At a glance

The PSE UK project identifies people falling below what the public thinks is a minimum standard of living. This consensual approach was first used in 1983 and has been repeated several times since. The 2012 results show that in Britain:

- The proportion of households falling below society's minimum standards has doubled since 1983
- More children lead impoverished and restricted lives today than in 1999
- 5 million more people live in inadequate housing than in the 1990s
- 11% of households can't heat their homes adequately today up from 5% in 1983 and 3% in 1999

The proportion of households falling below minimum standards has doubled since 1983

The Poverty and Social Exclusion (PSE) project identifies those who fall below what the public sets as a minimum standard of living. It first establishes what the population as a whole think this standard should include by identifying what most people think are necessities for living in society today.

It then looks directly at people's living standards to find out who lacks these necessities and so falls below this minimum standard.

The 1983 Breadline Britain survey pioneered this approach. It was used again in 1990, 1999 in Britain, in 2002/3 in Northern Ireland and in the latest PSE: UK 2012 research. This means we can track changes over the last 30 years.

NB: the 2012 survey covers the UK but the 1983, 1990 and 1999 surveys did not include Northern Ireland. All figures in this ‘Facts and Findings’ are for Britain only.

Looking at those who lack three or more of the items and activities seen as necessities at that time, the percentage of households who fall below society’s minimum standard has doubled over the last 30 years.

Figure 2.1: Rise in multi-deprived households in Britain

This level of multiple deprivation affects people's whole way of life. It closely matches people's own self-perception of poverty. In 1983, 84% of those lacking three or more necessities felt they were poor all or some of the time and, in the 2012 survey, 71% of those lacking three or more necessities thought they were poor all or some of the time.

This is rise in the proportions of multiply deprived households is all the more significant because:
- 1983 was a year of recession, with over 3 million people unemployed
- The size of the economy has doubled over the last 30 years

2 million more children are multiply deprived today than in 1999

The 1999 study was the first of the four to look at child poverty in detail. It showed how many families could not afford the minimum living standards for children set by society as a whole.

There has been a surprising increase since 1999 in the numbers of children who are multiply deprived. The numbers of children who lack two or more necessities has risen from 2 million children in 1999 to almost 4 million today. This suggests that families have fared very badly during the current recession as, from other measures, we know that child deprivation fell between 1999 and 2006/07. This rise is all the more striking as there has been a slight tightening in attitudes to necessities since 1999, see Facts and Findings 3: What do we think we need.

The four surveys look at a wide range of items, material and social.

Housing deprivation is rising

Figure 2.2: Percentage of households in inadequate housing

A damp-free home and heating to keep living areas warm have been the top two necessities in all four surveys.

Around 95% agree these items are necessities in each survey. But more households today lack these basics than in 1983 or in the 1990s (see Figure 2.2).

The proportions going without both first fell and then rose. So, while things improved in the 1990s, there has been a sharp decline since.

The sharp rise in fuel costs since the early 2000s partly explains why heating is harder to afford. The costs of fuel and light have more than doubled since 2000, up by 234%. The overall rise in consumer prices has been much lower, 134%.

Being able to keep your home in a decent state of decoration is also seen as a necessity and the numbers unable to afford to do this are also up from 15%
of adults in the 1990s to 20% today.

Taking all three housing necessities; heating, damp free home and adequate decoration (all seen as necessities in 1990, 1999 and 2012), today 13 million people (aged 16 and over) live in inadequate housing conditions that’s around 3 million more people live than in the 1990s.

Overcrowding is also back at the levels found in 1983. The percentage of household who cannot afford enough bedrooms for every child of a different sex aged 10 or over to have their own bedroom has risen sharply since 1999 (see Figure 2.2).

Food poverty remains high

People are finding it harder to afford key aspects of diet today than they did in 1999, though there has been a small overall improvement since the 1980s (see Table 2.1). All these three items of food are seen as necessities by large majorities of people.

Table 2.1: How many adults cannot afford food basics?

<table>
<thead>
<tr>
<th>Food necessities for adults</th>
<th>1983</th>
<th>1990</th>
<th>1999</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two meals a day</td>
<td>4%</td>
<td>1%</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>Meat, fish or vegetarian equivalent every other day</td>
<td>8%</td>
<td>3%</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>Fresh fruit and vegetables</td>
<td>n/a</td>
<td>6%</td>
<td>5%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Note: 1999 figure was under 1% and less than 20 unweighted cases.

People continue to face problems in feeding themselves properly partly because, like fuel prices, food prices have risen faster than inflation since 2000.

Looking across all the adult food necessities, around 4 million are not properly fed by today's standards, which is a similar number to those who were not properly fed in 1999 by the standards of that year (which also included a roast joint or its vegetarian equivalent once a week as well as the above items).

This is an improvement on the overall picture in 1990 and 1983 when, by the standards set then, 5 million adults and 5.5 million could not afford one of the food items then seen to be necessities.

There have also been some improvements for children since 1983. There is one food necessity for children common to 1983 and 2012, namely having proper food for children, which is a similar number to those who were not properly fed in 1999 by the standards of that year (which also included a roast joint or its vegetarian equivalent once a week as well as the above items).

In the current tough economic climate, people have a less generous view of what the essential social activities should be than they held in 1999, see Facts and Findings 3: What do we think we need? In the 2012 survey the social activities, seen to be necessities by the majority, are a hobby, celebrations on special occasions, attending wedding and funerals and similar occasions, being able to make hospital or other such visits and being able to take part in sport and exercise. In 1999, activities seen as essential also included presents for the family once a year, having family or friends round once a month and a holiday away from home for a week once a year. Taking part in sport and exercise, now seen as a necessity, was not asked in 1999.

Even so, 3.5 million more people are missing out today on social activities based on this less generous view than missed out in 1999 on the more generous view held then: 11 million today compared to 7.5 million in 1999. Using 1999 standards, 16 million people today miss out on social activities.

Households are more insecure

The necessities that people most struggle with are those related to financial security and the ability to deal with emergencies. The percentages who can’t afford these items are the largest and are among those which show the sharpest rises. Households in 2012 are less able to cope with unexpected events or afford minimal levels of financial protection than in 1999 (see Table 2.2).
Table 2.2: Percentage of households unable to cope with emergencies

<table>
<thead>
<tr>
<th>Emergencies</th>
<th>1999</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Replace or repair broken electrical goods</td>
<td>12%</td>
<td>26%</td>
</tr>
<tr>
<td>Household contents insurance</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>Regular savings for rainy days</td>
<td>27%</td>
<td>32%</td>
</tr>
</tbody>
</table>

What lies behind these changes?

The demands of 21st century life

The PSE approach measures poverty against what the population as a whole says are necessities. This changes over time. Many consumer goods have become relatively cheaper over the thirty years and more people can afford them. These items become embedded in our lives until the point where to go without them is to miss out. Some items not chosen as necessities in 1983, such as a telephone, come to be seen as essential. And some which are now central to our lives, such as a computer with internet access for children, were not even a part of them in 1983. Those who can’t afford these items today are now included in the PSE count of poverty numbers, though they would not have been in the past.

These changing patterns of necessities and expectations add to the overall pressures on the budgets of the poorest households.

Inequality has increased since 1983

Underlying these trends lies a growing income divide. Over the last 30 years, Britain has become increasingly unequal. The size of the economy has doubled. But the fruits of growth have been increasingly captured by those on the highest incomes, leaving those on middle and low incomes further and further behind. Households dependent on low wages have increasingly found their pay packets squeezed and their jobs insecure. Since the millennium, incomes have risen even more slowly.

The impact of the economic crisis

Although real incomes at the bottom initially rose during the crisis of 2008-9, they have fallen sharply since 2009-10. This is largely because wage rises have been falling behind inflation. As a result, low-income households are little better off today than in 1999, on average (after allowing for inflation). Renée talks about what difference just a little help would make to her and her children, if it kept her income above the inflation level.

The UK’s faltering economic prospects have also had an impact on the public’s view of minimum standards. The 2012 standard is in some respects less generous than in 1999. Some 1999 necessities have dropped out of the list, see Facts and Findings 3: What do we think we need?

Conclusion

The main reason more people live in poverty today than in the 1980s is that the lower your income, the slower your income has grown over the last 30 years. As a result, increasing numbers of people have found that their living standards have not kept up with the changing standards of society.

These results reflect the situation before the majority of proposed benefit changes come into place and before benefits payments are revised to increase at less than the level of inflation. The impact of the current government austerity measures is set to hit hard those whose standard of living is already well below that seen by a majority to be minimal.

The first PSE UK tables of data are available in the ‘Explore the data’ section.

About the surveys

The PSE:UK 2012 research draws on two surveys both carried out by the National Centre for Social Research (NatCen) in Britain and by the Northern Ireland Statistics and Research Agency (NISRA) in Northern Ireland.

- The ‘living standards’ survey was carried out between March and December 2012 and covered 5,193 households (4,205 in Britain and 988 in Northern Ireland) in which 12,097 people were living (9,786 in Britain and 2,311 in Northern Ireland).
- The ‘Necessities of Life’ survey was carried out between May and June 2012 and is based on a sample of 1,447 adults aged 16 or over in Britain and 1,015 in Northern Ireland.

Read more about the research approach here.

See also the PSE: UK team's first report 'The impoverishment of the UK'.

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