

Britain's Poorest Children Revisited:
Evidence from the BHPS (1994-2002)

CRSP Research Report 3

Monica Magadi and Sue Middleton

Centre for Research
in Social Policy



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Centre for Research in Social Policy
Loughborough University

Monica Magadi and Sue Middleton

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Loughborough University
Leicestershire LE11 3TU
Tel: +44 (0)1509 223372
Fax: +44 (0)1509 213409
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Contents

Tables and Figures
Acknowledgements
Table Conventions
Executive Summary

1	Introduction	1
1.1	Background to this Study	1
1.2	The Policy Context of Child Poverty in the UK	1
1.3	Issues Addressed in the Current Update	5
1.4	Structure of the Report	7
2	Proportion of Children in Persistent and Severe Poverty	9
2.1	Children in Severe Poverty	10
2.2	Children in Persistent and Severe Poverty	13
2.3	Experience of Persistent and Severe Poverty by Age of Child	15
2.4	Transitions between Severe, Non-severe and No Poverty (1994-2002)	16
2.5	Summary	19
3	Characteristics of Children in Persistent and Severe Poverty	21
3.1	Employment Status of Household Members and Child Poverty	21
3.1.1	Number of years with no workers in household	21
3.1.2	Transitions between workers and no workers in household	25
3.2	Source of Household Income and Child Poverty	32
3.2.1	Number of years income from work was main source of household income	32
3.2.2	Transitions between main source of household income	35
3.3	Receipt of Benefits and Child Poverty	39
3.3.1	Number of years in receipt of benefits	39
3.3.2	Transitions between receiving and not receiving benefits	41
3.4	Family Type and Child Poverty	44

3.4.1	Number of years in a lone parent family	44
3.4.2	Transitions between living in a couple, lone parent or independent household	47
3.5	Age and Number of Children in Household by Poverty Status	49
3.5.1	Age of child and poverty status	49
3.5.2	Number of children in household by poverty status	53
3.6	Factors Independently Related to Poverty Severity and Persistence	57
3.7	Summary	64
4	Persistent and Severe Poverty in Childhood and Household Exclusion	67
4.1	'Necessities' would like to have but cannot afford	67
4.2	Problems with Accommodation	69
4.3	Problems with Local Area	72
4.4	Parents Experiences of Savings	74
4.5	Summary	79
5	Persistent and Severe Poverty in Childhood and Young People's Social Exclusion	83
5.1	Relationships with Friends and Family	85
5.1.1	Relationship with friends	85
5.1.2	Relationship with family	88
5.2	Pocket Money and Part-time Work	91
5.3	School Experiences among Young People and Poverty Status	94
5.3.1	Patterns and trends in association of school experience and poverty	95
5.3.2	Relationship with teachers	99
5.3.3	Truancy and suspensions/expulsions from school	102
5.4	Emotional Well-being of Young People and Poverty Status	104
5.4.1	Frequency of unhappiness among young people	105
5.4.2	Feelings of loneliness among young people	106
5.4.3	Feelings of self-worth among young people	107
5.4.4	Satisfaction with appearance and life as a whole	110
5.5	Summary	111
6	Conclusions and Policy Implications	115
6.1	Severe Childhood Poverty	115
6.2	Childhood Poverty and Employment or Benefit Receipt within Households	116
6.3	Childhood Poverty and Age of Child, Family Type, and Family Size	118
6.4	Childhood Poverty and Social Exclusion	120

References

123

Annex A BHPS Child Cohorts (1994-2002)

Annex B PSE Equivalence Scale

Annex C Poverty Persistence Permutations

Annex D Odds Ratios of Factors Associated with
other Forms of Poverty, Compared to
Persistent and Severe Poverty

Tables and Figures

Table 2.1	Proportion of children in severe and non-severe poverty 1994-2002	11
Table 2.2	The experience of poverty over a five-year period	14
Table 2.3	The experience of poverty by age cohort of children	15
Table 2.4	Proportion of all movements occurring between severe, non-severe and no poverty	16
Table 2.5	Proportion of all transitions occurring between severe, non-severe and no poverty by year of observation	18
Table 3.1	Proportion of children spending a given number of years with no workers in household by poverty status	23
Table 3.2	Proportion of children in households with given transitions between workers and no workers by poverty status	27
Table 3.3	Proportion of children in households with given number and order of transitions between workers and no workers by poverty status	30
Table 3.4	Proportion of children in households with given number of years with work as the main source of income by poverty status	34
Table 3.5	Proportion of children in households with transitions between income from work/other and from benefits by poverty status	37
Table 3.6	Proportion of children in households with given number of years in receipt of IS, UB and JSA by poverty status	40
Table 3.7	Proportion of children in households with given transitions between receiving and not receiving IS, UB and JSA by poverty status	43
Table 3.8	Number of years spent in each family type by poverty status	45
Table 3.9	Transitions between family type by poverty status	48
Table 3.10	Age of child by poverty status	50
Table 3.11	Average age of youngest child in family over five years by poverty status	52
Table 3.12	Average number of children in household over five years by poverty status	54
Table 3.13	Changes in the number of children in the household by poverty status	56
Table 3.14	Factors associated with poverty persistence and severity	59
Table 4.1	Per cent of children in households who cannot afford various 'necessities' they would like to have by poverty status	68

Table 4.2	Per cent of children in households experiencing various problems with accommodation by poverty status	70
Table 4.3	Per cent of children in households experiencing various problems with local area by poverty status	73
Table 4.4	Parents ability to save by children's poverty status	75
Table 4.5	Amounts parent saved by children's poverty status (1994-2002)	77
Table 5.1	Persistent and severe poverty among young people aged 10-14 years	84
Table 5.2	Relationships with friends by poverty status	87
Table 5.4	Amount of pocket money young people receive	91
Table 5.5	Paid part-time work among young people	92
Table 5.6	Average number of hours worked and hourly wages among young people	93
Table 5.7	School experiences by poverty status	97
Table 5.8	Relationship with teachers by poverty status (1994-2002)	101
Table 5.9	Truancy and suspensions/expulsions from school by poverty status (1994-2002)	103
Table 5.10	Frequency of unhappiness by poverty status	105
Table 5.11	Frequency of loneliness by poverty status	107
Table 5.12	Feeling of self-worth by poverty status	109
Table 5.13	Happiness with appearance by poverty status	110
Table 5.14	Happiness with life as a whole by poverty status	111
Table A1	BHPS Child Cohorts (1994-2002)	
Figure 4.1	Average amount saved by children's poverty status during 1991-1999 and 1994-2002	79

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Table Conventions

- (i) All data reported in tables, including percentages and averages are based on weighted data, while base populations are based on unweighted number of cases.
- (ii) Percentages based on fewer than 50 unweighted cases are enclosed in square brackets and should be interpreted with caution, while those based on fewer than 20 unweighted cases are suppressed and presented as [-].
- (iii) Percentages are rounded up to whole numbers and, therefore, may not always sum up to 100.

Executive Summary

In response to the relatively high child poverty levels in the UK during the mid to late 1990s, the Government set an ambitious long-term goal of halving child poverty by 2010 and eradicating it by 2020. As a first step, the Department for Work and Pensions and Her Majesty's Treasury share a Public Service Agreement (PSA) to reduce the number of children in low-income households by at least a quarter by 2004-05 and to halve it by 2010. The government is generally on track to meet the first target though many commentators are sceptical about ability to meet the second. The success so far has been attributed mainly to reforms in the tax credits and benefits systems, as well as improvements in employment prospects through such strategies as making work possible, making work pay, and making work skilled. The government is committed to intensifying efforts to develop its Welfare to Work strategy as the central plank of its goal to eradicate child poverty.

As the number of children in low-income households declines, we envisage that the Government will pay particular attention to those population groups that continue to experience a relatively high risk of poverty. This calls for on-going research on children at greatest risk to effectively inform policies aimed at tackling child poverty in the UK. This study is a contribution to such research and a means of informing policy recommendations as to measures which may be needed to supplement Welfare to Work strategies.

This study uses recent waves of the British Household Panel Survey (BHPS) to update the earlier work on Britain's poorest children by Adelman, et al.,

(2003)¹. The earlier analysis used two data sets: the Poverty and Social Exclusion Survey (PSE) of 1999 and the first nine waves (1991-1999) of the BHPS. Three further waves of the BHPS have since become available, making it possible to update the earlier analysis. The update focuses on selected key aspects based on the findings of the earlier analysis that attracted most policy interest or needed more policy action.

These include:

- the proportion of children in severe and persistent poverty;
- characteristics of children in severe and persistent poverty, with respect to employment status of household members, source of household income, benefit receipt, age of children, and family type and size;
- the association between persistent and severe poverty in childhood and household social exclusion, defined as inability to afford various household necessities, problems with accommodation and local area, and parents' inability to save; and
- persistent and severe poverty in childhood and young people's social exclusion.

The analysis is based on experience of poverty, over a five-year period, among children and young people aged below 20 years. Measures of poverty are consistent with the earlier classification criteria of severe poverty and persistent poverty (Adelman et al., 2003)¹. Children in households with income below 27 per cent of median income are considered to be in severe poverty, while those in households with income between 27 and 59 per cent are considered to be in non-severe poverty. All children in the analysis sample were classified into five distinct categories as follows:

- *no poverty* – not in poverty in any of the five years;
- *short-term poverty only* – fewer than three years in poverty and no years in severe poverty;

¹ Adelman L., S. Middleton and K. Ashworth (2003) Britain's Poorest Children: Severe and persistent poverty and social exclusion, Save the Children, London, UK.

- *short-term and severe poverty* – fewer than three years in poverty but at least one year in severe poverty;
- *persistent poverty only* – three or more years in poverty but no years in severe poverty; and
- *persistent and severe poverty* – three or more years in poverty and at least one year in severe poverty.

Experience of severe and persistent poverty among children

There was a decline in the proportion of children in non-severe poverty after 1997, from 26 per cent in 1997 to 14 per cent in 2002. However, there is no evidence of a decline in the proportion of children in severe poverty.

Over the 1994-2002 period, 53 per cent of children were not in poverty in any of the five years they were observed. About one-quarter of the children were in persistent poverty (severe or non-severe), while seven per cent experienced persistent and severe poverty. Compared to the 1991-1999 period, the results show:

- a slight overall increase in the proportion of children not in poverty (from 50 to 53 per cent);
- a slight decline (from 20 to 18 per cent for persistent non-severe poverty, and from nine to seven per cent for persistent and severe poverty) in the proportion of children in persistent poverty; and
- the proportion in short-term poverty remained more or less unchanged (at 18 per cent and four per cent for severe and non-severe, respectively).

These results suggest that while overall experience of poverty among children in the UK has declined in the more recent period after 1997, mainly as a result of a decline in non-severe poverty and persistent poverty, children experiencing the severest form of poverty remain a legitimate concern.

Characteristics of children in persistent and severe poverty

An examination of employment status of household members, source of household income and receipt of benefits of household members by poverty status of children, shows that having no adult in paid work in a household, work not being the main source of household income, or receipt of selected benefits (Income Support (IS), Unemployment Benefit (UB) and Jobseekers' Allowance (JSA)), are all generally associated with an increased risk of poverty. In particular, long periods of benefit receipt, or no adult in paid work, or having benefits as the main source of household income are associated with persistent poverty; while changes in the number of adults in paid work, or in main source of household income, or in benefit receipt are associated with severe poverty. Comparisons of the current analysis with findings based on the earlier surveys suggest:

- some decrease in the proportion in poverty for children in households with always one adult worker or always no worker, with respect to persistent and severe poverty; and
- possible worsening situation for children in households where there are transitions between having adult worker(s) and no worker(s), especially if there are two or more transitions. The same applies to children in households where there are transitions between main source of income or benefit receipt.

Furthermore, the experience of poverty, especially persistent poverty, tends to decline with increasing age of child and decreasing family size. While younger children are relatively more likely to experience persistent poverty, older children aged 15-19 are, on the other hand, more likely to experience short-term severe poverty. The findings by family type reveal that although children in lone parent families seem to be more likely to experience persistent poverty, more in-depth analysis shows that children in long-term lone parent families are not necessarily worse off than their counterparts in other types of families. In fact, when other related factors such as

employment, benefit receipt, etc, are taken into account, they seem to compare favourably to children in other family types. Furthermore, the situation of children in couples families, relative to those from other family types, seems to be getting worse in recent years. For instance, the proportion of children from always couple families among children in persistent and severe poverty increased from 47 to 50 per cent, despite the slight decline in the proportion of all children from such families from 66 to 64 per cent. One striking finding on family type and transitions is the strong link between short-term and severe poverty, and transitions from couples to independent households. For instance, 23 per cent of children in short-term and severe poverty were in families where there was a transition from a couple to an independent family, yet only two per cent of all children were from such families. This group comprises mainly older children who leave parental home to live independently.

Persistent and severe child poverty and household social exclusion

The analysis of the association between persistent and severe child poverty and household social exclusion, reveals that poverty persistence, rather than severity, remains the critical factor in household social exclusion. Persistent poverty (both severe and non-severe) is associated with reduced ability to afford various 'necessities', including an annual holiday, replacing worn out furniture, buying new rather than second hand clothes, eating meat or fish every other day, or having a friend/family for a meal or drink. More than half of children in persistent non-severe poverty (55 per cent) were in households who could not afford an annual holiday, compared to less than 10 per cent of children not in poverty. Overall, the proportion of children in households who cannot afford various 'necessities' declined during 1994-2002, compared to 1991-1999, including for those in persistent poverty (severe or non-severe).

In general, children in poverty, especially persistent poverty, were more likely to be in households experiencing various problems with their accommodation

or local area. The most common problem with accommodation was shortage of space, affecting about three in ten of all children, and four in ten of children in persistent and severe poverty or in short-term non-severe poverty. Although reported problems with accommodation decreased slightly for all children during 1994-2002, compared to 1991-1999, the situation of children in some poverty groups, especially those in persistent poverty, seems to have worsened. For example, the problem of shortage of space increased among those in persistent and severe poverty, while lack of adequate lighting increased among those in persistent non-severe poverty. However, the problem of lack of adequate heating declined most noticeably among those in persistent and severe poverty, from 13 per cent in 1991-1999 to six per cent in 1994-2002.

The results show a strong relationship between ability to save and poverty status, especially persistent poverty. About two-thirds of children in persistent poverty (severe or non-severe) had parents who were unable to save in any year, compared to one in five of children in no poverty. The results further suggest that being in poverty, especially persistent poverty, is associated with considerably reduced amount of savings. The average parents' savings for those in persistent poverty (with or without those who did not save), was less than half of the average amount for those in short-term poverty or no poverty.

Persistent and severe poverty and social exclusion among children

The analysis of young people's social exclusion is based on the youth component of the BHPS, involving interviews with young people aged 11-15 years. The findings should be interpreted with caution given the small number of cases involved. The results provide some indication that young people not in poverty were more likely to talk to their mother about things that matter. The results further suggest that young people who are not in poverty were the most likely to be happy with their family (94 per cent), while those in

persistent and severe poverty were the least likely to be happy (71 per cent). Those in persistent poverty were also more likely often to feel lonely, and less likely to feel happy with life as a whole, compared to those not in poverty.

Although most young people received pocket money (90 per cent), those in persistent and severe poverty were less likely to receive pocket money (79 per cent) compared to children in the other poverty groups. With regard to paid part-time work, those in persistent and severe poverty were the least likely to undertake paid part-time work, had the lowest average number of hours worked, and considerably lower average hourly earnings. Although the average hourly earnings increased for all poverty groups in the 1994-2002 period, compared to the 1991-1999 period, the increase was much smaller for those in persistent and severe poverty, in comparison to the other poverty groups.

There is some indication that young people who are in persistent poverty have more negative school experiences, as they are less likely to report that doing well in school means a great deal to them, or that they would be staying on in school after age 16 years. Furthermore, there is some indication that those in persistent and severe poverty are less likely to have a positive relationship with their teachers. Only 42 per cent of those in persistent and severe poverty reported that they liked most of their teachers, compared to 73 per cent of those not in poverty. With respect to truancy and suspension or expulsion from school, young people not in poverty are relatively less likely to be involved than those in poverty, especially those in short-term non-severe poverty who appear to have the highest school truancy and suspension or expulsion rates.

Conclusions

In conclusion, the analysis provides evidence of improvements in the poverty situation of children in the UK with respect to non-severe poverty, but severe poverty remains a major concern. Children that are a particular concern include those in households where adults move between work and benefits, where there are children under 10 years, where there are more children (especially three or more) in the family and those who move from couple to independent families. Persistent poverty remains an important factor in social exclusion. Hence, although there has been some decline in the experience of persistent poverty among children, there is need for continued efforts for further reduction, given its strong association with household and young people's social exclusion.

1

Introduction

1.1 Background to this Study

This is a follow-up to an earlier study of Britain's poorest children (Adelman et al., 2003), carried out by the Centre for Research in Social Policy (CRSP) on behalf of Save the Children UK (SCUK). The earlier analysis had used two data sets: the Poverty and Social Exclusion Survey (PSE) of 1999; and the first nine waves of the British Household Panel Survey (BHPS) covering the period 1991-1999. The policy impact of the earlier analysis has been widespread, and the need for continued work on Britain's poorest children is apparent. Three further waves of the BHPS (2000-2002) have since become available, making it possible to update the earlier analysis of the BHPS using more recent data sets. Hence, this study uses the nine most recent waves of the BHPS available (1994-2002) to update the earlier work on Britain's poorest children, focussing on key issues of particular policy significance.

1.2 The Policy Context of Child Poverty in the UK

In response to the relatively high child poverty levels in the UK during the mid to late 1990s when the UK suffered higher child poverty than nearly all other industrialised nations, the Government set an ambitious long-term goal of halving child poverty by 2010 and eradicating it by 2020 (DWP 2004a; 2004b; HM Treasury, 2004). Central to the Government's strategy to tackle child poverty are: policies to raise employment rates; introduction of tax credits; and ensuring that the adult rate of the minimum wage in conjunction

with the working and child tax credits and child benefits provide an increased income for families (DWP, 2004a). The Government states it has adopted a multi-faceted approach, the key elements of which are to:

- enable poorer income families to increase their incomes and to share in rising national prosperity through participation in the labour market, education and training;
- support the incomes of low income families in and out of work and to promote their financial security and well-being;
- break the cycle of deprivation by ensuring that early years services and schools equip children from poor families with the skills to enable them to benefit from later learning and to prosper as adults;
- ensure that public services deliver high quality outcomes for all families, regardless of circumstances; and
- enhance parental support and opportunity so that they in turn can maximize the help they give their children (DWP, 2004a).

As a first step towards eradication of child poverty, the Department for Work and Pensions and Her Majesty's Treasury set a Public Service Agreement (PSA) to reduce the number of children in low-income households by at least a quarter by 2004-05 (DWP, 2004b). The Government is generally on track to meet this PSA target, as suggested by the steady downward trends in the number of children in households below the poverty line between 1998/99 and 2002/03 (DWP 2004c; National Statistics, 2005). As noted by Paxton and Dixon (2004) *'the Government's commitment to reducing child poverty has thus far been successful with tax credits and the importance of work forming the central planks of policy'*. Specifically, the government's achievements so far in reversing a long-running trend of increasing numbers of children in poverty has been attributed to:

- (i) improvements in employment of parents - through such strategies as: making work possible, making work pay and making work skilled; improved access to childcare through the Sure Start initiative and the

- Working Tax Credit; and flexible working patterns through paid paternity leave and extended maternity leave;
- (ii) financial support – through tax and benefit reforms that have rewarded work and increased the incomes of families, including the introduction of Child Tax Credit, Child Benefit, Child Trust Fund, and reform of the child support system to ensure both parents provide care and support to their children; and
 - (iii) breaking cycles of deprivation – through preventative policies to break the intergenerational link, including effective nurturing in the early years, a school system that promotes opportunities, and effective support in the transition from school to further and higher education and work (DWP, 2004b).

A new PSA target has been set for 2010 and the DWP has announced its strategy (Feb 2005) which will continue to be based on Welfare to Work. However, there is scepticism about the new PSA target as many commentators think that they are reaching the limits of this policy in terms of the numbers they can get back to work.

Although progress has been made, the government is committed to intensifying efforts to work towards the longer-term goal of halving and ultimately eradicating child poverty. The child poverty review was a key step in taking this commitment forward (HM Treasury, 2004). Specifically, the review was designed to set out the policies necessary to:

- increase employment opportunities, thus raising incomes for those who can work;
- increase support for those who cannot work;
- improve the effectiveness of public services that tackle material deprivation, for instance, housing and homelessness;
- improve those public services - education, for example – that can contribute most to increasing the future life chances of children in households with a low income and ensure public services and the

welfare system work well together when families face crisis points in their lives; and

- improve services for children and their families living in deprived areas, including targeted programmes (HM Treasury, 2004).

A set of indicators by which to measure progress and help inform the setting of PSA targets which come into effect after 2004-05 have been outlined (DWP, 2003a). The proposed measures involve a tiered approach consisting of:

- absolute low income – to measure whether the poorest families are seeing their incomes rise in real terms;
- relative low income – to measure whether the poorest families are keeping pace with the growth of incomes as a whole; and
- material deprivation and low income combined – to provide a wider measure of people's living standards.

Using this measure, child poverty would be falling when all the three indicators are moving in the right direction (DWP, 2003a). Whilst currently and under the new measures the Government will continue to monitor persistent poverty, it does not monitor severe poverty. The adoption of a deprivation measure is welcome, but some way needs to be found to measure poverty severity as well.

As the number of children in low-income households declines, the government has stated that they will pay particular attention to those population groups that continue to experience a relatively high risk, and consider ways that the tax and benefit system can respond to their needs. This calls for on-going research to identify children in greatest need who should be targeted by policies aimed at tackling child poverty. It is important that such research takes into account the various dimensions of child poverty, such as poverty persistence and severity, to effectively inform

policies aimed at improving the well-being of the most disadvantaged children in the UK and transforming their future prospects.

1.3 Issues Addressed in the Current Update

The earlier analysis of Britain's poorest children based on the BHPS was wide-ranging, examining poverty persistence and severity by:

- Child, parent and household characteristics;
 - employment status;
 - main source of income;
 - benefit receipt;
 - family type;
 - age of child;
 - number of children in household;
 - parental educational qualifications;
 - adult's illness in the household;
 - housing tenure; and
 - region of residence.

- Household experiences of social exclusion;
 - household financial difficulties;
 - consumer durables;
 - necessities would like to have; and
 - problems with accommodation and local area.

- Parents' experiences of social exclusion;
 - satisfaction with local area and home;
 - civic engagement;
 - experiences of savings and debt; and
 - emotional well being.

- Children's experiences of social exclusion;
 - relationship with friends and family;
 - pocket money and part-time work;
 - school experiences and career aspirations; and
 - emotional well being.

For the second phase of the analysis, this update focuses on selected key aspects based on the findings of the earlier analysis that seemed to attract most policy interest, and/or where SCUK and CRSP felt a need for more policy action. These include:

- Proportion of children in severe and persistent poverty;
- Characteristics of children in severe and persistent poverty;
 - employment status of household members;
 - main source of household income;
 - benefit receipt;
 - family type; and
 - age of child and family size.
- Experiences of social exclusion;
 - necessities would like but cannot afford;
 - problems with accommodation and local area;
 - experienced of savings and debt;
 - children's relationships with friends and family;
 - pocket money and part-time work;
 - school experiences and career aspirations; and
 - children's emotional well-being.

The same measurements and poverty categorization criteria as in the earlier study have been used in the current study to ensure comparability. Although lengthy time lags would be expected between the introduction of new policies

and measurable improvements in children's circumstances, it might be anticipated that the experiences of children between 1994 and 2002 would be marginally better than those of children between 1991 and 1999, if the new policies are making a positive impact on children's circumstances. A separate detailed analysis is proposed to explore changes in children's circumstances before and after 1997 to better understand the impact of the new policies.

1.4 Structure of the Report

This report comprises six chapters. The findings relating to specific issues outlined above are presented in chapters 2 to 5, while the conclusions and policy implications are given in Chapter 6.

Chapter 2 examines the levels and trends in the proportion of children in persistent and severe poverty during the period 1994-2002. It starts with an examination of children in severe poverty before focussing on poverty persistence and severity. It further examines the experience of persistent and severe poverty by age of child.

Chapter 3 explores characteristics of children in persistent and severe poverty, focusing on employment status of household members, main source of household income, receipt of out-of-work benefits, and family type. These factors are first examined individually, before being included in a multivariate analysis to identify factors that independently explain poverty severity and persistence among children.

Chapter 4 examines the association between persistent and severe poverty among children and household deprivation and social exclusion. Indicators of household social exclusion include 'necessities' they would like to have but cannot afford, problems with accommodation and local area, and parents' savings.

Chapter 5 focuses on persistent and severe poverty among children and children's own social exclusion based on young peoples' relationships with friends and family, pocket money and part-time work, school experiences and emotional well-being.

Chapter 6 presents the conclusions and discusses the policy implications of the main findings of the study.

2

Proportion of Children in Persistent and Severe Poverty

The impact of poverty on children depends both on poverty severity and the length of time spent in poverty (Bradbury et al., 2001; Adelman et al., 2003). In particular, the extent to which poverty is concentrated in the same individuals year after year has important implications for the design and implementation of public policies aimed at eliminating poverty or ameliorating its ill effects (Hill and Jenkins 2001). The concepts of severe and persistent poverty used in this study are similar to those used in the earlier study by Adelman et al., (2003), described in specific sub-sections below.

Our analysis of children in persistent and severe poverty is based on experience of poverty among children and young people aged below 20 years, classified in four age cohorts: 0-4, 5-9, 10-14 and 15-19 years. These age ranges ensure that the 'phases' of childhood used in the analysis correspond approximately to major changes in a child's life in relation to formal education, and to capture policy concerns with the post-16 outcomes for children from poorer families (Adelman et al., 2003). Observation of the different age cohorts of children is made over a five-year period, as illustrated in Annex A. This chapter examines levels and trends in the proportion of children in severe poverty during the period 1994-2002, before focusing on experience of persistent and severe poverty among children.

2.1 Children in Severe Poverty

Our measures of income poverty are in relative terms, based on the proportion of children living in households below a given per cent of median income². The analysis is based on net income (see Bardasi and Jenkins, 2004), adjusted to 1999 price levels to enable comparison with the earlier analysis of 'Britain's Poorest Children' by Adelman et al., (2003). Consistent with the earlier classification criteria of severe poverty, children in households with income below 27 per cent of median household income³ are considered to be in severe poverty, while those in households with income between 27 and 59 per cent are considered to be in non-severe poverty. Table 2.1 gives the proportion of children in our analysis sample who were in severe, non-severe, or no poverty, by year of survey. The proportion of all dependent children⁴ in severe and non-severe poverty between 1994 and 2002 is shown at the bottom of Table 2.1 for comparison.

² Income as used in this study refers to before housing cost weekly household income, equivalised based on PSE equivalence scale (see Annex B) to take into account household size and composition.

³ Little is known about the detailed characteristics of those classified as being in 'severe' poverty, whose income levels fall below the Income Support levels. More work is required to explore the role of potential factors, including benefit eligibility and uptake, very low wages, deductions from benefits at source, and possible income measurement errors.

⁴ Dependent children are defined as those aged under 16 years, or those aged 16-18 years who are unmarried and in full-time education.

Table 2.1 Proportion of children in severe and non-severe poverty 1994-2002

Year	Per cent of children in:			Unweighted N
	Severe poverty	Non-severe poverty	No poverty	
Children included in the analysis				
1994	4	27	69	442
1995	3	25	73	857
1996	3	26	72	1266
1997	3	26	71	1742
1998	3	24	74	2113
1999	3	23	75	1671
2000	3	21	76	1256
2001	4	20	77	847
2002	5	14	82	371
All dependent children⁵				
1994	4	29	67	2520
1995	3	27	70	2433
1996	4	29	67	2527
1997	3	28	69	3079
1998	3	27	70	3012
1999	2	25	73	4206
2000	3	21	76	4343
2001	3	19	78	5194
2002	3	14	83	4377

There is evidence of a decline in the proportion of children in non-severe poverty from 26 per cent in 1997 to 14 per cent in 2002 (based on children included in our analysis sample). This has resulted in a steady increase in the proportion of children who are non-poor. In particular, the increase in the proportion of children who are non-poor from 77 per cent in 2001 to 82 per cent in 2002 is noteworthy. However, there is no evidence of any decline in

⁵ Relates to cross-sectional samples of all dependent children in specific years.

the proportion of children in severe poverty, even though the proportion of children in severe poverty has remained at no more than five per cent in any given year.

It is important to note that trends in severe poverty for cohorts of children included in the analysis, may be partly a reflection of the variation in the ages of children constituting the different age cohorts in specific years (see Annex A). In fact, the analysis of trends in childhood experience of poverty presented in Table 2.1 might at first seem to suggest an increasing trend in severe child poverty after 1998. However, it is important to note that the apparently elevated levels of severe poverty in the latter years, especially in 2002, is likely to be a reflection of the high experience of severe poverty among older children or young youth. The cohorts of children included in the analysis were constructed in such a way that children in the latter years would be at the upper end of the age groups for each cohort (see Annex A). For instance, children in the 15-19 years cohort in 2002 would comprise only the 19-year-olds who are the most likely to move from parental home to independent households, a factor identified in Section 3.4 to be associated with particularly high levels of short-term severe poverty. This also possibly explains the differences in the proportion of children in 1999 who were in severe poverty in the earlier study (Adelman et al., 2003) and the current analysis, since children in the 15-19 year cohort in 1999 in the earlier study comprised only the 19-year-olds.

A better picture of overall trends in child poverty is derived from poverty experience among all dependent children across years. The results for all dependent children are broadly consistent with those of children included in our analysis sample, showing a consistent decline in the proportion of children in non-severe poverty after 1997, matched with a corresponding increase in the proportion of children not in poverty. However, there is no indication that the proportion of children in severe poverty has increased, nor is there evidence that it has declined.

The apparent lack of evidence of any decline in severe poverty amidst noticeable decline in non-severe poverty observed here is consistent with findings from other studies that have used other national data sets (Brewer et al., 2003). A recent study based on Family Resources Survey also observed that the decline in child poverty between 1996/7 or 1997/8 and 2003/4 was lower for more severe poverty (below 50 per cent of median income), compared to the proportion below 60 per cent of median income (Brewer et al., 2005). These findings suggests that while overall child poverty has declined after 1997, children from the very poorest families remain a legitimate concern.

2.2 Children in Persistent and Severe Poverty

In addition to severity of poverty, the length of time children spend in poverty, especially severe poverty is also important since those who are in poverty for a shorter period of time are unlikely to be as adversely affected as those in poverty for prolonged periods of time. All children in the analysis sample were classified into five distinct categories, according to severity and persistence of poverty experienced, based on an earlier classification by Adelman et al., (2003) as follows:

- *no poverty* – not in poverty in any of the five years;
- *short-term poverty only* – fewer than three years in poverty and no years in severe poverty;
- *short-term and severe poverty* – fewer than three years in poverty but at least one year in severe poverty;
- *persistent poverty only* – three or more years in poverty but no years in severe poverty;
- *persistent and severe poverty* – three or more years in poverty and at least one year in severe poverty.

Details of the number of years children in the above poverty categories spent in severe, non-severe or no poverty are presented in Annex B, while Table 2.2 summarises the proportion of children in each of the five poverty groups, compared with the earlier 1991-1999 period.

The results for the 1994-2002 period suggest that although the majority of children (53 per cent) were not in poverty in any of the five years that they were observed, about one-quarter were in persistent poverty, severe or non-severe. Overall, 11 per cent of the children experienced severe poverty, with seven per cent experiencing both persistent and severe poverty.

Table 2.2 The experience of poverty over a five-year period

Poverty group	Per cent of children	
	1994-2002	1991-1999 ¹
No poverty	53	50
Short-term poverty only	18	18
Short-term and severe poverty	4	4
Persistent poverty only	18	20
Persistent and severe poverty	7	9
Unweighted N	2113	2103

¹Source: Adelman et al., 2003, p 63

Compared to the earlier period (1991-1999), there has been an increase in the overall proportion of children not experiencing poverty from 50 per cent to 53 per cent. The proportion of children in short-term poverty and in short-term and severe poverty has remained more or less unchanged at 18 per cent and four per cent, respectively. However, a slight decline (of about two percentage points) is noted in the proportion of children in persistent poverty, whether non-severe or severe.

2.3 Experience of Persistent and Severe Poverty by Age of Child

It is important to examine childhood experience of poverty by age of child, age being a key basic variable that may in turn be related to other factors of interest. The distribution of poverty groups by age cohort of children is given in Table 2.3.

Table 2.3 The experience of poverty by age cohort of children

Poverty group	Age cohort			
	0-4 yrs	5-9 yrs	10-14 yrs	15-19 yrs
No poverty	49	50	54	58
Short-term poverty only	16	18	18	22
Short-term and severe poverty	4	3	2	9
Persistent poverty only	23	20	19	8
Persistent and severe poverty	8	9	7	4
Unweighted N	515	620	577	401

The results in Table 2.3 suggest that older children and young people (aged 15-19 years) are less likely to experience poverty, especially persistent poverty (non-severe or severe), but more likely to experience short-term poverty, especially short-term severe poverty, compared to younger children. About three in five (58 per cent) of those aged 15-19 years did not experience poverty during the five year period of observation, compared to half of children (49/50 per cent) in the 0-4 or 5-9 age cohorts. Childhood experience of persistent poverty tends to decline with increasing age of children. The proportion of children in persistent non-severe poverty steadily declined from 23 per cent for the youngest aged cohort (aged under five years) to eight per cent among the oldest cohort aged 15-19 years. These

patterns suggest a need for child poverty eradication efforts to particularly target families with younger children, because this is where poverty is more persistent. However, children aged 15-19 years have an increased chance of experiencing short-term severe poverty, suggesting that appropriate policies need to be in place to target this group as well.

2.4 Transitions between Severe, Non-severe and No Poverty (1994-2002)

Although detailed analysis of poverty transitions is not presented here, Table 2.4 provides an overall picture of the nature of poverty transitions which occurred to broaden our understanding of the expected trends in childhood experience of severe and non-severe poverty. The proportion of movements from and to a specific poverty state should provide a general picture of expected decline or increase in the proportion of children experiencing the particular form of poverty. For instance, a considerably greater proportion of movements out of poverty than into poverty should suggest an overall expected decline in poverty.

Table 2.4 Proportion of all movements occurring between severe, non-severe and no poverty

Poverty transition	Per cent of all movements
Non-severe poverty to no poverty	32
No poverty to non-severe poverty	31
Severe poverty to non-severe poverty	16
Non-severe poverty to severe poverty	10
Severe poverty to no poverty	6
No poverty to severe poverty	6
Unweighted base	1828

There is an almost equal proportion of transitions from non-severe poverty to no poverty (32 per cent), as from no poverty to non-severe poverty (31 per cent). Similarly, the proportion of transitions from severe poverty to no poverty (6 per cent) is almost similar to the proportion in the reverse direction. However, the proportion of transitions from severe poverty to non-severe poverty (16 per cent) is notably higher than from non-severe poverty to severe poverty (10 per cent). These patterns suggest that there should be a declining trend in severe poverty rather than non-severe poverty, contrary to the patterns observed in Table 2.1. It is possible that Table 2.4 conceals important time variations since it includes transitions during the entire 1994-2002 period, yet Table 2.1 suggests that notable declines in non-severe child poverty (and some indication of increasing trends in severe poverty) only occurred after 1997. A further examination of the transition patterns by years of observation, given in Table 2.5, sheds some light on the apparent inconsistency in trends suggested by Tables 2.1 and Table 2.4.

Table 2.5 Proportion of all transitions occurring between severe, non-severe and no poverty by year of observation

Poverty transition	Years of observation				
	1994-1998	1995-1999	1996-2000	1997-2001	1998-2002
Non-severe poverty to no poverty	30	32	34	32	33
No poverty to non-severe poverty	33	29	31	35	26
Severe poverty to non-severe poverty	17	16	16	14	16
Non-severe poverty to severe poverty	8	6	9	10	13
Severe poverty to no poverty	7	8	6	5	6
No poverty to severe poverty	5	10	4	4	6
Unweighted N	408	340	365	396	319

Table 2.5 suggests that there were fewer transitions out of poverty from non-severe poverty than into non-severe poverty from no poverty among children observed in the earlier period (1994-98). However, this pattern is reversed in the latter period (1998-2002) when there were more transitions out of poverty from non-severe poverty (33 per cent) than from no poverty into non-severe poverty (26 per cent). Although the proportion of transitions from severe poverty to non-severe poverty is higher than the reverse transitions across years, the gap is narrower for the latter periods starting in 1997 or 1998. These patterns suggest that non-severe poverty could be expected to decline during the later period of 1998-2002, which is consistent with trends observed in Table 2.1. However, unlike Table 2.1, Table 2.5 provides no indication of an increasing trend in severe poverty, even for the 1998-2002 period. In fact, the proportion of movements out of severe poverty (16 per cent to non-severe poverty and six per cent to no poverty) slightly exceeds the proportion of movements into severe poverty (13 per cent from non-severe poverty and six per cent from no poverty), suggesting that severe poverty could be expected to decline slightly during the 1998-2002 period.

2.5 Summary

The results show a notable decline in the proportion of children in non-severe poverty after 1997. However, there was no evidence of any decline in the proportion of children in severe poverty. Overall, the proportion of children not in poverty increased from about 70 per cent in 1997 to slightly over 80 per cent in 2002.

During the 1994-2002 period, 53 per cent of the children were not in poverty in any of the five years they were observed. About one-quarter of the children were in persistent poverty (severe or non-severe), while seven per cent experienced persistent and severe poverty. Compared to the 1991-1999 period, there was a slight overall increase in the proportion of children not in poverty (from 50 to 53 per cent). The proportion of children in

persistent poverty declined slightly, but the proportion in short-term poverty remained more or less unchanged.

An examination of poverty experience by age of child shows that experience of poverty, especially persistent poverty, tends to decline with age of child. Overall, 58 per cent of older children aged 15-19 years experienced no poverty during the five-year period of observation, compared to 49/50 per cent of children aged 0-4 or 5-9 years. The proportion of children in persistent non-severe poverty steadily declined from 23 per cent for the youngest children aged under five years to eight per cent among the oldest cohort aged 15-19 years.

3

Characteristics of Children in Persistent and Severe Poverty

This chapter focuses on characteristics of children in persistent and severe poverty to provide insights into important areas that efforts to tackle child poverty should target. The characteristics of interest include: employment status of adults in household; source of household income; receipt of benefits; and age of child, family size and family type. The analysis starts with an examination of the association between child poverty and each of these characteristics individually, before seeking to identify specific factors associated with persistent and severe poverty in a regression analysis that simultaneously takes into consideration a range of other potentially important factors. Particular emphasis is placed on comparisons with the earlier analysis (Adelman et al., 2003) to identify any important changes in the characteristics of children in persistent and severe poverty or in factors associated with child poverty that may have occurred in the more recent period.

3.1 Employment Status of Household Members and Child Poverty

3.1.1 Number of years with no workers in household

The distribution of children in various poverty groups by employment status of adults in the households is presented in Table 3.1, which also shows equivalent data for the 1991-1999 period for comparative purposes. The results suggest that during 1994-2002, almost 70 per cent of all children, and

96 per cent of children not in poverty were in households with at least one adult in paid work for all of the years during the five year period. These proportions are slightly higher than in the earlier period (1991-1999), possibly reflecting general improvements in the employment situation in Britain over the years. Although the proportion of children in households with always at least one worker is substantially lower among children in persistent and/or severe poverty (14 per cent, compared to 69 per cent for all children), it is important to note that children from households that always had at least one worker constitute a notable proportion (about one quarter) of those in persistent non-severe poverty. This latter proportion is similar to that observed in the 1991-1999 period.

Table 3.1 Proportion of children spending a given number of years with no workers in household by poverty status

Number of years with no workers	Column per cent				No poverty	All children
	Persistent and severe poverty	Persistent poverty only	Short-term and severe poverty	Short-term poverty only		
1994-2002						
Always no workers	15	27	2	2	0	6
4 years no workers	16	12	6	2	1	4
3 years no workers	15	12	5	2	1	4
2 years no workers	20	14	19	10	1	7
1 year no workers	20	10	42	18	3	10
No years no workers	14	26	28	66	96	69
Unweighted N	152	333	78	381	1159	2103
1991-1999¹						
Always no workers	19	22	2	2	1	7
4 years no workers	19	15	3	2	0	5
3 years no workers	15	15	3	4	1	5
2 years no workers	15	15	12	12	1	7
1 year no workers	16	9	45	18	4	10
No years no workers	17	25	35	62	94	66
Unweighted N						2092

¹Source: Adelman et al., 2003, p 71

In general, having always at least one worker in the household is associated with avoiding poverty while having no worker some of the years in a household is associated with experience of poverty. In particular, having no worker for short periods of time (one or two years) is associated with severe poverty (both persistent and short-term), while having always no workers is associated with persistent poverty. Particularly striking is the strong link between short durations (especially one year) of no worker in household and short term-severe poverty. Forty-two per cent of children in short-term and severe poverty had one year with no workers in the household, compared to only 10 per cent of all children, three per cent of children in no poverty or 18 per cent of children in non-severe short-term poverty. Although the link between experience of short-term poverty and one or two years without a worker in a household would be expected, given our definition of short-term poverty (i.e. one or two years in poverty), the particularly strong link with short-term and severe poverty warrants attention. This may imply that those who are out of employment for short periods of time are likely to experience severe poverty before they return to work, suggesting a need to review existing support and help given short-term to such households.

A comparison of proportion of children from households of various employment status for specific poverty groups observed here, with the earlier (1991-1999) period is not straightforward since the differences in the distribution of all children need be taken into account. In general, the patterns of association between employment status and poverty status are quite similar to those observed in the earlier analysis for the 1991-1999 period, albeit some differences in the actual proportions. For instance, the results for the 1994-2002 period suggest that children in households with no workers most of the time (i.e. four or five years) constituted a lower proportion of children in persistent and severe poverty, compared to the earlier period. This may simply be a reflection of overall rising employment rates among parents (Brewer and Shephard, 2004; DWP, 2004b), resulting

in fewer households with no workers most of the time as suggested by the distribution of all children.

However, the fact that those in households with no workers for short periods of time (i.e. 1-2 years) during the 1994-2002 period constitute a higher proportion of children in persistent and severe poverty (20 per cent), compared to the earlier period (15-16 per cent), is interesting since these patterns are not observed for all children. Also interesting is the decline in the proportion of children from households with always no worker from 17 per cent in the earlier period to 14 per cent during 1994-2002, among children in persistent and severe poverty. These patterns suggest that while there may have been some improvements in the poverty situation of children from households with always no worker, there is no evidence of similar improvements for children from households with no workers for shorter periods of time.

3.1.2 Transitions between workers and no workers in household

Table 3.2 gives some insight into the association between persistent and severe poverty and transitions between having at least one or two workers in a household. The corresponding figures for the 1991-1999 period are shown at the bottom of the table for comparison.

The results for 1994-2002 suggest a strong link between transitions involving having worker(s) and no workers in a household and child poverty, especially severe poverty (both persistent and short-term). In particular, households with transitions between one worker and no worker are the most likely to experience persistent and severe poverty. A strikingly high proportion (51 per cent) of children in persistent and severe poverty were from households with transitions between one and no worker, yet children from such households comprise only 14 per cent of all children (and two per cent of children in no poverty). These patterns are similar to those observed earlier for the 1991-1999 period, but the disadvantage of children from households

with transitions between one and no worker, relative to children from other households, seem to have worsened.

Table 3.2 Proportion of children in households with given transitions between workers and no workers by poverty status

Employment transition	Column per cent					
	Persistent and severe poverty	Persistent poverty only	Short-term and severe poverty	Short-term poverty only	No poverty	All children
1994-2002						
Always 2+ workers	3	2	5	14	48	29
Always 1 worker	5	11	0	6	10	9
Transitions between 1 and 2+ workers	6	13	23	46	38	32
Transitions between 2+ and no workers	5	3	15	6	1	3
Transitions between 2+, 1 worker and no workers	15	10	25	14	2	7
Transitions between 1 and no worker	51	35	31	12	2	14
Always no worker	15	27	2	2	0	6
Unweighted N	152	333	78	381	1159	2103
1991-1999¹						
Always 2+ workers	1	1	3	13	44	25
Always 1 worker	7	9	8	9	11	10
Transitions between 1 and 2+ workers	9	14	24	41	40	32
Transitions between 2+ and no workers	3	8	17	9	1	5
Transitions between 2+, 1 worker and no workers	12	10	24	12	2	7
Transitions between 1 and no worker	49	36	23	14	2	16
Always no worker	19	22	2	2	1	7
Unweighted N						2092

¹Source: Adelman et al., 2003, p 72

As noted earlier, comparisons of the distribution of children in different poverty groups by employment transitions between the earlier and latter period is not straightforward, since changes in the overall distribution of children needs to be taken into account. Overall, the proportion of all children from households with always two workers has increased (from 25 per cent for the 1991-1999 period to 29 per cent for the 1994-2002 period), while the proportion from households with transitions between one/two workers and no workers has declined slightly. The distribution for remaining employment transition categories has remained more or less unchanged (within one percentage point difference).

Although the slight increase in the proportion of children in persistent and severe poverty from households with always two workers may be a reflection of overall changes, the apparent increase in the proportion of children in persistent and severe poverty from households with transitions between one/two workers and no workers does suggest that the relative disadvantage of children from these households may have worsened in the 1994-2002 period. On the other hand, the observed decline in the proportion of children from households with always no workers, always one worker, or transitions between one and two workers among children in persistent and severe poverty during 1994-2002 suggest improvements in the poverty situation of such children.

Further insight into the link between experience of child poverty and employment transitions within households is derived from the nature of the transitions. Table 3.3 shows the distribution of order and number of employment transitions by child poverty status, for the 1994-2002 and 1991-1999 periods.

The results suggest a strong link between two or more transitions involving work and no work and child poverty, especially severe poverty (both persistent and short term). During 1994-2002, about two-fifths of children in

persistent and severe poverty (42 per cent) or in short-term severe poverty (40 per cent) were from households with at least two transitions between work and no work, compared to only 14 per cent of all children from such households.

Table 3.3 Proportion of children in households with given number and order of transitions between workers and no workers by poverty status

Employment transition	Column per cent					
	Persistent and severe poverty	Persistent poverty only	Short-term and severe poverty	Short-term poverty only	No poverty	All children
1994-2002						
Always 2+ workers	3	2	5	14	48	29
Always 1 worker	5	11	0	6	10	9
One or more Transitions between 1 and 2+ workers	6	13	23	46	38	32
1 Transition – work to no work	13	11	25	4	1	5
1 transitions –no work to work	15	16	6	7	1	6
2+ transitions between work an no work	42	22	40	21	2	14
Always no worker	15	27	2	2	0	6
Unweighted N	152	333	78	381	1159	2103
1991-1999¹						
Always 2+ workers	1	1	3	13	44	25
Always 1 worker	7	9	8	9	11	10
One or more Transitions between 1 and 2+ workers	9	14	24	41	40	32
1 Transition – work to no work	20	10	20	10	1	7
1 transitions –no work to work	16	20	3	8	1	8
2+ transitions between work an no work	29	23	41	18	3	13
Always no worker	19	22	2	2	1	7
Unweighted N						2092

¹Source: Adelman et al., 2003, p 73

One notable finding with respect to order of employment transitions relates to experience of short-term severe poverty, with transition from work to no work being highly associated with experience of short-term severe poverty than transition from no work to work. The proportion of children in short-term severe poverty from households with one transition from work to no work (25 per cent) was much higher than the proportion from households with one transition from no work to work (six per cent), despite the fact that children from households with one transition from work to no work comprised a slightly lower proportion (five versus six per cent) of all children. It is possible that the government policy since 1997 to make work pay (see Brewer and Shephard, 2004) may have had a positive impact on short-term severe poverty among lone parents moving from no work to work. However, the relatively high proportion of children in households with one transition from no work to work among children experiencing persistent and severe poverty might suggest that long-term severe poverty is harder to tackle via making work pay.

Comparisons of the distributions of order and frequency of employment transitions by poverty status with that observed in the earlier (1991-1999) period should take note of the slight decline (of two percentage points) in the proportion of all children from households with one transition from work to no work and vice versa. The proportion of all children from households with two or more transitions between work and no work has remained more or less the same at 13/14 per cent during the two periods.

A comparison of the distribution of children during 1991-1999 and 1994-2002 periods suggests that persistent and severe poverty among children in households with two or more transitions between work and no work had worsened, relative to those from other types of households. Although the proportion of all children from households with two or more transitions between work and no work remained more or less the same for the 1991-1999 and 1994-2002 periods, the proportion of children from such

households among those in persistent and severe poverty increased significantly from 29 to 42 per cent. Also worth noting is the apparent increase in the proportion of children from households with one transition from work to no work among children in short-term severe poverty.

3.2 Source of Household Income and Child Poverty

Although source of household income is expected to be related to employment status discussed in the section above, an examination of poverty status by main source of income provides further insights child poverty dynamics. Unlike information on household employment status which relates to the time of interview, information on main source of income refers to a whole year period and, hence, is less sensitive to short-term changes in household status.

3.2.1 Number of years income from work was main source of household income

Table 3.4 shows the distribution of the number of years with work as the main source of income by poverty status for the 1994-2002 and 1991-1999 periods, respectively. The results for the 1994-2002 period suggest a strong link between the main source of household income and poverty status. Most children who experienced no poverty (93 per cent) were in households with work as the main source of income, compared to only six per cent of children in persistent and severe poverty who were in such households.

Correspondingly, a relatively high proportion of children in persistent and severe poverty (34 per cent) were in households that had no years with work as the main source of income, compared to only one per cent of children in no poverty. In fact, the results suggest a particularly strong link between continuously not having work as the main source of income and persistent poverty, both severe and non-severe. Almost half (46 per cent) of children in persistent non-severe poverty were in households that had no years with work as the main source of income. These patterns are similar to those

observed in the earlier (1991-1999) period, but the relationships seem to have become stronger.

Table 3.4 Proportion of children in households with given number of years with work as the main source of income by poverty status

Number of years	Column per cent					All children
	Persistent and severe poverty	Persistent poverty only	Short-term and severe poverty	Short-term poverty only	No poverty	
1994-2002						
All years	6	18	47	58	93	65
4 years	18	4	25	12	4	7
3 years	14	5	7	14	1	5
2 years	14	13	2	7	0	5
1 year	13	14	11	5	1	5
No years	34	46	9	5	1	13
Unweighted N	151	338	70	381	1159	2099
1991-1999¹						
All years	9	17	44	59	93	62
4 years	12	4	27	15	4	7
3 years	19	11	16	14	1	7
2 years	17	15	5	3	1	6
1 year	20	13	5	4	<0.5	5
No years	23	42	3	7	1	12
Unweighted N						2088

¹Source: Adelman et al., 2003, p 74

Overall, 65 per cent of all children in the 1994-2002 period were in households with work always as the main source of income, while 13 per cent were in households that had no years with work as the main source of household income. The distribution of all children by number of years with work as the main source of household income is fairly similar to that of the earlier period (i.e. differences within two percentage points), except for the proportion of children in households with work always as the main source of income which increased slightly from 62 to 65 per cent.

Noticeable changes between the two time periods among children in persistent and severe poverty include: an increase in the proportion of children in households that had no years with work as the main source of income, from 23 per cent in the 1991-1999 period to 34 per cent in 1994-2002 period; an increase in the proportion of children in households with work as the main source of income most of the time (four out of five years); and a decline in the proportion of children in households with work as the main source of income for only short periods of time (one out of five years).

For short-term and severe poverty, the observed increase from three to nine per cent in the proportion of children in households not having work as the main source of income in any of the years suggests an increase in severe short-term poverty for those in workless households. Possible reasons may include: inadequate benefit rates; or earnings for those in work having increased relatively more than benefits.

3.2.2 Transitions between main source of household income

This section examines transitions between the main source of household income by poverty status. The classification for source of income is similar to that used in the earlier 1991-1999 analysis (Adelman et al., 2003), combining income from work with pension, transfer and investment income (defined as work/other income), and examining transitions between work/other income and benefit income. Table 3.5 gives the distribution of

source of income transitions by poverty status for 1994-2002 period, while corresponding data for the 1991-1999 period are shown at the bottom of the table for comparison.

Table 3.5 Proportion of children in households with transitions between income from work/other and from benefits by poverty status

Main source of income	Column per cent					
	Persistent and severe poverty	Persistent poverty only	Short-term and severe poverty	Short-term poverty only	No poverty	All children
1994-2002						
Always work/other income	6	19	47	58	93	66
Always benefit income	30	45	2	4	1	12
Transition from work/other to benefits	13	11	12	5	0	5
Transition from benefit to work /other income	21	12	0	16	1	7
2+ transitions between benefits and work/other	31	13	40	17	4	11
Unweighted N	151	338	70	381	1159	2099
1991-1999¹						
Always work/other income	11	17	60	69	97	67
Always benefit income	21	40	0	6	1	12
Transition from work/ other to benefits	20	13	8	6	1	6
Transition from benefit to work/other income	20	17	3	12	1	8
2+ transitions between benefits and work/other	28	13	29	8	1	8
Unweighted N						2088

¹Source: Adelman et al., 2003, p 75

In general, the results show that having benefits as the main source of income is associated with persistent poverty, while transitions between benefits and work/other as the main source of income is associated with severe poverty, both persistent and short-term. Almost half (45 per cent) of children in persistent non-severe poverty and nearly a third (30 per cent) of those in persistent and severe poverty during the 1994-2002 period were in households whose main source of income was always benefits. With respect to poverty severity, 40 per cent of children who experienced short-term severe poverty, and 31 per cent of those in persistent and severe poverty were in households with at least two transitions between benefits and work/other as the main source of income.

Compared to the earlier 1991-1999 period, the overall distribution of all children by transitions between the main source of income has not changed significantly, apart from the proportion of children from households with two or more transitions between benefits and work (or other income) which increased from eight to 11 per cent. Considering the various poverty groups, the proportion of children from households with always work (or other income) and households with transition from work/other to benefits income among those in persistent and severe poverty seem to have declined from 11 to six per cent and from 20 to 13 per cent, respectively. This may suggest that the situation of children in households with always work (or other income) and households with transition from work/other to benefits income is likely to have improved in 1994-2002 compared to the 1991-1999 period, with respect to persistent and severe poverty.

For non-severe persistent poverty, the proportion of children in households with a transition from benefit to work/other income declined from 17 to 12 per cent. Other noticeable changes include an increase in the contribution of children in households with always work/other income to short term poverty (severe or non-severe), and a decline in the contribution of children in

households with at least two transitions between benefits and work/other income.

3.3 Receipt of Benefits and Child Poverty

The benefits analysed relate to the main out-of-work benefits, namely, Income Support (IS), Unemployment Benefit (UB) (prior to 1996) and Jobseeker's Allowance (JSA) (from 1996 onwards). The BHPS questions concerning which benefits the respondents had received during the year was used to establish whether anyone in the household had received at least one of the main out-of-work benefits during the year in question. We first examine the number of years children lived in households in which someone was in receipt of one or more of these benefits, before considering transitions between receiving and not receiving benefits.

3.3.1 Number of years in receipt of benefits

Table 3.6 gives the distribution of number of years children lived in households where someone was in receipt of IS, UB or JSA by poverty status, for the 1991-1999 and 1994-2002 periods.

Table 3.6 Proportion of children in households with given number of years in receipt of IS, UB and JSA by poverty status

Number of years	Column per cent					All children
	Persistent and severe poverty	Persistent poverty only	Short-term and severe poverty	Short-term poverty only	No poverty	
1994-2002						
No years	15	19	69	55	85	62
1 year	14	8	15	15	10	11
2 years	16	6	6	11	3	7
3 years	17	10	3	8	1	5
4 years	13	14	5	5	1	5
All years	25	44	2	6	1	11
Unweighted N	153	338	78	384	1160	2113
1991-1999¹						
No years	14	17	68	52	79	56
1 year	10	6	19	17	12	12
2 years	12	10	4	9	5	7
3 years	19	12	4	9	2	7
4 years	17	14	3	5	1	6
All years	29	41	2	9	1	13
Unweighted N						2103

¹Source: Adelman et al., 2003, p 77

The results in Table 3.6 suggest that continuous receipt of benefits is associated with persistent poverty, but not short-term poverty. During the 1994-2002 period, one quarter of children in persistent and severe poverty, and 44 per cent of those in non-severe persistent poverty were in households where always someone received IS, UB or JSA. On the other hand, 69 per cent of those in short-term and severe poverty and 55 per cent of those in short-term non-severe poverty were in households where no one received benefits. Overall, 62 per cent of all children were in households where no one received out-of-work benefits. This proportion is higher than for the 1991-1999 period when 56 per cent of all children were in such households, possibly reflecting general improvements in employment rates over time.

A comparison of childhood experience of poverty during the 1994-2002 period with the 1991-1999 period suggests that the situation of children in households who were in continuous receipt of benefits may have improved with respect to persistent and severe poverty. However the same does not seem to hold for persistent non-severe poverty, for whom the proportion of children from households in continuous receipt of benefits increased from 41 to 44 per cent, despite a slight decline in overall proportion of children in such households.

3.3.2 Transitions between receiving and not receiving benefits

The results of transitions between receiving and not receiving IS, UB or JSA by poverty status during 1994-2002 are presented in Table 3.7, which also shows the corresponding data for the 1991-1999 period. The results for 1994-2002 suggest that benefit receipt transitions, especially transition from receipt to no receipt is associated with high likelihood of persistent and severe poverty, even more so than being continuously in receipt of benefits. About three in ten (27 per cent) of children in persistent and severe poverty were in households that made a transition from benefit receipt to no receipt.

On the other hand, continuous receipt of benefits is associated with persistent poverty, especially persistent non-severe poverty.

Table 3.7 Proportion of children in households with given transitions between receiving and not receiving IS, UB and JSA by poverty status

Benefit receipt	Column per cent					
	Persistent and severe poverty	Persistent poverty only	Short-term and severe poverty	Short-term poverty only	No poverty	All children
1994-2002						
Receiving no years	15	19	69	55	85	62
Receiving all years	25	44	2	6	1	11
No receipt to receipt	14	9	9	6	3	6
Receipt to no receipt	27	14	2	17	6	11
Two or more transitions	19	14	20	17	6	11
Unweighted N	153	338	78	384	1160	2113
1991-1999¹						
Receiving no years	14	17	68	52	79	56
Receiving all years	29	41	2	9	1	13
No receipt to receipt	18	10	9	10	5	8
Receipt to no receipt	23	18	7	14	7	12
Two or more transitions	16	14	15	15	9	12
Unweighted N						2103

¹Source: Adelman et al., 2003, p 77

An examination of possible trends based on comparison of the 1991-1999 and 1994-2002 periods suggests that the situation of children in households that made a transition from benefit receipt to no receipt may have worsened, with respect to persistent and severe poverty. These children accounted for 27 per cent of those who experienced persistent and severe poverty in 1994-2002, compared to 23 per cent in 1991-1999 period, despite comprising more or less a similar proportion (11/12 per cent) of all children in the two periods. However, the contribution of these children (i.e. in households making a transition from benefit receipt to no receipt) to childhood experience of persistent non-severe poverty seem to have declined, from 18 per cent in 1991-1999 to 14 per cent in 1994-2002.

3.4 Family Type and Child Poverty

The type of family children lived in has been classified into three broad categories, namely couple, lone parent and no parent (referred to as independent). It is possible for children to move from one family type to another during the five-year period they were observed. For example, they may move from lone parent family to couple family, when a single parent gets into union; they may move from a couple family to a lone parent family when parents separate/divorce/widowed; or from either parent family to independent, especially the oldest cohort who may leave the parental home to stay independently or with their own partner. This section examines the number of years children spend in lone parent family and transitions between family types by poverty status.

3.4.1 Number of years in a lone parent family

The distribution of number of years children spent in lone parent family by poverty status is presented in Table 3.8. The corresponding data for the 1991-1999 period is shown at the bottom of the table for comparison.

Table 3.8 Number of years spent in each family type by poverty status

Number of years	Column per cent					All children
	Persistent and severe poverty	Persistent poverty only	Short-term and severe poverty	Short-term poverty only	No poverty	
1994-2002						
Always couple	50	37	39	55	80	64
Always lone parent	34	45	14	28	13	23
1-2 years lone parent	9	5	3	5	3	4
3-4 years lone parent	6	12	21	8	3	6
No years lone parent but not always couple	1	1	23	4	1	2
Unweighted N	152	328	78	380	1157	2095
1991-1999¹						
Always couple	47	39	49	55	85	66
Always lone parent	24	42	9	19	9	19
1-2 years lone parent	12	7	8	9	2	6
3-4 years lone parent	17	11	11	11	2	7
No years lone parent but not always couple	1	1	24	6	2	3
Unweighted N						2100

¹Source: Adelman et al., 2003, p 78

The results for the 1994-2002 period suggests that although being always in a lone parent family is associated with persistent poverty (both severe and non-severe), half of children in persistent and severe poverty were in always couple families. Eighty per cent of children in no poverty were in couple families, compared to 64 per cent of all children. One notable finding is the relatively high proportion of children in 'no years lone parent but not always couple' family type among those who experienced severe and short-term poverty. Twenty-three per cent of children who experienced severe and short-term poverty were in such families, which made up only two per cent of all children included in the analysis. Although these figures are based on a relatively small number of cases (78 cases of severe and short-term poverty), they are fairly consistent with findings in the earlier analysis by Adelman et al. (2003). It is possible that this group comprises mainly older children who leave the parental home to live independently and experience short periods of severe poverty before their economic situation stabilises. This may reflect treatment under the benefit system in which 17/18 year-olds do not have entitlement to Income Support, even when they are not in employment, education nor training.

The patterns of association between family type and poverty status observed in the 1994-2002 period is generally similar to that of the earlier period of 1991-1999 (Adelman et al., 2003). However, the contribution of children from couple families to persistent and severe poverty has increased from 47 to 50 per cent, despite a slight decline in the proportion of all children from always couple families from 66 to 64 per cent. By contrast, the contribution of children from always couple families to short-term and severe poverty seem to have declined.

The proportion of children in always lone parent families increased, while those in lone parent families for some years (1-4 years) declined among those who experienced persistent and severe poverty. Although the increase in proportion of children from always lone parent families among

those who experienced persistent and severe poverty may partly be attributable to the overall increase in the proportion of children in such families (which is reflected in all poverty groups), the patterns suggest that the experience of persistent and severe poverty by children in always lone parent families, as for those in always couple families, seems to be getting worse, relative to those who were in lone parent families only some of the time. This apparent improvement of poverty situation of children in lone parent families only some of the time, however, is not evident among children who experienced short-term and severe poverty, given the noticeable increase (from 11 to 21 per cent) in the proportion of children in lone parent families most of the time (three-four years).

3.4.2 Transitions between living in a couple, lone parent or independent household

An examination of transitions between family types (Table 3.9) suggests that transitions from lone parent to couple or independent households, and to some extent making at least two transitions, are associated with increased experience of persistent and severe poverty. Furthermore, children who move from couple or lone parent families to independent are highly likely to experience short-term and severe poverty.

The association patterns between family transitions and childhood poverty experience observed during 1994-2002 is quite similar to the patterns in 1991-1999, except for: a notable decline in the proportion of children in families with two or more transitions among those who experienced persistent and severe poverty; and an increase in the proportion of children in families that made a transition from lone parent to independent, among those who experienced short-term and severe poverty.

Table 3.9 Transitions between family type by poverty status

Family type	Column per cent				No poverty	All children
	Persistent and severe poverty	Persistent poverty only	Short-term and severe poverty	Short-term poverty only		
1994-2002						
Always couple	50	37	39	55	80	64
Always lone parent	34	45	14	28	13	23
Couple to lone parent	7	14	11	9	5	8
Lone parent to couple	3	2	0	1	0	1
Couple to independent	1	1	23	4	1	2
Lone parent to independent	5	0	11	4	0	2
2 or more transitions	2	1	3	1	1	1
Unweighted N	152	328	78	380	1157	2095
1991-1999¹						
Always couple	47	39	49	55	85	66
Always lone parent	24	42	9	19	9	19
Couple to lone parent	17	14	15	10	3	8
lone parent to couple	3	2	0	4	<0.5	1
couple to independent	1	1	24	6	2	3
lone parent to independent	4	1	2	5	1	2
2 or more transitions	5	1	2	1	<0.5	1
Unweighted N						2098

¹Source: Adelman et al., 2003, p 79

3.5 Age and Number of Children in Household by Poverty Status

3.5.1 Age of child and poverty status

The distribution of age of children by poverty status for the 1994-2002 and 1991-1999 periods are given in Table 3.10. The results indicate that younger children aged under 10 years are more likely to experience persistent poverty, both severe and non-severe, while older children aged 15-19 years are less likely to experience persistent poverty, but highly likely to experience short-term and severe poverty. For instance, during the 1994-2002 period, 42 per cent of children aged 15-19 years experienced short-term and severe poverty, yet only 21 per cent of all children experienced this type of poverty.

Table 3.10 Age of child by poverty status

Age of child	Column per cent					All children
	Persistent and severe poverty	Persistent poverty only	Short-term and severe poverty	Short-term poverty only	No poverty	
1994-2002						
0-4 years	22	26	21	17	19	20
5-9 years	43	37	23	32	31	33
10-14 years	24	28	14	26	27	26
15-19 years	12	10	42	24	23	21
Unweighted N	153	338	78	384	1160	2113
1991-1999¹						
0-4 years	38	32	40	24	29	30
5-9 years	30	33	12	28	22	26
10-14 years	22	24	12	21	25	24
15-19 years	10	12	36	27	24	21
Unweighted N						2103

¹Source: Adelman et al., 2003, p 80

Direct comparisons of the experience of child poverty during the 1994-2002 and 1991-1999 periods are complicated by the differences in the distribution of all children by age in Table 3.10. Overall, children aged 0-4 years constitute a smaller proportion, while those aged 5-9 years constitute a higher proportion of all children in the 1994-2002 period, compared to the 1991-1999 period. Nevertheless, the patterns of poverty experience by age of child revealed by data for the 1994-2002 and 1991-1999 periods are similar, indicating: higher experience of persistent poverty among the younger children aged below 10 years; relatively low experience of persistent poverty by older children aged 15-19 years; and increased experience of short-term and severe poverty among older children aged 15-19 years. During both periods, children aged 5-14 years seem relatively less likely to experience short-term and severe poverty.

The distribution of the average age of the youngest child in a family by poverty status during the 1994-2002 and 1991-1999 presented in Table 3.11 confirm the positive association between the youngest age group (0-4 years) and childhood experience of persistent poverty. Furthermore, the results confirm that older children are less likely to experience persistent poverty, but more likely to experience short-term and severe poverty.

Table 3.11 Average age of youngest child in family over five years by poverty status

Average age of youngest child	Column per cent					All children
	Persistent and severe poverty	Persistent poverty only	Short-term and severe poverty	Short-term poverty only	No poverty	
1994-2002						
0-4 years	49	53	29	33	28	35
5-9 years	42	29	19	34	32	32
10-14 years	6	16	24	22	24	21
15-19 years	4	2	27	12	25	12
Unweighted N	153	338	78	384	1160	2113
1991-1999¹						
0-4 years	65	56	46	39	39	45
5-9 years	21	24	16	23	23	23
10-14 years	11	17	10	23	22	20
15-19 years	3	3	28	16	15	12
Unweighted N						2100

¹Source: Adelman et al., 2003, p 80

3.5.2 Number of children in household by poverty status

An examination of the number of children in a household by poverty status show that a large family size is associated with increased persistent poverty (Table 3.12). During the 1994-2002 period, 61 per cent of children in persistent and severe poverty and 54 per cent of those in persistent non-severe poverty were in households with three or more children, compared to only 25 per cent of children not in poverty and 36 per cent of all children from such households.

Table 3.12 Average number of children in household over five years by poverty status

Number of children in household	Column per cent					All children
	Persistent and severe poverty	Persistent poverty only	Short-term and severe poverty	Short-term poverty only	No poverty	
1994-2002						
One	15	10	20	15	25	20
Two	24	36	54	42	50	44
Three or more	61	54	26	43	25	36
Unweighted N	153	338	78	384	1160	2113
1991-1999¹						
One	11	15	25	19	26	21
Two	30	35	49	43	50	44
Three or more	59	50	27	39	24	36
Unweighted N						2100

¹Source: Adelman et al., 2003, p 81

There was little variation in the distribution of family size by child poverty during the 1994-2002 and 1991-1999 periods. However, there was some decline in the experience of non-severe persistent poverty by children in households with only one child, and a slight increase for children in large families of three or more children.

With respect to changes in family size, the results in Table 3.13 suggest that a decrease in the number of children in a household was associated with reduced persistent poverty (both severe and non-severe), but increased short-term and severe poverty. On the other hand, an increase in the number of children was associated with increased persistent and severe poverty. In general, changes in family size (i.e. both increase and decrease) was associated with increased poverty of all forms while a stable household size is associated with reduced poverty.

Table 3.13 Changes in the number of children in the household by poverty status

Change in number of children	Column per cent					
	Persistent and severe poverty	Persistent poverty only	Short-term and severe poverty	Short-term poverty only	No poverty	All children
1994-2002						
Same number in all years	58	65	52	61	71	66
Decrease in number	9	12	29	20	14	15
Increase in number	26	17	6	12	14	15
Both increase and decrease	7	7	12	7	1	4
Unweighted N	153	338	78	384	1160	2113
1991-1999¹						
Same number in all years	58	58	53	60	70	64
Decrease in number	8	13	25	19	13	14
Increase in number	28	24	16	16	15	18
Both increase and decrease	7	6	6	5	2	4
Unweighted N						2100

¹Source: Adelman et al., 2003, p 81

There has been little variation in the patterns in changes of the number of children in a household, and associations with childhood experience of poverty during the 1991-1999 and 1994-2002 periods. One notable change is for children in persistent non-severe poverty for whom the proportion in households with same number of children all years increased from 58 to 65 per cent, while the proportion in households with an increase in the number of children declined from 24 to 17 per cent, yet the proportion of all children in these households only changed marginally during the two periods.

3.6 Factors Independently Related to Poverty Severity and Persistence

This section attempts to identify factors that may explain childhood experience of poverty using a regression analysis that takes into account the effect of other important factors. We note that the associations observed between poverty experience and various factors in the preceding sections may be confounded by the effect of other related factors. For example, employment status of adult members in a household, receipt of out-of-work benefits, and main source of household income are all inter-related, and the apparent association of each of these factors individually with poverty could well be partly due to the effect of the other related factors. We have also taken into consideration other factors that are likely to be related to poverty that were not examined individually. These include age of child and number of children in family, parent's educational attainment, experience of limiting illness in the household, housing tenure, and area of residence (country/region).

Table 3.14 summarizes results of the multinomial logistic regression analysis of experience of different forms of poverty. The symbols '+' and '-' are used to denote increased and reduced chance of poverty, respectively. The tables only show results for the factors significant at five per cent level (i.e. we can be 95 per cent confident that the observed association is real and not due to

chance). The significant relationships refer to comparisons of given groups with the reference group, marked with letter 'R'.

Results of the regression analysis suggest that after taking into account the effect of other important factors:

- having some years with no worker in a household is generally associated with increased poverty of all forms. In particular, children in households with always no workers are generally more likely to experience persistent poverty, both severe and non-severe, while short periods (one or two years) without a worker is associated with increased short-term non-severe poverty;
- children in households with transitions between one and two or more workers are more likely to experience short-term poverty;
- at least one transitions between main source of income between benefits and work are associated with increased poverty of all forms;
- longer periods (3-5 years) in receipt of IS, UB and JSA benefits is associated with increased persistent poverty, both severe and non severe; and
- spending long periods (3-5 years) in lone parent households is associated with reduced persistent and severe poverty.

Table 3.14 Factors associated with poverty persistence and severity

Characteristic	Poverty status, compared to no poverty		
	Persistent and severe poverty	Persistent poverty only	Short-term poverty only
Number of years without workers			
- 5	+	+	ns
- 4	+	ns	ns
- 3	ns	ns	ns
- 2	+	+	+
- 1	+	ns	+
- 0 ^R			
Employment transitions			
- transitions between 1 and 2 workers	ns	ns	+
- No transition ^R			
Transition between main source of income from work or benefits			
- 2+ transitions	+	+	+
- 1 transition	+	+	+
- no transition ^R			
Number of years in receipt of benefits			
- 5	+	+	ns
- 4	+	+	ns
- 3	+	+	+
- 2	+	ns	ns
- none ^R			

Continued...

Characteristic	Poverty status, compared to no poverty		
	Persistent and severe poverty	Persistent poverty only	Short-term poverty only
Number of years in lone parent family			
- 5	-	ns	ns
- 3-4	-	ns	ns
- no years in lone parent ^R			
Number of years in rented accommodation			
- 5	+	+	+
- 3-4	ns	ns	+
- no years in rented accommodation ^R			
Number of years with ill adults in household			
- 5 years	ns	ns	ns
- 3-4	+	+	ns
- 1-2	+	+	ns
- no years with ill adults ^R			
Transitions between ill and no ill adults in household			
- 2+ transitions	ns	ns	+
- no transition ^R			
Region lived in most years			
- Scotland	ns	+	ns
- Wales	ns	ns	ns
- London	-	-	-
- South	-	ns	ns
- Midlands	ns	ns	ns
- North ^R			

Continued...

Characteristic	Poverty status, compared to no poverty		
	Persistent and severe poverty	Persistent poverty only	Short-term poverty only
Average number of children in household			
- 3 or more	+	+	+
- 2 children	ns	+	+
- 1 child ^R			
Transitions in number of children			
- increase in number of children in household	ns	-	-
- same number of children ^R			
Age of child			
- 10-14 years	ns	+	ns
- 15-19 years ^R			
Highest parental educational qualification			
- HNC, HND, Teaching, degree	-	-	-
- A levels	ns	-	-
- O levels, CSE	ns	-	-
- no qualification ^R			
Average age of youngest child in household			
- 0-4	+	+	+
- 5-9	+	ns	ns
- 15+ ^R			

^R - Reference category (comparison group), +/- positive/negative association at five per cent significance level, ns – not significant at five per cent level.

The association patterns observed here are generally consistent with those observed in the earlier analysis for the 1991-1999 period (Adelman et al., 2003). However, the number of years with work as the main source of income was observed to be significant in the earlier analysis but not the current one, possibly because the effect is picked up by the other related factors such as number of years in receipt of benefits and transitions between main source of income. This is most likely responsible for the considerably stronger association between all forms of poverty and source of main income transitions observed in the current analysis.

Other factors independently associated with child poverty include number of years in rented accommodation, number of years with long-term limiting illness among adults in a household and transitions between having and not having ill adult household members, region of residence, educational attainment of parents, number and transitions of children in household, age of child, and average age of youngest child in a household. The results suggest that:

- spending all years in rented accommodation is associated with increased poverty of all forms;
- spending some, but not all, years in households with adults having ill health is associated with increased persistent poverty, both severe and non-severe;
- two or more transitions between having and not having adult members with ill health in the households is associated with short-term non-severe poverty;
- children in London, and to some extent the South regions are less likely, while those in Scotland are more likely to experience persistent poverty compared to those in the North region;
- children whose parents have higher educational qualifications are less likely to experience poverty; and
- children in households where the youngest child is aged below five years are more likely to experience all forms of poverty, and those in

households where the youngest child is under 10 years are more likely to experience persistent and severe poverty. In addition, children aged 10-14 years are more likely to experience persistent non-severe poverty than those aged 15-19 years.

A comparison of factors associated with the most adverse form of poverty (i.e. persistent and severe poverty) versus other poverty forms (odds ratios given in Annex C) reveals that:

- children in households with continuously no adults in paid work, or no workers more than half the time, or in households with a transition between no worker and one worker are more likely to experience persistent and severe poverty as opposed to short-term non-severe poverty.
- children in continuously lone parent family, or in lone parent family most of the time are less likely to experience persistent and severe poverty as opposed to non-severe poverty, persistent or short-term.
- children in households with transitions in main source of income, especially two or more transitions, are more likely to experience persistent and severe poverty as opposed to non-severe poverty.
- more than one year of benefit receipt is associated with increased chance of persistent and severe poverty, as opposed to short-term non-severe poverty.
- at least two transitions between receipt and non-receipt of benefits is associated with persistent non-severe poverty as opposed to persistent and severe poverty.

The results of the regression analysis broadly confirm the associations observed in the earlier sections which examined the key factors of interest individually. In particular, the results confirm that spending long periods without an adult worker in a household or long periods in receipt of benefits are associated with increased persistent poverty, while transitions in number

of workers in a household, or main source of household income are associated with increased poverty of all forms.

However, the regression analysis seems to reveal a different picture with respect to periods spent in lone parent households. The finding from the regression analysis that spending longer periods in lone parent households is associated with reduced persistent and severe poverty is surprising. This pattern could be attributed to the fact that the apparent increased persistent and severe poverty experience among children always in lone parent households observed earlier is largely explained by other factors included in the regression analysis, which when held constant, gives children who spend prolonged periods in lone parent households relative advantage. An examination of the relationship between years spent in lone parent families and employment status and benefit receipt reveals that children who spent more years in lone parent families were more likely to be in households with more years without an adult worker in a household, more years in receipt of benefits, and likely to have transitions between work and benefits, factors all of which are associated with increased likelihood of poverty experience. When these factors are held constant, children in lone parent families for a longer period of time seem less likely to experience persistent and severe poverty, compared to those who spent no years in a lone parent family.

3.7 Summary

This chapter has examined the characteristics of children in persistent and severe poverty with respect to employment of household members, source of household income, benefit receipt, age of children and family type and size. The patterns for the 1994-2002 period were compared with the 1991-1999 period to identify any notable changes during the more recent period.

The results showed that having no adult in paid work in a household, work not being the main source of household income, or receipt of selected

benefits (IS, UB and JSA) were all generally associated with increased poverty. In particular, having no adult in paid work for short periods of time, or transitions between having workers and no workers in a household were associated with increased severe poverty, both persistent and short-term. Correspondingly, having benefits as the main source of income or long periods of benefit receipt were associated with increased persistent poverty, while transitions in the main source of income between paid work and benefits, or movements between receipt and non-receipt of benefits were associated with increased persistent and severe poverty.

Comparisons of the 1994-2002 with findings based on the earlier study (1991-1999) suggest that while there was some indication of improvements in poverty situation of children in households where no adult was in paid work, there was no evidence of similar improvements for children in households with no worker for shorter periods of time. Children from households with no adults in paid work for short periods of time (1-2 years) constituted a higher proportion of children in persistent and severe poverty in 1994-2002 compared to the 1991-1999 period, while the proportion of children in households with always no adult worker declined. The analysis of employment transitions confirm that children in households with transitions between having adult worker(s) and no worker, especially two or more transitions, seem to have worsened during the more recent period, relative to other children. The patterns observed for main source of household income and benefit receipt also confirm the likely worsening situation of children in households with transitions in main source of income or benefit receipt. On the other hand, the observed decline in the proportion of children in households with always one worker or always no worker among children in persistent and severe poverty suggests possible improvements in the relative poverty situation of such children.

Although children in lone parent families seemed more likely to experience persistent poverty, the findings from the multivariate analysis suggest that

children in lone parent families for longer periods of time were not necessarily worse off than their counterparts in other types of families. In fact, when factors relating to employment and benefit receipt were taken into account, they seem to compare favourably to children in other family types. Furthermore, the relative advantage of children in couples families, compared to those from other family types, seem to have narrowed in recent years. For instance, the proportion of children from always couple families among children in persistent and severe poverty increased from 47 to 50 per cent, despite the slight decline in the proportion of all children from such families from 66 to 64 per cent. Another notable finding on family type and transitions was the strong link between short-term and severe poverty, and transitions from couples to independent households. This group comprised mainly young people aged 16-19 years who left the parental home to live independently.

4

Persistent and Severe Poverty in Childhood and Household Exclusion

The next two chapters examine the association between different forms of income poverty and indicators of social exclusion at the household (or parents) and individual child level. This chapter focuses on the experience of child poverty and household exclusion based on three factors, namely, the necessities the household would like to have but cannot afford; problems with accommodation and local area; and parents experiences with savings.

4.1 'Necessities' would like to have but cannot afford

Information about the 'necessities' a household would like to have but cannot afford is available from 1996 onwards. For each cohort of children, information on these 'necessities' relates to the last year of observation. The analysis includes six 'necessities', namely: keep home adequately warm; annual holiday; replace worn out furniture; buy new rather than second hand clothes; eat meat, chicken or fish every second day; and have friends or family for a drink/meal at least once a month. Table 4.1 gives the proportion of children in households who cannot afford various 'necessities' by poverty status for the 1994-2002 period, while corresponding figures for the 1992-1999 period are shown at the bottom of the table for comparison (note that children entering the survey in 1991 could not be included since information on household exclusion was not available during the five years of observation).

Table 4.1 Per cent of children in households who cannot afford various 'necessities' they would like to have by poverty status

Type of 'necessity' wanted but could not afford	Column per cent					
	Persistent and severe poverty	Persistent poverty only	Short-term and severe poverty	Short-term poverty only	No poverty	All children
1994-2002						
Keep home adequately warm	1	2	0	0	0	1
Annual holiday	41	55	30	24	7	22
Replace worn out furniture	26	25	22	16	7	14
Buy new rather than 2 nd hand clothes	10	14	3	5	1	5
Eat meat, fish or chicken every other day	4	8	0	4	1	3
Have friends/family for drink/meal once a month	14	17	6	7	2	7
Unweighted N	147-151	335-338	74-77	380-383	1157-1160	2093-2109
1992-1999¹						
Keep home adequately warm	6	5	0	3	0.5	2
Annual holiday	54	57	29	26	10	27
Replace worn out furniture	30	29	19	17	10	17
Buy new rather than 2 nd hand clothes	17	14	6	9	2	7
Eat meat, fish or chicken every other day	6	12	0	4	1	4
Have friends/family for drink/meal once a month	18	20	6	6	4	9
Unweighted N						1664-1685

¹Source: Adelman et al., 2003, p100

The results for the 1994-2002 period suggest that, in general, any form of poverty, especially persistent poverty, is associated with inability to afford all the necessities included in the analysis, except keeping a home adequately warm, which almost all households can afford. It is interesting to note that those in persistent non-severe poverty are the most likely to lack 'necessities' they would like to have, even compared to those in persistent and severe poverty. More than half of children in persistent non-severe poverty (55 per cent) were in households who cannot afford, but would like, an annual holiday, compared to 41 per cent of children in persistent and severe poverty, and only seven per cent of children in no poverty. Persistent poverty (both severe and non-severe) is also associated with inability to replace worn out furniture, buy new rather than second hand clothes, eat meat or fish every other day, and have friend or family for a meal/drink every other month. Once again, those in persistent non-severe poverty are considerably more likely to be unable to afford to eat meat, chicken or fish every other day compared to those in persistent and severe poverty.

Compared to the 1992-1999 period, the proportion of all children in households who cannot afford various 'necessities' that they would like to have has declined during the 1994-2002 period. This pattern applies to all poverty groups, especially those in persistent poverty (severe or non-severe) or no poverty.

4.2 Problems with Accommodation

From 1996 onwards, the BHPS also sought information on whether respondents had various problems with their accommodation. The accommodation problems in households where the children included in the analysis lived relate to the last year of observation for each child cohort, as in the previous section. The proportion of children in households with various accommodation problems in the 1994-2002 and 1992-1999 periods are shown in Tables 4.2.

Table 4.2 Per cent of children in households experiencing various problems with accommodation by poverty status

Problem with accommodation	Column per cent					
	Persistent and severe poverty	Persistent poverty only	Short-term and severe poverty	Short-term poverty only	No poverty	All children
1994-2002						
Shortage of space	41	32	24	39	27	31
Not enough light	6	12	5	8	5	7
Lack of adequate heating	6	8	6	6	2	5
Condensation	23	25	18	16	11	16
Leaky roof	3	3	2	5	4	4
Damp walls and floors	11	15	8	9	6	9
Rot in window frames/ floors	11	13	15	8	7	9
Unweighted N	150-151	337-338	78	381-382	1157-1160	2105-2109
1992-1999¹						
Shortage of space	35	35	26	38	28	32
Not enough light	9	9	13	9	6	8
Lack of adequate heating	13	11	8	6	3	6
Condensation	22	29	27	23	15	20
Leaky roof	4	3	6	6	4	5
Damp walls and floors	12	18	14	15	6	11
Rot in window frames/ floors	11	15	23	11	9	11
Unweighted N						1683-1687

¹Source: Adelman et al., 2003, p 101

The result for the 1994-2002 period suggests that children in poverty of any form are generally more likely to be in households experiencing various problems with accommodation. The most common problem was shortage of space, affecting about three in ten of all children. About two in five of children in persistent and severe poverty (41 per cent) and in short-term non-severe poverty (39 per cent) were in households who indicated that their accommodation had a problem of 'shortage of space' at the time of the interview. However, it is important to point out that the problem of shortage of space was relatively common even among children who were not in poverty, affecting almost three in ten (27 per cent) of such children.

Another problem affecting a significant proportion of all children was condensation (16 per cent). The problem was particularly common among children in persistent poverty, severe (23 per cent) or non-severe (25 per cent). It would appear that poverty persistence, rather than severity, is more critical in household social exclusion based on problems with accommodation, as with 'necessities' the household cannot afford, noted earlier.

Overall, problems with accommodation have improved slightly during 1994-2002, compared to the 1992-1999 period, for all children. However, the situation for some poverty groups seems to be worsening with respect to specific problems. For example, the problem of shortage of space increased from 35 to 41 per cent among children in persistent and severe poverty, while the proportion in accommodation that lacked adequate lighting also increased among those in persistent non-severe poverty. Even in areas where there have been general improvements for most poverty groups (e.g. condensation, damp walls, rot in window frames, and lack of adequate heating), the extent of improvement sometimes varied considerably across poverty groups. The biggest improvements in condensation, dampness and rot were among those in short-term poverty, especially short-term and severe poverty. On the other hand, the problem of lack of adequate heating,

particularly, declined among those in persistent and severe poverty, from 13 per cent in 1992-1999 to six per cent in 1994-2002.

4.3 Problems with Local Area

Another measure of household social exclusion relates to various problems with local area, namely, noise from neighbours, street noise, pollution, grime or other environmental problems and vandalism or crime. The results are presented in Table 4.3, which also include corresponding data for the 1992-1999 period.

During the 1994-2002 period, the most common problem with local area was vandalism or crime, cited in 21 per cent of all cases, followed by street noise (18 per cent). Vandalism or crime appeared to be associated with persistent poverty, affecting about three in 10 children in persistent poverty, severe or non-severe. A similar proportion of children in persistent and severe poverty also experienced problem of street noise (31 per cent). In general, all the four problems with local area were more common for those in any form of poverty, compared to those in no poverty.

There does not seem to be any noticeable changes during the 1994-2002 period, compared to the 1992-1999 period, in the overall proportion of children affected by the various problems in local area, except for street noise which declined from 21 to 18 per cent. Despite the general decline in street noise, those in persistent and severe poverty, in fact, experienced an increase from 27 to 31 per cent. There was a noticeable decline in street noise and vandalism or crime among those in short-term and severe poverty, but some increase in noise from neighbours.

Table 4.3 Per cent of children in households experiencing various problems with local area by poverty status

Problem with local area	Column per cent					
	Persistent and severe poverty	Persistent poverty only	Short-term and severe poverty	Short-term poverty only	No poverty	All children
1994-2002						
Noise from neighbours	15	20	24	17	7	12
Street noise	31	23	26	17	14	18
Pollution, grime or other environmental problems	15	11	9	10	8	10
Vandalism or crime	29	29	26	27	15	1
Unweighted N	151	338	78	381-382	1158-1160	2106-2109
1992-1999¹						
Noise from neighbours	15	18	19	19	7	13
Street noise	27	27	38	26	14	21
Pollution, grime or other environmental problems	13	14	10	10	9	11
Vandalism or crime	28	28	37	21	14	20
Unweighted N						1681-1688

¹ Source: Adelman et al., 2003, p 102

4.4 Parents Experiences of Savings

It would have been desirable to analyse information on debt alongside that of savings but, unfortunately, information on debt was only available for BHPS survey wave 5 (i.e. conducted in 1995). The available information on debt was analysed in an earlier study by Adelman and others (2003) and has not been updated in the current study due to lack of data. Table 4.4 examines the distribution of parent's ability to save by poverty status. The corresponding data for 1991-1999 is also included to identify any noticeable trends.

About one third of all children (35 per cent) were in families where parents were not able to save in any year, while about one in ten (11 per cent) had parents who were always able to save. There is a strong relationship between ability to save and poverty status, especially persistent poverty. About two in three children in persistent poverty (severe or non-severe) had parents who were unable to save in any year, compared to about one in five children in no poverty. Correspondingly, parents in persistent poverty were hardly ever able to save, while 18 per cent of those in no poverty were always able to save.

Table 4.4 Parents ability to save by children's poverty status

Ability to save	Column per cent					
	Persistent and severe poverty	Persistent poverty only	Short-term and severe poverty	Short-term poverty only	No poverty	All children
1994-2002						
Not able to save in any year	60	59	38	37	22	35
Able to save for 1 or 2 years	27	31	29	40	33	33
Able to save for 3 or 4 years	13	8	29	16	28	21
Always able to save	0	2	5	6	18	11
Unweighted N	149	318	71	375	1136	2049
1991-1999¹						
Not able to save in any year	59	60	33	37	20	35
Able to save for 1 or 2 years	31	32	30	37	36	35
Able to save for 3 or 4 years	10	8	33	21	27	21
Always able to save	1	1	3	5	17	10
Unweighted N						2038

¹Source: Adelman et al., 2003, p 109

The overall proportion of children, in different poverty groups, whose parents were unable to save for a given number of years did not change significantly during 1994-2002 from the 1991-1999 period.

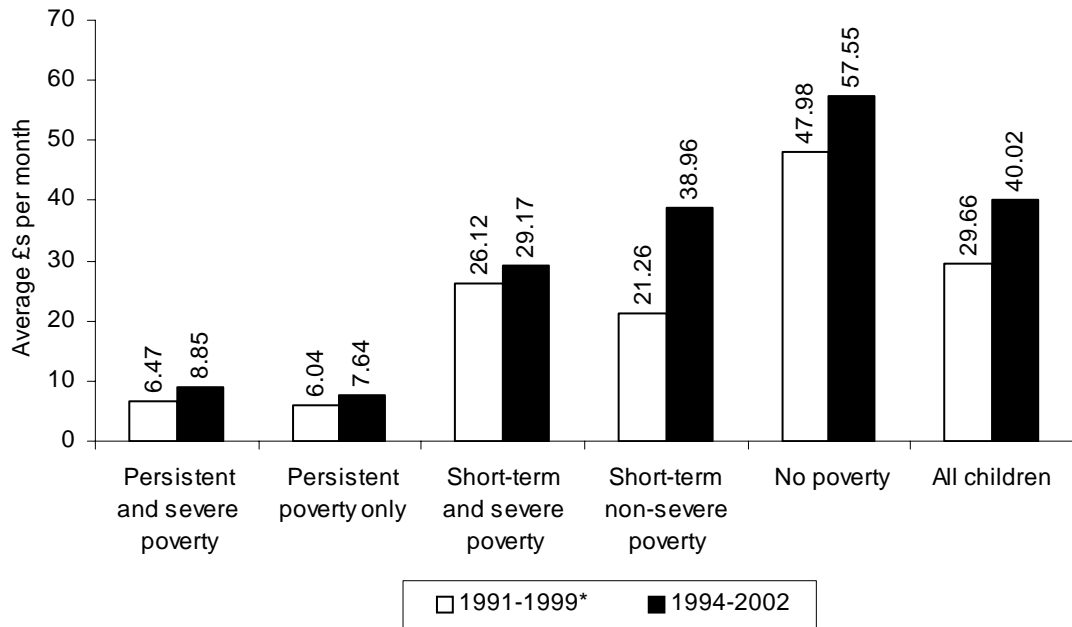
Being able to make any savings during the five-year period in itself is not as important as the amount of savings made. Respondents in the BHPS were asked about how much on average they personally managed to save per month. This information was used to compute the average monthly savings parents made during the five-year period of observation. Table 4.5 gives the mean monthly savings of parents by poverty group during 1994-2002.

Table 4.5 Amounts parent saved by children's poverty status (1994-2002)

Poverty status	Those who saved		Including those who did not save	
	Mean monthly saving (£)	Unweighted N	Mean monthly saving (£)	Unweighted N
Persistent and severe poverty	64.33	52	8.85	149
Persistent poverty only	48.33	120	7.64	316
Short-term and severe poverty	103.96	34	29.17	66
Short-term poverty only	102.34	202	38.96	353
No poverty	116.65	779	57.55	1047
All children	102.89	1187	40.02	1931

The results suggest that being in poverty is generally associated with reduced savings. In particular, persistent poverty, severe or non-severe, is associated with considerably reduced savings compared to the other poverty groups. Among those who made savings, the average amounts saved by those in some form of poverty ranged from less than £50 among those in persistent non-severe poverty to more than £100 among those in no poverty or short-term poverty. The difference between amount of savings by those in persistent poverty, compared to those in short-term poverty is even bigger when average amounts include those who made no savings. The average savings made by all in persistent poverty (£9/£8) was less than one-third of those in short-term poverty (£29/£39). A comparison with the amounts parents saved in 1991-1999 (see Figure 4.1) suggests an overall increase in the amount of savings for all children from about 30 to 40 pounds.

Figure 4.1 Average amount saved by children’s poverty status during 1991-1999 and 1994-2002



*Source: Adelman et al., 2003, p 109

The average amount of savings has increased for all poverty groups, but the extent of increase varies between poverty groups. While there was a substantial increase in savings among those in short-term and severe poverty, only modest increases were observed for children in other poverty groups.

4.5 Summary

The results in this chapter reveal that poverty persistence, rather than severity is the critical factor in household social exclusion. Persistent poverty was associated with reduced ability to afford various ‘necessities’, including an annual holiday, replacing worn out furniture, buying new rather than second hand clothes, eating meat or fish every other day, or having a friend/family for a meal or drink. It is somewhat surprising that those in persistent non-severe poverty sometimes seem worse off compared to those

in persistent and severe poverty. This may be an indication of possible income measurement errors for some of those classified as being in severe poverty (especially the self-employed), given the fairly low income threshold used. The proportion of children in households who could not afford various 'necessities' declined during 1994-2002, compared to 1991-1999, especially for those in persistent poverty (severe or non-severe) or no poverty.

Children in any form of poverty were more likely to be in households experiencing various problems with their accommodation. The most common problem was shortage of space, affecting about three in ten of all children and two in five of children in persistent and severe poverty or in short-term non-severe poverty. Although reported problems with accommodation decreased slightly for all children during 1994-2002, compared to 1991-1999, the situation of children in some poverty groups, especially those in persistent poverty, seems to have worsened. For example, the problem of shortage of space increased among those in persistent and severe poverty, while lack of adequate lighting increased among those in persistent non-severe poverty. Nevertheless, the problem of lack of adequate heating declined most noticeably among those in persistent and severe poverty, from 13 per cent in 1991-1999 to six per cent in 1994-2002.

Like the other household social exclusion factors, problems with local area were more common among those in poverty, compared to those not in poverty. The most common problem with local area was vandalism or crime, affecting 21 per cent of all children. As with the other household social exclusion problems, children in persistent poverty (severe or non-severe) were the most likely to be affected.

There was a strong relationship between ability to save and poverty status, especially persistent poverty. About two-thirds of children in persistent poverty (severe or non-severe) had parents who were unable to save in any

year, compared to one in five of children in no poverty. The results further showed that being in poverty, especially persistent poverty, was associated with reduced amount of savings. The average savings for those in persistent poverty was less than half of the average amount for those in short-term poverty or no poverty. The average amount of savings increased for all poverty groups in 1994-2002, compared to the 1991-1999 period.

5

Persistent and Severe Poverty in Childhood and Young People's Social Exclusion

In addition to household and parents social exclusion examined in the previous chapter, it is important to understand the relationship between childhood poverty and social exclusion among the children themselves. From 1994 onwards, the BHPS included a youth's questionnaire, administered to young people aged 11-15 years. The questionnaire included information on various experiences of young people that relate to social exclusion. As in the earlier study by Adelman et al., (2003), this chapter focuses on four main areas of young people's social exclusion, namely:

- relationship with friends and family;
- pocket money and part-time work;
- school experiences and career aspirations; and
- emotional well-being.

Before examining the relationship between young people's social exclusion and their poverty status, it is important to first understand the distribution of the sample of young people included in the analysis by poverty status. Since the youth questionnaire was only administered to young people aged 11-15 years, the analysis in this chapter only includes children in age cohort 10-14 years and examines their experiences of social exclusion at age 14 years. The distribution of the analysis sample of children by poverty status is given in Table 5.1, which also shows corresponding data for the earlier analysis by Adelman et al., (2003).

Table 5.1 Persistent and severe poverty among young people aged 10-14 years

Poverty status	Column per cent	
	1994-2002	1991-1999 ¹
No poverty	54	53
Short-term poverty only	18	16
Short-term and severe poverty	2	2
Persistent poverty only	19	21
Persistent and severe poverty	7	8
Unweighted N	559	504

¹Source: Adelman et al., 2003, p 117

The poverty status of the 10-14 year-olds included in this chapter is not significantly different from that of all children presented in Table 2.2. Although the proportion in short-term and severe poverty seems slightly higher among the 10-14 year olds, the data should be interpreted with caution since overall numbers are few. Compared to the earlier period, there has not been much change in the experience of poverty among young people. However, there is a small increase in the proportion in short-term poverty while persistent poverty, both severe and non-severe, has declined slightly. Given the small number of cases of 10-14 year olds who experienced short-term and severe poverty (<20 cases), this poverty group has been excluded from subsequent analysis in this chapter.

5.1 Relationships with Friends and Family

Experience of poverty among children is likely to affect the way they relate to their friends and family.

5.1.1 Relationship with friends

The relationship with friends was examined based on information on how often friends visited their house, and how often they had been involved in fights with friends. It is possible that children in poverty may feel generally frustrated in life, hence more easily irritated and more prone to being involved in fights. Table 5.2 presents information relating to relationship with friends by poverty status. Corresponding data for 1991-1999 are shown at the bottom of the table for comparison.

The data for 1994-2002 do not provide evidence of significant associations between poverty status and relationship with friends. Although the result shows some indication that those in severe poverty, especially persistent and severe poverty, are more likely to have been involved in fights with friends in the past month (35 per cent) compared to those in non-severe poverty or no poverty (each 24 per cent), the association is not statistically significant. This could be partly due to the relatively small number of cases making it impossible to detect some significant associations.

There appears to have been some changes in the association between relationship with friends and poverty status observed in the 1991-1999 and 1994-2002 periods. Results for the earlier period had given some indication that young people in persistent and severe poverty were less likely to have friends visiting, compared to other poverty groups, but data for the later period does not confirm this association. Also, although the 1994-2002 results suggest that those in persistent and severe poverty appear more likely to have been involved in fights with friends (although the association is not significant), the same pattern does not hold for the 1991-1999 period.

Regardless of poverty status, almost all young people indicated they were happy with their friends, and the patterns are consistent for the two periods, with those in persistent and severe poverty being the most likely to indicate they were happy with friends. In general, the findings relating to association between relationship with friends and poverty status remain inconclusive and none of the associations is statistically significant.

Table 5.2 Relationships with friends by poverty status

Relationship with friends	Column per cent				
	Persistent and severe poverty	Persistent poverty only	Short-term poverty only	No poverty	All children
1994-2002					
Number of times friends have visited house in past 7 days (p=0.125)					
- None	[19]	34	31	26	28
- 1-2	[44]	43	32	49	44
- three or more	[37]	23	38	25	28
Number of times been in a fight in the past month (p=0.534)					
- never	[65]	76	71	76	75
- at least once	[35]	24	29	24	25
Happiness with friends (p=0.649)					
- happy	[100]	93	92	95	94
- neither happy nor unhappy	[0]	5	4	4	4
- unhappy	[0]	2	4	1	2
Unweighted N	40	100	96	307	543
1991-1999¹					
Number of times friends have visited house in past 7 days					
- None	[38]	25	22	28	28
- 1-2	[38]	33	41	41	39
- three or more	[25]	42	37	31	34
Number of times been in a fight in the past month					
- never	[72]	69	68	71	70
- at least once	[28]	31	32	29	30
Happiness with friends					
- happy	[97]	94	92	94	94
- neither happy nor unhappy	[3]	4	5	2	3
- unhappy	[0]	2	3	3	3
Unweighted N					489

¹Source: Adelman et al., 2003, p 118-9

5.1.2 Relationship with family

Table 5.3 gives the proportion of young people during the 1994-2002 and 1991-1999 periods who regularly argued with parents, talked to parents about things that matter and were happy with family by poverty status.

The results for the 1994-2002 period show about three in ten of all children included in the analysis argue regularly with their mother, while about one quarter argue regularly with their father. There is no evidence of a significant association between regularly arguing with parents and poverty status.

However, there is a significant association between talking to parents (especially their mother) about things that matter and poverty status. Those who were not in poverty were significantly more likely to talk to mother about things that matter (56 per cent) than those who were in poverty, especially short-term non-severe (33 per cent) or persistent severe poverty (36 per cent). The results further suggest that young people who are not in poverty are the most likely to be happy with their family (94 per cent) while those in persistent and severe poverty are the least likely to be happy with their family (71 per cent). Overall, 47 per cent of young people included in the analysis talked to their mother about things that matter, while 25 per cent talked to their father. It is likely that there are significant gender differences with respect to whether children talk to their mother or father, but segregation of the results by gender is not possible due to the small number of cases used in the analysis. Almost all (90 per cent) were happy with their families.

Compared to the 1991-1999 period, the overall proportion of all children who regularly argue with mother or father, regularly talk to mother or father about things that matter, or are happy with their family has not changed significantly. However, there are some noticeable changes for specific poverty groups. For instance, the proportion of young people who argue with mother has declined from 30 to 16 per cent among young people in persistent and severe poverty, but increased among those in short-term non-severe poverty from 28 to 37 per cent. Another noticeable change is a

decline in the proportion of young people in short-term non-severe poverty who regularly talk to their mother about things that matter, from 39 to 33 per cent.

Table 5.3 Relationships with parents by poverty status

Relationship with parents	Column per cent				
	Persistent and severe poverty	Persistent poverty only	Short-term poverty only	No poverty	All children
1994-2002					
Per cent who regularly argue with					
- mother (p=0.101)	[16]	22	37	32	30
- father (p=0.677)	[19]	26	19	26	24
Per cent who regularly talk to parents about things that matter					
- mother (p=0.002)					
- father (p=0.070)	[36]	40	33	56	47
	[17]	18	15	30	25
Happiness with family (p=0.007)					
- happy	[72]	92	85	94	90
- neither happy nor unhappy	[28]	3	10	4	6
- unhappy	[0]	5	4	3	3
Unweighted N	40	100	96	307	543
1991-1999¹					
Per cent who regularly argue with:					
- mother	[30]	24	28	34	31
- father	[19]	27	24	21	22
Per cent who regularly talk to parents about things that matter					
- mother	[36]	44	39	53	48
- father	[12]	22	18	27	24
Happiness with family					
- happy					
- neither happy nor unhappy	[70]	91	87	91	89
	[27]	7	8	4	7
- unhappy	[3]	2	5	5	4
Unweighted N					488

¹Source: Adelman et al., 2003, p 119-120

5.2 Pocket Money and Part-time Work

Previous studies had observed that young people from poor families are likely to be disadvantaged with respect to the amount of pocket money they receive, or earnings from part-time work (Shropshire and Middleton, 1999; Middleton and Loumidis, 2001). Most young people (90 per cent) receive pocket money, but those in persistent and severe poverty are relatively less likely to receive pocket money (79 per cent) compared to the other groups. Table 5.4 gives the average amounts of pocket money young people received (excluding those who did not receive any amount) by poverty status. The data for 1991-1999 are presented alongside those of 1994-2002 for comparison.

Table 5.4 Amount of pocket money young people receive

Poverty status	1994-2002		1991-1999 ¹
	Mean (£)	Unweighted N	Mean (£)
Persistent and severe poverty	11.16	25	6.46
Persistent poverty only	10.40	68	11.35
Short-term poverty only	10.06	67	8.41
No poverty	10.19	223	9.20
All young people	10.16	383	9.27*

*unweighted base = 425 young people who received pocket money

¹Source: Adelman et al., 2003, p 121

There is hardly any variation in the amount of pocket money young people received during the 1994-2002 period by poverty status, with all groups having received an average of £10 - £11 in the week preceding the survey. Comparison with the 1991-1999 amounts suggest general increases in the amounts for all poverty groups with the exception of those in persistent non-

severe poverty. The greatest increase is for those in persistent and severe poverty. However, it is important to point out that these increases have not taken into account inflation during the two time periods and, hence, observed increases do not necessarily suggest that young people were generally better off during the latter, compared to the earlier period.

Table 5.5 Paid part-time work among young people

Poverty status	1994-2002		1991-1999 ¹
	Per cent undertaking part-time paid work	Unweighted N	Per cent undertaking part-time paid work
Persistent and severe poverty	[32]	34	[31]
Persistent poverty only	35	86	30
Short-term poverty only	51	77	44
No poverty	37	259	42
All young people	39	456	39*

*Unweighted base = 483 young people

¹Source: Adelman et al., 2003, p 122

Results in Table 5.5 suggest that about two in five young people in 1994-2002, as in 1991-1999, undertook part-time paid work. Those in short-term non-severe poverty were the most likely, while those in persistent and severe poverty were the least likely to undertake paid part-time work. These patterns are similar to those observed earlier in 1991-1999, but the proportion undertaking part-time work has increased among those in short-term non-severe poverty from 44 to 51 per cent.

The average number of hours worked and average hourly earnings for the 1994-2002 and 1991-1999 periods are presented in Table 5.6. During 1994-2002, the average amount of hours worked was lowest among young people

in persistent and severe poverty. This group also had considerably lower average hourly earnings (£2.08) compared to the poverty groups (more than £3.00). It is interesting to note that those in persistent non-severe poverty had the highest average number of hours worked. Again it should be pointed out that these increases have not taken into account price changes during the two time periods.

Table 5.6 Average number of hours worked and hourly wages among young people

Poverty status	Average number of hours worked	Average hourly earnings (£)	Unweighted N
1994-2002			
Persistent and severe poverty	4.8	2.08	12
Persistent poverty only	10.6	3.44	30
Short-term poverty only	6.7	3.10	35
No poverty	6.0	3.55	100
All young people	6.9	3.40	177
1991-1999¹			
Persistent and severe poverty	3.7	1.87	
Persistent poverty only	5.6	2.40	
Short-term poverty only	6.6	2.50	
No poverty	6.4	2.56	
All young people	6.1	2.48	192

¹Source: Adelman et al., 2003, p 122

Compared to the 1991-1999 period, the overall average number of hours worked has increased slightly, while the average hourly earnings has increased significantly from £2.48 to £3.40. The largest increase in number of hours worked was observed among those in persistent non-severe poverty, for whom the number of hours worked almost doubled. The

explanations for this remain unclear. Those in persistent and severe poverty had the smallest increase in average hourly earnings.

5.3 School Experiences among Young People and Poverty Status

Previous studies have suggested that children from poor families are more likely to have negative school experiences and lower career aspirations than those who are not poor (Shropshire and Middleton, 1999; Ridge, 2002; Adelman et al., 2003). This section explores the association between young people's school experiences/career aspirations and poverty status to ascertain if evidence from the more recent BHPS supports these findings from earlier research.

The analysis of young people's school experiences presented here focus on four questions examined in the earlier analysis by Adelman et al., (2003), as well as additional school experiences relating to relationship with teachers, truancy from school, and school suspensions/expulsions which were not included in the earlier study due to lack of data. The additional information on school experiences were only included in BHPS from 1997 (wave 7) onwards. However, information on school suspensions and expulsions was not included in 2002. Information on career aspirations is rather limited since information on what the young people would like to do when they left school is not available for waves 9, 10 and 11, resulting in too few cases in some poverty groups to permit meaningful analysis. The analysis of young people's school experiences included in this section, therefore, includes:

- the extent to which young people worry about being bullied in school;
- views on the importance of doing well in school;
- how happy they felt with their school work;
- intentions about whether to stay on in education after they are 16 years old;
- relationship with teachers;

- truancy from school; and
- suspensions and expulsions from school.

The first sub-section focuses on school experiences examined in the earlier study by Adelman et al., (2003), to give some indication of possible trends, while subsequent sub-sections examine additional information on school experience included in the more recent surveys.

5.3.1 Patterns and trends in association of school experience and poverty

Table 5.7 gives the association of young peoples school experiences based on the first set of indicators included in the earlier analysis and poverty status during 1994-2002, while corresponding data for 1991-1999 are shown at the bottom of the table for comparison.

The results for 1994-2002 suggest that about a third of all young people worry about being bullied at school, about seven per cent are unhappy with school work, and doing well in school does not mean a great deal to 38 per cent. In general, these experiences do not vary significantly by poverty status, but there is some indication that those in persistent and severe poverty, and to some extent those in persistent or short-term non-severe poverty are less likely to indicate that doing well in school means a great deal to them, compared to those who are not in poverty. It is, however, interesting to note that those in persistent and severe poverty appear relatively less likely to worry about being bullied at school, particularly compared to those in short-term non-severe poverty.

The results further suggest a significant relationship between staying on in school after age 16 years and poverty status. Those in persistent poverty, severe or non-severe, are less likely to report that they would be staying on in school after age 16, and more likely to be undecided as to whether they

would or would not stay on in school, compared to those in no poverty or short-term non-severe poverty.

Table 5.7 School experiences by poverty status

School experience	Column per cent				
	Persistent and severe poverty	Persistent poverty only	Short-term poverty only	No poverty	All children
1994-2002					
Worrying about being bullied					
- a lot or a bit	[26]	30	38	33	32
- not at all	[74]	70	63	67	68
Happiness with school work					
- happy	[83]	75	71	84	80
- neither unhappy nor happy	[11]	17	15	12	14
- unhappy	[6]	9	15	4	7
How much it means to do well in school					
- a great deal	[54]	57	58	65	62
- quite a lot /a bit /very little	[46]	43	42	35	38
Whether would stay on in school after 16					
- undecided	[23]	22	8	7	11
- no	[8]	13	17	8	11
- yes	[69]	65	75	85	78
Unweighted N	40	100	96	307	543

Continued...

School experience	Column per cent				
	Persistent and severe poverty	Persistent poverty only	Short-term poverty only	No poverty	All children
1991-1999¹					
Worrying about being bullied					
- a lot or a bit	[34]	38	29	33	34
- not at all	[66]	62	71	67	66
Happiness with school work					
- happy	[75]	83	82	84	83
- Neither unhappy nor happy	[13]	12	12	10	11
- unhappy	[13]	5	7	6	6
How much it means to do well in school					
- a great deal	[63]	61	53	66	63
- quite a lot/a bit/very little	[38]	39	47	34	37
Whether would stay on in school after 16					
- undecided	[13]	27	15	12	15
- no	[16]	14	16	7	11
- yes	[72]	59	69	81	74
Unweighted N					488

¹Source: Adelman et al., 2003, p 123-5

A comparison of young people's school experiences in 1994-2002 with 1991-1999 show hardly any change in the overall proportion worried about bullying at school, or reporting that doing well in school meant a great deal to them. A small decline was observed in the proportion reporting that they were happy with school work, coupled with an increase in the proportion who were neither unhappy nor happy. The proportion of young people reporting that they would stay on in school after age 16 increased slightly, while those undecided dropped from 15 to 11 per cent overall and from 15 to eight per cent for those in short-term poverty, with more in short-term poverty having decided to stay on in school.

An examination of the different poverty groups reveals more pronounced changes in school experiences. The proportion of young people worried about bullying dropped notably among those in persistent poverty (severe and non-severe), but increased among those in short-term non-severe poverty from 29 to 38 per cent. On the other hand, the proportion happy with school work increased among those in persistent and severe poverty, but declined among those in persistent or short-term non-severe poverty. Furthermore, the proportion of young people in persistent and severe poverty for whom doing well in school meant a great deal declined, while the proportion undecided about staying on in school after age 16 increased. It is important to point out that since most of the associations observed are not statistically significant, it is possible that the apparent changes or associations between educational experiences and poverty status observed in the current or earlier analysis are largely due to chance. The number of cases seem inadequate to reveal conclusive patterns in the associations, or any potential trends.

5.3.2 Relationship with teachers

The next two sub-sections focus on additional information on school experiences of young people that have been included in the more recent

surveys: relationship with teachers, truancy and suspensions or expulsions from school.

Table 5.8 suggests that the majority of young people like most of their teachers and do not think that teachers are always getting at them. About two in three (67 per cent) indicated that they liked most of their teachers and four in five (79 per cent) did not feel that teachers were always getting at them.

Table 5.8 Relationship with teachers by poverty status (1994-2002)

Relationship with teachers	Column per cent				
	Persistent and severe poverty	Persistent poverty only	Short-term poverty only	No poverty	All children
I like most of my teachers					
- strongly agree	[4]	10	15	11	12
- agree	[39]	52	46	62	56
- disagree	[42]	23	19	18	21
- strongly disagree	[15]	14	19	9	12
Teachers are always getting at me					
- strongly agree	[8]	8	13	4	7
- agree	[15]	13	15	14	14
- disagree	[62]	46	33	53	48
- strongly disagree	[15]	34	39	28	31
Unweighted N	40	100	96	307	543

An examination of the association between relationship with teachers by poverty status provides some indication that young people in persistent and severe poverty may be less likely to have a positive relationship with their teachers, compared to those in no poverty or in less-severe forms of poverty. Only 42 per cent of those in persistent and severe poverty liked most of their teachers, compared to 73 per cent of those in no poverty.

5.3.3 Truancy and suspensions/expulsions from school

Playing truant and suspensions and expulsions from school are indicators of serious discipline problems among young people, that are likely to have adverse effects on their school achievement and overall well-being. Table 5.9 examines the association between playing truant or suspensions/expulsions from school and poverty status among young people.

Table 5.9 Truancy and suspensions/expulsions from school by poverty status (1994-2002)

School problem	Column per cent				
	Persistent and severe poverty	Persistent poverty only	Short-term poverty only	No poverty	All children
Played truant from school					
- never	84	79	71	87	82
- once or twice	12	12	21	12	13
- several times /often	4	9	7	2	4
Unweighted N	39	100	95	307	552
Ever suspended or expelled from school*					
- yes	10	7	12	4	6
- no	91	93	88	96	94
Unweighted N	31	81	76	248	436

* missing for Wave 12

The results in Table 5.9 suggest that about four per cent of young people (aged 14 years) have played truant from school often or several times while 13 per cent have played truant once or twice. About six per cent have been suspended or expelled from school.

An examination of truancy and suspension/expulsion rates by poverty status suggests that young people not experiencing poverty were less likely to play truant or be suspended/expelled from school compared to those in poverty. About nine in ten (87 per cent) of young people not in poverty had never played truant, compared to seven in ten (71 per cent) of those in short-term non-severe poverty. Similarly, 96 per cent of young people not in poverty had never been suspended or expelled from school, compared to 88 per cent of those in short-term non-severe poverty. It is interesting to note that those in short-term non-severe poverty seem to have higher rates of truancy and suspension/expulsion from school, even in comparison with those in persistent poverty (severe or non-severe). Explanations for this remain unclear, but it is possible that some of these differences are due to small sample sizes.

5.4 Emotional Well-being of Young People and Poverty Status

Poverty status of young people may have an effect on their emotional well being. In this analysis emotional well being of young people has been assessed based on a number of factors, namely:

- feeling unhappy;
- feeling lonely;
- feeling of self-worth; and
- satisfaction with appearance and life as a whole.

Information on feeling lonely and frequency of feeling unhappy was not collected in wave 12, hence, the analysis for these two indicators is only included up to wave 11 (2001).

5.4.1 Frequency of unhappiness among young people

Table 5.10 examines frequency of unhappiness among young people by poverty status. The results for the 1994-2001 period suggest that overall, young people in persistent and severe poverty were less likely to report that they had felt unhappy during the past month, compared to those in other poverty groups. It is important to point out that all findings relating to the persistent and severe poverty group should be interpreted with great caution, given the small number of cases.

Table 5.10 Frequency of unhappiness by poverty status

How many days felt unhappy in the past month	Column per cent				
	Persistent and severe poverty	Persistent poverty only	Short-term poverty only	No poverty	All children
1994-2001					
None	[46]	27	31	29	30
1-3	[54]	52	53	51	52
4 or more	[0]	21	16	20	18
Unweighted N	31	81	75	248	435
1991-1999¹					
None	[38]	26	31	29	29
1-3	[41]	46	52	48	47
4 or more	[22]	28	18	24	24
Unweighted N					488

¹Source: Adelman et al., 2003, p 127

The association between feeling of unhappiness and poverty status observed during 1994-2001 is consistent with that observed during 1991-1999, suggesting that those in persistent and severe poverty were the least likely to report that they felt unhappy during the past month. The overall proportion of young people who felt unhappy on at least one day during the past month remained the same at about 70 per cent during the two periods, but the proportion reporting frequent unhappiness (at least four days) declined from 24 per cent in 1991-1999 to 18 per cent in 1994-2001.

5.4.2 Feelings of loneliness among young people

The association between feelings of loneliness and poverty status given in Table 5.11 seem inconclusive, possibly due to small sample sizes. The results suggest that young people in persistent poverty, severe or non-severe were more likely to often feel lonely than those in short-term or no poverty. During the 1994-2002 period, 21 per cent of young people in persistent poverty (severe or non-severe) reported that they very/quite often felt lonely, compared to only five per cent of those not in poverty. At the same time, those in persistent poverty (severe or non-severe) seem also more likely to hardly ever feel lonely, and less likely to occasionally feel lonely compared to those not in poverty.

Table 5.11 Frequency of loneliness by poverty status

How often feel lonely	Column per cent				
	Persistent and severe poverty	Persistent poverty only	Short-term poverty only	No poverty	All children
1994-2001					
Very or quite often	[21]	21	12	5	10
Occasionally	[14]	19	34	39	33
Hardly ever	[64]	61	53	56	57
Unweighted N	31	80	75	248	434
1991-1999¹					
Very or quite often	[16]	16	5	8	10
Occasionally	[31]	20	36	38	33
Hardly ever	[53]	64	60	53	57
Unweighted N					487

¹Source: Adelman et al., 2003, p 127

Compared to the 1991-1999 period, the overall proportion of young people in 1994-2002 who reported feeling lonely very/quite often, occasionally or hardly ever has remained the same at 10, 33 and 57 per cent, respectively. Although the proportion of young people in persistent and severe poverty who felt unhappy very/quite often or hardly ever both declined, the patterns for 1991-1999 also suggest that young people in persistent poverty are more likely to feel lonely very/quite often, compared to their counterparts in short-term poverty or no poverty.

5.4.3 Feelings of self-worth among young people

Table 5.12 shows young peoples feeling of self-worthiness by poverty status. The results for 1994-2002 suggest that young people in persistent and severe poverty are more likely to 'feel useless at times', compared to their

counterparts in less severe or no poverty. However, those in short-term, non-severe poverty are the most likely to feel that they are 'no good' and inclined to feel they are a 'failure'. Again, we should be cautious in interpreting the results for persistent and severe poverty group, given the relatively few cases.

In general, the feelings of self-worthiness among young people did not vary significantly during the 1991-1999 and 1994-2002 time periods. The findings for the earlier period also suggest that those in persistent and severe poverty were the most likely to report that they 'certainly felt useless at times'. However some of the association patterns by poverty status have changed, possibly due to chance given the relatively small number of cases included in the analysis. Hence, the results should be interpreted with caution, particularly for the persistent and severe poverty group.

Table 5.12 Feeling of self-worth by poverty status

Proportion who agree to the following remarks	Column per cent				
	Persistent and severe poverty	Persistent poverty only	Short-term poverty only	No poverty	All children
1994-2002					
I feel I have a number of good qualities	[90]	95	92	95	94
I am a likable person	[90]	92	96	99	96
I certainly feel useless at times	[56]	34	40	39	40
I am inclined to feel that I am a failure	[0]	9	13	8	8
At times I feel I'm no good	[21]	26	38	24	27
Unweighted N	40	100	95	306	541
1991-1999¹					
I feel I have a number of good qualities	88	87	92	94	92
I am a likable person	94	94	95	96	96
I certainly feel useless at times	55	42	32	36	38
I am inclined to feel that I am a failure	16	12	5	8	9
At times I feel I'm no good	31	34	31	26	29
Unweighted N					484-448

¹Source: Adelman et al., 2003, p 128

5.4.4 Satisfaction with appearance and life as a whole

Whether young people are happy with their appearance or not is likely to significantly affect their self-esteem. During the 1994-2002 period, 79 per cent of all young people included in the analysis stated that they were happy with their appearance. It is interesting to note that those in persistent poverty seem relatively more positive about their appearance, than those in the other poverty groups (although the association is not statistically significant). However, the 1991-1999 data gives a different picture, indicating that those in persistent and severe poverty are the least likely to be happy with their appearance compared to their counterparts in less severe forms of poverty or no poverty. It is possible that these fluctuations are mainly due to chance, given the small number of cases for specific poverty groups, especially those in persistent and severe poverty.

Table 5.13 Happiness with appearance by poverty status

Happiness with appearance	Column per cent				
	Persistent and severe poverty	Persistent poverty only	Short-term poverty only	No poverty	All children
1994-2002					
Happy	[83]	77	75	81	79
Neither happy nor unhappy	[17]	17	13	11	13
Unhappy	[0]	7	13	8	8
Unweighted N	40	100	95	307	542
1991-1999¹					
Happy	66	81	76	76	76
Neither happy nor unhappy	25	13	15	13	14
Unhappy	9	6	10	12	10
Unweighted N					488

¹Source: Adelman et al., 2003, p 129

An examination of young people's feeling of happiness with life as a whole (Table 5.14) shows that most young people (about nine in ten) are happy with life as a whole. The overall proportion feeling happy with life as a whole, and associations with poverty status does not vary much between 1994-2002 and 1991-1999 periods. The result for both periods suggest that young people in persistent and severe poverty are the least likely, while those in no poverty are the most likely to feel happy with life as a whole.

Table 5.14 Happiness with life as a whole by poverty status

Happiness with life as a whole	Poverty status				
	Persistent and severe poverty	Persistent poverty only	Short-term poverty only	No poverty	All children
1994-2002					
Happy	[79]	85	82	93	88
Neither happy nor unhappy	[16]	7	8	5	7
Unhappy	[5]	9	10	2	5
Unweighted N	40	99	96	307	542
1991-1999¹					
Happy	70	83	89	90	87
Neither happy nor unhappy	12	8	7	6	7
Unhappy	18	8	5	4	6
Unweighted N					488

¹Source: Adelman et al., 2003, p 129

5.5 Summary

The results in this chapter should be interpreted with caution given the small number of cases involved. This is particularly so for children in persistent

and severe poverty for whom the cases are too few to provide conclusive findings.

In general, the results do not provide evidence of significant associations between poverty status and relationship with friends. However, there is some indication that young people not in poverty were more likely to talk to their mother about things that matter. The results further suggest that young people who are not in poverty were the most likely to be happy with their family (94 per cent), while those in persistent and severe poverty were the least likely to be happy (71 per cent).

Although most young people received pocket money (90 per cent), those in persistent and severe poverty were less likely to receive pocket money (79 per cent) compared children in the other poverty groups. The results show no evidence of significant variations in the amount of pocket money received by children in different poverty groups. With regard to paid part-time work, again there was some indication that those in persistent and severe poverty were the least likely to undertake paid part-time work, had the lowest average number of hours worked, and considerably lower average hourly earnings. The average hourly earnings increased for all poverty groups in 1994-2002 period, compared to the 1991-1999 period, but the increase was relatively small for those in persistent and severe poverty, in comparison to the other poverty groups.

There was some indication that young people who were in persistent poverty had more negative school experiences, as they were less likely to report that doing well in school meant a great deal to them, or that they would be staying on in school after age 16 years. Furthermore, there was some indication that those in persistent and severe poverty were less likely to have a positive relationship with their teachers. Only 42 per cent of those in persistent and severe poverty reported that they liked most of their teachers, compared to 73 per cent of those not in poverty. With respect to truancy and

suspension or expulsion from school, young people not in poverty are relatively less likely to be involved than those in poverty, especially those in short-term non-severe poverty who appear to have the highest school truancy and suspension/expulsion rates.

It was surprising to note that during both 1994-2002 and 1991-1999 periods, those in persistent and severe poverty were the least likely to report that they felt unhappy in the past month. On the other hand, those in persistent poverty were more likely to often feel lonely, and less likely to feel happy with life as a whole, compared to those not in poverty.

6

Conclusions and Policy Implications

The findings presented in this report have important policy implications. It is clear that despite the general decline in child poverty, a significant proportion of British children continue to experience severe and persistent poverty, which is in turn associated with other manifestations of poverty and social exclusion. The results broadly support the existing view that although the Labour Government has delivered welcome improvements, at the start of its third term in government, there is still a long way to go before it eradicates child poverty (Dornan, 2005).

6.1 Severe Childhood Poverty

This study provides evidence of an overall decline in child poverty in the UK after 1997. While the decline in non-severe poverty is notable, there is no evidence of a decline in severe poverty. The lack of evidence of a decline in the proportion of children in severe poverty suggests that children from the poorest families remain a legitimate concern, since the current policies seem to have made little impact on their poverty situation. It appears that within the context of target-driven policies such as the reduction of child poverty by one-quarter by 2004, most improvements had been among those who were easiest to help, that is those children who were closest to the poverty line and, therefore, arguably easiest to raise above it. Humanitarian concerns would suggest that policy had failed, since the group of children who were experiencing the most severe poverty had been left behind. Indeed, if child

poverty is to be eradicated, it is essential to maintain a focus on dealing with children who are facing the most difficult circumstances, and to ensure that policy interventions benefit this group. It is, therefore, important that eradication of *severe* child poverty be incorporated in official targets, and measures of *severe* poverty included in the new child poverty measures (DWP, 2003), through which progress towards the long-term goal to eradicate child poverty is to be assessed.

Appropriately targeted policy aimed at tackling severe poverty would require a better understanding of the circumstances of those in severe poverty. It is, for example, possible that factors such as administration of the tax credit system and benefit uptake play an important role, especially since the income levels of those in severe poverty is below the benefit levels. Another major challenge relates to measurement problems to be able to distinguish between those who are genuinely in severe poverty, from those whose income unsteady or cannot be measured accurately, especially the self-employed. The best approach would be a measure combining very low income (e.g. below 40 per cent of median) with severe material deprivation.

6.2 Childhood Poverty and Employment or Benefit Receipt within Households

The results suggest that long periods of benefit receipt or having no adult in a household in paid work are associated with persistent poverty, while changes in the number of adults in paid work or in the main source of household income or benefit receipt are associated with severe poverty, both persistent and short-term. Although there is evidence of some decrease in the proportion of children in households with always no worker or always one worker with respect to persistent and severe poverty, the same does not apply to children in households with transitions between number of adult workers, benefit receipt or between main source of income, for whom the situation seems to have worsened in recent years.

It is clear that instability in work profile or benefit receipt is a particular feature of children in short-term and severe poverty. The particularly strong link between short durations of no adult in paid work in a household, or transitions between having 'workers' and no workers and short-term severe poverty suggests that those who are out of employment for short periods of time are likely to experience severe poverty before they return to work. In terms of policy, these households need some form of short-term assistance to cushion the adverse effects of periods of unemployment. There is need for increased protection for children at times when their household is making a transition from work to benefits or vice versa. Tax credits, especially the Child Tax Credit, is expected to make some impact on the transitions from benefits to work, but more needs to be done, and policy initiatives are also needed to protect children in families making a transition from work to benefits. There is no doubt that the best protection would be to reduce the number of transitions from work to benefits through employment retention policies and, although still relatively new, progress in this area has begun through the job retention and advancement project (Morris et al., 2004; Hall et al., 2005). However, in an economy whose strength is supposed to be its flexibility and where people can no longer expect a job for life, people will continue to make these transitions which will impact greatest on those in the lowest income groups. What is needed is a dynamic tax and benefits system that takes account of the dynamics of the flexible labour market and does not catapult children in households in transition into severe poverty, whether or not that poverty becomes persistent.

6.3 Childhood Poverty and Age of Child, Family Type, and Family Size

In general, childhood experience of poverty, especially persistent poverty, tends to decline with increasing age of child and decreasing family size. The observed patterns of poverty experience by age of child and family size suggest a need for child poverty eradication efforts to take into account the age(s) and number of children in a family. Child poverty eradication efforts should particularly target younger children who are at an increased risk of both persistent and severe poverty.

The findings in this report with respect to family size are consistent with evidence set out in the fifth annual report of *Opportunity for All* (DWP, 2003b) that children in large families suffer disproportionate risk of poverty. The findings also support the recommendation of the Work and Pensions Select Committee Session 2003-04 that

'The national strategy for child poverty should consider including additional financial support for large families, either through a new large family premium in Child Tax Credit, or additional premia for all children.'

(DWP, 2004a).

There is no doubt that large families have benefited from the increased generosity of financial support for families with children under the Labour government, but much remains to be done to bridge the poverty gap between children in small and in large families. Although the current child element of the Child Tax Credit is structured to provide the same level of support to each child in a family, the family element does not respond to family size (HM Treasury, 2004). Furthermore, the UK child benefit pays more to the first than subsequent children, unlike most other industrialized countries, some of which (namely: Belgium, France, Germany, Israel, Italy, New Zealand and Portugal), in contrast, pay more for the third and subsequent children (Bradshaw and Finch, 2002). Perhaps there are useful

lessons that the UK could learn from the child benefit systems of the other industrialized countries.

The findings with respect to family type and transitions suggest that although children in lone parent families seem to be more likely to experience persistent poverty, the gap between children in always lone parent families and in other types of families has reduced in recent years. In fact, when other important factors such as employment and benefit receipt are taken into account, children in lone parent families for long periods of time compare favourably to those in other types of families. While the apparent improvement in the situation of children in lone parent families, relative to those from other types of households is a remarkable achievement, there is need for increased attention to children from other types of families as well.

The particularly strong link between transition from parental home to independent living and short-term severe poverty suggests a need to address the poverty situation of young people who leave the parental home to live independently. The need for policy attention on the high experience of severe poverty among older teenagers in the UK is supported by evidence elsewhere which revealed that of the 15 countries included in the European Community Household Panel (ECHP) survey, the UK had the highest proportion of young people aged 16-19 years who have left the parental home, and that severe poverty levels among 'younger youth' aged 16-19 years in the UK were considerably higher than the other countries in Europe (Aassve et al., 2005). The current system of benefits is based on an outdated assumption that all young people should be supported by their parents (Calder, 2004), and the recent government efforts targeting young people aged 16-19 years is yet to make a noticeable impact on the poverty experience of young people who make a transition from the parental home to live independently.

6.4 Childhood Poverty and Social Exclusion

The patterns of child poverty by household's, parents' and children's social exclusion suggest a need for increased attention to those in persistent poverty, severe or non-severe. These groups seem to be the most vulnerable with respect to social exclusion.

The analysis of the association between childhood poverty experience and household social exclusion shows that in general, children in persistent poverty are more likely to be in households who could not afford various 'necessities', or in households experiencing various problems with accommodation and the local area. Persistent poverty is also strongly associated with the parent's inability to save. The findings about savings have some interesting policy implications regarding saving plans. The current proposal for the savings gateway (see McKay, 2002) would require people to commit savings for five years in order to receive the government's contribution. The evidence from this analysis suggests that five years is far too long. It is unrealistic to expect low-income families prone to spells of poverty to save for five years rather than spending their limited funds on the immediate and often unanticipated needs of their children. What is needed is a flexible savings plan which families can pay into in 'good' years and take payment breaks in 'bad' years without penalties.

Finally, with respect to young people's own social exclusion, there is some indication that experience of poverty, especially persistent poverty is also an important factor in young people's social exclusion. Children in persistent and severe poverty have less favourable personal financial circumstances, as they are less likely to receive pocket money or undertake paid part-time work. If they do work, they work for the lowest number of hours on average, and have considerably lower hourly earnings. Childhood poverty experience also seem to be associated with negative school experiences. Those in persistent poverty are less likely to report that doing well in school means a

great deal to them or that they would stay on in school after age 16 years, and those not in poverty are less likely to be excluded from school (through truancy, suspension or expulsion) than those experiencing some form of poverty. The apparent link between childhood experience of poverty and negative school experiences, in particular, has important implications on the government efforts of breaking cycles of deprivation. For example, the government recognizes the fact that improving school attendance is at the centre of its drive to improve education opportunities for all young people (DWP, 2004b). For children in poverty, getting good educational opportunities to help realise their full potential and gain valuable skills is critical in breaking the intergenerational poverty link.

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Annex A BHPS Child Cohorts (1994-2002)

Annex A

BHPS Child Cohorts (1994-2002)

The sample of child cohorts were constructed in such a way to ensure that each child was observed for an equal length of time (five years). For example, in Cohort 1, children aged less than one year in 1994 were followed until 1998 when they were aged over four years; those age less than one year in 1995 were followed until 1999 when they were aged more than four years, and so forth. For Cohorts 2, 3 and 4, children were followed for five years from the ages of 5, 10 and 15 years, respectively, as illustrated in Table A1.

Table A1 BHPS Child Cohorts (1994-2002)

	Age	Wave 4 1994	Wave 5 1995	Wave 6 1996	Wave 7 1997	Wave 8 1998	Wave 9 1999	Wave 10 2000	Wave 11 2001	Wave 12 2002
Cohort 1	0	X	X	X	X	X				
	1		X	X	X	X	X			
	2			X	X	X	X	X		
	3				X	X	X	X	X	
	4					X	X	X	X	X
Cohort 2	5	X	X	X	X	X				
	6		X	X	X	X	X			
	7			X	X	X	X	X		
	8				X	X	X	X	X	
	9					X	X	X	X	X
Cohort 3	10	X	X	X	X	X				
	11		X	X	X	X	X			
	12			X	X	X	X	X		
	13				X	X	X	X	X	
	14					X	X	X	X	X
Cohort 4	15	X	X	X	X	X				
	16		X	X	X	X	X			
	17			X	X	X	X	X		
	18				X	X	X	X	X	
	19					X	X	X	X	X

Annex B PSE Equivalence Scale

Annex B

PSE Equivalence Scale

The PSE equivalence scale is based on budget standards and is more generous to families with children than the other scales. This scale is different from the standard McClements equivalence scale in that it assigns more weight to children, particularly young children. Also, unlike the McClements or the OECD scales, it assigns additional weight to households headed by single parents. The equivalence values for different types of households are as follows:

Type of household	Equivalence value
Head of household	0.7
Partner	0.3
Each additional adult aged over 16 years	0.45
First child	0.35
Additional child	0.3
Add if the head of household is a lone parent	0.1

Source: Gordon et al., 2000, p 87

Annex C Poverty Persistence Permutations

Annex C

Poverty Persistence Permutations

Number of years in:

No poverty	Non-severe poverty	Severe poverty	Per cent of children*	
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No poverty				
5	0	0	52.6	52.6

Short-term poverty only				
4	1	0	11.3	18.4
3	2	0	7.2	

Short-term and severe poverty				
4	0	1	1.7	4.2
3	1	1	2.0	
3	0	2	0.5	

Persistent poverty only				
2	3	0	6.4	17.6
1	4	0	4.4	
0	5	0	6.9	

Persistent and severe poverty				
2	2	1	1.2	7.2
2	1	2	0.4	
2	0	3	0.0	
1	3	1	1.8	
1	2	2	0.4	
1	1	3	0.1	
1	0	4	0.0	
0	4	1	2.2	
0	3	2	0.7	
0	2	3	0.3	
0	1	4	0.0	
0	0	5	0.1	

* percentages may not add up to sub-total exactly due to rounding up

**Annex D Odds Ratios of Factors Associated
with other Forms of Poverty, Compared
to Persistent and Severe Poverty**

Annex D

Odds Ratios of Factors Associated with other Forms of Poverty, Compared to Persistent and Severe Poverty

Characteristic	Poverty status	
	Persistent non-severe poverty	Short-term non-severe poverty
Number of years without workers		
- 5	0.28	0.01*
- 4	0.25	0.16
- 3	0.45	0.15*
- 2	0.57	0.52
- 1	0.45	0.74
- 0 ^R	-	-
Employment transitions		
- transition between no and one worker	0.64 0.70	0.28* 1.31
- transition between no and 2+ workers	1.16 -	2.42 -
- transitions between 1 and 2 workers		
- No transition ^R		
Transition between main source of income from work or benefits		
- 2+ transitions	0.11*	0.18*
- 1 transition	0.44	0.33*
- no transition ^R	-	-

Continued...

Characteristic	Poverty status	
	Persistent non-severe poverty	Short-term non-severe poverty
Number of years in receipt of benefits		
- 5	1.25	0.13*
- 4	1.04	0.17*
- 3	0.38	0.24*
- 2	0.23*	0.21*
- 1	0.66	0.43
- none ^R	-	-
Transition between benefit and no benefit		
- 2+ transitions	2.58*	2.31
- no transition ^R	-	-
Number of years in lone parent family		
- All 5 years	3.47*	3.88*
- 3-4 years	8.23*	6.47*
- 1-2 years	1.96	1.44
- no years in lone parent ^R	-	-
Number of years in rented accommodation		
- All 5 years	1.43	1.53
- 3-4 years	0.78	1.20
- 1-2 years	0.53	1.33
- no years in rented accommodation ^R	-	-
Number of years with ill adults in household		
- All 5 years	0.95	0.57
- 3-4 years	0.86	0.28*
- 1-2 years	0.78	0.21*
- no years with ill adults ^R	-	-
Transitions between ill and no ill adults in household		
- 2+ transitions	0.76	1.96
- no transition ^R	-	-
Region lived in most years		
- Scotland	1.57	0.60
- Wales	0.59	1.47
- London	2.01	2.68
- South	2.07	2.88*
- Midlands	1.21	0.90
- North ^R	-	-

Continued...

Characteristic	Poverty status	
	Persistent non-severe poverty	Short-term non-severe poverty
Average number of children in household		
- 3 or more	2.54	0.84
- 2 children	3.75*	2.27
- 1 child ^R	-	-
Transitions in number of children		
- transition between increase and decrease	0.88	3.45
- increase in number of children in household	0.87	1.11
	1.35	2.70
- decrease in number of children	-	-
- same number of children ^R		
Age of child		
- 0-4 years	5.91*	2.29
- 5-9 years	1.73	0.85
- 10-14 years	1.19	0.58
- 15-19 year ^R	-	-
Highest parental educational qualification		
- HNC, HND, Teaching, degree	0.39	0.60
- A levels	0.33*	0.51
- O levels, CSE	0.42*	0.67
- no qualification ^R	-	-
Average age of youngest child in household		
- 0-4	0.27	0.14
- 5-9	0.25	0.15
- 10-14	1.46	1.00
- 15+ ^R	-	-

R - Reference category (comparison group).

* - Significant at five per cent level.

Britain's Poorest Children Revisited focuses on the experience of severe and persistent child poverty in the UK during the period 1994-2002. The report begins by examining trends in childhood experience of severe and non-severe poverty between 1994 and 2002, with particular reference to changes after 1997, when new policies were introduced to address the problem of child poverty in the UK. This is followed by an examination of characteristics of children in severe and persistent poverty with particular reference to employment and benefit receipt of adult household members and family type and composition. The final section focuses on the experience of persistent and severe poverty in childhood and household as well as young people's social exclusion. The findings provide useful insights on areas where significant improvements have been made in recent years, as well as highlight areas that require further policy attention.

The analysis presented in this report is a follow-up of an earlier study on Britain's Poorest Children by the Centre for Research in Social Policy (CRSP), commissioned by Save the Children Fund (UK). The earlier study used two data sets: the Poverty and Social Exclusion Survey (PSE) of 1999; and the first nine waves (1991-1999) of the British Household Panel Survey (BHPS). Three further waves of the BHPS have since become available, making it possible to update the earlier analysis. The update centred on selected key aspects based on the findings of the earlier analysis that attracted most policy interest or needed more policy action.



Centre for Research in Social Policy
Department of Social Sciences • Loughborough University • Leicestershire LE11 3TU
Telephone: +44 (0)1509 223372 • Fax: +44 (0)1509 213409

www.crsp.ac.uk