

# Rad Stats Conference

## Statistics of Crises in the UK and EU

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### *Child Poverty*

Jonathan Bradshaw

YORK

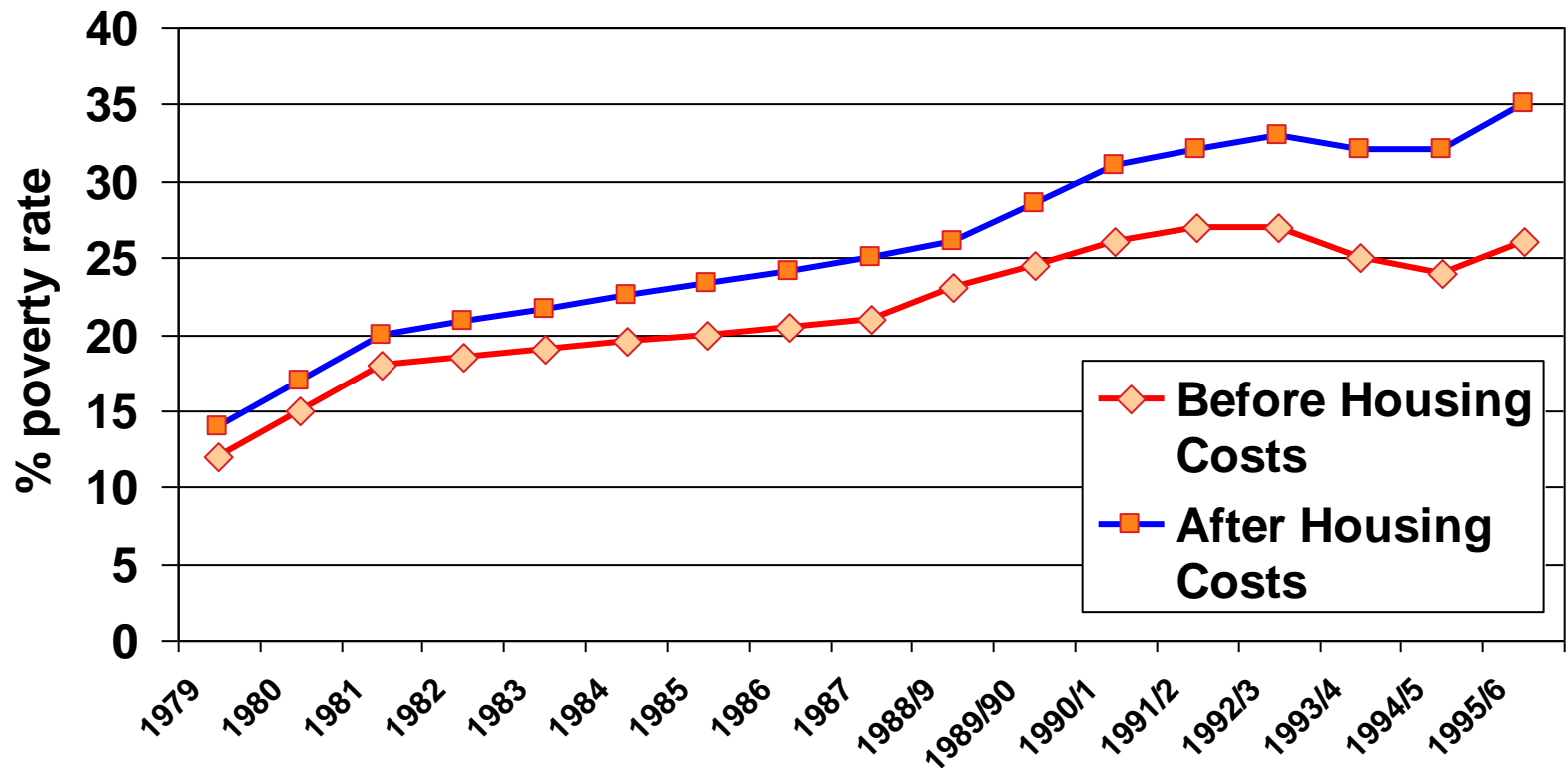
27 February 2016

# Outline

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- ◆ A bit of history before the crisis
- ◆ Coalition and after
- ◆ Current position
- ◆ Lessons
- ◆ The measurement 'crisis'

# The Thatcher government more than doubled child poverty in the UK (% children in households <60 per cent equivalent household income)



# Before the crisis

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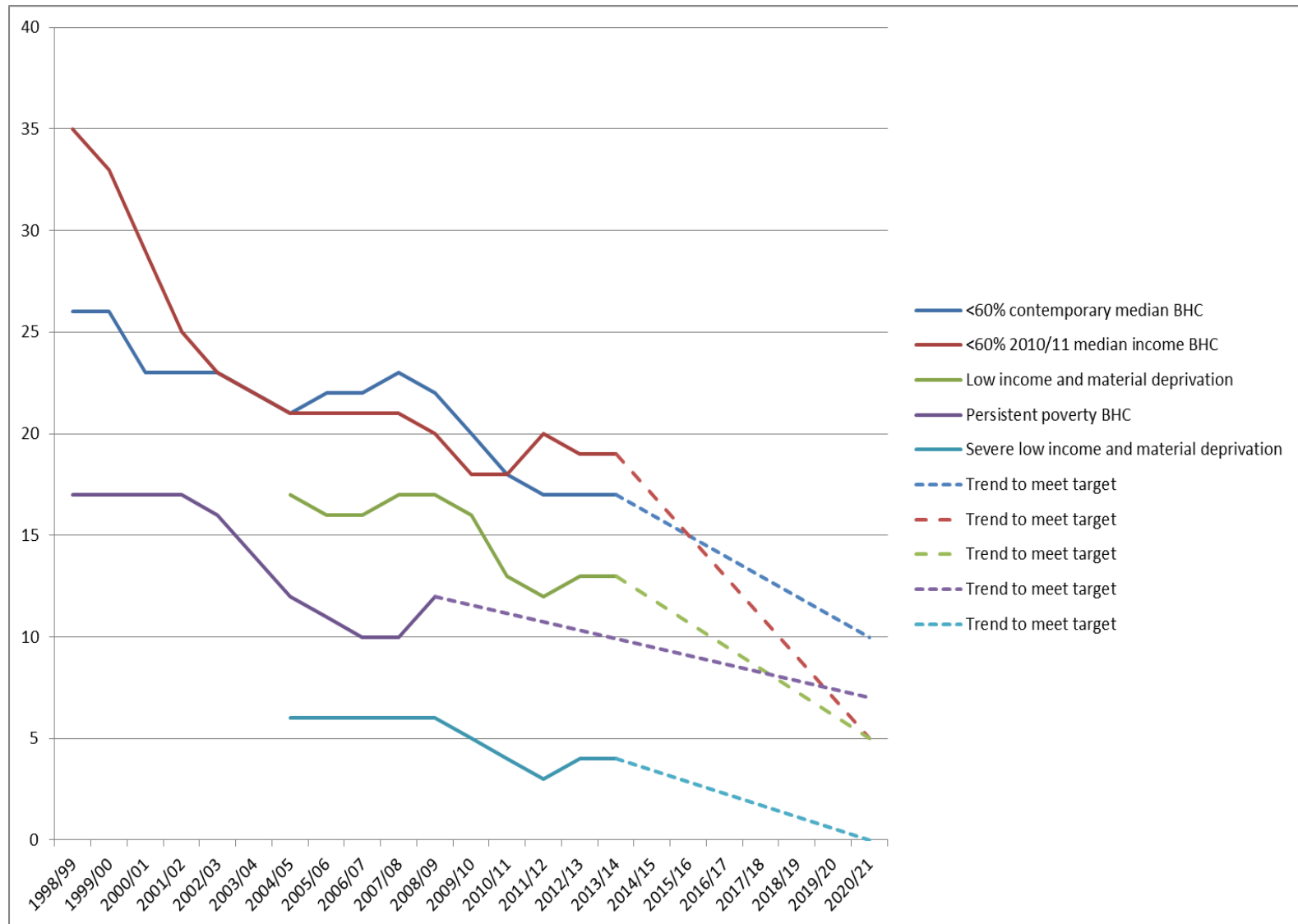
- ◆ Between mid 1990s and 2010 UK reduced child poverty by **more than any other country** in LIS
  - ◆ Minimum wage
  - ◆ Improved transfers
  - ◆ High rates of employment
  - ◆ Increased social expenditure
- ◆ Outcomes improved
  - ◆ UNICEF RC 7 (2007) - RC 11 (2013)
  - ◆ Bradshaw, J (ed) *The well-being of children in the UK* (Policy Press 2013 and 2016 forthcoming)
  - ◆ Institutional transformation

# Child Poverty Act targets 2010

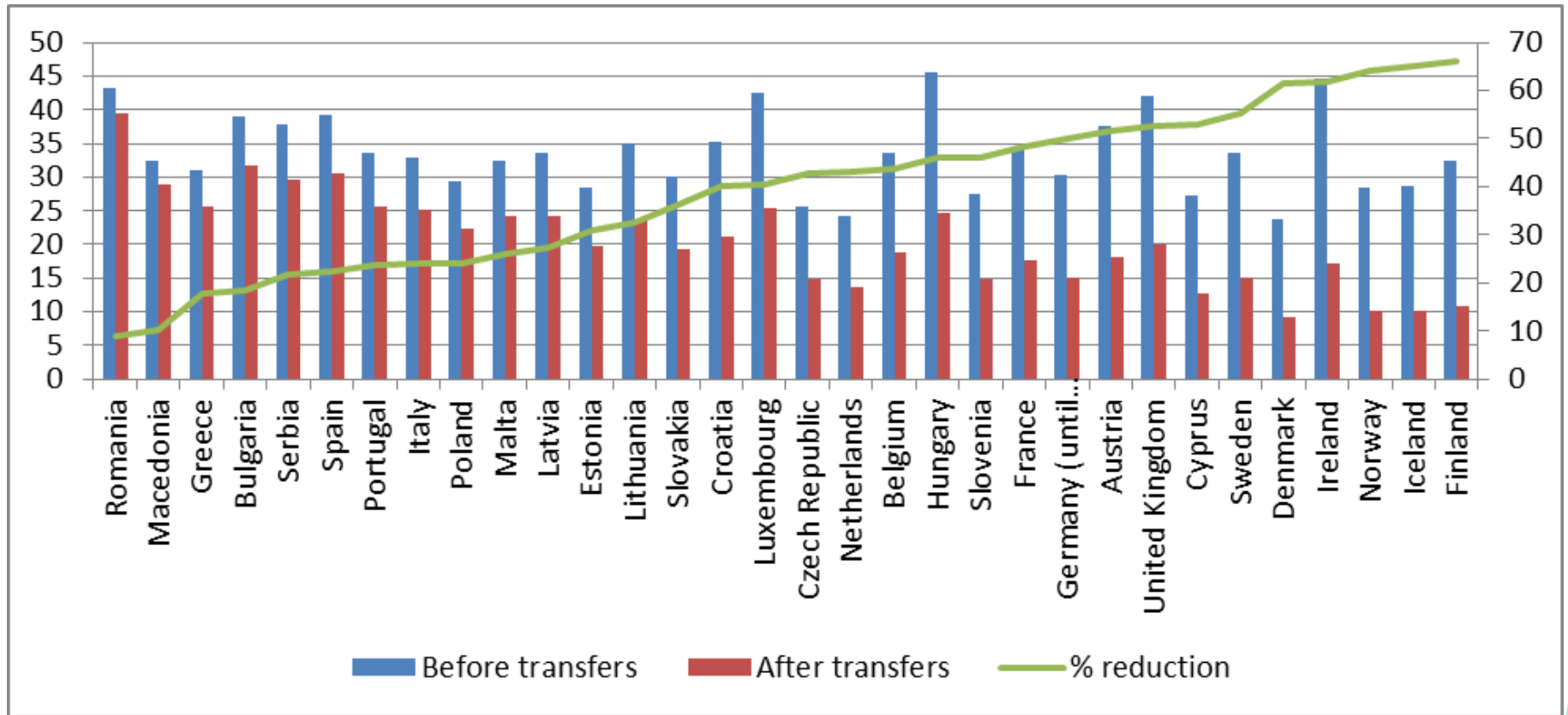
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- Relative low income = Equivalised net household income less than 60% median 2020 target: <10% of children
- Combined low income and material deprivation = Material deprivation >20% and equivalised net household income less than 70% median 2020 target: <5% of children
- 'Absolute' low income = Equivalised net household income falling below 60% of the 'adjusted base amount' 2020 target: <5% of children
- Persistent poverty = Equivalised net household income less than 60% of median for 3 years prior to current year 2020 target <7% of children.

# Child poverty act targets



# Child poverty before and after cash benefits 2014



# Coalition elected 2010

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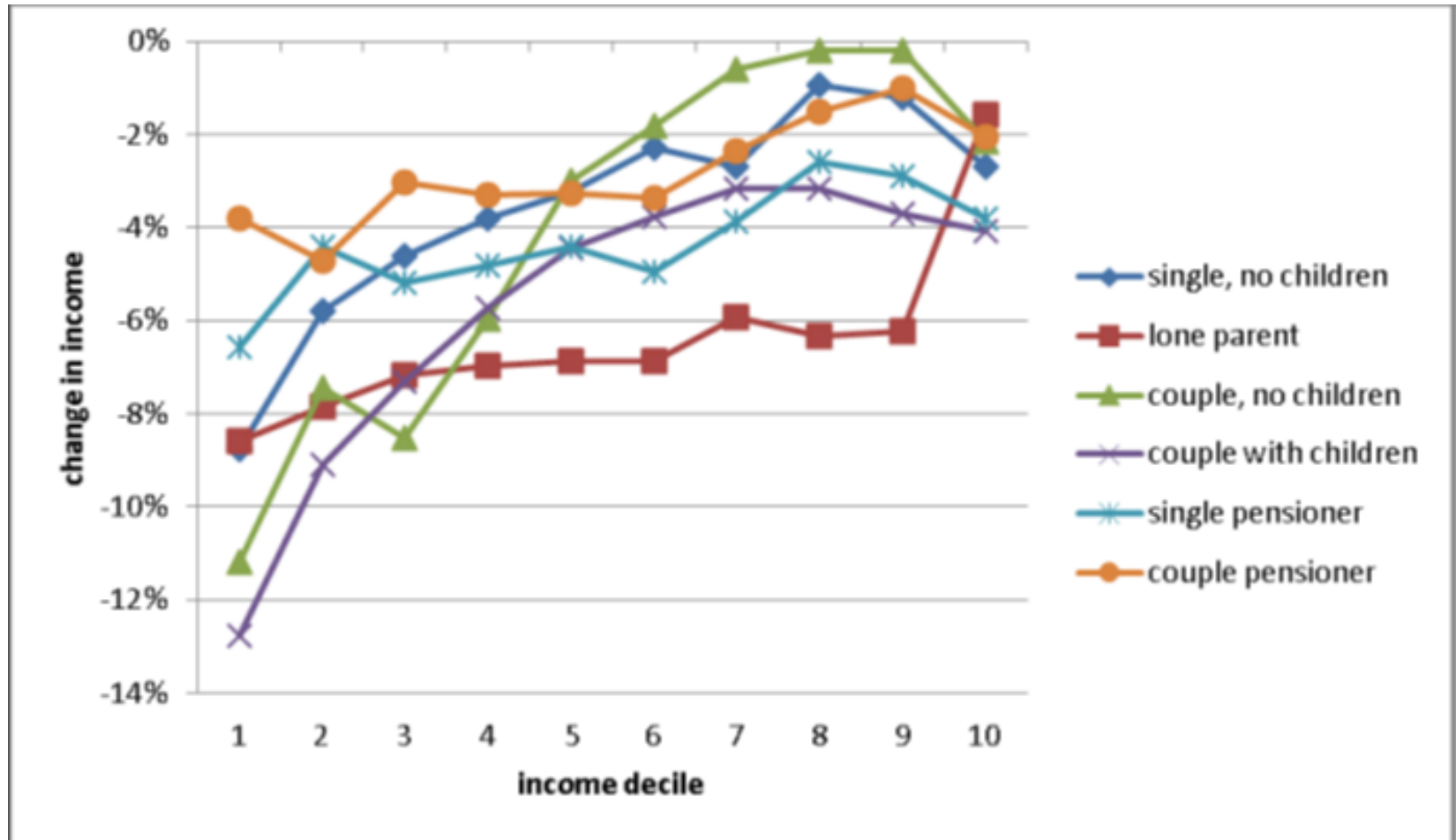
- ◆ Austerity
- ◆ 85% cuts from social expenditure
- ◆ Mainly cuts in working age benefits (pensioners protected)
- ◆ Odious rhetoric of skivers and strivers
- ◆ Tougher sanctions
- ◆ Reinforced by gutter press - Daily Mail and TV reality show Benefits Street
- ◆ Universal Credit supposed to start in 2013 – now 2021. Emasculated by cuts
- ◆ Cuts in deficit limited by low growth and tax cuts



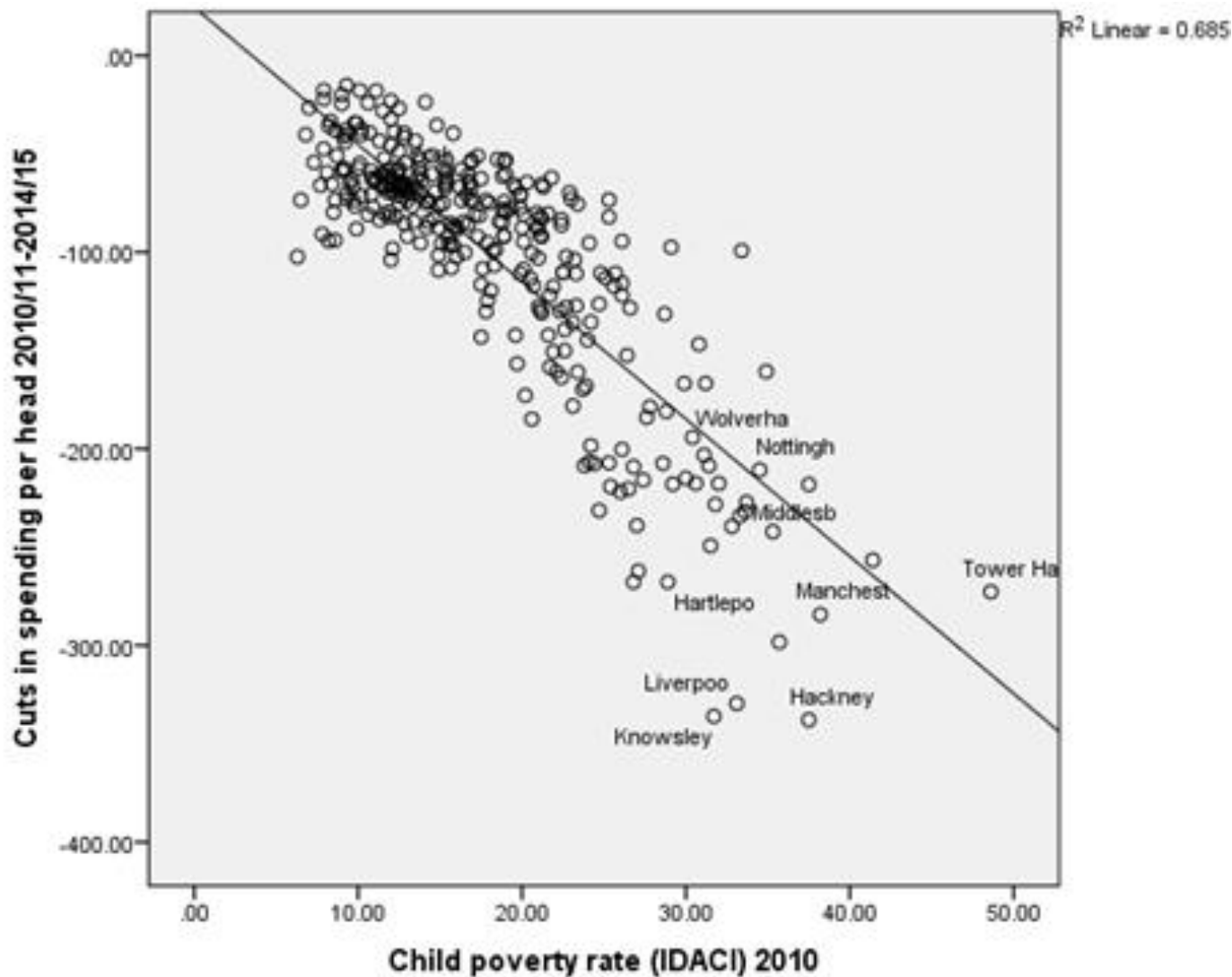
# Combined impact of tax and welfare reforms as percentage of net household income according to family type

Reed, H. and Portes, J. (2014) *Cumulative Impact Assessment*. A research report by Landman Economics and the National Institute of Economic and Social Research for the Equality and Human Rights Commission. Research report 94.

[http://www.equalityhumanrights.com/sites/default/files/publication\\_pdf/Cumulative%20Impact%20Assessment%20full%20report%2030-07-14.pdf](http://www.equalityhumanrights.com/sites/default/files/publication_pdf/Cumulative%20Impact%20Assessment%20full%20report%2030-07-14.pdf)



# Cuts in spending by child poverty rate. Local authorities in England

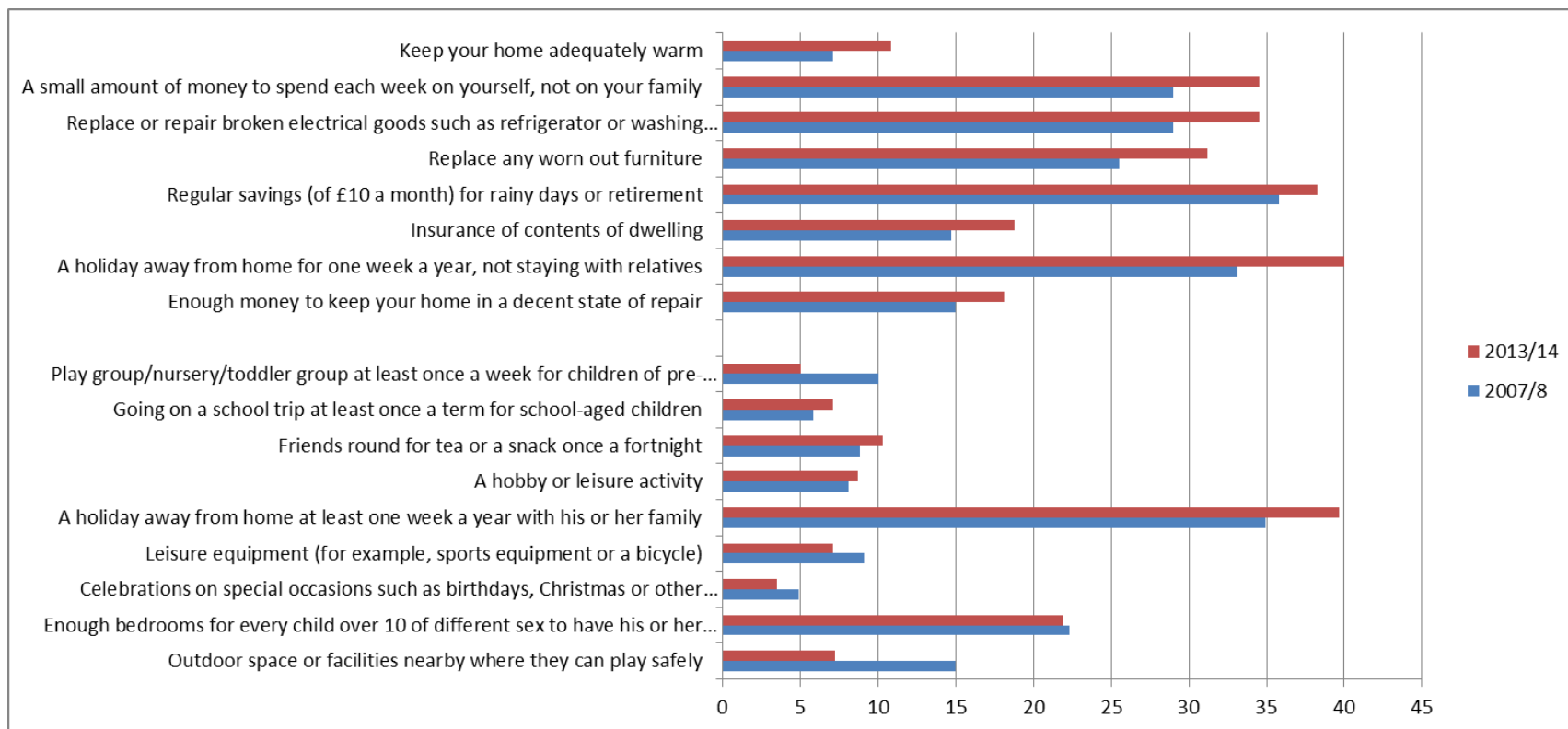


# 2015 Conservatives elected

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- ◆ Summer budget announces £25 billion further cuts – mainly aimed at working families tax credits
- ◆ Defeated by House of Lords!
- ◆ Now to be phased in through Universal Credit by 2021
- ◆ Meanwhile in-work benefits frozen – pensioners protected by triple lock
- ◆ Safety net diminishing in value and coverage –
  - ◆ Benefit cap
  - ◆ Bedroom tax
  - ◆ Local rent limits
  - ◆ Localisation of council tax benefit
- ◆ Migrants are particular targets

# Deprivation among families with children increased % lacking (source: HBAI)

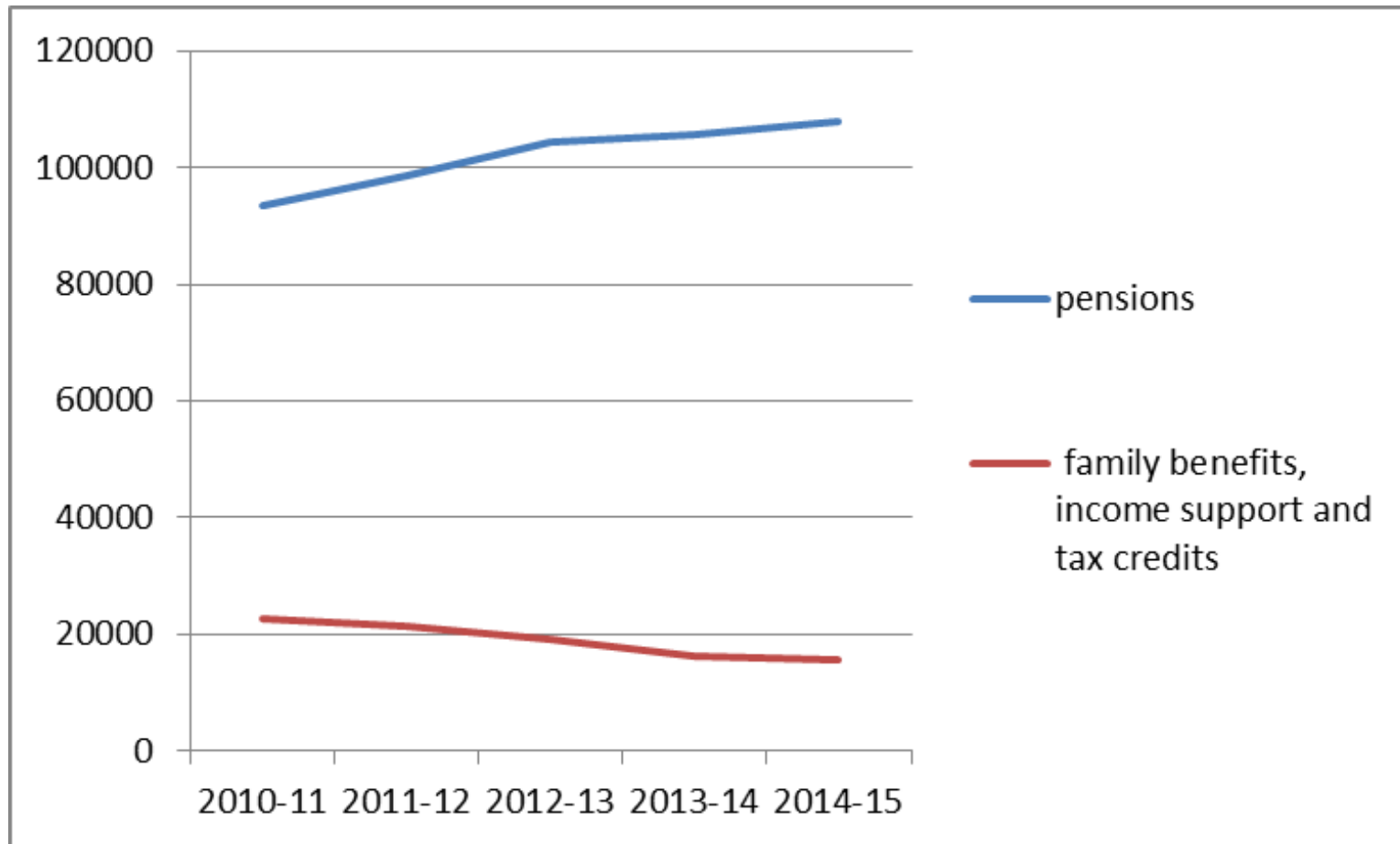


# Child poverty today

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- ◆ No increase in relative child poverty in 2013/14  
BHC, up AHC
- ◆ In part because median incomes fell and then  
no for three years
- ◆ Anchored poverty increased AHC
- ◆ 67% of poor children have a working parent -  
up from 57% in 2007/8
- ◆ Drop in child poverty in lone parent families  
from 38% to 26%
- ◆ Child poverty expected to rise by 600,000+ by  
2020 – sweeping away gains since 1999

# Real spending £billion 2014/15 terms (Source HMT PESA)



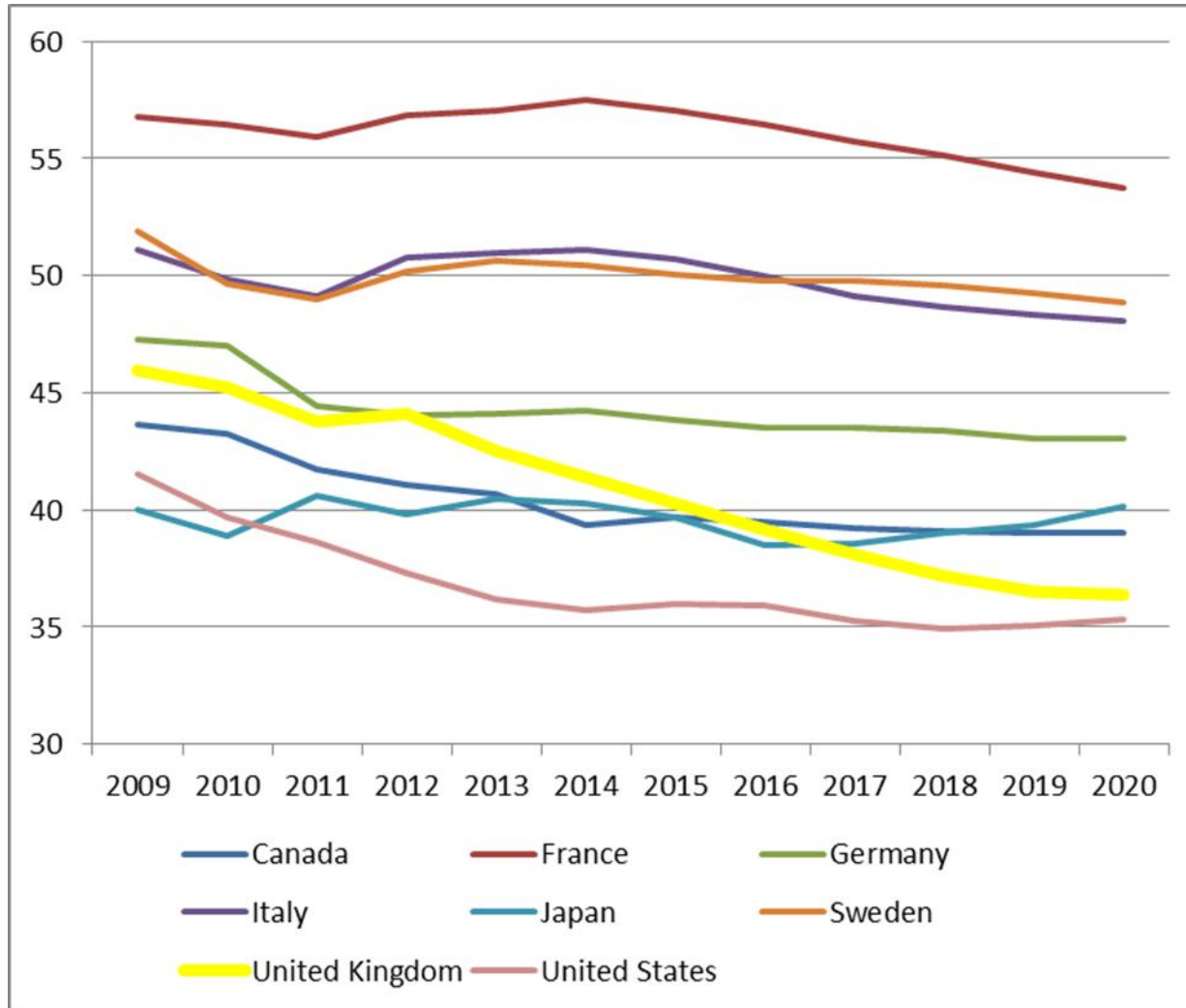
# Outcomes

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- ◆ Over a million people using food banks
- ◆ Already not doing well on many child health indicators – under five mortality
- ◆ Youth suicide has stopped falling
- ◆ Child subjective well-being - probably falling
- ◆ Child homelessness on the rise

# All to achieve this

(IMF WEO database October 2015)





# Lessons of the last 25 years

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- ◆ Social policy is the key to child poverty
- ◆ Wages matter and can be regulated – National Living Wage
- ◆ Unemployment is bad
- ◆ Work is not the solution to child poverty – family benefits are.
- ◆ Uprating critical
- ◆ Opportunities for two earners to work critical
- ◆ But childcare policy can be regressive
- ◆ Generational equity critical (coming) issue
- ◆ UK needs proportional voting and
- ◆ To stay in the EU

# Meanwhile IDS seeking move the goal posts

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- ◆ Launched consultation on child poverty measurement in 2013
- ◆ Proposals repudiated by almost everyone
- ◆ Money matters (Cooper and Stewart 2013)
- ◆ 2015 Work and Welfare Reform Bill seeks to abolish Child Poverty Act Targets
- ◆ Four statutory measures have been put forward:
  - ◆ children in workless households,
  - ◆ children in long-term workless households,
  - ◆ and educational attainment at Key Stage 4 (GCSE) for all children and
  - ◆ for disadvantaged children.
- ◆ Rejected in the Lords
- ◆ 175 academic written to The Times urging government to accept Lords changes

# 'Life chances'

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- ◆ Child Poverty Unit asked to propose life chances measures
- ◆ Centre for Social Justice proposes
  - ◆ (a) only one parent is capable of **work**, including in lone parent households and households where one or more parent cannot work due to sickness;
  - ◆ (b) one or more parents suffer from **addiction** or mental health problems;
  - ◆ (c) one or more parents have **no qualifications**;
  - ◆ (d) one or more parents are **unemployed**;
  - ◆ (e) one or more parents are in **unmanageable personal debt**, defined as being behind on housing rent or requiring an alternative payment arrangement.
- ◆ A child shall be considered to be in poverty if the child's parents meet at least one of the life chances indicators in subsection (a) to (e) and the child's household has been in **absolute poverty** for at least one year.
- ◆ A child shall be considered to be in **persistent poverty** if the child's parents meet at least three of the life chances indicators in subsection (1)(a) to (e) and the child's household has been in absolute poverty for at least three years.

# My criticisms

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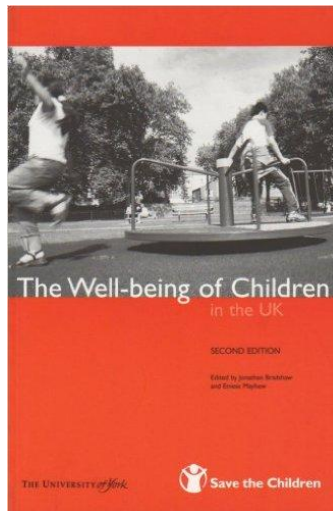
- ◆ Not measures of lack of resources – not poverty measures
- ◆ Attempt to behaviouralise poverty
- ◆ Most poor children have working parent
- ◆ Practical issues – unmanageable debt, addiction?
- ◆ Main source Understanding Society – ?income data, not owned by govt.
- ◆ HBAI series safe?

# But good idea to have a set of child well-being indicators

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- ◆ *Opportunity for All* produced by DWP until 2007 17 indicators for children covered material, health, education, housing and care domains
- ◆ ONS Measuring national well-being since 2014  
<http://www.ons.gov.uk/ons/rel/wellbeing/measuring-national-well-being/exploring-the-well-being-of-young-people-in-the-uk--2014/index.html>
- ◆ University of York The well-being of children in the UK since 2001
  - ◆ **Also** Bradshaw J, Noble M, Bloor K, Huby M, McLennan D, Rhodes D, Sinclair I, Wilkinson K. (2009) A Child Well-Being Index at Small Area Level in England, *J. Child Indicators Research* 2, 2, 201-219 <http://www.communities.gov.uk/publications/communities/childwellbeing2009>

# Child well-being in the UK books



# Trends in child well-being: ✓ = getting better, X=getting worse, ≈no clear trend, ▫=missing data

	Labour period trend 1997-2010	After 2009 to latest	Source
<b>Material well-being</b>			
Relative poverty BHC	✓	✓	HBAI
'Absolute' child poverty BHC	✓	X	HBAI
Material deprivation	▫	✓	HBAI
Persistent poverty BHC	✓	▫	HBAI
<b>Health</b>			
Still births	≈	✓	ONS
Infant mortality	✓	✓	ONS
Child deaths	✓	✓	ONS
Low birth weight	≈	≈	ONS
Breastfeeding	✓	✓	ONS
Immunisation rates	X	✓	DoH
General health	✓	✓	HSE
Longstanding illness	✓	≈	HSE
Limiting longstanding illness	✓	✓	HSE
Diabetes	X	X	HSE
Asthma	≈	▫	HSE
Dental health	▫	✓	HSCIC
Injuries and accidents	✓	✓	DoT
Obesity	X	≈	HSCIC
Diet (fruit and veg)	✓	X	HSCIC
Alcohol	✓	✓	HSCIS
Smoking	✓	✓	HSCIC
Physical activity	▫	X	HSCIC
Drugs	✓	✓	CSEW

# Trends in child well-being: ✓ = getting better, X = getting worse, ≈ no clear trend, ▪ = missing data

	Labour period trend 1997-2010	After 2009 to latest	Source
<b>Subjective well-being and mental health</b>			
Happiness overall	✓	X	BHPS
Mental health	✓	≈	ONS
Suicide	✓	X	ONS
Happiness with friends	✓	X	BHPS/US
Happiness with family	≈	≈	BHPS/US
Happiness with school work	✓	✓	BHPS/US
Happiness with appearance	≈	X	BHPS/US
Happiness with life	✓	X	BHPS/US
Happiness with school	▪	✓	BHPS/US
<b>Education</b>			
Key stage 2 attainment	✓	✓	DFE
5 GCES A-C	✓	✓	DFE
Level 2 qualifications	✓	✓	DFE
Staying on rates	✓	✓	DFE
Exclusions	≈	✓	DFE
NEET	≈	✓	DFE
<b>Housing</b>			
Homelessness	✓	X	DCLG
Temporary accommodation	✓	X	DCLG
House conditions	✓	✓	EHS/EHCS
<b>Child maltreatment</b>			
Fatal abuse	✓	≈	Home Office
Physical abuse	✓	X	NSPCC
Neglect	≈	X	NSPCC
<b>Children in care</b>			
Length of spells in care	▪	✓	DfE
Placement stability	✓	≈	DfE
Education attainment	✓	✓	DfE
<b>Childcare</b>			
Formal participation	✓	≈	DFE
<b>Crime and drugs</b>			
Proven offences	✓	✓	YJB
Arrests	✓	✓	YJB



# Twitter

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