Trends in Persistent Poverty in the UK

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6/12/2019
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• Poverty and persistent poverty trends in the UK and the EU
• Difference between relative and absolute poverty rates
• Income mobility in the UK
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Poverty in the UK and in the EU
Poverty rates across Europe, 2017

- EU28 average poverty rate – 16.9%
- UK poverty rate – 17%

Source: Office for National Statistics, Eurostat
Persistent poverty rates across Europe, 2017

- Average rate across the EU28 11.3%
- UK’s persistent poverty rate is 7.8%

Source: Office for National Statistics, Eurostat
Relative and Absolute Poverty rates
Relative and absolute poverty rates in the UK

- Absolute poverty's poverty threshold is based on 2008 values.
- The UK's absolute poverty rate has always been above or equal to its relative poverty rate.
Relative and absolute persistent poverty rates

- Absolute persistent poverty’s poverty threshold is based on 2008 values
- Absolute persistent poverty rate has always been above the relative persistent poverty rate
Income Mobility
Population split into four groups

- Group 1 – income below 50% of the poverty threshold
- Group 2 – income above 50% of the poverty threshold and below poverty threshold
- Group 3 – income above poverty threshold and below 150% of the poverty threshold
- Group 4 – income above 150% of the poverty threshold
Group 1 in 2014

- Group 1 - income below 50% of the poverty threshold
- Most individuals do not remain in Group 1 after three years
- Majority still stay within poverty
Group 2 in 2014

- Group 2 – income above 50% of the poverty threshold and below poverty threshold
- Majority of individuals stayed within Group 2
- 3.7 million individuals moved out of poverty
Group 3 in 2014

- Group 3 – income above poverty threshold and below 150% of the poverty threshold
- 21% of people move into poverty

Population in Millions

<table>
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<th>1</th>
<th>2</th>
<th>3</th>
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<td></td>
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<td>2017</td>
<td>10</td>
<td>2</td>
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Office for National Statistics
Group 4 in 2014

- Group 4 – income above 150% of the poverty threshold
- 2 Million individuals move into poverty
Most movements in and out of poverty come from Group 2 and Group 3.
Lived in Experience
• UK has a lower severe material deprivation rate than the EU
• Both on a downward trend since 2013
• In 2017, 50% of individuals in the UK in severe material deprivation are in it persistently
Relationship between Poverty and Material Deprivation

- Poverty is positively associated with severe material deprivation.
- 18.5% of individuals in persistent poverty are in material deprivation.
- Individuals in persistent poverty are most likely to be in severe material deprivation.
Conclusion

• Poverty in the UK is more temporary compared to the EU average
• Absolute poverty rates in the UK are higher than the relative poverty rates
• Income is fluid around the poverty threshold
• Poverty and Severe Material Deprivation have a positive correlation
Thanks!

Questions?

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