



centre for research on
families and relationships

A response to the Government's 'Measuring child poverty: A consultation on better measures of child poverty' from the Centre for Research on Families and Relationships (CRFR) at the University of Edinburgh www.crfr.ac.uk

CRFR is a consortium research centre based at the University of Edinburgh, with partners at the University of Aberdeen, University of Glasgow, Glasgow Caledonian University, University of the Highlands and Islands and the University of Stirling. The centre produces, stimulates and disseminates high quality social research and commentary on families and relationships. CRFR undertakes social research on families and relationships across the lifecourse using both qualitative and quantitative approaches. Our research programmes encompass diverse themes and inform policy, practice and debate in Scotland, the UK and internationally. Our research programme is collaborative and inclusive.

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- * Changing families, changing relationships
- * Health, families, well-being, and relationships
- * Growing older and caring relationships
- * Children and young people
- * Families, policies, evidence and practice

This response on behalf of CRFR was prepared by Morag C Treanor whose research focuses on poverty, income inequalities and their impacts on children/young people, in association with colleagues and others engaged in relevant research.

Overall statement:

Although we welcome the government's stated commitment to tackling child poverty, we are concerned at the lack of attention to the existing evidence base that this consultation shows. Additionally, its associated documents and survey have not been undertaken with the methodological or academic rigour that we would expect from government consultations. A detailed account of the collaborative work undertaken between academic experts and various government departments on the subject of measuring child poverty over the past 40 years is set out in the response to this consultation by Professor Jonathan Bradshaw and the Poverty and Social Exclusion team¹, so will not be repeated here.

The principal reason that any government should be concerned to tackle child poverty is because of its negative effects on children's future outcomes, e.g. cognitive development, psychosocial well-being, educational attainment, physical and mental health, completed schooling, future employment prospects and earning power, to name but a few. This raises two issues widely addressed in the existing evidence but not considered in this consultation:

¹<http://www.poverty.ac.uk/sites/poverty/files/attachments/PSE%20policy%20working%20paper%20No.%208%2C%20Bradshaw%2C%20CONSULTATION%20ON%20CHILD%20POVERTY%20MEASUREMENT.pdf>

- (1) the evidence shows that *income* is the dimension of poverty that has the most significant, adverse impact on children's outcomes; and
- (2) the impact of living in poverty in childhood itself - children living in poverty are often unable to participate in social, leisure and celebratory activities; which can adversely affect their friendships, and may result in their feeling ashamed, excluded and stigmatised². This is not given its due attention in this consultation.

The commonplace characteristics suggested in the consultation document as components of a new child poverty measure, for example: family breakdown, ill-health, lack of skills, inadequate housing, 'poor' schools and 'worklessness', do not distinguish between poor and non-poor people. If child poverty is measured in terms of characteristics such as these then the resulting child poverty measure would be insufficiently discriminatory. For example, if only a few of these dimensions needed to be present, the majority of children would be considered to be living in poverty; and if all the dimensions needed to be present, hardly any children would be. This is because these dimensions do not measure poverty. Many of the dimensions suggested in the government's consultation document are consequences or causes, but not measures of poverty. To confound the two would go against all the evidence that has been generated by years of research.

This consultation also ignores the structural causes of poverty and its proposed new measure is the result of methodological confusion; i.e. the government are trying to devise a measure of a concept based on its consequences mixed with causes. Attention would be better focused on understanding, separately, the relationships between poverty and its consequences, and the precursors of poverty that have these adverse consequences, as set out in the consultation document below.

Turning to the issue of income, the current child poverty measure, combining both 60% median equivalised income and material deprivation (a multidimensional concept), was reached after a period of extensive consultation using research evidence. Not only has the 60% median equivalised income measure succeeded in capturing the effects of complex economic situations, it is also the official child poverty measure of the EU, OECD and UNICEF, and is now used by other governments³. To change this measure now not only negates the considered and considerable efforts of many in the early 2000s, it will separate UK child poverty from the rest of Europe and beyond, and the UK will have rejected the rigorous measure it so successfully helped to create. By changing this now, the government risk losing credibility as this proposal has already attracted much controversy and criticism. The government risks being accused of changing the goalposts in recognition of its impending failure to reduce or eradicate child poverty.⁴

In conclusion, the factors mentioned in the consultation document may usefully be considered for policy and practice interventions at the local and central government levels, to alleviate the consequences and causes of, and not as a measure of, child poverty. These are serious matters for what is one of the most important statistics in UK government policy.

Comments on specific measures proposed:

Income and material deprivation

² Treanor, Morag Impacts of poverty on children and young people, <http://withscotland.org/exchanging-briefings>

³ <http://www.newstatesman.com/politics/2012/11/moving-goal-posts-wont-hide-coalitions-failure-child-poverty>

⁴ <http://www.newstatesman.com/politics/2012/11/moving-goal-posts-wont-hide-coalitions-failure-child-poverty>

The government's focus on income as a dimension of child poverty is welcome. While other aspects of income would be a welcome addition, and give a plurality to the measure of income poverty, any new aspects should not replace the current one. The government should continue to measure income as it is currently, that is:

- **absolute low income** - measured at 60% of median average income for 1998/99 to measure any increase in the incomes of the poorest families in real terms against a fixed point;
- **relative low income** - measured at 60% of contemporary equivalised median income, to measure any increase in the incomes of the poorest families against general rises in incomes in the population as a whole;
- **material deprivation and low income combined** - measured at 70% of contemporary equivalised median income and including a measure of lack of material necessities, to compare living standards and material deprivation more broadly; and
- **persistent poverty** – measured at less than 60% of median equivalised household income for at least 3 out of the previous 4 years.

The 2010 UK Child Poverty Act places a legal duty on the current and future UK governments, on the devolved administrations and on local government and their partners to meet four separate child poverty targets: relative low income (<10%); absolute low income (<5%); material deprivation and low income combined (<5%); and persistent poverty (target to be set by 2015).

Using the absolute and relative measures from the current measure, the IFS reveals that there are complex patterns emerging from observations of current, and projections of future, absolute and relative child poverty. Relative child poverty remained constant through 2009-10, has fallen in 2010-11, and is forecast to rise in 2013-14. Absolute poverty by contrast, has been and is forecast to rise continuously⁵. This unusual pattern arises because the living standards of low-income people are set to fall by less than the living standards of median income people.

This is not an easy idea to convey, which supports the view that the current measure of child poverty was well conceived to be able to capture such an unusual and counter-intuitive pattern. That it is not easy to understand or explain argues against the government's assertion that the current measure is too simplistic. This situation is testament to the value of this being one of the measures of poverty used.

Any measure that does rely on a simple income threshold, which the current measure does not, will have drawbacks. However, it also has strengths. It is a quantifiable, comparable threshold against which to measure progress. It even allows for cross-country comparison. Any new measure should be in addition to the current measures of relative and absolute poverty at 60% median income.

The current measures of income poverty, relative and absolute income, were reached after a period of extensive consultation using research evidence. Not only has the 60% median equivalised income measure succeeded in capturing the effects of complex economic

⁵ <http://www.ifs.org.uk/publications/5711>

situations, it is also the official child poverty measure of the EU, OECD and UNICEF, and is now used by other governments⁶. To change this measure now not only negates the considered and considerable efforts of many in the early 2000s, it will separate UK child poverty from the rest of Europe and beyond, and the UK will have rejected the rigorous measure it so successfully helped to create.

Should the government wish to consider additional income inequality measure, then a viable and well-evidenced alternative would be to use an income adequacy measure, which unfortunately is not offered in the consultation as a possibility. One income adequacy measure is the minimum income standard, which has resulted in the increasingly successful Living Wage⁷ campaign, and which can found at the following link:

<http://www.minimumincomestandard.org/index.htm>

How does the ownership of assets such as a house affect our understanding of poverty?

Poverty is a dynamic concept with many people cycling between low paid employment, unemployment and poverty⁸. People may have assets to hold the negative impacts of poverty in abeyance during a period of falling income; however, people living in poverty for any period of time quickly use available assets. Home ownership is becoming increasingly difficult to achieve in the UK, even with the decent incomes of professions such as teachers and nurses. At last count, almost 3.5 million households in England were renting in the private rental sector, which excludes the social rental sector, an increase of 56% since 2003/4⁹. The increasingly rare ownership of a house will do little to affect the government's new measure of child poverty.

A housing-related factor that would affect the government's understanding of poverty would be to account for family income after housing costs have been paid rather than the current system which measures income before housing costs have been paid (BHC vs AHC). The cost of housing, both for those buying with a mortgage and those renting from a landlord, is so high across the UK that the proportions of people living in poverty significantly increase when this is taken into account¹⁰.

Worklessness

The government's descriptions of worklessness are unclear and insufficiently discriminatory. The government does not take account of the many other types of work people are engaged in other than 'paid work'. If the government uses this measure then it will incorporate wealthy people who have no need to work into its measure of child poverty. If the government are referring to people who would like to undertake paid work but are unable to find any, e.g. the unemployed and underemployed, then the government should say so more clearly. That poverty can be caused by unemployment and underemployment is not a measure of poverty

⁶ <http://www.newstatesman.com/politics/2012/11/moving-goal-posts-wont-hide-coalitions-failure-child-poverty>

⁷ <http://www.livingwage.org.uk/>

⁸ <http://www.jrf.org.uk/publications/cycles-unemployment-low-pay>

⁹ <http://www.guardian.co.uk/news/datablog/2011/jul/05/housing-market-england>

¹⁰ <http://www.cpag.org.uk/sites/default/files/CPAG-Ending-child-poverty-by-2020-progress-made-lessons-learned-0612.pdf>

per se, but a measure of the weakness of the current labour market, amongst other issues, and of government policies to alleviate them.

The areas of poverty and work that government policy should focus on, but not as a measure of poverty, are:

- families in work - over half of children and working age adults in poverty live in a working household;
- working age adults without children - since the early 1990s the proportion of this group living in poverty has risen by a third;
- working age adults underemployed; and
- unemployed young adults - in 2002, the unemployment rate for 16-24 year-olds was 12% rising to 22% in 2012¹¹.

The lack of focus on these groups belies poverty as a highly dynamic phenomenon, where so many people cycle between low pay, unemployment and poverty¹².

How should worklessness be measured?

Before the government can measure worklessness, the government have to adequately define it.

If the government mean unemployment, then any incidence of unemployment over the previous 12 months should be taken into consideration. Underemployment, where people have fewer hours than they would like to have, should also be taken into consideration. As people are cycled between different benefits, work placements and short term, part-time, low paid employment, the figures for unemployment and underemployment at any given point in time are not an accurate reflection of their extent in the population. A large proportion of men and women making a claim for Jobseekers Allowance have claimed the benefit less than six months previously.

Unmanageable debt

Recent, as yet unpublished, research that I have carried out shows that unmanageable debt is extremely common across all strata of UK society, not just the people living in income poverty¹³. The debt to which the government refers in its consultation document was evident in my previous research¹⁴. This research showed that families' insufficient command of resources due to inadequate income resulted in their using non-standard credit, such as doorstep lenders and pay-per-view TV, to meet socially-defined minimum living standards for social inclusion, such as buying Christmas presents and birthday presents for their children. The excruciatingly high interest associated with such non-standard borrowing led their debts to spiral in other areas such as utility bills. Once again, this is a consequence and not a

¹¹ <http://www.jrf.org.uk/publications/monitoring-poverty-2012>

¹² <http://www.jrf.org.uk/publications/cycles-unemployment-low-pay>

¹³ Treanor, Morag C. (forthcoming)

¹⁴ Harris, J., Treanor, M.C., Sharma, N (2009) Below the breadline, Barnardos: London

cause of poverty. As such, families' unmanageable debt, and high-interest non-standard lenders, should be the focus of government policy and legislation, not made a component of a child poverty measure.

There are aspects of unmanageable debt that the government should address, although not in a child poverty measure. Reports by Barnardo's, the Child Poverty Action Group, JRF and Save the Children, amongst others, give great detail on the financial penalty paid by families living in poverty. Many families are excluded from:

- short-term overdraft facilities;
- discounts associated with direct debit arrangements (e.g. for gas and electricity);
- interest free purchase schemes (e.g. for furniture and white goods);
- bank loans at affordable interest rates; and
- Such families were forced into sub-prime borrowing at punitively high rates of interest. This penalty paid by families who are already suffering from low income should be addressed in legislation by the government.

Poor housing

Once again, poor housing is a consequence of living in poverty and not a measure of poverty per se. One does not become poor by living in bad housing; rather, housing options for people on a low income are extremely limited.

There is already an index of multiple deprivation covering many of the domains mentioned in this consultation document, including unemployment and housing. Although this is an area-based measure, rather than individual measure, it provides a lot of information on a small area statistic level. If the government wishes to capture multiple deprivation on an individual level, then this would be a welcome adjunct to an income-based measure of child poverty, and not a replacement of it. Any such measure, however, would be constantly changing due to the dynamic element of people's lives.

Parental skill level

It is important to define what it means by 'parental skill'. The level of education that one has is easily quantifiable; the concept of 'employability' is not. I will, therefore, only address level of education here. As outlined in the consultation document, living in poverty leads to a lower level of education on average. There is a mutually reinforcing relationship between living in poverty and educational attainment, which is well documented in the literature, and which the government could address with the input of additional resources for children living in poverty, such as the recently-axed Educational Maintenance Allowance.

While the level of parental education is important for children's future outcomes, it is a characteristic that is intertwined with family income and social class, and so would not be a useful measure of poverty per se. This is a characteristic closely associated with, arguably caused by, poverty and worthy of government intervention.

Access to quality education

Having access to quality education and labelling a school 'a failing school' is not the same thing. Access to quality education is vital for children's future outcomes; especially for those living in poverty, but that does not pertain to attending a 'failing' school.

The impact of poverty affects children and young people's experience of education. Their ability to take full advantage of learning and other opportunities in school is hampered by their lack of income. One reason for this is that parents find it difficult to meet the extra costs in schools. In fact, the UK has the 3rd highest levels of inequality among the Organisation for Economic Co-operation and Development (OECD) wealthy countries in access to basic educational resources based on income (UNICEF, 2010)¹⁵.

Until children have equal access to quality education, and not one dependent on income, there will be little improvement in children's educational outcomes for those living in poverty. As before, this is a consequence of living in poverty, and not a measure of child poverty per se and should not be included in the proposed new child poverty measure.

Family stability

It is not clear what the government means by family stability. My recent research using a birth cohort study shows that there are only a few percent of people who have separated and re-partnered¹⁶. The majority of children in this study have stable families, either stable couple families, or stable lone parent families. If the government is referring to lone parent families when it discusses family stability, and if it is suggesting that this becomes a measure of child poverty, then it is guilty of ignoring all of the evidence on the subject. Lone parent families and couple parent families do not necessarily differ in the care, attention and stability that they give their children. Additionally, where the relationship between a couple has degenerated to such a degree that it has become harmful to both parents and children, then parental separation can bring welcome relief and stability to children's lives. To imply that couple parent families are stable and lone parent ones are not is deeply flawed and many would find it offensive.

Research shows that any negative impact associated with living in a lone parent family is mediated through the income available to the family and not by the family composition itself. That is to say that there is no inherent negative impact from living in a lone parent family; however, there are negative impacts from living in a low income family, which lone parent families often are more¹⁷.

Different family compositions, such as stepfamilies or same-gendered parent families, are increasingly common in UK society, across all social and income strata. This factor does not discriminate those who are poor from those who are not poor, and as such is not a useful measure of child poverty.

How important is the long term involvement of both parents to their child's experience of poverty and life chances?

¹⁵ http://www.unicef-irc.org/publications/pdf/rc9_eng.pdf

¹⁶ Treanor (forthcoming) Money matters: the influence of income on child cognitive development at age 5

¹⁷ As above

Having the long term positive involvement of both parents is a protective factor against poverty and leads to better outcomes for children. There is an assumption in this consultation that long term involvement of both parents is always a positive thing. This is a naive assumption. What is important to a child's experience of poverty and life chances is the presence of positive adult role models in their lives. When parents successfully fulfil this requirement, it is a benefit for the children; however, as long as there are other positive adult role models actively involved in the lives of children living in poverty, they will face little disadvantage in comparison.

How important is the presence of a father to a child's experience of poverty and life chances?

It is not clear what the government means by the presence of a father. Resident and non-resident fathers can be equally present and/or absent in the life of a child. Resident and non-resident fathers do not differ in their capacity to parent. Therefore, it is not the presence or absence of a father per se that is important to a child's experience of poverty and life chances, it is their positive and active involvement that counts. Where non-resident parents, usually fathers, have good relationships with former partners and continued involvement with their children, this may actually protect women and children against poverty. So using the fact of their non-residence as an indicator of poverty is confused and confusing.

However, for non-resident fathers who are not actively involved in their children's lives, the research shows that they are more likely to be economically disadvantaged themselves. Research evidence from the United States shows that the partnership and reproductive behaviour of men and their responses to fatherhood are shaped by their access to economic resources (Kiernan, K. 2006, p. 665)¹⁸. So, living in poverty may be an important factor that prevents non-resident fathers from being more involved in their children's lives. As such, it is not a useful measure of child poverty per se, but again a consequence combined with cause of poverty.

Young carers

There's no doubt that young carers face multiple disadvantages and that these disadvantages may be worse for those young carers living in poverty. Like many of the dimensions discussed in this document, recognising young carers and addressing their needs is important. As before, however, this should not be a component of an official child poverty statistic. If the government wishes to create an additional measure of multiple disadvantage, one that considers the plight of young carers in the UK, as well as other dimensions such as the ones noted in this document, then such data would be a welcome in this area. It is important, however that this measure does not replace the current measure but supplements it. As outlined in a later point, income poverty and mental health have an interrelated effect on each other. Living in poverty causes poor health as much or more than poor health causes poverty. This means that poverty is part of the reason there are so many

¹⁸ Kiernan, K. (2006) Nonresidential Fatherhood and Child Involvement: Evidence from the Millennium Cohort Study, *Journal of Social Policy*, 35, pp. 651-669

young carers. Using young carers as a measure of poverty will not allow this relationship to be fully explored in future research.

Parental health

How should we recognise parental drug and alcohol dependence and mental health conditions in a multidimensional measure of child poverty?

Parental drug and alcohol dependence and mental health conditions have enormous effects on children and young people which the government are right to wish to identify, measure the extent of, and address. However, mental health will not be considered here with drugs and alcohol, but will be addressed under the point on parental general health and disability.

As before, the relationship between alcohol and drugs and poverty is not simple, the direction of causation runs both ways. Research shows that income poverty increases alcohol use and problems, that recent unemployment decreases alcohol use, while longer unemployment increases it (Khan et al., 2002)¹⁹.

Additionally, alcohol abuse operates across all sections of society in the UK and is not specific to those living in poverty. In fact, there is real concern at the plight of children living with wealthier alcohol abusing parents who may not come to the attention of schools and social services²⁰. Thus, this dimension, in common with many of the others suggested, does not discriminate between those who live in poverty and those who do not. As such, it would be a poor indicator of child poverty but a useful area for the government to address through service intervention.

How can parental disability and general poor parental health be reflected in a multidimensional measure of child poverty?

Research shows that there is a strong association between health and income. However, this association is bi-directional. Poor health is a predictor of poverty but the reverse causal relationship is found to be stronger; i.e. low income, persistent poverty and even short-term falls in income, increase the risk of ill health (Smith and Middleton, 2007: 58)²¹. This pattern is the same for disabilities. People who became disabled are more likely to be poor beforehand. Despite the complexity of the relationship, parental disability and poor parental health do have many negative effects and consequences for children and young people. The government ought to put resources into services for children and young people affected by parental health and disability; their needs should be recognised and supported effectively. However, this does not mean by making it a component of the new child poverty measure, but by recognising who the young carers are, understanding their particular needs and meeting them. The evidence is clear that the relationship between poverty and health works both ways, with each having an impact on the other. Therefore, to use poor health/disability

¹⁹ Khan, S., Murray, R. P. and Barnes, G. E. (2002) A structural equation model of the effect of poverty and unemployment on alcohol abuse, *Addictive Behaviors* 27 (2002) 405–423

²⁰ <http://www.counselling-directory.org.uk/blog/2012/10/09/middle-classes-turning-to-drink-to-deal-with-stresses-of-family-life/>

²¹ Smith, N. and Middleton, S. (2007) *A review of poverty dynamics research in the UK*, Joseph Rowntree Foundation: York

as a measure of poverty would be too simplistic, and would again risk measuring poverty's consequences or causes as poverty itself.