

Severe Poverty: A Severe Problem?
The extent and meaning of severe child poverty in Britain

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1 MEASURING CHILD POVERTY

The UK Government is committed to ending child poverty by 2020 and halving it by 2010; child poverty being defined using an income-based definition (see below). A number of policies to tackle child poverty have been introduced including improvements to Working Families' Tax Credit, and increases in Child Benefit and in amounts allowed for children in Income Support calculations. The evidence so far suggests that the Government has had some success in reducing child poverty (Department for Work and Pensions (DWP), 2002a).

The most common method used to define, measure and analyse (child) poverty in the UK and, indeed, most other countries, is to count the number of children living in households whose incomes fall below a particular proportion of average household income. The UK Government and the European Union generally use a cut-off point of '60 per cent of median equivalised household income' to define poverty.

1.1 The Advantages of Income Measures

Income measures of poverty have certain desirable features:

- they provide an estimate of the financial resources available to a household;
- they are easy to use; and
- they allow relatively simple cross-country comparisons to be made.

In addition, because information on income has been collected consistently over many years, in the UK at least, income provides the only measure of changes in childhood poverty over time. Income therefore is, and will remain, an important measure of child poverty for the foreseeable future.

1.2 The Disadvantages of Income Measures

However, income measures have a number of limitations in measuring poverty, particularly in childhood. To highlight just a few:

- the poverty line is arbitrary. There is no scientific reasoning for it being placed at 60 per cent of median income, rather than 50 per cent or 40 per cent. So there may be little difference between the living standards of children just above the poverty line and children just below the poverty line;
- it assumes that children share the living standards of the family because it is the income of the whole household that is being measured – if the household as a whole is poor then income measures assume that the children in that household must also be poor;
- equivalence scales used in income poverty measurement in the UK underestimate the cost of children to a family. Therefore, if more accurate measures of the costs of children were used, it is likely that the extent of child poverty would be greater;
- income poverty does not tell us what poor children go without that non-poor children do not; how do their lives differ?; and
- income poverty cannot tell us anything about ‘social exclusion’.

2 THE POVERTY AND SOCIAL EXCLUSION SURVEY OF BRITAIN

Despite these widely acknowledged problems (including the British Government’s own recent consultation document ‘Measuring Child Poverty’ (DWP, 2002b)), often income is the only measure of poverty that is available to researchers. However, in 1999 a new survey was undertaken: The Poverty and Social Exclusion Survey of Britain (PSE) (Gordon et al., 2000). It was developed by researchers at the Universities of Bristol, York and Loughborough, and supported by the Joseph Rowntree Foundation, one of the largest independent social policy research and development charities in the UK. The survey was designed with the specific aim of measuring different dimensions of poverty and social exclusion in the lives of adults and children in Britain going into the 21st Century.

The Survey has its roots in the earlier Breadline Britain Surveys of 1983 and 1990 (Mack and Lansley, 1985; and, Gordon and Pantazis, 1997) and the Small Fortunes Survey (Middleton et

al., 1997). These measured poverty as the inability to afford items and activities perceived as necessities by the majority of the public.

The original questionnaires were expanded into a new and unique survey. Perhaps most importantly the survey attempted to operationalise the concept of social exclusion for both adults and children. This survey is the first to attempt to measure social exclusion in childhood and does so by focussing on exclusion in the following areas:

- children's services;
- social participation; and
- exclusion within education.

Services and participation were also measured for adult social exclusion, but, in addition, the adult measures of social exclusion included financial exclusion, problems with their housing and local area, civic engagement and social support.

3 THE PSE MEASURE OF POVERTY

The main measure of poverty in the PSE was first developed in the Breadline Britain Surveys for adults, and in the Small Fortunes Survey for children. The PSE poverty measure was developed through a two-stage process.

In a first survey, a representative sample of adults were asked to say which of a list of items and activities for children, and a second list for adults, they considered everyone should be able to afford in Britain today and which they should not have to go without.

The lists were based on extensive and careful research, including a programme of focus groups (Bradshaw et al., 1998) and included a mixture of:

- food and clothing items;
- items and activities to allow children and adults to participate in the world around them;
- environmental items; and
- for children, items to assist educational development.

All but three of the 30 children's items/activities were regarded as necessities by parents. The exceptions were: at least 50 pence a week for sweets; a computer suitable for homework; and computer games. For adults, 19 of the 54 items/activities were not regarded as necessities. These mainly consisted of social activities (for example, an evening out once a fortnight, a meal in a restaurant/pub once a month) and durable items (for example, a video cassette player, a home computer, a tumble dryer).

In the second survey, the main PSE survey, a different group of respondents was asked which of the items and activities:

- they or their children had;
- those they did not have but did not want; and
- those that they did not have because they could not afford them.

The poverty measure was calculated using just the latter items and activities i.e. **those that they could not afford, rather than those that they chose to go without.**

To construct a threshold for this measure of poverty, only items and activities that more than 50 per cent of the population in the first survey thought were necessities were included in the PSE measure of poverty – i.e. the majority of the population agreed that they were necessities (Table 3.1 and Table 3.2). Next the number of items and activities children (and adults) did not have because they could not be afforded were totalled.

A range of statistical tests were then undertaken to ensure reliability and validity of the lists and then to establish how many items or activities a child and an adult had to go without to be defined as poor (see Gordon et al., 2000, for details). For children, and adults, a threshold of lacking two or more items or activities was established. Eighteen per cent – two million – children were poor using this measure. This figure is much lower than the one third identified using the income measure of below 60 per cent median household income and only around one half of the PSE poverty rate for parents. The reason for these differences lies in the extent to which parents sacrifice their own consumption in the interests of their children (Adelman et al., 2002).

Table 3.1 Adult Necessary Items and Activities

	Percentage of adults regarding item/activity as 'necessary'	Percentage of adults who lack the item/activity because they cannot afford it
Beds and bedding for everyone	95	1
Heating to warm living areas of the home	94	1
Damp-free home	93	6
Visiting friends or family in hospital	92	3
Two meals a day	91	1
Medicines prescribed by doctor	90	1
Refrigerator	89	0.1
Fresh fruit and vegetables daily	86	4
Warm, waterproof coat	85	4
Replace or repair broken electrical goods	85	12
Visits to friends or family	84	2
Celebrations on special occasions such as Christmas	83	2
Money to keep home in a decent state of decoration	82	14
Visits to school e.g. sports day	81	2
Attending weddings, funerals	80	3
Meat, fish or vegetarian equivalent every other day	79	3
Insurance of contents of dwelling	79	8
Hobby or leisure activity	78	7
Washing machine	76	1
Collect children from school	75	2
Telephone	71	1
Appropriate clothes for job interviews	69	4
Deep freezer/fridge freezer	68	2
Carpets in living rooms and bedrooms	67	3
Regular savings (of £10 a month) for rainy days or retirement	66	25
Two pairs of all-weather shoes	64	5
Friends or family round for a meal	64	6
A small amount of money to spend on self weekly not on family	59	13
Television	56	1
Roast joint/vegetarian equivalent once a week	56	3
Presents for friends/family once a year	56	3
Holiday away from home not with relatives	55	18
Replace worn out furniture	54	12
Dictionary	53	5
An outfit for social occasions	51	4

Table 3.2 Child Necessary Items and Activities

	Percentage of parents regarding item/activity as 'necessary'	Percentage of children who lack the item/activity because their parents cannot afford it
A bed and bedding for self	96	1
New, properly fitted, shoes	96	2
Warm, waterproof coat	95	2
Fresh fruit or vegetables at least once a day	93	2
Celebrations on special occasions	92	4
Three meals a day	91	1
Books of own	90	0.1
Play group at least once a week (pre-school age children)*	89	1
All required school uniform*	88	2
Hobby or leisure activity*	88	3
Toys (e.g. dolls, teddies)*	85	1
At least 7 pairs of new underpants	84	2
Educational games	84	4
Meat, fish or vegetarian equivalent at least twice a day	76	4
Bedrooms for every child of different sex over 10 years*	76	3
Carpet in bedroom	75	1
At least 4 pairs of trousers	74	3
School trip at least once a term*	73	2
At least 4 jumpers/cardigans/sweatshirts	71	3
Swimming at least once a month	71	7
Garden to play in	68	4
Some new, not all second-hand, clothes	67	3
Construction toys	66	3
Holiday away from home	63	22
Bike: new/second-hand*	60	3
Leisure equipment*	57	3
Friends round for tea/snack fortnightly*	53	4

Key: * age-related items

However, poverty for children can be very serious. In general only small percentages of children went without each of the items that the majority of parents believe to be necessary, because their parents could not afford them. But, small numbers of children – roughly one in fifty – had parents who could not afford to provide basic food and clothing, such as fresh fruit and vegetables, new properly fitted shoes or a warm waterproof coat.

The creation of such ‘deprivation’ measures of poverty for adults and children overcome some of the disadvantages of measuring poverty using income in that:

- they produce poverty lines specifically related to adults or children, rather than the household as a whole;
- the lines are not arbitrary; they are based on scientific methods; and
- they tell us what poor children/adults actually go without - what makes them different from non-poor children/adults.

4 SEVERE POVERTY

The children’s charity Save the Children UK invited the Centre for Research in Social Policy to analyse the issue of severe child poverty. The research was commissioned because of the charity’s long-term interest in the deprivation of children. In addition, they had identified that, although there has been a long history of (child) poverty research in the UK, little was known about children in the severest poverty.

The need to consider severe child poverty in Britain has also become particularly urgent in the light of research findings that, whilst the proportion of children in poverty is decreasing, some of those at the very lowest end of the income distribution are actually worse off following the Labour Government’s reforms (Sutherland, 2001).

Measures of severe poverty are usually income-based and rely on arbitrary cut-off points, such as being in a household in the bottom 20 per cent of the income distribution. These measures, therefore, suffer from the same potential disadvantages as income measures of poverty as a whole, described earlier. One aim of the project therefore was to determine whether a more illuminating measure of severe child poverty could be found, one that would clearly discriminate between the experiences of children defined as severely poor and other

children. The PSE provided an opportunity to consider a range of poverty measures to see which best contributed to a measure of severe child poverty. In doing so it was felt that the final measure should:

- avoid as many as possible of the disadvantages of income poverty measures;
- take into account the child's own experience of poverty or deprivation, not just whether the household as a whole was poor;
- measure the parent's experience of poverty or deprivation, separate from that of their children; and
- consider the income of the household since the contribution of low household income to the risk of poverty in childhood cannot be ignored.

Three measures of poverty were chosen:

- Child deprivation – the child goes without one or more items¹ that the majority of parents in Britain believe to be necessary for children, because parents cannot afford to provide the item(s);
- Parent deprivation – the parent goes without two or more items¹ that the majority of adults in Britain believe to be necessary for adults, because the parent cannot afford to provide themselves with the items;
- Income poverty of the household – the child lives in a household that has less than 40 per cent of median income before housing costs².

As a whole, 20 per cent of children were income poor, 40 per cent of children had parents who were deprived, and 20 per cent of children were themselves deprived. The permutations created by these three measures produced the following results (Table 4.1):

¹ In this analysis only items, not activities, were used in the deprivation measure as we wished to use the activities separately to investigate social exclusion.

² An after housing costs measure of income was not available in the PSE Survey.

Table 4.1 Poverty Permutations

Poverty Permutation	Percentage of Children
Poor on no measures:	
Not poor on any measure	55
Poor on one measure:	
Income poor only	2
Child deprivation only	(2)
Adult deprivation only	17
Poor on two measures:	
Income poor and child deprivation	(1)
Income poor and adult deprivation	6
Child and adult deprivation	10
Poor on three measures:	
Income poor, adult and child deprivation	8

Key: Brackets – less than 20 unweighted cases

Eight per cent of British children were identified as being poor on all three of the poverty measures. Further analysis suggested that this group of children captures those with circumstances which are genuinely different to those of other poor children because they:

- had the lowest average incomes;
- had the highest levels of deprivation of the necessities most highly regarded as such;
- lacked the greatest number of necessities – both for parent and child; and
- had the highest levels of subjective poverty.

So, in other words, being poor on all three measures clearly indicates a much greater degree of poverty than being poor on none, one or two of the measures. These children can therefore be defined as ‘severely poor’.

The analysis, to be published later in 2003, goes on to investigate the characteristics of these severely poor children. Using logistic regression modelling, the most important characteristics in identifying severely poor children were their propensity to be in a household receiving Income Support or Jobseeker's Allowance, the main means-tested benefits in the UK, and/or being of non-white ethnicity.

The inclusion of social exclusion measures in the PSE allowed an analysis of the relationship between severe child poverty and measures of child social exclusion and household social exclusion that are likely to impact upon children (for example, access to local services, the environment and housing in which they live). In general it was found that severely poor children were also more likely to experience most of the measures of social exclusion.

5 CONCLUSION

The paper has raised three major issues in measuring hardship for children. First, by taking a child-centred approach to the measurement of poverty, it is possible to determine what it is that poor children go without in a way that income poverty measures cannot. With such a measure we can clearly appreciate how children's lives are affected by living in poverty.

Secondly, the measures call into question the current basis and construction of equivalence scales which, in turn, raises questions about the accuracy of income-based measures of the extent of child poverty.

Thirdly, a survey with a number of different measures of poverty allows an investigation of: the relationship between these measures; the extent to which they overlap; and, the importance that this may have for poverty measurement. In addition, a survey which also includes measures of social exclusion is an important step forward to understanding how, if at all, poverty and social exclusion are related.

By using such measures it is possible to identify more precisely the circumstances of children in poverty and social exclusion and, therefore, target poverty reduction policies more accurately and effectively.

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