"Poverty and social exclusion mean much more than low income…"

3D POVERTY

Sonia Sodha
William Bradley

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Sonia Sodha
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About the project

This report is the result of a scoping project on poverty measurement, an independent piece of Demos research funded by the Esmée Fairbairn Foundation. The methodology included desk-based review, semi-structured conversations with expert stakeholders, consultations with academic experts on the subjects, original polling, scoping qualitative workshops with 59 members of the British public, an expert seminar and expert methodological advice from NatCen.

Introduction

Poverty measurement is almost by definition controversial, given the contested debate around the notion of poverty itself. Poverty escapes tight, universal definition: there is no single, universally accepted definition of poverty. In the UK, poverty, its drivers and its consequences are defined and talked about differently by different political traditions at different times. There remains a degree of murkiness around what poverty is – and about related concepts of deprivation and social exclusion – which does not occur for other socio-economic concepts such as inequality.

The way in which we measure poverty, deprivation and social exclusion has been the focus of innovative work in the UK and internationally. However, in the UK we still overwhelmingly focus on poverty as measured by income, although the official measure of child poverty has been broadened to include material deprivation.

This is a key time to be thinking about poverty measurement. There is now a rich literature on poverty measurement that has yet to permeate official and regular measurements of poverty. Politically, the new coalition government has shown a strong interest in poverty measurement, and has put it within the remit of the Field review of poverty and life chances. The Prime Minister, David Cameron, has also recently announced that government will track subjective well-being annually alongside more traditional indicators. And from a policy perspective, the current context of public sector cuts in the wake of the financial crisis will lead, for the first time in over a decade, to public services – relied on disproportionately by the less affluent – being cut. This is likely to impact on the quality of life, well-being and life chances of those living in poverty more broadly – and it is important that we have a measure to track those changes and hold government accountable. Analyses of the

impact of public service cuts have tended to be imputed from data about current levels of service usage, making assumptions about how cuts will impact on them: moving forward, we need a way of keeping track of the real impacts that cuts are having on poverty and deprivation through reductions in local services.

The way we measure poverty, deprivation and social exclusion has implications that go far beyond those of technical or academic interest. The way we measure poverty can impact on our understanding of how poverty manifests itself – and therefore the efficacy of the policy response. It can impact on how we communicate the extent and nature of poverty to the public. And although poverty measurement itself reflects the discourse of poverty – it also feeds into that discourse itself.

The previous Labour government gave a huge boost to a focus on poverty and social exclusion – and the idea that the very existence of child poverty is an unacceptable state of affairs in a developed post-industrial society. However, its approach was not universally successful. It has been widely critiqued as focusing too much on work-first employment policies and post-hoc redistribution through the tax and benefits system in its targeting of income poverty. As a result, levels of in-work poverty have increased as out-of-work poverty has decreased: there are now more children living in poverty in households in which someone works than in workless households. And with respect to social exclusion and the impact of poverty on life chances, the previous government had a very limited impact on closing socio-economic gaps in education and health outcomes, despite a decade of historic levels of investment in public services. As a nation, we are set to miss the 2010 target to halve child poverty by some way, and the 2020 target of eradicating child poverty remains a huge challenge, particularly in the context of spending cuts.

As the new coalition government prepares its Child Poverty Strategy – due to be published by the end of March 2011 at the latest – this is an opportune moment to revisit the issue of poverty measurement and to scrutinise whether existing measures can be improved.

The structure of this paper is as follows. Any discussion of how to measure poverty must be rooted in a discussion about

how poverty should be defined. We discuss competing definitions of poverty, and the related concepts of deprivation and social exclusion, in Chapter 1. Chapter 2, on poverty measurement, sets out why we measure poverty, different theoretical approaches to poverty measurement and how poverty has historically been measured in the UK in official and independent measures. In order to assess what we need from a poverty measure, we then consider the context of poverty in the UK. Chapters 3 and 4 put the debate about poverty measurement into context for the UK. Chapter 3 examines trends in poverty and the policy response since 1997. Chapter 4 reviews existing research on public attitudes to poverty and poverty measurement, and sets out analyses and findings from original polling and qualitative research undertaken by Demos in the course of this project. Finally, chapter 5 sets out conclusions and recommendations. Appendix 1 contains the full results and breakdowns of the YouGov polling commissioned by Demos on public attitudes to poverty and poverty measurement. Appendix 2 contains a proposed methodology to develop a new annual multi-dimensional measure of poverty, written by Gareth Morrell, Matt Barnes and Debbie Collins from NatCen.

1 The nature of poverty

There is no universally accepted definition of poverty either internationally or here in the UK. As previous qualitative research and discourse analysis has found, poverty means very different things to different people – a finding that was echoed in the qualitative research we undertook as part of this project. One study, which looked at how ten countries set their poverty lines, found that there were no fewer than seven different ways of conceptualising poverty in the mainstream literature.[1]

At its heart, poverty is fundamentally about 'going without' – a lack of particular items, goods or services. It is closely related to the concepts of deprivation and social exclusion.

One definition of poverty that has achieved a degree of consensus around it is that set out by Peter Townsend:

Individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain types of diet, participate in the activities and have the living conditions and amenities which are customary, or at least widely encouraged or approved, in the society to which they belong.[2]

In other words, Townsend argues that poverty needs to be defined in relation to some societal or cultural norm.

Townsend also defines deprivation as a wider phenomenon than poverty, as lack of resource:

Deprivation may be defined as a state of observable and demonstrable disadvantage relative to the local community or the wider society or nation to which an individual, family or group belongs. The idea has come to be applied to conditions (that is, physical, emotional or social states or circumstances) rather than resources and to specific and not only general circumstances, and therefore can be distinguished from the concept of poverty.[3]

Gordon et al go further in defining deprivation, arguing it is a standard of living that is empirically associated with poorer outcomes. They define 'severe deprivation of human need' as:

those circumstances that are highly likely to have serious adverse consequences for the health, well-being and development of children. Severe deprivations are circumstances which can be causally related to 'poor' developmental outcomes both long and short term.[4]

The third related concept is that of social exclusion, which developed later than deprivation as a term. Modern definitions of social exclusion overlap significantly with the Townsend definition of deprivation set out above. This is a commonly accepted definition of social exclusion:

Social exclusion is a complex and multi-dimensional process. It involves the lack or denial of resources, rights, goods and services, and the inability to participate in the normal relationships and activities, available to the majority of people in a society, whether in economic, social, cultural or political arenas. It affects both the quality of life of individuals and the equity and cohesion of society as a whole.[5]

There is obviously considerable overlap between these three concepts. Townsend defines poverty and deprivation in relation to each other: he defined poverty as the income level that is empirically associated with deprivation in the population. Deprivation as defined by Townsend and social exclusion significantly overlap. However, deprivation as a concept has often been deployed in the modern context to refer to material deprivation – deprivation of material goods and resources – whereas social exclusion is a wider phenomenon of which material deprivation is a part.

In an examination of what unites various definitions of social exclusion, Atkinson and Hills highlight three strands: the relativity of social exclusion in reference to a particular societal context; the agency involved with social exclusion; and the dynamics involved – the idea that social exclusion is something that impacts on people's future opportunities and life chances.[6]

However, the distinction between poverty as a lack of resource and deprivation and social exclusion in reference to wider relative living standards and societal participation is not always crystal clear. Some people write about poverty itself as lived experience – with a definition more akin to deprivation and social exclusion. For example, Tomlinson and Walker define poverty as follows and argue that income is an indirect measure of poverty:

Poverty is more than simply a lack of income. It is equally the stress caused by a family's inability to make ends meet. It is the poor housing or homelessness, the lack of facilities, infrastructure and stimulation, the fear of crime and the possible lack of respect resulting from living in a deprived area. It is the inability to acquire or renew possessions and the reduced opportunities to fulfil personal ambitions or to exploit opportunities in employment, sport, education, the arts and/or in the local neighbourhood. It is the lack of personal contacts, sometimes arising from the inability to reciprocate, the perceived futility of political engagement and the poor physical and mental health, itself a product of bad living conditions, day-to-day pressure and debilitating personal circumstances.[7]

It is important not to get overburdened by issues of technical definition of these three concepts, however. At heart, these definitions are all getting at the same thing: living in poverty or suffering from social exclusion is when people go without the things that are required to achieve an acceptable standard of living and participate in society, through need rather than choice. Even when poverty is formally defined as the income level associated with deprivation or social exclusion it is multi-dimensional in nature because deprivation and social exclusion are multi-dimensional concepts. In other words, income as poverty is a proxy for multi-dimensional deprivation. Although it is common to use 'arbitrary' income thresholds to measure income poverty, few would argue on a theoretical level that there is value in considering income poverty divorced from the idea of deprivation and social exclusion.

The multi-dimensional nature of poverty can also be found in Sen's capability theory, which has critiqued the adequacy of

the income approach to poverty. Sen argues that poverty is not just about material resources, but about people's ability to convert those resources into 'functional capabilities', for example, the ability to live to old age in good health, or the ability to participate politically and economically in society.[8] Poverty is not seen as lack of resources, but as being deprived of these capabilities – and the real opportunities that are available to people as a result. These opportunities are affected by much more than income – and are also determined by personal circumstances such as age, disability, gender and proneness to illness, as well as other aspects of the context of someone's living circumstances. So, in this way, capability theory also recognises the multi-dimensional nature of poverty and well-being – and its definition of poverty is closely related to the concept of social exclusion as defined above.

There is a vigorous debate about whether the concept of poverty is inherently relative to the society in which someone lives or whether there can be an absolute definition of poverty divorced from any cultural context. Some argue that it is indeed possible to define poverty outside any cultural context, and approaches such as the 'basic needs' approach in the international development literature have attempted to define the basic human needs such as food, clothing and shelter that must be fulfilled if someone is to be said to be living above an absolute poverty line.

The absolute poverty and basic needs concept is certainly a very useful heuristic for international development, and adds to theories of basic human rights. However, theoretically it has flaws that become apparent when it is operationalised. For example, it could be argued that nutrition is a basic human need. But it is impossible to define the *level* of nutrition that would constitute fulfilment of this need without reference to some societal norm, even a very basic one. Is it simply access to adequate calories? Or is it access to a varied diet that fulfils all human nutritional requirements? In which case, it could be argued that significant levels of poverty on this measure exist even in the developed world.

Beyond the basic needs approach, we agree with Peter Townsend that it is impossible to define poverty outside a

societal or cultural context. Indeed, the various approaches to poverty measurement outlined in the next chapter are all relative – whether it be looking at deprivation as associated with poorer outcomes on measures that are valued by society, income as a proportion of a societal average, or public consensus on what is necessary to enable people to achieve an acceptable standard of living and participate in society.

This is by no means uncontroversial. In particular, there has been critique of the 60 per cent median threshold in the UK, perhaps because it is the most arbitrary threshold and one where relativity is most obvious. For example, Bradshaw argues that one of three criteria against which a measurement of poverty should be assessed is that it gives poverty rates that fall as real incomes rise – not necessarily at the same rate, but the poverty line should not increase at the same rate as income otherwise it is a measure of inequality.[9]

The debate about relative versus absolute poverty is also reflected in the debate about capability theory. Sen argues that it is impossible to come up with a 'fixed and final' list of capabilities, arguing that 'to freeze a list of capabilities for all societies for all time to come irrespective of what citizens come to understand and value would be a denial of the reach of democracy' and that a fixed list denies the possibility of progress in social understanding.[10] In contrast, Martha Nussbaum has argued that it is possible – indeed, necessary – to produce an authoritative list of capabilities.[11]

To confuse matters, the UK official definition of absolute poverty that is reported in the series *Households Below Average Income* is not determined with reference to some societal or cultural norm or average, but poverty measured with reference to a poverty line that was 60 per cent of median income in 1998/9, uprated each year in line with prices.

However, much of the disagreement about the relative nature of poverty can be attributed to issues with the way in which a relative definition of poverty is used in an arbitrary manner, rather than disagreement about whether poverty is a theoretically relative concept. We are firmly of the belief that poverty in the way that it is defined and used in the developed

world has to be a theoretically relative concept if it is to be of use.

Why does poverty matter?

In many ways, the term 'poverty' itself seems to carry a moral weight or imperative: poverty is inherently a social bad that needs to be tackled.[12] A discussion of why poverty matters is as a result often implicit rather than explicit in public discourse.

However obvious the answer to the question might seem to be, it does merit consideration as different discourses place relative weight on different aspects of poverty. On a normative level, poverty is a social bad because of the lived experience of living in poverty and the immediate impact this has on someone's quality of life and well-being. It is also considered to be a social bad because of the impact it has on other outcomes – for example, social participation and the scarring impacts on later life outcomes. These different facets of poverty stand out in different definitions. For many, the extent to which poverty is a social bad is closely related to the idea of agency and the notion of the deserving vs the undeserving poor – in other words, the extent to which someone can be 'blamed' for their own circumstances. This was something that emerged in the project's qualitative workshops with members of the public, and reflects other work on public attitudes. In reality, the extent to which poverty is ever a 'choice' is a very blurred boundary.

Historically, the public discourse around poverty has reflected this distinction between the deserving and undeserving poor – although this has manifested itself differently at different times. At around the turn of the twentieth century, when Seebohm Rowntree was undertaking his groundbreaking research into poverty, the discourse of poverty was very much around the quality of life associated with the absolute poverty of the time. But in the 1970s we moved to a different discourse around poverty, from absolute poverty to transmission of deprivation.

In 1972 the Conservative Secretary of State for Health and Social Services introduced the idea of a 'cycle of deprivation'

with poverty being transmitted from generation to generation and children growing up in poverty much more likely to be in poverty themselves. The government of the time instigated a programme of research into this cycle of deprivation. There are of course parallels between this and the New Labour discourse around poverty, which has always had the cycle of intergenerational poverty and the impact of deprivation on life chances at the centre of its narrative. Social mobility and equality of opportunity have been key features of the modern Labour approach to poverty.

This discourse is now very much part of the political mainstream: it has been taken up by the Conservative party in opposition and the new coalition government. It is evident in the discourse of the Centre for Social Justice – an influential social policy think tank on the right that was set up by Iain Duncan Smith MP, now Secretary of State at the Department for Work and Pensions. And it is also evident in the remit of the independent Field review into poverty and life chances, which has a strong emphasis on social mobility.

So mainstream political discourse around poverty in modern Britain relates closely to social mobility. This is in part because this has wider political buy-in from across the spectrum, and in part because it is seen as a more convincing narrative with the public by the anti-poverty lobby, as our expert interviews suggested.

Normatively, however, we should care about poverty as a society because of people's quality of life while in poverty, and because of its scarring impacts. In our view everyone should be able to fulfil their potential in society – but meritocracy alone is not enough. There also needs to be a decent social safety net in place. Empirically, because quality of life experiences have a scarring impact on people's opportunities and life chances (for example, education, health and employment outcomes), focusing on social mobility necessitates a parallel focus on quality of life.

How should we define poverty?

We do not think that it is useful to be wedded to a definition of poverty solely in terms of income and lack of resource. We are

not interested in lack of income for lack of income's sake, but because of its links to multi-dimensional deprivation and exclusion. Income poverty is not the 'end' but the proxy for a low standard of living. We therefore treat poverty, deprivation and exclusion as overlapping concepts; and 'income poverty' as an important proxy for these states, but as something that needs to be assessed alongside other potential measures in this paper.

2 Measuring poverty

Before considering theoretical approaches to poverty measurement it is useful to have a brief discussion of *why* we measure poverty – or indeed, any social outcome or phenomenon.

We measure poverty to some extent because of the assumption it is a social bad that we need to reduce or eradicate altogether. If we do not know how much poverty there is, and whether it is increasing or decreasing, it is difficult to know how to target it, and whether policies to reduce poverty are having an impact.

Beyond this, there are other important reasons. Measuring a social phenomenon helps us to understand it, so we also measure poverty to build an understanding of the lived experience of poverty and how it relates to risk factors, triggers and consequences. The measurement of poverty itself and how it overlaps with other factors helps us to understand it.

This in turn can impact on the policy response itself. An interesting parallel can be drawn here with the use of assessment in education. *Summative assessment* of a student happens at the end of a course or unit of learning, and acts as a record of a student's progress over time. This can be likened to the 'tracking' function of a measure of poverty. In contrast, *formative assessment* (often called 'assessment for learning') is used to inform instruction and guide learning during the learning process itself. It can be argued that a good measure of poverty will not only track what happens to poverty levels: it should be designed so as to inform societal responses to poverty. This might happen at different levels; for example, a nationally representative indicator might help to inform the national policy-making process. At the local level, a practitioner's assessment or 'measure' of the living circumstances of someone living in poverty might inform the nature and content of the services towards which they are

guided. For example, an able-bodied single parent may be directed to different support services than a widower pensioner.

Last, an important reason for measuring poverty is to be able to communicate the extent and depth of poverty to the public. The way in which poverty is operationalised will very much influence how poverty as a phenomenon is communicated to the public.

Any measurement of poverty should therefore be weighed up against the purpose of undergoing this measurement, as discussed above. In addition, we believe there are a number of criteria that any measure of poverty needs to fulfil:

- The way we measure poverty must be based on a theoretical definition or concept of poverty.[13]
- A measure of poverty should be as simple and transparent as possible while fulfilling the other criteria – to make it easy to communicate.
- Practically, a measure of poverty needs to have a certain threshold of consensus established around it. If there are several competing measures or the measurement itself is contested, the measure will be of limited efficacy in tracking poverty levels and measuring the impact of the policy response to poverty.

Below, we turn to a discussion of different approaches to measuring poverty and how they have been applied in the UK context, bearing the above purposes and criteria in mind. Perhaps unsurprisingly, there is no 'silver bullet' measure of poverty that emerges: each approach has its strengths and weaknesses.

Different approaches to measuring poverty

Poverty measurement is a complex phenomenon, and there is a very rich, technical literature on how poverty should be measured. Perhaps the most fundamental debate is about whether poverty measurement is scientific and non-arbitrary, or normative and arbitrary – an ongoing debate in the academic literature on which there are differing views.

Peter Townsend, who developed the relative deprivation theory of poverty as described in chapter 1, argues that poverty measurement is scientific and non-arbitrary in the sense that it is about an empirical measurement of the empirical resource level that is associated with people experiencing deprivation (in other words, the resource level below which people are excluded from ordinary living patterns, customs and activities). This approach has been developed further by the Townsend Centre for International Poverty Research, in particular the work of Professor David Gordon et al, in what has been dubbed 'The Bristol Method'.[14] They define deprivation as the standard of living that is empirically associated with poor life outcomes and argue that it is therefore an entirely scientific venture to determine how deprivation (and therefore poverty) should be measured.

Other approaches also take a more 'scientific' approach to deprivation and poverty. For example, the consensual approach to budget-setting used in the Joseph Rowntree Foundation's minimum income standard defines a threshold by using public consensus about material necessities and goods that are necessary to achieve a socially acceptable standard of living and participate in society.

In contrast, scholars such as Robert Walker and Mark Tomlinson have argued that poverty measurement is inherently arbitrary.[15]

There is a distinction that needs to be drawn between characterising an approach as scientific, and as absolute or divorced from social relativity. The Bristol Method approach to poverty measurement remains a relative and culturally embedded theory in the sense that while it is possible to scientifically measure the state of deprivation that is associated with poor outcomes, the outcomes themselves are societally and relatively defined and will differ from society to society. So poverty measurement can never be divorced from the societal and cultural context within which poverty operates.

Poverty measurement in the UK

For most of the last century there has been no official government measure of poverty. There was no official measure between 1979 and 1997,[16] and in 1983 John Moore, the Secretary of State for Social Security at the time, claimed that absolute poverty no longer existed and relative poverty amounted to nothing more than a measure of inequality. However, the Conservative government did publish the annual series *Households Below Average Income*, which reported the percentage of people living in households with equivalised net income below 50 per cent, 60 per cent and 70 per cent of median income, and below 40 per cent, 50 per cent and 60 per cent of mean income.

The Labour government followed the standard use of the 60 per cent of median income threshold when defining its child poverty target in 1999 to reduce child poverty by a quarter by 2004 and halve it by 2010. The government also began publishing the annual indicator set *Opportunity for All* in 1999, covering a broader, more multi-dimensional notion of poverty and social exclusion. It also launched a consultation on poverty measurement in April 2002. The culmination of this was the definition of the child poverty target in the 2010 Child Poverty Act, covering relative income poverty, material deprivation, persistent poverty and absolute poverty (described below).

Categorising the various theoretical approaches to measuring poverty

Below we categorise different theoretical approaches to the measurement of poverty, deprivation and social exclusion and consider where they have been applied in the UK context.[17] Apart from the more arbitrary income thresholds, these various approaches share in common an attempt to measure deprivation or social exclusion, directly or indirectly through income as a proxy.

Each approach has strengths and weaknesses. The advantage of income thresholds, however they are derived, is that they are relatively simply to apply to data. However, the significant drawback is that in applying one income threshold to

the whole population (adjusted for household type and size) deprivation among particular groups who may face a higher cost to reach an acceptable standard of living – in particular, disabled people – may be significantly underestimated.

The theoretical approaches are summarised in table 1.

Table 1 **Theoretical approaches to measuring poverty**

Approach	What is it trying to measure?	How does it measure it?
Average income threshold	Income as a proxy for deprivation	Arbitrary threshold set in relation to average incomes (median/mean)
Budget standards	Income as a proxy for deprivation	By setting a threshold that is based on a budget needed to take people above a deprivation threshold (established via expert or public consensus)
Component and multiplier	Income as a proxy for deprivation	Arbitrary threshold
Income as empirically related to deprivation	Income as a proxy for deprivation	Deriving the income threshold that is empirically related to deprivation, independently defined
Thresholds based on expenditure data	Consumption as a proxy for deprivation	Directly measuring consumption, or measuring expenditure on necessities as a proportion of income or consumption
Material deprivation indices	Direct measurement of material deprivation as lack of necessities	Direct measures through surveys; list of necessities may be derived from expert or public opinion
Multi-dimensional measurement of poverty, deprivation or social exclusion	Measures multi-dimensional deprivation or social exclusion directly	Various methods for compiling multi-dimensional analyses and indices; see below

1 Average income threshold

In this approach, an income threshold is defined as a particular proportion (for example 40 per cent, 50 per cent or 60 per cent) of median or mean income, adjusted for household size. This type of threshold is the standard used by international organisations such as the European Union (EU) and Organisation for Economic Co-operation and Development (OECD). The most commonly used definition of poverty in the UK is 60 per cent of median income adjusted for household size; figures are reported annually in *Households Below Average Income* (HBAI), based on the Family Resources Survey. Eurostat also uses this threshold.

Households Below Average Income uses two measures of income: before housing costs (BHC) and after housing costs (AHC). The UK government has historically presented both of these as measures of living standards, but the previous government recently moved to the use of BHC as the official measure, for example in the 2010/11 child poverty target and the Child Poverty Act 2010. The reason both measures are reported is that it is recognised that some individuals do not have much choice about the price or type of their housing, for example in the social housing sector. Housing benefit claimants, for example, would be recorded as having a higher income if their rent and housing benefit both go up, yet are still living in the same housing. Many pensioners live in owner-occupied housing on which the full mortgage has been paid off and so, to compare incomes, BHC would over-estimate the extent of pensioner poverty. Joyce et al therefore argue that AHC is a better measure for low-income groups (who are more likely to be housing benefit recipients) and for pensioners, and that BHC is a better measure for tracking income inequality across the full income distribution.[18]

This type of income threshold has been criticised as being entirely arbitrary, but has the advantage of being relatively simple to calculate.

2 Budget standards

The budget standard approach was the earliest method used to measure poverty in Britain, developed by Seebohm Rowntree in

the early twentieth century. Building on his study of poverty in York, Rowntree developed a budget people needed in order to be able to access a range of basic necessities.[19]

Later in the century, the Family Budget Unit at the University of York, and the Centre for Research in Social Policy (CRSP) at the University of Loughborough developed modern budget standards. The Family Budget Unit approach used panels of professional experts to determine budget standards.[20] The CRSP methodology used 'consensual budget standards' in which members of the public determine through consensus what should be included in a budget.

This approach was developed further in the ground-breaking minimum income standard (MIS) project funded by the Joseph Rowntree Foundation (JRF), which reported a minimum income standard for Britain for the first time in 2008.[21] See box 1 for more information about the methodology.

Box 1 **The Joseph Rowntree Foundation minimum income standard methodology**[22]

The JRF minimum income standard project blended two methodologies: work on budget standards by the Family Budget Unit at York, which uses panels of professional experts to determine budget standards, and work on consensual budget standards at the Centre for Social Policy at Loughborough University, which uses members of the public to determine budget standards.

The project used a combination of both methodologies, so that the standard is rooted in social consensus about the goods and services that everyone in modern Britain should be able to afford, while also drawing on expert knowledge about basic living requirements and actual patterns of expenditure. Budgets were developed for 15 different types of household.

To achieve this, there were five stages of discussion with different groups of the public, with experts contributing to the discussion at various stages to check that groups were addressing basic needs adequately. Members discussed what goods are necessary to achieve a socially acceptable standard of

living to enable people to participate in society. In total, there were 40 sessions, with each group consisting of between six and eight participants. People from the household budget type under discussion made up the groups; for example, lone parents developed the lone parent budget. Participants came from mixed socio-economic groups, not just low income groups. Participants discussed and then agreed on the essential list of items and services needed by the relevant case study household, in order to achieve an acceptable standard of living in the UK today. Each task workshop created a list of consensually agreed minimum needs for each budget area. Items were only included in budgets if everybody in the group agreed that they were necessary. Consensus was reached quickly on most items, but some provoked a much more detailed discussion.

The original minimum income standard was produced in 2008; it has now been updated to reflect the income level needed to achieve the minimum income standard in 2010. In 2010, a single person needs to earn at least £14,400 a year before tax to achieve the minimum income standard, and a couple with two children needs to earn £29,200.23

The minimum income standard for various household types falls between the 60 per cent median income threshold and median income (except for pensioner couples – for whom the minimum income standard is below the 60 per cent median income threshold). This means that people living at the 60 per cent of median income threshold are mostly well below the minimum income standard.

The minimum income standard has also highlighted that the equivalence scale that the government uses to adjust income for different household types – the modified OECD equivalence scale – underestimates the poverty rates for single childless adults and households with children.

The key feature of the minimum income standard approach as set out here, therefore, is that a socially acceptable minimum income is defined through public consensus about what is and is not necessary to reach that standard of living.

3 Component and multiplier

This approach takes the level of resource needed to afford a particular type of material necessity – for example food – and multiplies it by a factor to produce a poverty threshold. It is therefore arbitrary. This method was used in the 1960s to develop the US poverty threshold, which takes a minimum food budget for different households and multiplies it by a factor of 3.[24]

4 Income as empirically related to deprivation

Another way of deriving income thresholds is through their empirical relationship to deprivation. One way of doing this is to use the minimum income standard approach based on public consensus, described above – public consensus about what is necessary to achieve an acceptable standard of living and participate in society is effectively used as the definition of that acceptable standard.

An alternative approach to drawing that empirical relationship, however, is to look at the empirical relationship between someone's income and their chances of living in deprivation, defined by some other means. Peter Townsend argued that poverty should be measured objectively by looking at the relationship between income and deprivation.[25] To do so, he produced a deprivation index from the 1968/69 survey on poverty in the UK and plotted this on a two-way scatter graph against income. He observed a change in the gradient of the line of best fit showing the relationship between deprivation and income – in other words, a point at which a small decrease in income was associated with a large increase in deprivation, and argued that this should be the poverty threshold.

Advances in statistical methods since then provide more accurate multivariate methods for deriving this threshold than the graphical representation using two variables described above.[26] The Bristol Method of poverty measurement, developed by Professor Gordon et al at the Townsend Centre, extends this approach by arguing that deprivation itself needs to be measured with reference to the factors that are associated with poor outcomes.[27] Each component of a deprivation index needs to be shown to be a valid measure of deprivation; in other words, each

component of the index needs to demonstrate statistically significant relative risk ratios with independent indicators or components of inequality, discussed further below in the section on multi-dimensional indicators of poverty and deprivation. In this method, the income level associated with poverty is selected using linear methods to maximise the between group sum of squares and minimise the within group sum of squares in the poor and not poor population on deprivation.

5 Thresholds based on expenditure data

These thresholds are based on the assumption that people's consumption levels are a better proxy for deprivation than income. The shortfall of using income as a measure of the resource level associated with deprivation is that income can fluctuate over time – yet people's consumption levels (and therefore risk of deprivation) may be smoothed. Empirically, the data used to measure income in the UK for the purpose of poverty measurement are taken at a snapshot in time rather than averaged out over a year – so someone might have a low income at the point of the survey, but not be living in poverty over the year. Moreover, income-based measures may underestimate deprivation if people have higher-than-average needs; for example, if someone has a disability that is costly to manage.

But measuring consumption brings its own disadvantages: some people might exercise choice to consume necessities at very low levels – despite having an adequate income to do so. Some studies have controlled for this by defining a poverty threshold with reference to the proportion of income spent on necessities.[28] Consumption is also difficult to measure accurately using surveys.

6 Material deprivation indices

Another approach is to measure material deprivation by finding out whether households lack basic necessities. Material deprivation is usually defined as occurring when a household lacks a certain number of basic necessities. In surveys, house-

holders are usually asked whether or not they want and can afford a list of necessities. The list of necessities may be defined by experts, or by the public. For example, the Poverty and Social Exclusion Survey in Britain in 1999 asked the public to rate what should count as a necessity; in a first-stage omnibus poll the public was asked to rate which goods they perceived to be necessities, and in the main household survey itself, the number of households lacking these goods was measured.[29] A measure of material deprivation, using the Family Resources Survey, has now been incorporated into the official government definition of child poverty and the targets used to measure it (see below).

7 Combination approaches that combine one or more of the above methods

Combination approaches use more than one measure of poverty to define poverty. For example, the Child Poverty Act 2010 set out four official targets for child poverty in 2020:

- the *relative low income target*: that less than 10 per cent of children live in households with equivalised net income of less than 60 per cent of the median
- the *combined income and low income target*: that less than 5 per cent of children live in households with equivalised net income of less than 70 per cent of the median *and* experience material deprivation
- the *absolute low income target*: that less than 5 per cent of children live in households with equivalised net income of less than 60 per cent of median income in 2010, uprated each year in line with prices
- the *persistent poverty target*: that persistent poverty should be released to below a certain level for children living in relative income poverty in three out of the past four years; this percentage will be set in 2015 (data are not yet available as they will come from the new survey Understanding Society)

A combined measure can either look at different measures of poverty separately, or it can insist on a household being poor

on multiple measures if it is to qualify as living in poverty. An example of this is the Irish measure of poverty. The official definition of 'consistent poverty' in Ireland is the proportion of people who live in a household with less than 60 per cent of median income *and* who are deprived of two or more goods or services considered essential for a basic standard of living.[30] However, this measure has been critiqued as too stringent a measure of poverty.

8 Multi-dimensional measurement of poverty, deprivation or social exclusion

There are several methodologies for compiling multi-dimensional measurements of poverty, deprivation and social exclusion.

Some multi-dimensional measures operate at the area-based rather than the household level. National-level indicator sets are relatively simple to compile methodologically because they look at a series of 'headline' indicators for a very large unit of analysis. For example, the indicator sets used in the government's *Opportunity for All* and the JRF's *Monitoring Poverty and Social Exclusion* (*MPSE*)[31] are national-level indicators that are tracked annually. These do not allow an examination of the overlap and incidence of different dimensions of poverty or deprivation at the household level. *Opportunity for All* covers 40 indicators spanning income, education outcomes, health outcomes, child protection, housing, employment, skills, homelessness, life expectancy and crime. MPSE covers 50 indicators spanning low income, recession, child well-being, adult well-being and communities.

The Index of Multiple Deprivation is also an area-based set of indicators, but for a much smaller area, and so is methodologically more complex to compile because it involves comparing 32,428 areas across England. It was originally developed by the government in 2000, and was updated in 2004 and 2007. It is reported at Lower Super Output Area level (each area has a population of 1,000–3,000). It combines 37 indicators across seven dimensions to produce a relative deprivation score for each area in England. The data are used to analyse patterns of deprivation and for area-based targeting of specific initiatives

and funding streams. The dimensions cover income (22.55 per cent), employment (22.5 per cent), health and disability (13.5 per cent), education, skills and training (13.5 per cent), barriers to housing and services (9.3 per cent), living environment (9.3 per cent) and crime (9.3 per cent). The weights for each dimension in the index (in brackets) were based on theoretical considerations, established academic work, and research on previous indices.

The methodological debate about how best to compile a multi-dimensional index that allows comparisons of levels of deprivation across different units (be they households or areas) is complex, and different theoretical approaches have been developed. We summarise some of the main approaches below. There are two key questions about each approach:

- What does it say about how to select dimensions, indicators and (where relevant) thresholds for each dimension?
- What does it say about producing a 'measure' of multi-dimensional poverty once dimensions, indicators and thresholds have been established?

The Bristol method[32]

The Bristol method was originally developed by Gordon et al for the measurement of child poverty by Unicef in developing regions of the world. It defines deprivation with reference to the poor outcomes associated with deprivation. So, for the Unicef definition, they define 'severe deprivation of human need' as the circumstances that are highly likely to have serious adverse consequences for the health, well-being and development of children: 'severe deprivations are circumstances which can be causally related to "poor" developmental outcomes both short term and long term'. In other words, there is a theoretical definition of deprivation that *precedes* selection of dimensions – this is a key feature of this methodology.

Empirical analysis of longitudinal datasets is used to determine the dimensions of deprivation, and the thresholds on each dimension. Gordon and Nandy have noted how: 'developing evidence-based deprivation thresholds for children

that were age and gender specific was a time-consuming process that took several years' work by an experienced research team'.[33] Each component of the measure must be tested to ensure that it is valid, reliable and additive. For example, the test of validity is that each component demonstrates a statistically significant relative risk ratio with independent indicators or correlatives of poverty and deprivation.

The Tomlinson and Walker method[34]

This method uses structural equation modelling to collapse multiple dimensions into a single 'measure' of poverty. It was developed by Mark Tomlinson and Robert Walker at the University of Oxford, and the methodology has been applied by them using data from the British Household Panel Survey.

In their selection of the dimensions that make up multi-dimensional poverty, Tomlinson and Walker are not as transparent or explicit as Gordon et al. They state their dimensions are selected both with reference to the literature on poverty, and by what data are available in the British Household Panel Survey.

Tomlinson and Walker match the dimensions to various indicators within the British Household Panel Survey. The dimensions are: financial pressure (broken down into material deprivation and financial strain); social isolation; the environment; civic participation; and psychological strain (broken down into anxiety and depression, low confidence and social dysfunction).

The methodology Tomlinson and Walker used for producing a single 'poverty index' builds on factor analysis, a technique which takes a large number of indicator variables and creates a smaller number of dimensions or 'factors' by examining correlations between the various indicators. However, they argue that it improves on factor analysis, which is exploratory (does not require a strong theoretical justification for the model), and is unstable over time because the results are sensitive to errors in measurements of the original variables. Their method uses structural equation modelling to produce a single index of poverty. The structural equation modelling itself assigns

weights to each of the dimensions and indicators to produce a single index. Structural equation modelling requires a strong theoretical justification before setting up measurement, and allows measurement error to be separately identified so is stable over time.

One issue with this approach is that structural equation modelling itself requires a strong theoretical justification; however, Tomlinson and Walker explain that their selection of dimensions is not based on a strong theory: 'Rather than a strong theory we have a pyramid-like framework of concepts that the literature suggests may be manifestations or inherent outcomes of the experience of being in poverty.'[35]

While the method produces a single figure for multi-dimensional poverty, which is in many ways attractive, this single figure itself does not allow an understanding of how the various dimensions of poverty overlap and interact on a household level.

The Alkire and Foster method[36]

Like the Tomlinson and Walker method, the method developed by Sabina Alkire and James Foster in the Oxford Poverty and Human Development Initiative also focuses on how to sum poverty across different dimensions, but places less emphasis on the theoretical justification of how poverty or deprivation is defined, and how dimensions and cut-offs or thresholds should be selected.

Alkire and Foster therefore reference various methodologies for selecting dimensions, including the use of existing data or convention, informed researcher/expert assumptions, public consensus and empirical analysis (for example, from survey data). They also consider different methods for choosing cut-off points, including government or politicians choosing the cut-off, participatory processes with members of the public and drawing them out of existing indices. They do not come out strongly in favour of one particular approach.

Alkire and Foster argue that once dimensions have been chosen and thresholds on each dimension selected, the thresholds need to be put through robustness and validity

checks. Their method specifies a methodology for measuring multi-dimensional poverty once this has been done. Their approach is to count the number of deprivations that each household or individual experiences. A second threshold – the number of dimensions that a household needs to experience before it can be said to be living in poverty – then needs to be set. Their approach looks at the number of households that can be defined as poor using this definition, but also the average number of deprivations poor households suffer from, by producing an 'adjusted head count', which multiplies the number of people who are poor by the average number of deprivations each poor household suffers from.

Gordon and Nandy have argued that the Alkire and Foster methodology is a significant advance in its use of mathematics and the technical methodology of compiling a multi-dimensional indicator, but that it is not a *theory* of how to measure multi-dimensional poverty. The method is more concerned with how to measure multi-dimensional poverty once dimensions have been selected and cut-offs determined. Gordon and Nandy criticise their own lack of definition or conceptualisation of poverty in applying their method, for example to poverty measurement in Bangladesh, where the selection of dimensions is not transparent or based on theory.

The Social Exclusion Taskforce method

The Social Exclusion Taskforce in the Cabinet Office has used a different approach to measuring multi-dimensional disadvantage. It used as its starting point the Bristol Social Exclusion Matrix (B-SEM), commissioned by the government and developed by Ruth Levitas et al at the University of Bristol.[37] The B-SEM is illustrated in figure 1. The domains of disadvantage (and the individual topics within each domain) have been derived by Levitas et al from existing literature and indicator sets (such as *Opportunity for All* and *Monitoring Poverty and Social Exclusion*). The domains and indicators are considered in relation to four different stages of the life course: childhood, youth, working-age adulthood and later life. Importantly, the B-SEM is derived without any reference to existing data: it is a

Figure 1 **The Bristol Social Exclusion Matrix**

heuristic that is not designed with a particular dataset in mind (unlike the indicators in the Tomlinson and Walker method, which are derived with reference to availability of data in the British Household Panel Survey).

A full list of the indicators is shown in box 2.

Box 2 **The dimensions and indicators in the B-SEM**

1 Material and economic resources:

- *income*
- *possession of necessities*
- *homeownership*
- *other assets and savings*
- *debt*
- *subjective poverty*

2 Access to public and private services
Some services are relevant to all groups, others to specific ages:

- *public services*
- *utilities*
- *transport*
- *private services*
- *access to financial services (including a bank account)*

3 Social resources:

- *institutionalisation or separation from family (eg looked-after children; young people in young offenders institutions); this is not usually captured in household surveys*
- *social support*
- *frequency and quality of contact with family, friends and co-workers*

4 Economic participation:

- *paid work*
- *providing unpaid care*
- *undertaking unpaid work*
- *nature of working life (occupation, part time or full time)*
- *quality of working life (contractual status, working hours etc)*

5 Social participation:

- *participation in common social activities*
- *social roles*

6 Culture, education and skills:

- *basic skills*
- *educational attainment*
- *access to education*
- *cultural leisure activities*
- *internet access*

7 Political and civic participation:

- *citizenship status*
- *enfranchisement*
- *political participation*
- *civic efficacy*
- *civic participation, voluntary activity or membership of faith groups*

8 Health and well-being:

- *physical health and exercise*
- *mental health*
- *disability*
- *life satisfaction*
- *personal development*
- *self-esteem and self-efficacy*
- *vulnerability to stigma*
- *self-harm and substance misuse*

9 Living environment:

- *housing quality*
- *homelessness*
- *neighbourhood safety*
- *neighbourhood satisfaction*
- *access to open space*

10 Crime, harm and criminalisation:

- *objective safety, victimisation*
- *subjective safety*
- *exposure to bullying and harassment*
- *discrimination*
- *criminal record or asbos*
- *imprisonment*

The Social Exclusion Taskforce commissioned analysis of dimensions in the B-SEM using various different datasets in the UK in 2009.[38] This analysis used empirical application of the B-SEM to ask the following questions:

- How are different risk markers of social exclusion related to each other?
- How many people suffer from multiple risk markers of social exclusion?
- What happens to people's risks of social exclusion over time?
- What events can trigger social exclusion, and what are its underlying drivers?

It used a series of different surveys to best fit available data on the four life stages in the B-SEM: the Families and Children Study for children and families; the Family Resources Survey and the British Household Panel Survey for youth and young adulthood; the General Household Survey and the British Household Panel Survey for working age adults without dependent children; and the English Longitudinal Study of Ageing and the British Household Panel Survey for older age.

The analysis differs from the Tomlinson and Walker poverty index in that it did not attempt to compile the different dimensions into a single, multi-dimensional index. Instead, it analysed *overlap* between different dimensions at different life stages and how they interact.

A review of the multi-dimensional approaches

To summarise the approaches:

- The Bristol method specifies a theory of deprivation (in relation to poor outcomes) to select dimensions and thresholds. It recommends looking at the income empirically associated with deprivation as the measure of poverty.
- The Tomlinson and Walker method does not specify a strong theory, instead arguing poverty measurement is inherently arbitrary and deriving dimensions from literature and data

availability. It uses structural equation modelling to collapse multiple indicators into a single index by assigning each indicator a weight through the model and producing a topline figure.

- The Alkire and Foster method does not specify a strong theory of poverty. It proposes a methodology for arriving at an 'adjusted poverty headcount' based on numbers of people who are poor (defined as being deprived on a certain number of dimensions) and the average number of deprivations poor people experience.
- The Social Exclusion Taskforce method takes the B-SEM as its heuristic starting point (which itself is derived from literature). It analyses deprivation to look at overlap and association between different dimensions.

At the heart of multi-dimensional approaches is the key question of how best to select dimensions, indicators and thresholds: through expert consensus, public consensus or empirical association with poor outcomes. Alkire and Foster argue that transparency is crucial: but this is difficult to put into practice – indeed, several of the approaches reviewed here are not completely transparent and one of Gordon and Nandy's critiques of Alkire and Foster is that they are not always transparent themselves in their application of their own method.

Having reviewed the approaches, we normatively favour a combination approach that focuses on factors that are empirically associated with poor outcomes (for example, education, health, employment and well-being); what people living in poverty themselves say about the experience of living in disadvantage and how different dimensions of that interact in their day-to-day lives; and also takes into account public opinion on which dimensions should be taken into account when building a multi-dimensional measure of deprivation

Data sources

There are a number of different surveys and administrative datasets that can be used to measure poverty, deprivation and social exclusion in Britain. There is a comprehensive 'survey of

surveys' in Levitas et al,[39] which reviews the relative strengths and weaknesses of all the potential UK sources of data on poverty and exclusion and indicators in each that can be used to operationalise the B-SEM. They note that most secondary analyses of social exclusion use household-level surveys, the main ones being the British Household Panel Survey, the Family and Children Study, and the English Longitudinal Study of Ageing. This 'survey of surveys' informed the Social Exclusion Taskforce-commissioned application of the B-SEM, described above.[40] Levitas et al note that there is no one 'perfect' survey for measuring multi-dimensional poverty and exclusion across the life course. Indeed, a flaw inherent in household surveys is that they do not capture the experiences of some excluded and marginalised groups, for example, children in institutional care, young offenders in institutions, prisoners and the homeless.

Aside from the regular annual household surveys and administrative datasets, there have also been purpose-built household surveys to measure poverty and deprivation over the past few decades. The most recent of these was the 1999 Poverty and Social Exclusion Survey (and its 2002 counterpart in Northern Ireland).[41] The Poverty and Social Exclusion Survey was a one-off household survey specifically designed to measure the extent of poverty and social exclusion on a number of dimensions across the population in Britain. It builds on the 1968/9 survey *Poverty in the United Kingdom* by Peter Townsend, and the surveys by Joanna Mack and Stewart Lansley in 1983 and 1990.[42] Poor Britain in 1983 was the first survey to ask the public what they thought constituted a basic necessity for the purpose of measuring social exclusion.

The Poverty and Social Exclusion Survey in 1999 measured social exclusion across four dimensions of exclusion:

- impoverishment (as measured by low income and lack of socially perceived necessities)
- labour market exclusion
- service exclusion
- exclusion from social relations

The main household survey was preceded by an omnibus survey asking members of the public which out of a list of 54 adult items they perceived to be necessities; 35 were thought to be necessities by more than 50 per cent of the public. The Poverty and Social Exclusion Survey looked at people's degree of exclusion across the dimensions (how many dimensions they were excluded on) and the extent of overlap between different dimensions.

The Poverty and Social Exclusion Survey will be followed up in 2011 with a new survey by Gordon et al at the University of Bristol and funded by the Economic and Social Research Council. This will consist of a preliminary 'perceptions of poverty' omnibus survey, as in the original Poverty and Social Exclusion Survey, to be followed by qualitative research with 72 individuals experiencing poverty to explore their 'life experiences'. It will then be followed by the main survey, which will cover 4,000 households and 6,000 individuals.

Levitas et al argue that there are many strengths of the Poverty and Social Exclusion Survey.[43] The household-level survey has the best coverage of the B-SEM, and it over-samples low-income groups. However, its drawbacks are that it is not repeated regularly so it cannot be used to track the incidence of poverty from year to year, and it has a relatively small sample size compared with the household-level surveys discussed above, which limits analysis by sub-group.

An important finding of the survey of surveys is that across all regular surveys, data on the social exclusion of children are poor, and that there are significant gaps and omissions in indicators of well-being in childhood, for example, on child mental health, and on behavioural, cognitive and linguistic development. In addition, key factors that are important drivers of child well-being and outcomes – for example, parental aspirations and the quality of the home learning environment – are not included in regular surveys. There is, of course, rich data on children's development and the family context within which they grow up in the cohort studies and the Avon Longitudinal Study of Parents and Children (ALSPAC). However, these longitudinal studies are infrequent (tracking children born in

1958, 1970, 1990 and 2000) and so do not allow regular tracking of progress on these indicators.

From 2010 onwards, a new household-level survey, Understanding Society (USoc), will replace the British Household Panel Survey (see appendix 2 for more details). This survey will build on the British Household Panel Survey, and is a groundbreaking study of the socio-economic circumstances and attitudes of 100,000 individuals in 40,000 households. It is the largest sample of its kind in the world. USoc is a better fit with the B-SEM than many existing regular household surveys, and it will allow analysis of deprivation across a range of dimensions, as its indicators will span the following:[44]

- standard of living measures (income, consumption, material deprivation, expenditure, financial well-being)
- family, social networks and interactions, local contexts, social support, technology and social contacts
- attitudes and behaviours related to environmental issues (energy, transport, air quality, global warming etc)
- illicit and risky behaviour (crime, drug use, anti-social behaviour etc)
- lifestyle, social, political, religious and other participation, identity and related practices, dimensions of life satisfaction and happiness
- psychological attributes, cognitive abilities and behaviour
- preferences, beliefs, attitudes and expectations
- health outcomes and health related behaviour
- education, human capital and work

The introduction of Understanding Society therefore provides an exciting opportunity for a new annual multi-dimensional analysis of poverty and social exclusion, which can be supplemented by analysis of other surveys where appropriate.

3 Putting poverty measurement in context – poverty trends and policy in the UK

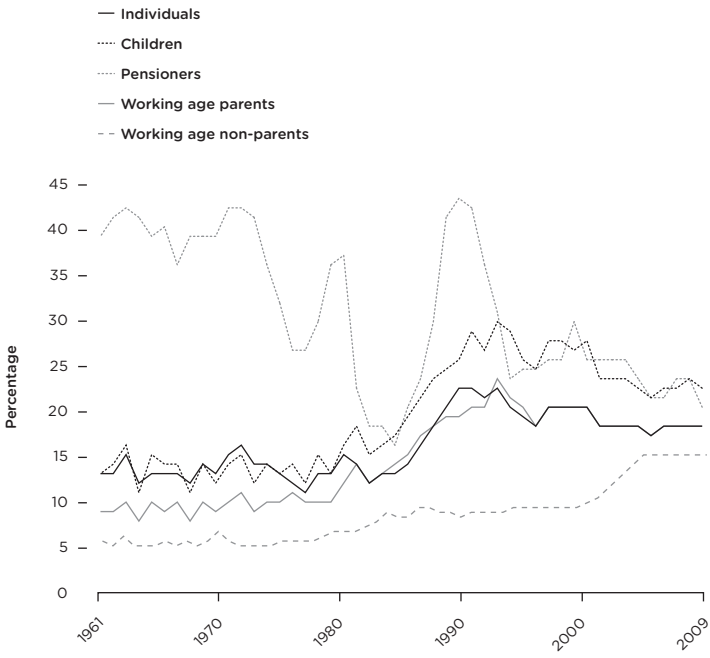
A central argument of this paper is that poverty measurement is not just of interest for technical or academic reasons: the way in which we measure poverty has real effects on the way we understand poverty and its risk factors, triggers and impacts; the way we address it through a policy response; and the way in which poverty is communicated to the public.

Before a discussion of the implications of the rather technical debate on measurement above for how we measure poverty, we need to put poverty in the UK in context, which is the purpose of the next two chapters. In this chapter we briefly consider recent trends in poverty and the efficacy of the policy response to poverty, focusing on the period from 1997 onwards, when the focus on poverty was given a huge boost by the new Labour government. In chapter 4, we consider existing evidence on public attitudes to poverty and poverty measurement and analyse the original polling and scoping qualitative research undertaken as part of this project. The purpose of these chapters is not to provide a comprehensive analysis, which would be beyond the scope of this report, but to set the debate about poverty measurement in context.

Trends in poverty in the UK

Poverty (as measured by the proportion of individuals living in a household with equivalised household income of less than 60 per cent of the median) rose dramatically during the mid to late 1980s. This rise slowed in the early 1990s, then started to fall in the late 1990s. Between 1997/98 and 2004/05, Labour oversaw the longest decline in poverty since the start of the Institute for Fiscal Studies' consistent time series in 1961. This decline in

Figure 2 **Historical trends in income poverty: below 60 per cent of median income (before housing costs)**

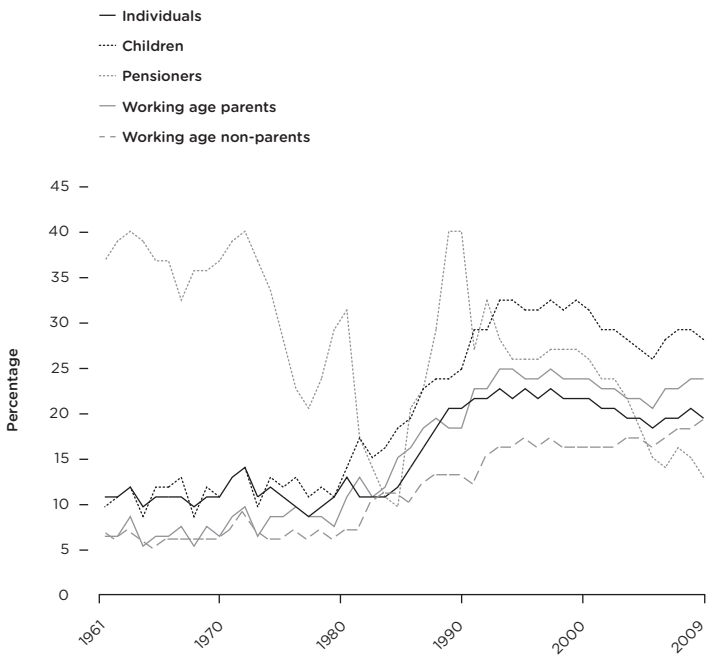


Source: Institute for Fiscal Studies[45]

poverty came to an end in 2004/05, rising for three consecutive years until 2007/08. Figures 2 and 3 illustrate these trends; figure 2 shows income poverty before housing costs (BHC), figure 3 shows income poverty after housing costs (AHC). See chapter 2 for a discussion of BHC versus AHC measures. Measuring AHC is thought to be a better measure of poverty, and BHC better for measuring income inequality across the whole distribution.

In the UK in 2008/09, there were 13.4 million people living in relative income poverty measured AHC and 10.9 million living in relative income poverty measured BHC.

Figure 3 **Historical trends in income poverty: below 60 per cent of median income (after housing costs)**



Source: Institute for Fiscal Studies

As figures 2 and 3 show, there are variations in trends by demographic.

In 2008/09 3.9 million children were living in poverty AHC and 2.8 million were living in poverty BHC. Although poverty fell in 2009, it rose in the three years before that. Child poverty has fallen by 600,000 since 1997/98. In order to meet the 2010/11 target of halving child poverty it would have to fall by a further 1.1 million over 2009/10 and 2010/11 – an average of 550,000 a year (having fallen by an average of 64,000 a year for the previous ten years). The government recognises this target is highly likely to be missed.

Pensioner poverty is now at its lowest level since the first half of the 1980s. In 2008/09, there were 2.3 million pensioners living in poverty on a BHC measure, and 1.8 million pensioners in poverty on an AHC measure.

Rates of poverty vary significantly across the UK. After adjusting for differences in the cost of living in different parts of the country overall poverty is highest in London and lowest in Scotland. London has the highest rates of child and pensioner poverty.

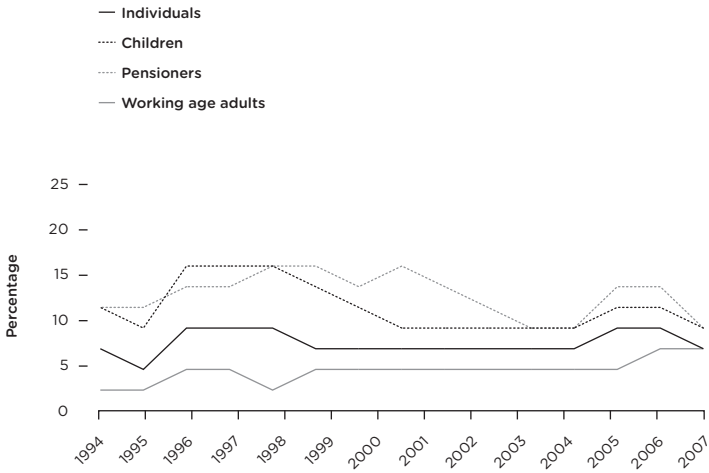
Households Below Average Income also reports a measure of 'absolute poverty': poverty using an income threshold that was fixed at 60 per cent of median income from a base year, with prices uprated each year. The government tends to use 1998/99 as its base year (having announced its target in 1999); the Institute for Fiscal Studies uses 1996/97 as its base year.

Alongside this standard measure of relative income poverty, some commentators also use the concept of severe poverty. There is no standard definition and it is defined variously as fractions lower than 60 per cent of median income. Save the Children defines severe poverty as those incomes less than 50 per cent median income; the Institute for Fiscal Studies defines it as incomes less than 40 per cent. However, the Institute for Fiscal Studies argues that the use of the term severe poverty is in itself problematic.

Figures 4 and 5 show trends in severe poverty as measured by the Save the Children definition (50 per cent of median income).[46]

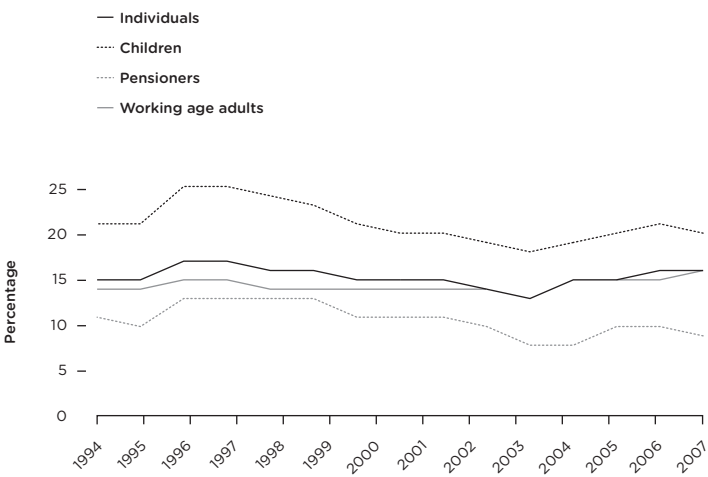
Some argue that persistent poverty, in other words persistent low income, is a better way of thinking about severe poverty than using incomes below 40 per cent of median income. The government defines persistent poverty as having an income less than 60 per cent of the median for three out of the last four years. There was a moderate fall in the proportion of the population in persistent poverty in the 12 years to 2007 (1995–8 to 2004–7; 2006/07 is the last year for which figures are available) from 11 per cent to 8 per cent, driven by large falls in the risk of persistent poverty among children (from 17 per cent to 10 per cent) and pensioners (20 per cent to 14 per cent).[48]

Figure 4 **Severe income poverty over time: below 50 per cent of median income (before housing costs)**



Source: *Households Below Average Income 2008/9*[47]

Figure 5 **Severe poverty over time: below 50 per cent of median income (after housing costs)**



Among working age adults, persistent poverty fell from 7 per cent to 5 per cent between 1995–8 and 2004–7.

Poverty rates among disabled people

Estimates suggest that disabled people are almost twice as likely to be in poverty compared with the whole population. Research in 2004 estimated that 29 per cent of disabled households lived with incomes below 60 per cent of the median, compared with 17 per cent of non-disabled households.[49] This discrepancy has remained relatively stable over recent years. In 2008, figures suggested that around 30 per cent of disabled people lived in relative poverty, as opposed to 16 per cent of non-disabled people.[50] Government estimates are a little more conservative, but not much. Citing data from *Households Below Average Income 2008/09*, Minister for Disabled People Maria Miller MP recently reported that 23 per cent (3.9 million) of individuals living in households with at least one disabled member lived in relative poverty, in contrast to 16 per cent of those in families with no disabled members.[51]

However, other studies show that when the costs of disability are factored in, the rates are much higher: the proportion of individuals in poverty who are living in a household with a disabled member jumps from 23.1 per cent to 47.4 per cent.[52] Other estimates are even higher. Some studies suggest that when accounting for the extra costs of disability well over half of disabled people in the UK could be living in poverty.[53] Some put this figure at almost 60 per cent.[54]

In-work poverty

In-work poverty occurs when working families do not earn enough to take them over the poverty line. It has been increasing over the last ten years, and the recession has further increased the levels of in-work poverty. The proportion of poor children living in working households increased to 61 per cent in 2008/09, up from 50 per cent in 2005/06.[55] There were 1.7 million poor children in working households in 2008/09, more than the 1.1

million in workless households; and two-thirds of working-poor families are couple families. 60 per cent of poor adults lived in working households in 2008/09.

The efficacy of the policy response to poverty since 1997

This section discusses the efficacy of the policy response to poverty of the previous government and then considers the extent to which existing poverty measures have impacted on this.

The efficacy of Labour's policy response

The efficacy of policies to combat poverty can be judged by two criteria:

- their impact on tackling the incidence of income poverty and associated deprivation and social exclusion *directly*
- their impact ameliorating the *impact* of poverty on life outcomes – in other words, on tackling the transmission mechanisms and drivers through which the experience of living in poverty impacts on a broader set of life outcomes

Although the Labour government must undoubtedly be praised for the effort and policy focus that went into a strategy around poverty eradication, it can be criticised on both counts.

On the incidence of income poverty, the Labour government is best judged by its own ambitious targets to halve child poverty by 2010/11 and to eradicate it altogether by 2020 (see box 3). As the previous section of this chapter has highlighted, the coalition government is highly unlikely to meet the 2010/11 target, and the 2020 target remains a significant challenge.

Box 3 **The government's child poverty targets**

In 1999 the then prime minister Tony Blair announced a historic pledge to end child poverty by 2020. This was followed by targets to reduce child poverty by half by 2010, and by a quarter by 2004/05.

The 2004/05 target was set with the 1998/99 60 per cent of median income as a baseline, and was missed by 100,000 children on the BHC measure, and 300,000 on the AHC measure.[56]

The 2010/11 target was adjusted in the mid 2000s to take into account the new method of measuring child poverty using three indicators (relative low income, absolute low income and a combined measure of low income and material deprivation) – although only the relative low income measure has a national target. This target was given public service agreements in the 2004 and 2007 comprehensive spending reviews. Whether or not this target has been reached will be assessed in 2012 using income date from 2010/11, but there is wide consensus that the government is on track to miss this target by some way. In 2008/09 (the last year for which we have figures) poverty levels were statistically significantly higher *than in 2004/05, and child poverty would need to fall by a further 1.1 million children between 2008/09 and 2010/11 – something that even the previous government conceded was highly unlikely in documents accompanying its March 2010 budget.*[57]

In 2010, the 2020 target to eradicate child poverty was enshrined in legislation in the Child Poverty Act 2010. This has set out four official targets for the eradication of child poverty by 2020:

1. *The relative low income target: that less than 10 per cent of children live in households with equivalised net income of less than 60 per cent of the median.*
2. *The combined income and low income target: that less than 5 per cent of children live in households with equivalised net income of less than 70 per cent of the median and experience material deprivation.*
3. *The absolute low income target: that less than 5 per cent of children live in households with equivalised net income of less than 60 per cent of median income in 2010, uprated each year in line with prices.*
4. *The persistent poverty target: that persistent poverty should be reduced to below a certain level for children living in relative*

income poverty in three out of the past four years. This percentage will be set in 2015 (data are not yet available as they will come from the new survey Understanding Society).

The Child Poverty Act also legislated that the government of the day must publish its strategy for eradication of child poverty by 31 March 2011.

What explains this failure? High levels of in-work poverty suggest that the strategy was too focused on work-first employment policies and post-hoc redistribution through the benefits and tax credit system (although the introduction of the statutory minimum wage undoubtedly had an impact). While historic numbers of parents were supported into work through the various New Deals, a job did not turn out to be a guaranteed route out of poverty, as highlighted in the section above. In 2008/09 61 per cent of poor children lived in working households, compared with 50 per cent in 2005/06 – and there are more poor children in working households than in workless households. Although the tax and benefit system has grown in its redistributive impact as Labour's time in office progressed, it has been working against a backdrop of growing pre-tax and benefits income inequality.

Clearly, any comprehensive strategy to reduce poverty therefore has to focus on the high levels of in-work poverty alongside moving more people into work and the benefit levels of those households out of work. This observation has been made by numerous commentators since the mid 2000s, including Lisa Harker, the previous government's independent Child Poverty Tsar, but there was a limited focus by the government on in-work poverty. One reason is that it would require a much longer-term – and more difficult – strategy for the government to focus on improving the quality and pay of work in the low-skill labour markets and progression routes to higher-skill work, particularly because these jobs exist in both the private and the public sectors.

A long-term strategy to eradicate income poverty would need to focus on a much bigger set of questions around the UK's

economy, which relate to our political economy and the way society views the labour market: purely as an engine for economic growth – or also as a social good? For example:

- What should the government's long-term strategy be for the shape of sectors and skills in the labour market? The UK labour market is often criticised as having been polarised into an 'hour-glass' shape in the last two decades, with many low-skill and high-skill jobs, with few mid-skill jobs and progression routes between them.[58] What should the role of government be in supporting particular industries and sectors to try and achieve a differently shaped labour market?
- How can the government work with the private sector to improve progression routes out of low-skill jobs?
- How can the government incentivise the private sector to pay a living wage to employees? Are statutory means the best way, or are other routes available?
- How does our existing education system need to be reformed to ensure young people who move directly from education into work and training have the skills they need for the future labour market?[59]

There is also a critique to be made of the previous government's approach to broader manifestations of poverty, including social exclusion. It would be unfair to criticise the previous government of having too narrow a view of poverty at its core, as some have done. To do so would be to ignore the strong emphasis on social exclusion right from the start. The previous government's understanding of poverty has always been multi-dimensional, as this definition from the first annual report *Opportunity for All* in 1999 makes clear:

Lack of income, access to good-quality health, education and housing, and the quality of the local environment all affect people's well-being. Our view of poverty covers all these aspects.[60]

The Labour government had a strong focus on multi-dimensional social exclusion – albeit not as strong as the focus

on eradication of income poverty. It set up the Social Exclusion Unit in 1999,[61] and created a Minister for Social Exclusion in 2006. However, it can be argued that this agenda never had the same level of buy-in as the poverty-eradication agenda, which had a much higher-profile target.

The government has had very limited success in reducing social inequalities in outcomes such as education and health, so key to life chances and social mobility. Despite a decade of historic levels of investment in public services, social inequalities have remained intractable.[62] For example, although the gap in education outcomes between children from disadvantaged backgrounds (as measured by eligibility for free school meals) and their peers has finally begun to close, it still remains very significant indeed.[63] Children from disadvantaged backgrounds are out-performed by their peers at every stage of this education system, and the gap gets bigger for older groups of children. The socio-economic gap in health outcomes has grown over the last 20 years.[64]

Why this lack of progress? To some extent, it is a reflection of the strength of the social forces at work – and some of the behavioural factors underpinning them – more than a failure of policy. The way in which poverty manifests itself in poor outcomes is complex. For example, men from working-class backgrounds have a lower life expectancy than their professional counterparts, but much of this gap is explained by the facts that they are less likely to go and see their GP – impacting on cancer detection rates – and more likely to smoke, which increases the incidence of cancer and heart disease.[65] The most significant factors in explaining why children from more affluent backgrounds have better educational outcomes than children living in poverty are related to parental behaviours – for example, the quality of a child's home learning environment and parental aspirations and expectations.[66] While tackling socio-economic inequalities has been an explicit objective of public service reform over the last decade, this objective has had to compete with others such as improving average standards and meeting threshold targets, which arguably have been given higher priority. It could also be argued that public service reform has

not focused enough on these complex behavioural transmission mechanisms that link disadvantage to poor life outcomes.

Significant questions still remain about what type of public service reform agenda might be effective in trying to ameliorate the impacts of poverty and inequality on life chances, particularly the behavioural transmission mechanisms. We argue here that the following would be features of such an agenda.

First, there should be much stronger accountability for closing the socio-economic gap in health, education and employment outcomes across public services.

Second, we need a better evidence base about the effectiveness of particular interventions. There have been promising developments in recent years, for example, the piloting of the Family Nurse Partnership programme in the UK, a programme that works intensively with at-risk mothers in the prenatal stage and for two years after a child's birth to improve parental–child relations and has significant impact on child developmental outcomes. Another example is Reading Recovery, an intensive programme of one-to-one tuition for 6-year-olds who are significantly behind their peers in reading ability.[67]

Third, and related to this, we need a better understanding of what the role of government is in promoting evidence-based interventions that work in local services, particularly in an era of decentralised services.[68]

Fourth, there needs to be more early intervention across education, children and youth services and health care – in other words, more intervention as soon as risk factors for a higher-level need develop. Early, evidence-based intervention has been shown to lead to more effective outcomes and costs for the state.[69] Although there has been a strong policy focus on early intervention – for example, in education in children's services – recent Demos work has shown how it is not widespread in local services up and down the country because of various structural barriers such as siloed budgets and the requirement of upfront investment to save money over a longer timeframe.[70]

Fifth, there should be more 'intelligent' needs-based targeting (as opposed to income- or area-based targeting) in interventions aimed at improving education and health

outcomes. In too many services, targeting is far too blunt although there are incredibly powerful – yet light touch – evidence-based screening tools that can be used to identify individuals in need of extra support and direct them towards evidence-based interventions (for example, the Strengths and Difficulties Questionnaire, a tool for screening children's behavioural development).[71] Parallels can be drawn to medical services, in which diagnostic assessment is used much more effectively. We require a better system of 'triage' in services for children and families, and in public health. Better outreach with low-income households, which are often the hardest to reach, also has to be a key feature.

Sixth, there needs to be better understanding of how the different dimensions of disadvantage and poverty overlap and interact to result in poor outcomes. The Labour government did start to build this understanding into their policy response – for example, the finding that disadvantage in housing and unemployment often interact led to greater involvement of housing associations in welfare-to-work programmes. The analysis commissioned by the Social Exclusion Taskforce on overlap of disadvantage in families led to the Family Pathfinder Pilots, which sought to join up services for families with children spanning different service needs.

The coalition government's approach

It is too early for a proper evaluation of the new coalition government's approach to poverty eradication. The first significant government statement on its policy on child poverty will be the publication of its Child Poverty Strategy by the end of March 2011. The coalition also has two independent reviews: one on poverty and life chances, led by Frank Field MP, which will be reporting in December 2010; and another on early intervention for 0–18-year-olds, led by Graham Allen MP, reporting in early 2011.

However, there has been a fast-paced series of announcements about policy that will unquestionably impact on poverty. The spending review of 2010 set out a series of announcements

that will affect poverty and people's incentives to move into work. Cuts to working tax credit, disability living allowance, council tax benefit and housing benefit will all increase the extent and depth of poverty. Iain Duncan Smith, the Secretary of State for Work and Pensions, has announced that the benefit system will be changed into a 'universal credit' with a simplified, transparent taper rate that allows people to keep more of their benefit as they move into work. Such a reform is welcome – but it is a number of years off and the more immediate impact of the spending review on incentives to move into work will be a reduction in incentives to work, the result of cuts to working tax credit and childcare tax credit.

There are two key themes to the agenda around public service reform in education and health: the liberalisation of public service delivery, with increasing involvement of the private and charitable sectors in delivering services, and more radical decentralisation. It is unclear what impact these will have on mediating the impacts of poverty on outcomes, although the coalition has claimed its flagship reforms of free schools and GP-led commissioning will help to close inequalities in outcome as well as improve the efficiency of public service delivery. The coalition has also announced it is moving to the direct funding of schools through a national schools funding agency, rather than local authorities, and that there will be a 'pupil premium' – an extra amount of per-pupil funding – for every child on a school roll from a disadvantaged background. However, the Institute for Fiscal Studies has argued that the government's proposals on this would *increase* the inequality between schools in deprived areas and schools in non-deprived areas, even if they have the same proportion of pupils from deprived backgrounds.[72] It is also unclear what the pupil premium – and the broader public service reform agenda in education and health – will achieve without a strong focus on holding local services accountable for narrowing the gap in socio-economic outcomes. This may of course be yet to emerge. Cuts to public services announced in the spending review will disproportionately affect people living in poverty, who use services more heavily than their more affluent counterparts.

In summary, it is unclear that the coalition government's public service reform agenda will achieve what 13 years of public service reform under Labour did not – although it is still very early days. In particular, the impact of cuts to public spending – both in welfare and in public services – are likely to have a negative impact on poverty levels and the extent to which it manifests itself in poorer life outcomes.

How has poverty measurement impacted on the policy response since 1997?

It is difficult to measure the extent that poverty measurement has impacted on the nature and efficacy of the policy response to poverty, and it is to some extent a matter of perception. This was therefore an area of key focus for us in the series of expert engagement meetings we ran as part of the project.

There was strong agreement among the experts we met that the high level of consensus that has formulated around the standard income-based measure of poverty (60 per cent of median income) has had an unambiguously efficacious policy response, as it allows lobby groups and academics to hold government to account for levels of poverty. This was contrasted with the situation in the 1980s, when there was no consensus in government about how poverty should be measured, which made it far more difficult to hold government accountable.

There was also unanimous support for the previous government's poverty targets (see box 3), now enshrined in legislation. It was felt that the targets also helped hold the government to account for progress in reducing poverty against a benchmark. More than one expert noted that it took some time and significant lobbying efforts to get the government to develop a fiscal – and broader – strategy for the 2010 target when it was realised that the 2004/05 target was going to be missed and that child poverty had started to rise again (the JRF in particular funded a considerable amount of work in this area[73]). It was felt that this would have been even more difficult without the target.

Although there was a critique of government policy, with many in agreement with our critique above, there was also

recognition of the progress made and it was broadly felt by the experts we spoke to that the consensus around the income measure and the high-profile targets have had a significant impact in focusing government efforts to reduce poverty. But they also felt there was room for a more multi-dimensional household-level measure of poverty or social exclusion produced regularly as a complement to the income-based measure.

Some have criticised the income-based measure of poverty – and its impacts – much more strongly. For example, Tomlinson and Walker's case for a multi-dimensional measure of poverty is instrumental: they argue that measuring poverty using income-based measures is an important reason in explaining the Labour government's failure to meet the child poverty targets, and relate it to their critique of its approach to target policy as focusing too much on work-first employment policies and not enough on improving the quality of employment and benefit levels for those out of work. They are certainly justified in arguing that the efficacy of the policy response can be improved by better understanding how the multiple dimensions of poverty and social exclusion interact and inter-relate. However, many of the flaws they highlight in the policy response – which chime with ours above – are evident using the standard measure of income poverty, so it would be unfair to put the burden of those policy shortcomings on poverty measurement itself.

However, we do argue that there are ways in which we can add to the approaches we currently take to measuring poverty that would help improve the policy response. We return to this analysis and our recommendations in chapter 5, after a consideration of public attitudes towards poverty and poverty measurement in the next chapter.

4 Public views on poverty and poverty measurement

This chapter considers public views on poverty and poverty measurement. Few existing studies on public attitudes to poverty consider the question of multi-dimensional poverty measurement directly, but public attitudes on the nature of poverty itself are instructive on this. We therefore undertook a review of existing qualitative and polling research on public attitudes to poverty and poverty measurement. As part of the project, we also undertook polling of the British public in October 2010 and carried out scoping qualitative workshops with 59 members of the public to better understand public attitudes to measurement of poverty.

Existing qualitative and polling research on public attitudes to poverty and poverty measurement

Public attitudes to poverty

Public support to end poverty is crucial to legitimise action by governments and others to work towards ending poverty in the UK, yet public awareness of the extent of poverty in the UK is low and attitudes to those on low incomes are frequently uncompromising. The 2006 British Social Attitudes Survey found that 55 per cent of respondents thought that there was 'quite a lot' of poverty in Britain and only one in five thought poverty had fallen over the last decade (when it had been falling). Almost half (46 per cent) thought that poverty would increase over the next ten years.[74] Analysis also shows that the most important factor in determining someone's attitude to poverty and beliefs about its causes and solutions are whether or not an individual has had direct experience or contact with it.[75] Those with experience of poverty primarily viewed structural factors as important drivers of poverty while those with no

experience believed that individuals were themselves responsible for poverty.

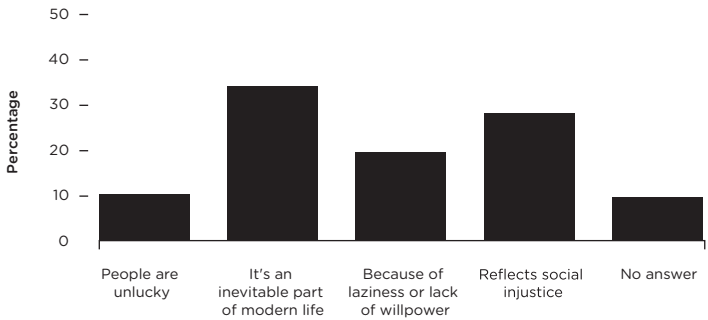
A follow up survey by the Department for Work and Pensions in 2007 asked the same set of questions as the 2006 British Social Attitudes Survey, coming out with very similar results: 41 per cent of respondents thought there was very little real child poverty in Britain today; 53 per cent thought there was quite a lot.[76] Again, most respondents thought that child poverty has increased or stayed the same over the last decade, and most thought it would increase or stay the same over the next ten years.

The 2008 British Social Attitudes Survey found that over a third of the public understands poverty as an inevitable part of life (34 per cent) and just over a quarter (27 per cent) understand poverty as a result of an individual's laziness (figure 6).[77]

The Joseph Rowntree Foundation (JRF) is currently undertaking a major programme of work focused specifically on public attitudes to poverty and the ways in which public support to end poverty can be built.[78] Deliberative research with 12 small discussion groups found that the public widely believes that anyone finding themselves in an abject state does so through choice, bad personal decisions or *exceptional* external circumstances.[79] Research has also found that few have an image of twenty-first-century poverty in the UK and that this could be in part due to the way the media cover poverty: only 13 per cent of 'poverty reports' include the voice of someone who has experienced poverty and a similarly small percentage attempt to communicate an image of living in poverty.[80]

A separate piece of research by the Fabian Society for the JRF, comprising deliberative focus groups with over 100 members of the public and representative polling (over 2000 respondents), found that attitudes towards low income earners are more negative and punitive than attitudes towards those at the 'top': negative stereotypes of benefit recipients are pervasive.[81] Two key drivers of these stereotypes have been recognised. First, a widespread belief about the availability of opportunity in our society resulting in highly individualised explanations of poverty; second, the belief that those on benefits

Figure 6 **Beliefs on reasons for poverty: why do you think there are people in need?**



Source: British Social Attitudes Survey, 2008.

will not make a reciprocal contribution to society in the future, through income tax, for example. Public opinion is clearly a major constraint for those charged with tackling poverty in the UK and efforts to tackle it must focus on changing entrenched and misinformed beliefs about the extent of poverty in the UK today.[82]

These findings have been further bolstered by the work of the Life Chances and Child Poverty Commission (also carried out by the Fabian Society), which carried out deliberative research into public attitudes.[83] In line with many of the findings from the JRF work on poverty, the report concluded that the UK public is uniquely misinformed about the extent of poverty in contemporary society and that this translates into insufficient public consent for the necessary scale of resource required to combat poverty. Some findings of participants' views of poverty included:

- denial of existence of income poverty
- lack of empathy for people living in poverty

- considerable resistance that child poverty is a problem in the UK
- lack of awareness of government efforts to tackle poverty in the UK
- belief that people in poverty fail to take advantage of opportunities available, rather than being simply not able to afford basic services

The deliberative research format allowed these misconceptions to be addressed through the presentation of evidence of the realities of poverty to those who may have denied its very existence, or who found it difficult to empathise with those living in poverty.

A piece of deliberative research in 2009 that focused on the income gap found that participants tended to place themselves in the middle of the income spectrum, despite representing the full range of the socio-economic spectrum.[84] The income gap was perceived as the difference between the 'middle' – themselves – and the 'super-rich' and there was little concern for the gap between the middle and the poor. Yet the authors did find underlying support for measures that address inequalities in life chances. Similar deliberative research found that nobody near to or below the poverty line described themselves as 'poor' or 'living in poverty' but instead wanted to avoid the tag altogether.[85]

What people living in poverty say about their experiences

Historically, the voices of those living in disadvantage have been absent from policy and research. But over the last 10–20 years, more and more work has engaged directly with people living in poverty. Quantitative research, while a very powerful tool in developing a picture of the extent of poverty in the UK, can only present a partial picture of what it means to live in poverty. Qualitative research with people who are experiencing or have experienced poverty in the past can fill in this partial understanding and has the potential to better inform policy making focused on the alleviation of poverty.[86] A wide variety of campaign groups and academics have undertaken qualitative research with people living in poverty including Barnardo's,[87] the

Child Poverty Action Group[88] and the Joseph Rowntree Foundation.[89]

Research by the UK Coalition Against Poverty found that those living in poverty related to not having enough money in order to get by and relative to other people, but saw poverty as much more than this: the feelings of stress and powerlessness, being a second-class citizen and not being able to provide for their children.[90]

The Poverty First Hand project was a key piece of deliberative research involving over 130 participants across 20 different groups, which explored what people experiencing poverty felt about it. Participants believed that being in poverty was an overwhelmingly negative experience and grouped its effects into four main categories: psychological, physical, relational and practical. The identification of relational effects is particularly important as the impact of stigma and exclusion resulting from relational rather than absolute poverty is particularly damaging, but sometimes underplayed. This study also identified a range of issues affecting those in poverty's capacity for good parenting, including the corrosive effects of poverty on relationships between children and parents stemming from the stress and hardship of life, and parents' fear about the effects of poverty on the current quality of life and the future well-being of their children.[91]

The impact of poverty on parenting has also been explored by the Women's Budget Group. Participatory action research with 50 women revealed that mothers living in poverty are frequently concerned about their ability to be financially and emotionally supportive parents to their children.[92] Participants also felt frustration, fears and guilt about not being able to afford small luxuries for their children.

Save the Children and the Children's Society have been integral in the development of innovative qualitative research that engages directly with children in order to better understand their experiences of living in poverty.[93] Their research shows that the experience of poverty permeates every facet of children's lives, and crucially extends well beyond a simple case of economic deprivation to include: material deprivation, measuring lack of

everyday essentials such as food and bedding as well as of toys; social deprivation, as poverty limits children's chances to make and maintain good friendships and participate in social events; educational deprivation, for example, not being able to afford study guides; family tensions; disadvantaged neighbourhoods; and poor housing quality. Research and policies directed towards children can often focus too much on life chances and potential future outcomes, to the detriment of the lives experiences of children in poverty.[94] These forms of qualitative research have gone some way to addressing this imbalance.

Building on this early research, the Children's Society has recently been looking at the measurement of subjective well-being, with a focus on gathering the views and information of young people and the factors they feel affect their own well-being. Researchers asked young people, 'What do you think are the most important things that make for a good life?'[95] The top five responses were: family; friends; leisure; school, education and learning; and behaviour.

Public attitudes to deprivation

The JRF's work on the minimum income standard provides an important insight into public attitudes into deprivation through its consensual budget approach. (For more details on the methodology, see chapter 2.) In this research, all participants perceived an acceptable minimum living standard as more than just 'survival' requirements for food, shelter and clothing. They identified education and health care as key to a minimum provision, two key elements in already-existing multi-dimensional measures of poverty. Social participation was also regarded as an important dimension, being important for emotional well-being and mental health. Choice in all aspects of living was another common theme: as a minimum, people should be able to have some choice over what they eat, wear and do.[96] The research found that the public generally agreed that the definition of someone having an acceptable standard of living was that they could afford to buy the following goods and services: UK holidays, Christmas presents, a basic mobile phone, and – for working age

adults – a computer and internet access. They did not include in this definition being able to afford to buy cars or dishwashers, to take foreign holidays or to pay for a subscription to Sky TV.[97]

Recent research, conducted with the aim of updating the material deprivation in the Family Resources Survey,[98] used a similar 'consensual' research technique to the minimum income standard.[99] The research looked at the views of parents on which material items and services should be considered necessities for families and their children, checking a basket of goods and services to ensure that it reflects contemporary views about what constitute necessities. Researchers defined necessities as those items 'whose absence is likely to cause hardship to families unable to afford them'.[100] The research found that parents value most quality of life factors that affect social relationships within the family, such as an area in the home to eat communal meals other than the sofa, the ability to make short day trips or holidays (UK based), or couples being able to afford a baby-sitter so they can spend time out the home. They valued necessities that affect children's long-term health more than those contributing towards short-term comfort and enjoyment, for example swimming lessons, toys necessary for development, and a bicycle, considered essential for both physical development and recreational participation.

Attitudes towards the need for communication technologies continue to develop: those consulted in the research thought that school age children require a computer in the home, along with internet access. Parents acknowledged that it is becoming harder to live without technologies such as a mobile phone. This contrasts sharply to the 1999 Poverty and Social Exclusion Survey, which found less than 10 per cent of the population thought that a mobile phone, internet access or a dishwasher were necessities. Although the different research methodology (extensive survey compared with small group consensus research) may account for some difference in these findings, it clearly shows how much attitudes to necessities have changed over such a short period of time.[101]

Some other items considered necessities in 2010 included enough bedrooms for children not to have to share with their

parents and for those aged 10 and over not to have to share with the opposite sex; a cooker, washing machine and fridge-freezer; enough money to be able to afford school trips and organised activities in the holidays; and the ability for a family to save around £10 per week, 'for a rainy day'.[102]

Not everybody in each group agreed on the need to have friends over to play or be able to afford hobbies; on the need for a family to have a garden, as a nearby park was considered sufficient; or on the need for a car. Few believed there are items of food or clothing that are both necessary and potentially hard for some families to afford today, as it is now considered socially acceptable to buy food and clothing at low-cost outlets and to choose basic brands.

Qualitative research with the public about what is considered a necessity, such as those items discussed above, add credibility to measures of poverty by embedding them in views of what the public think is needed. Without this public validation, measures can seem random and arbitrary.[103]

Public attitudes on communicating poverty

Research by the UK Coalition Against Poverty (UKCAP) has looked specifically at the issue of communicating poverty and how those actually living in poverty communicate about their experiences. Participants felt that spokespeople for anti-poverty campaigns should include those who have had direct experience of living in poverty and that these spokespeople should deliver positive messages to inspire others to get involved in their cause.[104] The research also highlighted the need for real life stories to increase awareness and help explain the wider, structural causes of poverty. The outcomes of this research have important implications for the development of a multi-dimensional measure of poverty, clearly indicating that although lack of money is clearly an important dimension of living in poverty, it by no means captures the range of problems that people living in poverty face in their everyday lives.

The research found most people believe that poverty is about much more than just money – it also involves lack of

control, fear and embarrassment, and having low expectations. Many emphasised a strong link between poverty and health: 'It's really hard to eat healthily when you've got to do your shopping weekly but get paid fortnightly.'[105]

Participants' initial reaction when asked about whether poverty should be discussed in schools was that it should not be discussed there, because this might have 'dangerous' consequences, with poor children being picked on. But later they came around to recognise the potential benefits of discussing poverty with school children, which included the importance of assessing the aspirations of children from low income families to ensure they do not feel they have to aim low when thinking about their future. Could a discussion of poverty help the causes of bullying?[106]

Fabian Society research also looked into how people respond to evidence of the reality of living in poverty. Stark evidence and statistics on severe hardship were powerful in moving people who were initially sceptical about the realities of poverty, but they were also sceptical about statistics on numbers in poverty, and technical statistical measures generated confusion and resistance.[107] Furthermore, no participants were aware of Blair's pledge to end child poverty in a generation and there was little awareness of government policy designed to reduce poverty. This indicates the importance of and perhaps failure of communication about poverty during Labour's period in government. These are all crucial factors in deciding how to measure poverty and 'sell' the measurement of poverty and action to reduce poverty to the public.[108] The deliberative research process is crucial for an exploration of the kinds of arguments and sources of information that have the greatest impact in engaging the public in these issues. More effort must be made to publicise and communicate strategies and results.

Research focusing more specifically on how to engage public support for eradicating poverty notes that while surveys suggest that public attitudes towards those in poverty are often very negative, when the same people are better informed about the realities of life on a low income, they are much more supportive of measures aimed at reducing poverty. Research also

confirms the power of real-life stories in communicating the extent and realities of poverty in the UK.[109] Although they often lead to surprise, statistics may not prompt such strong emotional responses and can easily be 'brushed off' if they are not linked to more persuasive messages.[110] Further deliberative research conducted by the Joseph Rowntree Foundation found that the very word 'poverty' gives rise to the wrong impressions in a UK context: for many it is associated with international issues and absolute, not relative poverty.

Polling on public attitudes to poverty and poverty measurement

As part of this project, Demos commissioned original representative polling of the UK public. We used an eight question survey, conducted by YouGov, to examine public attitudes towards poverty, whether the public feel that an income-based measure of poverty is adequate, and what the public feel are the most important aspects of living in poverty and how they should be judged. The polling took place online between 1 and 4 October 2010, with a nationally representative sample size of 2061. A full breakdown of polling results can be found in appendix 1.

Nearly two-thirds (65 per cent) of survey respondents thought that 20 per cent or less of the population currently live in poverty, indicating that the public slightly underestimates the extent of poverty in the UK (in 2008/09, 22 per cent of the population were defined as being in poverty). Just over two-thirds (67 per cent) of respondents thought that over the past 10 years poverty in the UK had increased, with less than one in five (16 per cent) thinking that poverty had decreased. In reality, poverty has fallen over the last ten years (but risen over the last five) indicating that the public are not well informed about the success of the Labour government in reducing levels of poverty during their first and second terms.[111]

Unemployed respondents were the most likely (35 per cent) and students the least likely (11 per cent) to think that poverty has increased a lot over the last 10 years. Students were the most likely to think that poverty had decreased (26 per cent) over the

last 10 years. Just over two-thirds (67 per cent) of respondents think that over the next 10 years poverty will increase in the UK, with just over one-quarter (27 per cent) thinking that it will increase a lot. Younger respondents were more optimistic than older respondents about future poverty trends, with 21 per cent of 18–24-year-olds believing that poverty will decrease over the next ten years, compared with only 9 per cent of those aged 55 and over.

There is some evidence of a north–south divide over attitudes to poverty. One in five (20 per cent) respondents from London thought the correct poverty threshold for a couple with no children (measured in post-tax and benefits income) was less than £17,000 a year, compared with just over one in ten (13 per cent) of those living in the north of England. A couple with no children with a post-tax and benefits income of less than £12,668 per year would have been living in poverty in 2008/09 (on the 60 per cent of median income measure), indicating that those in London believe that the poverty line is higher than those in the north.

The polling results show that although people support the government's role in helping those on low incomes, they also believe that people should not *rely* on the government for this support: 65 per cent of respondents thought that 'the government should be there for people when they need help, but they must take responsibility for themselves too'. Only 12 per cent thought that it is 'the government's responsibility to look after people who can't look after themselves' and 19 per cent that 'too much help from the government undermines people's responsibility to look after themselves'.

Respondents from Northern Ireland were much more likely to think that 'too much help from the government undermines people's responsibility to look after themselves', with 29 per cent agreeing most with this statement compared with 19 per cent of respondents overall; those in Scotland were least likely (14 per cent) to agree most with this statement. Those not working were most likely to agree that it was 'the government's responsibility to look after people who can't look after themselves' (21 per cent) compared with 11 per cent of all those in work who agreed.

The survey found that the three most powerful statements to use to increase awareness of issues surrounding poverty in the UK were:

- A family in poverty cannot afford the cost of a coat for their child, so the child will go without during the winter months (27 per cent thought this was the most powerful).
- Today, 30 per cent of children in the UK are living in poverty (23 per cent thought this was the most powerful).
- In England, around one in five people live in poverty (15 per cent thought this was the most powerful).

The two statements chosen by the fewest respondents, thus indicating that they are not effective statements for increasing awareness, were:

- One in ten lone parents can't afford to buy presents for birthdays and religious holidays (3 per cent thought this was the most powerful).
- Between 1998/99 and 2005/06, the level of absolute child poverty fell by 1.8 million children (2 per cent thought this was the most powerful).

Those in the north east of the UK (17 per cent) were more likely to find the statement 'A boy growing up in Manchester today can expect to live seven years less than a boy growing up in Barnet, north London' the most powerful statement to use to increase awareness of issues surrounding poverty than those living in London (8 per cent). Women (30 per cent) were slightly more likely than men (24 per cent) to find the statement 'A family in poverty cannot afford the cost of a coat for their child, so the child will go without during the winter months' the most powerful. Almost one in three respondents (30 per cent) with three or more children in their household found the statement 'Today, 30 per cent of children in the UK are living in poverty' compared with just over one in five respondents with no children.

More people disagreed (48 per cent) than agreed (30 per cent) that it is adequate to measure poverty solely by assessing household income.

We also asked respondents which three out of a range of indicators they thought were *most* important in determining whether or not someone is living in poverty. The top three indicators were:

- income (69 per cent)
- housing quality (66 per cent)
- finance and debts (55 per cent)

Three other important indicators chosen were:

- health (27 per cent)
- ownership of necessities (eg TV, waterproof jacket) (23 per cent)
- level of education (14 per cent)

Few respondents felt that free time (2 per cent), social networks and support (5 per cent) or access to local services (9 per cent) were important in determining whether or not someone is living in poverty. Respondents from Scotland were more likely (74 per cent) to choose housing quality as one of the three most important indicators of poverty than those in London (59 per cent). Almost half (42 per cent) of respondents in Northern Ireland felt that ownership of necessities was important in determining whether someone lives in poverty, compared with only 15 per cent in the south west of England; students (18 per cent) were also less materialistic than the unemployed (31 per cent). Younger people (57 per cent) were less likely to believe that income was one of the most important factors compared with those aged 35 and over (71 per cent).

Scoping qualitative workshops with the public

As part of the scoping project we held two qualitative workshops that brought together 59 members of the public from across

London in order to discuss their views and opinions on poverty. We recruited participants professionally to ensure a diverse mix of ethnic backgrounds, age, socio-economic status, marital status and number of children. We held two separate workshops at Demos, central London, on 21 and 28 October 2010, with groups of 29 and 30 people. We paid participants an incentive at the end of the session.

We structured the workshops as follows:

- We took a straw poll at the start of the session asking participants about their opinions of UK poverty trends and measurement.
- Then we gave a short presentation including a basic introduction to poverty in the UK, standard systems of measurement, some facts, figures and trends, and a summary of the causes and effects of poverty.
- There were three small group discussions about general attitudes to poverty and a second straw poll asking about the seriousness of poverty in the UK and the role of the government in helping those on low incomes.
- Participants discussed different statements used for communicating poverty and voted on which statement was the most powerful.
- We then gave another short presentation, covering poverty measurement in the UK, Mexico and Bhutan.
- Groups then broke off again to discuss the merits of the three systems and then we asked them to design their own measures of poverty, noting down the different dimensions that they wanted to include.
- The session closed with a vote on who would include which dimensions (from a pre-determined list) in their personal measures of poverty and returned to the questions asked at the beginning of the session.

Our findings are outlined below. It should be noted that this is qualitative research and so is not statistically representative of the UK population as a whole. Therefore, although we give indications of the strength of particular views throughout the

analysis, this is to give a flavour of the workshops rather than to provide analysis from which implications can be drawn about how the views of the whole population break down.

Attitudes to poverty

Previous research on public attitudes to poverty has suggested that few people have an accurate image of twenty-first-century poverty in the UK.[112] However, there was consensus among participants in the deliberative workshops that poverty is a serious issue in the UK, and not something that is only applicable to the less developed world. Yet a minority did still have some difficulty in conceptualising poverty in a UK context:

I find it difficult to equate those living in poverty in the UK with those in other countries. Is it really that bad?

Yet others felt reluctant to draw any kind of distinction between poverty in the UK and elsewhere:

What's the difference between a city worker walking past a tramp in an underpass on his way to Waterloo compared to businessmen walking past beggars in Delhi?

Participants also agreed that tackling poverty is important, recognising the negative impacts that poverty can have on individuals and society:

Ending poverty is an investment for the future: it can pay for pensions.

They identified individual impacts, including feelings of exclusion and stigma that result from not having much money and the ease with which this can lead to depression and crimes of desperation.

Defining poverty

We presented participants with Peter Townsend's definition of poverty and asked what they thought of it. We also asked them about their opinions on defining poverty relative to others, rather than in absolute terms. This is Townsend's definition of poverty:

[People are in poverty when they live with] resources that are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns, customs and activities.[113]

Concerns about the definition included that it was not specific enough as it did not include a poverty line or cut-off point. Many thought that the definition was too materialistic, only focusing on money and material goods, pointing out that other factors such as living patterns and customs are as important. Other participants were concerned that attempting to define poverty at all is a pointless exercise as everybody's experience of poverty is unique and that those in poverty are not a homogeneous group:

The definition is deeply flawed because how do you define the average person?

What did people think about defining poverty in relative terms? Participants generally accepted the notion of defining poverty in relation to others in society but there was some disagreement about the best way to measure poverty:

Relative is the best way forward.

Poverty should be measured in absolute terms.

In general, most thought that it is necessary to think about and measure poverty in both relative and absolute terms, taking into account the ability to clothe and feed oneself, for example, but also the ability to effectively partake in society:

Poverty isn't just about not having much money: think of the social isolation of struggling single mothers.

When asked to consider the 60 per cent of median income measure of poverty, a number of participants voiced concern that the cut-off was quite random and that people either side of the line, with very similar incomes, would be treated very differently: one being classed as living in poverty and one not. Many participants were concerned that relative poverty depends on place, as there is so much variation within the UK. In one group there was a consensus that being poor in Peckham was quite different from being poor in Richmond, with people believing that individuals' experience of relative poverty in each of the two areas are distinctly different.

Attitudes to poverty: why are people in poverty?

We asked participants why they thought people in the UK live in poverty and identified a wide range of factors, both structural (eg low wages, low pensions, poor education) and personal (eg irresponsible with money).

Structural reasons identified as causing poverty included:

- low income:

There's a guy I know… collects bins. Works 40 hours a week and gets £12k. It's unfair.

- poor education and divisive school system
- poor labour market opportunities
- low pensions
- benefits being too low:

I know some people that claim benefits, some struggle to feed themselves. Don't have enough cash to eat.

- benefits being too high; life on the minimum wage is worse than a life on benefits:

Benefits are nothing to be ashamed of anymore.

- cheap credit
- lack of access to credit
- poor uptake of services
- postcode lottery of health services
- poor quality housing

Personal reasons included:

- families with too many children
- children being born into cycles of poverty
- loss of respect in society for education
- poor financial management and lack of responsibility:

Some people who have no money spend money they don't have on things they shouldn't.

I know a single mum who chose to live in poverty. She couldn't manage her finances. She was given extra money… but didn't use it right and so continued to live with her kids in poverty.

Some people just live for the day – and spend their money on alcohol. That is not poverty, that is being irresponsible.

- poor parenting

There was a surprising level of support for the potential impacts on poverty of a family having too many children, with younger and older participants agreeing on a practical level that if a family cannot afford to have more children, then they should not have more children. However, other personal attitudes towards those living in poverty provoked disagreement. A small number of participants purported that some poverty is self-inflicted:

Some people choose to lead a poor lifestyle.

but this view was quickly challenged. These personal reasons, largely punitive in nature, were not as pervasive as those

found in other similar research investigating public attitudes to poverty. The Joseph Rowntree Foundation, for example, argues that 'public… attitudes are often harshly judgemental of those on low incomes'. While there were some judgemental attitudes, this was by no means the overarching narrative.

To what extent did participants agree on the importance of specific structural and societal factors in influencing poverty? There was little debate on the importance of education and, specifically, access to good educational services, but more discussion when it was suggested that other factors had an impact on poverty. Low income was one of these factors. Most participants understood the realities of in-work poverty, especially for single parent families:

Single mums can't afford to look after their kids.

However, a number of participants continued to deny the existence of in-work poverty, a finding also identified in the research by the Fabian Society's Life Chances and Child Poverty Commission. For example, some insisted that those earning a low wage could and should get more work:

People just need to get another job.

Despite some disagreement about in-work poverty, there was strong consensus that we need a higher minimum wage, or a living wage. The role of credit in influencing poverty provoked some interesting debate as both the availability of and lack of access to credit and banking services were considered causes of poverty. Participants recognised the potential for easy access to cheap credit to pull the poorest families into spiralling debts. One participant described the example of parents borrowing from a loan shark in order to afford birthday presents for their children and not managing to keep up with the interest payments:

These things become a life sentence.

Unmanageable debts taken on through unaffordable mortgages were also seen as having the potential to result in poverty. Yet at the same time, participants identified the impacts of not being able to access credit as factors that might influence poverty: those on low incomes and with poor credit ratings are often denied direct debit accounts for utility bills, for example, and end up paying higher tariffs, potentially leading to fuel poverty.

Participants demonstrated that they were well informed about the multiple drivers of poverty and recognised that poverty is about more than not having enough money. There was also a general agreement across the groups that it is impossible to distinguish between societal and personal reasons why people live in poverty:

It varies from person to person; from area to area.

Attitudes to government support

Similar attitudes to those found in the polling towards government support for people on low incomes came out across the deliberative sessions: most agreed that benefits are crucial for those who need them, but that the system is open to abuse.

Most participants supported a policy that would place an obligation on those receiving government support who did not work to be involved in voluntary or community work – that benefits should be, to some extent, contingent on lifestyle choice (a proposal recently announced by the government):

If you are on benefits, then you should… do voluntary work to alleviate the poverty of the mind.

There was also widespread frustration about the structure of the welfare system, in particular the fact that state benefits do not provide good enough incentives for those receiving them to seek employment:

People get benefits but they're not actually encouraged to work.

Participants also widely agreed that the current system has institutionalised the receipt of benefits as being perfectly acceptable and has removed any stigma previously attached to receiving them. One participant who had been on income support in the past explained how it was easier than working while another noted how he wanted and needed to go back to work, but that if he did so he would lose his pension credit and therefore is better off *not* working. Participants agreed that without being sure that you will be better off working, it is unlikely you will choose to come off benefits.

Participants believed that in order to tackle poverty, the government must focus on more than raising incomes and aim to raise opportunities (through improving education and labour market opportunities) so that people gain the necessary skills to be able to escape poverty by themselves. This perception mirrors the conclusions of a number of academics working in the field. Work by Donald Hirsch, for example, has shown that long-term strategies to end child poverty need to focus on more than raising incomes, and instead on addressing poor educational and health outcomes and labour market inequalities.[114]

There was some, but not universal support for the idea of food tokens, or vouchers specifically to be spent on heating, for example. Reference was made to a system in another country where those who can must work in order to receive benefits, but those working in low paid jobs receive benefits in order to 'top-up' their salary to ensure a decent standard of living. Participants were very supportive of this system.

Communicating poverty

Building support among the general public for efforts to reduce poverty is key to designing and implementing effective policies. But what sorts of messages are effective at communicating the realities of poverty in the UK? We showed participants at the deliberative sessions the same list of statements as those used in the polling (see appendix 1 for the full list of statements) and asked them to discuss which they found powerful and why. Initially, many found the first statement about a winter coat ('A

family in poverty cannot afford the cost of a coat for their child, so the child will go without during the winter months') very powerful:

[It is the] most powerful because clothing is so fundamental.

The visual and everyday nature of the statement was considered by some as something that everyone could relate to and therefore a powerful message for increasing awareness of the realities of living in poverty. But after some thought, most participants began to question the validity of the statement, insisting that today everybody can afford to buy a coat, whether it be from a charity shop, Primark or other discount stores. There was consensus that this statement may have been realistic when thinking about poverty in 1930, but not in 2010. These attitudes are reflected in recent research for the Department for Work and Pensions, which looked at what families consider necessities for their households and what necessities some families might struggle to afford. There were almost no items of clothing that were considered both a necessity and potentially difficult for some people to afford: shopping at discount or charity shops was considered socially acceptable.[115]

Similar consensus was reached over the statement about families not being able to afford presents ('One in ten lone parents can't afford to buy presents for birthdays and religious holidays'). Participants agreed that even those in poverty would be able to afford a cheap present that is still meaningful and that going without presents does not necessarily imply that you are in poverty:

The statement is too materialistic and not that compelling.

Only one in ten survey respondents thought that the statement 'A boy growing up in Manchester today can expect to live seven years less than a boy growing up in Barnet, North London' was the most powerful, and this was reflected in the deliberative sessions. Aside from questioning the accuracy of the statement (for example, pointing out that stark differences exist

across Manchester), most participants were not surprised that life expectancy varies from place to place and therefore did not find the statement compelling. However, a minority did find this statement powerful:

Affluence [and life expectancy] being environmentally dependent is a shocking image.

We presented participants at the second deliberative session with an extra statement, which was not included in the polling, detailing the difference in life expectancy between those living in Westminster and those living in Canning Town. Discussion around this statement proved similar to the previous statement as participants again questioned the relationship between life expectancy and poverty, proposing that life expectancy depends more on lifestyle:

Junk food, cigarettes and booze are expensive. If you are buying these then financial poverty is unlikely.

I think it's absolute rubbish. It's not about the area you live in.

There was some discussion of cultural poverty and the ways in which different cultural habits might be associated with poverty, but in general neither statement about variations in life expectancy was considered particularly powerful.

Only 8 per cent of individuals in our poll thought that the statement 'By the age of six a less able child from a rich family is likely to have overtaken an able child born into a poor family' was the most powerful statement. Views about the power of this statement at the deliberative sessions were mixed. One group considered the statement powerful when they thought about the potential loss of contribution to society from those children who are not able to realise their potential. But others disagreed and were not certain that educational attainment was necessarily directly related to poverty. It was thought that the statement might be an oversimplification of a complex issue and that it might wrongly suggest that educational performance and grades

are all that matter, to the detriment of those pupils who don't do well at school, but thrive at university:

What about the state school kids who do worse at school but then go on to overtake private school kids at university?

Turning the statement around, one participant thought that going through a bad school and having to work for oneself could lead to a better work ethic later in life. However, a minority did find this statement powerful when they considered the fact that children from a rich family have more resources and can afford more books, for example, which will then impact positively on their development.

The three statements covering statistics relating to poverty provoked mixed reactions in both the polling results and the deliberative sessions. The two statements covering percentages of the UK population currently living in poverty were seen as powerful, in particular the extent of child poverty (30 per cent) in the UK population: many participants had no idea that it was so extensive:

It's a pretty damning indictment… if we're the fifth biggest economy in the world but we leave 30 per cent of our children in poverty.

30 per cent is a huge percentage and that's the future of England.

However, not all participants found these statements powerful. Some did not believe that the figures were accurate. One distrusted the stats because they are based on what was perceived as a weak definition. In general, most powerful were those punchy statements that were also able to deliver some kind of visual message that everyone can relate to. It was agreed that the most powerful statements would combine statistics with some sort of human element, as visualising the issue was considered paramount to effective communication and harnessing attention. These conclusions are similar to those drawn from similar research investigating how best to communicate the realities of poverty to the public. For example,

the UK Coalition Against Poverty's report on communicating poverty highlighted the need for personal experiences of poverty to be linked to explanations of its wider, structural causes in order to communicate the realities of poverty in the UK to the public effectively.[116]

Measuring poverty

When asked to vote, the vast majority of participants (9 in 10) indicated that they did not think it was adequate to measure poverty by income alone. In order to penetrate these attitudes more deeply and assess what participants thought about different ways of measuring poverty, we presented them with three different examples of poverty measurement, from the UK, Mexico and Bhutan. We explained the way in which we measure child poverty in the UK (the combination of income-based and material deprivation measures). We described the multi-dimensional nature of the measure in Mexico and gave examples of the indicators given (including quality of housing, access to health care etc). Similarly for Bhutan, we presented participants with the different dimensions that make up index of Gross National Happiness (eg psychological well-being, ecology etc). Then we asked them to discuss the strengths and weaknesses of each system of measurement.

Before discussing the particulars of the different measures, we asked participants whether they thought that it was necessary to measure poverty at all. There was universal agreement that poverty should be measured if we are trying to do something about it. Respondents thought it was beneficial for society as a whole to measure poverty in order to reduce it:

By raising the worst off, we are raising the whole country.

There were, however, some concerns that monitoring can become too sophisticated and overcomplicated when, sometimes, poverty depends on the choices individuals make. Furthermore, the difficulty of measuring poverty objectively and determining a baseline standard was raised.

What did people make of the way in which we measure poverty in the UK? Compared with methods of measuring poverty in Mexico or Bhutan, participants were concerned that the system is too focused on money and material items. While clearly recognising that income is of the utmost importance when measuring poverty, when compared with the other systems of measurement, participants could see shortcomings of a system that does not measure any other factors apart from what someone earns and what they can afford to buy.

There was a great deal of debate and disagreement over the measurement of material deprivation. When considering specific indicators of material deprivation (questions asked on the Family Resources Survey[117]), although some agreed that if you are having trouble affording some of the activities listed then you might be living in poverty, most participants did not believe that all the items asked about in the survey were necessities. There was consensus that being able to afford the necessities such as a fridge and paying utility bills is important, but not being able to afford a hobby, for example, was not widely considered an indication of poverty. One participant suggested that not being able to afford a hobby would lead to social deprivation, but others argued that you can always afford to go running down the road or kick a football down the street. Participants thought that not being able to afford a holiday was not an indication of poverty:

A lot of people don't have holidays.

Some years I might not be able to afford a holiday, but that doesn't necessarily means I'm in poverty.

There was an overarching feeling that the UK system is too materialistic:

Whilst material stuff is important, it isn't everything. Life isn't all about presents and school trips.

There was a great deal of support for the Mexican multi-dimensional approach, in particular its multi-dimensional nature

and focus on quality of life rather than material measures, such as level of education and access to social security. Other standout indicators included access to health care, quality of housing and basic housing services. Participants identified a number of disadvantages with the Mexican system, including the difficulty in measuring such a wide variety of dimensions and the impracticability of applying some of them (such as access to cooking fuel) to measurement in the UK. Although participants agreed that different countries need different systems of measurement, there was a strong consensus that much can be learnt from the Mexican system.

Participants were also fairly receptive to the Bhutanese Gross National Happiness Index, despite concerns that it was not that applicable to our culture in the UK:

It's a really interesting way of looking at it: defines poverty in a totally different way… it's not financial, but about poverty of the mind… how you feel is really important.

I think its brilliant – it's about people's attitudes – that's life, that's a good way to look at things… there are plenty of positive attitudes in poor areas.

Breaking the link between wealth and happiness and moving away from solely materialistic measurement was considered key to the index:

You could live a shorter life, with less money, but if you're happy then surely this is OK?

But some were not so taken with this system of measurement:

Well-being is green and lovely but has nothing to do with poverty.

Dimensions that covered living standards and quality of life were considered good indicators for measuring poverty. These included good governance, ecology, mental health, time use and psychological well-being:

How someone feels can show their path for the future. If someone doesn't have confidence… this could affect their trajectory for the future and could be an indicator of a life that might fall into poverty.

There was disagreement over the subjective nature of the index. Some saw this as potentially problematic, leading to an overcomplicated system of measurement, while others liked the process of asking people how they actually feel about themselves:

If they feel good about themselves, they'll pass that on to the kids.

There was some disagreement over whether the index is too idealistic and whether or not it is applicable to the UK, given the Buddhist traditions of Bhutanese society, but looking solely at the dimensions measured to make up the index, there was consensus that this was a better way to measure poverty than we currently use in the UK.

When asked to vote in a straw poll on which system of measurement they thought was best, in both sessions an overwhelming majority of participants chose Mexico as their preferred example. Many commented that in an ideal world they would have chosen Bhutan, but that the dimensions were simply too far removed from our society.

Designing a multi-dimensional measure

We asked participants at each table at the deliberative events to design their own measure of poverty, noting down the different dimensions that they would include in their measure. Out of the six tables, all included a number of similar dimensions: income, access to education and housing quality. Participants on at least four tables agreed on access to health care, basic material necessities and levels of debt. Other dimensions that participants at some, but not all, tables chose included number of children, health (physical and mental), amount of leisure time, quality of local environment, social networks and support, access to technology (eg computer, mobile phone, internet), access to banking

services and access to leisure facilities. They discussed but did not agree on other dimensions, including access to further education, levels of crime, family values and outgoings.

There was much debate around whether to include basic material necessities as an indicator of poverty and what specific items should be included. Discussion was especially divided about what constituted basic technological needs. Unsurprisingly, younger participants were more likely to believe that households in 2010 require a computer and internet access and that a mobile phone is a material necessity. Older participants were less likely to stress the need for these items and argued that having internet access at the local library, for example, is sufficient. This debate mirrors the conclusions drawn in recent research for the Department for Work and Pensions, which looked at what parents considered necessities for their children: parents agreed that school age children require a computer in the home, along with internet access, and that it is becoming progressively more difficult to live without these technologies, including a mobile phone.[118]

Despite only 9 per cent of polling respondents indicating they thought access to local services one of the three most important factors in a measure of poverty, after deliberation, every group chose to place access to some form of services, be it health or education, on their list of indicators when designing their multi-dimensional measure of poverty.

5 How should we measure poverty in the UK? Conclusions and recommendations

We have argued that in order to consider how poverty is best measured in the UK we need to consider a broader set of questions, discussed in this report, about:

- the nature and definition of poverty itself, and its related concepts of deprivation and exclusion
- the normative case for eradication of poverty
- the UK policy context: the efficacy of the poverty response here, and how poverty measurement might impact on it
- public attitudes to poverty and poverty measurement

We now return to the issue of measurement itself – and in particular, how measurement might build our understanding of poverty and improve the efficacy of the policy response. Although we have argued that the valid critique that has been made of Labour's approach to poverty reduction cannot be wholly attributed to issues of poverty measurement, there are ways in which we can add to the way in which we measure poverty that would help improve the policy response.

One-off analyses of the multi-dimensional nature of social exclusion have helped to improve our understanding of how the various dimensions of poverty and disadvantage overlap and interact, and have had an impact on the policy response, helping central and local government tailor services to the needs of local people (see examples above). There is a good case that this type of analysis needs to be carried out regularly, particularly as we have a new and rich data source in the new survey Understanding Society (USoc). This will allow us to track interaction and overlap over time. USoc will also allow this analysis to be broken down at the regional level, which will be crucial in

understanding the different nature of multi-dimensional disadvantage in different regions of the country. We therefore recommend that the government commissions this analysis annually. We have also worked in partnership with the National Centre for Social Research (NatCen) to set out a proposed methodology, which Demos and NatCen will jointly seek funding to implement. The methodology is set out in appendix 2.

To return to the summative vs formative assessment analogy drawn in chapter 2, a regular multi-dimensional indicator as outlined above would help to improve policy making to combat poverty. However, there are still gaps that remain to be filled. For example, there are poor data on some of the transmission mechanisms through which poverty impacts on poor life outcomes; as noted above, the data on child development – and factors impacting on child development – are particularly poor because it has not been measured regularly. There needs to be a new national indictor set that draws together annual measurements of the key transmission indicators, based on a theoretical framework and empirical evidence about which transmission indicators are most important. This would allow us to draw on existing rich data about the significance of various transmission mechanisms (for example, from the cohort studies) and to track how policy is impacting on indicators that are key predictors of social mobility in a consistent way. It would represent a significant advance in tracking the success of policy to improve social mobility.

This will require some new data collection in addition to drawing together new data in an annual indicator set. This recommendation chimes with the thinking of the independent Field review into poverty and life chances, which is due to report by the end of 2010 and is likely to recommend an annual 'Life Chances Index' to track children's life chances.

Another measurement gap is in providing local practitioners with diagnostic assessment or screening tools that empower them to direct service users to the services most appropriate for their needs. This could be very powerful in supporting local government and local services in tackling the ill effects of poverty at the local level. A key example of where this

could be effective is in children and family services, to support an early intervention approach, as set out in Sodha and Margo, a recent Demos report about children and family services.[119] This set out the case for a universal, light-touch and evidence-based screening tool to be used by professionals (for example, health visitors and early years professionals) working with children and families to direct families that need extra support to those services. This would address the fact that while the government's Healthy Child Programme includes universal screening and assessment as one of its core functions, it is very focused on medical and physical screening at the expense of broader forms of development. This is despite the existence of very effective and light-touch diagnostic assessment tools, for example to identify the existence of post-natal development in mothers and behavioural development in children.

We therefore recommend that a third new measurement should take the form of a practical universal assessment tool as set out in this report. This would be a streamlined, common and light-touch assessment tool that makes use of evidence-based and validated assessment tools, building on epidemiological tools already in the field such as Dartington Social Research Unit's Common Language tool.[120] It would span education, health and social service needs and cover physical development, emotional and behavioural development, cognitive development, linguistic development, attachment and bonding in the early years, and temperament. It would also screen for literacy and numeracy difficulties one and two years after starting school respectively.

This report therefore recommends the following approach to poverty measurement in the UK:

- We should keep the standard definition of income poverty of 60 per cent of median income. Although in many ways this is an arbitrary threshold, there is too much consensus around it to stop using it altogether. In addition, its simplicity brings the benefits of relative transparency and easy application to data.
- There is the need for an annual, multi-dimensional analysis of household-level poverty and social exclusion. This should be based on Understanding Society (and supported through

analysis of other datasets where necessary). It should take the Bristol Social Exclusion Matrix as its theoretical starting point, but build on further qualitative work with those with experience of poverty to design the indicator. This analysis should track annually the depth of deprivation in the UK at a household level, and the overlap and interaction between different dimensions of disadvantage. We have worked in partnership with NatCen, which has set out a proposed methodology for this measure (see appendix 2). Demos and NatCen will seek joint funding to undertake this analysis annually.

- There is also a need for an annual indicator set that tracks progress on the key transmission mechanisms through which poverty impacts on life chances. This indicator set needs to be based on a theoretical framework and empirical evidence about the relative importance of transmission indicators. This will require new data collection for transmission indicators that are currently poorly tracked – for example, children's behavioural development and the quality of their home learning environment. It will enable government to track how policy is impacting on the key predictors of social mobility.
- The government should develop an evidence-based, light-touch universal screening for children to support local services in identifying children and families in need of extra support and directing them to those services, as set out above.

Appendix 1 Results of YouGov polling commissioned by Demos on public attitudes to poverty and poverty measurement

Question	Total	Gender		Age			
	All UK adults (2061)	Male	Female	18–24	25–34	35–44	45–54
Approximately, what percentage of people in the UK do you think currently live in poverty?							
5%	12%	16%	9%	16%	10%	11%	13%
10%	18%	21%	15%	19%	23%	18%	17%
15%	19%	21%	17%	19%	19%	18%	16%
20%	16%	14%	17%	13%	19%	17%	17%
25%	8%	8%	9%	9%	6%	10%	7%
30%	9%	7%	10%	8%	7%	11%	10%
More than 30%	13%	9%	17%	12%	12%	12%	16%
Don't know	5%	4%	6%	3%	4%	5%	4%
Over the last 10 years, do you think that the number of people living in poverty in the UK has increased, decreased or stayed the same?							
Increased a lot	20%	19%	21%	17%	13%	24%	21%
Increased a little	47%	47%	47%	47%	50%	45%	45%
Stayed the same	14%	14%	14%	12%	17%	15%	13%
Decreased a little	12%	13%	11%	16%	15%	9%	13%
Decreased a lot	4%	5%	3%	5%	2%	4%	4%
Don't know	4%	3%	4%	3%	3%	4%	3%
Over the next 10 years, do you think that the number of people living in poverty in the UK will increase, decrease or stay the same?							
Increase a lot	27%	28%	26%	15%	18%	31%	30%
Increase a little	40%	41%	39%	40%	45%	40%	39%
Stay the same	16%	15%	17%	17%	20%	15%	16%
Decrease a little	10%	10%	11%	17%	10%	10%	11%
Decrease a lot	1%	2%	1%	4%	1%	1%	1%
Don't know	5%	3%	6%	7%	6%	4%	3%

	Social grade		Region							
55+	ABC1	C2DE	North	Mid-lands	East	Lon-don	South	Wales	Scot-land	Northern Ireland
13%	13%	12%	12%	12%	14%	15%	11%	11%	8%	21%
16%	20%	16%	19%	17%	22%	16%	21%	15%	14%	11%
20%	19%	19%	17%	20%	20%	15%	20%	21%	19%	27%
15%	19%	13%	18%	12%	15%	19%	18%	16%	13%	10%
9%	7%	10%	7%	8%	6%	6%	10%	17%	12%	1%
8%	8%	10%	9%	11%	6%	10%	7%	8%	11%	11%
13%	10%	17%	16%	14%	12%	12%	9%	11%	17%	14%
6%	5%	5%	4%	6%	4%	7%	5%	3%	6%	6%
21%	17%	22%	18%	21%	18%	21%	22%	16%	16%	26%
47%	48%	46%	46%	46%	44%	46%	46%	48%	53%	50%
14%	16%	13%	15%	14%	18%	14%	15%	12%	12%	9%
10%	12%	12%	14%	8%	14%	12%	12%	13%	12%	8%
4%	4%	4%	5%	5%	5%	3%	2%	4%	1%	2%
4%	3%	4%	2%	5%	2%	4%	3%	7%	5%	5%
33%	27%	28%	30%	29%	26%	25%	24%	18%	35%	29%
38%	40%	40%	41%	43%	37%	36%	42%	47%	31%	38%
16%	18%	15%	14%	14%	18%	19%	18%	16%	16%	18%
8%	10%	11%	9%	8%	14%	12%	11%	10%	13%	8%
1%	1%	2%	1%	1%	2%	1%	1%	3%	1%	2%
4%	4%	5%	4%	5%	4%	7%	3%	7%	4%	5%

Appendix 1 Results of YouGov polling

Question	Total	Gender		Age			
	All UK adults (2061)	Male	Female	18–24	25–34	35–44	45–54
To what extent do you agree or disagree with the following statement? –							
Measuring poverty solely based on someone's household income is an adequate way of doing so							
Strongly agree	6%	7%	5%	4%	4%	9%	6%
Agree	24%	24%	24%	20%	23%	23%	25%
Neither agree nor disagree	17%	17%	18%	16%	18%	15%	20%
Disagree	37%	37%	38%	36%	41%	33%	40%
Strongly disagree	11%	12%	9%	15%	9%	13%	8%
Don't know	5%	4%	6%	9%	5%	7%	1%
Which ONE of the following do you think is the correct definition of poverty?							
A couple with no children with a post-tax and benefits income of less than £17,000 a year	14%	15%	12%	9%	14%	15%	17%
A couple with no children with a post-tax and benefits income of less than £13,000 a year	25%	25%	24%	23%	27%	27%	21%
A couple with no children with a post-tax and benefits income of less than £9,000 a year	45%	43%	47%	45%	43%	39%	45%
Don't know	17%	16%	17%	23%	17%	18%	17%

	Social grade		Region							
55+	ABC1	C2DE	North	Mid-lands	East	Lon-don	South	Wales	Scot-land	Northern Ireland
6%	6%	6%	5%	6%	9%	4%	5%	12%	6%	10%
25%	23%	24%	25%	26%	23%	24%	25%	10%	23%	19%
17%	15%	20%	15%	21%	17%	18%	17%	26%	13%	14%
37%	41%	33%	40%	29%	37%	33%	38%	35%	49%	44%
10%	11%	11%	12%	11%	10%	13%	11%	10%	7%	7%
4%	4%	6%	3%	7%	4%	9%	3%	7%	2%	5%
13%	15%	12%	13%	13%	11%	20%	12%	15%	16%	7%
25%	26%	22%	26%	21%	28%	23%	24%	22%	28%	26%
49%	44%	46%	46%	45%	42%	40%	51%	44%	42%	46%
13%	14%	19%	16%	21%	19%	17%	13%	19%	14%	21%

Question	Total	Gender		Age			
	All UK adults (2061)	Male	Female	18–24	25–34	35–44	45–54
Which three, if any, of the following do you think are MOST important in determining whether or not someone is living in poverty? (Please tick up to three answers)							
Finance and debts	55%	56%	54%	51%	52%	55%	55%
Income	69%	70%	68%	57%	67%	72%	71%
Housing quality	66%	62%	69%	60%	67%	67%	68%
Health	27%	29%	26%	28%	26%	27%	28%
Amount of free time	2%	2%	1%	3%	2%	2%	2%
Social networks and support	5%	5%	4%	3%	2%	4%	6%
Ownership of necessities (eg TV, waterproof jacket etc)	23%	21%	25%	21%	30%	27%	21%
Access to local services (eg hospitals etc)	9%	10%	8%	16%	10%	9%	8%
Criminal record	3%	4%	3%	3%	2%	3%	3%
Civic engagement/ activism (eg written a letter to a newspaper/ MP; taken part in a political campaign)	0%	1%	0%	1%	0%	1%	0%
Level of education	14%	14%	14%	16%	12%	13%	13%
None of these	1%	1%	1%	-	1%	1%	2%
Don't know	3%	2%	3%	7%	3%	1%	3%

	Social grade		Region							
55+	ABC1	C2DE	North	Mid-lands	East	Lon-don	South	Wales	Scot-land	Northern Ireland
58%	54%	56%	56%	55%	54%	58%	56%	47%	49%	55%
71%	69%	69%	68%	67%	63%	69%	71%	68%	74%	75%
66%	68%	63%	68%	62%	62%	59%	68%	69%	74%	63%
27%	29%	26%	28%	25%	23%	24%	26%	31%	38%	25%
1%	2%	1%	1%	2%	1%	4%	2%	-	-	-
6%	5%	4%	5%	4%	7%	5%	4%	2%	5%	4%
20%	25%	21%	24%	25%	23%	20%	23%	25%	21%	42%
7%	9%	9%	9%	7%	14%	11%	9%	3%	9%	5%
5%	3%	4%	3%	4%	7%	4%	3%	4%	1%	3%
0%	0%	0%	0%	-	0%	-	1%	-	1%	-
16%	14%	14%	13%	13%	18%	16%	11%	25%	15%	12%
2%	1%	1%	2%	2%	-	-	2%	2%	0%	2%
2%	2%	4%	2%	4%	4%	4%	3%	2%	1%	2%

Question	Total	Gender		Age			
	All UK adults (2061)	Male	Female	18–24	25–34	35–44	45–54
Which ONE, if any, of the following statements do you think is the MOST powerful message to use to increase awareness of issues surrounding poverty in the UK?							
A family in poverty cannot afford the cost of a coat for their child, so the child will go without during the winter months	27%	24%	30%	18%	30%	33%	25%
A boy growing up in Manchester today can expect to live seven years less than a boy growing up in Barnet, north London	10%	12%	8%	13%	11%	8%	10%
By the age of six a less able child from a rich family is likely to have overtaken an able child born into a poor family	8%	8%	8%	7%	7%	7%	8%
One in ten lone parents can't afford to buy presents for birthdays and religious holidays	3%	4%	3%	6%	6%	3%	1%
In England around one in five people live in poverty	15%	15%	16%	16%	14%	15%	17%
Between 1998/9 and 2005/6, the level of absolute child poverty fell by 1.8 million children	2%	2%	2%	2%	3%	1%	1%
Today, 30 per cent of children in the UK are living in poverty	23%	25%	22%	22%	22%	25%	27%
None of these	3%	4%	3%	1%	2%	3%	3%
Don't know	7%	6%	8%	15%	5%	5%	7%

	Social grade		Region							
55+	ABC1	C2DE	North	Mid-lands	East	Lon-don	South	Wales	Scot-land	Northern Ireland
27%	30%	24%	25%	27%	34%	24%	27%	27%	33%	24%
9%	10%	10%	13%	10%	6%	8%	8%	7%	11%	22%
10%	9%	8%	8%	7%	9%	9%	7%	10%	11%	8%
3%	2%	5%	2%	4%	3%	5%	4%	8%	1%	2%
15%	15%	16%	17%	16%	19%	15%	18%	13%	5%	7%
2%	2%	2%	3%	1%	1%	2%	3%	3%	1%	-
22%	24%	22%	24%	24%	18%	23%	22%	27%	29%	18%
5%	3%	3%	3%	2%	3%	4%	5%	3%	1%	6%
7%	5%	10%	5%	9%	6%	11%	7%	4%	10%	13%

Appendix 1 Results of YouGov polling

Question	Total	Gender		Age			
	All UK adults (2061)	Male	Female	18–24	25–34	35–44	45–54
Which ONE of these statements do you most agree with?							
It's the government's responsibility to look after people who can't look after themselves	12%	14%	11%	13%	11%	12%	12%
Government should be there for people when they need help, but they must take responsibility for themselves too	65%	63%	68%	56%	64%	68%	68%
Too much help from the government undermines people's responsibility to look after themselves	19%	20%	18%	21%	22%	17%	17%
None of these	1%	1%	1%	2%	1%	1%	1%
Don't know	2%	2%	3%	8%	3%	2%	2%

	Social grade		Region							
55+	ABC1	C2DE	North	Mid-lands	East	Lon-don	South	Wales	Scot-land	Northern Ireland
13%	12%	13%	15%	10%	13%	14%	8%	14%	13%	19%
66%	68%	61%	66%	69%	62%	58%	68%	65%	69%	50%
19%	18%	20%	17%	17%	21%	22%	20%	20%	14%	29%
1% 1%	1% 1%	1% 4%	1% 1%	1% 4%	1% 2%	1% 6%	1% 2%	- 2%	2% 2%	- 2%

Appendix 2 Proposed methodology to develop a new annual multi-dimensional measure of poverty

By Gareth Morrell, Matt Barnes and Debbie Collins, NatCen

1 Introduction

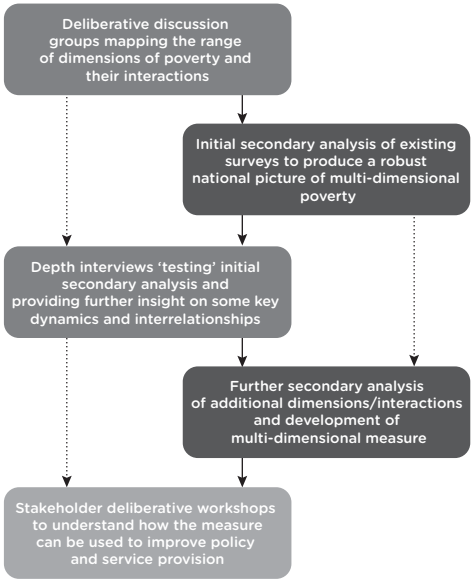
This section sets out a methodology to develop a robust multi-dimensional measure of poverty in the UK. The proposed design would build on other work conducted in this area including the Bristol Social Exclusion Matrix[121] and the cluster analysis of overlapping disadvantage conducted by the Social Exclusion Task Force. Despite the wide use of income to measure poverty, as noted in this report, there is broad agreement that this approach does not tell the whole story and that a range of 'dimensions' of disadvantage interact with income levels in affecting how households experience poverty.

2 Overview of design

We have identified three key research questions that need to be addressed to meet this overall aim. An iterative research design using a range of methodological approaches is proposed (see figure 7). This would allow testing and triangulation of different elements of the new measure throughout the research process.

To build and draw on existing research in this area, we would propose an expert roundtable to precede the main research tasks and an expert advisory group to run alongside. In order to ensure that the multi-dimensional measure is robust and based on lived experience an iterative research design is required to build in feedback loops between what emerges from qualitative work and what is found from analysing quantitative

Figure 7 **Iterative research design**



data. Such an approach would allow each stage to inform the next, building in testing and validation to identify gaps and priorities at each transition. As it is an iterative design, it would need to remain flexible and responsive to changes emerging as the research progresses. The following sections discuss the challenges and possible solutions for designing each of these stages.

3 What does it mean to live in multi-dimensional poverty? Deliberative discussion groups and depth interviews

The aim of this stage of the research would be to identify what constitutes multi-dimensional poverty with a wide range of

groups. Using deliberative discussion groups would uncover the full range and diversity of these dimensions and facilitate understanding of which are most important, how they overlap and interact, and how people experience this daily. A key question to explore would be how central income is to this experience of multi-dimensional poverty and how other dimensions interact with it. Challenges in designing this stage include developing a robust sample, identifying a sample frame and facilitating a discussion that is participant-led. Below we outline how each aspect of the design could overcome these challenges.

Sampling

The research would have to explore the views of a wide range of people on which dimensions of poverty they consider important, while also ensuring that data are collected from those experiencing multiple dimensions. This stage would not aim to reach a 'consensus view' of what poverty is;[122] instead, the aim would be to broadly target those groups that are likely to experience some of what we are hypothesising as multiple dimensions of poverty. At the outset, however, it could not be known exactly what these dimensions are and designing a robust sample for the initial deliberative groups is perhaps the biggest challenge the research would face at this stage. This would require careful consideration and we provide some initial thoughts on how a sampling strategy for these groups might be designed below.

Some important factors that are likely to influence experiences of multi-dimensional poverty are already well understood:[123] these include income levels, employment history and housing tenure. However, we would not want to use income as a primary sampling criterion at this stage because it is the most commonly understood measure of poverty and this might narrow the focus of these groups. After all, we are aiming here to understand a more complex picture of poverty and while other dimensions may be related to income, this methodology is aiming to look beyond the income measure. Consequently, we

would propose setting quotas for participants across the whole sample related to income, ensuring we included people below 60 per cent median income as well as others with up to median income.[124] Moreover, we would also propose setting quotas for different employment histories and housing tenures but would not want to use them as the principal sampling criteria as they are commonly related to standard measurements of poverty.

Instead of these existing measures, we would propose using other potential dimensions of poverty as the primary sampling criteria, as a means of generating a sample with sufficient diversity to explore adequately the multi-dimensional nature of the concept. The role of these dimensions in how poverty is experienced is currently less well understood. To maximise the cross-over between the qualitative and quantitative stages of this methodology, we would define the sample characteristics as they are collected by Understanding Society (USoc) where possible. Primary sampling criteria could include:

- *Location context*: Geographical context and physical space are likely to impact on understandings and experiences of multi-dimensional poverty. Disadvantage and opportunity could be experienced differently in urban settings, suburban settings and isolated semi-rural areas. We would propose selecting three or four locations in which to hold the discussion groups that cover these different contexts as well as allowing diversity within those contexts where possible, such as deprived areas next to wealthier areas, or deprived areas next to other deprived areas.
- *Age*: This is likely to influence experience and understanding in quite specific ways.[125] Older people may experience multiple dimensions of poverty despite having a work history without periods of unemployment and without ever earning below the income measure for poverty. Equally, the experience of young people would be very different. Rather than setting quotas for consecutive age bands, we would argue for including age specific groups for the over 65s and under 24s. For those aged in between, we would aim to achieve diversity across the other sampling criteria.

- *Household composition, including caring responsibilities*:[126] This research is aiming to understand what is happening at a household level. Different pressures and responsibilities will be present depending on the make-up of the household and whether those in it have caring responsibilities. We would propose conducting groups with single people living alone, those without caring responsibilities and those with caring responsibilities (including children and relatives with health problems).
- *Ethnicity*: It is well known that certain ethnic groups experience disproportionate levels of income poverty, yet it is not clear what drives this 'poverty penalty'.[127] We would argue that discussion groups with specific ethnic groups containing variation of generation and gender would add a valuable insight in understanding the full range of experiences of multi-dimensional poverty.

Table 2 shows a possible matrix based on the above discussions.

As discussed above, these area types would be defined using available small area data to ensure that a range of different geographical areas in which poverty might be experienced are captured.

Sample frame, screening and recruitment

Once the sample has been designed the next challenge would be to locate a sampling frame containing information to identify the right people to meet the quotas. One option would be to sample from an existing source, such as administrative data or from participants who took part in a survey. However, these are unlikely to be suitable for this particular methodology as administrative data sources would likely be too narrow and nationally representative survey samples insufficiently clustered for conducting discussion groups. While USoc would appear to present an ideal sample frame for this study given the kind of data it collects, it is not clear that the sample size is sufficient to find people with very specific characteristics who are clustered in

Table 2 **Possible sample matrix**

N=22		Location 1 (urban)	Location 2 (suburban)	Location 3 (semi-rural)
Age	Under 24	2	1	1
	Over 65	1	2	1
Household composition	Adults living alone	1	1	
	Multiple adults no caring responsibilities	1	1	1
	Adults with caring responsibilities	2	2	1
Minority ethnic groups	Ethnic group 1	2		
	Ethnic group 2	1	1	
Total		10	8	4

the chosen areas. However, we would suggest scoping this out with USoc to see if it was a possibility.

If USoc is not a suitable sample frame, one would need to be generated using a specialist recruitment team or agency. Participants would need to be screened by recruiters to ascertain their characteristics and suitability for the groups. This would involve asking people a limited number of questions to determine whether they were required to take part in the groups. These questions would relate to the sampling criteria described above and would be designed to be administered in a recruitment setting (on someone's doorstep or in a public space). Experience of conducting this type of recruitment suggests that questions need to be straightforward, simple and easy to administer, and the whole recruitment interview should take only a few minutes.

Moreover, the recruitment questions in and of themselves should not contaminate the discussion that will be had in the

groups nor should it be obvious from the questions what kinds of people recruiters are looking for. This avoids self-selection or de-selection from the research process.

Conduct of the discussion groups

The group setting allows attitudes and preferences to develop during the course of the discussion and to be influenced by the experiences of others and the stimulus material provided by the facilitator. However, poverty and the language associated with it has distinct connotations in the UK (see analysis in chapters 1 and 4) and a key challenge in conducting the discussion groups would be ensuring they are participant-led, but remain focused on uncovering an understanding of multi-dimensional poverty. Given that the aim of these groups is to understand poverty in a wider context we would argue that group facilitators should avoid the use of such loaded terms for initial discussions and instead use less emotive ones such as standard of living. Techniques such as card-sorting exercises and small-group discussion could facilitate this. Table 3 sketches an outline of how this group might function.

The discussion groups would require skilled facilitation and extensive preparation. Digital recording of all discussions would be required for full thematic analysis. We would propose that the framework method, a bespoke case and theme-based analytical approach developed by NatCen's Qualitative Research Unit over the last 20 years, offers the most rigorous approach to analysis of this kind of data. It allows researchers to map the full range of dimensions of poverty and draw out differences of understanding and experience for all the key sub-sets of the sample. This would enable researchers to see a clear picture of what dimensions exist, how they interact and which are important for different social groups, providing valuable information for the next stage of the research, the secondary analysis of survey data.

Table 3 **An outline of how discussion groups might function**

Session	Content	Tools and techniques
1 Explore ideas of unacceptable minimum standard of living	Discuss the key dimensions that could be involved in a multi-dimensional measure of poverty, key aspects of life that require certain standards to be met.	Free (open) card-sort, with card contents created by participants. Discuss criteria participants used in sorting cards into groups.
2 Identify what is most important in multi-dimensional poverty	Identify how different dimensions are prioritised, which are more effective, and which are the drivers of elements of disadvantage and poverty. Identify the combination of conditions either necessary or sufficient to be considered in poverty.	Facilitator introduces additional cards on multi-dimensional poverty. Reappraisal of previous card-sort.
3 Explore the factors that might affect what is important for different people	Discuss the severity and duration of dimensions, location context, household context, age and life transitions.	Small group discussions.
4 Explore how people experience multi-dimensional poverty	Discuss what the implications of multi-dimensional poverty are for how services meet need. Consider how poverty is experienced daily.	Full-group discussion.

Follow-up depth interviews

The aim of the depth interviews would be to follow up and validate findings from the initial stages of the secondary analysis and explore in more detail how experiences of life-course events

and trajectories relate to attitudes and perceptions of people's situations. Consequently, it would not make sense to be too prescriptive about how this stage might be designed in advance.

Despite this, we propose that these interviews should be conducted with people experiencing key clusters of dimensions of poverty and covering a range of characteristics that are found to be related. It is possible that the sample for this stage could be accessed by using existing survey samples, such as USoc or the Family Resources Survey[128] as a sample frame. These surveys already collect data on some of the key dimensions of poverty. We would, however, advise against this sample following up the same individuals from the discussion groups, given the possible impact on how they might articulate their experiences of the cognitive processes involved in the discussion groups. The aim of these interviews would be to gain a more in-depth understanding of the lived experience of multi-dimensional poverty from an individual perspective, not necessarily influenced by views or experiences of others.

4 What does a multi-dimensional measure of poverty look like? Secondary analysis of existing national surveys

Building on findings from the first stage, this stage would use quantitative data to create robust indicators of poverty that reflect the multiple disadvantages that households face. These indicators could be used to report levels of poverty in the UK, to monitor trends in poverty over time, and to highlight the types of households most at risk of poverty.

Current measures and indicators

Current government indicators of (child) poverty at the household level measure poverty from an 'economic' perspective. The headline indicator – the proportion of children below 60 per cent of median income – focuses purely on income.

Although there is a poverty indicator that captures a wider picture of people's living standards – a combined measure of low

income and material deprivation – it fails to capture the broad phenomenon of poverty that many people experience. These indicators and publications present only singular forms of disadvantage (eg households experiencing low income, households experiencing overcrowding etc) and do not present poverty as multi-dimensional (eg households experiencing low income *and* overcrowding). To be able to construct multi-dimensional indicators of poverty we require a data source that collects a wide range of information on poverty and disadvantage.

Using Understanding Society

Understanding Society (USoc) is a new, world-leading study of the socio-economic circumstances and attitudes of 100,000 individuals in 40,000 households. It is led by the University of Essex and data collection is carried out by NatCen. USoc builds on 18 years of British Household Panel Survey data and contains a range of information that can be used to construct indicators of multi-dimensional poverty. These include:

- material and economic resources, eg income, assets and savings
- access to public and private services, eg utilities, transport and financial services
- social resources, eg frequency and quality of contact with friends and family
- economic participation, eg paid work, unpaid work and quality of working life
- social participation, eg common social activities and social roles
- culture, education and skills, eg basic skills and leisure activities

One of the outcomes of the first stage of this research would be to identify key dimensions of poverty. This second stage would enable these dimensions to be operationalised as statistical indicators using USoc data. Where possible, the indicators will be constructed to mirror official measures of disadvantage and validated against official statistics where possible. It may also be the case that dimensions emerge out of

the first stage of the research on which data are not collected by USoc or, possibly, by other social surveys. In this instance, this study would be in a position to make recommendations about inclusion of new questions on these surveys.

Analytical techniques

If the indicators are derived from the same dataset (USoc), it would be possible to explore how households experience this 'basket' of poverty indicators. Not only would it be possible to count how many disadvantages households have, we could explore how disadvantages 'overlap'. Latent class analysis could be used to find groups of households that experience similar combinations of disadvantages. Here, an individual disadvantage is not unique to a group of households nor does it define a group, rather, it is the *combination* of disadvantages that are experienced by households that determines how groups are formed. This analysis could use these groups, represented by different combinations of overlapping poverty measures, to create a number of multi-dimensional poverty indicators.

One of the key assumptions of a multi-dimensional poverty measure is that multiple disadvantages are cumulative – having a number of disadvantages is more detrimental to a household than having none or one disadvantage. Previous research studies have validated this claim, and this study could seek to validate the multi-dimensional poverty measures it develops by exploring the 'quality of life' (eg mental health, aspirations, happiness) for households experiencing different variations of multi-dimensional poverty. Part of the value of USoc is that it looks at the whole of a household, which will allow us to explore how poverty is associated with the quality of life of different household members, something we can also investigate further in the household depth interviews.

Of course there are a number of other challenges to this methodology, which would have to be overcome during the course of the research. What are considered to be key elements of poverty can vary from person to person, often because of age, family formation, class, ethnicity and religion. The first stage of

this methodology would help to tease out some of these differences and may mean that it is necessary to construct different poverty measures for different sub-groups of the population. However, it might be possible to identify a key set of poverty measures that apply to the whole UK population. Other considerations include the availability of measures in USoc and the number of indicators to go into the 'basket'. Ideally, the choice and number of indicators would maximise the transparency of the final measures. Finally, social surveys do not routinely include the non-household population, so many people at high risk of multi-dimensional poverty, for example homeless people, people in prison and other institutions, would not necessarily be covered by this measure.

A multi-dimensional measure of poverty

Assuming all households do not have the same indicators of poverty, the analysis of USoc will provide a number of multi-dimensional measures of poverty. These would become the headline indicators of poverty for this study. A report would accompany the production of the indicators, illustrating the incidence of multi-dimensional poverty and providing a range of other statistics that could help to contextualise the multi-dimensional experience of poverty, including:

- the *number* of households that experience multiple disadvantages (the number of individuals in households that experience 0, 1, 2 etc of the disadvantage indicators)
- the *types* of households most likely to experience multi-dimensional poverty; the size of the USoc sample will allow us to report poverty rates for different groups of the population, such as ethnic groups, older women and recent migrants, as well as those for households in different regions of the country
- the *profile* of households that experience multi-dimensional poverty; this is important to understand the size of groups most at risk of multi-dimensional poverty

USoc will collect data every year,[129] and provide annual reports of multi-dimensional poverty statistics and trend analysis. It is important to note that one of the main qualities of USoc is that it is a panel study, so it returns to interview the same individuals year after year. It can therefore be used to observe dynamic behaviour and experiences – and hence there is the possibility of observing for how long households experience poverty.

5 How can a multi-dimensional measure be used in practice? Stakeholder workshops

The previous stages of the research design would work towards developing robust and accessible multi-dimensional measures of poverty. At this stage the research would aim to build consensus around the measure by considering how it could best be used, improved and sustained. This is a key element of the research given that the normative case for a multi-dimensional measure of poverty rests partly on its potential impacts on the policy response.

Despite this clear aim it is difficult to be too prescriptive about how this stage might be designed; this would depend on whether a multi-dimensional measure is achievable and, if it is, what it looks like. What can be identified, however, are key stakeholder groups that would have an interest in using and improving the measure. Equally, we would argue that deliberative workshops would be the most appropriate platform in which to engage these stakeholders. Table 4 illustrates who and what these workshops might consist of.

Table 4 **Potential aims and content of stakeholder workshops**

Stakeholder group	Aim	Content
Central government policy makers	To explain how the measure works and consider strategic uses	· Presentation of the research, the measure and reactions · Relevance to current policy objectives · Linkage with other measures, indicators and administrative data sources · Consideration of gaps in data and how to fill them
Local government and service providers	To explain how the measure works and consider practical local uses	· Presentation of the research, the measure and reactions · Implications for current and future service provision · How to use this to design service provision
Advocates and activists	To explain how the measure works and consider gathering views on how accurately it reflects experiences of poverty	· Presentation of the research, the measure and reactions · Implications for current and future service provision · Whether this reflects lived experiences · Consideration of gaps in data and how to fill them
Academics and poverty experts	To explain how the measure works and develop plans for sustaining or repeating the measure	· Presentation of the research, the measure and reactions · Linkage with other measures, indicators and administrative data sources · Consideration of gaps in data and how to fill them

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Poverty measurement is almost by definition controversial: there is no single, universally accepted definition of poverty. Poverty, its drivers and its consequences are defined and talked about differently by different political traditions at different times. The way we measure poverty, deprivation and social exclusion has been the focus of innovative work, but in the UK we still overwhelmingly focus on poverty as measured by income. This is a key time to be thinking about poverty measurement: the Field Review on Poverty and Life Chances has published a report which recommends a focus on the early years and broadens the outlook of poverty measurement. This pamphlet is a contribution to that debate.

3D Poverty does not suggest that the standard definition of income poverty as 60 per cent of the median income should be dropped. Its simplicity brings the benefits of relative transparency and easy application. However, it is not enough to just measure income poverty: there is the need for an annual, multi-dimensional analysis of poverty and social exclusion. This measure would track annually the depth of deprivation in the UK at a household level, and the overlap and interaction between different dimensions of disadvantage. This pamphlet contains a detailed methodology as to how that measure would work.

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