

Monitoring poverty and social exclusion 2000

The New Policy Institute has produced its third annual report of indicators of poverty and social exclusion. The data is the most comprehensive and up-to-date available, with the latest year being 1999 or 2000 depending on data availability.

- f** The number of people living in households with less than half average income, after housing costs, was 14 ¹/₄ million in 1998/99. This is more than double the number of the early 1980s and half a million greater than the previous high point in 1992/93. The numbers with less than 40 per cent of average income have followed a similar trend.
- f** Fewer children are failing to achieve basic educational standards, and these improvements are being shared across all schools. School exclusions also fell sharply in 1998/99, with proportionally greater falls amongst children from minority ethnic groups.
- f** Levels of overcrowding and the numbers of low-income households without central heating have both reduced substantially over the last five years. But the number of households in temporary accommodation continues to rise sharply, and the poorest pensioners are twice as likely to live in badly insulated housing as the best off pensioners.
- f** Significant health inequalities persist. Premature deaths are becoming more geographically concentrated, children in the manual social classes are twice as likely to die in an accident as those in the non-manual classes, and the poorest two-fifths are one and a half times as likely to be at risk of a mental illness as the richest two-fifths.
- f** The six years up to 1999 saw a significant reduction in the number of pensioner households getting any help from their local authority to live independently at home. County councils and unitary authorities support a much smaller proportion of their pensioner populations than urban authorities.
- f** Around two-thirds of heads of households in social housing do not have paid work compared with one-third in other tenures. Lone parents and households with an unemployed head are twice as likely to get burgled as the average, and much less likely to have any household insurance.

Summary of the poverty and social exclusion indicators

Indicator	Trend	
	<i>Over the medium term</i>	<i>Over latest year</i>
Income		
1. Gap between low and median income	Steady	Steady
2. Individuals with low income (below 50% of average income)	Worsened	Steady
3. Intensity of low income (below 40% of average income)	Worsened	Worsened
4. In receipt of means-tested benefit (working-age only)	Improved	Improved
5. Long-term recipients of benefits (all ages)	Improved	Improved
6. Periods of low income (at least 2 years in 3 on a low income)	Steady	Steady
7. The location of low income	N/a	N/a
Children		
8. Children in workless households	Improved	Improved
9. Children in low-income households	Worsened	Steady
10. Low birthweight babies (%)	Steady	Worsened
11. Accidental deaths	Improved	Improved
12. Pupils gaining no GCSE above grade D	Improved	Improved
13. Permanently excluded from school	Worsened	Improved
14. Children whose parents divorce	Improved	Steady
15. Births to girls conceiving under age 16	Steady	Improved
16. Children (10-16) in young offenders institutions	Worsened	Worsened
Young adults		
17. Unemployed (16-24)	Improved	Steady
18. On low rates of pay (16-24)	Steady	Steady
19. Not in education, training or work (16-18)	Steady	Improved
20. Problem drug use (15-24)	Worsened	Worsened
21. Suicide (15-24)	Steady	Steady
22. Without a basic qualification (19-year-olds)	Improved	Steady
23. With a criminal record (18-20)	Steady	Steady
Adults aged 25 to retirement		
24. Individuals without paid work who would like to have such work	Improved	Improved
25. Households without work for two years or more	Steady	Steady
26. On low rates of pay	Steady	Steady
27. Insecure at work	Steady	Improved
28. Without access to training	Steady	Steady
29. Comparative premature death rates	Worsened	Steady
30. Obesity	Worsened	Worsened
31. Long-standing illness or disability	Steady	Improved
32. Mental health	Steady	Steady
Older people		
33. Pensioners with no private income	Worsened	Worsened
34. Spending on essentials	Steady	Steady
35. Excess winter deaths	Steady	Worsened
36. Long-standing illness or disability	Steady	Improved
37. Anxiety	Steady	Steady
38. Help from social services to live at home (%)	Worsened	Worsened
39. Without a telephone	Improved	Improved
Communities		
40. Non-participation in civic organisations	Improved	Steady
41. Polarisation of work (%)	Steady	Steady
42. Spending on travel	Steady	Steady
43. Lacking a bank or building society account	Steady	Steady
44. Burglary	Improved	Improved
45. Without household insurance	N/A	Steady
46. Dissatisfaction with local area (%)	Steady	Steady
47. Without central heating	Improved	Improved
48. Overcrowding	Improved	Improved
49. Households in temporary accommodation	Worsened	Worsened
50. Mortgage arrears	Improved	Improved

Background

The report is the third in an annual series, **Monitoring poverty and social exclusion**, with the indicators updated for an extra year's data. In most cases the latest data is either 2000 or late 1999, the main exception being the data on income distribution for which the latest statistics are 1998/99.

Whilst income is the focus of many of the indicators, they also cover a wide range of other subjects including health, education, work, and community. As in previous years, the indicators are grouped into six chapters, with the four central chapters dividing the population by age (children, young adults, adults and older people), an initial chapter on income and a final chapter on communities.

The indicators

The following is a summary of the findings in the report.

Income

According to the latest official statistics - for the year April 1998 to March 1999, released in July 2000 - the number of people living in households with below half average income, after housing costs, was 14¹/₄ million in 1998/99. Although only slightly up since 1996/97, this number is a million more than in the early 1990s, and more than double the number of the early 1980s (see Figure 1).

Looking at the very poorest, 8³/₄ million people were in households with less than 40 per cent of average income. This is half a million higher than in 1996/97 and four times the level of the early 1980s.

Looking at a fixed threshold, the number of people below half 1994/95 average income, uprated only by inflation, fell by 2 million in the period to 1998/99.

Whilst all these figures relate to before the national minimum wage, the working families tax credit and the minimum income guarantee for pensioners came into effect, they clearly re-emphasise the scale of the challenge facing the government in developing its strategy to tackle poverty.

In contrast to the trends for low income, the total number of working-age claimants of means-tested benefit has been falling since the mid-1990s. Around one-third of working-age claimants have disabilities or are long-term sick, as are nearly half of working-age long-term claimants.

Children

As of 1998/99, there was no reduction in the numbers of poor children: there were 4¹/₂ million children in households with below half average income after housing costs. This represents a threefold rise over the last twenty years. Around 2 million children live in households where there is no adult in paid work.

There have been improvements in most of the education indicators. The proportion of 11-year-olds failing to achieve level 4 or above at key stage 2 in English and maths has fallen by a quarter since 1996, and these improvements have been shared across all types of school (see Figure 2). GCSEs show a similar pattern. School exclusions also fell sharply in 1998/99, with proportionally greater falls amongst children from minority ethnic groups. But serious problems still remain: 150,000 pupils each year still fail to obtain any GCSEs above grade D and exclusion is still over four times as common for Black Caribbean pupils as for white pupils.

Some of the health indicators have improved over time: the numbers of accidental deaths have fallen continually over the last decade, and the number of births to girls conceiving before their 16th birthday now appears to be falling. But the

Figure 1: In the last few years, the numbers on very low incomes, defined as below 40 per cent of average income, have risen by 1¹/₂ million

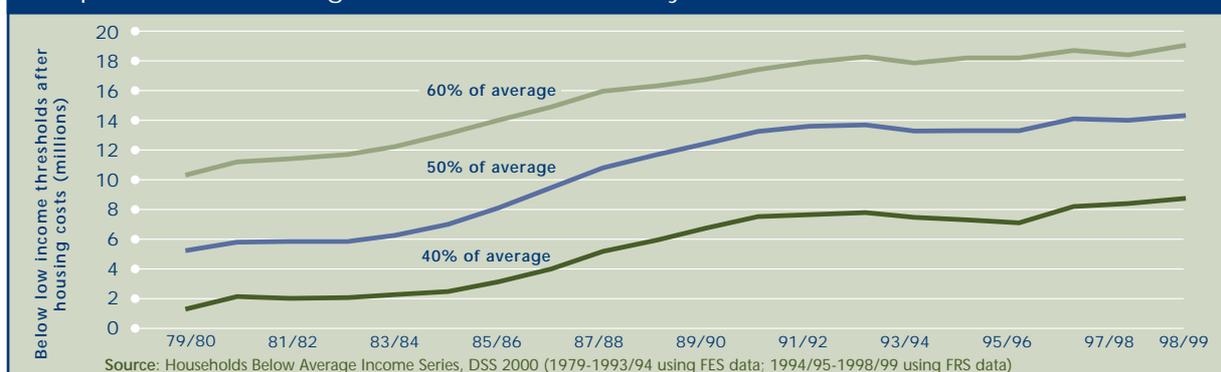
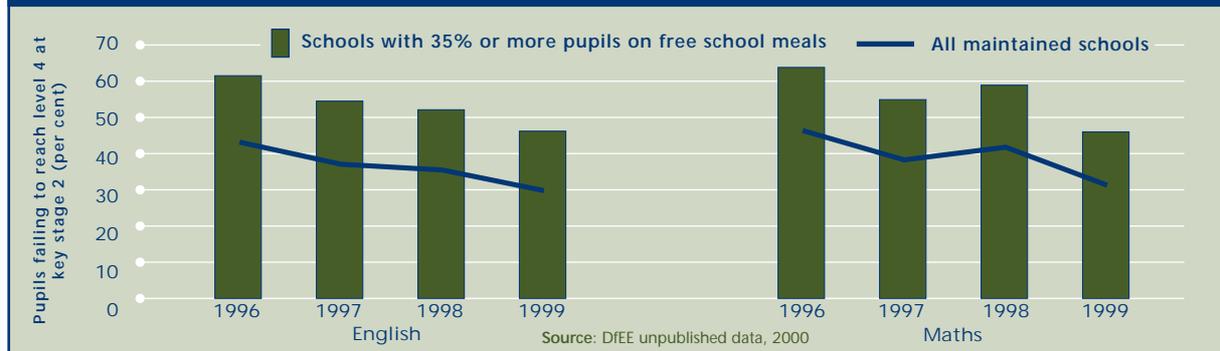


Figure 2: 11-year old pupils in schools with high numbers on free school meals do worse in English and maths than pupils in other schools



differences between social classes remain striking: children in the manual social classes are twice as likely to die in an accident as those in the non-manual classes, and girls in the manual social classes are around five times as likely to become mothers in their teens as those in the non-manual classes. There are also significant differences in the incidence of low birthweight in babies across social classes.

Young adults

Large numbers of young adults are economically vulnerable. Official statistics suggest that around half a million young adults aged 16 to 24 are unemployed, which is more than double the unemployment rate for all ages (see Figure 3), and that around a million are paid at a rate less than half of male median hourly earnings. It therefore appears that more than a third of economically active 16- to 24-year-olds are either unemployed or on low pay. In contrast, the number of 19-year-olds without a basic educational qualification has reduced by a third since 1993.

Substantial numbers in their late teens are particularly vulnerable. In 1999, at any given time, around 150,000 young adults aged 16 to 18 were not in education, in training or in work. And 60,000 18- to 20-year-olds had a criminal record.

The suicide rate amongst 15- to 24-year-olds was around 10 per 100,000 in 1999, similar to a decade ago, but an increasing number of young people are being treated for problem drug use.

Adults

Four million adults would like to have paid work but do not, down from 5 million in 1993. This fall is slower than that in the official unemployment statistics because of a rise in the numbers of 'economically inactive' people. Almost half of all

lone parents did not have paid work in 2000, compared with one in twenty couple households with children. Black and Bangladeshi people are twice as likely to be excluded from work compared with the white population.

After rising in the first half of the 1990s, levels of insecure employment have now stabilised, in terms of both the numbers on temporary contracts and repeat claims for Jobseeker's Allowance. But, amongst those in work, those without qualifications are still three times less likely to receive work-related training as those with qualifications.

The number of premature deaths (i.e. those before 65 years of age) continues to fall, but at different rates in different areas: the number of local authority areas with mortality rates which are significantly above average has grown by a half since 1995, with a quarter of all of these authorities being in Scotland (see Figure 4).

Other health indicators illustrate significant health inequalities. Women from the manual social classes are one and a half times as likely to be obese as women from the non-manual classes. Unskilled manual workers are one and half times as likely to have a long-standing illness or disability as those in the professional classes. And the poorest two-fifths of the population are one and a half times as likely to be at risk of a mental illness than the richest two-fifths.

Older people

Apart from the core subject of income levels, there is a lack of clarity about what poverty and social exclusion means for older people.

One and a half million pensioners are totally reliant on the state pension and benefits. But the proportion of pensioners on low incomes differs according to both age and marital status: there are proportionally fewer poor younger pensioner couples (see Figure 5).

Figure 3: The unemployment rate for 18- to 24-year-olds is now almost double that for older workers

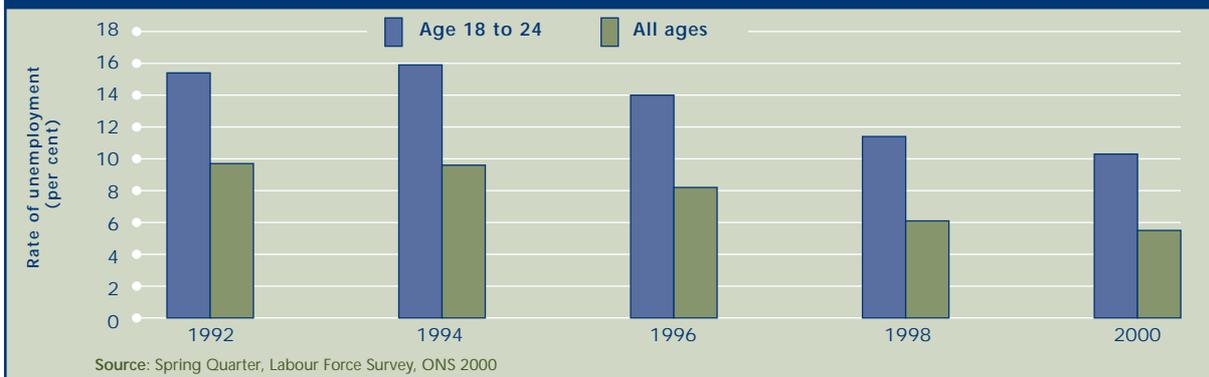


Figure 4: Whilst mortality rates amongst those under age 65 have declined across the country as a whole, geographic concentrations of premature deaths amongst men under age 65 are increasing



Figure 5: Pensioner couples aged 75 and under are less heavily concentrated in the bottom half of the income distribution than other pensioners

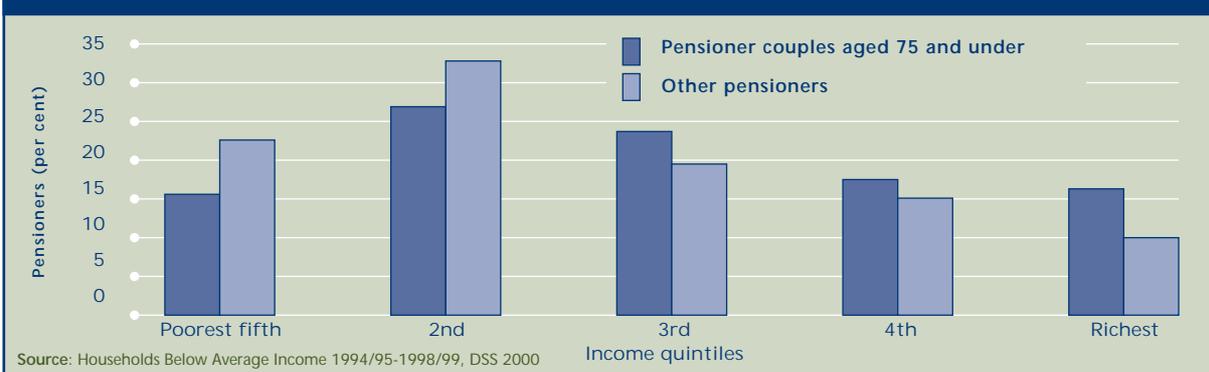
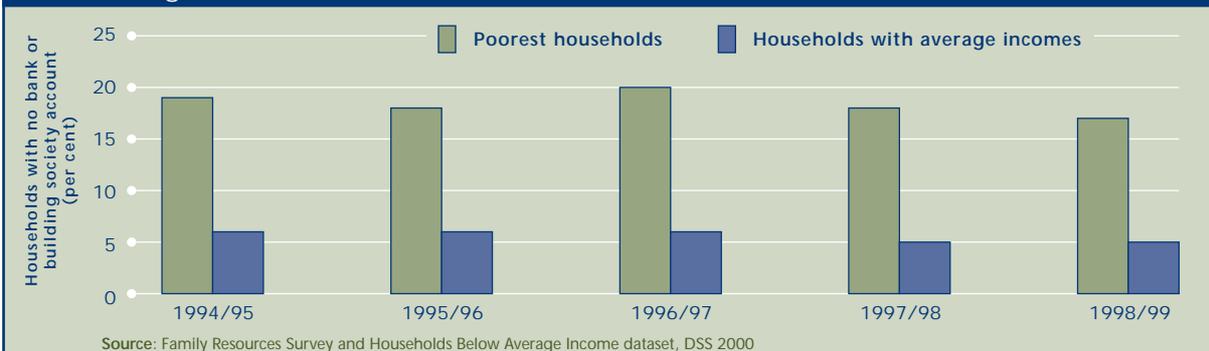


Figure 6: One in six of the poorest households do not have any type of bank/building society account, compared with one in twenty of households on average incomes



Fewer pensioners are getting any help from social services: down 30 per cent between 1993 and 1999. County councils and unitary authorities support far fewer pensioners than English urban or Welsh authorities. The poorest are almost twice as likely to live in badly insulated housing as the best off pensioners.

Communities

There have been improvements in most of the housing indicators. Levels of overcrowding have almost halved in the last decade, the numbers of low-income households without central heating has reduced by a third over the last five years, and the number of mortgage holders in serious arrears continues to fall. But these overall improvements mask some growing differences between different types of tenure: overcrowding in the social rented sector is now three times the level for those with a mortgage, the proportion of households in the private rented sector without central heating is now three times that of the other sectors, and the number of households in temporary accommodation continues to rise sharply.

Significant and persistent inequalities remain in other areas. Throughout the 1990s, around two-thirds of heads of households in social housing did not have paid work compared with one-third in other tenures. Three-quarters are on weekly incomes of less than £200 compared with one-quarter of residents in other tenures. Lone parents and households with an unemployed head are twice as likely to get burgled as the average, and much less likely to have any household insurance. And one in six of the poorest households do not have any type of bank or building society account, compared with one in twenty households on average incomes (see Figure 6).

About the study

The study has involved drawing together data from a wide range of sources, including government-funded surveys, some administrative data and some local and health authority returns. The work has only been possible due to the co-operation of civil servants (particularly statisticians) across government.

How to get further information

The full report, **Monitoring poverty and social exclusion 2000** by Mohibur Rahman, Guy Palmer, Peter Kenway and Catherine Howarth, is published by the Joseph Rowntree Foundation (ISBN 1 85935 062 3, price £16.95).