



Ending child poverty by 2020

Progress made and lessons learned



June 2012

Foreword

Alison Garnham

On 14 June the Department for Work and Pensions will release the latest child poverty figures for the period 2010/11 in the form of the *Households Below Average Income* (HBAI) figures. This data is released at the half-way point towards achieving the 2020 target to eradicate child poverty. To mark this occasion, CPAG asked a range of leading academics to assess the progress made over the period 1998–2010, to identify the drivers behind the changes observed, and to reflect on what the future looks like for children in the UK today.

What the contributors show is that significant progress has been made over the last decade. As Kitty Stewart highlights in Chapter One, between 1998 and 2010 child poverty looks set to have reduced by 900,000 children when using a ‘before housing costs’ measure. However, this headline figure underestimates the actual progress made over the period: if no action had been taken to reduce child poverty in the 2000s, it is projected that an additional 900,000 children would have fallen into poverty during the decade.

In addition, there is conclusive evidence that these gains were real and sustained, and not merely a matter of small improvements occurring at the threshold of poverty. As Mike Brewer shows in Chapter Five, child poverty would have been reduced if the poverty line had been drawn anywhere from 43 to 100 per cent of median income. As a result, the ‘poverty plus a pound’ thesis is decisively disproved.

Alongside the decreases in income poverty, Jonathan Bradshaw’s contribution in Chapter Two shows that child wellbeing improved against a wide range of additional measures over the period. Educational attainment and staying-on rates increased significantly; subjective wellbeing and mental health indicators all showed a steady upward trend; homelessness and the number of children living in temporary accommodation decreased; and teenage conceptions fell.

Child wellbeing did not improve against all measures however. Some key health indicators including obesity, diabetes and sexually transmitted infections, deteriorated. Likewise, as Jonathan Portes observes in Chapter Four, the evidence with respect to social mobility is inconclusive while Mark Tomlinson and Robert Walker note in Chapter Three that the downward trend with respect to persistent poverty petered out around 2003.

So how have the gains been achieved? Mike Brewer in Chapter Five shows that the decreases in child poverty are due in large part to the more progressive tax and benefits system of the 2000s. Real increases to all benefits, but especially to those targeted at children such as child benefit and child tax credit, played a critical role.

But it is inaccurate to ascribe all the achievements of the 2000s to social security spending. In Chapter Six, Vidhya Alakeson finds that measures designed to encourage parental employment also played a key part in reducing child poverty. Analysis shows that changes in employment contributed 2 percentage points to the reduction in the child poverty rate between 1997/98 and 2008/09, and that the steady rise in the number of lone parents in employment accounted for a significant element of this gain.

In fact, a broad range of interventions designed to benefit low-income families was rolled out between 1998 and 2010. Contributors highlight, for example, the importance of Sure Start (Naomi Eisenstadt in Chapter Eight), early years education provision (Eva Lloyd in Chapter Nine), the Decent Homes programme (Anne Power in Chapter Thirteen), and investments in education (Donald Hirsch in Chapter Ten).

Again and again, our authors make the point that an adequate income is a necessary if not sufficient condition for reducing child poverty. In Chapter Seven, Edward Melhuish highlights the proven link between low income and poorer cognitive outcomes, as well as the critical importance of the early years; Michael Marmot speaks of the need for a basic income in order for children and parents to enjoy a healthy life in Chapter Eleven; and Lisa Harker warns in Chapter Twelve of a possible link between lack of an adequate income and the mistreatment of children. But it is also clear that income alone is not enough to guarantee a life free from poverty: the communities around us are crucial as both Anne Power's and Will Horwitz's contributions in Chapters Thirteen and Fifteen illustrate.

It is noteworthy how many of the contributions end on a sober note and express fears for the future. Most question the efficacy of future policy interventions designed to sustain improvements in child wellbeing at a time when family incomes are under assault. Tess Ridge's contribution in Chapter Fourteen allows children to tell us what it means for them to grow up in poverty, and is a useful reminder of why we must continue to campaign for an end to child poverty in the UK today.

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Contents

	Introduction Lindsay Judge	6
One	Child poverty: what have we really achieved? Kitty Stewart	10
Two	Child wellbeing in the 2000s Jonathan Bradshaw	15
Three	Things get better (and sometimes worse): poverty dynamics and children Mark Tomlinson and Robert Walker	21
Four	Social mobility, poverty, and inequality: policies and prospects Jonathan Portes	26
Five	Child poverty and financial support for children Mike Brewer	32
Six	Employment and child poverty Vidhya Alakeson	36
Seven	The impact of poverty on child development and adult outcomes: the importance of early years education Edward Melhuish	40
Eight	Sure Start and child poverty: what have we learned? Naomi Eisenstadt	47
Nine	Poor children's future access to early years provision Eva Lloyd	50
Ten	Better off, better educated Donald Hirsch	55
Eleven	The health effects of poverty Michael Marmot	59
Twelve	Protecting children Lisa Harker	64
Thirteen	Housing and communities Anne Power	67
Fourteen	Slipping back into the margins? The importance of adequate financial support and welfare services for children in poverty Tess Ridge	73
Fifteen	A view from the ground Will Horwitz	77
	Appendices	80

Introduction

Lindsay Judge

June 2012 sees the publication of the Household Below Average Income (HBAI) dataset which will provide us with a snapshot picture of poverty in the UK for 2010/11. While the figures are always of interest, this year's publication is particularly significant in that it represents the mid-way point between 1999 (the year in which when Tony Blair committed the country to eliminating child poverty within a generation), and 2020 (the anticipated end point for this project). The publication of HBAI requires us to think seriously about a number of points: what has been achieved and what has not; what worked and what did not; where we are and where we are going. To this end, we asked a range of leading academics to reflect on these questions, and their considered answers are collected here.

But first, the facts. In 1999, 3.4 million children lived in poverty in the UK before housing costs, accounting for 26% of all children. Using an after housing costs measure of poverty (CPAG's preferred metric as it more realistically reflects the income families have at their disposal), these figures increased to 4.3 million or 33% of all children. Such rates of child poverty were high both in historical and comparative terms: levels had increased rapidly throughout the 1980s and 1990s, and as a result the UK was ranked as having one of the highest rates of child poverty in OECD countries by the end of the nineties.¹ The UK in 1999 was, then, a child poverty-producing country.

Achieving the objective of eliminating child poverty in a generation thus required action not just to lift those living in poverty in 1999 out of this condition, but also to stem the rising tide of child poverty in the UK. This makes the achievement of the last 10 years even more considerable: while we await the exact figures for 2010/11, the Institute for Fiscal Studies projects that between 1998/99 and 2010/11, the number of children living in poverty will have reduced by 900,000², along with an additional 900,000 who have been prevented from falling into poverty during the same period.³ Reducing child poverty on this scale and at this pace has few if any precedents, either over time or across comparable wealthy countries.

It is surprising, then, that we approach the publication of HBAI 2010/11 with some trepidation. Rather than celebrating the progress made to date, and asking how this can be scaled up in the future, debate appears to have imploded into a clamour of assertions that are obscuring, rather than revealing, the fundamental truths about child poverty. A number of arguments about measurement, targets and

strategies have emerged that disparage the achievements of the last 10 years, and place a question mark over the future of the child poverty initiative.

To begin, much criticism has recently been directed at the relative poverty measure that we use in the UK as our headline indicator of child poverty. Conceiving of poverty as a relative phenomenon does, indeed, generate what look at first glance like counter-intuitive outcomes under some conditions. In 2009/10, for example, we witnessed declining average incomes in the UK but at the same time, a reduction in the numbers living in poverty. How, some have asked, can there be less poverty in a situation where we are all worse off? The answer, of course, is simple: to achieve decreases in relative poverty we have to increase the income of those at the lower end of the distribution at a rate higher than the average (or, in a period of declining median incomes such as now, protect the incomes of those at the bottom more robustly than those elsewhere in the distribution). No matter how stealthily the incomes of those at the lower end are increased or protected, policy makers are forced by the relative measure to clarify their attitude to inequality. Addressing relative poverty requires, at least to some extent, a redistribution of resources, which is, as we know, contested territory for any government.

But why should we care about relative poverty anyway? Is it not enough to concern ourselves with absolute poverty, and to believe that so long as we ensure that everyone in the UK has enough to hold body and soul together, our job is done. Those who comprehend poverty in this way are unable to see the value of a relative measure. But for those who understand that the experience of poverty goes far beyond the existential basics, and instead is a question of being able to participate in the society within which one is situated, a relative measure is essential. For how can we live our life fully when the vast majority around us can enjoy products, services and experiences which are regarded as the norm, but from which we are banned? To be excluded from the mainstream in this way is the experience of poverty, with all the stigma and shame that is attached to the condition.

Critics of the headline poverty measure do not just object to its relative nature, however, but also to the fact that it measures income alone. Putting aside the fact that we measure numerous other dimensions of poverty in the UK (including material deprivation under the terms of the Child Poverty Act 2010), do the detractors of income measures have a point? After all, money is not the only resource which, when lacking, excludes us from leading a full life: good health, good parenting, education, decent communities

all play a role. Given this, can an income measure tell us very much about poverty, or does it simply generate some meaningless numbers that bear no resemblance to the lived experience?

A single measure can, of course, only capture one dimension of any condition but we know that poverty is an experience that is substantially mediated by lack of income. Children do not benefit fully from good educational provision when they cannot afford uniforms, school trips or a computer at home; they do not enjoy good health when their homes are cold and damp, their food is inadequate and their parents are worried sick about debt; they do not enjoy socialising when they lack the 'right' clothes, the 'right' trainers, the money to join their friends at the cinema. An adequate income is a necessary, if not sufficient condition for eliminating poverty in the UK. Hence, it is perfectly proper that income remains our headline indicator, albeit supplemented by a range of additional measures that capture other key aspects of poverty and life chances with which we are concerned.

Those who dispute the centrality of income to accounts of poverty have a further objection however, arguing that the headline measure distorts strategy. They assert that resources have been unduly focused in recent years on raising incomes through benefits, rather than directed at services and other interventions that enable people to live better lives. This depiction of past strategy is, of course, a misrepresentation: large investments have been made in children's centres, a national childcare strategy and community regeneration over the last decade, alongside interventions to improve work incentives for key at-risk groups such as lone parents, support disadvantaged children in school and promote greater health equality. Moreover, there is simply no evidence that policies have been (or indeed could be) designed to raise incomes just above the poverty line, giving lie to the 'poverty plus a pound' argument that abounds today.

The final charge directed at the child poverty initiative of the last decade is that it has failed because the midway milestone of halving child poverty by 2010/11 will be missed. It is certainly worth asking why the pace of reduction slowed in the mid-2000s, taking the country off-course with respect to the interim target. Furthermore, missing the midway target does make the trajectory towards the 2020 target much more precipitous. That said, if the rate of poverty reduction observed over the past decade could be sustained, the 2020 target of eliminating child poverty in the UK would be achieved only seven years later in 2027. To suggest, then, as some have, that the targets should be scrapped because they are unrealistic misses a crucial point: we choose as a country whether we want the targets to be realistic or

not when we decide which types of policies to implement. If we have missed the midway point, or more critically look set to veer dramatically off course with respect to the 2020 target, we should look to the strategies put in place and subject them to critique, rather than dismiss the targets as irrelevant.

In fact, the targets are as relevant today as they were in 1999. Very few people in the UK dispute the need to tackle child poverty: the most recent British Social Attitudes Survey shows that 98% view the reduction of child poverty as important. And crucially, despite the good progress made to date, 2.6 million children still live in poverty in the UK today, a figure that rises to 3.8 million when the after housing costs measure is used. To let the ambition of eliminating child poverty in a generation be diluted would be a monumental failure, and breach the legal commitment all parties made under the terms of the Child Poverty Act 2010. If the gains of the last decade are to be built upon rather than squandered, the expert voices of our contributors must be heard.

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¹ UNICEF, *Child Poverty in Perspective: an overview of child well-being in high income countries*, Innocenti Report Card No. 7, UNICEF Innocenti Research Centre, 2007

² M Brewer, J Browne and R Joyce, *Child poverty and working age poverty from 2010 to 2020*, IFS Commentary C121, Institute for Fiscal Studies, 2011

³ M Brewer et al, *Child Poverty in the UK Since 1998/99: lessons from the past decade*, Working Paper 10/23, Institute for Fiscal Studies, 2010

One

Child poverty: what have we really achieved?

Kitty Stewart

Tony Blair's pledge in 1999 that the Labour government would eradicate child poverty in a generation was both unexpected and hugely ambitious. Interim targets were quickly established: to cut the number of children living in poor households by a quarter by 2004/05, and by a half by 2010/11. In practice, despite extensive policy effort, neither target was met. Yet to spin this as just another broken promise is disingenuous, ignoring the real and sustained improvements in living conditions and opportunities enjoyed by hundreds of thousands of children as a result of policies implemented over the last decade.

Did child poverty fall under Labour?

On the official relative poverty measure (60 per cent of household median income before housing costs), child poverty fell by just over a quarter, from 27 per cent in 1996/97 to 20 per cent in 2009/10 (with a predicted further fall to 19 per cent in 2010/11).¹ In terms of numbers, this means 900,000 fewer children living below the poverty line when Labour left office than when it arrived. If poverty rates are measured after housing costs have been deducted from income, progress was more modest, but still significant: a drop from 34 per cent to 29 per cent in 2009/10, predicted to fall to 27 per cent in 2010/11; this means 800,000 fewer children in poverty.

These numbers give us a 'snapshot' of the number of children living below the poverty line in any particular year. Perhaps even more important are reductions in the number of children living in persistent poverty (poor in three out of four consecutive years), as persistent poverty is believed to have a greater impact on children's outcomes than short-term bouts of low income. The rate of persistent poverty fell markedly during Labour's time in office, from 17 per cent before housing costs in 1998–2001 to 10 per cent in 2004–07, although rising again to 12 per cent in 2005–2008.²

Can we attribute these changes to Labour policy?

Is it such a surprise that child poverty fell during a period of strong economic growth? In some ways, economic conditions certainly made the task easier, with employment expanding and higher tax revenues providing more room for manoeuvre. But we need to remember that the poverty line is a

relative one, and therefore a moving target: to keep poverty falling, Labour had not just to increase the incomes of those below the line, but to keep them growing faster than the rise in median income. At the same time, demographic changes, such as increasing numbers of lone parents, put additional upward pressure on poverty. Simulations by the Institute for Fiscal Studies (IFS) indicate that if the 1998/99 tax-benefit system had simply been updated for price inflation over time, child poverty would have risen by six percentage points while Labour was in office (900,000 children) and there would have been 4.3 million children living below the poverty line by 2010/11, instead of a predicted 2.5 million children.³ Thus, the impact of changes to the tax-benefit system under Labour – notably the tax credit system, with its high coverage and progressive structure – is considerably underestimated rather than overestimated by the actual observed outcomes.

Furthermore, employment changes themselves are partly the result of Labour policy. In particular, employment rates for lone parents have risen more quickly than for other groups – 57 per cent of lone parents were in work in 2010, compared with 45 per cent in 1997 – and studies attribute about half the rise to the effect of the New Deal and tax credit changes.⁴

What do these changes mean for children?

The use of headcount poverty measures can give rise to concerns that recorded poverty reductions are meaningless, simply reflecting a shift of families from just below to just above an arbitrary line – the ‘poverty plus a pound’ argument. Elsewhere in this book, Mike Brewer emphasises that this is not a fair criticism of Labour policy, under which the entire income distribution for households with children shifted to the right, with income rising most for those in the bottom half of the distribution. As a result, the child poverty rate fell under any reliable poverty line we choose.

We can also look at material deprivation indicators which give us an insight into the real impact on families’ lives and children’s lived experience of changes in income poverty. For example, we know that the percentage of lone parents unable to celebrate with presents on special occasions fell from 27 per cent in 1999 to 10 per cent in 2006, while the share who said they worried about money ‘almost always’ fell from 45 per cent to 29 per cent.⁵ Wider research provides further evidence of the impact of increased resources. We know for instance that the extra money low-income families received over this period led to increased spending on fruit and vegetables, children’s clothes and books (while spending

on alcohol and cigarettes in these households fell).⁶ There are also indications that, for teenagers living with lone parents, employment and income changes resulted in better self-esteem and less unhappiness and risky behaviour.⁷

As well as highlighting improvements in immediate wellbeing, these changes illustrate the way that anti-poverty policy chips away at some of the long-term causes of future disadvantage. Calculations for the Joseph Rowntree Foundation suggest that reducing child poverty is a policy which largely pays for itself with lower long-run spending on benefits and services and higher future tax revenues.⁸ Thus, while Labour has been accused of throwing money into tax credits for little measurable return, its spending on poverty reduction should instead be seen as an investment with future payoffs still to come.

An impressive record?

There is no doubt that more could have been achieved for children in low-income households during Labour's three terms in office. Most obviously, it is clear that the government took its foot off the pedal between 2004 and 2008, and poverty rates stagnated as a result during this period. In addition, although the first ever national childcare strategy was put in place, an opportunity was wasted to establish universal, high quality childcare at low cost to families, which would have transformed work incentives while widening children's opportunities; progress was made in this area, but the government could and should have aimed much higher. Perhaps most importantly, the strategy of tackling poverty while remaining 'intensely relaxed' about the soaring incomes of the very rich was fundamentally flawed. It placed limits on the resources available for redistribution and public sector investment, while also alienating those in the middle and conceding vital moral high ground to the opposition. Labour tried to achieve too much by stealth, without making the case clearly enough for its progressive agenda, and this may explain why it has received insufficient credit for what it did accomplish.

But these flaws should not be allowed to override the government's achievements. This short chapter has concentrated on financial resources to households with children, but we should remember the breadth and sweep of the overall strategy, which included substantial investment in all aspects of public services affecting children's lives and futures. We should also remember the conditions Labour inherited, in which years of under-investment in public services had damaged both staff morale and public sector infrastructure, and in which child poverty had been allowed to double in eighteen years to

the third highest rate in the Organisation for Economic Co-operation and Development, yet had no place on the political agenda.

Where now for children in low-income households?

Leaving the issue of child poverty firmly on the table for the incoming government was one part of the Labour legacy. The Child Poverty Act was passed with cross-party support in 2010, committing future administrations to act to reduce relative child poverty below 10 per cent by 2020/21. In practice, while the coalition government published its first Child Poverty Strategy in 2011 as mandated by the Act, it is clear that reducing income poverty for today's children (or indeed preventing increases in poverty) is not a current policy priority. The Child Poverty Strategy accuses the previous government of pouring money into short-term fixes because of a narrow focus on income, and emphasises instead the importance of tackling worklessness, educational failure and family breakdown.⁹ Coalition budgets have cut resources to low-income households with children (including many working households) through changes in the rules for claiming child tax credit, reductions in the childcare element of working tax credit, caps on overall benefits and changes to the local housing allowance. The IFS projects annual increases in relative child poverty between 2010/11 and 2013/14, despite a falling poverty line.¹⁰

The coalition does pledge to measure and act on a wider set of indicators of children's wellbeing and opportunities, but given what we know about the importance of income to wider child outcomes, it is difficult to see how children's prospects can be improved against this backdrop. An effective child poverty strategy needs to tackle low income *and* other causes of disadvantage, not one or the other.

Of course, these are very different times to those a decade ago, and any government in office today would face tough choices. But there are still choices, nonetheless. To date, a disproportionate burden of deficit reduction has been placed onto households with children, and families on the lowest incomes have been hit hardest of all. This is both unfair and short-sighted, and the government should be encouraged to rethink its strategy and to see spending on children as an investment in the future, with long-run consequences for the children themselves (who will not get another shot at childhood in happier economic times), and for the health and prosperity of society as a whole.

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¹ Poverty statistics are from the Institute for Fiscal Studies' Inequality and Poverty Spreadsheet, which employs the same data (the Family Resources Survey) and the same methodology as the government's official publication, *Households Below Average Income*. Predicted figures are from M Brewer, J Browne and R Joyce, *Child and Working-Age Poverty from 2010-2020*, Commentary C121, Institute for Fiscal Studies, 2011

² Department for Work and Pensions, *Low Income Dynamics: 1991-2008*, Department for Work and Pensions, 2010. There are no consistent data after 2005-08 because of the conversion of the British Household Panel Survey to the new Understanding Society survey.

³ M Brewer, J Browne, R Joyce and L Sibieta, *Child Poverty in the UK Since 1998/99: lessons from the past decade*, Working Paper 10/23, Institute for Fiscal Studies, 2010

⁴ For details and references, see P Gregg, S Harkness and S Smith, 'Welfare Reform and Lone Parents in the UK', *Economic Journal*, Vol. 119, No. 535, 2009

⁵ Data from the Families and Children Study; see K Stewart. 'A Scar on the Soul of Britain: child poverty and disadvantage under New Labour' in J Hills, T Sefton and K Stewart (eds), *Towards a More Equal Society? Poverty, inequality and policy since 1997*, The Policy Press, 2009

⁶ P Gregg, J Waldfogel and E Washbrook, 'That's The Way it Goes: expenditure patterns as real incomes rise for the poorest families with children' in J Hills and K Stewart, *A More Equal Society? New Labour, poverty, inequality and exclusion*, The Policy Press, 2005

⁷ P Gregg, J Waldfogel and E Washbrook, 'That's The Way it Goes: expenditure patterns as real incomes rise for the poorest families with children' in J Hills and K Stewart, *A More Equal Society? New Labour, poverty, inequality and exclusion*, The Policy Press, 2005

⁸ See D Hirsch, *Estimating the Costs of Child Poverty: reviewing the evidence*, Joseph Rowntree Foundation, 2008

⁹ Department for Work and Pensions and Department for Education, *A New Approach to Child Poverty: tackling the causes of disadvantage and transforming families' lives*, 2011

¹⁰ R Joyce, *Poverty Projections between 2010/11 and 2013/14: a post-Budget 2011 update*, Mimeo, 2011

Two

Child wellbeing in the 2000s

Jonathan Bradshaw

Wellbeing is conventionally understood as multi-dimensional. Many things influence the lives of children – not just their material circumstances, but also their education, health, relationships with parents and friends, home and living environment, and their own behaviour. What they think and feel about their lives – their subjective wellbeing – is also important and, indeed, may be the result of the other dimensions of wellbeing.

At the beginning of the 2000s the wellbeing of children in the UK was poorly rated. Child poverty had increased nearly threefold in the 1980s, and a series of comparative studies representing wellbeing in similar, but not identical, ways found that the UK was not doing well. The UNICEF Innocenti Report Card 7, using data from around 2000, ranked the UK at the bottom of 21 countries – and in the bottom third of countries on all domains except for health and safety.¹ A later comparison, using data from around 2005 of 29 European Union countries, had the UK placed at 24, in the bottom third on all domains except relationships, risk behaviour and housing.² In the same year, the Organisation for Economic Co-operation and Development (OECD) published its league table of child wellbeing, which had the UK placed 20 out of 30 OECD countries and in the bottom third on education, health and safety, and risk behaviour.³

Partly in response to this evidence, the government invested heavily in children throughout the 2000s. There was the Child Poverty Strategy, which resulted in real improvements in the level of in-work and out-of-work incomes for families with children. Surestart was launched in 1998 and early education was extended to three- and four-year-olds and later, in 2009, to two-years-olds from disadvantaged backgrounds. There were big increases in public spending on health and education, and later childcare. In schools, the standards agenda sought to improve literacy and numeracy and to improve performance at key stages and at GCSE. Policies were introduced to encourage staying on and to expand opportunities in tertiary education. In addition, there was an institutional transformation with children's commissioners appointed, a new Department for Children, Families and Schools, a Children's Plan, and equivalent developments in the devolved administrations and in local government. The high point was the Child Poverty Act 2010.

What did all this effort achieve? The dominant rhetoric of the coalition government (supported by the Field and Allen Reviews and, to some extent, by Alan Milburn) is that very little was achieved. They argue that, despite billions of pounds being spent between 2000 and 2010, the child poverty targets were not met.⁴ Now, in the Child Poverty Strategy, resources are to be concentrated on early years and 120,000 so-called problem families. The agenda has shifted from wellbeing to well-becoming, and from structure to behaviour.

This is a wholly mistaken and potentially disastrous reading of the evidence. It is a pity that the previous government abandoned its annual effort to monitor the Child Poverty Strategy in the *Opportunity for All* reports.⁵ This produced a set of indicators that went beyond income poverty and included health, education, personal social services and housing. The last of these reports in 2007 demonstrated that progress was being made – out of 23 indicators covering children and young people, 12 had improved since 1997 and only two had got worse. Some of these indicators re-emerged more informally in a 2009 report on the Children’s Plan progress,⁶ and some have re-emerged again in the Child Health Strategy indicators,⁷ and in the proposed Child Poverty Strategy indicators.⁸ But there is no government series that monitors child wellbeing across the board.

However, in the latest of a series of reviews of child wellbeing, we have attempted to review national trends using 48 indicators, representing the domains of material wellbeing, child health, subjective wellbeing and mental health, education, housing, child maltreatment, children in care, childcare, crime and drugs over the period 1997 to 2010 (see Table 1).⁹ Out of the 48 indicators, 36 have moved in the right direction and only four have moved in the wrong direction (all in the health domain – immunisation rates, diabetes, obesity and sexually transmitted diseases). Relative child poverty fell (probably by more than one million) and, although this was not enough to meet the target to halve child poverty by 2010, there was a substantial reduction in the poverty gap. Educational attainment improved. Housing conditions improved and child homelessness fell. Child maltreatment fell and the stability and educational attainments of children in care improved. Youth crime fell. There was a big increase in participation in formal pre-school childcare. There was even good evidence that adolescent mental health improved, as did the happiness and overall life satisfaction of children.

Table 1: Trends in child well-being

	1997-2010	Source
Material wellbeing		
Relative poverty (BHC)	✓	HBAI
'Absolute' child poverty (BHC)	✓	HBAI
Material deprivation	▪	HBAI
Persistent poverty (BHC)	✓	HBAI
	□	
Health		
Still births	≈	ONS
Infant mortality	✓	ONS
Child deaths	✓	ONS
Low birth weight	≈	ONS
Breastfeeding	✓	ONS
Immunisation rates	X	DoH
General health	✓	HSE
Longstanding illness	✓	HSE
Limiting longstanding illness	✓	HSE
Diabetes	X	HSE
Asthma	≈	HSE
Injuries and accidents	✓	DoT
Obesity	X	HSE
Diet (fruit and vegetables)	✓	HSE
Alcohol	✓	HSE
Smoking	✓	HSE
Physical activity	▪	HSE
Sexually transmitted infections	X	HPA
Teenage conceptions	✓	ONS
	□	
Subjective wellbeing and mental health		
Happiness overall	✓	BHPS
Mental health	✓	ONS
Suicide	✓	ONS
Happiness with friends	✓	BHPS
Happiness with family	≈	BHPS
Happiness with school work	✓	BHPS
Happiness with appearance	≈	BHPS
Happiness with life	✓	BHPS

Happiness with school	▪	BHPS
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Education

Key stage 2 attainment	✓	DFE
5 GCEs A-C	✓	DFE
Level 2 qualifications	✓	DFE
Staying-on rates	✓	DFE
Exclusions	≈	DFE
Not in employment, education or training (NEET)	≈	

Housing

Homelessness	✓	DCLG
Temporary accommodation	✓	DCLG
House conditions	✓	EHS/EHCS

Child maltreatment

Fatal abuse	✓	Home Office
Physical abuse	✓	NSPCC
Neglect	≈	NSPCC

Children in care

Length of spells in care	▪	DfE
Placement stability	✓	DfE
Education	✓	DfE

Childcare

Formal participation	✓	Smith/Bryson
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Crime and drugs

Proven offences	✓	YJB
Arrests	✓	YJB
Drug taking	✓	DMD
Worry about crime	✓	MORI

✓ = getting better
X = getting worse
≈ = no clear trend
▪ = missing data
BHC = before housing costs

To see whether the UK has moved up the international wellbeing league table, we will need to await the publication of UNICEF Report Card 11, which will repeat Report Card 7 using more up-to-date data. However, there are some early indications of progress. European Union evidence shows that the UK was one of ten countries with a reduction in child poverty between 2005 and 2010,¹⁰ and the OECD has the UK with the largest reduction in child poverty between the mid-1990s and 2008.¹¹ UNICEF Innocenti Report Card 10 ranks the UK ninth out of 29 countries in the league table of deprivation, 22nd out of 35 countries on the relative child poverty rate and 16th out of 35 countries on child poverty gaps.¹²

Many of these achievements are being reversed by the policies being pursued by the coalition government. It seems families with children (and women) have been singled out to carry the brunt of the deficit reduction. There is no space here to list all the measures that have been taken against the interest of children,¹³ but notable among them are the abolition of the education maintenance allowance, health in pregnancy grants and child trust funds, the freezing of child benefit, the removal of working tax credit from couples working 16–24 hours, and the renegeing on the commitment to uprate child tax credit above inflation. Already the number of children living in workless families is on the increase, 'NEET' and youth unemployment is at record levels, the living standards of low-income families are falling as benefits and tax credits fail to keep pace with the price increases they face.¹⁴ The Institute for Fiscal Studies predicts that absolute poverty is already rising and relative poverty will soon rise as well. We can expect the wellbeing of children to fall.

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¹ UNICEF, *Child Poverty in Perspective: an overview of child well-being in high income countries*, Innocenti Report Card No. 7, UNICEF Innocenti Research Centre, 2007

² J Bradshaw and D Richardson, 'An Index of Child Well-being in Europe', *Child Indicators Research*, 2, 3, 319, 2009

³ Organisation for Economic Co-operation and Development, *Doing Better for Children*, OECD, 2009

⁴ ‘This Government is committed to eradicating child poverty but recognises that income measures and targets do not tell the full story about the causes and consequences of childhood disadvantage. The previous Government’s focus on narrow income targets meant they poured resources into short-term fixes to the symptoms of poverty instead of focusing on the causes. We plan to tackle head-on the causes of poverty which underpin low achievement, aspiration and opportunity across generations. Our radical programme of reform to deliver social justice will focus on combating worklessness and educational failure and preventing family and relationship breakdown with the aim of supporting the most disadvantaged groups struggling at the bottom of society.’ www.education.gov.uk/publications/eorderingdownload/CM-8061.pdf, para 3

⁵ It was actually replaced by biennial reports to the European Union (EU) on social inclusion, which covered some of the same ground. But the EU replaced these with a much more useless country report on the National Reform Programme – although in 2012, member states are once again being asked to report on their social progress.

⁶ Department for Children, Families and Schools, *The Children’s Plan Two Years On: a progress report*, 2009

⁷ Department for Health, *Public Health Outcomes Framework*, 2012, www.dh.gov.uk/en/publicationsandstatistics/publications/publicationspolicyandguidance/DH_131700

⁸ *A New Approach to Child Poverty: tackling the causes of disadvantage and transforming families’ lives*, Cm 8061, 2011

⁹ J Bradshaw (ed), *The Well-being of Children in the United Kingdom*, The Policy Press, 2011

¹⁰ Social Protection Committee, *Third Report on the Social Impact of the Economic Crisis and Ongoing Fiscal Consolidation*, 2011

¹¹ Organisation for Economic Co-operation and Development, Family Database Child Poverty CO2.2.B, www.oecd.org/document/4/0,3746,en_2649_34819_37836996_1_1_1_1,00.html

¹² UNICEF, *Child Poverty and Deprivation in Rich Countries*, Innocenti Report Card No. 10, UNICEF Innocenti Research Centre, 2012

¹³ But see R Joyce, *Tax and Benefit Reforms Due in 2012-13, and the outlook for household incomes*, Briefing Note BN 126, Institute for Fiscal Studies, 2012, www.ifs.org.uk/bns/bn126.pdf

¹⁴ www.donaldhirsch.com/globalisation.pdf

Three

Things get better (and sometimes worse): poverty dynamics and children

Mark Tomlinson and Robert Walker

The usual poverty rate statistics are a snapshot, the momentary product of some people entering poverty while others leave. Poverty rates fall if fewer people become poor or if more have increased income that takes them above the poverty threshold. Other things being equal, reducing the time that the typical family remains in poverty lowers the poverty rate.

Children seldom remain poor forever. Mostly their parents find work, increase their hours of work or move to better paid jobs. Sometimes parents re-partner and family finances can improve as a consequence. There is always hope that things can get better and most often they do. Equally, all families risk things going wrong and some are particularly prone to experiencing poverty as a consequence. And for those on the lowest incomes, the stakes are higher, the risks more serious.

This chapter begins by charting the movements in and out of poverty and the reasons for them, noting the changes that have occurred since the 1990s. Only then does it consider the relatively small number of people who remain poor for long periods and attract so much attention in the media.

For the most part, the statistics are drawn from official analyses conducted using the *British Household Panel Study* (BHPS). BHPS was a pioneering project, now absorbed into the *Understanding Society* study (USoc), which entailed adults and youth members in a nationally representative sample of households being interviewed each year from 1991 onwards, thereby allowing changes in people's lives to be directly observed.¹ Full official analyses of poverty dynamics based on USoc are not anticipated until 2016 (for 2010 to 2014).

At risk of poverty

No one is immune to the risk of poverty, although, for some, the chances of becoming poor are minimal. In the first ten years of BHPS, from 1991 to 2001, 52 per cent of all British families had poverty level incomes that lasted for at least a year.² Rather than poverty being rare, it was the experience of the majority. Moreover, while poverty rates have fallen in the last decade, without further policy change between two and three times as many people are likely to become poor in the next decade than would

be suggested by the current poverty rate (20 per cent for children; 16 per cent for adults of working age).³

Every year between 1991 and 2008, about 7 per cent of people began a lengthy spell of poverty.⁴ But the risks were not evenly distributed: twice as many lone parents (14 per cent) became poor as did 17 per cent of people living in households in which no one was employed. Only 4 per cent of people living in households without dependent children risked slipping into poverty.

While employment offers considerable protection against poverty, most spells of poverty are precipitated by negative labour market events; 42 per cent of spells are associated with a fall in the earnings of the household head due, for example, to unemployment or short-time working. Eleven per cent of spells are related to a fall in the income of a second worker, emphasising the fact that many families are dependent on two or more workers to keep them out of poverty, a characteristic of a low-wage economy. People are also vulnerable to falls in benefit income; 27 per cent of all spells of poverty are attributable, in part at least, to this cause.

Of course, events of the kinds associated with poverty do not always result in poverty. Eighty-one per cent of people in households in which the head experiences a drop in earnings greater than 20 per cent do not immediately become poor; they have prior savings, find a different job or accommodate in some other way. Even those who become lone parents mostly avoid poverty, although the risks for this group are particularly high: almost one in three (29 per cent) experience sustained poverty following the onset of lone parenthood, but two out of three do not. People who have been employed for sustained periods face much less chance of being poor; someone employed for at least three consecutive years has only a one in a hundred chance of becoming poor within the year, seven times less than the population at large.

Poverty does not last for ever

Public debate seems frequently to suggest that poverty is more or less a permanent state, with the use of terms such as ‘the poor’ and occasionally ‘the underclass’. The reality is that most spells of poverty are comparatively short. Official analyses show that 32 per cent of people who are in poverty one year are not so the next, but even these statistics overstate the persistence of poverty because short spells of poverty starting and ending between the survey dates are ignored.⁵

Nevertheless, the official analyses are the best available and they indicate that the chances of escaping poverty are uneven. Whereas 45 per cent of couples without children leave poverty between years, only 26 per cent of lone parents and 22 per cent of pensioners manage to do so. Moreover, the chances of people leaving poverty after three years of poverty are much reduced, effectively halving for most groups except those in households in which all adults are employed where the fall is noticeably less, from 40 per cent to 28 per cent.

The decline in the chances of leaving poverty is not necessarily due to people becoming resigned to their status, let alone becoming workshy. The people who remain in poverty for long periods are often people who enter poverty with characteristics that might conspire to make it difficult for them to leave.⁶ They may live in an area with few job opportunities; they may have limited skills or work experience; they might have health issues. What is notable is that, even after three years of poverty, one in six lone parents or couples with children are still likely to move from poverty within the next year. Mostly, of course, this happens because the earnings of the household rise as a result of someone obtaining a job, moving to a higher paid job or increasing the hours worked. That said, people can do any of these things and still not move out of poverty, such are the limited opportunities available to people who have been poor for long periods. Indeed, only 39 per cent of household heads who manage to secure a 20 per cent increase in wages or greater succeed in getting out of poverty as a consequence; for second earners, the proportion is even smaller, at 29 per cent.

An increase in benefit income, usually the result of receiving a different (and sometimes an additional) benefit, is also a mechanism through which long spells of poverty are brought to an end. Indeed, in numerical terms, this is just as important as increases in the earnings of the household head. What is less clear, however, is whether in the majority of these cases people are finally getting the benefits to which they are entitled or whether it is changes in their circumstances that make them eligible for benefits that take them above the poverty line.

Over a quarter of lengthy spells of poverty end as a result of changes in household composition, including lone parents partnering. Forty-four per cent of people who partner after a spell of poverty lasting at least three years simultaneously move out of poverty.

Persistent poverty

While most families move in and out of poverty quite quickly, a minority do not. Official statistics attempt to capture this minority by recording families that are below the poverty line in three years out of four. These statistics reveal a fall in the proportion of individuals experiencing persistent poverty from 15 per cent in the period 1991 to 1994, to 10 per cent between 2005 and 2008, with especially marked improvements for lone parents for whom the rate fell from 50 per cent to 27 per cent, notably in the period between 2000 and 2003. Whereas 25 per cent of all children experienced persistent poverty in the period 1991–1994, by 2005–2008 the figure had dropped to 17 per cent.

These dramatic developments were most likely largely attributable to higher employment rates among lone parents, and increases in benefit and tax credit rates.⁷ Unfortunately, there has been little, if any, reduction in persistent poverty among children as a group since the early 2000s – continued slight improvements among the children of lone parents have been offset by falls in the earnings of the much larger number of children living with two adults. Moreover, improvements for the latter group were rather marginal over the entire period, such that, on average, no family was lifted above the higher 70 per cent poverty threshold, whereas by 2005–2008, 59 per cent of lone parents had incomes above this threshold in at least two years compared with just 39 per cent in 1991–1994.⁸

Although most children only experience poverty for short periods, the fact that one child in six does so for a sustained time remains a policy challenge. Lack of income directly affects child wellbeing in the short term and, through its effect on educational orientation, affects child outcomes in terms of educational attainment and employment status to a degree that research suggests can only be partially offset by good parenting.⁹

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¹ Department for Work and Pensions, *Low-Income Dynamics, 1991-2008 (Great Britain)*, Information Directorate, Department for Work and Pensions, 2011

² J Rigg and T Sefton, *Income Dynamics and the Life-cycle*, CASE Paper 81, Centre for Analysis of Social Exclusion, London School of Economics, 2004

³ N Adams, A Barton, G Johnson and P Matejic (eds), *Households Below Average Income: an analysis of the income distribution 1994/95 – 2009/10*, Department for Work and Pensions, 2011

⁴ Department for Work and Pensions, *Low-Income Dynamics, 1991-2008 (Great Britain)*, Information Directorate, Department for Work and Pensions, 2011. Poverty is measured in the month before interview. This means that spells of poverty lasting less than a year that occur between repeated survey interviews will not be counted. Therefore, many more people experience poverty than the *Low Income Statistics* reports indicate. Jenkins (2011) concludes that there is very little difference in poverty rates and dynamics based on current (monthly) and annual income, such that it may be appropriate to think of the transitions relating to spells of poverty that last for at least a year. All statistics cited in this chapter are taken from *Low-Income Dynamics* and refer to incomes after housing costs unless stated otherwise.

⁵ J Hills, A McKnight and R Smithies, *Tracking Income: how working families' incomes vary through the year*, CASE Report 32, Centre for Analysis of Social Exclusion, London School of Economics, 2006

⁶⁶ Jenkins (2011) demonstrates that most of the variation in the duration of poverty spells is due to prior characteristics but that, in small part, something about the experience of poverty serves to reduce the chances of escape.

⁷ J Jin, R Joyce, D Phillips and L Sibieta, *Poverty and Inequality in the UK: 2011*, Commentary C118, Institute for Fiscal Studies, 2011

⁸ Fifty-nine per cent of couples with children had incomes above the 70 per cent threshold in at least two years.

⁹ M Tomlinson and R Walker, *Coping with Complexity: child and adult poverty*, CPAG, 2009; M Tomlinson and R Walker, 'Poverty, Adolescent Well-being and Outcomes Later in Life', *Journal of International Development*, 22(4), 2010, 1162–82

Four

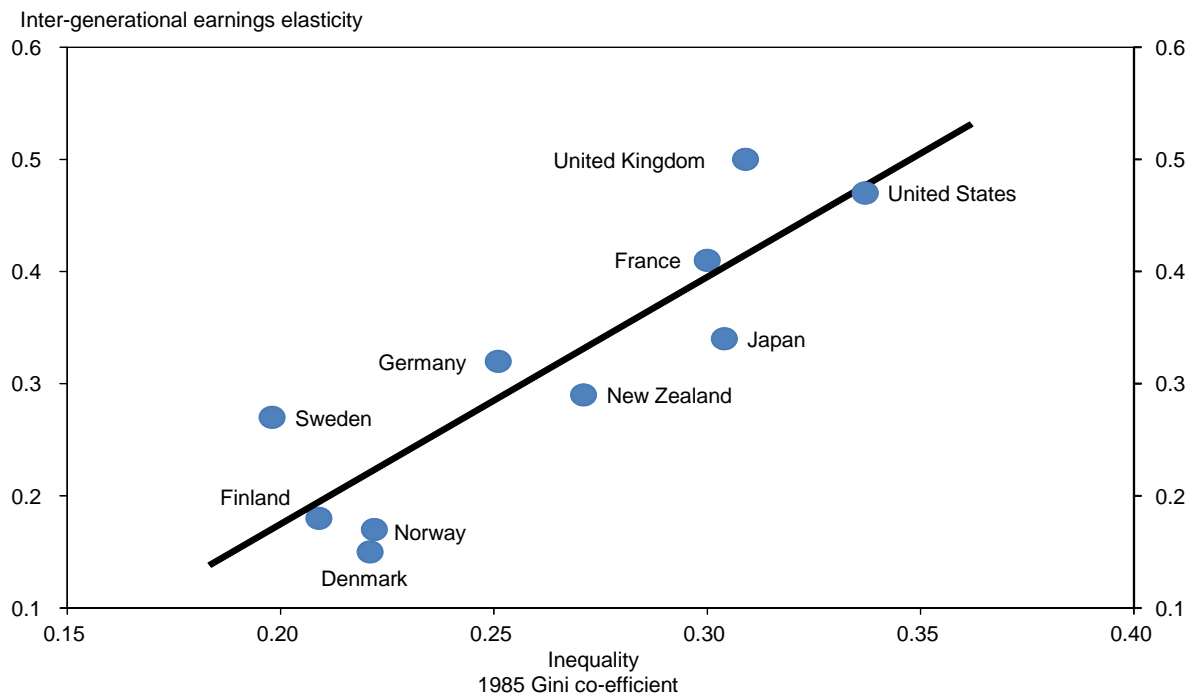
Social mobility, poverty, and inequality: policies and prospects

Jonathan Portes

According to the Deputy Prime Minister, social mobility – rather than child poverty or inequality – is the ‘overriding social policy priority’ for the current government. But can you tackle social mobility without tackling poverty and inequality?

It is now reasonably well established that countries with higher social mobility are less unequal. Figure 1 shows, looking across countries, that inequality appears to ‘predict’ future levels of social (im)mobility, but this falls far short of establishing a causal relationship.

Figure 1: The Great Gatsby curve



Source: Alan Krueger, Chair, US Council of Economic Advisors, January 2012

This correlation certainly appears to hold for the UK, as Figure 1 shows. The sharp rise in inequality and child poverty between the mid-1970s and the early 1990s appeared to parallel a fall in social mobility for

those who were children at the time; the much cited paper by Jo Blanden and others, showing that social mobility fell for those leaving school in the late 1980s compared with those who left school in the mid-1970s, has had a huge impact in policy and political circles.¹ While the specifics of the paper have been criticised,² the consensus among economists is that, by any measure, there was a significant fall in inter-generational social mobility (or more precisely, a significant rise in the correlation between the incomes and educational attainment of parents and children) over roughly this period.

There are a number of causal mechanisms by which poverty and inequality could reduce social mobility. One is that it simply seems likely to be harder (so social mobility will be lower) to move from the bottom to the middle or top of a society (or *vice versa*) when the distance between the bottom and top is farther (i.e. society is more unequal).

Another explanation focuses more directly on poverty, rather than inequality, arguing that poverty is likely to constrain directly the ability of your children to move up. This mechanism clearly matters a lot for mobility in societies where being poor means not having enough to feed your children or send them to school (so they will grow up less healthy and educated). However, it could still operate in developed countries, if poor people, even if not materially deprived in this extreme sense, are constrained by lack of resources from participating fully in society, in turn constraining children living in poverty from moving up the social ladder.

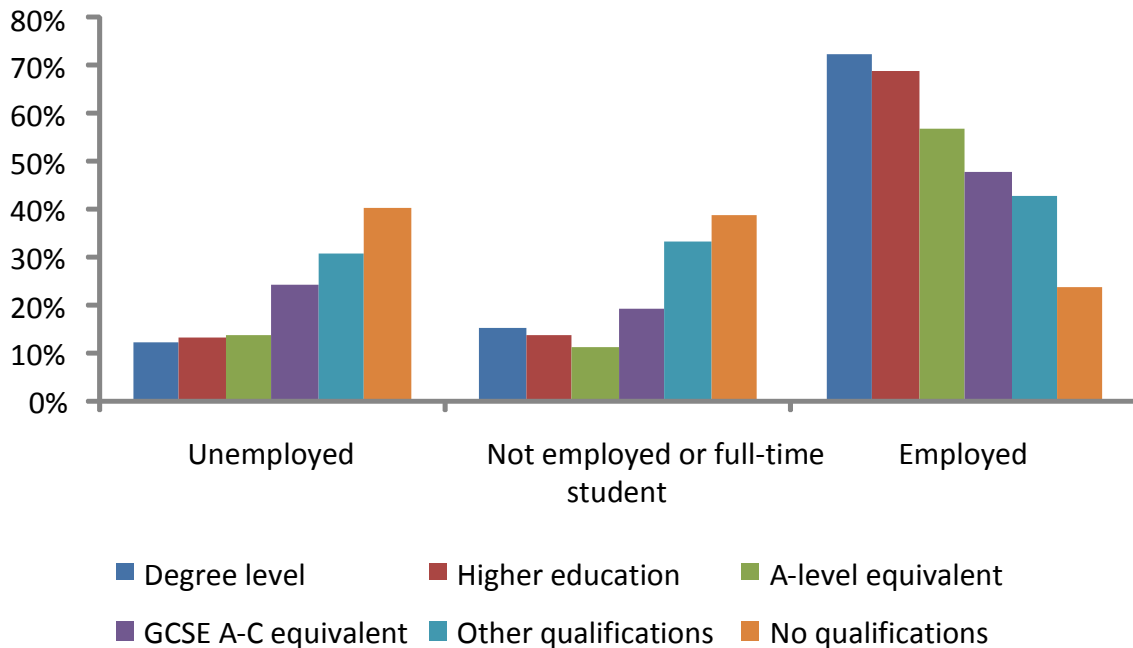
And it could operate through the education system: poorer children generally have worse educational outcomes, and this clearly has a substantial impact on social mobility.

Most analysis has focused on the education system, since the connection is obvious and it seems – potentially at least – amenable to policy. And the evidence does suggest that the connection between parental income and child educational attainment – and hence child income – has got stronger over the period in question. This was not (contrary to frequent assertions in the press) anything to do with the (near) abolition of grammar schools: recent research has shown that for the 1958 cohort, comprehensive schools performed overall at least as well as grammar schools in terms of social mobility, individual examples to the contrary notwithstanding.³ A more plausible alternative explanation is that the fall in social mobility was partly due to the increase in higher education participation being focused on those from higher income families.

So what do we think has happened to social mobility over the last decade or so? Although inequality overall, as measured by the Gini co-efficient, has been flat, the fall in child poverty should give some cause for optimism, to the extent that this makes it more likely that relatively disadvantaged families can participate fully. The evidence does suggest that increases in income for poorer families did translate into extra spending on child-related goods, which is likely at least to be a necessary precondition for these increases in income to improve mobility.⁴ And gaps in educational performance do seem to have narrowed somewhat, as shown by a recent analysis in the *Financial Times*,⁵ leading Simon Burgess from the University of Bristol) to conclude: 'We may have here the first evidence of a turning of the tide... declining social mobility is not an immutable force, but can be changed. Indeed, it seems that it was changed by the education policies of the previous government.'

This may, however, be an optimistic perspective. The government argues instead that the glass is half empty asserting that 'Leading indicators of social mobility suggest that, while some progress has been made, the high levels of public investment seen over the last decade are unlikely to lead to significant improvements in mobility in the near future. There have been some signs of progress in recent years in terms of the gap between rich and poor in school attainment at the ages of 11 and 16. But, overall, the gaps in educational performance have narrowed only very slightly despite significant investment.'

Meanwhile, if anything, the youth labour market appears to have become more polarised. So, since 2001, the number of recent graduates (those who graduated in the last six years) has risen from about 1 million to about 1.5 million, but the number of 19–24-year-olds not in education, training or employment has also increased sharply, from about 500,000 to about 800,000. And qualification levels are key to success in the labour market, both in terms of employment and earnings.



Source: Labour Force Survey data

What about the future? With the prospect of a further rise in income inequality and relative child poverty, driven both by structural change and government policies, it is difficult to be optimistic, as these are certainly likely to be negative for social mobility. It is, however, worth setting out the government's counter-arguments. The government argues that the increase in progressivity of the tax and benefit system over the last decade, while reducing measured inequality and child poverty, was just papering over the cracks, and failing to deal with the structural causes of greater inequality and reduced social mobility. They see the priorities as being early years education, reducing educational under-performance among more disadvantaged groups, and tackling entrenched worklessness among some groups, especially young adults with low qualifications.

In principle, leaving aside views on the short-term impact of income inequality, there is much to commend in this approach. Indeed, it seems plausible that if successful policies could be implemented in these areas, over the longer term they would at least contribute to reducing inequality and child poverty, and eventually increase social mobility. It is, however, worth noting that, in a number of areas, the specific policy changes announced so far do not seem to be based on strong evidence of what might

contribute to greater social mobility:

- The reduction in funding available for Sure Start does not seem consistent with the priority attached to the early years – a point made strongly by the Frank Field Review.⁶
- By contrast, the extension of childcare to relatively disadvantaged two-year olds may have some positive impact. In both cases, however, it should be noted that, while there is very strong evidence that early outcomes are important for later educational attainment and hence very probably for social mobility, the evidence base for particular interventions is less strong.
- The impact of the introduction of free schools is obviously difficult to predict at this stage, but existing evidence suggests it is likely to be negative for social mobility. The Organisation for Economic Co-operation and Development (OECD) argues, citing multiple references, that ‘research has shown that school choice, and by extension school competition, is related to greater levels of segregation in the school system, and consequently, lower levels of equity.’ In Sweden, the closest direct analogy, most evidence suggests it has resulted in some rise in segregation, consistent with the OECD view. This may, however, be countered by the introduction of the pupil premium, although there is little evidence to suggest that simply increasing school expenditure substantially improves the performance of poorer pupils.
- The abolition of the education maintenance allowance, despite strong evidence that it significantly increased staying-on rates and attainment among the target group (16–18-year-olds from poorer families)⁷ is likely to have a negative impact on social mobility, given the impact both on further educational attainment (eg, university participation) and on earnings.
- On a more positive note, the Wolf Report on vocational and technical education recognised that at least 350,000 16–19-year-olds get little or no benefit from the post-16 education system, and makes some important and evidence-based recommendations designed to help, in particular, the most disadvantaged young people.⁸

To conclude, it is difficult enough to state with any degree of confidence what has happened to social mobility in the last decade, so predicting the future is, at best, courageous. The coalition government

has a clear commitment to implementing policies designed to increase social mobility, and its broad policy focus is sound. Nevertheless, at present it is difficult to be optimistic about either broader structural trends or about the majority of the specific policies implemented so far.

Perhaps the most encouraging aspect of the debate is that the government argues that reducing the attainment gap is the best way to produce a fairer society, and has explicitly invited the public to judge it on its achievement in doing so. We should hold them to that commitment.

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¹ J Blanden et al, Changes in Intergenerational Mobility in Britain, Centre for Economic Performance, LSE 2001

² P Saunders, Social Mobility Myths, Civitas: Institute for the Study of Civil Society, 2010

³ V Boliver and A Swift, 'Do comprehensive schools reduce social mobility?', The British Journal of Sociology Volume 62, Issue 1, 89–110, March 2011

⁴ P Gregg, J Waldfogel and E Washbrook, 'Expenditure Patterns Post-Welfare Reform in the UK: Are low-income families starting to catch up?', CASE paper 99, LSE 2005

⁵ See www.ft.com/cms/s/0/d82fc3cc-eab3-11e0-aeca-00144feab49a.html#axzz1ZYz7DPD4

⁶ <http://webarchive.nationalarchives.gov.uk/20110120090128/http://povertyreview.independent.gov.uk/media/20254/poverty-report.pdf>

⁷ H Chowdry and C Emmerson, 'An efficient maintenance allowance?', IFS 2010

⁸ Available at www.education.gov.uk/publications/eorderingdownload/the%20Wolf%20Report.pdf

Five

Child poverty and financial support for children

Mike Brewer

Some people within the current government, as well as some outside it, have criticised the previous Labour government's approach both to measuring child poverty and to reducing it.¹ Targeting a measure of poverty defined solely in terms of family income, the story goes, means that governments naturally focus on lifting income through higher welfare payments aimed at children, and gives them an incentive to move people who are just below the line to just above it. Ultimately, the conclusion of some now in government is that the previous strategy was hugely expensive and looks set to have failed. So are these criticisms warranted?

First, it is definitely the case that the previous government massively increased the amount of money – in real terms and as a share of national income – spent on benefits and tax credits, and that those increases were disproportionately aimed at increasing financial support for families with children. Whether because of the over-indexation of the child element of child tax credit from 2003 or *ad hoc* increases to tax credits or child benefit, core benefit and tax credit entitlement for low-income families with children rose faster than inflation in at least eight of the 13 years of the previous government, and rose more quickly than median income (which is what is required to reduce a relative measure of poverty) in at least six of these.² Financial support for a workless lone parent with one child was some 20 per cent higher in real terms in 2010 than in 1997, 36 per cent higher for a lone parent working part time on a low wage, and had grown by even more for an unemployed couple with three children.³ Over the same period, key benefit entitlement for those not in work and without dependent children rose faster than median income just once, in 2009.

So the government did spend a lot more money on welfare benefits, and mainly channelled that through benefits and tax credits aimed at families with children (as well as to pensioners). But did it respond cynically to its targets by moving people who were just below the line to just above it? This seems highly unlikely. First, the main changes to financial support for families with children were not highly targeted on a very specific part of the income distribution, but were spread fairly broadly across workless and low-income working families. As a result, relative poverty fell when measured using all possible poverty lines (expressed as fraction of median income) from 43 per cent of median income all the way up to 100

per cent of median income.⁴ Second, the amount by which families with children benefited from changes to financial support (and other tax reforms) over the period of the Labour government were substantial. Compared with a hypothetical world where benefits had simply risen in line with prices each year, analysis by the Institute for Fiscal Studies (IFS) suggests changes to benefits and tax credits increased the *average* income of lone parents by over £2,500 a year – a rise of, on average, 12 per cent among all those in work and 16 per cent for those who were not in work. The previous government's changes to benefits, tax credits and direct taxes also raised the incomes of unemployed couples with children (by an average of 16 per cent) and of couples with one earner (by an average of 6 per cent), although those with two earners were slightly worse off, on average, mostly because of tax rises on above-average earning individuals.⁵ These are average changes; the gains were larger, as a percentage of income, for those at the bottom of the income distribution.⁶ So there was no cynical lifting of incomes from just below to just over an arbitrary line: the beneficiaries from the government's increases to tax credits for families were spread widely across the bottom half of the income distribution, and the income gains were anything but nugatory.

Work by myself and researchers at the IFS tried to understand what factors led to the fall in child poverty. We found that the increase in financial support for families with children was crucial, although some of the increased spending on benefits and tax credits for families with children acted merely to stop child poverty rising as real earnings grew, something which would otherwise increase the gap between the median households, who get most of their income from the labour market, and those towards the bottom, who get most from the state. Simulations by myself and former colleagues at the IFS suggest that, had financial support merely risen with inflation, child poverty would have risen by over one-quarter to around 4.3 million by 2010.⁷ This highlights that it is extremely difficult to reduce a relative measure of poverty when the default position is that benefits and tax credits get increased each year by less than average wages.

But the performance of parents in the labour market was important too: about one-quarter of the fall in child poverty since 1998/99 can be linked to higher rates of employment among lone parents,⁸ and there are striking regional variations in child poverty trends that match very closely the labour market trends over the past decade. For example, the fall in child poverty between 1998 and 2004 was driven largely by the northern regions of England and by Scotland, and these were the regions of the UK where parental employment rose the most, and the rise in child poverty between 2004/05 and 2007/08 was

most concentrated on children of one-earner couples, whose real earnings fell, on average, over the period. More recently, child poverty has risen particularly sharply in the West Midlands, where the impact of the financial crisis and recession on parental employment has been the most marked. In fact, the West Midlands is the only region where child poverty is higher than it was in 1998/99 and the only region where employment is lower: the two facts are almost certainly related.⁹

Finally, did the strategy fail? The previous government wanted child poverty to fall by a half over its time in office. Our best guess at the moment (we will know for sure when *Households Below Average Income* figures for 2010/11 are released in June 2012) is that it managed to cut it from 3.4 million to 2.5 million, or by slightly more than one-quarter. So it missed its target, but reducing child poverty by 900,000 children was a remarkable achievement, certainly without historical precedent in the UK (although child poverty had rarely been as high as it was in 1998 before then), and also impressive compared with other countries. The fact that financial support for families with children is so important in determining levels of child poverty can also be seen in the time profile of child poverty over the last decade. There are three distinct sub-periods. First, between 1998 and 2004, benefits for families with children were expanded (and reformed) rapidly, and child poverty fell commensurately. From 2004 to 2007, however, the government failed to find much additional money to spend on tax credits, and child poverty rose slightly. Between 2008 and 2010, the government went back to putting additional money into tax credits for families with children – in part, to provide a fiscal stimulus, but also because of its target for 2010 – and this, when combined with the fact that earnings from the labour market fell rapidly in real terms over this period, makes it likely that child poverty fell.

So, if there was a failure in the previous government's approach to child poverty, it was a failure to sustain the increases in spending on financial support for children (especially throughout the middle of the last decade) and, perhaps, a 'failure' to set a realistic target: had the previous government succeeded in halving child poverty by 2010, it would have gone from one of the highest rates of poverty seen in the UK since (at least) 1961 to one of the lowest. A lack of income is not the only way to define poverty and there are real problems with using income to identify the households with very low resources. And there is clearly room to debate whether cash transfers or improved public services are the best way of preventing poverty among future generations. But there is no doubt that there is a very close link between the unprecedented and (nearly) sustained above-inflation increases in financial support for families with children over the past decade, and the unprecedented and (nearly) sustained

fall in child poverty. Given that, and given the coalition government's desire to close the fiscal deficit chiefly through spending cuts rather than tax rises, it should not be a surprise that the prognosis for child poverty over the current decade is so bleak.

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¹ The criticism was outlined fully in Iain Duncan-Smith's lecture at the LSE, 1 December 2011 (www.lse.ac.uk/assets/richmedia/channels/publiclecturesandevents/transcripts/20111201_1830_familiesandyoungpeople_tr.pdf). Parts of the argument can be found in Frank Field's report on child poverty commissioned by the current Prime Minister at www.nfm.org.uk/component/jdownloads/finish/74/333.

² W Jin et al, Poverty and Inequality in the UK: 2011, IFS Commentary C118, Institute for Fiscal Studies May 2011, Table 4

³ W Jin et al, Poverty and Inequality in the UK: 2011, IFS Commentary C118, Institute for Fiscal Studies May 2011, author's calculations from Table 4.3

⁴ M Brewer et al, Child Poverty in the UK since 1998-99: Lessons from the Past Decade, IFS Working Paper 10/23, Institute for Fiscal Studies October 2010, Figure 3.4

⁵ J Browne and D Phillips, Tax and Benefit Reforms Under Labour, 2010 Election Briefing Note No. 1 (IFS BN88) Institute for Fiscal Studies, 2010, Table 3.1

⁶ See, for example, S Adam, J Browne and P Johnson, Pensioners and the Tax and Benefit System, Institute for Fiscal Studies, forthcoming Figure 2.5

⁷ M Brewer et al, Child Poverty in the UK since 1998-99: Lessons from the Past Decade, IFS Working Paper 10/23, Institute for Fiscal Studies October 2010, Table 5.2

⁸ M Brewer et al, Child Poverty in the UK since 1998-99: Lessons from the Past Decade, IFS Working Paper 10/23, Institute for Fiscal Studies October 2010, calculations from Table 4.2

⁹ M Brewer et al, Child Poverty in the UK since 1998-99: Lessons from the Past Decade, IFS Working Paper 10/23, Institute for Fiscal Studies October 2010, Chapter 6

Employment and child poverty*Vidhya Alakeson*

Successive governments have put work at the heart of their child poverty strategy and Labour's record is evidence that moving parents into work does make an important contribution to lifting children out of poverty. But the evidence is equally clear that work alone was not enough to improve the living standards of low-income families – investment in tax credits and benefits was vital.¹ This raises questions about the likely success of the coalition government's decision to focus on work as the main route out of poverty for families with children, cutting back on in-work tax credits and other benefits. The challenge of putting work front and centre is not just a short-term one as the economy struggles to recover. It is a long-term challenge in an economy like Britain's where one-fifth of all workers are in low-paid jobs.

When Labour came to power in 1997, worklessness was a major problem, and poverty among these families was acute. The Labour government's overwhelming success in moving parents into employment was with lone parents. In 1997, about 54 per cent of children of lone parents were living in households in which no one worked. This fell by 10 percentage points and held at around 44 per cent, even into the 2008/09 recession. Worklessness among couple parents also fell, but less dramatically, from 8 per cent of households in 1997 to 6 per cent in 2005.² These employment gains were made at a time when the economy was growing strongly and unemployment was low, giving the government's active labour market policies a good chance of success. The introduction of the national minimum wage in 1999 increased the rewards from work for those at the very bottom, narrowing the inequality gap between the middle and the bottom, and wage rises for workers in the bottom half of earnings also provided a boost until 2003 when wages began to stagnate.³

Growing up in a working household is good for children, with working parents acting as role models. But this does not mean that work alone is enough to keep families out of poverty. Moving parents into work was not the most significant driver of Labour's achievements on child poverty. Analysis by economist Professor Richard Dickens shows that investment in tax credits and benefits played a critical role. Much of this investment rewarded low-paid work, making work pay better for parents. However, families who were not in work were not unduly penalised, thus protecting children irrespective of the actions of their

parents. Dickens shows that, between 1997/98 and 2008/09 when relative child poverty fell by 5 percentage points, changes in employment contributed 2 percentage points to the overall reduction, while investment in tax credits and benefits contributed close to 8 percentage points. These reductions were partially offset by countervailing factors, such as median wage increases, which pushed child poverty upwards. Even for lone parents, who saw the biggest increases in employment over the period, tax credits and benefits still contributed three times as much as employment to reducing relative child poverty.⁴

Labour's record on child poverty exposes the flaw in the coalition government's sole focus on work as the route out of poverty, coupling new pressures and incentives to move into work with major cuts to benefits and tax credits. As of April this year alone, low- to middle-income families have seen their tax credit support reduced by £2.5 billion. If Labour could not make a child poverty strategy based on work alone successful when the economy was strong, the chance of success in the current environment of a double-dip recession, high unemployment, significant under-employment, stagnant median wages and a heavy household debt burden seems remote. Families who risked losing their entitlement to working tax credit in April this year because of the new 24-hour rule demonstrated how difficult it can be to find work, even for those already in employment. Finding a few extra hours' work to move from 16 to 24 hours' work a week proved impossible for thousands of families.

As Britain re-enters recession, it is easy to see how a strategy focused exclusively on work will result in increases in child poverty, despite the positive impact that the introduction of universal credit is expected to have.⁵ But there is a longer term challenge to reducing child poverty through work alone and that is the dominance of low pay in Britain. Five million workers in Britain earn less than the 'living wage', which is designed to provide a minimum acceptable standard of living. In six of the 16 sectors in the economy, more than 30 per cent of workers earn below the living wage, with retail having the highest percentage of low-wage workers by this definition. And it is not just a problem for younger workers. One in seven people between the ages of 34 and 45 is low paid.⁶ Add to this the fact that the minimum wage has been falling in real terms,⁷ the fact that wages in the bottom half of earnings are not expected to regain their 2003 level until 2020⁸ and high childcare costs, it is hard to see how the government's plan to move people into 'mini-jobs' will be adequate on its own to move families out of poverty. In fact, cuts in tax credits risk shifting us into reverse as, for some families, it will no longer pay to work.

This puts the current debate about whether income is a meaningful way of measuring child poverty into perspective. Growing up in a working household improves a child's life chances. But how much income the family has matters too, and matters a lot. As well as the ability to put food on the table and meet other basic needs, income gives parents the means to provide the educational opportunities (such as buying books and going to museums) for their children that have a strong bearing on their development.⁹ More money helps parents develop their children's capabilities, even if we can all agree that money alone is an incomplete measure of a child's life chances, and the way in which a family experiences life does not alter dramatically at the point when the threshold between being in or out of poverty is crossed.

If the government is seeking to meet the child poverty target more squarely through work than through tax credits and benefits, then alongside the Work Programme and the introduction of universal credit it will have to find ways of raising the wages of low-paid workers, either through better hourly pay or by improving their prospects of progression, and it will have to reduce the costs of working, notably childcare and transport. A recent report by the Resolution Foundation and the Institute for Public Policy Research highlighted that large companies in some sectors may be able to afford to pay their employees the living wage without significantly increasing their wage bill. But in expanding sectors, such as retail, with a high proportion of low-paid workers, the challenge is far greater.¹⁰ However, we know from the introduction of the national minimum wage that wage increases can be absorbed in different ways and do not inevitably lead to unemployment or business collapse. Government should play a more active role in encouraging companies to increase wages where they can, with the public sector leading the way in becoming a living wage employer. In today's economic climate, reducing child poverty without investing in tax credits and benefits will be incredibly tough, but making work pay in other ways must be part of this government's alternative strategy.

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Seven

The impact of poverty on child development and adult outcomes: the importance of early years education

Edward Melhuish

Poor children are less likely to be successful in school and later in life are more likely to have poorer health and to engage in crime and other problem behaviour.¹ The stress of living in poverty can shape a child's neuro-biology, leading directly to poorer outcomes in adulthood.² A child's sensitivity in early childhood to environmental influences is evident in many infant and pre-school intervention studies. The effects on adult attainment, behaviour and health are compounded by poor parents' limitations in investing materially and/or emotionally in their children's development. For example:

- Evidence highlights the critical importance of early brain development for establishing the structures that shape future cognitive, social, emotional and health outcomes.³
- Studies in psychology and epidemiology show that both in-utero environments and early childhood experiences have long-term impacts on adult physical and mental health.⁴
- Epidemiologists have shown that early childhood poverty-related stressors can have long-term effects on adult physical development, affecting biological systems often years later and leading to adverse future health.⁵
- Poverty limits parents' ability to buy adequate, quality healthcare and/or education during early childhood.
- Psychologists indicate that poverty undermines parents' mental health and therefore negatively affects their parenting behaviour.

Early childhood is a developmental period that is especially sensitive to environmental conditions affected by family income.⁶ One meta-analysis – a study collating findings from ten different longitudinal studies – estimated the effects of poverty in early childhood on later attainment, behaviour and health.⁷ It found that firstly, family income consistently had substantial effects on children's cognitive ability and

achievement. Secondly, family income in early childhood was more important for shaping ability and achievement than during adolescence. Thirdly, the association between income and achievement was non-linear, with the biggest impact at the lowest levels of income. Similarly, growing up on a low income, particularly in very early childhood, is linked to increased hypertension, arthritis, and limitations in daily activities in adulthood.⁸ Briefly, poverty in early childhood matters more for shaping later development than poverty later in life.

Early childhood poverty has long-term impacts on health. Low income during the prenatal period may be associated with foetal under-nutrition, low birth weight or slow post-natal growth. This pattern of low birth weight and low body mass index (BMI) at age two, followed by rapid weight gain after age two, is a risk factor in developing insulin resistance and a disproportionately high fat mass in relation to muscle mass.⁹ Poverty is also associated with food insecurity, which is linked to obesity in childhood, adolescence and adulthood, especially among females.¹⁰ Overweight and obesity, subsequently, can be physically debilitating, leading to a downward spiral of depression, overeating and stress.¹¹

Poverty in early childhood also creates disparities in school readiness and in early academic success that widen over the course of childhood. The greater malleability of development and the overwhelming importance of the family for young children indicate that family income in early childhood is much more important in shaping their ability and achievement than conditions later in childhood.¹² For example, where poverty increases mothers' stress or harsh parenting,¹³ this will be especially important during early childhood, given the primacy of sensitive mother-child interactions for the development of emotion regulation.¹⁴ Good emotion regulation in early childhood can have long-term effects on children's achievement, behaviour and health.¹⁵ Similarly, to the extent that an enriching early home learning environment lays the foundations for success in pre-school and beyond, parents' ability to provide books, toys and stimulating activities during early childhood is critical.

And we know that money matters when it comes to educational outcomes. In the United States, for example, when the generosity of the means-tested earned income tax credit increased during the 1990s, so too did poorer children's educational outcomes.¹⁶ It was estimated that a \$3,000 increase in family income in early and middle childhood significantly boosted both reading and maths achievement. These effects were two to three times greater for children of non-white, unmarried and less educated mothers, suggesting that income effects are non-linear.¹⁷ Briefly, increases in income matter more for

lower income children than their higher income counterparts, and financial investments in families themselves can produce significant educational and health results in later life. Given the importance of incomes, the recent recommendation of the Field Report (2010) that 'no longer should governments automatically increase benefits for children but in each financial year consider whether the life chances of poorer children will be increased more by transferring any benefit increases into building the foundation years' is perhaps troubling. Both reductions in poverty in early childhood and high quality early childhood education and care are necessary.

Early childhood education and care has positive, long-term educational, occupational and social outcomes for disadvantaged children.¹⁸ The benefits improve subsequent educational levels, socio-economic status, income and health, as well as reducing crime, thus making early childhood and care programmes cost-effective; the savings made through later outcomes outweigh any initial costs.¹⁹ The benefits for school readiness are long term and the UK can take lessons from other countries in this regard.²⁰ For example, pre-school is associated with increased qualifications, employment and earnings up to age 33.²¹ In France, pre-school is a universal, free, education programme, with access from age three. During the 1960s and 1970s, large-scale expansion led to the enrolment of three-year-olds increasing from 35 per cent to 90 per cent and of four-year-olds from 60 per cent to 100 per cent. State-collected data reveal sizeable and persistent effects, such that pre-school helps children succeed in school and obtain higher wages in the labour market. It also reduced socio-economic inequalities as children from less advantaged backgrounds benefited more than the more advantaged.²² Likewise, in Switzerland, the impact of pre-school expansion was associated with improved inter-generational educational mobility, with children from disadvantaged backgrounds benefiting most.²³ Further evidence comes from the expansion of pre-school education in Norway, where different implementation by municipality reveals that pre-school was associated with strong benefits for later educational and labour market outcomes.²⁴ Similar evidence exists outside the developed world. Pre-school boosted primary school achievement in Bangladesh,²⁵ with similar results reported for ten other countries.²⁶ Pre-school expansion in Uruguay and Argentina also revealed clear benefits.²⁷

Clearly the provision of a free part-time pre-school place for every three- and four-year-old in the UK (Children Act 2004) was a great step forward, and the recommendations of the Organisation for Economic Co-operation and Development (OECD), World Health Organization and the European

Commission all endorse this. Although supported by all the major parties, what is now needed are moves to ensure that this free pre-school place is of high quality, particularly for poor children.

Importantly, studies from the USA,²⁸ England²⁹ and Northern Ireland³⁰ indicate that the quality of pre-school is critical for longer term beneficial effects. The OECD examined educational attainment data for 65 countries, finding that literacy at age 15 was strongly associated with pre-school participation in countries where a large proportion of the population use pre-school, where pre-school is for more months, and where there were measures to maintain its quality. It concluded that widening access to pre-school can improve performance and social equality by reducing socio-economic disparities, provided extending coverage does not compromise quality.³¹ In the UK, we have a long way to go in improving the quality of early childhood education and care.

This evidence has fuelled an increasing interest in the universal provision of pre-school education as a means of advancing the school readiness and later attainment of children and their subsequent social, economic and occupational success.³² Indeed, some argue that the pre-school experience is critical for children's future competence, coping skills, health, success in the labour market and, consequently, the social and economic health of the nation.³³ In a technologically sophisticated world, a population's educational attainment is likely to be increasingly important for a nation's economic development, as argued by the US Federal Reserve chair:³⁴

Research increasingly has shown the benefits of early childhood education and efforts to promote the lifelong acquisition of skills for both individuals and the economy as a whole. The payoffs of early childhood programs can be especially high.

Thus, pre-school education is not only an intervention for disadvantaged groups and a means of advancing educational and social development for all, but it also becomes part of the infrastructure for economic development. Some countries (for example, China³⁵) appear to have taken this perspective on board in their focused development of pre-school provision.

A country's population is the major factor in its social and economic development. Decreasing poverty in early childhood and providing high quality early childhood education and care are essential ingredients in a recipe for the future healthy development of a sound society and sound economy. They are essential prerequisites of economic development and social development in the modern world.

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Eight

Sure Start and child poverty: what have we learned?

Naomi Eisenstadt

1997 seems a very long time ago, yet much of the current discourse on family, the critical importance of the first years of a child's life and the disparity of outcomes across social class seems to echo the debates in play nearly 15 years ago. What is different is the infrastructure of services now available for families with young children, and the general acceptance that government does have a role to play in the lives of children between the provision of maternity care around birth and the entry to school around five.

Policy memories tend to be very short, and much time, energy and money is wasted when the successes and mistakes of the recent past are not used to inform future policy. So first, it is worth reflecting on some key achievements of the last government with respect to early years provision, which the coalition government, to its great credit, has maintained: we now have in the UK universal entitlement to 15 hours per week of childcare for all three- and four-year-olds, extended and increasingly flexible parental leave, and the requirement that local authorities ensure adequate provision of childcare for parents who want to work.

These interventions have played a critical role in reducing child poverty over the last decade. But there has been some retelling of the past that does not resonate with my own recollections. The coalition government has repeatedly said that it wants Sure Start to return to its original purpose, supporting the *most disadvantaged*. Yet the origins of Sure Start were not about the most extreme forms of multiple disadvantage, they were explicitly about the negative impact of growing up in poverty for young children. The initial round of Sure Start programmes was designed to reach the poorest 20 per cent of children under four, and this was soon expanded to the poorest 30 per cent. Sure Start was explicitly about the impact of income poverty on young children. The initial design was meant to mitigate the impact of poverty by providing support services for children and families. Very early in the life of Sure Start, this was expanded to an aim of reducing the numbers of children in poverty by ensuring adequate childcare, and by providing support services that would encourage mothers and fathers to find employment.

The second myth that has persisted about Sure Start was that it was taken over by the 'middle classes'. The first impact evaluation report found that Sure Start was reaching poor families, but was not reaching the very poorest, particularly teen parents.¹ As a result of these findings, a deal of great effort was put on outreach. In the second and subsequent evaluation reports, there were no discernible sub-group differences in reach.² However, a problem did emerge that was two-fold. First, an area-based initiative would never reach all poor children, because about half of poor children did not live in poor areas. Second, families that needed support were not always income poor. Not all poor parents needed support on *parenting*, and many who did need support were not poor. The decision to expand Sure Start children's centres as an offer for all families in all areas was based on these two issues.

As a result, Sure Start in its current form of children's centres is probably unique. It is hard to think of any other government programme that was initially designed for families in poverty that is so popular with all different types of families. Surely, this should be celebrated? We do not criticise a school, for example, because better-off families want their children to attend it.

It is also worth reflecting, however, on what has worked less well. Perhaps the biggest mistake to date was a failure to understand the complexity of the role of running a Sure Start local programme. Joining up local services across health, education and social welfare, commissioning a major capital project, working collaboratively with local parents, understanding the critical nature of data about the local population were all critically important in running a successful programme. Often individuals who had some of these skills knew little about young children. They came from other career backgrounds. The early years workforce was then a low skill, low paid and low status one. People worked incredibly hard, but we did not build in a professional development programme to support them.

The second big lesson, aligned to the first, is that we vastly underestimated how long it would take to get services established. Most of the programmes spent huge amounts of time in the first year just commissioning the buildings. It took about three years to get a programme up and running, while there was an expectation of improved outcomes within months. It is now clear that some of the disappointing results of the first outcome study were because very little was actually happening. But while it was dispiriting not to observe any real cognitive gains for children, the social and economic gains for parents were substantial and, in time, these improvements for parents may deliver the longer term improvements in the life courses for children.

So how do these findings relate to the current policy climate? The emphasis on using evidence-based programmes more assiduously in children's centres and schools is to be welcomed. Popularity alone will not improve child outcomes. The fact that mothers, and often fathers, enjoy using children's centres needs to be exploited to ensure that what they do at the centre is more focused on activities and programmes that have some chance of improving outcomes. Providing a mix of services between those that parents actively request and those that are known to make a real difference for children is a critical component of children's centre planning. There is no point in providing high quality services that parents are not willing to use; nor is there much point in providing services that parents enjoy, but which are not likely to have much impact on their children in the long run.

We have learned important lessons from the early work on Sure Start. In particular, we learned that a service meant for everyone must reach out to those least likely to use it, while remaining welcoming to all. But the very difficult financial climate is putting severe pressure on the ability of children's centres to deliver what is needed. Moreover, as public sector unemployment rises, there is likely to be an increase in demand for services just as they are being cut back.

Government has two main aims in supporting parents: improving parenting capabilities and reducing pressures on families. Much of what the current coalition is encouraging could improve capabilities, and result in improvements for children in the longer term. However, as pressures are increased through benefit changes and higher unemployment, more children will be in poverty. It is unlikely that their parents will have the time, inclination or motivation to participate in programmes. Moreover, high entry barriers and targeting of services will miss some of the non-poor families who may need them. To be really effective, children's centres need to be welcoming to all, while particularly alert to different needs and different solutions. A fragile and valuable infrastructure is at risk.

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Nine

Poor children's future access to early years provision

Eva Lloyd

Both the current and previous government's early years policies reflect their in principle acceptance of the evidence for the positive impact of early childhood education and care provision on the wellbeing and life chances of young children, notably for those from disadvantaged backgrounds.¹ Recent policy developments, however, appear to ignore the evidence that, on its own, this is unlikely to have an impact, except if part of a broader package of support, including income support.

In 2010 it was a welcome development, even if a surprise to some observers, that the coalition government made an early commitment to the continuation of early childhood education and care policies formulated by its predecessor.² In England, the extension from 12.5 to 15 hours of free early education for three- and four-year-olds, to be delivered flexibly during 38 weeks of the year, went ahead as planned in September 2010.³ Costing an estimated £190 billion in 2011/12, it remains the Department for Education's main financial contribution to children's early childhood provision, according to the National Audit Office.⁴

Since September 2009, all 152 English local authorities had been offering 10 to 15 hours of free early education during term time to the most disadvantaged two-year-olds.⁵ The 2010 comprehensive spending review committed to extending the offer of 15 hours to 20 per cent of the most economically disadvantaged two-year-olds, some 130,000 children, by September 2013. Within a year, this announcement was trumped by the Chancellor's November 2011 decision to double the number of targeted children to around 40 per cent of all two-year-olds by 2014/15, involving some 260,000 children. The predicted impact of proposed austerity measures on families with children⁶ and findings from a recent Millennium Cohort Study analysis of multiple risk factors among families with one-year-olds,⁷ warrant the assumption that most of these children will be economically disadvantaged.

This and other Millennium Cohort Study evidence illustrates how in the UK's poorest one-fifth of households, children's development soon starts to lag behind their better off peers, so that by age five they are nearly a year behind. It complements other studies that have identified how early years

services will struggle to close this gap,⁸ particularly in disadvantaged areas where their quality is still markedly poorer.⁹

The national evaluation of the pilot of provision for two-year-olds identifies a critical lesson, namely that positive impacts on children's language and parent-child relationships could be observed,¹⁰ but only where children attended high quality provision. This adds to the body of evidence showing that long-term benefits of early childhood services, especially for disadvantaged children, depend largely on their quality.¹¹ In this study, only 21 per cent of the pilot settings assessed were rated as 'good' quality, indicating that alongside creating additional places,¹² delivering high quality to achieve the initiative's intended outcomes will pose a significant challenge.

Problems associated with delivering targeted, as opposed to, universal interventions will also have to be addressed,¹³ an issue which is clearly recognised within the European Union's latest statement on early childhood education and care.¹⁴ But even where education is universal, concern about low take-up of the free entitlement by the most disadvantaged three-year olds continues.¹⁵ Other factors affect equitable access and should be of equal concern. These include serious regional discrepancies in take-up and the lack of high quality early education provision in areas of high deprivation,¹⁶ the drop in the number of children's centres delivering early years services¹⁷ and the rising number of families in temporary accommodation, notably in London, who may lack access to early years provision.¹⁸

Finally, the interface between the supply-side funding system for early education and the – rapidly diminishing – demand-side subsidies for childcare remains highly problematic.¹⁹ Among the Organisation for Economic Co-operation and Development (OECD) member states, current UK financing levels for early childhood education and care is higher than average, whether calculated as a percentage of GDP or as *per capita* expenditure.²⁰ Nonetheless, direct childcare costs for parents are among the highest. This may have its origins in the use of demand-led subsidies within a childcare market in which for-profit providers play a major role. This funding model is relatively unusual, at least in Europe, although childcare markets dominated by for-profit businesses are more prevalent in English speaking countries such as Australia, New Zealand, the USA and Canada.²¹

The importance of equitable early childhood policies is demonstrated in the case of Sweden and Belgian Flanders, where considerable differences in the social distribution of publicly funded childcare co-exist

with identical *per capita* expenditure.²² OECD evidence indicates that demand-side led funding models may lack price controls and entail double counting, while publicly provided services may have greater redistributive effects among specific population groups vulnerable to poverty.²³

Like its predecessor, this government is keen for poor children to take up early years provision and improve their life chances. But this analysis suggests that quality, take-up and the funding and delivery models associated with current early education and care policies put equitable access at risk, particularly when child poverty levels are rising. Although the current government has retained, and indeed is expanding, early education provision, it appears to be doing so as a substitute for, rather than alongside, childcare support and a more extensive income support strategy. Fiscal support for childcare costs has been curtailed, while further proposed changes to tax and benefits are limiting families' use of childcare. This in turn may adversely affect the childcare market, which has a major role in delivering both the two- and three-year-old early education entitlement. Reconsidering and reconfiguring policy in these areas is urgent and necessary.

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Ten

Better off, better educated

Donald Hirsch

Educational and social inequalities have interacted for decades to contribute to child poverty in the UK. Ever since James Callaghan's 'Ruskin Speech' in 1976, successive governments have acknowledged that inferior education levels for the worst off are not only socially unjust, but economically damaging in a modern economy that does not require legions of uneducated workers as 'factory fodder'. Since Callaghan's speech, the 'long tail of underachievement' has been shortened substantially.

Yet the link between student background and educational outcomes in the UK remains stronger than in most other countries, and this helps reinforce the enduring nature of child poverty from one generation to the next. In the 65-nation PISA survey of 15-year-olds, the UK comes 11th in the strength of association between socio-economic status and educational outcomes.¹ It is interesting to note that the three developed countries where this link is the weakest – Iceland, Finland and Spain – all have income inequality much lower than levels observed in the UK.

Socio-economic disadvantage is not the same as poverty, and it is valid to ask whether relieving material hardship would itself have any effect on educational outcomes. However, evidence shows that *both* social background *and* poverty itself contribute to how well children do at school and to associated indicators of economic success in adulthood. In the UK, analysis of cohort studies has shown that experience of financial hardship is an independent factor affecting educational and employment outcomes.² Such a link with income suggests that, while low achievement among working-class children can be seen partly as a relic of our class system, differences in material resources also play a part.

Ample qualitative evidence of the experiences of poverty and educational disadvantage (eg, in the Joseph Rowntree Foundation's programme on education and poverty) supports this finding.³ Children who live in overcrowded homes, who suffer stress associated with material hardship and whose families lack material resources to support their education are directly disadvantaged. This problem has become more acute as 'extras' paid for by better-off families, even in state education, have become more of a norm: whether they are purchasing revision guides, paying for extra-curricular activities or having adequate access to the internet for research at home.

Tackling absolute and relative underachievement

In recent years, policy has had two parallel aims: to reduce the percentage of all children under-achieving at school, and to reduce the link between family background and relative educational performance. Given the concentration of children from poor backgrounds among students leaving school without qualifications, these aims overlap, but are no means identical.

The starkest performance improvement of the past twenty years has been the increase in the proportion of students getting at least five good GCSEs, from a minority of 16-year-olds to around three-quarters.⁴ However, this improvement has tended to benefit people around the middle rather than at the bottom of the social and economic spectrum. For many years, it was accompanied by little change in the numbers leaving school with no qualifications at all, and no improvement in the relative educational chances of disadvantaged children.

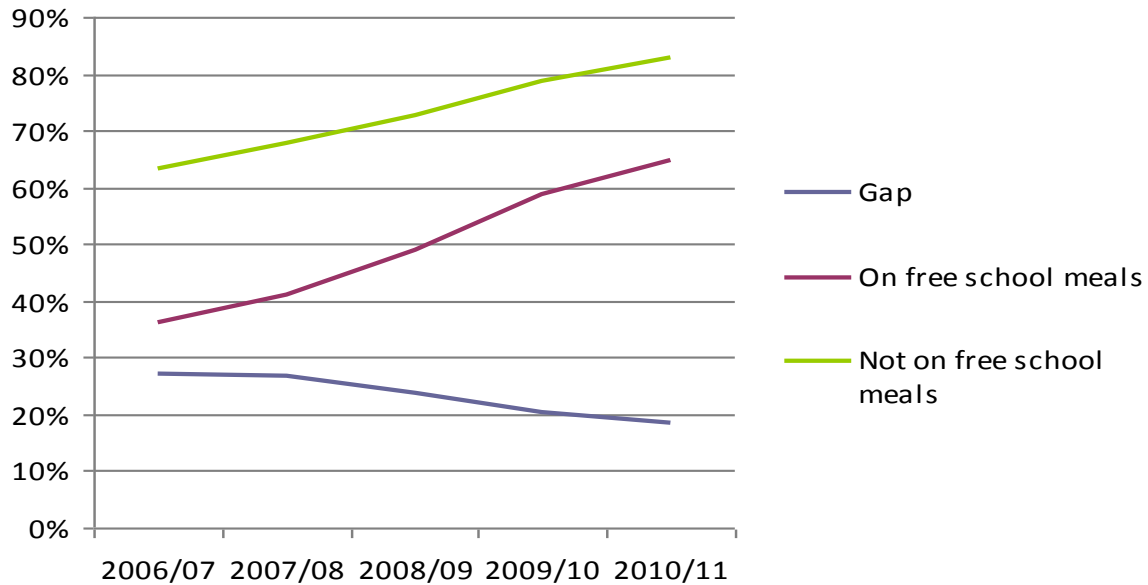
In the later years of the last government, however, this started to change quite distinctly. For example, the number of secondary school students not getting any GCSE passes or equivalent fell from 19,000 in 2005 to just 6,000 in 2010.⁵ At the same time, the 'attainment gap' between students on free school meals (a proxy for poverty) and the average has finally started to narrow markedly. Between 2007 and 2011, the proportion of free school meals students getting at least five GCSEs rose from 36 per cent to 65 per cent, and the size of the difference between these and other students in this respect fell by a third.

The emphasis on the aim of improving the relative educational achievement of disadvantaged groups has grown over time. In the early years of the last government, there was a focus on under-performing schools and areas, but most of the fruits of the large expansion in school funding were spread across the system rather than targeted. The most important acknowledgement of the need to help deprived groups in the first part of the decade was through Sure Start.

By 2007, on the other hand, in the government's second comprehensive spending review, it included a public service agreement target to 'narrow the gap in educational achievement between children from low income and disadvantaged backgrounds and their peers'. The link between education and poverty was reiterated in the Child Poverty Act, which requires a child poverty strategy to address educational

influences. The education maintenance allowance was one example of where the previous administration targeted help to families with low incomes.

Figure 1: Percentage of 16-year-olds getting at least five GCSEs, grade C and above, by free school meal status



Source: Department for Education, *GCSE and Equivalent Attainment by Pupil Characteristics in England*, www.dfe.gov.uk

The extra help provided to schools educating children from disadvantaged backgrounds by the present government’s pupil premium is a further acknowledgement that these children need additional support. It is unfortunate that this acknowledgement did not come at the time, a decade ago, when overall resources for education were growing. It is always easier to direct sufficient extra resources where they are needed when the overall pot is expanding.

It is extremely difficult to make clear links between specific educational policies that target disadvantaged children and the actual narrowing of the attainment gap referred to above. On the other hand, it is worth noting that this narrowing occurred for a cohort of children among whom poverty was less prevalent than the previous cohort. While it again cannot be proved that there was a causal link, the evidence on outcomes for children growing up deprived suggests that it was a contributory factor.

Tackling poverty through educational improvement is clearly essential, and just as clearly a very long-term process. Today's less-educated parents continue to experience disadvantages linked to their limited opportunities earlier in life. In ensuring that their own children do not suffer too, it is important both to create a school system in which they can thrive and to ensure that they have an adequate standard of living that allows them to flourish.

Material deprivation today prevents adults and children from participating fully in society, and a crucial aspect of this participation is the chance to learn and develop, inside and outside school. To break this cycle, measures to tackle income poverty itself and to improve educational chances for disadvantaged children need to go hand in hand. If fewer children from the least advantaged social groups grow up in material hardship, it will become more feasible to design educational measures that help these children do better at school. And better education will help more future parents earn a decent living for their families.

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⁴ www.poverty.org.uk, Indicator 26

⁵ www.poverty.org.uk, Indicator 26. While it is difficult to measure this phenomenon very accurately because of students who drop out of the system, these data suggest a very marked improvement.

Eleven

The health effects of poverty

Michael Marmot

Insufficient income is associated with worse outcomes across virtually all domains, including long-term health and life expectancy. Children born into poverty have an increased risk of mortality in the first year of life and in adulthood, are more likely to be born early and small and they face more health problems in later life.¹

Poverty, and particularly debt, increases the likelihood of mental disorders, including sleep deprivation and depression among new mothers.² The effects are particularly evident among women because they are more likely to handle family budgets, have caring responsibilities and are often the ‘shock absorbers’ of reduced family incomes, meaning that they go without to protect their children from the worst effects of poverty.³ Maternal depression is then, in itself, a significant risk factor for poor social and emotional development in children.⁴ Children from disadvantaged backgrounds are more likely to start primary school with lower personal, social and emotional development and are at significantly increased risk of developing conduct disorders, all of which can lead to difficulties in terms of educational attainment, relationships and mental health throughout the life course.⁵ A Finnish study also shows a direct and negative impact on child mental health of a reduction in family income, attributed to increased economic pressure and negative changes in parental mental health, marital interaction and parenting quality.⁶

Insufficient income has also been linked to an inability to heat homes, which leads to an increase in respiratory and cardiovascular diseases, and mental health conditions across all age groups.⁷ Children in low-income families can also often miss out on activities and experiences that are a key part of the social and emotional development of most other children, and some families still find themselves unable to afford essentials such as school uniforms and adequate housing.⁸ Research has shown that increasing the income of these families is an effective way to tackle these problems.⁹

A minimum income for healthy living

Having a healthy standard of living for all is therefore central to good health and to reducing health inequalities. In *Fair Society, Healthy Lives*, I set out the importance of setting a minimum income for

healthy living. The minimum income for healthy living includes the costs relating to purchasing those things that are needed to ensure adequate levels of nutrition, physical activity, housing, psycho-social interaction, clothing, transport, heating and hygiene.¹⁰ Adequate levels for these are set out in the literature (for example, the need for five portions of fruit and vegetables a day). It is a practical costing exercise that needs to be repeated regularly, for different household groups.

Loughborough University has developed a minimum income standard, which has a similar focus. It also includes sufficient resources to participate in society and maintain human dignity, consuming those goods and services regarded as essential in Britain. For most groups, including families with children, the amount of money that they need to reach the minimum income standard is higher than the amount implied by the poverty line set at 60 per cent of median income.¹¹

To maximise health and reduce health inequalities, we therefore need to ensure everyone has income sufficient for healthy living. Meeting the child poverty targets would be essential, but arguably, as set at 60 per cent of median income, not sufficient.

The size of the problem: London as an example

The numbers of people who do not have a minimum income for an acceptable standard of living vary across the country, because the costs of necessary items vary across the country. However, to take one example, in London, where costs are high, 53 per cent of Londoners in 2005–2008 lived in households with a weekly income below a ‘minimum income for acceptable standard of living’,¹² although this was 82 per cent for the Pakistani and Bangladeshi population and 85 per cent for single people with children.¹³ London has the highest rates of child (39 per cent), working-age (25 per cent) and pensioner (23 per cent) poverty¹⁴ in England.¹⁵

But this does not mean that these children live with parents dependent on state benefits. Just over one-half of children and working-age adults in poverty in London live in working families.¹⁶

The importance of early years experiences

I, along with others, have also set out the strong body of evidence relating to the importance of children's experiences in the early years and have called for increased emphasis on this area.¹⁷ For positive outcomes, we need to ensure that there is high quality pre-natal and post-natal support, good

quality childcare provision, and positive and resilient parenting. The government is supportive of this agenda and is rolling out, for example, good quality education to disadvantaged two-year-olds from 2013, and has expanded the number of families being offered support through the Family Nurse Partnership scheme.

The strength of evidence on early years experiences led Frank Field, in his report, *The Foundation Years: preventing poor children becoming poor adults*, to argue that the best way to improve life chances was to shift the emphasis of the child poverty strategy towards investment in early years provision.¹⁸

My view is that we need both a poverty and income strategy and investment in early years provision. The two strategies address different drivers of poor outcomes. Adequate incomes ensure that families can afford to heat their homes adequately, can participate in social activities, and can afford a healthy diet. Specifically adequate incomes reduce parental stress, which is a significant factor in poor parenting. Improvements in parenting and the quality of childcare provision, can improve children's social and emotional, cognitive and behavioural capabilities, improving their chances of gaining and maintaining work in later life, for example, and avoiding mental illness.

Moving forward with poverty targets

For children's and later life outcomes, focusing solely on the poorest in society, misses much of the problem. There is a social gradient in health such that everyone has worse health than those in the socio-economic groups above them: the more uneven the income distribution, the starker the differences in health between each socio-economic group. Population-level data shows a correlation such that the more unequal a society, the worse the health and other social outcomes for the whole population.¹⁹ Throughout *Fair Society, Healthy Lives*, I set out the need for a 'proportionate universalism' approach – including the whole gradient in universalist policies while investing proportionate to need.

I have illustrated that poverty is linked with worse outcomes, and that the child poverty level is set, for most, at a level below the amount needed for a minimum acceptable standard of living. It is of concern, therefore, that the number of children living in households with incomes below 60 per cent median income is rising.

With the economic downturn, we need to be intensifying our efforts to protect the poor, not shying away from the responsibility. But we need not just to look at poverty, we need to look at levels of income across the socio-economic distribution, and to bring that together with practical information on whether that level of income is sufficient to buy those goods which are necessary to lead a healthy and fulfilling life. A minimum income for healthy living should be the baseline for benefit and minimum wage calculations.

Income transfers are expensive, but much of the responsibility for redistribution needs to be placed with employers. High levels of in-work poverty are unacceptable. Taking forward my example of London, a London 'living wage' is calculated each year by the Greater London Authority and has been implemented across more than a hundred London-based organisations. Moving into work at a living wage of £8.30 per hour (2011 calculation)²⁰ will improve a household's chances of living above the poverty line, although certain household types might still be in poverty as the London living wage is calculated for the individual earner. This is a promising start, but we need to build on this and do more.

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Twelve

Protecting children

Lisa Harker

After a decade during which there was a decline in both child poverty and child abuse, the relationship between the two remains open to question. Are they linked, and will we see a rise in child abuse now that poverty is on the increase again?

The answer is far from certain. Child abuse is not bound by income, class, race or creed; it is found in all walks of life. Most families in poverty, however dire their circumstances, do not maltreat their children. Nevertheless, there is evidence that poverty and child abuse are in some way aligned, even if a causal link is hard to establish. The association appears to be strongest in relation to neglect and physical abuse, than other forms of abuse.¹ It is a complicated relationship, often compounded by other factors such as substance misuse and mental health issues, and other factors such as parents' own histories and attitudes to parenting.

The most compelling explanation of why there appears to be a relationship between poverty and child abuse lies in the evidence of how parenting can be affected by material circumstances. While most parents living in poverty parent adequately, a higher proportion of parents living on low incomes have an authoritarian parenting style than other parents, a style typified by being demanding and directive and less responsive to a child's needs.² The evidence seems to suggest that this style of parenting can arise when an individual is under stress, caused or exacerbated by living in poverty.³ While there are many routes to inadequate parenting, often unrelated to economic circumstance, it seems that the stress associated with material disadvantage may hasten the journey.

If this is the case, there are good reasons to believe that the economic shock being experienced by families across the UK will increase the prevalence of child abuse. There is already worrying evidence emerging, particularly in relation to neglect. In recent months, the extent to which growing numbers of children are at risk of malnourishment has become apparent. Across the UK, the numbers reliant on emergency food supplies has doubled in 12 months to almost 129,000.⁴ In London, which has seen a trebling in use of food banks, nearly half the recipients are children. School teachers are also reporting high numbers of children being hungry at school. A recent survey undertaken by the *Times Educational*

Supplement and the Prince's Trust reported that four in ten secondary school teachers had seen children who were hungry at school every day of the week.⁵

Whether children are going without food because of impoverishment or wilful neglect is, of course, open to question. The extent of neglect among children in the UK is already a major concern. Nearly one in ten young people report severe neglect during their childhood.⁶ In the past five years, calls to the NSPCC's adult helpline from people reporting neglect of children and young people have escalated. Three in every four calls to the helpline about neglect are serious enough to be reported to the authorities.

With pressures on families increasing as a result of the current economic circumstances, the increase in reported neglect may be indicative of rising incidence. Certainly, more families are facing acute stress. Homelessness acceptance rates, for example, have jumped 18 per cent in the past year;⁷ three-quarters of the households accepted as homeless contain children. Such circumstances are very likely to have an impact on parenting capacity, which in turn heightens the risk the children could be exposed to maltreatment.

There are, of course, counter factors that suggest that, even in stressful economic times, levels of abuse may not necessarily increase. The past decade has seen some changes in parenting styles, with a general decline in reported experiences of harsh emotional and physical punishment by parents and also in experiences of physical violence.⁸ Perhaps a more general shift in parenting style will alter the relationship between poverty and child abuse?

Nonetheless, given what are expected to be tough years ahead for many families, it would seem wise to consider what pre-emptive action might be taken to reduce the risk of a rise in child abuse and neglect. The answer is not straightforward. Others have noted that attempts to change parenting style, practices or beliefs simply by raising the income of parents are likely to fail;⁹ it is only likely to be one part of the solution. But that should not preclude a closer look at the way in which early help is being provided to families whose material circumstances are disintegrating.

For children, all too often intervention comes too late, at the point of crisis, once abuse or neglect has been detected. Focusing family support on those families who are experiencing a substantial loss of income in the current economic climate would be more effective in preventing abuse from occurring in

the first place. In practical terms, it would mean directing support to families on the brink of a crisis. At present, support is largely directed at picking up the pieces rather than pre-empting problems.

As well as a willingness to adopt more early intervention, this would also require a more 'intelligent' system for identifying families who are likely to be experiencing significant stress because of their changing economic circumstances. They should not be hard to find – they are the families whose homes are being repossessed, who have lost their jobs and who are relying on emergency food parcels. But it would mean a wider range of professionals – Work Programme providers, GPs and housing workers and so on – being more alert to the potential impact of a family's change in economic circumstances on a child's safety.

Whether there is appetite for pre-emptive action is not clear. But what is certain is that simply waiting to see whether rising levels of poverty put more children at risk of abuse would seem irresponsible.

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Thirteen

Housing and communities

Anne Power

Bringing up children on a low incomes and living in a low-income area is a 'double struggle'. Over ten years from 1998 to 2008, two hundred families in four deprived urban areas told us of their difficulties, fears and hopes. They also witnessed constant, low-level efforts by government to make progress in equalising conditions. This included the Decent Homes repair programme, local jobs such as neighbourhood wardens and park assistants, and local training opportunities. Based on what parents told us, neighbourhood conditions would greatly improve if ten key changes were 'mainstreamed'. This short chapter shows how important public, social and community provision is, alongside income; and how reliant area initiatives are on wider frameworks of support, while delivering local services through local channels, including local jobs.

Child-friendly spaces

Urban neighbourhoods need supervised open play spaces for children of different ages within a short walking distance of every front door. Children have to let off steam, play outside and have fun without trouble. Open spaces need to be supervised.

'Teenagers need something to do. It's so built up here... they come out on to the street causing trouble, fighting, throwing bottles over the wall. It can be threatening and intimidating – shouting, pushing, girls screaming. (Ellie, West City)

It is not about barriers, it is about them letting off physical energy in bad ways, not via sports, kids, today. (Laverne, Kirkside East)

After-school activities

Schools are powerful community anchors. After-school activities, such as football, dancing and art clubs, help families in low-income areas. Boys particularly need to let off energy in a very physical way and spend too long indoors, sitting still, in school. After-school clubs and sport activities encourage team working and develop co-ordination skills. There are many spin-offs among parents and teachers (discipline, concentration, friendships, informal support). Schools can also organise homework clubs,

parenting groups, social learning events, breakfast clubs and outings. All parental contact and home school links pay dividends.

‘Anything that’s happening in the community where people can actually talk and communicate together, things like schools, after-school clubs, youth clubs, special events, projects that bring families together, all help.’ (Annie, East Docks)

Regeneration and community stability

We are constantly attempting to ‘regenerate’ poor areas by knocking them down and replacing them with something better. This process takes ten to twenty years. It is a long, arduous, expensive journey. It hurts families along the way and spills over into surrounding areas. Mixing new luxury flats with low-cost social housing does not work. Low-level reinvestment, repair and ongoing upgrading retain the community, builds trust and raises the value of disadvantaged areas.

Ongoing reinvestment, low-level improvements, and on-site neighbourhood management work to preserve communities and encourage families in work to stay or move into low-income areas.

‘The environment looks cleaner [now]. They’ve got more after-school clubs for children. Now we have things down here, that’s good. They’ve improved the local environment a lot. They have wardens now. With graffiti and vandalism, it’s got much better. The area looks cleaner, the rubbish has got better.’

‘We’re getting our money’s worth. When we need repairs, they come right away. They gave us an incentive to move, some money to move us on, but we decided not to. The rubbish is now picked up every day. Before you just couldn’t enter the lifts because they were in such a poor state. So I used to struggle up the stairs. They’re doing a lot to the buildings.’ (Cynthia, West City)

Affordable low-energy existing homes

Families need to have confidence that their homes will last, that their bills will be affordable and that renting is a viable option. The Decent Homes programme made a huge impact on estate conditions. Now we urgently need serious energy reductions to ensure the long-term sustainability of low-cost homes and remove the threat of fuel poverty.

'They've started doing work on council houses, we've had central heating and an alarm and are getting all new windows, got one downstairs but it is single glazed, getting all new double glazed windows. Had new front and back doors. You need a decent home. It affects people daily, a good home, and it affects bills.' (Jackie, Kirkside East)

Safer streets

Safer streets need frontline workers both to prevent trouble and to encourage positive activity. Safer streets with less traffic, lower speeds, benches, trees and wider pavements encourage social interaction among families, older people and teenagers. Safer streets also help schools and play areas.

'I don't let my youngest out of my sight. I'm too frightened to let her out to play. If there was an after-school club, then I'd be OK. But just to let her out the front door, there's no way.' (Annie, East Docks)

Inter-ethnic understanding

Many families talk about the problems of racial tension and mistrust between different communities. Over-rapid change undermines social relations, leads to scapegoating and often pushes families to leave difficult areas. Schools and Sure Start are often key to bringing parents together and reducing tensions since they encourage different groups to join in.

'At first I thought, 'There are too many coloureds.' Peter would say I'm being racist but there are only three white girls in her class. But we went to the open day and it far outshone the other schools. We were impressed. The teachers seem more interested in the child. They have more going on. The head is doing very well to bring the different cultures together. They're in a bad area and they're making a go of it.' (Margaret and Peter, Kirkside East)

Organised activities

Organised community events bring lots of different backgrounds together. Structured events and facilities are necessary in urban areas because of parents' unfamiliarity and lack of confidence in the harsh urban environment.

'They had a multi-cultural festival in the park last summer, it was really good. My kids loved it. Everyone in the area goes. There was Arabic dancing, black and Asian people and no trouble... It's

really multi-cultural with families and people living together, and it's nice, walking around, you bump into someone and they're nice to you... People in the area don't smile much, but sometimes they're friendly. I think these festivals and things are good; everybody gets together and there's no fights. It's peaceful. It's really good, it makes you feel like one community, all friends. It's a nice feeling... it helps to share cultures and traditions.' (Fatima, The Valley)

Greener environments

Families not only need safe spaces but the calming, cleansing, shading, softening and sheltering impacts of trees, grass and other plants – the proverbial breath of fresh air. It is relatively easy to green urban areas, but children and young people need to help directly so they protect and respect the green spaces.

'[The park has] just two slides and a swing, it's a very small, closed-up area. By the time you see four or five children, it's getting so crowded.... Other boroughs have better play areas for children. The parks are not very good round here. We do like going but I've mentioned the problems.' (Delilah, West City)

'I think it's environmental improvements that are the most significant neighbourhood changes, like the Facelift Scheme made the main roads a lot tidier. It looks a bit sterile though, cut out a lot of the green.' (Louise, The Valley)

Money and non-cash resources

Parents say that more money would make the biggest difference to their lives, but they also say their highest priority and biggest concern is young people. Non-monetary resources, as we have argued, need to be more fairly distributed for families to flourish, particularly in relation to area conditions, open spaces, out-of-school provisions, activities and meeting points.

'A lot of them just cycle round there, you know. It may be if there was some sort of cycling proficiency club. The thing is, with things like that, the kids aren't going to go somewhere else to do it, it has to be brought to where they are. It's almost like, if somebody came around and found all the kids cycling out the front here and said, 'Ooh, come up onto the area, and once a week we'll do cycling proficiency', they would do it. These youth outreach workers, it's a job for them, isn't it, but I don't know who pays for projects like that.' (Joan, West City)

Frontline services

Neighbourhood wardens, police community officers, park keepers, play attendants, classroom assistants, health assistants became much more common in poor areas between 2000 and 2008. These jobs often go to local residents, particularly parents. There are training schemes attached, and they can be an invaluable stepping stone to better work prospects. Most importantly, they provide low-level of supervision and care within neighbourhoods.

‘You do realise that the gun crime and the gangs and all that, there just seems to be more and more in London. Really and truthfully, just to know that them people [CPSOs] are plodding around, maybe no one would take much notice of them, especially young children or teenagers, but just the fact that they’re there on their radio and if someone was destroying something, they might be concerned – even if they just radio’d it through and someone else was aware. It does give a little bit of a, not exactly protective, but someone’s out there.’ (Marilyn, West City)

‘Having a high presence of community police officers around does make a difference in terms of people being more cautious... If you have police officers outside all of the time, it might keep a lid on.’ (Andrea, East-Docks)

Lessons we can learn

The lessons that we can learn from these experiences are:

- providing more public outdoor spaces and making streets more family-friendly encourages all ages to interact and provide informal social control over children and young people;
- supporting after-school, extended hours activities and lightly supervised play activities helps parents, integrates children and keep them out of danger;
- creating traffic-tamed streets, where children can simply mingle and play outside their front doors in safety greatly expands their horizons, their social contacts and opportunities for less aggressive ‘energy release’;
- upgrading low-income housing works better than knocking it down and starting again.

'Localism' theoretically gives local councils and communities a lot more power to get things done and help the poorest areas. Whether they prioritise this in the face of steep cuts is yet to be tested. The need to carry on 'tackling the basics' is clear; conditions deteriorate alarmingly fast when local effort is diluted. This applies to housing repair, neighbourhood management, street policing, local supervision. On-going investment is a prerequisite of maintaining conditions in difficult areas. The portents are not promising.

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Fourteen

Slipping back into the margins? The importance of adequate financial support and welfare services for children in poverty

Tess Ridge

The UK welfare state is undergoing a significant period of crisis and change. It is important in this policy environment to take time to understand the implications of these changes for some of the poorest and the most vulnerable in our society. Of particular concern are children in low-income families whose needs and concerns are in danger of slipping quickly and quietly out of policy focus and into the margins of policy following a change in government.

Children have always been key beneficiaries of welfare services, and the type and quality of public provision is an essential component of childhood wellbeing. Children from low-income families in particular are highly reliant on policy interventions, financial support and service provision. Therefore, in a climate of 'austerity' with unprecedented cuts in welfare support it is important to examine the current social, economic and political landscape from the perspective of disadvantaged children.

A recent government review of ten years of qualitative research with disadvantaged children reveals these children's anxieties about money, debt and financial security.¹ It shows the impact of material deprivation, social anxiety and the challenges of fitting in and joining in at school and in their neighbourhoods. These concerns are further undercut by deep personal experiences of shame and stigma in relation to their poverty. These children tell us that money matters, yet we know that children's fears of inadequate family income, debt and financial stress within their homes will be exacerbated by the substantial cuts to social security benefits and tax credits in the future.

'My mother could give me as much as she could afford. She can't give me all her money... She won't be able to pay off her gas and electricity bills.'²

'I'm sometimes sad, like other people get stuff and I wish I had that. Sometimes I feel like I am acting selfishly, I should be happy with what I've got.'³

‘I worry about what life will be like when I’m older... because I’m kind of scared of growing older, but if you know what is in front of you then it’s a bit better, but I don’t know.’ (Kim, aged 11)⁴

Children’s experiences of poor housing and homelessness reveal the devastating impact such changes can have on their health, security and wellbeing.⁵ As Mark (aged nine) puts it: ‘It’s freezing in the winter; you have to wear hats and scarves... Even though you wear too much clothes you still feel cold. It’s bad when you sleep’,⁶ while a 15-year-old spoke of the shame connected to poor housing: ‘It’s just too embarrassing; I’d never have people back here. It’s just too awful.’⁷ Yet cutting local housing allowance and housing benefit, including a cap on the overall value of benefits a family can receive, will result for many in homelessness and displacement.

We also know from children that poverty can mean that children can go hungry and are in need of extra support at school.⁸ As a 16- or 17-year-old carer put it:

‘And I worry about my mum then because she is not eating what she should be eating. It’s not like we can eat three meals a day, like you should do, because we haven’t got the money to do that... So sometimes I go without food to give to my mum. Do you know what I mean?’⁹

Given this, rescinding on the previous government’s promise to extend free school meal entitlement to children in low-income working families is unnecessary and damaging. Over half of all children living in poverty are in working households and the decision by Labour to extend free school meals to these children was a particularly significant one. To withdraw this measure, without careful thought of the value and importance that it may have for disadvantaged children – while achieving little financial saving – signals a dangerous disregard for disadvantaged children’s wellbeing.

Furthermore, we can see some of the knock-on effects for children of just this one change when we look at a key element of the coalition’s Child Poverty Strategy – the new pupil premium. Brought in by the coalition with the important intention of supporting low-income children at school, this measure is immediately diluted in its effect when low-income children in working families – who are in need of such support – are excluded due to the nature of eligibility which is pegged to free school meal receipt.

'Fitting in and joining in' is another key issue identified by children from low-income families in research. But as Martin (11 years) points out: 'They go into town and go swimming and that, and they play football and they go to other places and I can't go... because some of them cost money and that.'¹⁰ Yet as well as recent reductions in direct financial support, cuts are being made to children's participation projects, such as free swimming, reading support for children from low-income families and the scaling back and, in many cases, halting of school rebuilding schemes. Many of these policy changes, like the closure of libraries, the removal of funding for speed cameras and the cutting back of public leisure opportunities will have an often unremarked and yet disproportionate effect on disadvantaged children's lives. Closures in Sure Start children's centres and local authority leisure facilities reduce opportunities for shared affordable leisure and participation. The removal of funding for speed cameras puts low-income children at particular risk of road traffic accidents. Poverty is a highly localised experience and, unlike more affluent children with access to transport and commodified leisure opportunities, low-income children are effectively contained and constrained within their local neighbourhoods and streets, and hence highly susceptible to decreased service provision and increased traffic risk.

Much has been made of the notion that in recession we are all 'in it together'. However, it is increasingly apparent that it is the poorest children and families that are bearing the brunt of the recession and of 'austerity' measures. Looking at each of these in turn it is possible to see how, far from supporting disadvantaged children, acknowledging their expressed needs and concerns, and protecting them in times of economic crisis, recent cuts and welfare changes have threatened to exacerbate and aggravate their gravest concerns.

Children who are poor do not have strong political support; The Child Poverty Act represents an essential reminder that children's interests should be paramount when developing child poverty strategies. Financial support is essential for addressing poverty and targeting intensive resources at a relatively few 'problematic' families will do little or nothing to address the needs of the millions of children who are living in poverty. Research with children from low-income families shows that money matters and improved financial support for parents and children increases children's sense of stability and security at home; it brings improvements in material wellbeing; and opens up opportunities for participation and inclusion in childhood among peers.¹¹ The cumulative impact of these policy changes has been substantial and from the perspective of children's needs, rights and entitlements it is apparent

that the new landscape of 'austerity' holds little promise for the several million UK children whose childhoods are marked by poverty and disadvantage.

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¹ T Ridge, *Living with Poverty: a review of the literature on children's and families' experiences of poverty*, Research Report No. 594, Department for Work and Pensions, HMSO, 2009

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³ Jade in J Walker and others, 'Listening to Children: gaining perspective of the experiences of poverty and social exclusion from children and young people of single parent families', *Health and Social Care*, 16: 4, 8, 2008, p434

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⁵ T Ridge, *Living with Poverty: a review of the literature on children's and families' experiences of poverty*, Research Report No. 594, Department for Work and Pensions, HMSO, 2009

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⁷ B Rice, *Against the Odds: an investigation comparing the lives of children on either side of the housing divide*, Shelter, 2006

⁸ T Ridge, *Childhood Poverty and Social Exclusion: from a child's perspective*, The Policy Press, 2002; T Ridge, *Living with Poverty: a review of the literature on children's and families' experiences of poverty*, Research Report No. 594, Department for Work and Pensions, HMSO, 2009

⁹ Taken from F Becker and S Becker, *Young Adult Carers in the UK*, Princess Royal Trust for Carers, 2008, p42

¹⁰ T Ridge, *Childhood Poverty and Social Exclusion: from a child's perspective*, The Policy Press, 2002, p102

¹¹ T Ridge and J Millar, *Work and Well-Being Over Time: lone mothers and their children*, Research Report No.536, Department for Work and Pensions, Corporate Document Services, 2008; P Gregg, J Waldfogel and E Washbrook, 'Family Expenditures Post-Welfare Reform in the UK: are low-income families starting to catch up?', *Labour Economics*, Vol. 13, No. 6, 2006, pp721-46; P Gregg, S Harkness and S Smith, 'Welfare Reform and Lone Parents in the UK?' *Economic Journal*, Features Vol. 119, No. 535, 2009

Fifteen

A view from the ground

Will Horwitz

Only politicians think in electoral cycles. In real lives, children grow up over twenty years, as one administration's policies uproot the last or morph into the next. Useful analysis must sometimes take a longer view. The youngest children we worked with in the earliest days of Community Links more than thirty years ago now have children of their own. How have their lives, their prospects, changed over that time? What should we learn from considering this experience? And how can we, as a society, do better?

Community Links' journey began with a bus. Docklands in the late 1970s was very different from today: the cranes still hung high across the water, gaunt and motionless, the industry on the river had been declining for many years and was almost gone; the regeneration had yet to begin. There were no children's facilities in many neighbourhoods. Some young people began to raise a little money at school and bought an old double-decker bus. They said they were converting it into a playbus. More recently they admit they took out the seats, hammered in a sandpit, begged some second-hand carpet, appealed to friends for old games and bought a football. It was a very crude conversion. They organised a rota of volunteer drivers from the Plaistow bus garage and ran regular clubs and play schemes, first from one site and then from others across the area, often attracting 120 or 130 children in a single session.

Newham has changed dramatically since then. Community Links is still here, bigger, and driven by the same ambition, but facing new challenges and in a transformed landscape of public provision. Benefit changes and tax credits made a significant difference to people struggling to get by, as did the minimum wage, but, although vital, income changes are not enough on their own. Equally important is public investment, and Newham has benefited from this: in schools (which despite their reputation are now performing well above the London average), in healthcare, transport infrastructure and local facilities. And, of course, a significant proportion of our work is now publicly funded, in recognition of its importance to society.

The Olympics provide an opportunity for our borough's children and young people. One of the young people who flew to Singapore as a youth ambassador for London's Olympic bid has been a friend of Community Links for many years. He described how he felt when the winner was announced: 'With all

the happiness inside me I started to realise how this would change the area I lived in forever. Not just changing our lives for the duration of the Olympics, but for generations to come.’ Our aspiration still is that, in a few years’ time, you will be able to stop any young adult on the streets of Newham and they will tell you how the Olympics improved their community and their life.

But as public finances are stretched and public spending is withdrawn, we are already seeing the impact on residents and on our own work. Public services we fought long and hard for – not least, the play work with which Community Links began – are retreating as budgets are cut and tough decisions taken. Our work with families, young people and children shrank by almost one-third last year, and in some areas stopped completely.

Since we began, Community Links has believed that it is better to build fences at the top of the cliff than to run ambulances at the bottom, that early action to prevent problems from arising is better than acute interventions to deal with the consequences. Transformative play at aged five is better than intensive intervention at aged 15 and this is more vital now than ever.

In a report published last year, we suggest that earlier action is not only cheaper than later action and important for social wellbeing, it helps to reduce the deficit and to increase growth. A population that is well supported and ‘ready for everything’ contributes more, public spending goes down and growth goes up. We called our report *The Triple Dividend* – thriving lives, costing less, contributing more. There could not be a more important time to begin thriving than in childhood.

The report argues that the conventional language of prevention, avoiding the worst, presupposes problems, victims, perpetrators. It is pessimistic, reductive and discouraging. The language of ‘readiness’, becoming the best that we can be, identifies assets and builds on strengths. It is optimistic, aspirational and motivating. Similarly, perhaps, the language of ‘child poverty’ could be inverted to focus on the positive – we like the idea of a ‘decent childhood’ for all rather than a poor one for some.

The report envisages a society that is ‘ready for everything’ characterised by enabling services – education, for example – that equip us to flourish, and by prompt interventions that pick up and respond to the first signs of difficulty. It argues that the common-sense case for acting early is rarely translated into common practice because a series of technical and cultural barriers bias public

intervention towards rescue and away from prevention. We suggest ways in which these could be overcome, for example, through a gradual, but indefatigable, shift in spending away from acute towards preventative services, supported by an understanding of how much we spend on each in the first place.

Crucial to this whole agenda is a clear understanding of what causes problems, and for that we always turn to those experiencing the problem themselves, those who know best. We know, then, that poverty is complex, that income is vital but not enough on its own. We are clear that child poverty must be tackled as a partnership between the state, business, charities and citizens, but that public funding for this effort reflects a civilised and compassionate society. It is this belief that drove us on thirty-five years ago. We have a long way to go before public services retreat to the level we saw when we first began, but I sense that we are heading in the wrong direction.

Will Horwitz is Policy and Media Coordinator for Community Links.

Appendix 1: List of interventions

Tax and Benefit system	Date
Introduction of Working Families Tax Credit (WFTC) (replacing Family Credit)	1998
Child benefit increased above indexation	2000
Introduction of higher tax credits in child's first year of life.	2002
Child benefit rates increased by 25.3% for first child and 3.1 % for subsequent child by this point	
Introduction of Child and Working Tax Credit (replacing WFTC, Children's Tax Credit, and child allowances in means tested benefits).	2003
Above earnings increase in Child Tax Credit	2004
Above earnings increase in Child Tax Credit	2008
In-work Credit for lone parents in first year of work introduced nationally	2008
Child Benefit disregarded from assessment of Housing Benefit and Council Tax Benefit	2008
Payment of child benefit from week 29 of pregnancy introduced (Health in Pregnancy Grant).	2009
Promoting Parental employment	
New Deal for Lone Parents introduced	1999
Introduction of National Minimum Wage	1999
Minimum of three months unpaid parental leave introduced	1999
Paid maternity leave extended to 18 weeks.	1999
Introduction of statutory paternity leave and adoption leave, extension of paid maternity to 6 months, and introduction of right to request flexible working.	
Tax exemptions introduced for employer childcare vouchers	2005
Childcare act: duty on local authorities to provide sufficient childcare. Promise that by 2010, all schools would be offering childcare between 8am and 6pm.	2006
Increased proportion of childcare costs met through WTC from 70 to 80 per cent.	2006
Paid maternity leave extended to 9 months.	2007
Conditionality introduced for lone parents	2008
Children's life chances	
First national childcare strategy introduced: 12.5 hours free provision introduced for 3 and 4 year olds; Sure Start local programmes introduced for under five year olds in the 20% most deprived wards.	1998
Sure Start Maternity Grant introduced, replacing maternity payment at higher level (increased again in 2002).	1999
Child Trust Fund introduced with deposit of £250 for all children, and £500 for the poorest, made available at age 18.	2003
Additional investment in parenting fund and early learning partnerships.	2004
Childcare Act: extension of free places for 3 and 4 year olds to 15 hours, piloting free places for 2 year olds in disadvantaged areas, commitment to 3,500 children's centres by 2010.	2005
Extension of 10-15 hours free nursery provision for disadvantaged 2 year olds	2009
Other	
Tony Blair announces intention to eradicate child poverty by 2020	1999
Teenage pregnancy strategy launched	1999

Decent Homes strategy launched to bring all social sector homes up to decent standard by 2010	2000
National Strategy for Neighbourhood Renewal announced	2002
Educational Maintenance Allowances introduced for children on low incomes staying at school beyond 16	2005
Child Poverty Act passed, putting target to end child poverty on statutory footing	2010

Sources: Budget documents 1998-2010, Hills, J., Sefton, T. and Stewart, K. (2009) *Towards a more equal society? Poverty, inequality and policy since 1997* Polity Press. HM Government (2008) *Ending Child Poverty: Everybody's Business*. HM Government (2010) *Ending child poverty: mapping the route to 2020*.

Appendix 2: Charts

Figure 1: Child poverty rates, 1970-2020

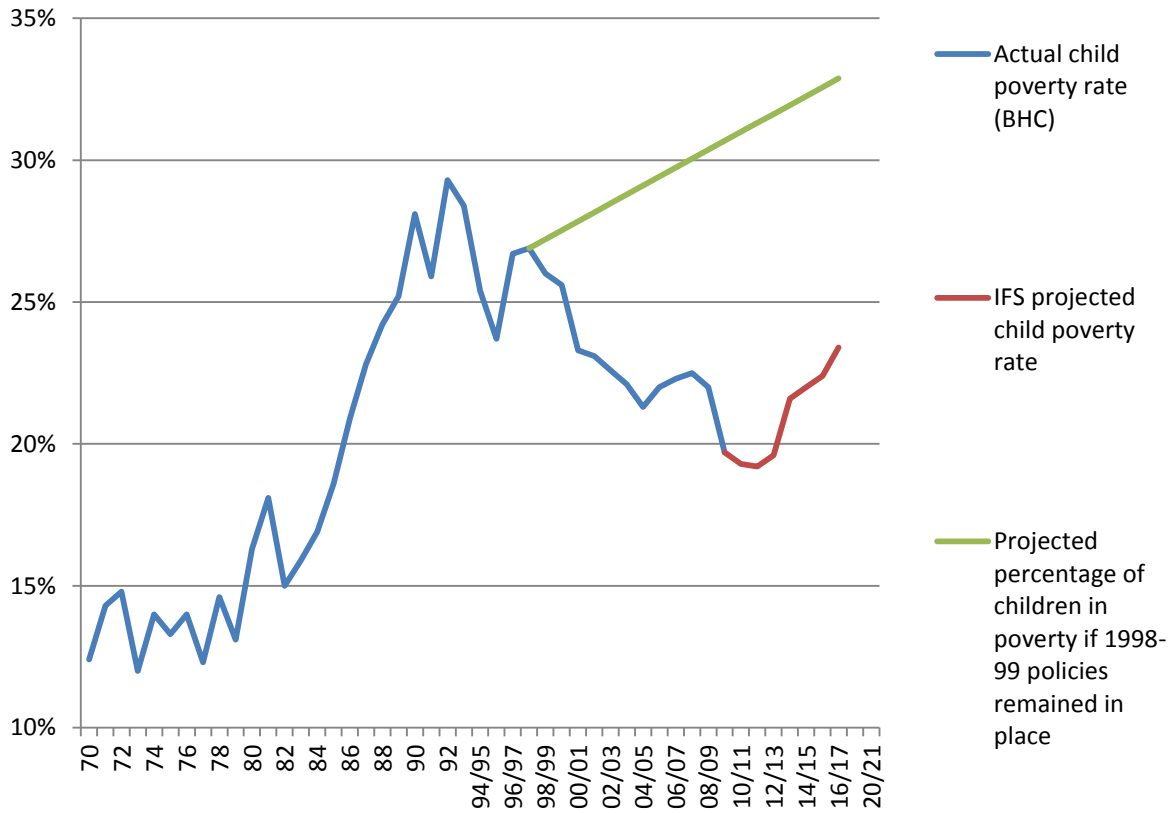


Figure 2: The counterfactual: what would have happened to child poverty in the absence of any change to 98/99 policies? (millions)

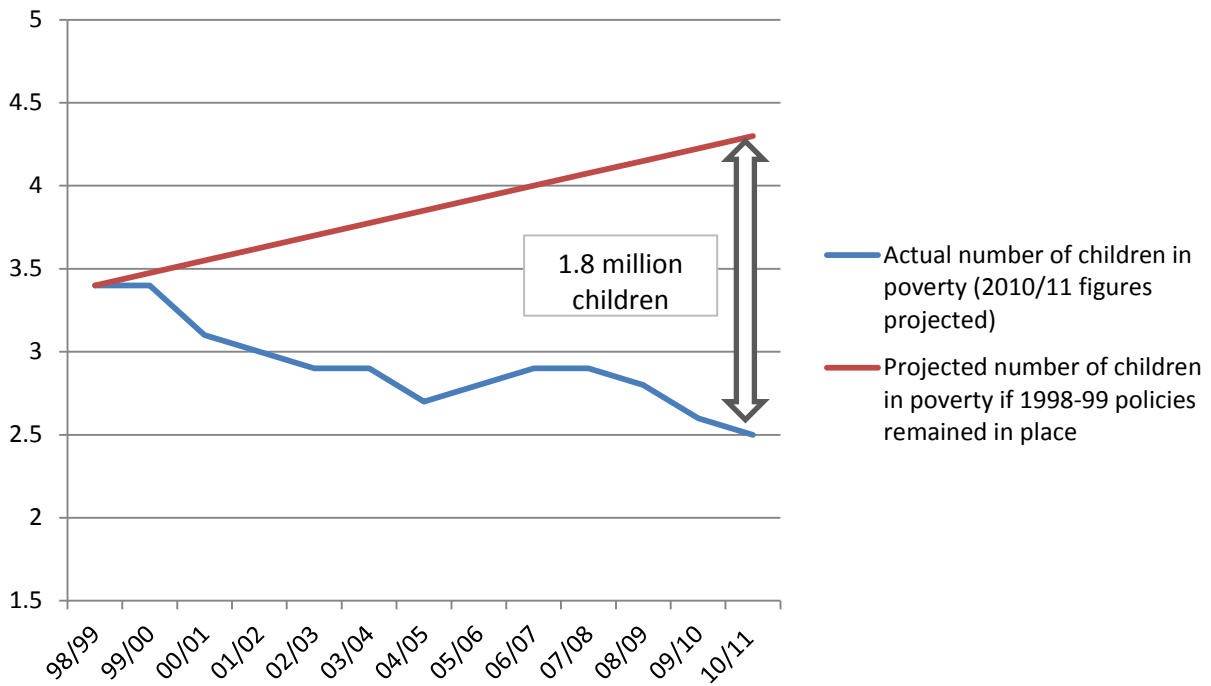


Figure 3: Progress measured against the child poverty targets

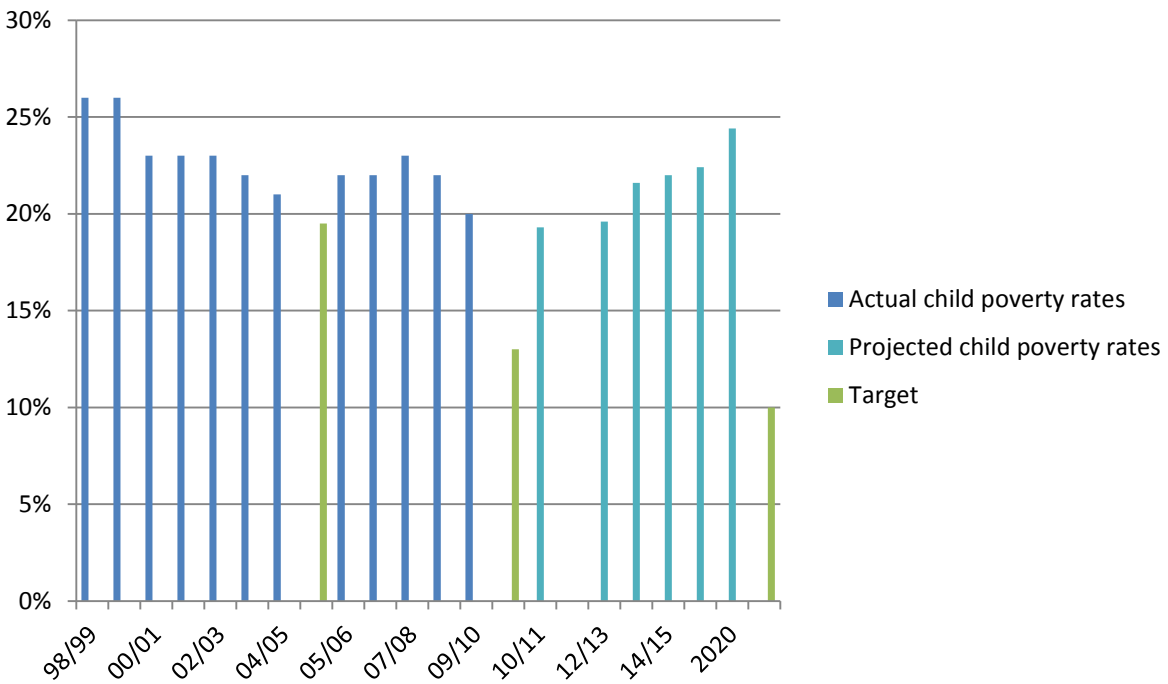
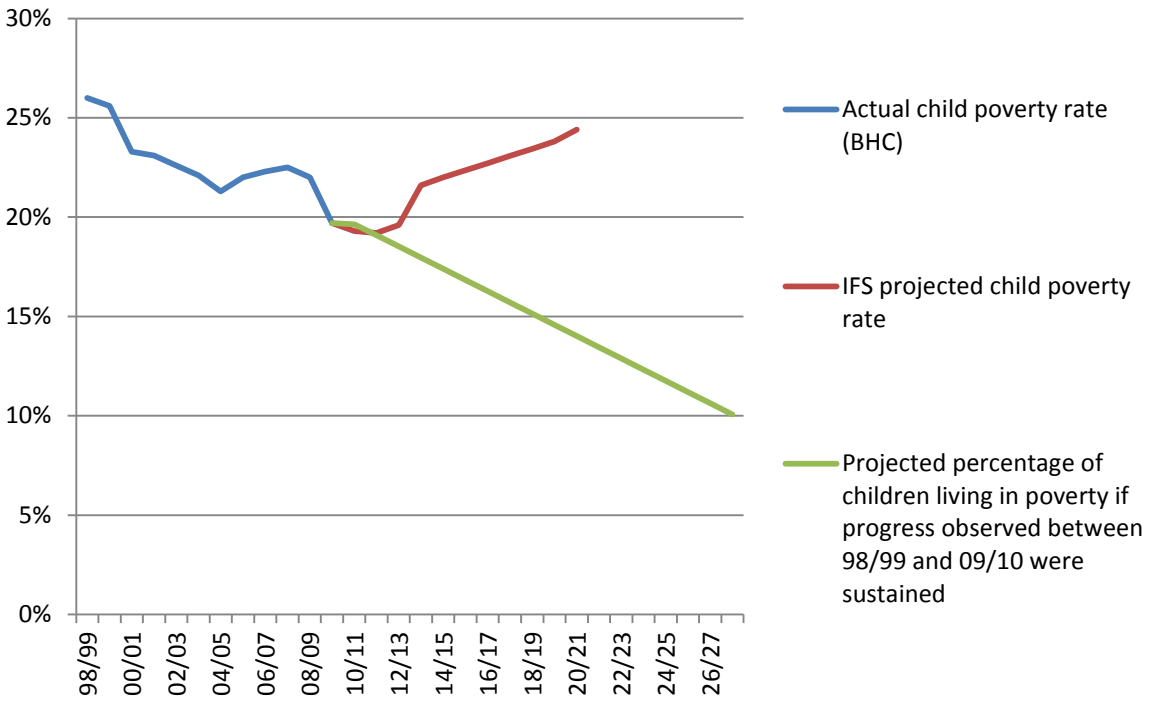


Figure 4: How long would it take to reach the 2020 target?



Sources for all figures: Actual child poverty rates are taken from DWP's Households Below Average Income 2009/10; projected child poverty rates are taken from M Brewer, J Browne and R Joyce, *Child poverty and working age poverty from 2010 to 2020*, IFS Commentary C121, Institute for Fiscal Studies, 2011; counterfactual figures are taken from M Brewer et al, *Child Poverty in the UK Since 1998/99: lessons from the past decade*, Working Paper 10/23, Institute for Fiscal Studies, 2010

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About CPAG

CPAG promotes action for the prevention and relief of poverty among children and families with children. To achieve this, CPAG aims to raise awareness of the causes, extent, nature and impact of poverty, and strategies for its eradication and prevention; bring about positive policy changes for families with children in poverty; and enable those eligible for income maintenance to have access to their full entitlement. If you are not already supporting us, please consider making a donation, or ask for details of our membership schemes, training courses and publications.

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