to the cinema as 6 percent of parents said this was unavailable or unsuitable and a further 4 percent said that they could not afford the cinema.

Child Deprivation and Household Consensual Poverty Combined

CONSENSUAL POVERTY

The consensual poverty measure used in the PSE survey involved a mixed income-deprivation measure. The PSE consensual poverty threshold was established by combining data on household income with adult deprivation items, using a number of statistical procedures designed to best distinguish the 'poor' and the 'non-poor'.

Households which were poor on this measure in Northern Ireland lacked at least three deprivation items and had on average an equivalised household income of £156.27 per week.

3.13 As the consensual poverty measure used in the PSENI survey used only adult deprivation measures in creating the threshold, this analysis has combined a number of child deprivation thresholds with the consensual poverty measure to provide a more child focused consensual poverty measure. The child deprivation thresholds used were: lacking one or more child necessities, lacking two or more, lacking three

or more and lacking four or more child necessities. These thresholds were then combined with the “poor/not poor” classification of the PSE household consensual poverty measure. As can be noted in table 3.5 one third of children (32%) lacked one or more child necessities and lived in a household considered poor on the consensual poverty measure while 24% of children lacked two or more child necessities and lived in a consensually poor household. One in eight children in Northern Ireland lacked 4 or more child necessities and lived in household considered poor on the PSE consensual poverty measure.

Table 3.5 Child Consensual Poverty Index for Northern Ireland

Consensual poverty and Child Deprivation Combined	% of children poor
lacking 1 or more child necessities and living in consensually poor household	32
lacking 2 or more child necessities and living in consensually poor household	24
lacking 3 or more child necessities and living in consensually poor household	19
lacking 4 or more child necessities and living in consensually poor household	15
base (n)	1195

Source: PSE (NI) 2002/3

3.14 Examining the extent of overlap between children living in consensually poor households and children who were deprived on one or more necessity, 32 percent of children were poor on both these measures. However, 15 percent of Northern Ireland children were lacking one or more child necessities but were not living in households

which were consensually poor, while a further 6 percent of children lived in consensually poor households but did not lack any child necessities.

3.15 Using the case of lacking 2 or more child necessities, 24 percent of children in Northern Ireland were poor on both measures, while an additional 4 percent of children were lacking two or more necessities but were not living in consensually poor households, and 14 percent of children were not lacking two or more child necessities but were poor on the PSE consensual poverty measure.

3.16 Where 4 or more child necessities are used as the child deprivation threshold, this results in 15 percent of all Northern Ireland children being considered poor on both these measures, with only 2 percent of children being considered poor on child deprivation only (lacking 4 plus necessities) but a further 23 percent of children were considered poor on the PSE household consensual poverty measure but were not lacking four or more child necessities.

3.17 This analysis shows that as the number of child necessities used for the child deprivation threshold increases the proportion of children poor on the combined child deprivation and household consensual poverty measure decreases. By increasing the threshold for child necessities, more of those children who were poor on child deprivation only are excluded from the model. However, by increasing the threshold, more children also move from the overlap between measures (i.e child deprivation and household consensual poverty) to becoming poor on the household consensual poverty measure only.

Table 3.6: Composition of Child Poverty: Using the PSE Consensual Poverty

Measure

	Composition of Child Poverty Consensual Poverty (PSE) measure	Composition of All NI Children
Employment Status		
1 worker	38	33
2 workers	17	43
3 workers	4	6
no workers (sick/disab/ret)	8	3
no workers (unempl/other)	33	15
Family Type		
Couple	43	58
Lone parent	31	17
Other	26	25
Age of Child		
1 year and under	9	10
2-4 years	14	14
5-10 years	35	34
11-15 years	32	32
16-17 years	10	11
No. of children		
1	24	24
2	29	38
3	27	24
4 and over	20	14
Ethnic Group		
White	98	96
Non-white	2	4
Religion		
Neither Catholic/Protestant	5	6
Catholic	57	48
Protestant	38	46

Table 3.6 (continued)

	Composition of Child Poverty Using Consensual Poverty Measure	Composition of All NI Children
Housing Tenure		
Outright Owner	7	11
Owner with Mortgage	37	62
Private Tenant	12	8
NIHE/HA tenant	43	19
Child Disability		
Yes	8	5
No	92	95
Parent Illness/Disability		
Yes	34	22
No	66	78
Receipt of Income Support/Job Seekers Allowance		
Yes	43	19
No	57	81
Base (n)	539	1434

Source: Poverty and Social Exclusion Survey (NI) 2002/3

Table 3.7: Child Poverty Rates (risk) Using PSE Consensual Poverty Measure

ROW %	% of Poor Children Using Consensual Poverty Measure	Base (n)
Employment Status		
1 worker	44	467
2 workers	15	623
3 workers	26	85
no workers (sick/disab/ret)	98	45
no workers (unempl/other)	82	214
Family Type		
Couple	28	828
Lone parent	68	242
Other	39	364
Age of Child		
1 year and under	33	144
2-4 years	38	197
5-10 years	38	488
11-15 years	38	452
16-17 years	37	153
No. of children		
1	37	334
2	29	516
3	42	330
4 and over	55	195
Ethnic Group		
White	38	1383
Non-white	24	51
Religion		
Neither Catholic/Protestant	31	83
Catholic	44	694
Protestant	31	657

Table 3.7 (cont'd)

ROW %	% of Children Poor using the Consensual Poverty measure	Base (n)
Housing Tenure		
Outright Owner	24	157
Owner with Mortgage	23	882
Private Tenant	58	113
NIHE/HA tenant	84	279
Child Disability		
Yes	57	68
No	37	1213
Parent Illness/Disability		
Yes	59	313
No	32	1121
Receipt of Income Support/Job Seekers Allowance		
Yes	87	268
No	26	1166
ALL Children	37.6	1434

Source: Poverty and Social Exclusion Survey (NI) 2002/3

Chapter Four: Child Poverty the new UK child poverty Measure

KEY FINDINGS

- 14% of children in NI are living in absolute low income poverty
- 19% of children in NI are living in Relative Low Income Poverty in relation to average household incomes in NI (i.e using a threshold of 60% of NI median household income)
- 23% of children in NI are living in Relative Low Income Poverty in relation to average household incomes in UK (i.e using a threshold of 60% of GB median household income)
- 34% of children in NI are living in households with an income less than 70% of the equivalised median household income for NI.
- 16% of children in NI live in households that are seriously behind with one or more key payments.
- 20% of children are poor on a combined measure of adult (1+ necessities lacking) and child deprivation (1+ necessities lacking) and relative low income (<70% median)
- 8% of children are poor on a measure combining debt with adult deprivation, child deprivation and relative low income

Introduction

4.1 In December 2003 the Department of Works and Pensions published *Measuring Child Poverty* which set out a new government measure of child poverty and the criteria to be used to assess progress in eradicating child poverty in the UK in the future. The methods chosen were based on wide consultation and combine measures of low income with broader aspects of poverty. The measures indicated in the document (DWP, 2003) will be used to measure child poverty in the long term and to assess movement towards the UK government's commitment to eradicate child poverty within a generation. As noted in Chapter One, this commitment was first made in 1999. The methods to be used involve a 'tiered' approach using a set of three inter-related indicators (tiers or sub-measures capturing different aspects of poverty.

Each of the tiers has significance in its own right and the Department of Work and Pensions (2003) stated that the objective is to make progress against all three tiers.

DWP MEASURE OF CHILD POVERTY

The DWP measure of child poverty consists of three tiers of indicators:

- Absolute low income
- Relative low income
- Material deprivation and low income combined.

Using this measure, poverty is falling when all of these indicators are moving in the right direction.

4.2 The new measure of child poverty to be used by the UK government in measuring child poverty consists of:

- ***Absolute low income*** – to measure whether the poorest families are seeing their incomes rise in real terms.
- ***Relative low income*** – to measure whether the poorest families are keeping pace with the growth of incomes in the economy as a whole.
- ***Material deprivation and low income combined*** – the mixed measure to provide a wider measure of people's living standards.

Using this approach the UK government will conclude that poverty is falling when all of the three indicators above are moving in the right direction. (DWP, 2003).

4.3 This chapter will examine the extent of child poverty in Northern Ireland using the DWP measure. OFMDFM have indicated that the DWP targets will be contained in the Children and Young People's Strategy and the Anti-poverty Strategy will be the strategic vehicle for delivering on targets linked to eradicating child poverty. The Family Resources Survey will provide data on the DWP measure from the 2004/5 data collection period onwards (the first statistics will therefore become available in 2006). In this analysis, where possible, the Family Resources Survey (2002/3) has been used to provide an early baseline in Northern Ireland for the measurement of

child poverty. The baseline will assist with the setting of interim targets in the Northern Ireland Anti-Poverty Strategy and therefore progress towards the overall goal of eradicating child poverty by 2020. As the 2002/3 Family Resources Survey did not collect data on all of the standard of living indicators subsequently chosen by the DWP, data from the Family Resources Survey has been supplemented with data from the Poverty and Social Exclusion Survey in order to produce as accurate a baseline as possible. Where possible, analysis includes 16 and 17 year olds. Where child deprivation items are included in the analysis, however, the sample includes only those under 16 as the Poverty and Social Exclusion Survey in Northern Ireland collected this data only in respect of children under 16 years.

ABSOLUTE LOW INCOME (DWP)

- Is fixed as equal to the relative low income threshold for the baseline year 1998/99 expressed in today's prices
- For 2004/5 this is £210 per week for a couple with one child (under 14 years)
- For 2002/3 this is £205 per week for a couple with one child (under 14 years)

Absolute Low Income

4.4 The absolute low income indicator aims to measure whether the very poorest families are seeing their incomes rise in real terms by monitoring the number of children living in families with incomes below a particular threshold which has been adjusted for inflation (price rises over the intervening years). This was set for 2004/5 data for a couple with one child at £210¹ a week. For this analysis, 2002/3 data from the Family Resources Survey is used and therefore this amount is adjusted to reflect 2002/3 prices giving an absolute low income threshold of £205 for a couple with one child. The threshold used is a UK wide absolute low income threshold.

¹ The level is fixed as equal to the relative low-income threshold for the baseline year of 1998/99 expressed in today's prices. A child in this example is aged under 14 years. As incomes are adjusted for family size, the actual cash threshold will be lower for small lone parent families and higher for larger families. Income is being measured before housing costs and will therefore include any Housing Benefit a family receives. (DWP, 2003). The absolute low income measure uses the Modified OECD equivalence scale.

4.5 Table 4.9 and table 4.10 provide an analysis of the composition and risk of absolute low income using the Family Resources Survey. One in seven children (14%) in Northern Ireland are at living in absolute low income poverty. Particularly, higher rates (or risk) of absolute low income were found for the following groups:

- children living in households dependent on job seekers allowance (49%)
- children living in households with no workers (34%)
- children living in Housing Executive accommodation (28%)
- children living in large families (25%)
- children living in households dependent on Income Support (23%)
- children living in lone parent families (22%)
- children aged between 11 and 15 years (20%)
- children living with disabled parents (20%).

4.6 While children with lone parents are more at risk of living in absolute low income poverty than those children living in two parent families, children living with couples comprise over three fifths (62%) of all children living in absolute low income poverty. This is not unexpected as children living in couple families make up 75 percent of the child population while children living with lone parents make up 25 percent. Therefore children of lone parents are over-represented among those living in absolute low income poverty.

4.7 Children living in households with no workers are more at risk of absolute low income poverty compared with families with one or more workers and they also comprise almost half (48%) of all children living in absolute poverty compared to only 20 percent of the child population generally.

4.8 While children living in households dependent on job seekers allowance have a higher child poverty rate this group comprises only 8 percent of those living in absolute low income poverty compared to 29 percent of children living in households on income support. However, children from both types of households are over-

represented in the below absolute poverty group compared to the general child population.

4.9 While only 10 percent of children living in homes owned with a mortgage were living in absolute low income poverty these children comprised 44 percent of poor children on this indicator. Although they make up a substantial component of children in the absolute low income poverty group, children living in homes owned by a mortgage are actually under-represented when compared to their overall population share (they were 62% of all children).

RELATIVE LOW INCOME (DWP)

- Defined as children living in households below 60 percent of the median equivalised household income
- Uses the Modified OECD equivalisation scale
- Before Housing Costs (BHC)

Relative low income

4.10 The second of the DWP indicators is that of relative low income - children living in households below 60 percent of the median equivalised household income.

Measuring Child Poverty indicates that the relative income measure adopted is the same one used in European Union comparisons, that is it uses the modified OECD equivalence scale and is based on incomes before housing costs. The measure uses a specific threshold under which people are considered to be in low income relative to others. The numerical threshold changes over time as, or if, the population as a whole has income growth. So whereas the absolute low-income indicator has a threshold fixed in real terms, the relative low income indicator has a moving threshold as comparisons are made year on year. This permits measurement of the extent to which poor families' incomes rise in relation to the economy generally (DWP, 2003).

4.11 The analysis provided here uses data from the Family Resources Survey 2002/3. The survey provides information for comparison of poverty within two populations.

Firstly, measuring the extent to which children are living in poverty in comparison to all children in Northern Ireland using a NI median household income to calculate the threshold; and secondly, comparing children living in poverty in NI to all children living in the UK (using a GB median household income as a proxy to calculate a threshold for the UK). Therefore two comparisons can be made, the extent to which children are poor in relation to the Northern Ireland economy and the extent to which children are poor in relation the UK economy.

Table 4.1 Child Poverty Rates (risk) using Relative Low Income Indicator (FRS 2002/3)

% of children in group living in households below threshold	<60% of NI median household income	<60% of GB median household income
No workers	47	58
Lone parents	33	41
Aged 11-15 years	26	31
Large Families	27	33
NIHE tenant	43	52
Private tenant	27	35
HA tenant	35	35
Child with Disability	26	31
Parent has disability	24	30
Income support	39	51
Job Seekers Allowance	68	75
Rate for NI children	19	23

4.12 Looking at child poverty rates (risk) firstly, 19 percent of children in Northern Ireland are living in households with relative income poverty (using a threshold of less than 60 percent of the equivalised NI median income). Using a Great Britain median household income threshold, 23 percent of children in Northern Ireland are

living in households with relative income poverty. This means that one in five NI children are considered to be living in relative income poverty in relation to the NI economy but almost one in four NI children are poor in terms of the UK wide economy.

4.13 As can be noted in table 4.1 (and in more detail in table 4.12) while child poverty rates (risk) are higher using the GB median for relative low income compared to the NI median, similar groups of children are at risk of relative low income poverty compared to other measures in earlier chapters. These include those with the highest risk of relative income poverty being children living in households dependent on benefits (Job Seekers Allowance or Income Support), children living in households with no workers, and children living in Housing Executive accommodation.

Table 4.2 Composition of child poverty using relative low income indicator (FRS 2002/3)

% of all NI children living in households below relative income threshold	<60% NI median household income	< 60 %GB median household income
No workers	50	50
Couple	57	56
Lone Parent	43	44
NIHE tenant	36	36
Owner with mortgage	36	36
Income support	37	40
Protestant	56	55
Catholic	40	40

4.14 Table 4.2 shows the composition of child poverty using the relative low income indicator (more detailed analysis is shown in table 4.11). The composition of child poverty did not differ according to whether a NI median or a GB median was used, apart from the proportion of children living in families dependent on income support represented 40% of all poor children using the GB median household income

threshold compared to comprising 37% of children living below the NI median household income threshold.

4.15 Children living in households with no workers made up half of all poor children using the relative low income indicator. Similarly to results using the absolute low income indicator while lone parents were at greater risk of poverty using this indicator, children living with two parents made up almost 3 in 5 of poor children (57%). Similarly, children living in either Housing Executive accommodation or homes owned with a mortgage each represented over a third of poor children (36%).

DWP MIXED POVERTY MEASURE: MATERIAL DEPRIVATION, RELATIVE LOW INCOME AND DEBT

The third of the DWP indicators for child poverty incorporated material deprivation, relative low income and debt

- Materially deprived – lacking certain goods and services
- Relative Low income – below 70% median equivalised household income (using Modified OECD equivalence scale)
- Debt

The DWP Mixed Poverty Measure (Material Deprivation, Relative Low Income and Debt)

4.16 The third of the DWP tiers of indicators for child poverty incorporated indicators of material deprivation (or low standard of living), relative low income and debt. This is defined as families who are both materially deprived (lacking certain goods and services) and have relative incomes below 70 percent of median equivalised household income. From 2004/5 the Family Resources Survey will be used to collect material deprivation data along with new information on household debt and the first information from this survey will be available in 2006. To provide advance similar information, the analysis provided in this section uses the Poverty and Social Exclusion Survey in Northern Ireland (PSE NI) which enables us to analysis both material deprivation and debt. As far as possible, the material deprivation items for adult and child deprivation, as listed in Annex A of *Measuring Child Poverty*, are

used. Where these differ slightly in the PSE NI survey compared to FRS a similar alternative is substituted. For example, Annex A refers to a child deprivation item of 'swimming once a month' and in the PSE NI an equivalent was the 'opportunity to take regular exercise'. Where such differences exist, these are noted in the analysis with footnotes explaining the substitution made. This analysis looks firstly at each of the individual components of the combined material deprivation and income indicator separately i.e. a relative income of below 70% of the median household income, adult and child deprivation items and debt. The analysis then explores a number of combinations of relative low income with experiences of material deprivation and debt.

Children living in households with below 70 percent of median household income

4.17 Firstly taking the relative low income indicator using the Family Resources Survey data, where children were living in households with an income below 70 percent of the median equivalised household income using the Modified OECD scale, tables 4.11 and 4.12 provide a detailed analysis of both the composition and risk of child poverty. One third (33%) of children in Northern were living in households which had an income of less than 70 percent of the Great Britain median equivalised household income. Using 70 percent of the Northern Ireland median income as the relative income threshold, 28 percent of children were considered poor. Therefore in comparison to UK wide incomes one third of children in NI are poor and if comparing incomes within NI, 28 percent of children are poor using a threshold of less than 70 percent of the median equivalised household income. In comparison to the analysis using the threshold of less than 60 percent of the median equivalised household income, rates are obviously higher across each of the groups and some changes are noted in the composition of child poverty. With a threshold of less than 70% of the GB median household income, the proportion of poor children living in households with no workers decreased by 5 percentage points while the proportion of children living in households with one worker increased by 5 percentage points. Similarly the proportion of protestant children living in poor households increased by 2 percentage points to 47 percent compared to a decrease in the proportion of catholic

children from 40 percent to 38 percent when the income threshold was shifted from less than 60% of the GB median household income to less than 70%.

Material Deprivation

4.18 The material deprivation indicators agreed by the Department of Works and Pensions (2003) included 11 adult deprivation items and 9 child deprivation items. This analysis begins by outlining the results on each of these individual deprivation items using the PSE NI survey 2002/3 and then goes on to consider the number of items children (or their families in the case of adult deprivation times) were lacking.

Table 4.3 Adult Deprivation Items

<i>Children living in households where the following items are lacking for adults because they cannot afford them</i>	% can't afford
A holiday away from home for one week a year, not with relatives	32
Replace any worn out furniture	34
A small amount of money to spend each week on yourself, not on your family	29
Regular savings (of £10 pounds a month) for rainy days or retirement	34
Insurance of contents of dwelling	14
Have friends or family for a drink or meal at least once a month	13
A hobby or leisure activity	10
Replace or repair broken electric goods such as refrigerator or washing machine	29
Keep your home adequately warm (<i>central heating</i>)	(2)
Two pairs of all weather shoes for each adult	9
Enough money to keep your home in a decent state of repair (<i>decoration</i>)	14

Source: PSE NI 2002/3

4.19 Table 4.3 above indicates the adult deprivation items identified for use in future official child poverty measurement by DWP (2003). Of the 11 adult deprivation items selected, only one is not available in the Poverty and Social Exclusion dataset. That is the item referring to being able to 'keep your home adequately warm'. The PSE NI survey instead asked if families had central heating. Unfortunately this item is somewhat different as it is possible to have central heating but not be able to afford to run it sufficiently to keep the home adequately warm. As indicated in table 4.3, only

2 percent of children lived in a home which did not have central heating because their family could not afford it. Few children lived in families deprived on this item compared to the other adult deprivation items.

4.20 In addition to the individual adult items a further variable was created to analyse the number of adults items which were lacked. Over half of children (51%) lived in families which lacked at least one adult item out of the 11 on the list. Two in five children (41%) lived in families lacking two or more adult items, 34 percent of children lived in families lacking 3 or more adult items and 30 percent of children lived in families lacking 4 or more adult items. Almost one quarter (23%) of children lived in households lacking 5 or more adult items and 18 percent lived in families lacking 6 or more items.

Table 4.4: Child Deprivation Items (PSE NI 2002/3)

<i>Children living in households where the following items are lacking for adults because their families cannot afford them</i>	% can't afford
A holiday away from home for one week a year, with family	28
Swimming at least once a month (<i>opportunity to take regular exercise</i>)	(1)
A hobby or leisure activity	4
Friends round for tea or a snack once a fortnight	2
Enough bedrooms for every child over 10 of different sex to have his or her own bedroom	9
Leisure equipment (e.g sports equipment of a bicycle)	9
Celebrations on special occasions such as birthdays Christmas or other religious festivals	<1
Playgroup/nursery/toddler group at least once a week for pre-school aged children	3
Going on a school trip at least once a term for school aged children	1

4.21 Table 4.4 shows the list of 9 child deprivation items chosen by the Department of Works and Pensions (2003). Again, all but one of these are available from the PSE NI survey 2002/3. The only item where a substitution was required was that of 'swimming at least once a month'. As an alternative the 'opportunity to take regular exercise' has been substituted instead. As indicated in table 4.4 the item that most children (28%) lack in Northern Ireland is that of a holiday away from home for one week each year with their family.

4.22 In addition to the individual items, the number of items lacking by children in Northern Ireland was calculated. Over one third of children (35%) lacked one or more of the child deprivation items on this list, while 22 percent of children lacked two or more items. Five percent of children lacked 3 or more of the child deprivation items listed.

Debt

4.23 In the PSE NI survey a number of questions were asked about late payments and these can be used as one indicator of debt within the household. Respondents were asked whether, in the last 12 months, they had been seriously behind with the payment of bills including housing costs (rent, mortgage), utilities (gas, electricity, telephone), catalogue payments and loans.

4.24 In addition to the individual late payments items listed in Table 4.5, the number of late payment items for each household was calculated. Eight out of ten children (84%) lived in households which did not have any late payments. However, this does not enable us to say anything about the extent of debt in terms of loans within the household, only that they do not have late payments on any housing costs, utility services or existing loans. 15 percent of children, however, lived in households which were seriously behind on one or more key payments, while 7 percent were living in households which were behind on two or more payments and 4 percent were living in families behind on three or more payments. Monteith and McLaughlin (2004) reported that severely poor children were much more likely to live in households experiencing late payments compared to non-severely poor children who in turn were more likely to live in such households compared to children who were not poor. Of severely poor children, 32 percent lived in households behind on catalogue payments, 26 percent lived in families behind on electricity payments, 21 percent lived in families behind with telephone payments, 20 percent lived in households behind on hire purchase loans and 19 percent were behind on other loans. Of those severely poor children living in homes owned with a mortgage, 39 percent lived in households behind with their mortgage payments.

Table 4.5 Proportion of children living in households with late payments

	% of children living in households who are seriously behind with payments
Rent	3
Mortgage	2
Gas	<1
Electricity	4
Telephone	6
Hire Purchase Loan	5
Catalogue Payments	5
Other loans	5

Source: PSE NI 2002/3

4.25 Late payments are just one indicator of debt and is likely to underestimate the extent of debt among families with children as it does not take account of those families who are in debt but also manage to make their key payments on time. Information is not currently available, however, on the extent of overall debt among families; and late payments data at least does provide some indication of which families are struggling to cope with debt.

Poverty: the mixed measure combining relative low income and material deprivation

4.26 It would be possible to combine the components of the mixed income/deprivation indicator in a large number of ways. At the time of writing the DWP had not determined the method by which they will produce the mixed measure so our analysis here examines the implications of some of the permutations which are possible. DWP will not make the decision regarding the method of production of the mixed measure until later in 2005.

4.27 The sections earlier which examined relative low income of less than 60 and 70 percent of the median equivalised household income used data from the Family Resources Survey as from 2004/5 that survey will be used to monitor absolute low income and relative low income. For the purposes of creating a mixed tier/sub-measure we have replaced the Family Resources Survey with equivalent data from the Poverty and Social Exclusion Survey (2002/3). This dataset enables relative low income to be combined with data on adult and child deprivation and with a debt indicator. It should be noted, however, that figures from the PSE NI survey using a relative low income threshold of less than 70 percent of the equivalised NI median household income produce a slightly higher child poverty rate in comparison to that from the Family Resources Survey (PSE NI 33%, FRS 28%; for children aged under 18). While the previous sections on absolute and relative low income used a GB median household income in calculation of the income thresholds, this section uses the NI median as data is taken from the PSE NI survey. Despite these necessary complications, we are able for the first time to provide an estimate of the extent of child poverty in NI using this new UK method. In order to combine both child and adult deprivation items with relative low income the analysis examines the cases of children under 16 only as child deprivation data in the PSE NI was collected for that age group only.

4.28 Combining relative low income, child and adult deprivation items and debt, many combinations and permutations are possible involving the number of items, the specific items; whether child and adult items are equally or differentially weighted; whether income and deprivation items are equally or differentially weighted. In examining topline figures (table 4.6), it was striking that the proportion of children living in families lacking 1 or more adult items was much greater than the proportion of children lacking one or more child items or the percentage living below the relative low income threshold. It was decided therefore to define three levels of adult deprivation (lack of more than 1, 2 and 3 items) and to combine this with a child deprivation measure of 1 or more items lacking. The initial stages of this analysis combine adult and child deprivation with relative low income. The final stage adds debt to the analysis.

Table 4.6 Relative low income, adult and child deprivation and debt.

	% of children living in households in Northern Ireland
Relative low income	34
Child Deprivation (1+ items)	35
Child Deprivation (2+ items)	22
Child Deprivation (3+ items)	5
Adult Deprivation (1+ items)	51
Adult Deprivation (2+ items)	41
Adult Deprivation (3+ items)	34
Debt (1+ late payments)	16

Base (N) 1195

Source: PSE NI 2002/3

Table 4.7 Combined Child and Adult deprivation and relative low income

Permutations (% of children)	1+ adult, 1+ child, rel. low income	2+ adult, 1+ child, rel. low income	3+ adult, 1+ child, rel. low income
Poor on all three measures	20	19	16
Poor on two measures			
Child and adult deprivation	11	9	8
Adult deprivation and rel. low income	8	7	7
Child deprivation and rel. low income	1	2	5
Poor on one measure			
Adult deprivation only	12	7	4
Child Deprivation only	3	5	7
Relative low income only	5	6	6
Not poor on any measure	40	45	47
Total	100	100	100

Source: PSE NI 2002/3

base N = 1195

4.29 A range of permutations is possible from even this limited exercise, 8 in all as Table 4.6 shows (combining child and adult deprivation with relative low income). In each method the child deprivation level used is that of lacking one or more child necessity and the relative low income threshold is less than 70 percent of the NI median equivalised household income. These two measures are combined firstly with a lack of one or more adult deprivation items and then with two and with three adult deprivation items lacking. As the analysis shows, the level of poverty varies from 20% to 40% depending on the combination chosen. Lack of one or more adult items plus lack of one or more child items together with relative low income indicates 20 percent of children in Northern Ireland as poor. Moving the combined threshold up to two or more adult items lacking makes little difference (19% poor on all three measures), but moving the combined threshold up to three or more items reduces the proportion of children poor on all three measures to 16 percent. Using the thresholds of 3 or more adult items lacking, one or more child items lacking and a relative low

income, 53 percent of children are poor on at least one of these, and 36 percent of children are poor on at least two.

4.30 Table 4.8 shows the effects of including debt, providing an overall analysis of child and adult deprivation, debt and relative low income together. In total 16 permutations of adult and child deprivation, relative low income and debt can be calculated; including 4 combinations of three measures, 6 combinations of two measures, and 4 combinations of one measure only. Combining all four measures (adult deprivation, child deprivation, debt and relative low income) together in their various combinations is shown in the two models below. In both models, the level of debt and the level of child deprivation remains at one or more items, while in the first model the level of adult deprivation is one or more items lacking and in the second model adult deprivation is increased to three or more items lacking.

Table 4.8 Combined Material Deprivation (including Debt) and Relative Low Income

Permutations (% of children)	1+ adult, 1+ child, 1+ debt and rel. low income Model A	3+ adult, 1+ child, 1+ debt and rel. low income Model B
Poor on all 4 measures	8	8
Poor on three measures	17	13
Poor two measures	18	17
Poor on one measure	19	16
Not poor on any measure	39	46
Total	100	100

Source: PSE NI 2002/03

base N=1195

4.31 In both models, 8 percent of children in Northern Ireland are poor on all four measures. A further 17 percent are poor on three measures in model A (a lack of 1 or more adult items) compared to 13 percent of children using Model B (three or more adult items lacking). Therefore, 25 percent of children in Northern Ireland are poor on at least three of the four measures using Model A (1+ adult items, 1+ child items, 1+ debt items, relative low income) compared to 21 percent of children if using Model B (3+ adult items, 1+ child items, 1+ debt items, relative low income).

Table 4.9: Composition of groups of children living in absolute poverty (OECD Equivalence Scale, BHC)

Percentage of children

Source: FRS
2002/03

	Composition of children living Below Absolute Poverty	Composition of All Children In NI
Employment Status		
no workers	48	20
1 worker	38	33
2 workers	14	47
Family Type		
Lone parent with children	38	25
Couple with children	62	75
Age of Child		
1 year and under	10	10
2-4 years	14	17
5-10 years	38	38
11-15 years	32	27
16-17 years	6	8
No. of children		
1	17	23
2	30	40
3	30	24
4 and over	23	13
Religion		
Protestant	50	50
Catholic	45	40
Neither Catholic/Protestant	5	10

Table 4.9 (contd) : Composition of groups of children living in absolute poverty (OECD Equivalence Scale, BHC)

Percentage of children		
	Composition of children living below Absolute Poverty	Composition of All Children in NI
Source: FRS 2002/03		
Housing Tenure		
Outright Owner	13	11
Owner with Mortgage	44	62
Private Tenant	6	8
HA tenant	2	2
NIHE Tenant	31	16
Other	4	1
Child Disability		
Yes	23	13
No	77	87
Parent Disability		
Yes	28	20
No	72	80
Income Support		
Yes	29	18
No	71	82
Jobseekers Allowance		
Yes	8	2
No	92	98
All Children	647	1283

Table 4.10: Risk of children being in absolute poverty (OECD Equivalence Scale, BHC)

Percentage of children		
	Below Absolute Poverty	All Children (base N)
Source: FRS 2002/03		
Employment Status		
no workers	34	294
1 worker	16	423
2 workers	4	566
Family Type		
Lone parent with children	22	360
Couple with children	12	923
Age of Child		
1 year and under	16	126
2-4 years	14	213
5-10 years	16	447
11-15 years	20	341
16-17 years	13	110
No. of children		
1	10	251
2	11	476
3	18	339
4 and over	25	217
Religion		
Protestant	14	635
Catholic	16	528
Neither Catholic/Protestant	7	120

Table 4.10 (contd): Risk of children being in absolute poverty (OECD Equivalence Scale, BHC)

Percentage of children		
	Below Absolute Poverty	All Children (Base N)
Source: FRS 2002/03		
Housing Tenure		
Outright Owner	17	132
Owner with Mortgage	10	778
Private Tenant	11	109
HA tenant	18	24
NIHE Tenant	28	223
Other	45	17
Child Disability		
Yes	25	170
No	13	1113
Parent Disability		
Yes	20	250
No	13	1033
Income Support		
Yes	23	261
No	12	1022
Jobseekers Allowance		
Yes	49	32
No	13	1251
All Children	14	1283

Table 4.11: Composition of groups of children living in relative income poverty using GB median household income (OECD equivalence scale, BHC).

Percentage of children

Source: FRS
2002/03

	Below GB Median		All Children in NI
	60%	70%	
Employment Status			
no workers	50	45	20
1 worker	37	42	33
2 workers	12	14	47
Family Type			
Lone parent with children	44	42	25
Couple with children	56	58	75
Age of Child			
1 year and under	9	9	10
2-4 years	14	16	17
5-10 years	38	38	38
11-15 years	33	30	27
16-17 years	7	7	8
No. of children			
1	21	19	23
2	31	36	40
3	29	26	24
4 and over	18	18	13
Religion			
Protestant	55	57	50
Catholic	40	38	40
Neither Catholic/Protestant	5	5	10

Table 4.11 (cont'd): Composition of groups of children living in relative income poverty using GB median household income (OECD Equivalence Scale, BHC)

Percentage of children

**Source: FRS
2002/03**

	Below GB Median		All Children in NI
	60%	70%	
Housing Tenure			
Outright Owner	10	9	11
Owner with Mortgage	36	42	62
Private Tenant	12	14	8
HA tenant	2	3	2
NIHE Tenant	36	29	16
Other	4	3	1
Child Disability			
Yes	17	16	13
No	83	84	87
Parent Disability			
Yes	25	24	20
No	75	76	80
Income Support			
Yes	40	37	18
No	60	63	82
Jobseekers Allowance			
Yes	7	6	2
No	93	94	98
All Children (base N)	299	428	1283

Table 4.12: Risk of groups of children living in relative income poverty using GB median household income (OECD equivalence scale, BHC)

Percentage of children			
	Source: FRS 2002/03		
	Below GB Median		All Children (base N)
	60%	70%	
Employment Status			
no workers	58	74	294
1 worker	26	42	423
2 workers	6	10	566
Family Type			
Lone parent with children	41	56	360
Couple with children	17	26	923
Age of Child			
1 year and under	23	35	126
2-4 years	22	36	213
5-10 years	25	37	447
11-15 years	31	42	341
16-17 years	21	29	110
No. of children			
1	21	27	251
2	18	31	476
3	28	36	339
4 and over	33	48	217
Religion			
Protestant	26	38	635
Catholic	23	32	528
Neither Catholic/Protestant	11	17	120

Table 4.12: Risk of groups of children being in relative income poverty using GB median household income (OECD equivalence scale, BHC)

Percentage of children			
	Source: FRS 2002/03		
	Below GB Median		All Children (base N)
	60%	70%	
Housing Tenure			
Outright Owner	22	29	132
Owner with Mortgage	13	23	778
Private Tenant	35	59	109
HA tenant	35	61	24
NIHE Tenant	52	60	223
Other	67	67	17
Child Disability			
Yes	31	42	170
No	22	32	1113
Parent Disability			
Yes	30	41	250
No	22	31	1033
Income Support			
Yes	51	67	261
No	17	26	1022
Jobseekers Allowance			
Yes	75	84	32
No	22	32	1251
All Children in NI	23	33	1283

Chapter 5: The Poorest of Poor Children

KEY FINDINGS

- 11% of children in NI were poor on all three dimensions of core poverty
- 44% of children were poor on at least one dimension of core poverty and 25 percent were poor on at least two dimensions.
- 9% of children in NI were considered poor using the ROI consistent poverty measure.
- 8% of children in NI were considered severely poor in the analysis by Monteith and McLaughlin (2004) using Adelman et al methodology.
- 50% of children were poor on at least one of the measures used in severe poverty
- 30% of children were poor on at least two of the severe poverty measures.

5.1 This chapter provides data on those children living in the deepest poverty in Northern Ireland using three different methods of analysis, including the adaptation of core poverty as developed by Bradshaw and Finch (2003) in Britain, consistent child poverty as used by Nolan (2002, 2000) in monitoring poverty trends in Ireland and severe child poverty adapted from the methodology used by Adelman et al (2003) in *Britain's Poorest Children*. Each of these measures uses a mixed measure approach i.e. combining an income threshold with other deprivation data. Bradshaw and Finch go further than the deprivation/income threshold combined method and build in a further dimension of subjective poverty measurement. The results of these different mixed method approaches using 2002/3 data from the Poverty and Social Exclusion Survey (NI) is summarised below. This analysis excludes children aged 16 or 17 years as the PSE survey in NI defined children as less than 16 and therefore child necessities information was only recorded with reference to children under 16 in the household.

CORE POVERTY

This method was developed by Bradshaw and Finch (2003). They used three measures of poverty and examined the overlap between the measures. The three measures used were:

- Relative low income
- Lack of socially perceived necessities
- Being subjectively poor.

Core Child Poverty

5.2 The analysis provided here is an adaptation of the work of Bradshaw and Finch (2003) using the Poverty and Social Exclusion Survey Great Britain. In their analysis they explored poverty in Britain for the first time using three different measures applied to the same sample. These three measures were: having a relatively low income, lacking socially perceived necessities and being subjectively poor. They found little overlap between the populations in the three measures and concluded that the people who were defined by each measure as living in poverty were different from each other and therefore needed a different policy response. In addition, the cumulative approach to analysing poverty where they studied people poor on all three measures, indicated that the more dimensions people were poor on the more unlike the non-poor they were. They concluded that it is not safe to rely on only one measure of poverty and that the triangulation of measures and the analysis of overlapping poverty measures are more reliable in identifying those living in poverty.

5.3 The income poverty measure used by Bradshaw and Finch is that which has since become the UK (DWP, 2004) and the EU (Atkinson et al., 2002) adopted measure of relative poverty. That is, households with a net equivalent household income less than 60 percent of the median household income using the modified OECD scale (a before housing costs measure). In the analysis here, it should be noted that the NI median household income was used.

5.4 In Bradshaw and Finch's analysis a lack of socially perceived necessities was used to represent deprivation, drawing on the social indicator methodology originating with Townsend (1979) and further developed by Mack and Lansley (1993), Gordon and Pantazis (1997), Gordon et al (2000) and Hillyard et al (2003). Bradshaw and Finch used the socially perceived necessities developed by Gordon et al (2000) for the PSE in Britain. In their analysis of core poverty, Bradshaw and Finch chose a threshold of lacking four adult items. The choice was based on finding a proportion defined as poor using a deprivation threshold which was as close as possible to that produced by the other two measures used. In our analysis, as we are adapting this methodology for the analysis of child poverty, we used the lack of socially perceived child necessities (as reported by an adult) and chose a threshold of 3 or more child items as lacking as this provided a proportion close to that provided by the less than 60% median household income measure.

5.5 The third dimension of poverty used by Bradshaw and Finch was that of subjective poverty where questions explore people's own views of their circumstances and whether they feel poor. In their analysis people were asked to provide a self-defined poverty threshold and then comment on whether they lived below or above this threshold (and if this was a lot below/above, or a little below/above). Those who reported that they were a little or a lot below the self-defined poverty threshold were defined as subjectively poor. This was one of three subjective poverty questions included in the Poverty and Social Exclusion surveys. In our adaptation of core poverty, we have chosen a different question for the subjective poverty dimension. The reason for this is that methodological replication required us to use three measures that provided a similar overall proportion of people being defined as poor on each dimension so that we could then analyse the degree of overlap between the three dimensions. We chose the question which asked people's views on the adequacy of their income:

“Thinking about your income, how adequate is it to meet your basic needs?

More than enough?

Just enough?

Not enough?”

Those who thought that their income was a little below the level of income were defined as subjectively poor. As children were not interviewed as part of the Poverty and Social Exclusion Surveys we have used the household respondents responses as a proxy measure of subjective poverty.

Table 5.1 Core Child Poverty Rate by each measure of poverty.

Poverty Measure	% poor
Income Poverty (equivalent income BHC less than 60% median)	26.2
Deprivation (lacking 3+ socially perceived child necessities)	26.4
Subjective Poverty (subjective measure of (in)adequacy of income)	27.5

5.6 In our analysis of core child poverty the proportion poor on each dimension is quite similar ranging from 26.2% to 27.5%. The deprivation indicator and the subjective poverty measure have been chosen as those producing proportions closest to that found by the income poverty measure (Table 5.1). This method was chosen so as to enable us to examine the degree of population overlap between measures. Table 5.2 indicates that while just over quarter of children in Northern Ireland are poor on each dimension of poverty and over two fifths (43.8%) are poor on at least one dimension, 10.6% are poor on all three dimensions. This supports Bradshaw and Finch’s conclusion that there is a lack of overlap between these different poverty measures.

Table 5.2 Core Child Poverty – number of dimensions on which poor.

Poverty Measure	% poor
Not Poor	56.1
Poor on at least one measure	43.8
Poor on at least two measures	25.4
Poor on at least three measures	10.6

Base n = 1195

- 5.7 Using the cumulative approach, that is, those poor on all three measures, it can be assumed that those children poor on two or three dimensions are more likely to be poorer than children poor on only one dimension. Those children who are poor on all three dimensions are those most likely to be living in poverty and are the poorest of Northern Ireland's children. In Table 5.4 we explore the composition of core child poverty for those children that are poor on all three dimensions.
- 5.8 Similar to our earlier analysis of the composition of child poverty, children living in households with no workers represent almost two thirds of children (63%) living in core poverty, children living in lone parent households make up 45 percent, children living in catholic households represent 54 percent, children living in public sector housing comprise 57 percent and children living in households in receipt of Income Support/Jobseekers Allowance represent 65 percent of children living in core poverty.
- 5.9 Examining core child poverty rates (Table 5.5), those most at risk of child poverty include children living in households with no workers (35%), children living in households dependent on Income Support/Job Seekers Allowance (36%), children living in private rented accommodation (23%) or public sector housing (30%), those with lone parents (24%), children living in large families (19% for families with 4 or more children), disabled children (15%), children who have a disabled or chronically ill parent (17%) and Catholic children (12%). The slightly higher core poverty rate for Catholic children compared to Protestant children is explained by family size where higher rates are experienced by Catholic children living in larger families compared to Protestant children.

CONSISTENT POVERTY

This measure was developed by the Republic of Ireland and is defined as an equivalised household income below 60% of the mean household income and lacking at least one of eight deprivation indicators.

Consistent Poverty and Children in Northern Ireland

5.10 The Republic of Ireland first developed an Anti-Poverty Strategy in 1997. The strategy included an official definition of poverty and two measures of poverty (consistent and overall poverty) as well as targets for poverty reduction. Nolan (2000) analysed child poverty in Ireland drawing on data from the *Living in Ireland* Surveys (1994 and 1997) to examine consistent poverty in relation to children. The consistent child poverty threshold used in the parallel analysis here was defined as equivalised household income below 60 percent of the mean NI household income and lack of at least one of the eight deprivation indicators used in the republic of Ireland's consistent poverty measure. Expert selected indicators of deprivation are less transparent and democratic than those derived from the views of the general public (Hillyard, 2003), but the Irish consistent poverty measure has nonetheless provided a useful mechanism for the analysis of change over time. Table 5.5 indicates a consistent child poverty rate in Northern Ireland of 9.0 per cent in 2002/3 compared to 6.5% in the Republic of Ireland in 2001 (*Living in Ireland* Survey).

5.11 Table 5.4 provides an analysis of the composition of consistent child poverty in Northern Ireland. In comparison to core poverty, slightly more children in consistent poverty live in households with one worker (32%) although households with no workers still comprise the biggest group of poor children (60%). Similarly, children living in households dependant on Income Support or Job Seekers Allowance comprise three fifths (62%), and those living in public sector housing make up over half of poor children (52%) on the consistent poverty measure. Family type differs as well for consistent poverty in comparison to core poverty. Children living with two parents comprise just over half of children (51%) living in consistent poverty compared to 35 percent of children living in core poverty. While there was little difference in the composition of core poverty in across family size, children living in large families (4+ children) comprise almost a third of children living in consistent poverty. There are no differences by religion in the composition of consistent child poverty.

5.12 The risk or incidence of child poverty using the consistent poverty measure is shown in Table 5.5. Those children most at risk of child poverty include children living in households with no workers (26%), those living in households dependent on Income Support or Job Seekers Allowance (29%), those living in large families (20%), those living in private rented (18%) or public sector housing (23%), disabled children (19%) children living with an ill or disabled parent (16%) and lone parents (14%).

SEVERE CHILD POVERTY

This methodology was developed by Adelman et al (2003) in work commissioned by Save the Children (*Britain's Poorest Children*) and was used in an analysis of severe child poverty in NI by Monteith and McLaughlin and published as *The Bottom Line*. (2004) This methodology combines:

- Low household income (defined as an equivalised income of less than 40% of median household income)
- Child deprivation – lacking one or more necessities
- Adult deprivation – lacking three or more necessities (in NI).

Severe Child Poverty.

5.13 Adelman et al (2003) in *Britain's Poorest Children* examined what they termed severe child poverty using three measures of poverty (low household income, child deprivation and adult deprivation) to calculate 8 permutations of poverty and examined the proportions of children who were poor on combinations of the three measures. Severe child poverty (similarly to core poverty) was defined by Adelman et al as those children who were poor on all three measures. In Northern Ireland this methodology was replicated by Monteith and McLaughlin (2004) in *The Bottom Line* research for Save the Children. In this report we summarise the key points from that previous research.

5.14 The analysis by Monteith and McLaughlin combined three measures, low household income (defined as equivalised income less than 40% median NI household income), child deprivation (one or more child necessity lacking) and adult deprivation (three or more adult necessities lacking). Severe child poverty was defined as those

children who were poor on all three measures and the analysis 8 percent of children in Northern Ireland were found to be in severe child poverty in 2002/3. This was the same proportion reported by Adelman et al for Britain (8%) using 1999 data. However, it should be noted that Northern Ireland median incomes were approximately 86% of that for GB in 2002 (Hillyard et al, 2003). If severe child poverty was calculated using a UK median income threshold then NI proportion of children found to be in severe poverty would be higher than the GB proportion. In addition it should be noted that family incomes in 2002/2003 had already been raised relative to those of 1999 by New Labour's various replacement of Family Credit with the more generous Working Families Tax Credit and increases in the level of child benefit. The level of severe child poverty in 2002/2003 in UK jurisdictions should therefore have been lower than the level in 1999 hence the finding the same proportion of severe child poverty in Northern Ireland in 2002/2003 as existed in Britain in 1999 is a matter of considerable concern suggestive of the presence of high levels of serious and enduring child deprivation in Northern Ireland.

5.15 Monteith and McLaughlin found that 50 percent of children in Northern Ireland were poor on at least one measure compared to 45 percent in Britain. Almost a third of children in Northern Ireland (30%) were poor on at least two measures compared to 23% of children in Great Britain (Table 5.3).

Table 5.3 Severe Child Poverty Method – number of measures on which poor.

Poverty Measure	% poor	
	NI	GB
Not Poor	50	45
Poor on at least one measure	50	55
Poor on at least two measures	30	25
Poor on at least three measures	8	8
Base n = 1195		

Source: Monteith and McLaughlin, 2004

5.16 Table 5.4 indicates the composition of severe child poverty. For a detailed analysis of severe poverty and children see Monteith and McLaughlin (2004). Here we concentrate on comparing the composition and risk of severe child poverty to other methods of analysing the deepest child poverty (core and consistent poverty as discussed earlier).

5.17 As with both core and consistent poverty children living in households with no workers comprised a large proportion of children living in severe poverty (70%) and this was an even greater proportion than that found by the other two methods (core and consistent poverty). It would seem that whatever the method used children living in households with no workers comprise a substantial proportion of the very poorest children in Northern Ireland. In relation to this, a similarly large proportion of children living in severe poverty are living in households dependent on income support or job seekers allowance (76%) and almost two thirds are living in public sector housing (64%). Children living in lone parent families comprise half (51%) of severely poor children. Compared to the composition of both core (54%) and consistent poverty (46%), children living in severe poverty are more likely to be found in catholic households (64%).

5.18 Table 5.5 examines the risk of severe child poverty in Northern Ireland. Those most at risk of severe child poverty include children living in households with no workers (50%), children living in households dependent on income support or job seekers allowance (36%), those living in public sector (27%) or private rented housing (23%), children with a lone parent (22%), children living in larger families (14% for those living in families with 4+ children), disabled children (22%) and children living with an ill or disabled parent (12%). Child poverty rates for disabled children were higher under severe child poverty methodology and lower for children living with an ill or disabled parent in comparison to both consistent and core poverty rates. Severe child poverty rates were higher than core and consistent poverty rates for children living in households with no worker. This may be related to a lower income threshold (less than 40% median NI household income) used in severe child poverty in comparison to core and consistent poverty resulting in a lower overall

poverty rate for severe child poverty (8% compared 10.6% for core poverty and 9.0% for core poverty) but perhaps more sensitive to very low income. It should be noted that this analysis has not removed either the additional income which families may receive by virtue of the presence of disability within the household nor sought to compensate for the additional expenses and higher costs of living of such households. Rigorous analysis of poverty and disability requires these kinds of adaptations to be made in the calculation of poverty rates (see McLaughlin, Kelly and Scullion, forthcoming) but it is beyond the scope of this report to do so.

Table 5.4: Composition of extreme child poverty using Core, Consistent and Severe Child Poverty methodology

Col %	Core Poverty	Consistent Poverty (ROI)	Severe Poverty	All NI childrenLL
Employment Status				
2 workers	8	7	4	43
1 worker	29	32	25	33
more than 2 workers	0	0	1	3
no workers	8	12	20	4
(retired/sick/disabled)	55	48	50	17
no workers (unemployed/other)				
Family Type	35	51	32	64
Couple with children	45	31	51	20
Lone parent with children	21	18	17	16
Other with children				
Age of Child	8	10	10	11
1 year and under	14	14	12	16
2-4 years	41	32	41	38
5-10 years	37	44	37	35
11-15 years				
No. of children	19	25	22	22
1	27	24	30	38
2	28	19	24	25
3	26	32	24	14
4 and over				
Ethnic Group	95	98	96	96
White only	5	2	4	4
Non-white/mixed household				
Religion	7	7	7	6
Neither Catholic/Protestant	54	46	63	49
Catholic	39	46	30	45
Protestant				

Table 5.4 (cont'd).

Col %	Core Poverty	Consistent Poverty (ROI)	Severe Poverty	All NI childrenLL
Housing Tenure				
Outright Owner	3	6	1	11
Owner with Mortgage	23	26	13	62
Private Tenant	17	16	22	8
NIHE/HA	57	52	64	20
Child Disability				
Yes	8	11	14	5
No	92	89	86	95
Parent Illness/Disability				
Yes	33	37	27	21
No	67	63	73	79
Income Support/Job Seekers Allowance				
Yes	65	62	76	19
No	35	38	24	81
Base N	127	108	100	1195

Table 5.5: Child poverty rates (risk) using Core, Consistent and Severe Child Poverty methodology

Row %	Core Poverty	Consistent Poverty (ROI)	Severe Poverty	Base (n)
Employment Status				
2 workers	2	2	1	518
1 worker	9	9	6	395
more than 2 workers	0	0	2	42
no workers (retired/sick/disabled)	24	31	48	43
no workers (unemployed/other)	35	26	50	197
Family Type				
Couple with children	6	7	4	764
Lone parent with children	24	14	22	237
Other with children	13	10	9	194
Age of Child				
1 year and under	8	8	8	132
2-4 years	10	8	6	188
5-10 years	11	7	9	458
11-15 years	11	11	9	417
No. of children				
1	9	10	8	265
2	8	6	7	456
3	12	7	8	302
4 and over	19	20	14	172
Ethnic Group				
White only	10	9	8	1152
Non-white/mixed household	14	5	9	43
Religion				
Neither Catholic/Protestant	13	11	10	70
Catholic	12	9	11	582
Protestant	9	9	6	543

Table 5.5 (contd)

Row %	Core Poverty	Consistent Poverty (ROI)	Severe Poverty	Base (n)
Housing Tenure				
Outright Owner	3	6	1	126
Owner with Mortgage	4	4	2	735
Private Tenant	23	18	23	95
NIHE/HA Tenant	30	23	27	239
Child Disability				
Yes	15	19	22	65
No	10	9	8	1130
Parent Illness/Disability				
Yes	17	16	12	246
No	9	7	8	949
Income Support/Job Seekers Allowance				
Yes	36	29	36	232
No	5	4	2	963
<i>All children in NILL</i>	<i>10.6</i>	<i>9.0</i>	<i>8.4</i>	<i>1195⁸</i>

⁶ The base for analysis of Core, Consistent and Severe Child Poverty is 1195; this is lower than the base for earlier analyses. This is because children aged 16 and 17 years are excluded from this part of the analysis as the PSE dataset defined children as under 16 only and child necessities questions were only asked with regard to children in the household under 16 years. In addition a few households did not have the child necessities completed and these cases are also excluded from this analysis resulting in a base of 1195 children.

Chapter 6 The spatial distribution of Child Poverty within Northern Ireland

KEY FINDINGS

- Using PSE NI child poverty was greater in cities or towns in comparison to rural areas or villages irrespective of measure used.
- Using FRS and relative income thresholds children living in the urban west were most at risk of child poverty in comparison to other children.
- Using FRS and absolute low income thresholds, higher child poverty rates were recorded for the urban east, Belfast and the rural west of NI.
- In terms of composition, almost a third of poor children in NI lived in Belfast area, approximately one fifth in rural west and a further one fifth in the urban west.
- One in six children living in relative income poverty lived in neighbourhoods with 5 or more problems reported by their parents compared to one in ten of all NI children. Twice as many poor children (6%) lived in areas with 10 or more problems compared to non-poor children (3%).
- Ward based data indicated high concentrations of poor children living in the poorest parts of Belfast and Derry/Londonderry. Evidence suggests that poverty in NI is far more concentrated than in Britain.

Introduction

6.1 This chapter examines the spatial distribution of child poverty in Northern Ireland. Data from the Poverty and Social Exclusion Survey in Northern Ireland is used to make a comparison of child poverty between urban and rural areas. In addition the PSENI survey enables us to examine the perceived quality of local neighbourhoods and how this relates to child poverty rates. The local environment in which children grow up is largely out of the control of their parents and yet it can have a major influence over their childhood experiences. The chapter also provides an analysis of

the 20% most deprived wards according to the highest percentage of children living in households in receipt of benefits in these wards(using the same indicators applied in the Noble deprivation Index).

Urban/Rural Comparison

Table 6.1 Child poverty rates for urban and rural areas in NI (children under 18)

Poverty rate (%) By measure	Large Town or City	Small or middle-sized town	Rural area or village	Poverty rate for all children
Income Measures (<60% median income)				
McClements	23	32	19	24
Modified OECD	25	34	20	26
PSENI Consensual Poverty Measure	45	44	27	38
PSENI Consensual household and 1+ child deprivation	34	36	21	30
DWP Mixed Measure (3+ adult deprivation, 1+ child deprivation, low income*)	18	19	8	14
Core Poverty	10	14	5	10
Consistent Poverty (ROI)	12	9	6	9
Severe Child Poverty	11	11	4	8
Base (N)	476	410	546	1432

Source: PSE NI 2002/3

*this is mixed measure not including debt i.e

6.2 Table 6.1 shows child poverty rates (risk) for a variety of measures using an urban/rural split of large town or city, small or middle-sized town and rural area or village. With each of the measures child poverty in rural areas is lower than that in urban areas. Using income only measures of poverty, rates were higher for children living in small or middle-sized towns compared to children living in large towns or

cities. Table 6.1 shows that mixed poverty measures (those combining deprivation and low income), however, produce very similar child poverty rates for large towns or cities and small or middle-sized towns. Severe child poverty rates were similar for both larger towns/cities and small/middle sized towns at 11 percent with a much lower rate of 4 percent in rural areas.

Table 6.2 Composition of child poverty for urban and rural areas in Northern Ireland (children under 18)

Composition of child poverty by measure (%)	Large Town or City	Small or middle-sized town	Rural area or village
Income Measures (<60% median income)			
McClements	32	39	30
Modified OECD	32	38	30
PSENI Consensual Poverty Measure	40	33	27
PSENI household consensual and 1+ child deprivation	43	26	31
DWP Mixed Measure (3+adult deprivation, 1+ child deprivation, low income)	41	38	21
Core Poverty	36	43	21
Consistent Poverty (ROI)	44	31	25
Severe Child Poverty	42	39	19
All children	33	29	38

Source: PSENI 2002/3 base (n) = 1432

6.2 Examining the composition of child poverty for those children living in deepest poverty, using severe poverty or consistent poverty measures it would seem that more severely poor children live in large towns or cities (Table 6.2). However, using the severe child poverty method the difference between the proportions of children living in large towns/cities and those living in small or middle-sized towns is much smaller. Using the Core Poverty measure those living in small or middle sized towns made up the greater proportion of poor children. This difference may reflect the different income measure used in the core poverty methodology (i.e. less than 60% equivalised

median income) compared to the ROI consistent poverty measure (less than 50% mean income) and severe poverty (less than 40% median income).

Table 6.3 Child Poverty Rates (risk) in Northern Ireland (FRS 2002/3)

	Less than 60% GB median equivalised income	Less than 70% GB median equivalised income	Absolute Poverty
Belfast Metropolitan Area	23	32	15
Urban East	23	30	16
Urban West	26	38	13
Rural East	23	31	12
Rural West	21	36	15
All Children in NI	23	33	14

6.3 Table 6.3 provides an analysis of child poverty in urban and rural areas using the Family Resources Survey rather than the PSE-NI. This survey enables a comparison of rates in Belfast Metropolitan Area to the urban east and urban west as well as to the rural east and rural west of Northern Ireland, however the sample bias problem noted in earlier chapters for the 2002/2003 FRS data must be borne in mind when reviewing results from this dataset. Using the modified OECD equivalence scale and a poverty threshold of less than 60 percent of the GB median income, those children living in the urban west were most at risk of child poverty (rate of 26%) compared to 23 percent for all children. When the poverty threshold was shifted from less than 60 percent of the GB median income to less than 70 percent, the biggest corresponding increases in child poverty rates were noted for the urban west and the rural west (12 and 15 percentage points compared to an overall increase of 10 percentage points). Comparing child poverty rates with the new UK government absolute poverty measure the highest child poverty rates were recorded for the urban east (16%), the

Belfast Metropolitan Area (15%) and the rural west (15%) compared to the urban west (13%) and the rural east (12%).

6.4 In terms of the composition of child poverty, using the below 60 percent of the GB median income (and modified OECD equivalence scale) 31 percent of poor children lived in the Belfast Metropolitan area, 21 percent lived in the urban west of Northern Ireland, and 18% lived in the rural west of Northern Ireland compared to 16 percent of children living in the urban east and 14 percent in the rural east (Table 6.4).

Table 6.4 Composition of Child Poverty in Northern Ireland (FRS 2002/3)

	Less than 60% GB median equivalised income	Less than 70% GB median equivalised income	Absolute Poverty	All Children in Northern Ireland
Belfast Metropolitan Area	31	29	32	31
Urban East	16	15	18	16
Urban West	21	21	16	18
Rural East	14	13	13	15
Rural West	18	21	20	20
All	100	100	100	100

Child Poverty and the Quality of Local Neighbourhoods

6.3 The PSENI survey also included questions on problems within local areas and asked if these were a major problem, a minor problem or not a problem. Table 6.5 provides an analysis of those problems which parents considered as major in local areas. The table indicates the experience of problems in local areas for children who were

considered poor using the Modified OECD income measure (relative income poverty using < 60% of equivalised median income), and for all children in Northern Ireland. The major problems in most areas where poor children lived included the speed and volume of traffic (18%), underage drinking in the area (18%), rubbish and litter (17%), teenagers hanging around on streets (16%), drunkenness (12%), vandalism (10%) and vehicle theft (10%).

6.4 Two thirds of all children (67%) lived in areas where no major problems were reported by parents, compared to 61% of children living in low income households. One in six poor children (16%) lived in areas with 5 or more problems compared to one in ten of all children in Northern Ireland (10%). Six percent of poor children lived in areas with 10 or more problems compared to 3 percent of all children.

6.5 The mean number of problems experienced in areas was 1.9 for children living in low income households compared to 1.3 for all children in NI. Monteith and McLaughlin (2004) reported that children living in severe poverty lived in areas where parents reported on average 3.3 problems as major in their area (that also relied on the PSENI dataset). Therefore poor children are more likely to live in areas where environmental quality is problematic while children living in severe poverty are even more likely to live in problematic areas as all the problems listed in table 6.5 below were even more likely to be experienced by severely poor children.

Table 6.5 Problems experienced in the local area

% of children living in homes where parent reported this as a problem	Modified OECD <60% NI median	% of all children
Dog mess	9	6
Drug use (including dealing)	9	7
Drunkenness	12	8
Flags/Emblems	7	7
Graffiti	8	5
Helicopter	5	5
Joyriding	9	6
Noisy Neighbours	4	2
Parades/Demonstrations	2	2
Paramilitary behaviour	6	3
Police Behaviour	1	2
Pollution	1	2
Poor Housing	4	3
Poor Street Lighting	6	3
Punishment Beatings	3	1
Racial Harrassment	1	<1
Rats	2	1
Rioting	2	1
Rubbish and Litter	17	10
Sectarian Harassment	4	2
Sexual Harassment	0	<1
Speed/volume of traffic	18	13
Teenagers hanging around on streets	16	10
Underage drinking	18	13
Vandalism	10	8
Vehicle Theft	10	7

Source: PSENI 2002/3 base (n) = 1434

Child Poverty by Geographic Location (ward based measure)

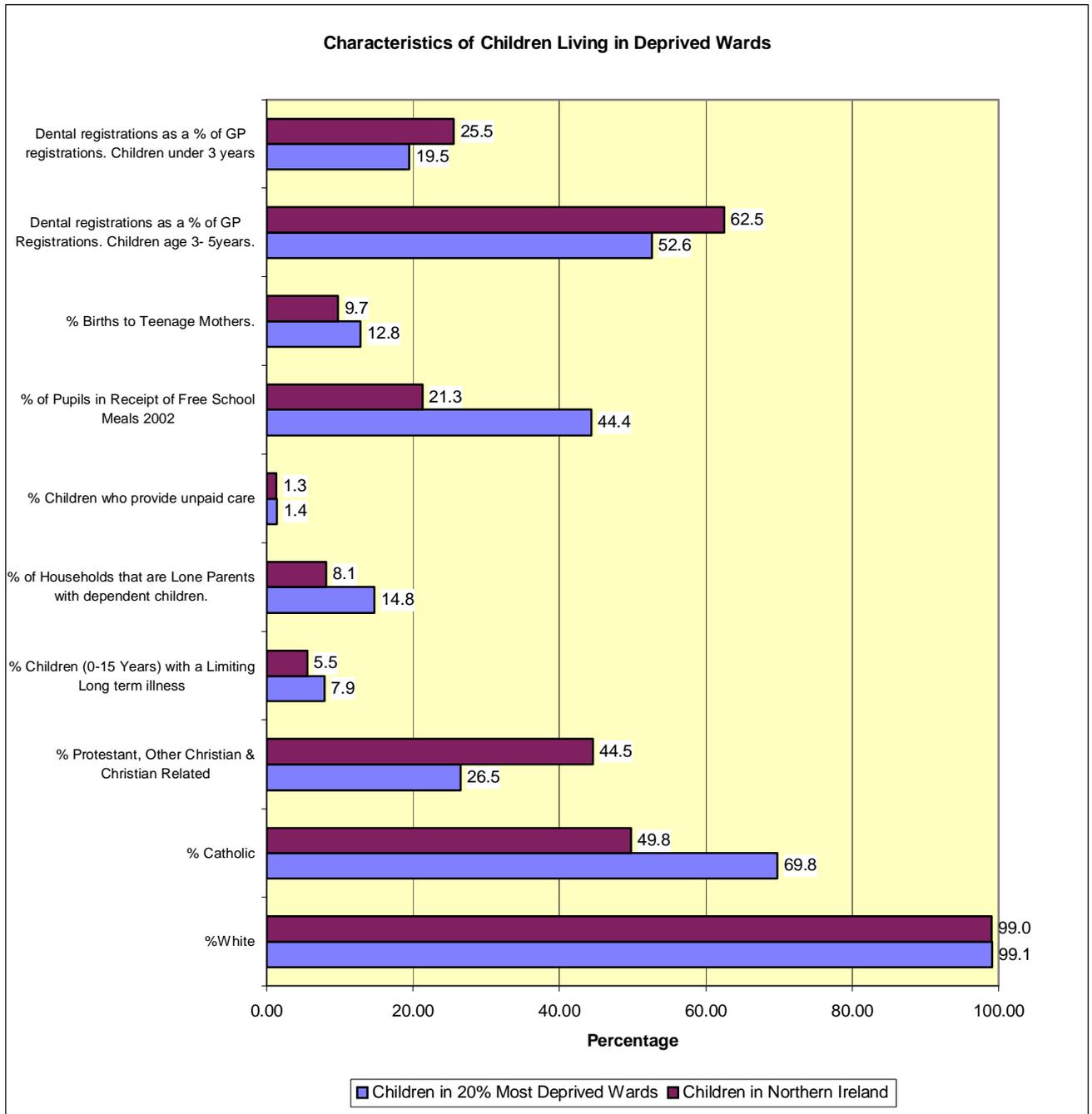
6.6 A child poverty measure has been produced using the 1992 ward boundaries and the indicators applied in the Noble Deprivation Index. The Noble Index included the following indicators of child poverty :

- Children in Income Support Households.
- Children in Income Based Job Seekers Allowance Households.
- Children in Family Credit Households.
- Children in Disability Working Allowance Households.

The source for these data is The Department of Social Development (DSD)'s administrative social security statistics. As Family Credit was discontinued in 1999, the DSD data for that year, along with 2001 Census data was used to reproduce the Noble Child Poverty Measure. The proportion of children who lived in households in receipt of these benefits was calculated for each ward. Wards were then ranked according to which had the highest percentage of children living in households in receipt of these benefits. The 'top' 20% of deprived wards was used to create a group referred to below as 'Children in the 20% most deprived wards'. Table 6.4 shows the list of ranked wards.

6.7 The characteristics of children and households within the '20% most deprived wards' have been compared to all children in Northern Ireland using data sourced from NINIS (the Northern Ireland Neighbourhood Information Service) and Census of Population websites (figure 6.1). The NINIS website includes data from sources such as General Register Office (Births), Department of Education (Free School Meals) and Central Services Agency (Dental and GP Registrations).

Figure 6.1 Characteristics of Children (Most Deprived Areas v Northern Ireland)



6.8 The ethnicity of children in the most deprived areas broadly reflects that of Northern Ireland. In Northern Ireland the ethnicity of children was found to be 99% White; 0.4% Mixed, 0.2% Asian; 0.1% Black; 0.3% Chinese and Other Ethnic Groups. A similar ethnic breakdown was found in the deprived areas i.e. 99.1% White; 0.4% Asian; 0.1% Black and 0.2% Chinese and Other Ethnic Groups.

6.9 The analysis indicated, however, a higher percentage of Catholic children in most deprived areas. In the Northern Ireland population, approximately half of children are Catholic. (49.8%) In the 'most deprived wards', however, Catholic children make up 69.8% of the 0-15 years population. In Northern Ireland, Protestants make up 44.5% of the child (0-15 years) population while in the 'most deprived wards', Protestants make up 26.5% of the 0-15 years population.

6.10 Within Northern Ireland, 21.3% of children are in receipt of Free School Meals. A much higher percentage of the children living in the 'most deprived wards' (44.4%) are in receipt of Free School Meals. In addition a higher proportion of households in the 'most deprived wards' are lone parents with dependent children (14.8%) compared to Northern Ireland as a whole (8.1%). The analysis also indicates a higher percentage of births (12.8%) to teenage mothers in the 'most deprived wards' compared to 9.7% of births to teenage mothers in Northern Ireland as a whole.

6.11 Poor health is an issue for children living in the most deprived areas of Northern Ireland. A higher percentage of children (7.9%) living in the 'most deprived wards' have a limiting long-term illness, compared to all children in Northern Ireland (5.5%). Bradshaw and Mayhew (2005) indicate additional concern about the health of children undertaking unpaid caring in the UK. Similar percentages of children in the most deprived wards provide unpaid care (1.4% in the most deprived wards as against 1.3% in NI as a whole). Dental registration in the most deprived areas is low with only 19.5 percent of children under three and 52.6% of children aged 3-5 years living in the 'most deprived wards' being registered. This compares to overall

Northern Ireland rates of 25.5% for children under 3 years and 62.5% for children aged 3-5 years.

6.12 The ward based data showed high concentrations of poor children living in the poorest parts of Belfast and Derry, where some wards have 90% of families surviving on benefits. A recent ESRC publication (Dean, 2005) noted that:

Two thirds of the 30 wards in the Derry City Council area have a child poverty rate of 50% and only three have less than 25%. The three most concentrated wards in the region are all in Derry with over 90% in each. Seven of the 56 wards that are in the 10% with the most concentrated child poverty are in Belfast, ranging in concentration from Shankill (74%) to Whiterock (84%)... In Northern Ireland 25 of our 566 wards have concentrations in excess of 75%.

(Dean, 2005).

Table 6.6 Child Poverty Measure based on children living in the 20% Most Deprived Wards (1992 WARD BOUNDARIES)

WARD NAME	LGD NAME	Ranking
95MM11 Creggan South	DERRY	1
95GG35 New Lodge	BELFAST	2
95GG19 Crumlin	BELFAST	3
95MM05 Brandywell	DERRY	4
95GG18 Clonard	BELFAST	5
95GG48 Whiterock	BELFAST	6
95SS29 Twinbrook	LISBURN	7
95GG21 Falls	BELFAST	8
95GG46 Upper Springfield	BELFAST	9
95MM24 Shantallow East	DERRY	10
95MM04 Beechwood	DERRY	11
95GG40 Shankill	BELFAST	12
95SS06 Collin Glen	LISBURN	13
95GG10 Blackstaff	BELFAST	14
95ZZ06 East	STRABANE	15
95GG02 Ardoyne	BELFAST	16
95MM27 Strand	DERRY	17
95UU04 Bushmills	MOYLE	18
95GG39 Shaftesbury	BELFAST	19
95GG04 Ballymacarrett	BELFAST	20
95GG47 Water Works	BELFAST	21
95MM29 Victoria	DERRY	22
95GG25 Glen Road	BELFAST	23
95MM30 Westland	DERRY	24
95MM10 Creggan Central	DERRY	25
95VV02 Ballybot	NEWRY AND MOURNE	26
95DD04 Ballee	BALLYMENA	27
95RR03 Cooleasan	LIMAVADY	28
95ZZ02 Ballycolman	STRABANE	29
95PP09 Devenish	FERMANAGH	30
95GG44 The Mount	BELFAST	31
95VV09 Crossmaglen	NEWRY AND MOURNE	32
95GG20 Duncairn	BELFAST	33
95MM06 Carn Hill	DERRY	34
95HH13 Northland	CARRICKFERGUS	35

95WW14 Dunanney	NEWTOWNABBEY	36
95LL13 Drumgor	CRAIGAVON	37
95SS26 Poleglass	LISBURN	38
95MM28 The Diamond	DERRY	39
95WW12 Coole	NEWTOWNABBEY	40
95GG51 Woodvale	BELFAST	41
95CC03 Callan Bridge	ARMAGH	42
95LL12 Drumgask	CRAIGAVON	43
95GG07 Beechmount	BELFAST	44
95OO05 Ballysaggart	DUNGANNON	45
95QQ04 Blackcave	LARNE	46
95AA08 Farranshane	ANTRIM	47
95QQ03 Ballyloran	LARNE	48
95RR10 Greystone	LIMAVADY	49
95CC11 Keady	ARMAGH	50
95II21 Tullycarnet	CASTLEREAGH	51
95SS25 Old Warren	LISBURN	52
95JJ07 Cross Glebe	COLERAINE	53
95NN04 Ballymote	DOWN	54
95ZZ03 Castledearg	STRABANE	55
95MM23 Rosemount	DERRY	56
95DD11 Dunclug	BALLYMENA	57
95JJ03 Ballysally	COLERAINE	58
95GG50 Woodstock	BELFAST	59
95MM25 Shantallow West	DERRY	60
95GG29 Island	BELFAST	61
95GG27 Glencolin	BELFAST	62
95DD05 Ballykeel	BALLYMENA	63
95MM12 Crevagh	DERRY	64
95VV10 Daisy hill	NEWRY AND MOURNE	65
95VV12 Derrymore	NEWRY AND MOURNE	66
95HH11 Love Lane	CARRICKFERGUS	67
95GG26 Glencairn	BELFAST	68
95LL08 Corcrain	CRAIGAVON	69
95HH07 Gortalee	CARRICKFERGUS	70
95OO11 Coalisland South	DUNGANNON	71
95DD08 Castle Demesne	BALLYMENA	72
95DD13 Fair Green	BALLYMENA	73
95DD20 Moat	BALLYMENA	74
95VV08 Creggan	NEWRY AND MOURNE	75
95OO10 Coalisland North	DUNGANNON	76
95MM07 Caw	DERRY	77

95MM26 Springtown	DERRY	78
95GG31 Ladybrook	BELFAST	79
95AA09 Fountain Hill	ANTRIM	80
95GG22 Falls Park	BELFAST	81
95WW24 Valley	NEWTOWNABBAY	82
95ZZ09 Newtownstewart	STRABANE	83
95LL14 Drumnamoe	CRAIGAVON	84
95QQ01 Antiville	LARNE	85
95SS16 Kilwee	LISBURN	86
95PP21 Rosslea	FERMANAGH	87
95PP17 Lisnaskea	FERMANAGH	88
95NN17 Murlough	DOWN	89
95VV15 Drumgullion	NEWRY AND MOURNE	90
95ZZ08 Glenderg	STRABANE	91
95VV17 Forkhill	NEWRY AND MOURNE	92
95OO15 Drumglass	DUNGANNON	93
95AA03 Ballycraigy	ANTRIM	94
95YY15 Lisanelly	OMAGH	95
95HH14 Sunnylands	CARRICKFERGUS	96
95VV22 Newtownhamilton	NEWRY AND MOURNE	97
95WW21 Monkstown	NEWTOWNABBAY	98
95WW25 Whitehouse	NEWTOWNABBAY	99
95GG12 Botanic	BELFAST	100
95BB12 Glen	ARDS	101
95II10 Enler	CASTLEREAGH	102
95GG17 Cliftonville	BELFAST	103
95GG01 Andersonstown	BELFAST	104
95BB22 Scrabo	ARDS	105
95VV03 Bessbrook	NEWRY AND MOURNE	106
95UU14 Knocklayd	MOYLE	107
95KK05 Killycolpy	COOKSTOWN	108
95GG32 Legoniel	BELFAST	109
95UU12 Glentaisie	MOYLE	110
95KK01 Ardboe	COOKSTOWN	111
95XX25 Whitehill	NORTH DOWN	112
95YY11 Fintona	OMAGH	113
95LL23 Tavanagh	CRAIGAVON	114
95PP13 Irvinestown	FERMANAGH	115
95JJ06 Churchland	COLERAINE	116

CHAPTER 7 Summary, Conclusions and Policy Implications

Summary of Child Poverty Prevalence (risk) rates in Northern Ireland

7.1 Table 7.1 summarises the results of the various analyses and measures undertaken in preceding chapters. It shows that the prevalence of child poverty varies from a low of 8% for severe child poverty and 14% using the UK government's new absolute poverty measure to 38% using the consensual poverty measure poverty. We then consider how much, whether and why the choice of child poverty measure matters in both scientific and policy terms and present a series of recommendations on how poverty rates both child and general in Northern Ireland should be measured and reported in the future. Following these discussions of poverty measurement the chapter reflects on the implications of the analyses and results (both in terms of prevalence and composition) for the development of child and poverty policy in Northern Ireland and makes a number of recommendations for potential actions which might be adopted in government strategies which are currently under development. The recommendations are also informed by international scholarship on best practices in poverty reduction programmes and the relative merits of different types of policy approaches in terms of the reduction of inequality.

7.2 The variation in Table 7.1 shows the combined impacts of a range of technical choices made such as the equivalisation scale utilised, the median income threshold adopted (see also McLaughlin and Monteith (2005). Leaving technical details to one side broadly speaking between a quarter and a third of Northern Ireland's children and young people are growing up in poverty as the twentieth turns into the twenty first century. Such a level of poverty amidst affluence must be of great concern to anyone with an interest in social affairs and social justice. The big picture, however, can often be swamped by arguments of a technical nature and we summarise below how much and why technical issues do and do not matter.

Table 7.1 Summary of Child Poverty Prevalence (risk) rates in Northern Ireland 2002/2003 by Poverty Measure

Measure and (Data Source) ⁷	% Children poor
HBAI variants :	
<60% (PSENI) McClements scale NI median	24
<60% (FRS) McClements scale NI median	18
<60% (PSENI) OECD scale NI median	25
<60% (FRS) OECD scale NI median	19
NEW UK child poverty measure (DWP) Absolute low income (FRS)	14
Relative low income NI median (FRS)	19
Relative low income GB median (FRS)	23
DWP mixed tier various combinations (PSENI)	8 - 40
DWP mixed tier guesstimate (PSENI)	25
Consensual poverty (PSENI)	38
Children Lacking 3+ Necessities (PSENI)	22
Consensual poverty plus lacking 1+ child necessities (PSE NI)	32
Consistent poverty (PSENI)	9
Severe Child Poverty (PSENI)	8

Note: all income measures are before housing costs (BHC).

7.3 The prevalence or risk rate of poverty and therefore the measure adopted matters because the scale of a social problem affects how both governments and the general public respond to it; the urgency or lack of it in that response and the resources and weight governments are empowered to put behind anti poverty measures. While much of the UK's anti-poverty strategy is Westminster driven, it is important that the Northern Ireland Civil and Public Service and local politicians are also fully informed about and representing Northern Ireland interests and Northern Ireland's children in the development of UK wide antipoverty strategies. The consensual poverty measure

⁷ the FRS dataset for 2002/3 has some sample bias in relation to religion which may reduce the overall child poverty rates reported from this source

at 38% is not an especially high out turn measure but it does indicate a higher level of child poverty in Northern Ireland than the traditional UK government's poverty measures have done. The UK government's new child poverty measure will produce child poverty rates of between 14 and 40 per cent depending on the tier or submeasure concerned. The wide range noted for the UK's new mixed tier emphasises the importance of the choices yet to be published by DWP on the methods by which the new mixed sub-measure will be created.

While headline child poverty rates are important politically, it is also important to bear in mind that measurement over time is a more reliable indication of the success or failure of government and social policies than cross-sectional headline counts of poverty. In measurement over time what is important is not so much which measure is adopted but rather that it is consistently applied across time points. Similarly, in spatial analysis what matters most is consistent application of measures across populations and territories. So, for example, whatever combination method is chosen for the new DWP mixed measure, if it is applied consistently throughout all countries in the UK, then that along with the new EU-SILC measure to be implemented by all member states the result will be a major step forward in terms of understanding and evaluating the relative performance of governments across Europe in eradicating poverty and promoting social inclusion.

How much does the choice of poverty measure matter?

7.4 As noted above the choice of poverty measure is not so significant where the objective is measurement of change over time rather than prevalence of the phenomenon at a single point in time. In the former case, validity is about the reliability and validity of the measurement of the time trend rather than the validity of measurement of the underlying phenomenon of interest. For this and other reasons it is sometimes argued that it is best to report and utilize a number of measures of poverty. Such pluralism has a superficial attractiveness but reporting of multiple measures may confuse the public and politicians and be used as a tactic to divert attention away from the 'big picture' and the need for this social problem to be

addressed urgently. The main alternative to pluralism – the creation of an expert consensus on measurement has been substantially progressed at European level by the EU-SILC Working Party on Income and Poverty Measurement. Although the mixed measure which will now be adopted by EU-SILC does not appear to have complete working party unanimity behind it (see Nolan, 2005) nonetheless it must be emphasized that more expert consensus on poverty measurement now exists than does not. For example it is widely accepted that mixed measures are better than income only measures. This is because the former take into account the impact of poverty durations and differential purchasing power on the standard of living possible at given income levels. On purely scientific grounds there can be little doubt that the consensual poverty measure is the best measure of poverty available. This is because the method removes human judgment (and hence arbitrariness) from decision-making about how to combine the subcomponents involved in any mixed measure. It also removes the scope for political interference in measure construction. Within the consensual poverty measure statistical tests of differentiation produce an integrated combined income threshold with a number of indicators of deprivation. The best poverty measure from a political point of view however may be determined by other criteria than these of good science as set out by Gordon (2000). Pragmatic and instrumental factors such as simplicity; congruence with existing public opinion; political impact; clarity of implications for antipoverty strategies and policies and so on, in other words, criteria of ‘do-ability’ and ‘communication’ may loom larger than scientific criteria in measure choice.

Conclusions and recommendations on the Measurement of Poverty and Child

Poverty

7.5 The research reported here has reaffirmed the importance of measurement of poverty in terms of both indicators of deprivation and income, that is, the use of a mixed rather than an income only approach to poverty. This position was previously argued by several researchers in and for Northern Ireland and more generally Dignan and McLaughlin (2002; Gordon et al, 2000; Hillyard et al 2003; and Monteith and McLaughlin, 2004). The position has since been endorsed by the EU-SILC expert

process. In the context of Northern Ireland the benefits of using measures which are comparable with those utilized elsewhere e.g. at EU or UK levels may also outweigh the otherwise scientific superiority of one particular poverty measure. For the purposes of comparing population data across territories the most important factor is ensuring that like is being compared with like (apples with apples, pears with pears). This means that data on the prevalence or extent of poverty in one territory must apply exactly the same technical practices as in the other territory in order for the comparison between the two populations to be meaningful and legitimate specifically this means the same equivalisation scale, the same definitions of gross, net, pre or post transfer incomes and so on must be used. If an income threshold is used and results compared across territories and populations there is no clear answer as to which median threshold should be adopted, that is whether the median from population 1 should be applied to population 2 or vice versa, or whether a new median formed by merger of populations 1 and 2 into population 3 should be applied to both. Current UK practice is to apply the GB median to UK sub- populations such as Northern Ireland and Scotland. Chapter 4 showed that this produces a higher level of poverty in Northern Ireland than would application of the Northern Ireland median yielding a 23% as against a 19% child poverty rate (using an income only measure). The third factor to be considered in comparative poverty statistics is whether to compare income data pre or post social transfers and pre or post housing costs. It is generally agreed that the focus in poverty measurement should be at least on disposable rather than gross incomes, i.e. on post transfer incomes (post transfer income is income after tax deductions and/or tax-benefit additions to earnings). The removal of housing costs from net income is more contentious. Housing costs are not inherently more necessary or even more fixed than other expenditures e.g. those of food, fuel and care. The latter vary between NI and GB as much as do housing costs. Accordingly there is no abstract right answer as to whether income and poverty statistics within the UK should be calculated and reported on a before or after housing costs basis. Prices are generally lower in lower than higher income areas within the UK. Northern Ireland however has been an exception to this rule, being both a low income and a high price area especially for essentials such as basic food stuffs, energy

and travel. This fact accentuates the desirability of and use of mixed poverty measures (which measure the standard of living achieved as well as cash income where ever and whenever possible).

7.6 We recommend that analysis of poverty within Northern Ireland should utilize the consensual poverty measure wherever this is consistent with the validity of the comparisons being undertaken.

- (i) Analyses over time and between social categories within the Northern Ireland population where comparability of statistics between territories is not an issue should utilise the consensual poverty measure adopted in Hillyard et al (2003). The indicators of deprivation element of the consensual poverty measure will need to be periodically updated, replicating the original methodology in order to maintain their scientific validity.

7.7 Our conclusions and recommendations as to the analysis of poverty risk rates between territories are that analyses using the relative low income component or tier of the DWP's mixed poverty measure should apply the GB median income as the income poverty threshold and should be reported as post transfer risk rates.

- (ii) North-South as well as East-West social analyses were recognised as desirable by The 1998 Belfast Agreement. Their desirability is further underlined by recognition that such analyses help us to better understand the relationship between economic development, economic growth and trends in poverty and other social phenomena over time. North-South of Ireland comparisons should be easier in future as both countries will use the modified OECD equivalence scale and there will be a common income only measure of 60% median income. At the time of writing, the current implementation of the EU-SILC in the UK (including the consistent poverty measure within this survey) does not include a large enough sample to enable analysis between the countries within the UK. It is hoped that this position will be reconsidered in future years as it is

clearly desirable that NI poverty rates should be able to be compared to other UK devolved governments and to Southern Ireland using this mixed measure.

- (iv) Our final recommendation on analysis and reporting on poverty in Northern Ireland is that an agreed language and set of definitions should be adopted and enforced in all government publications in order to ensure greater transparency in and accessibility of policy debate and to enable the participation of the third sector and the public more generally. We recommend that the word poverty should be restricted to refer to statistics based on mixed poverty measures and that statistics based on income alone should be referred to as low income data. Deprivation should be used to refer to the enforced lack of those material items, activities and services regarded as customary and necessary parts of our society's 'normal' way of life but which a person or family cannot enjoy because of a lack of money. The term social exclusion is broader again and refers to both the effects and the causes of poverty and deprivation.

The Measurement of Child Poverty

7.8 The discussion and recommendations above refer and apply to research, policymaking and reporting about poverty in general. We now turn the focus to research and policy making about child poverty specifically. Given the special urgency which attaches to child poverty:

- (v) we recommend that the Northern Ireland Civil Service measure and monitor both child and family poverty in general and child deprivation specifically.

As outlined in Chapter 4 there are a number of measures of the deepest poverty and deprivation available and competing for adoption. These are the new UK mixed income/deprivation measure (combining adult and child deprivation with a debt indicator and low income as shown in chapter 4); the new UK absolute low income measure; the RoI's consistent poverty measure; the new EU-SILC mixed measure

(confusingly this will also be called consistent poverty but will be differently calculated to the present RoI consistent poverty measure); Save the Children’s measure of severe poverty; and Bradshaw and Finch’s core poverty measure. As Table 7.2 and this report as a whole shows the prevalence of these measures of deepest child poverty ranges from 8% to 11% depending on which of the measures is adopted.

Table 7.2 Summary of Prevalence of the deepest child poverty in Northern Ireland by measure.

	Measure	Proportion of children
(i)	RoI Consistent Poverty	9
(ii)	DWP mixed measure (deprivation, low income, debt)	8
(iii)	DWP absolute low income measure	14
(iv)	Bradshaw and Finch core poverty, all 3 dimensions	11
(v)	Save the Children’s severe child poverty	8

(vi) We have concluded that the Save The Children severe poverty measure is the best of these five possibilities because it uses a combination of a very low income level (less than 40% of equivalised median income) with a full complement of consensually agreed adult and child deprivation indicators. Other measures use indicators selected to some extent arbitrarily. The Bradshaw and Finch core poverty methodology was designed to examine the degree of overlap between measures rather than the prevalence of deepest poverty per se. We therefore recommend use of The Save The Children measure applied to the PSENI dataset of 2002/2003 and any repeats of it made in the future.

(vii) We also recommend the development and specification of a set of Northern Ireland specific indicators of child deprivation. The particular indicators of deprivation chosen by the DWP and the EU for the new mixed measure/tier of child poverty largely ignore the domain of nutrition

and food. This domain is however significantly more problematic for Northern Irish than for British poor children. Thus the UK/EU indicators are not necessarily the most appropriate for application in Northern Ireland. The requirements of EU and UK membership mean these the EU-SILC measure must be applied. In recognition of the drawbacks of it however, we recommend regular additional reporting on child deprivation in Northern Ireland. Specifically we recommend the development, identification and selection of a subset of indicators of child deprivation from the 2002/2003 Northern Ireland Poverty and Social Exclusion Survey. The Selection of the indicators should be based on Nunally's (1981) domain-sampling model and within that Cronbach's co-efficient alpha, the KR20.

- (viii) The resultant Northern Ireland-specific child deprivation indicator set should be reported annually in reports of the FRS. If the PSENI is repeated in 2007 then
- (ix) selection of a subset of child deprivation indicators for NI as outlined above should be one of the analyses commissioned from it. Analysis of the prevalence and composition effects of application of the Northern Ireland specific child deprivation indicators set compared to those produced by use of the EU-SILC set will assist with European wide evaluation of the new measure and help to keep attention focused on child poverty within NI. The PSENI methodology should also be developed in the future in order to take account of the views of children themselves about the most relevant indicators of child poverty and deprivation.

7.9 The analyses of child and family poverty in this report do not in and of themselves produce direct conclusions about the nature and direction which family policy or childrens' services planning should take. On the other hand, knowledge of the extent, and composition of child and family poverty and general social scientific understanding of the relative contribution public services and fiscal policy can each

make to ending child poverty can and does facilitate more informed discussion of the directions these policies and services could take in the future. The remainder of this chapter provides such a discussion informed by the results of preceding chapters on the composition of child and family poverty in Northern Ireland and taking into account scholarship on best practices in poverty reduction and welfare programmes internationally. More fine grained translation of the research evidence into the anti poverty programmes and strategies of specific government departments and public bodies should be undertaken by these bodies as part of their annual business planning cycles and the cycle of inputs to the Northern Ireland NAPs Incl. process. First however it is important to be clear about the rationale for governmental action in this area. The reason why governments should act to reduce child and family poverty is primarily normative – that is it rooted in the belief that peoples’ lives, options and opportunities should not be purely determined by the lottery of birth – who ones’ parents are, where and when one happens to have lived but rather that it should reflect the efforts talents and choices people make over their lifetimes. Although it is widely believed that the lives of people today reflect the latter more than they did say a century ago – in fact the evidence on social mobility and social outcomes indicates that this is not so the lottery of birth remains the most important determinant of an individual’s fortunes and final destinations. This is not necessarily the case in all countries – some Northern European countries have succeeded in making the lottery of birth less determinative through more generous and far-reaching welfare systems than exist in Britain and Ireland. At the time of writing this report both the Northern Ireland Children and Young Peoples’ Ten Year strategy (C.Y.P.S. hereafter) and a Northern Ireland Anti-Poverty Strategy were under development. If they are to make a serious contribution to increasing social justice, fairness and opportunity for this and the next generation these strategies will have to be very different to those we have seen before and will have to accompanied by a level of social investment on a par with that considered normal by our Scandinavian rather than our continental European counterparts. The prospect of Northern Ireland or the UK as a whole becoming a social investment state (Jensen and Dubrowski, 2005) seems remote although the recent southern Irish review of the welfare state (NEC, 2005) offers

some prospects for a stepchange in the level of investment considered politically viable there.

7.10 The OFMDFM has indicated that the DWP's UK child poverty targets will be contained in the C&YP Strategy and that the Anti-Poverty Strategy will be the strategic vehicle for delivering on child poverty targets in Northern Ireland. The CYPS Strategic Outcome in the Achievement, Learning and Enjoyment area of action was originally stated (in the consultation document) to be that :

“All children and young people in Northern Ireland will have the opportunity to enjoy growing towards and maximising their individual potential.”

Similarly in the physical, mental and emotional wellbeing area the strategic outcome was that “all children and young people in Northern Ireland will enjoy the highest level of physical, mental and emotional wellbeing”. These strategic goals reflect the UNCRC's commitment to the achievement of circumstances of maximal personal development for all children and young people. Article 6 of the UNCRC gives children claims against the state in respect of survival and maximum personal development. The first draft CYPS did not however directly address the fact that children in poor families start from well behind the starting line compared with their peers in non poor families. Addressing the impact the accident of birth has on equality of opportunities for personal development requires government to act to reduce child and family poverty levels in general over the next 10 years and simultaneously to ameliorate the worst excesses of its continuing existence in the meantime. The overall objective in addressing child and family poverty is to reduce the impact of one's family of origin and lottery of birth is about more than ones' parents' income and wealth. It is of course also about one's parents' capacities to provide nurturance more generally. Nonetheless it is widely acknowledged that poverty and low income makes it difficult for even the best of parents to provide good parenting – that so many manage to do so despite their difficult material circumstances, stresses and worries is a great tribute to these concerned. Clearly antipoverty programmes and strategies should seek both to alleviate the impact of poverty on parenting and reduce the incidence of poverty overtime. The twin tracks of reducing the prevalence of poverty

and alleviating its impact on parents and children require different balances and choices between the various policy instruments available and especially between the relative priority given to fiscal and employment policies as against investments in public and social services. The importance of the latter is that universal public and social services are highly effective in providing families and children with what in effect is very significant additional income (if the market value of the public health, social, educational and other services provided to the average Northern Ireland family were calculated and added to average incomes the latter would easily be doubled in size. So long as the quality and volume of the services available to poor families is as good or better than those available to middle or upper income families, then the impact of universal public services will be positive in terms of increasing equality and reducing the impact of the accident of birth. In considering the components of both the Northern Ireland anti poverty and the Northern Ireland children and young person's strategy two major planning issues dominate. Firstly relative investment in fiscal and employment measures as against public services and secondly relative investment in targeted for example area or 'client 'group targeted project spending as against universal or mainstream investment in public services infrastructure.

Responding to the Convention on The Rights of The Child

7.11 The improved data collection, analysis and reporting on child poverty recommended above in 7.1 and 7.2 are one part of the response required from the UK government to the UNCRC Committees' recent recommendations on child poverty and child rights. The Committee recommended that the UK establish a nationwide system whereby disaggregated data are collected on all the UNCRC (CRC/C/Add, 188, para 49) standards. Eradication of child poverty is essential to fulfillment of Article 6 of the UNCRC. It is clear from the evidence presented here on severe child poverty and in particular, on the nutritional status and exclusion of severely poor children from many educational and social opportunities that these children have not been provided with acceptable, still less maximal opportunities for personal development. The evidence on child poverty shows a society which remains deeply unequal and even punitive in relation to the accident of birth.

7.12 The Poverty sub-section of the original draft CYPS referred to the need to simplify and raise awareness of the financial supports already available for poor families. This is undoubtedly required as take up of tax credits is estimated at only around two-thirds of those eligible for such assistance. There is also however a need to continue the UK government's practice over the last five years of increasing the levels of financial support available of families e.g. through child benefits and tax credits. Finally there is a need to recognize the particular limitations of the welfare-to-work strategy to ending child and family poverty. The amount and quality of employment and substitute childcare services for many years has been lower in Northern Ireland than in Great Britain and this means that work as the route to ending poverty is a more frail policy strategy in Northern Ireland than in Britain (Horgan, 2004). More generally greater weight needs to be given in the C.Y.P.S. to the standards for children's rights set by the UNCRC government departments and public bodies need to assess the implications meeting these rights would have for both the quantum and the type of public services and public expenditure. The standards for children's rights set by the UNCRC should be integrated and mainstreamed into the five subcomponents of the revised C.Y.P.S.

- (x) We recommend that both The Northern Ireland Anti-Poverty Strategy and the Children and Young People's strategy should stipulate the same goals for the reduction of child poverty and severe child poverty. These targets should be consistent with the UK government's overall aspirations and therefore should be as follows:
- (xi) By 2010 absolute low income rates should be reduced to 7 percent and relative low income rates to 12 per cent. The government's commitments are to halve child poverty by 2010; - to eradicate child poverty by 2020 and over the longer-term to achieve a child poverty rate among the best in the Europe. Given current child poverty rates in Europe the latter means a goal of a child poverty rate of about 4% (UNICEF, 2005). Complete eradication of severe child poverty and hunger is also required to meet the UN Millennium Development goals. Table 7.3 shows that these various

targets mean lifting in the order of 31,300 children in Northern Ireland out of absolute poverty by 2010 – that is within the next five years and; 62,650 out of absolute poverty by 2020. Approximately half a million - 51,500 children need to be lifted out of relative income poverty by 2010 and a hundred thousand by 2020.

Table 7.3 Child Poverty Targets, 2005/6, 2010, 2020

CHILD POVERTY MEASUREMENT AND TARGETS	FRS/PSE NI Data 2002/3 Proportion of poor children %	Total children in poverty/ Numbers to lift out of poverty by 2020 to achieve eradication	Poverty halved by 2010	poverty quarter by 2005/6	How many children to lift out of poverty to have (low income) poverty rate at 4% * in 2020 i.e among best in Europe
Income measure (PSE NI, modified OECD, < 60% median)	25	111875	55938	27969	93814
PSE mixed deprivation and income measure (consensual)	38	170050	85025	42513	
PSE lacking three or more adult and one or more children items	33	147675	73838	36919	
DWP Absolute Low Income (FRS, modified OECD)	14	62650	31325	15663	
DWP Relative Low Income (FRS, modified OECD, < 60% median)	23	102925	51463	25731	84864
DWP Combined measure (child +adult depriv, low income)	16	71600	35800	17900	
DWP Combined measure (child + adult depriv, low income, debt	8	35800	17900	8950	
Severe Child Poverty (SC)	8	35800	17900	8950	
Total children in NI (under 18)	100	447500			
based on 2002 mid year population estimate 447,464					
* based on best in Europe now (around 8% at 60% median, Unicef 2005) and the assumption that these countries can half their current rate of child poverty by 2020					

7.13 Achievement of the targets for child poverty set out above will not be easy.

Appropriate strategic action must begin immediately. Some may argue it is already too late for Northern Ireland to begin the actions required for the 2010 targets. It is certainly regrettable that the suspension of devolved government in 2003 so seriously interrupted the development of the anti-poverty strategy in Northern Ireland but this is an argument for giving antipoverty measures in the 2005-2010 period greater rather than lesser prominence. The Northern Ireland Anti Poverty and Children's strategies should specify separately actions designed to meet the targets for poverty rate reduction set out in table 7.3 and actions designed to ameliorate or compensate for the effects of growing up in poverty on those who will still do so while government strives to achieve its targets for prevalence reduction. In the next section we suggest some means and methods by which amelioration might be effected, while in other subsections we consider the strategic actions required to meet the targets for reduction and eradication of the risk rates of child and severe child poverty noted above.

Child and Family Poverty and Public Services

7.14 The UNCRC Committee noted that no state can conclude whether it is meeting children's economic, social and cultural rights unless it is able to identify and detail that part of public expenditure being spent on children directly (UNCRC General Comment 5 para 51). The Committee recommended that the UK Government "undertake an analysis of all sectoral and total budgets across the state party and devolved administrations in order to show the proportion spent on children, identify priorities and allocate resources to the maximum... extent of... available resources." (CRC/C/15/Add, 188 para 11). The UK government in its 2007 report to the Committee will be obliged to provide information regarding the proportion of the (public) budget devoted to social expenditure for children, including health, welfare and education, at the central, regional and local government levels (CRC/C/58 para 20). This will require government in Northern Ireland to identify and potentially ring fence those sub-components of the 'block vote' for health and personal social

services, housing, education and so on which are intended for children and families. In the past the failure to ring fence sub-components of the block vote intended for the development and operation of children's and family support services has tended to mean that these services have 'lost out' relatively to mainstream adult health services as funds trickled down from the Department of Finance to the Department of Health to the area health boards and from the Boards to health and social services Trusts). The overall result has been lower levels of public spending per child and family in Northern Ireland than in the rest of the UK (DWP Select Committee Inquiry into Child Poverty) despite higher levels of public spending overall. It would seem that the time is right for the CYPS to place children's rights and public expenditure on children and young people onto a higher and more transparent footing in Northern Ireland.

7.15 The negative impact of growing up in poverty on the personal development of individuals has been alluded to above and forms the rationale for article 6 of the UNRC. The effects may be summarised as the lowering of individuals' self-esteem; reductions in the optimism and social trust expressed and experienced by members of society. Along with restrictions on opportunities for personal development, children and young people growing up in poverty and especially severe poverty are likely to also accumulate adverse impacts on their physical health. The 'double whammy' of child poverty- adverse impact on the opportunities and potential for personal and social development and adverse impact on physical strength and wellbeing -is a significant, enduring and unacceptable source of inequality in our affluent society.

7.16 Traditionally in the UK nutrition has been left to the 'private' realm of the family; so that the adequacy of children and young people's nutrition at present depends almost entirely on their own family's resources, uptake of free school meals during term times being the only public intervention in the nutritional field). We now understand more fully than in the past the intricate links which exist between nutrition; behaviour; educational attainment and lifelong health status. In addition to revitalising, improving and extending the school meals service government should

consider new types of public interventions designed to improve the nutrition of children and young people from poor families especially during the summer months when school meals are unavailable. The range of potential government action to improve poor childrens' nutrition is very broad - ranging from stricter regulation of the food production industry to enhancement of parents' abilities to produce quality meals on restricted incomes. Measures to prevent price fixing and monopolies in the food retail sector are also important as are urban planning and improved access to quality food at reasonable prices in low income localities. Communal forms of food production, purchase; supply and consumption could also be encouraged through the social economy in deprived localities

7.17 It has too often been the case that publicly funded projects over the last 10-15 years in Northern Ireland designed to ameliorate the negative impacts of deprivation and poverty have been successful but have not been mainstreamed or core funded and the learning, intelligence and skills created have too often been allowed to wither on the vine and dissipate.

7.18 Part of the Northern Ireland antipoverty strategy should be the creation and dissemination of a best practice index of projects which have been successful in ameliorating disadvantage among children and young people. Action plans for the integration of such projects into reformed public provision or allocation to them of long-term funding for continuation as services outside the public sector should become part of the annual NAPs Inc. process.

7.19 At present most family and parenting support services are provided on a stigmatized basis to families in crisis and children 'at risk'. There has long been a need to develop non-stigmatising ways of supporting families and parents. The launch of the Children's and Young Person's strategy offers an opportunity for this goal to finally be realized. In 7.20 below we propose that the Government's recommendation that Northern Ireland should adopt the Great Britain strategy of both a childcare services strategy and an infrastructure of family centres should be pursued in the CYPS as it will have

both ameliorating and prevalence reduction effects and thus double up' with the Northern Ireland Anti Poverty strategy. A similar recommendation was made by the Civic Forum see Kelly and Wilson (2003).

A Northern Ireland childcare and Family Centre Infrastructure

7.20 As Dean (2005) and Kelly and Wilson 2003 argued the creation of a network of family centres throughout Northern Ireland should be one of the targets in the revised Children and Young People's Strategy. If sufficiently innovative and appropriately funded these centres could have a significant ameliorating impact on the developmental and social consequences of poverty on our children and young people. It is important however that family centres do not become places of stigma for 'troubled families' operated by social services. Rather they need to be developed as busy centres of communal life at the locality level through community development rather than child protection methods and practices. As Centres should be the nub of a wide range of educational and social activities and provision, with statutory private sector and charitable partnerships. The range of family support activities should be as broad as possible including inter alia community education; parenting and money advice services; food supply, laundry and kitchen facilities and even communal catering and food consumption activities (that is, meal clubs for local people of all ages). Such centres could help to revitalise communities whilst providing support to parents and contact for children and young people with a broader range of adults from their localities than would otherwise be the case. The original CYPS included a commitment to the development of a parenting and family support strategy and the proposals here in respect of the development of family centres are consistent with that commitment. A further objective of family centres however should be to help integrate young adults into the life of their communities through the provision of teenage orientated services such as free internet and PC access, video and DVD libraries along with the more traditional youth service activities. Although community and locality based projects (family centre based or not) have a lot to offer in anti-poverty terms it remains important to remember that most poor people and children do not live in poor places Dignan and McLaughlin, (2003). Proportionately more do

so in Northern Ireland than elsewhere in the UK (see chapter 6) but government needs to act to address the structural causes of poverty and inequality which are non-locality specific as well as supporting locality specific initiatives.

The Northern Ireland Anti Poverty Strategy

7.21 The Northern Ireland Anti Poverty Strategy should launch a Northern Ireland childcare and family support strategy. This strategy should have two elements. First a family support function rooted in the identification and ring fencing of funding for the development of the infrastructure of Family Centres and associated community led children's services discussed above. Secondly the strategy should include a substitute childcare services program intended to support working parents. The absence of Northern Ireland from the UK National Childcare Strategy was a strategic policy error in terms of poverty reduction. SureStart in Northern Ireland is at a much earlier stage of development than elsewhere in the UK and currently only focuses on 0-4s in Northern Ireland which is somewhat different to the target groups elsewhere. It is hoped that the additional expenditure on children over the following two years will expand SureStart in Northern Ireland to give a more comprehensive service in deprived areas of Northern Ireland. The failure of Northern Ireland government over many years to address the childcare needs of parents and to recognize the reality of market failure in this field has contributed to current high levels of poverty. Market failure means that the private sector will not develop childcare services at affordable prices in low income areas. Low levels of maternal employment and especially lone mothers' employment have been major structural causes of unacceptable levels of child and family poverty in Northern Ireland. Many parents in Northern Ireland say they would prefer to use informal family childcare supplied by the extended family rather than formal childcare services but the reality is that peoples' preferences are not fixed and adapt over time to what is available, possible and necessary. Many parents already do not have access to the kinds of informal childcare services they say in principle they would prefer, especially if they have been geographically mobile in order to obtain employment. Others particularly those in low income localities do not have access to the support of the generation

above them for childcare because poverty has caused high premature death or illness rates in that generation. For all these reasons and as previously argued by the Civic Forum a Northern Ireland Childcare strategy and action Plan must be a core part of the government's antipoverty strategy. An additional component of the anti-poverty strategy should be training, employment and advice services for parents with health and disability problems. The achievement of greater gender equality in the labour market is also critical to long term reductions in child and family poverty rates. The attitude that women's employment is marginal to family incomes and freedom from poverty is one which has had its day and now needs to be put to rest.

Figure 7.1 Summary of the structural factors causing and sustaining child and family poverty and deprivation in Northern Ireland

- Low employment rates among mothers, especially lone Catholic mothers;
- Long-term unemployment and working age incapacity for work (both sexes)
- Unequal pay between men and women and between part-time and full-time workers
- Low Pay especially in the private sector
- Absence of social security provision for 16 and 17 year olds
- Assumptions of financial contributions from non-resident parents
- Low levels of child care services subsidised by public funds
- Low levels of educational qualifications among lone parents
- Relationship breakdown (including the impact of domestic violence)
- Less than 100% take up of tax credits
- Level of tax credits and child benefit
- High prices for food, fuel and travel relative to GB but common benefit and tax credit income levels
- Limited public transportation system inhibiting access to both employment and competitively priced necessities
- Limited regulation of food, transport and fuel prices especially in deprived localities

The Problem of Targeting

7.22 The argument that an anti poverty strategy should be largely composed of broadly based public investment in public services may surprise those accustomed to the neo-liberal rhetoric of targeting which dominated social policy in the UK in the 1980s. It was noted above that locality based approaches to poverty are inherently limited. This is true of targeted poverty measures generally. The reasons are complex, but important. Since the 1970's it has been assumed by most politicians and policymakers in Britain and Ireland that anti-poverty programmes and strategies are effective only if they are targeted. This view developed from the way US social scientists evaluated anti-poverty programmes there in the 1960's. They chose 'target efficiency' as their main criterion for program success. Target efficiency was 'the proportion of program expenditures going exclusively to those below the official poverty line. The greater the targeting efficiency the better the programme was evaluated Barth, Cargano and Palmer, 1974, Korpi and Palmer 1998, Korpi, 1980; 1983). In the UK during the 1980's, it was similarly assumed that targeting of cash benefits and public services (means-testing) was inherently effective. The common sense assumption that social policies directed at the needy constitute the most efficient strategy for reducing need, poverty and inequality has of has been challenged repeatedly and is elied by the national and international evidence e.g. O'Connor (1993; Orloff 1993 McLaughlin, Miller and Cooke; 1989; McLaughlin, Kelly and Yeates 2002 are just a few of those who have have shown how means-tested targeted programmes disadvantage women and mothers relative to men are ineffective.

7.23 Extensive cross national research by Korpi 1980, 1983; and Korpi & Palme 1998) on the equality effects of welfare programmes found that targeted programs may have greater redistributive effects per unit of money allocated than non-targeted programmes in the short term but not in the longterm. Over time and a number of budget cycles other factors come into play and act in ways which in the long term cause the reverse effect – that is make non-targeted programmes more redistributive and effective than targeted ones. (Korpi,1980, p 304). During the 1990s support for targeted anti-poverty programmes decreased among social scientists for the reasons

identified by Korpi and growing awareness of the importance of lifecycle and familial rather than behavioral factors in poverty causation. Recognition of the problems of stigma and its associated micro processes also increased (Korpi and Palme, 1998 p.663). These micro processes mean that services for the poor are generally poor services in terms of both the quality of service provision and staffing, and in terms of lack of responsiveness to users). Added to the longer run political processes identified by Korpi these microprocesses mean that over time targeted provision tends to lose public and political support and be rolled back so that services for poor people gradually become poor services in the quantitative as well as the qualitative sense. Thus despite its common sense appeal, 'Robin Hood' strategies of targeted cash benefits or services for the poor do not and have not produced the greatest amount of redistribution and poverty alleviation in western countries. The apparently counter intuitive universalistic strategy of public provision of universal cash benefits and social services is more effective in reducing both inequality and poverty (Korpi and Palme 1998, p.674). The paradox of redistribution is then that: 'The more we target benefits at the poor only and the less concerned we are with creating equality via equal public transfers to all the less likely we are to reduce poverty and inequality'. (Korpi and Palme, 1998 p.681-682).

7.24 During the 1990s universalism thus gradually came to be accepted as the best anti-poverty strategy in most scholarly quarters. It was partly in recognition of this trend that in Australia and to some extent the UK, that targeting of welfare benefits via means-testing has been gradually reformed so as to be more about excluding top income people than about including only the very poor, a trend described by some as selective universalism). On the other hand the UK government has continued to invest a great deal of effort and policy hope in selective area based approaches (for example, in health and education action zones).

7.25 The implications of international scholarship on targeting are that UK wide policies of means-tested benefits such as child tax credit and means tested public services such as the Sure Start program should be re-thought and critically challenged. The

knowledge we have of the success of universalism as a social policy strategy does not mean that there is no role or scope for targeted project type work in specific localities. It does mean that achievement of a step change in child poverty and real equality of opportunity and life chances among the next generation would require a very considerable change of governmental strategy and willingness to invest. On the other hand it is difficult to see what more important purpose national government could have than the creation of social justice and fairness through the ending of child and family poverty. (see also Weale, 1990).

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Annex B Income Defined (Extract from DSD, 2003/4)

Income Before Housing Costs (BHC) – includes the following main components:

- Usual net earnings from employment
- Profit or loss from self-employment (losses are treated as negative income)
- All Social Security benefits (including Housing Benefit, Social Fund, maternity, funeral and community care grants but excluding Social Fund loans) and Tax Credits
- Income from occupational and private pensions
- Investment income
- Maintenance payments, if a person receives them directly
- Income from educational grants and scholarships (including, for students, top up loans and parental contributions)
- The cash value of certain forms of income in kind (free school meals, free welfare milk, free school milk and free TV license for those aged 75 and over).

Income is net of the following:

- Income tax payments
- National insurance contributions
- Council tax/domestic rates (this includes water and sewerage charges from Northern Ireland)
- Contributions to occupational pension schemes (including all additional voluntary contributions (Arcs) to occupational pension schemes, and any contributions to personal pensions);
- All maintenance and child support payments, which are deducted from the income of the person making the payment
- Parental contributions to students living away from home.

Income After Housing Costs (AHC) is derived by deducting a measure of housing costs from the above income measure.

Housing Costs – these include the following:

- Rent (gross of housing benefit)
- Water rates, community water charges and council water charges (currently these apply only to GB)
- Mortgage interest payments (net of tax relief)
- Structural insurance premiums (for owner occupiers)
- Ground rent and service charges.

An adjustment is made to the calculation of mortgage interest payments to disregard additional loans which had been taken out for purposes other than house purchase.

Negative incomes BHC are reset to zero but negative AHC incomes calculated from the adjusted BHC incomes are possible. Where incomes have been adjusted to zero BHC, income AHC is derived from the adjusted BHC income.



