

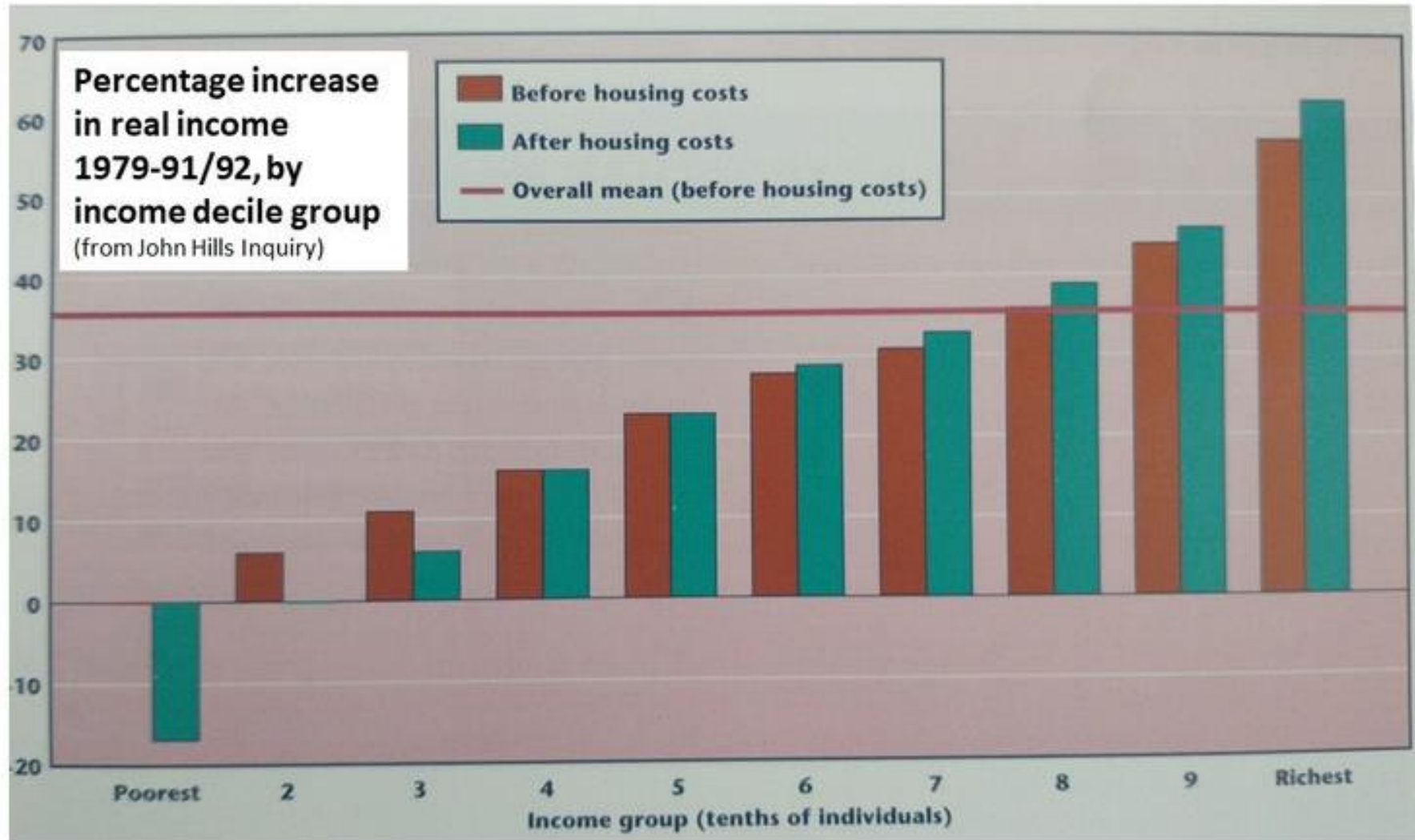
**Poverty data and impact**

**Old stories and new challenges**

**Professor Donald Hirsch**  
**Loughborough University**

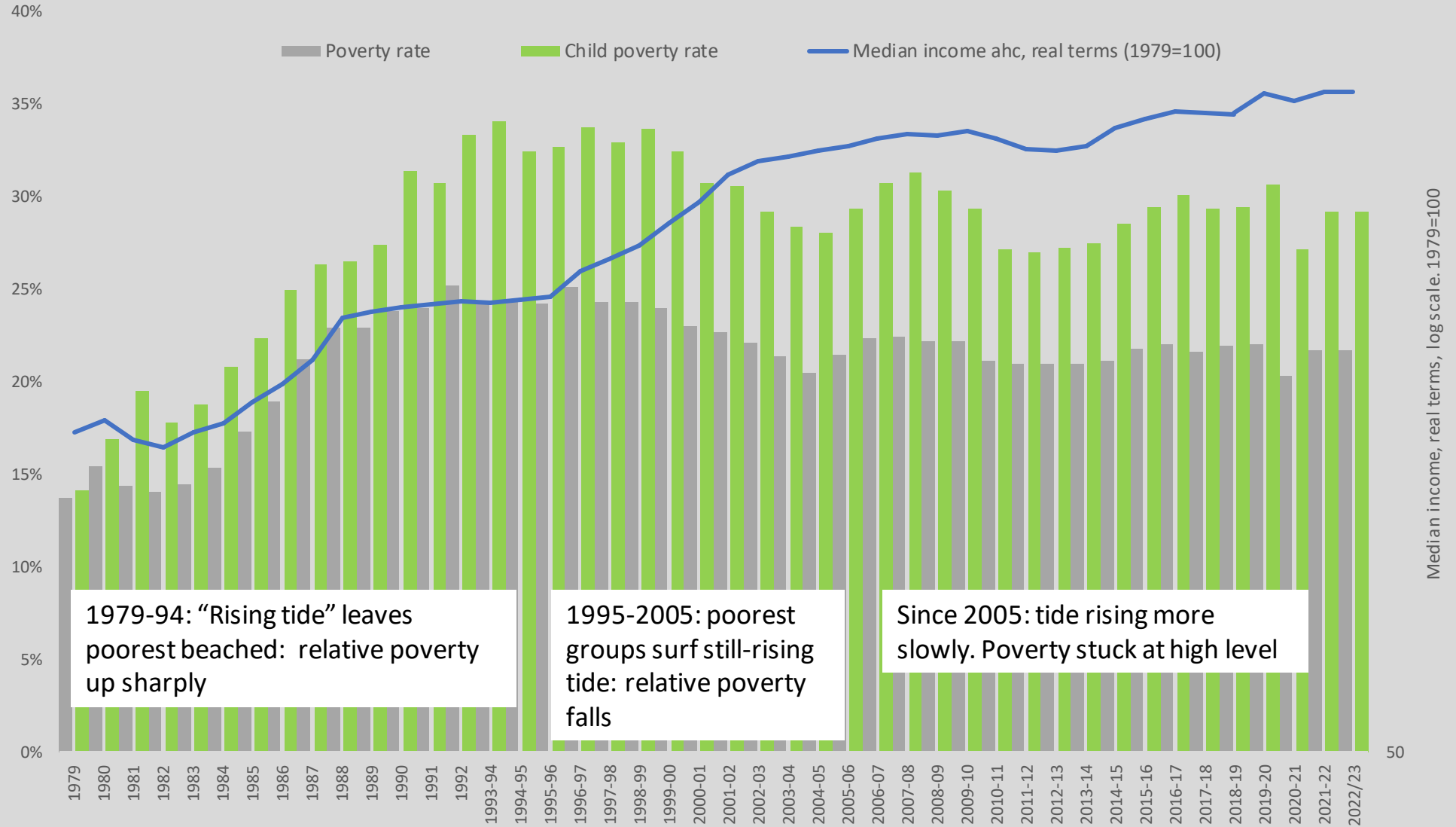
# Where I came in (1980s):

“A rising tide lifts all ships?” **No!**



Source: Hills Enquiry, 1995

# Median income and relative poverty rates since 1979



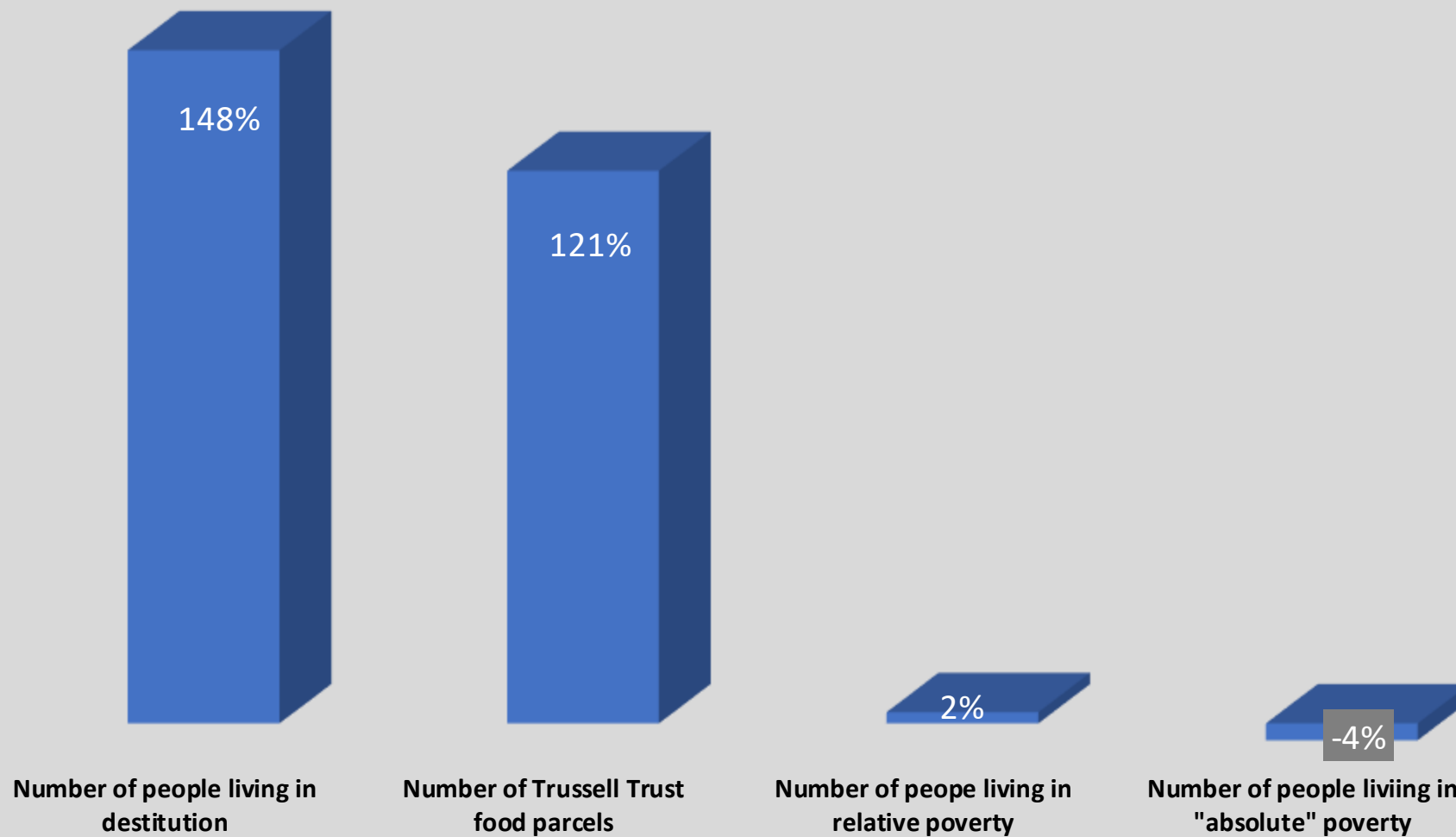
1979-94: "Rising tide" leaves poorest beached: relative poverty up sharply

1995-2005: poorest groups surf still-rising tide: relative poverty falls

Since 2005: tide rising more slowly. Poverty stuck at high level

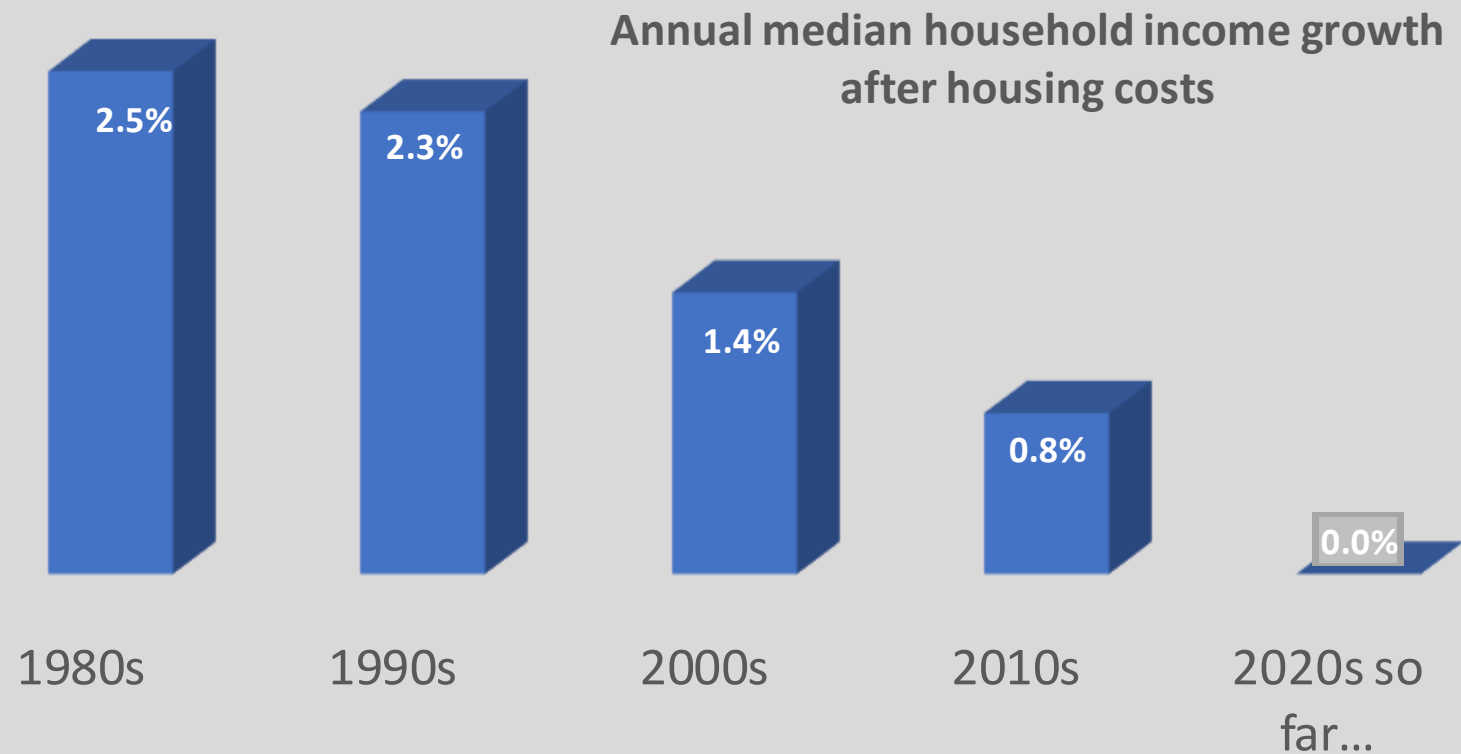
SOURCE:  
[https://ifs.org.uk/sites/default/files/2024-03/Incomes-poverty-and-inequality-2022-23\\_1.xlsx](https://ifs.org.uk/sites/default/files/2024-03/Incomes-poverty-and-inequality-2022-23_1.xlsx)

## Changes in poverty indicators, 2017/18 to 2022/23



# Changing contexts

- Median growth in household incomes



# Changing contexts

- Material deprivation taking more clear-cut forms

Poverty and Social Exclusion Survey: % of adults saying unable to afford two meals a day

1983	1990	1999	2012
4%	1%	(1%)	3%

Source: poverty.ac.uk

Family Resources Survey: % of working age adults facing food insecurity

2019/20	2020/21	2021/22	2022/23
8%	7%	7%	11%

Source: HBAI

# Changing contexts

Discontinuities:

- Pandemic
- Sudden burst of inflation

# Changing contexts

- Growing data resources, especially **longitudinal...**

Eg Understanding Society (UKHLS)

Wealth and Assets survey (good for savings and debt)

English Longitudinal Survey on Ageing (underused?)



# Changing contexts

- Growing data resources, especially longitudinal **and administrative**

Eg Children in low income families:

- Administrative data linked to survey definitions of child poverty
- Influence of administrative data in understanding poverty and place
- Practical tools for local bodies including councils.
- Interaction between use of data and improvements in its quality: started with very flawed local child poverty data; now uses tax and social security admin data.

# Changing contexts

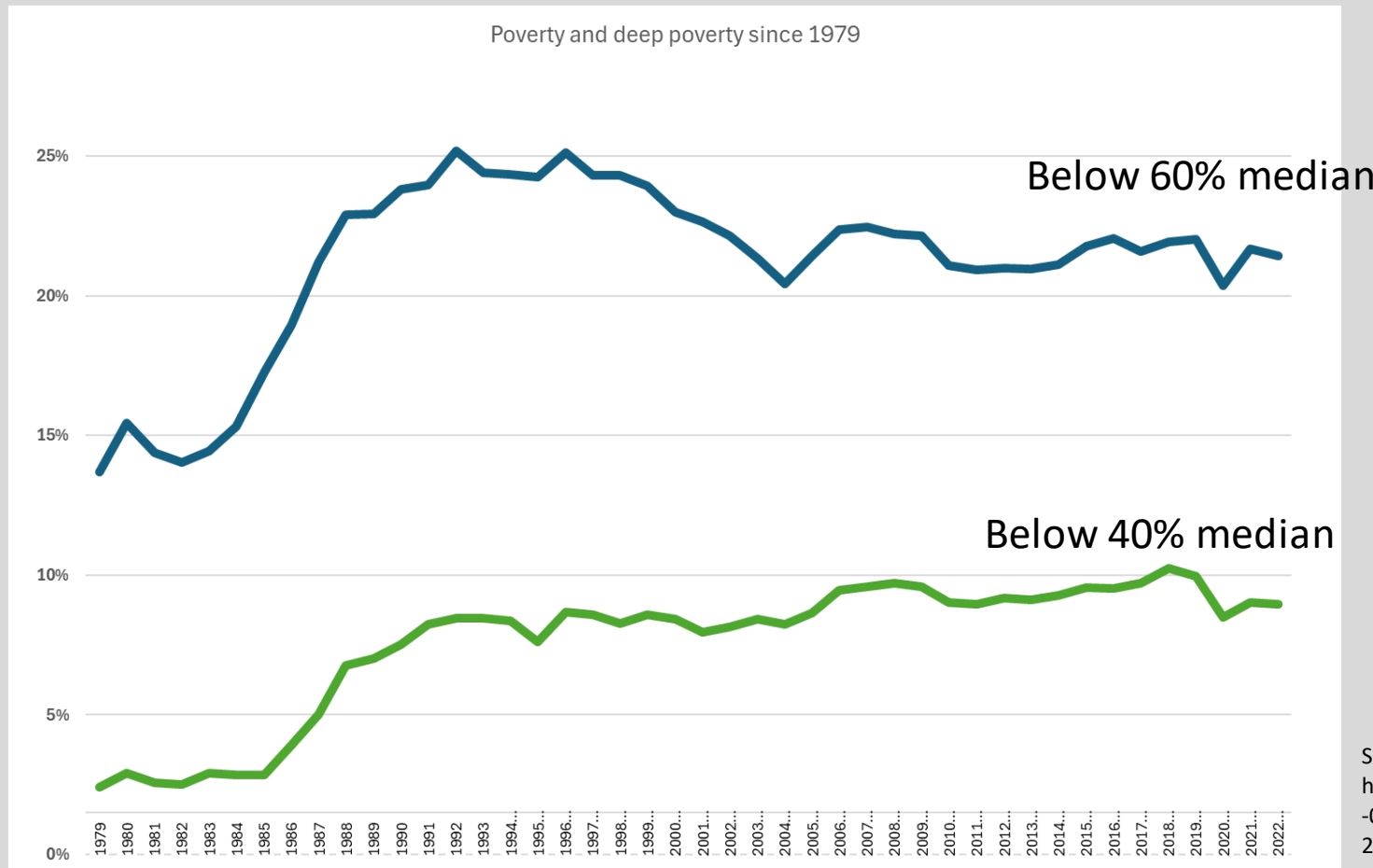
- But also growing data challenges?
  - Maintaining response rates
  - Maintaining data quality with less face-to-face
  - Identifying limitations and using multiple sources

# Changing contexts

- New indicators
- **Minimum Income Standard** for the first time allows income to be monitored against benchmark of NEED
- **Destitution** surveys greatly improve data on people on lowest income, including non-households
- **Below Average Resources** measure looks at more data on net resources:
  - Weekly income after housing costs
  - Plus liquid assets divided over a year
  - Minus spending on childcare, cost of disability (benefits),
  - Ideally, minus debt (pending), other “inescapable costs (home energy, travel to work)

# Changing contexts

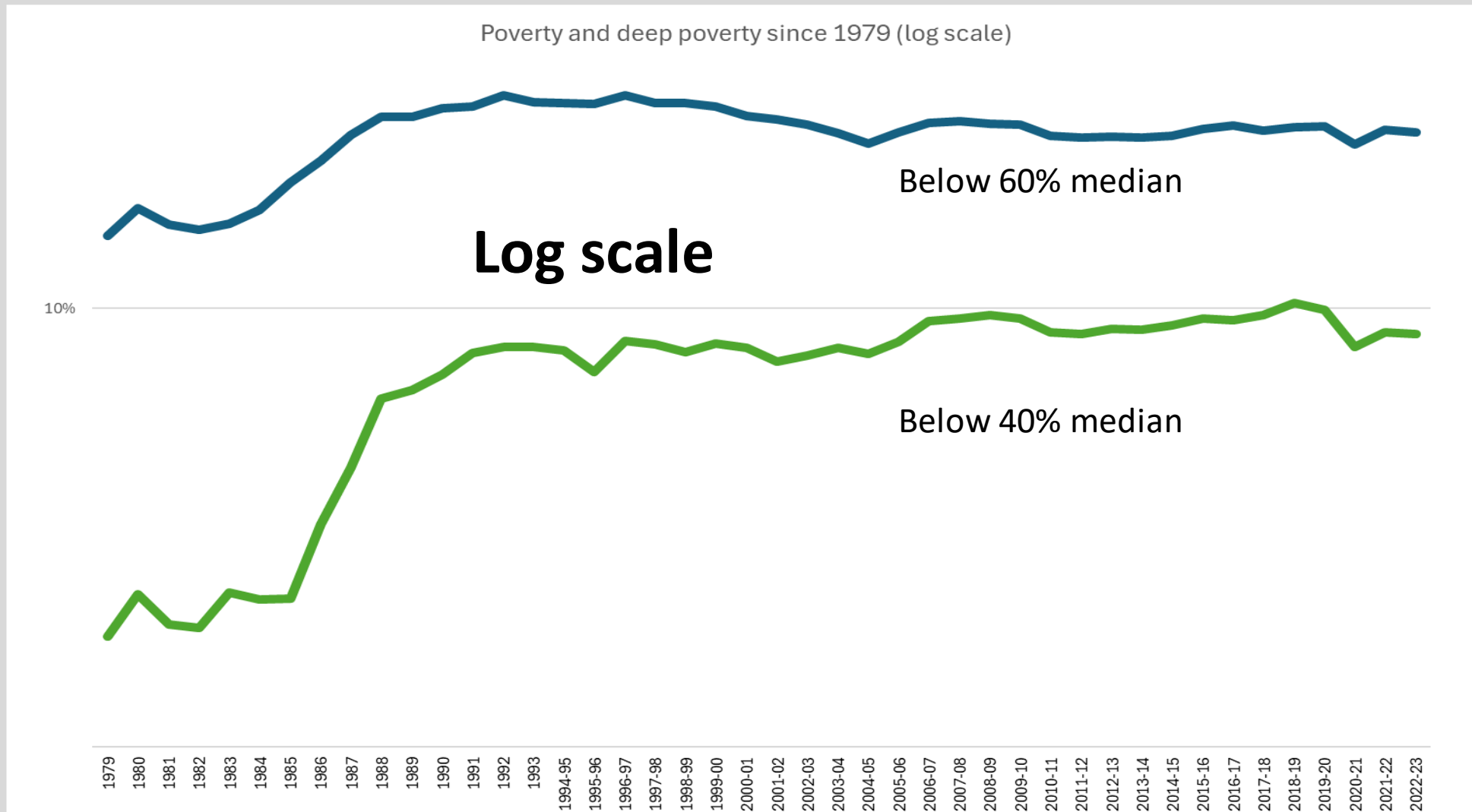
## New indicators: The growing significance of deep poverty



SOURCE:  
[https://ifs.org.uk/sites/default/files/2024-03/Incomes-poverty-and-inequality-2022-23\\_1.xlsx](https://ifs.org.uk/sites/default/files/2024-03/Incomes-poverty-and-inequality-2022-23_1.xlsx)

# Changing contexts

## New indicators: The growing significance of deep poverty



SOURCE:  
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# Four research insights on contemporary questions

## 1. How was Covid affecting low income households?

- Pooled knowledge and combined methods (quali, quant and voice of those affected)
- Adapted to restrictions on some forms of research (eg launched online surveys)
- Timely findings
- Made a difference: understanding of how tough for people on low incomes. Added to debate about UC uplift

<https://covidrealities.org/>

# Four research insights on contemporary questions

## 2. How high was inflation for low income households?

Burst of inflation now subsided.

Basic benefits 21% higher than in 2021. Very similar to rise in CPI.

**BUT** food 30% and home energy 75% higher

“Real” inflation rates very complex

ONS expenditure analysis – but doesn’t measure needs

abrdn/Loughborough “decent living index”: tracks price changes in essential items.

(Stone et al. 2023, <https://www.financialfairness.org.uk/en/our-work/publications/decent-living-index>)

Shows substantially higher inflation rates than CPI, varying by household types.

# Four research insights on contemporary questions

## **3. How is debt affecting ability to afford necessities?**

Cost of living crisis data suggests running down of assets/accumulation of debt

Income becomes less deterministic if affordability interacts with assets and debt.

Loughborough study for Christians Against Poverty: debt profoundly affecting ability to reach an acceptable minimum

(Stone et al., 2024, <https://capuk.org/about-us/policy-and-research/pushed-under-pushed-out>)



# Four research insights on contemporary questions

## 4. How important is informal/family support to the experience of poverty?

Income alone doesn't account for informal resources/social capital

Informal support increasingly important in unstable world; can't rely on state.

UK qualitative longitudinal study shows huge influence of informal support in being able to maintain acceptable living standards with unstable household incomes

(Hill et al., 2020 <https://doi.org/10.1017/S1474746420000184>)

US systematic review shows uneven social capital among lone parents creates big vulnerabilities (Radey, 2018, <https://doi.org/10.1007/s10826-018-1223-0>)

# Conclusions

Research on poverty needs to –

- Be versatile: responding to changing agendas
- Draw from multiple sources, corroborating findings, from qualitative and quantitative sources
- Avoid focusing on one line. Spectrum, from decent living standard to destitution
- Play for high stakes in terms of impact