

Chapter 1

INTRODUCTION

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INTRODUCTION

It has long been recognised that poverty and sickness are inter-related. In a society in which current earnings provide the major source of spending power, it is inevitable that sickness, by removing earning power, can throw a family into poverty. Whether it does so or not depends on the scope of state social security provisions, on private sick ~~pay~~ pay arrangements, on the extent to which married women are able to earn, on the role of savings, private insurance and other possible sources of support. What is much less clear, however, is whether, to what extent and by what means poverty causes sickness. This pilot study of 65 families where the husband was chronically sick attempts to show how far intensive interviewing conducted at one point of time can throw light on this and other questions.

The study is concerned only with households in which the husband was "chronically sick", defined as absent from work due to illness, injury or disability for three months or more. All of the fathers [or only those with sickness benefit?] had certificates from their doctors indicating that they were unable to work. In practice this was found to include some men whom their doctor regarded as unlikely to find work compatible with their disability.¹ During 1964 [or It was estimated that on (date)] about 340,000 adult men in Great Britain [?] received sickness benefit for three months or more.² Including their wives and dependent/children, this suggests that about three-quarters of a million people, or about $1\frac{1}{2}$ per cent of the population of Britain, were mainly [?] dependent on the income of the chronic sick.³

1 See p. below.

2 Ministry of Pensions and National Insurance: personal communication.

3 See Appendix A where the basis of calculation is explained.

By no means all disabled persons who are unable to find work compatible with their disability receive doctors' certificates and thus fall within the definition of chronic sickness used in this study. Those without such certificates are [all ?] required to register for work at an Employment Exchange before they can receive national insurance benefit or national assistance (now supplementary benefit: but the term national assistance is used ~~throughout~~ throughout this study). Such people appear among the statistics of the unemployed rather than the sick. In 1956, about 26,000 men under 60 had been unemployed for over two months and were receiving national assistance, either in supplementation of unemployment benefit or without it. A quarter of them were in poor health and an even higher proportion of disabled was found among those unemployed for ~~more than six months~~ longer periods - 83 per cent of the 7,600 persons unemployed for over three years and receiving national assistance were either physically handicapped or in poor physical health or their mental health was doubtful or poor or they suffered from a combination of these factors.¹ The total number of men unemployed for over six months on [date] in 1964 was 104,000. About 80,000 of them were reported to have some form of personal handicap because of their age, or their physical or mental condition.²

Sickness and poverty

If those above minimum pensionable age are omitted, in 1965 the sick - using the term in the wide sense defined above - were the largest single group of recipients of national assistance. These were estimated to number 286,000 - one half of all recipients of working age. About half of the sick (147,000) received national assistance as a supplement to sickness or industrial injury benefit. The remaining 138,000 persons were in most cases ineligible for these benefits because either they had not been employed at all or they had been employed for too short a time to qualify. These proportions had changed little in the previous eight

1 National Assistance Board: Annual Report 1956, p. .

2 "Second Enquiry into the Characteristic of the Unemployed, 1964", Ministry of Labour Gazette, April 1966, p. .

years.¹ Of those who were also receiving sickness or industrial injury benefit, 81 per cent had been on assistance for more than three months and 23 per cent for more than five years. Some of them had been sick even longer and either had not been eligible for or had not claimed assistance when they were first off work.² The duration of sickness was longer for those not receiving benefit. Many [more precision ?] had been disabled from birth or childhood: 39 per cent had become disabled later in life and this last group included nearly all those who were married.³

Similar findings are reported for other countries. For example, physical illness was a major cause of dependence on social assistance in Denmark in about half the cases examined in 1945.⁴ About three-quarters of all male recipients of social assistance in Stockholm in 1957 suffered from some form of physical or mental illness,⁵ and the same proportion was found in a sample of recipients throughout Sweden in 1959. Only about ten per cent of the male recipients aged between 50 and 66 were fully healthy and 39 per cent of the sick had been so for at least five years.⁶ The data for different countries is not, however, ~~strictly~~ strictly comparable as the definitions of and the prevalence of sickness and disability may vary between countries and also the administrative classification of persons who are not totally incapacitated for all types of work may well be different.

conducted both in Britain and elsewhere
During the last decade a number of different studies have shown that the average incomes of the sick and disabled from all sources are substantially below those of persons at work and that the sick are disproportionately represented among "the poor".

1 National Assistance Board: Annual Report, 1959.

2 Ibid., 1965.

3 Ibid., 1959.

4 Danish National Institute of Social Research: "Long-term recipients of social assistance", Teknisk Forlag, 1960 (title translated from Danish).

5 Stockholm City Central Board of Administration: Report No. 86 of 1960, "Report on Social Assistance in Stockholm" (title translated from Swedish).

6 Swedish Official Statistics on Social Welfare: "The Survey of Social Assistance, 1959", Royal Social Welfare Board, 1961 (summary in ~~English~~ English).

A survey of households in West Berlin in 1955 showed that households with a sick or disabled head constituted 6 per cent of a random sample of households, but 16 per cent of poor households.¹ A study in 1960 in the United States showed that while 22 per cent of the population [households ?] were in poverty, 36 per cent of households containing a disabled person had incomes below the poverty line and 50 per cent of households containing a totally disabled person were below the poverty line.²

From an analysis of Family Expenditure data for 1953-4 in Great Britain, Abel-Smith and Townsend showed that 2.3 per cent of households in Britain had heads who were sick: these households constituted 4.3 per cent of households at or around the national assistance level of living (judged by low expenditure).³ A study by Miss L Shaw of chronic sick recipients of statutory allowances [?] in the Bristol area [?] argued that sickness benefit and national assistance were insufficient to cover all the reasonable needs of those whose main source of income they were [No quote ?]. Hardship increased substantially when the interruption of earnings lasted more than a year. She questioned whether the gap between the incomes of the chronic sick and the fully employed should be continued in a welfare state where the chronic sick were at such a disadvantage in their social and economic circumstances.⁴ [Substitute quote; add number of families studied]

In 196 , the Institute of Community Studies interviewed men who were off work sick [definition] in Bethnal Green. Nearly all the men [what number ?] were in manual occupations and normally earned less than the national average industrial wage. [Substitute quote] Three-quarters

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- 1 S. Muenke: Poverty in Contemporary Society, Duncker & Humblot, 1956 (title translated from German).
 - 2 J. N. Morgan, M. H. David, W. J. Cohen, H. W. Brazer: Income and Welfare in the United States, McGraw Hill, 1962. The findings of this major study do not tell us what proportion of households contained a disabled person. About 9 per cent of the individuals reported some physical or mental limitation on their capacity for work.
 - 3 B. Abel-Smith & P. Townsend: The Poor and the Poorest, Bell, 1965, p. 30.
 - 4 L. A. Shaw: "Living on a State Maintained Income", Case Conference, March 1958, p. .

of the men were financially worse off than while they were at work, even though most had been sick for less than a month. "Not only were most ~~poor~~ people poorer; many were substantially so," particularly where they had few or no resources other than state benefits to fall back on.¹

[Fill in
number]

A study of persons registered as disabled on local authority registers² found that almost two-thirds had incomes below a half of average industrial earnings and over four-fifths had incomes below the average [make clear the difference]. About half received national assistance. Those disabled who were still in work earned on average only about three-quarters of the amount earned by men in industrial employment nationally.³ The difference may be partly explained by the fact that the sample was drawn from a group likely to have low earnings. Registration as a disabled person is a prerequisite for the receipt of certain services.⁴ People with previously high incomes are less likely to seek the help of these services.⁵ Moreover, as disability affects manual skills, manual workers are more likely to need help. The study showed that disability could force a man to change to a lighter job before it forced him to stop work altogether. Even if he remained in the same occupation, he was likely to earn less because of reduced production and greater absence from work.

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- 1 P. & P. Willmott: "Off Work through Illness", New Society, 10 January 1963.
 - 2 G. Sainsbury & F. Townsend: "The Disabled in Society", lecture given to the Greater London Association for the Disabled on 5 May 1967. This voluntary body's concern about the needs of the disabled and the administrative provisions made for them was the starting point of this study, of which the lecture summarised the findings.
 - 3 The comparisons with average industrial wages were not made by the authors but can be deduced from the figures provided.
 - 4 To be distinguished from registration on the Ministry of Labour's register, which has relevance for employment.
 - 5 The upper occupational classes are under-represented and the unskilled over-represented on these registers. Downward social mobility caused by disability before registration may also be a factor in causing this imbalance.

A study of men severely disabled by chronic bronchitis found that 78 per cent had a reduced earning capacity at the time of interview or in their last job, compared with when the bronchitis was less severe. A further 21 per cent reported their earning capacity as unchanged, but because of inflation the survey interpreted this as a form of real financial loss. Many of these hospital and clinic patients were unable to work at all and were reported to be "close to the line of real poverty, if not below it", though the line itself was not defined.¹

These studies all indicated the economic difficulties experienced by the sick and disabled. They did not attempt to ascertain how far chronic sickness causes poverty. While they emphasised the disparity in income and resources between the sick and the healthy and mentioned the economic changes experienced by individuals, they did not aim to go further and measure the differences. They could not say how far the sick were a random cross-section of the healthy population.

The nature of the connection

There is no need to quote further evidence to show that the sick are to be found disproportionately among the poor and that the incidence of poverty becomes greater with the duration of sickness or disability. These findings do not, however, enable us to identify the precise relationship between poverty and chronic sickness. Does chronic sickness strike all occupational and income groups equally? Do children who are brought up in a poor family have a greater risk of becoming chronic sick later in life? Are those whose earnings are insufficient to keep their families out of poverty more likely to become chronic sick? Thus, are fathers with large numbers of children and high rents more likely to become chronic sick than fathers with fewer children and lower rents? If a low level of living while at work increases the risk of chronic sickness, what is the process by which this occurs? Is it due to inadequate nutrition or other factors? Does extra overtime worked to keep the family out of poverty lead to a greater incidence of chronic sickness? Does poor housing increase the incidence

1 M. G. C. Neilson & E. Crofton: The Social Effects of Chronic Bronchitis, a Scottish Study, The Chest and Heart Association, 1965, p. .

of chronic sickness. Are those who become poor when sickness strikes more likely to become chronic sick than those with greater financial reserves and resources to support them in the early stages of sickness? If so, what is the route by which this occurs?

Such information as is available about national assistance recipients does not help to answer these questions. A Swedish study attempted to examine ~~the~~ differences in morbidity by matching 500 recipients of social assistance in Stockholm in 1943 with 500 non-recipients. Only 4 per cent of the male recipients were found to have no form of physical or mental disability, compared with half of the control group. The totally disabled men formed 36 per cent of the male recipients but only 5 per cent of the controls. Illness was found to be both more frequent and more severe among the recipients of assistance. Since there were no differences in access to medical care it was argued that the sickness was more likely to have contributed to the poverty than the reverse.¹

Even in the United States where access to medical care is likely to be influenced by income, sickness may still be a root cause of poverty. Statistics produced by the United States National Health Service show that the poor seek and receive less medical, dental and hospital treatment than do people with higher incomes.² This finding is probably due to differences in income (since treatment is not free) and possibly of awareness of the need for treatment. The same statistics show that the poor take longer to recover from sickness and suffer more disabling consequences than the better-off. This is as likely to follow from the lack of treatment as from the greater frequency of sickness among the poor. The effect may be circular: sickness can be a cause of poverty, since the sick who cannot work risk becoming poor; but once they are poor, the existing illness may be exacerbated by their reduced economic circumstances.

There are many studies of the general levels of morbidity and mortality and they tend to show that the levels increase as social and economic levels

1 G. Inghe: "Mental and Physical Illness among Paupers in Stockholm", Acta Psychiatrica et Neurologica Scandinavica, Vol. 33, Munksgaard, 1958 (in English).

2 Quoted in Ferman, Kornbluh and Haber (eds.): Poverty in America, 1965.

decrease. But they do not give useful information on the causal connections. The prevalence of particular diseases varies with socio-economic class. Some appear more ~~often~~ frequently among the lower classes (eg: tuberculosis, bronchitis, pneumonia, rheumatism, valvular disease of the heart) while others have usually been found to be more frequent among the upper strata of society (eg: diabetes, leukemia, coronary sclerosis, cirrhosis of the liver, appendicitis). Some illnesses do not correlate with economic factors at all while the evidence on others appears contradictory.¹ It may be that the poor suffer more ~~disabling~~ ^{disabling} consequences from illnesses which do not attack one social class more than another.

To get out of this chicken-and-egg dilemma one must be able to find out about the situation of the chronic sick before the onset of their sickness as well as after it. There are many methodological difficulties. Studies whose focus is on present problems and solutions have tended to neglect their roots in the past, often because no ~~tools~~ ^{tools} were available with which to study the past. To study chronic sick individuals before they become sick involves following up a very large sample of the general population over a number of years. British research workers have not so far attempted this and have tended to concentrate on the current situation. ~~However~~ However, an American investigation followed up a sample of the population twenty years after they were first studied in order to see whether poverty caused chronic sickness, or the reverse. The conclusions of this study were that "socio-economic status is a factor, but only of slight importance, in the chances of occurrence of chronic illness". Chronic sickness, it stated, was a more important cause of reduced socio-economic status than the contrary.²

The present study

The major focus of this pilot study is on the changes in the levels of living and resources experienced by the chronic sick. It tries to put

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- 1 These examples are quoted from G. Inghes, op. cit., who discusses at length the evidence published in Britain, Europe and North America up to the late 1950s. A more up to date discussion is in T. Arie: "Class and Disease", New Society, 27 January 1966.
 - 2 P. S. Lawrence: "An estimate of the incidence of chronic disease" and "Chronic illness and socio-economic status", both in Public Health Reports, 63, USA, 1948.

each family's current experience into perspective by comparing it/with that both family's previous experience and with the average of the society in which they live. As it deals with a small sample its conclusions can only be tentative: it suggests a method by which the question of change can be more systematically examined than previous studies have been able to do.

Sixty-five married men below retiring age and their wives were interviewed in the winter of 1965-66. These men were chosen from doctors' lists because they had been off work through illness, accident or disability for three months or more. They all lived at home in and around Colchester.¹ Both marriage partners were interviewed in order to find out as much as possible about their present circumstances and way of life as well as about their history of sickness, of employment and of income. Income is only one aspect of resources which may have changed. Housing and material possessions are also resources which affect well-being and are broadly related to previous and present incomes. But all these may fail to provide for the needs of the sick man and his family. The network of contacts and relationships with the outside world of individuals and the social services is essentially a part of the available resources with which the study is concerned. These aspects are discussed in subsequent chapters.

1 The reasons for choosing these sample characteristics are discussed in Appendix B. The sampling method used is described in Appendix A.

Chapter 3

Sources of income

Relative changes in income

Comparisons with basic assistance scales

Chapter 4

In this chapter we show the various sources of income received by the chronic sick, both before and after the onset of sickness. We then attempt to show how their incomes were affected by sickness. Finally we compare their incomes with basic assistance scales.

Sources of income

In Table 4a we show the various sources of income received by the chronic sick at the time of interview, when they left their normal occupation and, where applicable, when they left their post-sickness occupation. It is inevitable that some sources of income may have been omitted when respondents were attempting to recall what sources of income they had at an earlier period. It may be for this reason that more sources of income were reported for the time of interview than for earlier periods. About one-third of the men reported that they had depended wholly on state sources¹ of income (Ministry of Labour, Ministry of Pensions and National Insurance and assistance) when leaving their normal or post-sickness occupations: the proportion with additional sources of income was reported to be larger at the time of interview. Apart from the problem of memory, the sources of income may have been more numerous at the time of interview because some may have been received only after the sickness had lasted a considerable time.

The majority of men who reported only one additional additional source of income for earlier periods were receiving sick pay in addition to state income. At the time of interview there were 33 men with only one source of income other than state income: for 14 of these the source was pension and for only 6 it was sick pay,

1 Irregular payments such as repayments of income tax and exceptional needs grants from the National Assistance Board are omitted. War pensions are excluded from state income for the present purpose as they are regarded as more akin to occupational pensions.

for seven it was income from a charitable or private source. Some of the sources of income provided very little. For example, 5s a week from a trade union or 2s 4d a week from a friendly society. It ~~was~~ by no means followed that those with ~~the~~ the largest number of sources of income had the highest incomes. The major change in the sources of state income between the time at which normal occupation was abandoned and the time of interview was in the fact that while only one man was receiving national assistance at the earlier period, 22 men were receiving it when we interviewed them.

It only seemed practicable to enquire about other sources of household income (those not received by the man himself) at the time of interview. Respondents could not recall these details for earlier periods. Taking account of such sources of income did not greatly increase the number of sources of income. Apart from family allowances, the most common sources of income were the 25 cases where the wife worked and the 24 households where there were earning children. The median gross amounts received were £3 5s a week from wives' earnings and (including those households in which the children contributed nothing and were thus, although employed, a financial burden on their parents) £2 from each child. There were 35 employed children in these households paying an average of only 38s a week and it is doubtful if this sum met what it cost their parents in food plus a share of the rent and other housing overhead costs. Finally, the income received from savings was reported as being over £2 a week in only two of the 17 households with any such income. These were the two richest households, that of the engineer and the company director, and the amounts they reported were respectively £12 and £8 a week. The median amount was 10s a week.

In Table 4b we compare the present gross income of the households with average national earnings [why not with household income?] and show what proportion of their income came from state sources. A little over one half of median household income came from state sources. The median fell at about 70 per cent of national average earnings. Thirteen households received over 90 per cent of their

income from state sources. While in general households which depended more heavily on state sources of income tended to be the poorer households, some households which were heavily dependent on the state had above average incomes. The household with the largest state income among those heavily dependent on the state was the Ogmores and the main reason for the high income was the fact that Mrs Ogmores received a war pension for her five children by a previous husband. Next largest was the Tallow family where Mr Tallow received ~~unemployment~~ sickness benefit, special hardship allowance and industrial injury disablement benefit. The one man whose household income was more than 80 per cent from private sources was Mr Gray who received sick pay and ~~his~~ whose wife had a well paid job.

Second only to ~~the~~ income from the state, sick pay provided by employers was the most important source of income for ~~the~~ the sick. A national study of sick pay schemes showed that in 1961 [?] 57 per cent of all employed men in all occupations were entitled to sick pay for certain periods. The entitlement covered 88 per cent of professional and intermediate employees and 50 per cent for skilled, partly skilled and unskilled employees.¹ Similar proportions have been found in other studies.² Our study covered 74 terminations of employment in which sick pay could prima facie have been paid.³ In eight cases, mainly those which had occurred long ago, the men could not remember whether sick pay had been paid. Out of the remainder sick pay was paid to about two-thirds of the men (see Table 4c). Only one ~~non-manual~~ non-manual employee did not receive sick pay - a clerk who had been paid on an attendance basis. None of the employees of public authorities said that they did not receive sick pay. Only three men in five of those employed pri-

1 Ministry of Pensions & National Insurance: Report on an Enquiry into the Incidence of Incapacity for Work, Part 1, Scope and Characteristics of Sick Pay Schemes, HMSO, 1964, Table J, p. .

2 See A. Cartwright: Human Relations and Hospital Care, Routledge, 1964, p. ; Political & Economic Planning: Family Needs and Social Services, Allen & Unwin, 1961, p. ; P. & P. Willmott: "Off Work through Illness", loc. cit., p. .

3 Excluding cases where the man had been self-employed, retired or pensioned off, or had continued in another job with the same employer or with another employer.

vately received sick pay. From our small sample it did not appear that the receipt of sick pay varied according to the size of the employer. Two men lived rent-free in tied cottages belonging to their previous employers. In both cases their fathers had worked for their employers' fathers.

The national study mentioned earlier found that 69 per cent of men covered by sick pay schemes received "full" pay¹ for some period. The corresponding figure in our study was 62 per cent (Table 4d). However, after three months, the proportion was per cent. Some of those who did not receive "full pay" received flat rate sums and other payments related to previous wages. Some men received half their basic wages and also received NI benefits, raising their total incomes in sickness to close to their previous earnings. Others received an amount to make up, if applicable, their NI benefits to half their wages. Mr Norris, a GPO employee, received first the latter then the former of these forms of part pay. Mr Kettle, another public employee, got half his normal pay reduced by half the NI benefit actually paid, which included his dependents. Only ~~two~~ two employers, a large private firm and British Rail, were represented on both the manual and non-manual ~~and~~ sides of our sample. Mr Leach, a salaried employee of the private firm, received one full month's pay and one month's half pay, but the manual employees of this firm received flat rate payments of £1 10s or £3 for varying numbers of weeks. A British Rail inspector had a total of a year on full and then part pay but a guard received only flat rate payments for a few weeks.

Table 4d shows the duration and type of sick pay received analysed by occupation and employer. The non-manual employees were twice as likely to receive full pay only as a manual worker, and one third more likely to get full and part pay. Half of all the manual ~~employees~~ employees received only part pay. The full and part pay combination consisted of either three months at each level or six, with the exception of Mr Leach, who had only one month at

1 Normally basic pay less national insurance benefits. For definition see Ministry of Pensions & National Insurance, op. cit., para. 46.

each level. From our small sample, it appeared that public employers were more likely than private employers to have sick schemes providing for full pay for a fixed period. It was in the private sector that the most variable durations of sick pay were found. Half of all payments of sick pay by private employers were of part pay only compared with only one fifth of those made by public employers.

While sick pay plays an important role in maintaining the incomes of the sick as a whole, it is of much less importance for the chronic sick. The national study quoted earlier estimated that between 9 and 17 per cent of all recipients of sickness benefit for thirteen or more weeks were receiving sick pay on 3 June 1961.¹ Eight men in our sample (12 per ~~cent~~ cent) were receiving sick pay at the time of interview.

Relative changes in income

How did the process of becoming sick affect the incomes of the men and their families? As pointed out in Chapter , the onset of sickness happened in some cases relatively recently and in others many years ago. Thus straight comparisons in money terms can be misleading partly because of increases in wages and salaries made to adjust to higher price levels and partly because of increases in real earnings. To place the incomes received at different periods on a comparable basis, we have shown the income received at any period of time as a proportion of average earnings at that time.²

In Table 4e, we compare with average earnings the incomes received from normal occupation, from ~~post~~ post-sickness occupation (the last if there was more than one) and the income received at the time of interview (of the man and of the household). The mean earnings reported for the normal occupation amounted to 99 per cent of average earnings. This suggests - though it does not prove owing to the size and low response rate of the sample, and possible data error - that the chronic sick are drawn from a sector of the population with about average earnings. The chronic sick do not

1 Ministry of Pensions & National Insurance, op. cit., p. . The difference between the upper and lower figures depended on assumptions made about the duration of sick pay given at the discretion of the employer.

2 The figures for average earnings were taken from ... Male or Men and Women combined

appear to be drawn disproportionately from a group who had low earnings in their normal occupation.

Just over half of the men ~~was~~ had a post-sickness occupation before they finally abandoned work. Their earnings in this occupation were on average only two-thirds of average national earnings. The figures for incomes from post-sickness occupations are based on jobs held for only four weeks or more. The drop in income would be larger if account were taken of the fact that sickness caused earnings to be more irregular in the post-sickness occupation than in the normal occupation. The average earnings of men during their last year of work is therefore substantially below their earnings when in full health. This finding is very relevant for social security policy. If sickness benefit is intended to provide a proportion of customary earnings to reduce the ~~relative~~ relative fall in levels of living, earnings in ~~the~~ the year before sickness are often far below normal earnings.

The incomes of the men at the time of interview were on average not only lower than in their normal occupation but lower also than in their post-sickness occupation (where applicable). One man was totally without income: he ~~was~~ depended wholly on his wife's disability pension which was too high to enable him to claim national assistance. (He had no national insurance benefits in his own right as he had been exempted from paying owing to his low income while at work.) If the marriage had broken up both parties would have been substantially better off. At the other extreme, the richest man in the sample only received from all sources of income a sum equal to average national earnings.

The total household income at the time of interview was on average 75 per cent of average earnings [male ?]. Only 10 out of 65 households had incomes above average national earnings. Eight households had incomes less than one half of average earnings. The median and mean household income and the range of income were not much higher than those for men alone in post-sickness occupations. This lent some weight to the view expressed by some men [how many ?] that it made no great difference to household income whether they

worked or not owing to their reduced capacity for work. Several men, however, stressed that they would like to work in any case as they felt bored or useless.

There were six men in the sample who had had earnings in their normal occupation which were 50 per cent greater than average earnings. At the time of interview their incomes were 56 per cent of average earnings compared with an average of 53 per cent for the whole sample: their household income was 87 per cent of average earnings compared with 75 per cent for the whole sample. These men had suffered on average the greatest fall in living standards. The only man who had a household income in excess of average earnings had a considerable income from investments.

The incomes of the men in the sample had on average fallen not only in relation to the rest of the population but also in crude cash terms. On average their post-sickness occupation gave them earnings which were 74 per cent of those received in their normal occupation (median 72 per cent). Their incomes at the time of interview were on average 64 per cent of those in their normal occupation (median 66 per cent). In five cases, however, earnings in the post-sickness occupation were higher than in the normal occupation. In four cases the increase in income was 20 per cent or less: the fifth, an unskilled labourer with low earnings, was able to double his income by a change of job but he was only able to hold the job for four months.

Comparisons with basic assistance scales

Up to this point we have taken no account of family responsibilities and thus ^{of} ~~the~~/household needs for income. The method used to assess need, comparison with basic assistance scales, is not intended in any way to validate the assessment of needs that underlies that scale. The scale is used solely because it represents in a sense the officially approved or conventional measure of minimum needs. The history of the scale and the method of using it is fully described in The Poor and the Poorest.¹

The calculation of the housing costs which the National Assistance Board would have been prepared to meet presented some difficulty.

1 Abel-Smith & Townsend, op. cit., pp. 15-20.

In the case of owner-occupiers (there were 27 in the sample) the Board is only prepared to pay interest on a mortgage and an element to cover the costs of maintenance: the capital repayment element in a mortgage is not paid by the Board though of course it has still to be paid by the mortgagee. We had to estimate the interest element from the size of the mortgage charge and the age of the loan. We added a ~~sum~~ sum of 5s per week to cover the cost of maintenance. Housing cost figures (including rates) calculated in this way were rounded up [Why up ?] to the nearest five shillings. Where the local authority had given rent rebates the rebated rent was used. Private rents were included in full even though in one case the Board was only actually willing to pay 15s towards a rent of 60s for furnished accommodation.¹ [How many rooms in this case ?] In all cases we deducted from the total housing cost the share of any non-dependent members of the household calculated on a per capita basis. [Do we know if this is the correct procedure ?]

We made no calculations for 13 of the 65 men - for the two who were in full-time work and for the 11 whose assets (mainly savings) exceeded £600 at the time of interview and would have thus been ineligible for assistance. Twenty-two of the remaining 52 men were actually receiving assistance and the sums they received were included in our calculations of resources. In ten cases we were told that the sum granted included an amount (between 6s and 18s) for Discretionary Allowances. In 6 of these 10 cases the amount remaining after the discretionary allowance was deducted was equal to the scale rate plus housing cost. The other 12 national assistance recipients did not report receiving any extra allowance. In 8 of these 12 cases the total amount was within 3 per cent of the scale rate plus housing costs (97 to 101 per cent). In 7 of the remaining 8 households, the net national assistance payment plus assessable income was more than the scale rate plus housing costs. Neither the respondents nor we know the reason for this, although it may to some extent be due

1 The accommodation purchased for 60s per week was among the worst in the sample. In another case the Board was paying a rent of 40s for two furnished rooms in a house of the highest standard.

to our underestimating the housing costs and thus making the sample appear richer than it in fact was. Households getting more than the scale rate may in fact have been receiving the scale rate plus an allowance. They may even have been getting less because they were wage stopped or their rent was considered excessive, but were being paid allowances which obscured the difference.¹

To calculate the net income at the disposal of the household, we had to make certain assumptions about the income received from independent children and lodgers. Irrespective of the amounts they paid we deducted 35s per head from the gross household ~~xx~~ income to cover the cost of their food and overheads such as heating, laundry and so on. For those who did not eat at home, or who bought their own food, we deducted only their share per capita of the assessable housing costs. In many cases the household was out of pocket if children paid less than we assumed they paid. In Table 4f we show how the adjusted income of the 52 assessable households and the net disposable income of all 65 households compare with the national assistance scale rate plus housing cost for each household. Both sides of the table show the clear difference between the income levels of the recipients of national assistance and the remainder of the sample. Four of the five national assistance recipients below the 100 per cent scale rate line were getting within 3 per cent of it; the fifth was Mr Morgan. The highest adjusted income of a recipient was 123 per cent of the scale rate, received by a totally disabled man who may have been getting considerable discretionary allowances.

The average income of families receiving assistance was close to the scale rate: for non-recipients it was nearly 50 per cent above it. Nevertheless, one family in six which was not receiving assistance had an assessable income below or only just above the scale rate: four of these were prima facie entitled to national assistance although

1 Mr Morgan, the last of the remaining households, is an example of this. His assessable income plus national assistance was 95 per cent of his scale rate plus actual rent. Thirteen shillings of his NAB payments were for his wife's special diabetic diet. The amount the NAB paid him for rent on top of his assessable income raised the total to only 87 per cent of his scale plus actual rent. The reason, as mentioned above, was that the Board regarded his rent as excessive.

they did not get it. The lowest assessable income (84 per cent of the scale rate) was that of Mr Henry whose household consisted of four adults and one dependent child. Mr Henry only received sickness benefit for a single person and a child because Mrs Henry earned £4 a week. The two independent children paid less than the amount they were assessed. This household was not only poor in cash terms, it was also one of the poorest in terms of its material environment: it had, moreover, been a very low income household for many years how long ?. Mr Jenkins had a son paying less than his costs and a pension which raised his assessable income from 99 per cent to a net disposable income of 113 per cent. Mr Frick's pension had a similar effect. The Fricks see-sawed in and out of poverty, depending on whether Mrs Frick ~~managed~~ managed to earn anything as a casual hair-dresser, whether they had a lodger and whether they had to support Mrs Frick's deserted grand-daughters and their children. At the best, their assessable income was 85 per cent, net disposable 138 per cent; at the worst, with in effect five dependents, it was much lower. Like the Henrys, the Fricks were poor in many respects. The Abbotts had four dependent children to keep on an assessable income of 88 per cent and a net ~~manage~~ disposable income of only 101 per cent. They had been refused national assistance when they still had considerable savings. Although they were clearly eligible at the time of our visit, they had not reapplied for assistance.

The range of net disposable income of the households ^{receiving} ~~managing~~ national assistance was wider than the range of assessable income. Abel-Smith and Townsend found that there were many households nationally where the level of living was 40 per cent or more above the basic rates, which was in some cases because a recipient of assistance was living with a family which had a level of living considerably above the scale rates.¹ We have attempted to ~~omit~~ exclude other members of the household by counting only any profit or loss generated for the couple and their dependents. Thus comparisons cannot be directly

1 Op. cit., p. 18.

made between our data and that presented by Abel-Smith and Townsend. Nevertheless it is of interest to note that only one in seven of our families who were receiving assistance had a net disposable income more than 40 per cent above the basic assistance scale. However, 19 of the 32 families below this level of living were receiving national assistance. Although the average income of the assistance families was 21 per cent above basic assistance scales there was a noticeable difference between those with dependent children and those without. The seven households with children had an average income only 12 per cent above the scale while those without dependent children had an average income 25 per cent above the scale. Some of this difference was due to the net profit made on independent children's contributions. In spite of this the lowest income was received by a two-person household. The highest income of all (in relative as well as in absolute terms) was that of a household ineligible for national assistance. But among the latter there were five households whose cash incomes (taking no account of their assets) were less than 40 per cent above the basic scales. Their cash income was largely drawn from national insurance sources. Were it not for their savings at least three of these households seemed eligible for national assistance.