

# MEASURING POVERTY 2023

A report of the Social Metrics Commission

Chaired by **Philippa Stroud**, CEO of the Centre for Social Policy Studies

DECEMBER 2023

## ABOUT THE SOCIAL METRICS COMMISSION

The Social Metrics Commission was formed in 2016 and is led by the Centre for Social Policy Studies' CEO, Baroness Stroud. It is an independent and rigorously non-partisan organisation dedicated to helping policymakers and the public understand and take action to tackle poverty. Since its inception, its ultimate goal has been to develop new poverty metrics for the UK which have both long-term political support and effectively identify those who are in poverty. By doing so, it is hoped that Government and others will be better able to develop interventions that reduce the number of people experiencing poverty and improve outcomes for those people who do experience it.

## SUPPORTERS OF THE COMMISSION

The Social Metrics Commission would like to thank the following organisations and people for their generous support for the work of developing new poverty metrics for the UK.

- The Legatum Foundation;
- Joseph Rowntree Foundation;
- Calouste Gulbenkian Foundation (UK Branch);
- Garfield Weston Foundation;
- Oliver Wyman;
- Jon Moulton; and
- Stuart Roden.

## ACKNOWLEDGMENTS

Thanks also go to the Commissioners for their continued support and to Edward McPherson and Matthew Tibbles, who have played a central part in creating this year's report.

## CONTACTING US AND CONTRIBUTING

We welcome discussion on the issues raised in this report and would appreciate constructive feedback and comment on our approach. To contact the Commission's secretariat, please use the following email address:

[matthew@wpieconomics.com](mailto:matthew@wpieconomics.com)

Website: [socialmetricscommission.org.uk](http://socialmetricscommission.org.uk)

Twitter: @SocMetricsComm

## CONTENTS

Foreword	2
Executive summary	4
Key conclusions	6
Introduction	9
Section one: Summary of the Commission's poverty measurement framework	12
Section two: Full results	21
Section three: Understanding the nature of poverty	41
Section four: Detailed factsheets on poverty by age, age group, disability status and for men and women	65
Annexes	105

## FOREWORD



This is the first report using the Social Metrics Commission's (SMC) measure of poverty to be based on data collected from households following the onset of the COVID-19 pandemic. Its key finding is that the rate and level of poverty have both increased significantly since the start of the pandemic. If poverty rates had not increased and had instead remained at the level seen in 2019/20, around 800,000 fewer people would be in poverty than is currently the case.

Children and disabled people have been particularly hard hit, with over one in three children (34%) now living in families that are in poverty and nearly six in ten (58%) of all people in poverty being disabled or living in a family that includes a disabled person. However, it is not all bad news. For example, the poverty rate amongst people living in families where adults work part time has fallen from 59% in 2007/08 to 50% in 2021/22. The incidence of deep poverty amongst those in poverty has also fallen in the recent data, with 26% of those in poverty living in deep poverty in 2021/22, compared to 31% prior to the pandemic.

These and other findings through the report provide key insights on where we should be looking to understand why poverty has fallen for some, but not others, and what all of us can do, including those in poverty themselves, to tackle poverty.

The reasons to do so are clear. During the course of the year, we have heard from people in poverty who describe their day-to-day lives as "surviving, rather than living" and the continued pressure of the cost-of-living crisis and lingering impacts of the pandemic are set to ensure that these challenges continue.

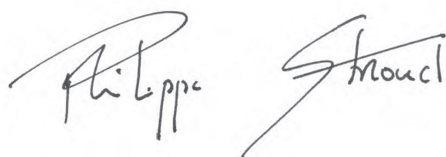
Aside from the financial impacts of poverty, the SMC's framework shows the broader impacts of poverty on the families that experience it. This report shows that people in poverty are more likely to live alone, have low or no formal qualifications and be workless. They are also less likely to have access to supportive social networks, more likely to experience poor mental or physical health and more likely to be behind in paying the bills. All of these things impact on the lives of people in poverty, making their experience of poverty more severe and making it more likely that they remain in poverty for longer.

These findings - and the wealth of statistics in this report - show that the SMC's approach to measuring poverty provides a vital tool for understanding both the level and nature of poverty in the UK. Equally importantly, as shown by the Poverty Strategy Commission's recently published Interim Report, the SMC's approach also presents policymakers, businesses, civil society and those in poverty themselves with the insights they need to take action to tackle poverty.

That is why I have been so welcoming of the Government's commitment to restart work to introduce official statistics based on the SMC's poverty measurement framework. This work was restarted in earnest in March 2023 and the first outputs are expected in the coming months.

I cannot emphasise enough the importance of this. Poverty in the UK has been too high for too long, so in the years ahead, it is essential to have a measurement framework that allows all of us to understand the action that we need to take to ensure that as many people as possible can enjoy a life free of poverty. It is also a vital tool for celebrating the progress we make in reducing poverty and for holding ourselves, and others, to account if progress stalls or certain groups remain in poverty.

Ultimately, this is how I will judge our success as a Commission. My goal as Chair of the Commission will always be to provide the evidence base needed to create a society with the enabling environment, support, and opportunities that people need to succeed in their journey out of poverty. The development of new official statistics is just the starting point to making this a reality. Going forward, we all have a role to play in using the results and insights from this report and the Government's future work, to guide the action needed to reduce both poverty now and the risks of poverty in future.

A handwritten signature in black ink, reading 'Philippa Stroud' in a cursive script.

**Baroness Philippa Stroud**  
CEO of the Centre for Social Policy Studies

## EXECUTIVE SUMMARY

### OVERVIEW OF THE COMMISSION'S POVERTY MEASURE

---

The SMC was founded in 2016 to develop a new approach to poverty measurement. In response to the fact that the UK no longer had an official measure of poverty for children, adults or pensioners, its ambition was to develop metrics that both better reflected the nature and experiences of poverty that different families in the UK have, and which could be used to build a consensus around poverty measurement and action in the UK.

Following two and half years of work, the Commission published its first report in September 2018. This articulated how the approach to poverty measurement could be improved in the UK and elsewhere. The Commission's measure included improvements in three key areas:

1. Identifying those least able to make ends meet. The Commission's measure:
  - Accounted for all material resources, not just incomes. For instance, this meant including an assessment of the available liquid assets that families have;
  - Accounted for the inescapable costs that some families face, which make them more likely than others to experience poverty. These include the extra costs of disability, costs of childcare and rental and mortgage costs; and
  - Broadened the approach of poverty measurement to include an assessment of overcrowding in housing and those sleeping rough.
2. Providing a better understanding of the nature of poverty, by presenting detailed analysis of poverty depth and persistence for those in poverty; and
3. Providing an assessment of Lived Experience Indicators that shine a light on the differences in experiences of those living in poverty and those above the poverty line.

The Commission's 2018 report was the first time this framework had been used to present a detailed articulation of the nature of poverty in the UK. By design, the Commission's findings suggested that the same number of people were in poverty in the UK as previously thought. However, within this overall population, the Commission's results suggested significant changes to the groups identified as being in poverty and shed greater light on the depth, persistence and Lived Experiences of poverty.

## PROGRESS TOWARDS NEW OFFICIAL STATISTICS

This year, the Commission warmly welcomed the Government's renewed commitment to develop new measures of poverty based on the Commission's work.<sup>i</sup> In a debate in September 2023, the Secretary of State for Work and Pensions reaffirmed this commitment, saying:<sup>ii</sup>

*"This Government are committed to obtaining the best evidence to ensure policies are targeted at helping the most vulnerable in our society... To further improve the evidence base, the Government are resuming work to develop experimental statistics based on the Social Metrics Commissions innovative work on poverty measurement."*

The Commission has been pleased to be able to support the work of the Department for Work and Pensions in developing this approach. As this work is taken forward, our focus will be on ensuring that the full breadth of the Commission's measurement framework is available to policy makers, researchers and the public so that the new official statistics can be used to effectively guide and prompt the action needed to reduce poverty in the UK.

## WHAT NEXT?

The need for work to create an accurate and insightful approach to measuring poverty is emphasised by the challenges faced by families across the UK in the last three years. With the COVID-19 pandemic followed by a cost-of-living crisis, many families have struggled to make ends meet. The SMC's measure of poverty provides a tool for understanding where living standards have been hit hardest and where policy makers might focus their interventions to make the most difference.

However, the Commission also recognises that its work to date is only the start of what needs to happen. As such, we welcome the Department for Work and Pensions' commitment to developing the SMC's approach further and improving the data that underpins it. This work will be vital in ensuring that the new official measures are as accurate a reflection of the experiences of poverty faced by families in the UK as possible.

The Commission is committed to supporting this work and has, for example, already outlined the steps needed to develop a new approach to equivalisation. In the next year, the Commission will continue work on incorporating new survey data on debt into the measure, and will continue to discuss ongoing improvements to survey data on assets with the Department (see Annex 2). The Commission will also work to support the development of a more comprehensive approach to capturing the extra costs of disability.

In taking this work forward, the Commission will work with the widest range of stakeholders possible to ensure that, once fully developed, this statistic will form the basis of a consensus view on poverty measurement across the Government, the Opposition, the ONS, policymakers and those researching and working with people in poverty and people in poverty themselves. Without this consensus, a large part of society risks being left further behind without the support they need or an understanding of the action they could take to improve their lives.

## KEY CONCLUSIONS:

Based on the Commission's approach to measuring poverty, this report shows that:

- **Poverty rates have increased since the pandemic.** The rate of poverty in 2021/22 was 22%, a one percentage-point increase on 2019/20. Without this increase in poverty, 800,000 fewer people would have been in poverty in 2021/22.
- **Poverty in the UK is an increasingly significant issue.** 14.9 million people in the UK are living in families in poverty. Of these, 4.9 million are children, 8.5 million are working-age adults and 1.5 million are pension-age adults.
- **Poverty rates have increased most for children.** More than a third of all children (34%) were in poverty in 2021/22, a two percentage-point increase on 2019/20.
- **The number of disabled people in poverty has increased significantly.** In 2021/22, there were 8.6 million people in poverty who are disabled, or who live with a disabled person, up from 7.0 million in 2019/20. This means that, as of the latest data, nearly six in ten (58%) people in poverty live in a family that includes a disabled person.
- **Despite recent increases, overall rates of poverty have changed relatively little since the millennium.** In the most recent data, 22% of people in were in poverty — slightly lower than the 23% seen in 2000/01 (the first available year of results using the Commission's approach).
- **Poverty rates for a number of groups have fallen since 2000/01.** Over the last two decades, poverty rates for people in lone-parent families have fallen from 61% to 51% and for pension-age adults from 20% to 13%. However, recent data has shown reverses, with poverty rates for both lone-parents and pensioners having risen from lows in the mid-2010s.
- **Children are at a higher risk of poverty; pensioners are at a lower risk.** 35% of children aged four and under are in poverty, as are 34% of those aged between five and 10. By contrast, 13% of those aged 75 and over are in poverty.
- **Poverty rates vary significantly between English regions.** They are highest in the West Midlands (27%), London (26%), the North West and North East (both 24%). Regions with the lowest rates are the South West and South East (18%) and the East of England (16%).
- **Poverty rates vary less across the UK's four nations.** The highest rates are in Wales (23%) and the lowest in Northern Ireland (19%).



### The nature of poverty

- **The number of people in deep poverty fell in the most recent data.** Compared to 2019/20, there are half a million fewer people in deep poverty in 2021/22.
- **However, deep poverty has still increased over the last two decades.** 3.8 million people (6% of the population) in the UK now live in the deepest form of poverty (more than 50% below the poverty line), compared to 2.7 million people (5% of the population) in 2000/01.
- **Persistent poverty was increasing before the pandemic.** In 2019/20, 57% of those in poverty were living in persistent poverty, up from 53% in 2018/19.

### Characteristics of those in poverty

- **Nearly six in ten (8.6 million; 58%) of all people in poverty live in a family that includes a disabled person.** Nearly a third (31%) of those in poverty are disabled: a total of 4.7 million people.
- **Poverty rates are highest amongst families with children.** The poverty rate for people living in couple families without children is 11% (1.4 million people). This compares to 26% (6.0 million people) for people in couple families with children and 51% (2.7 million people) for those in lone-parent families.
- **Poverty rates are lower for families with higher work intensities.** Seven in ten (70%) people in workless families are in poverty, compared to 9% of those in families where all adults work full time. Around half (50%) of people in families where some adults work part time are in poverty.
- **However, the majority of people in poverty live in a family where someone works at least part time.** Over six in ten (61%) people in poverty live in a family where someone works at least part time. Just under a third (31%) are in working-age, workless families. The difference is made up by families in which all adults are retired (8%).
- **Poverty rates are higher for Black and Minority Ethnic families.** Two in five (40%; 900,000) people living in families where the household head is Black/African/Caribbean/Black British were in poverty, compared to just under one in five (19%, 10.8 million people) of those living in families where the head of household is White.

The Commission's Lived Experience Indicators show that those in poverty experience worse outcomes than those not in poverty.

- **Those in poverty are more likely to have poor self-reported mental health.** Some 35% of people in poverty live in a family that includes someone with poor self-reported mental health, compared to 24% of people who are not in poverty. 15% of people in poverty live in a family that includes someone who reports low life satisfaction, compared to 9% of those who are not in poverty.
- **Those in poverty are more likely to be living on their own.** Nearly half (44%) of those living in poverty are in a household with only one adult. This compares to three in ten (30%) people who are not in poverty.
- **Those in poverty also experience poorer physical health outcomes.** Over a quarter (26%) of people in poverty are in a family that includes at least one adult self-reporting poor physical health, compared to 21% of people not in poverty.
- **Those in poverty are, perhaps unsurprisingly, significantly more likely to face severe strain in budgeting and paying their bills.** Over a quarter (28%) of people in poverty are in families that are behind in paying their bills, compared to only 7% of people who are not in poverty. Some two-thirds (66%) of people in poverty live in a family in which no adult saves, compared to a third (33%) of people who are not in poverty.

**Some improvements in recent years**

- **Fewer people in poverty are worried about being victims of crime, or feel unsafe in their neighbourhoods.** The proportion of people in poverty who live with somebody who reports feeling unsafe walking alone at night has fallen by six percentage points. Likewise, the proportion living with someone concerned about being a victim of crime has fallen by four percentage points.
- **Rate of worklessness among those in poverty have tumbled since the turn of the century.** The proportion of those in poverty who live in a workless family has fallen by 15 percentage points since 2000/01.

## INTRODUCTION

### THE COMMISSION

---

The Social Metrics Commission was formed in 2016 with the explicit goal of creating new poverty measures for the UK. The need for the Commission was, and still is, clear; while various measures of income inequality and poverty exist, until the Government releases new official statistics, the UK will not have a comprehensive measure of poverty for children, adults or pensioners.<sup>iii</sup> This leaves a situation where policymakers and politicians cannot track progress or effectively be held to account for either tackling the causes of poverty or improving the lives of those who do experience poverty.

It was clear from the start that, to develop measures that could be successfully adopted, the Commission's recommendations would need to gain widespread support both from individuals and organisations across the political spectrum and from the widest range of people interested in poverty measurement. To ensure that this is the case, the Commission is rigorously non-partisan. Its membership draws together top UK poverty thinkers from different political and professional backgrounds alongside data and analytical experts and those with experience of working with and supporting people living in poverty. The work has been led by an independent Secretariat and Technical Team, who have presented Commissioners with detailed analysis, research and advice. The Commission also chose not to make recommendations on current or future policy direction. The Commission's work remains solely focussed on the question of how poverty is measured.

Commissioners	
<b>Philippa Stroud (Chair)</b>	Centre for Social Policy Studies
<b>Helen Barnard</b>	Trussell Trust
<b>Dr Stephen Brien</b>	Social Security Advisory Committee
<b>Alex Burghart MP</b>	Former SMC Commissioner, 2016/17
<b>Prof Leon Feinstein</b>	University of Oxford
<b>Deven Ghelani</b>	Policy in Practice
<b>Prof Paul Gregg</b>	University of Bath
<b>Dr David Halpern</b>	Behavioural Insights Team
<b>Dr Nick Harrison</b>	Sutton Trust
<b>Oliver Hilbery</b>	Making Every Adult Matter
<b>David Hutchison OBE</b>	Social Finance
<b>Robert Joyce</b>	Institute for Fiscal Studies
<b>Carey Oppenheim</b>	London School of Economics
<b>Rt Hon David Laws</b>	Education Policy Institute
<b>Hetan Shah</b>	British Academy
<b>Stephan Shakespeare</b>	YouGov

In September 2018, the Commission launched both its first full report and recommendations for how poverty measurement in the UK should be taken forward. The results demonstrated that previous attempts at measuring poverty had both systematically misrepresented the types of people and families that experience poverty in the UK and failed to provide a comprehensive understanding of the lived experience of those families in poverty.

By bringing together the measurement of poverty, the depth and persistence of poverty and the Lived Experiences that impact on people's lives, the Commission has developed a more detailed framework for understanding poverty in the UK, how it can be tackled and how the lives of those in poverty could be improved.

## PROGRESS TOWARDS AN OFFICIAL STATISTIC

---

Since its 2018 report, the Commission has continued to build support for its approach to poverty measurement. In 2019, the Government committed to creating experimental statistics based on the Commission's measurement framework.<sup>iv</sup> As highlighted at the time by the Minister for Family Support, Housing and Child Maintenance:

*"Tackling poverty is a priority for this government. We welcome the work the Social Metrics Commission has done to find new ways to understand the lives and experiences of those who are in poverty... the Social Metrics Commission makes a compelling case for why we should also look at poverty more broadly to give a more detailed picture of who is poor, their experience of poverty and their future chances of remaining in, or entering, poverty. We look forward to exploring the merits of developing a new measure with them and other experts in this field. In the long run this could help us target support more effectively."*

Work on this new measurement approach was paused during the pandemic, and subsequently resumed in March 2023.<sup>v</sup> In a debate in September, the Secretary of State for Work and Pensions reaffirmed commitment to the development of the measures, saying:<sup>vi</sup>

*"This Government are committed to obtaining the best evidence to ensure policies are targeted at helping the most vulnerable in our society... To further improve the evidence base, the Government are resuming work to develop experimental statistics based on the Social Metrics Commissions innovative work on poverty measurement."*

The Commission has been pleased to be able to support the work of the Department for Work and Pensions in developing its approach. The creation of new official statistics covering the full breadth of the Commission's measurement framework would be a major step towards the Commission's ultimate goal of ensuring that evidence and insights are available that can effectively be used to guide and to prompt action on poverty in the UK.

## SECTION ONE: SUMMARY OF THE COMMISSION'S POVERTY MEASUREMENT FRAMEWORK

### DEVELOPING THE COMMISSION'S MEASUREMENT FRAMEWORK

---

A brief summary of the new approach to measuring poverty that the Commission launched in 2018 is provided below. Full details can be found on the Commission's website and in the 2018 report.

### WHY IS POVERTY MEASUREMENT IMPORTANT?

---

Before outlining the elements that make up the Commission's framework, it is important to outline why Commissioners think that the concept of poverty and its measurement are important, as this frames many of the decisions that were taken.

Overall, Commissioners felt that the concept of poverty is important because of both the direct and indirect impacts that poverty has on individuals, families and communities. The most obvious of these is that, where an individual or family is in poverty, some of their needs cannot be met.

In addition to the challenges people may face in putting food on the table or providing housing for their family, there are close links between poverty and many other aspects of people's lives, including relationships, health and future prospects. A significant body of research has shown some of the wider outcomes that can lead to, or are associated with, living in poverty.

This means that having an accurate and agreed measure of poverty is important as it allows us to:

- Understand the overall extent, nature and dynamics of poverty in the UK;
- Undertake research based on that understanding to assess the causes of this poverty and the potential pathways out of it; and
- Develop interventions, support and the enabling environment needed to both reduce the incidence of poverty and mitigate the impacts for those who do experience it.

Without an agreed measure, each of these is made much more difficult.

### THE COMMISSION'S MEASUREMENT FRAMEWORK

---

#### A core measure of poverty

The Commission began its work by outlining how it would approach the measurement of poverty. As outlined in its interim report, the Commission viewed poverty as the experience of having insufficient resources to meet needs. However, there are a number of different dimensions along which 'needs' and 'resources' could be characterised. For example:

- Resources could be focused purely on material resources or be taken to mean a wider view of 'capabilities' affecting someone's ability to change their own life. A wider approach might include education or mental and physical health as 'resources';<sup>vii</sup> and
- There are also differences between needs conceived as being immediate (e.g. paying for things now) versus a 'need' to ensure adequate provision for the future.<sup>viii</sup>

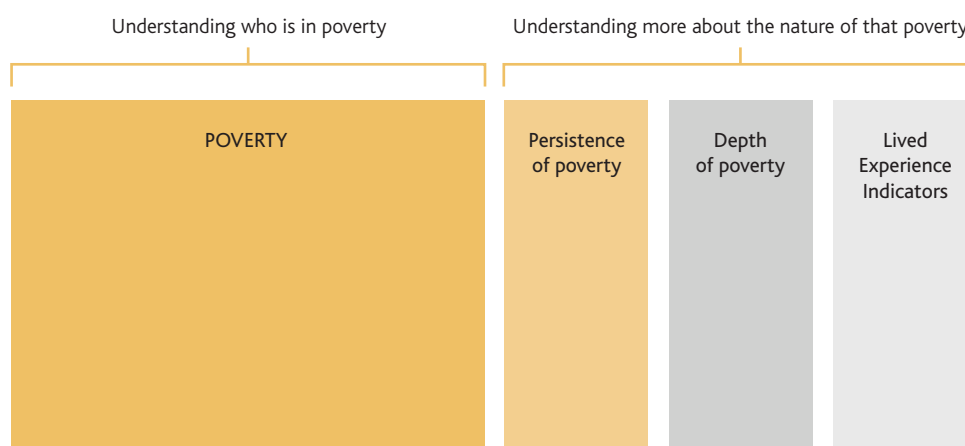
Based on the principles outlined above, the Commission decided to focus its measure of poverty on the extent to which the material resources that someone has available to them now are sufficient to meet the material needs that they currently have.

## Understanding the nature of poverty

As well as measuring the incidence of poverty, Commissioners also developed a broader measurement framework that provides a deeper understanding of the factors that affect the experience of poverty, influence the future likelihood of poverty, or are consequences that flow from being in poverty. Figure 1 demonstrates that, alongside measuring the number of people in poverty, the Commission decided to report on three other areas:

- **The depth of poverty:** To assess how far above / below the poverty line families are. This will allow an understanding of the scale of the task that families face in moving out of poverty and how close others (above the poverty line) are to being in poverty;
- **The persistence of poverty:** To assess how long families in poverty have been in poverty for, so that the escalating impact of poverty over time can be considered and tackled; and
- **The Lived Experience of those in poverty:** To assess a range of factors and characteristics that impact on a family's experience of poverty, make it more likely for them to be trapped in poverty and / or are likely predictors of their poverty experience.

Figure 1: The Commission's measurement framework



## PRINCIPLES THAT GUIDED DECISION-MAKING

Once an overall framework had been established, the Commission then needed to make detailed decisions about how each of the elements would be measured. To ensure that the Commission approached decisions in a consistent manner, a set of key principles were developed and agreed by the Commission. These were used to frame the Commission's decisions and covered both the Commission's overall approach to measurement and the Commission's approach to measurement of resources and needs. These are summarised in box 1.

### Box 1: Overview of the Commission's principles of measurement

**Focus on poverty:** The Commission's focus is on measuring poverty, not social mobility, income inequality or wider measures of economic wellbeing. The poverty metric will also draw a clear distinction between indicators of poverty itself, the experience of poverty and risk factors or drivers of future poverty.

**Poverty now:** The Commission is assessing the extent to which families have the resources currently available to meet their immediate needs, rather than how they might manage in the future.

**With reference to society:** Needs are determined with reference to all of society. The definition of needs will be related to the degree to which people can engage in a life regarded as the 'norm' in UK society.

**Neutrality:** For the purpose of measurement, the Commission will only consider families' experience now, and not consider how they got into the situation.

**Lived experience:** It is important to understand more than just who is classed as being in poverty. Understanding the nature of that poverty (e.g. poverty depth and persistence) and the wider characteristics and factors that impact on a family's experience of poverty are also important.

**Ongoing measurement:** Commissioners wanted to create a measure that could be captured using available data (or with improvements to existing data) and updated regularly.

**Balancing accuracy with simplicity:** The goal is to measure the size, distribution and nature of the population that is in poverty. We will not add unnecessary layers of complexity to capture very small numbers of atypical families.



## MEASURING POVERTY

The Commission began its work by outlining how it would approach the measurement of poverty. The Commission viewed poverty as the experience of having insufficient resources to meet needs. However, there are a number of ways in which needs, resources and sufficiency can be characterised. Overall, this suggests that there are four steps to developing a measure of poverty:

1

### HOW DO PEOPLE SHARE?

What should we assume about how people share resources and combine needs?

2

### AVAILABLE MATERIAL RESOURCES

What material resources are available?

3

### IMMEDIATE MATERIAL NEEDS

What are the needs which these available resources should meet?

4

### COMPARING RESOURCES AND NEEDS

How to create a poverty line and update this over time

## HOW DO PEOPLE SHARE?

Rather than using standard “household” assessments, whereby every individual within the same household is assumed to have an identical living standard, the Commission decided to allow for intra-household differences in living standards in some cases. In practical terms, this meant creating a new measure of intra-household sharing; the Sharing Unit:

1. Related<sup>ix</sup> individuals within a household are deemed to share resources and needs – they represent one Sharing Unit. For example, a lone parent and child living with the lone parent’s own parents would be counted as one Sharing Unit; and
2. Non-related individuals within a household are deemed not to share resources and needs – they represent multiple Sharing Units. For example, a group of non-related students living in the same property would each be classed as separate Sharing Units.

The Commission is clear that this approach would not perfectly capture all sharing relationships in all households. For instance, in some households, related benefit units, and individuals within the same benefit units, will not equally share their resources and needs. However, whilst this is not a perfect measure, we believe it is the best that is possible using the available data, and an improvement on previous measures, which assumes that all individuals in a physical household share perfectly.

## WHAT ARE AVAILABLE MATERIAL RESOURCES?

The Commission wanted to develop a new measure of resources that moved beyond the traditional focus on incomes. The motivation for this was the fact that many families both have access to non-income material resources (e.g. liquid assets) or need to spend a portion of their resources on outgoings over which they have no short-term control (inescapable costs like housing and childcare).

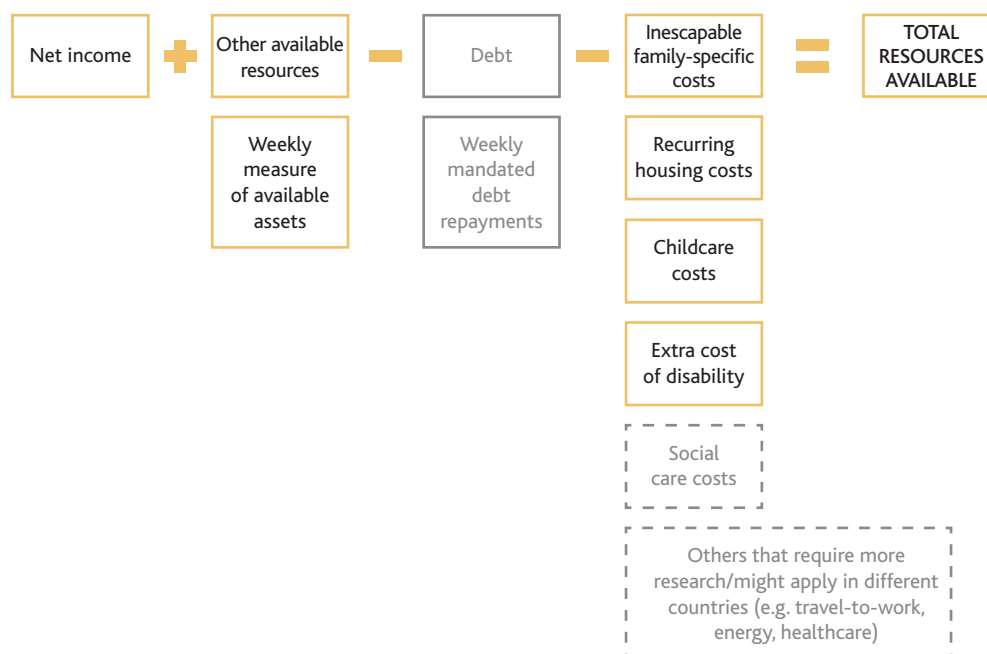
Overall, the Commission decided that the most appropriate approach to assessing the resources that families have available to meet their needs was to create a new measure of total weekly resources available. Figure 2 shows that this includes:

1. All sources of post-tax earnings and income, including all benefit and tax credit income;
2. Liquid assets available for immediate use (judged to be total stock of liquid assets divided by 52);
3. A deduction of inescapable family-specific recurring costs that families face from housing and childcare; and
4. A deduction of inescapable extra costs of disability.

A measure of obligated debt repayments would also have been deducted if the data was available in the FRS. The Commission also strongly recommends further work to explore how the costs of social care could be captured and included.

Creating this measure of total resources available gives a far more accurate picture of the extent to which families are able to meet their day-to-day needs.

Figure 2: Creating a measure of weekly total resources available (all weekly)



Notes: Factors outlined in orange are already included in the measure. Factors outlined in a grey solid line would have been included if the data was available. Factors outlined in a grey dash require measurement and assessment to understand whether they should be included.

## WHAT ARE IMMEDIATE MATERIAL NEEDS?

---

There are a range of questions that need to be answered to develop a measure of immediate material needs. These include questions about which data to use to proxy needs as well as complex questions about how to account for the fact that families of different sizes and compositions will have different needs.

After considering a range of options, the Commission decided that the most appropriate data to use to proxy needs was a measure of what others in society have available to spend (the Commission's measure of total resources available). It then considered a range of options for how to account for family size and composition. It decided:

1. To equalise needs using the AHC version of the OECD adjusted equivalence scales; and
2. To note the urgent need for further work to develop equivalence scales that reflect the experience of families in the UK.

The Commission's 2019 report on equalisation undertook some of that work. It created a framework to take forward the research needed to develop a new equivalence scale for the UK and outlined how that work should be developed. The Commission will continue to work with all interested parties to ensure that the right evidence is available so that the UK has the most accurate account of the differing needs of different individuals and families.

## COMPARING MATERIAL RESOURCES AND MATERIAL NEEDS

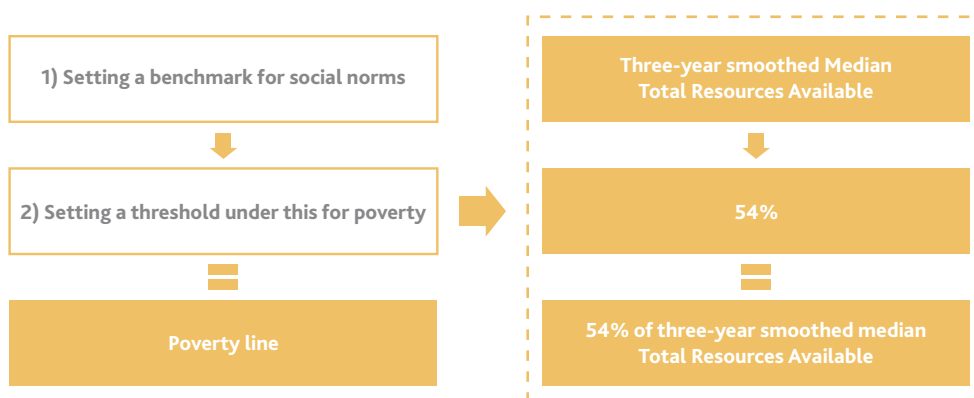
---

After creating measures of resources and needs, the Commission had to develop a way of comparing the two to create a poverty line. Commissioners did this by determining a benchmark for social norms in society and then setting a threshold beneath this that reflected the situation of poverty.

Details of these decisions are shown in figure 3. It is worth noting the Commission's decision to use a three-year smoothed measure of social norms better reflects the fact that social norms and expectations will take time to adapt to changes in overall economic conditions. For instance, if median incomes fall rapidly during a recession, it is not necessarily the case that a family's needs (and the poverty line) will fall pound for pound with this reduction. This makes the Commission's measure a hybrid between the traditional absolute and relative approaches to measuring poverty.

The other innovation of the Commission's measure was to broaden the approach to include an assessment of one element of housing adequacy. This included an adjustment for those in overcrowded accommodation and including those sleeping rough to be in poverty.

Figure 3: Commission's approach to setting the poverty line



## MEASURING ELEMENTS OF THE EXPERIENCE OF POVERTY

Commissioners also developed a wider measurement framework, which focussed on measuring the depth and persistence of poverty as well as understanding a wide range of factors that might impact on a family's likelihood of entering or remaining in poverty, or their wider experience of poverty.

### DEPTH OF POVERTY

Capturing the depth of poverty is one element that contributes to understanding the severity of poverty that families are experiencing. It is also apparent that the experiences of those just above the poverty line are likely to be very similar to those just below it. For these reasons, the Commission chose not to set an arbitrary threshold for "deep poverty". Instead, the Commission decided to create a measure of the depth of poverty that:

- Reflects how far each family in poverty is below the poverty line; and
- Captures and reports on families that are just above the poverty line.

### POVERTY PERSISTENCE

Another important element of the severity of poverty that people experience is the length of time that they have been in poverty. Commissioners wanted a measure of the length of poverty to reflect families that had been continuously in poverty and also those who may have dipped in and out of poverty.

The Commission decided to create a measure of poverty persistence that matched the approach used by the OECD/ONS. This means that a family would be judged to be in persistent poverty if:

- They were in poverty this year; and
- Had also been in poverty for two of the previous three years.

This measure has been created using data from the Understanding Society survey. As more waves of this become available, an understanding of the longer-term persistence of poverty (for example, over more than four years) will also be possible.

## LIVED EXPERIENCE OF POVERTY

---

Based on Commissioners' experience, existing research and input from a range of experts, the Commission identified a range of factors that were not captured by the Commission's measure of poverty, depth and persistence. These were grouped under five domains:

- Family, relationships and community;
- Education;
- Health;
- Family finances; and
- Labour market opportunity.

This is not meant to be a fully comprehensive list of potential factors, there are others that are important now, or might be important in the future. However, Commissioners wanted to develop a manageable framework for understanding and reporting on some of the wider experiences of people in poverty and how they compare to those not in poverty.

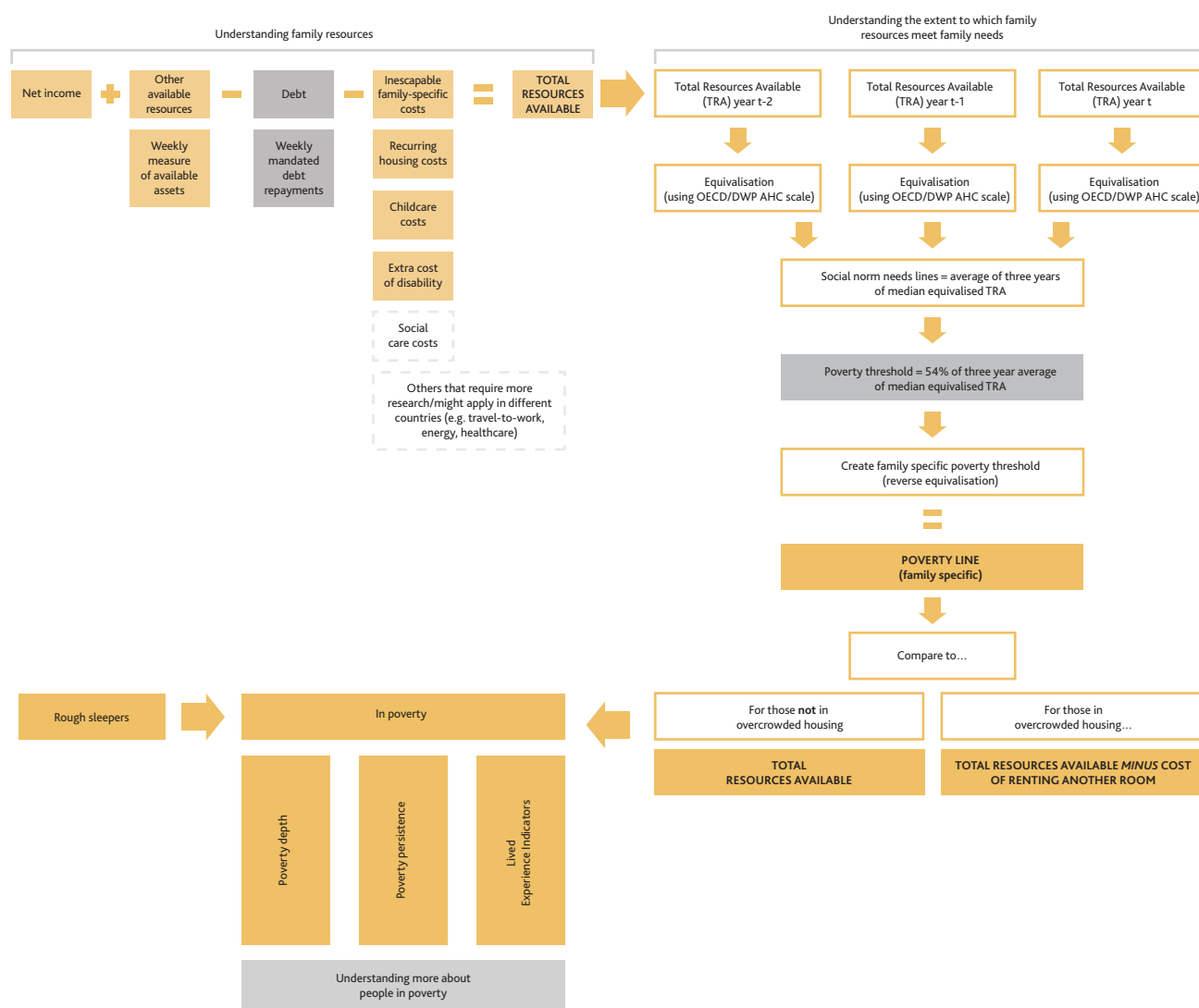
The Commission used data from both the Family Resources and the Understanding Society surveys to capture these factors. The prevalence of each of the factors amongst the population in poverty is compared to that of the population not in poverty, to establish an understanding of some of the differences between the two populations.

It is hoped that this will improve understanding and stimulate more research and analysis to develop a deeper assessment of the experiences of people in poverty, how to create an enabling environment and some of the potential routes of entry and exit.

## OVERVIEW OF COMMISSION'S APPROACH TO MEASUREMENT

Figure 4 below provides a full overview of the Commission's approach to determining whether or not a specific family is living in poverty.

Figure 4: Overview of the Commission's measurement framework



## SECTION TWO: FULL RESULTS

### POVERTY IN THE UK

---

This section provides an overview of the headline results from the Commission's measurement framework, showing the incidence of poverty and how it varies for different types of families and individuals. It also shows how poverty rates and numbers have changed since 2000/01, both overall and for different types of individuals and families.

Results from 2020/21 have been omitted because of concerns around the quality of the underlying data collected during the height of the COVID-19 pandemic.

### POVERTY – LATEST HEADLINES

---

Under the Commission's poverty measure, 14.9 million people in the UK are living in families judged to be in poverty (22% of the UK population). This is a 1 percentage point increase in the poverty rate since 2019/20. It is however broadly in line the results from the last two decades, where overall poverty rates for the UK have fluctuated between 21% and 24% (figure 5).

Within the 14.9 million people living in poverty in 2019/20, there are 4.9 million children (34% of children), 8.5 million working-age adults (21% of working-age adults) and 1.5 million pension-age adults (13% of pension-age adults).

Figure 5: Composition of poverty and poverty rates in the UK, by age, 2021/22

**14.9 million people in poverty in the UK (2021/22), comprised of:**

**8,500,000**



Working-age adults

**4,900,000**



Children

**1,500,000**



Pension-age adults

**Poverty rates in the UK (2021/22):**

**22%**

Of the overall population are in poverty

**21%**

Of working-age adults are in poverty

**34%**

Of children are in poverty

**13%**

Of pension-age adults are in poverty

Notes: Figures have been rounded, so may not sum perfectly.

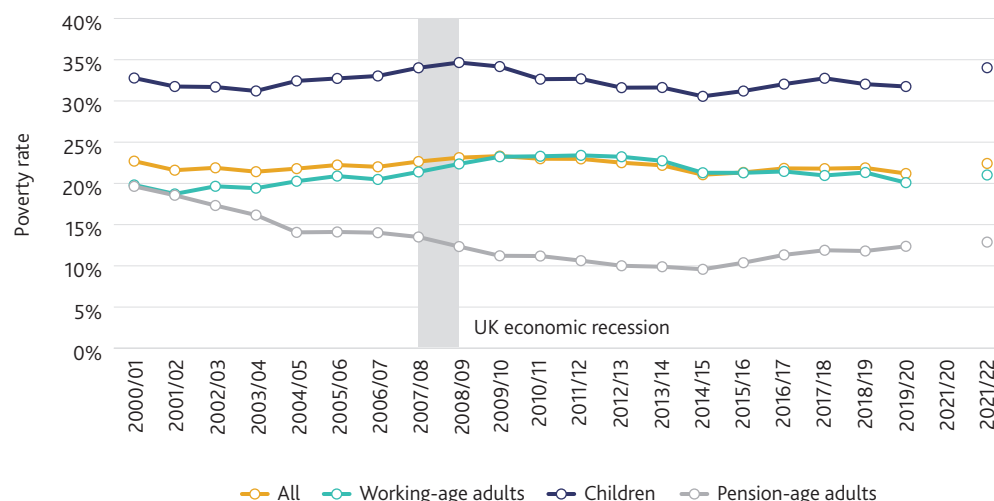
Source: Family Resources Survey and HBAI dataset (1998/99 – 2021/22), SMC Analysis.

Since the latest pre-pandemic data, for 2019/20, the number of people in poverty has increased by around 1 million, from 13.9 to 14.9 million. The number of children in poverty has increased by half a million, from 4.4 million to 4.9 million. The rate of poverty amongst children, at 34%, is at the highest level since 2009/10. There has also been an increase in the poverty rate faced by working-age adults of around 1 percentage point, from 20% in 2019/20 to 21% in 2021/22.

This in part reflects a longer-term trend towards poverty in working-age families. Figure 6 shows that, whilst there has been relatively little movement in the overall rate of poverty in the UK since 2000/01, over the same period, the poverty rate for pension-age adults has fallen from 20% in 2000/01 to 13% in 2021/22.



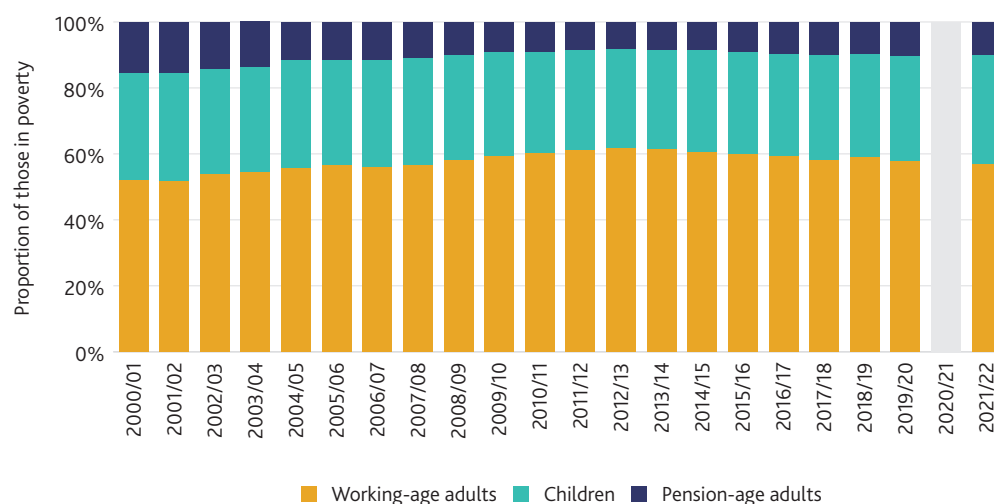
Figure 6: Poverty rates for the UK population, by age, over time



Source: Family Resources Survey and HBAI dataset (1998/99 – 2021/22), SMC Analysis.

The large fall in poverty amongst pension-age adults means that the composition of the total population in poverty in the UK has changed over the last 15 years; working-age adults and their children now make up a larger proportion of the group, while pension-age adults represent a lower proportion of the total. In 2000/01, pensioners accounted for just under one in six (16%) of those in poverty. By 2021/22, this figure had decreased to around one in ten (10%).

Figure 7: Composition of poverty, by age



Notes: Categories refer to individuals who are working-age adults, children, or pensioners, rather than individuals in different family types.

Source: Family Resources Survey and HBAI dataset (1998/99 – 2021/22), SMC Analysis.

The prominence of children in poverty has also increased. After decreasing for a decade, this reached a low of three-in-ten (30%) in 2012/23. This has since increased, with children making up around a third (33%) of people in poverty in 2021/22. This represents the greatest share since data became available in 2000/01.

## POVERTY BY FAMILY TYPE

Figure 8: Composition of poverty and poverty rates in the UK, by family types that people live in, 2021/22

**14.9 million people in poverty in the UK (2021/22), comprised of:**

**3,100,000**



Single people with no children

**2,700,000**



People in lone-parent families

**1,400,000**



People in couple families with no children

**6,000,000**



People in couple families with children

**700,000**



People in pension-age single families

**900,000**



People in pension-age couple families

**Poverty rates in the UK (2021/22):**

**26%**

Of single people with no children are in poverty

**51%**

Of people in lone-parent families are in poverty

**11%**

Of people in couple families with no children are in poverty

**26%**

Of people in couple families with children are in poverty

**17%**

Of people in pension-age single families are in poverty

**11%**

Of people in pension-age couple families are in poverty

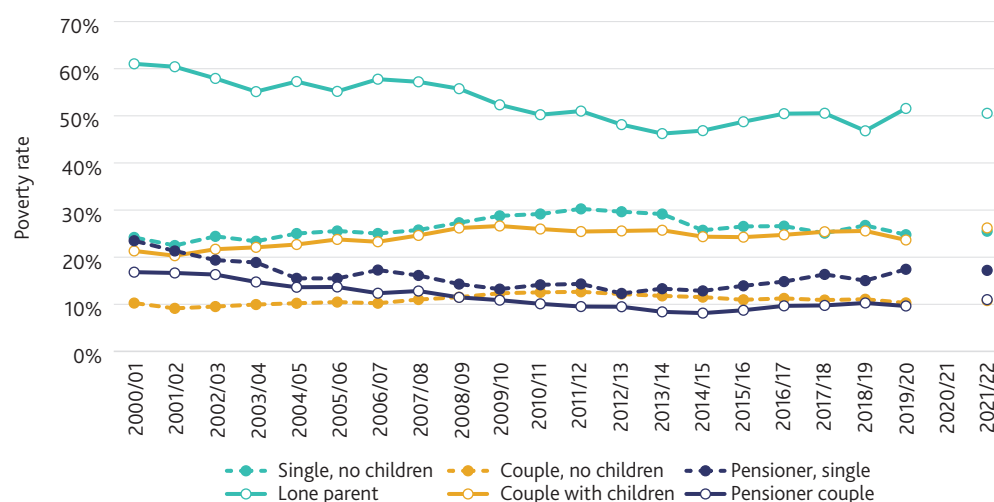
Notes: Figures have been rounded, so may not sum perfectly. Family types taken from the HBAI dataset once SMC poverty indicators (assessed at the sharing unit level) have been allocated to each benefit unit. This applies to all estimates for family type in this section.

As well as considering poverty amongst working-age adults, pension-age adults and children, poverty can also be assessed based on the types of family within which people live.

Figure 8 shows that more than half (51%) of people living in lone-parent families are living in poverty. This compares to 26% of those living in couple families with children and 11% of people in pension-age couple families.

Whilst poverty rates amongst people in lone-parent families are high, given the relatively small proportion of the overall population that this group accounts for, they are not the largest group in poverty. Instead, figure 10 shows that the 6 million people in poverty who live in couple families with children represent around four in ten (40%) of those in poverty. Single people with no children represent the second largest group of people in poverty, with 3.1 million people in this group.

Figure 9: Poverty rates for the UK population, by family type, over time

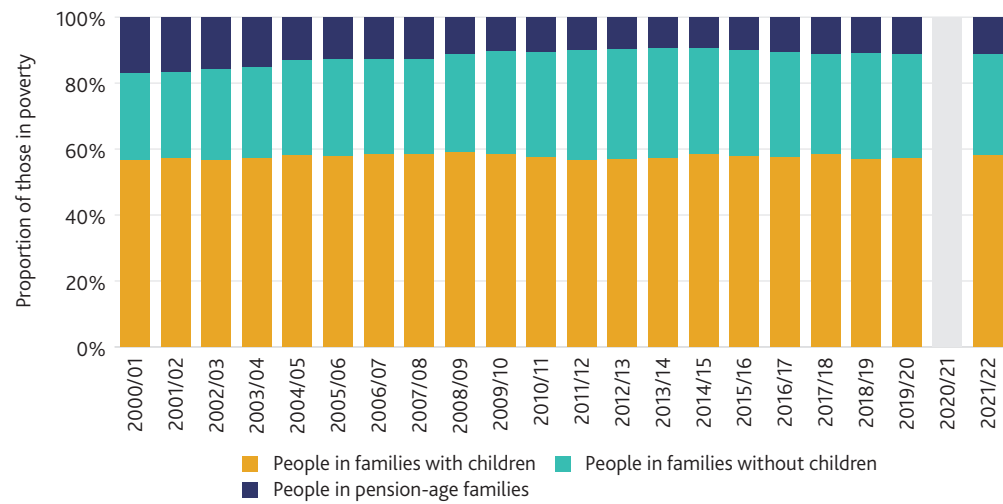


Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

Figure 9 demonstrates that poverty rates for individuals in particular family types have changed over time. The most significant changes can be seen in the poverty rate of lone-parent families where the poverty rate remains ten percentage points below the rate seen in 2000/01 and seven percentage points below the rate seen pre-recession in 2007/08. There has, however, been a rising trend in poverty rates for this family type since a low of 46% in 2013/14.

Figure 10 shows that, since the early 2000s, there has been a shift in the composition of poverty from pension-aged families<sup>x</sup> falling from 17% of the population in poverty in 2001/02 to 11% in 2021/22), to working-age families without children (increasing from 27% of the population in poverty in 2001/02, to 31% in 2021/22). The proportion of the total population in poverty accounted for by people living in families with children has remained fairly constant at just under six in ten.

Figure 10: Composition of poverty, by family type



Notes: Family types created using HBAI family designations and number of children.

Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

## ANALYSIS OF POVERTY BY FAMILY CHARACTERISTICS

There are also characteristics, beyond family type, that are associated with different rates and levels of poverty. This section considers poverty by family disability status, work status, housing tenure and ethnicity.

### Housing tenure

Figure 11 demonstrates how people in poverty in the UK are split between families in different housing tenures. Over two thirds (68%) of people in poverty are in the social- or private-rented sector.

Figure 11: Composition of poverty and poverty rates in the UK, by housing tenure, 2021/22

**14.9 million people in poverty in the UK (2021/22), comprised of:**

**5,700,000**



People in families living in social-rented accommodation

**4,400,000**



People in families living in private-rented accommodation

**2,900,000**



People in families living in mortgaged-owned accommodation

**1,900,000**



People in families living in owned-outright accommodation

**Poverty rates in the UK (2021/22):**

**51%**

Of people in families living in social-rented accommodation are in poverty

**35%**

Of people in families living in private-rented accommodation are in poverty

**12%**

Of people in families living in mortgaged-owned accommodation are in poverty

**10%**

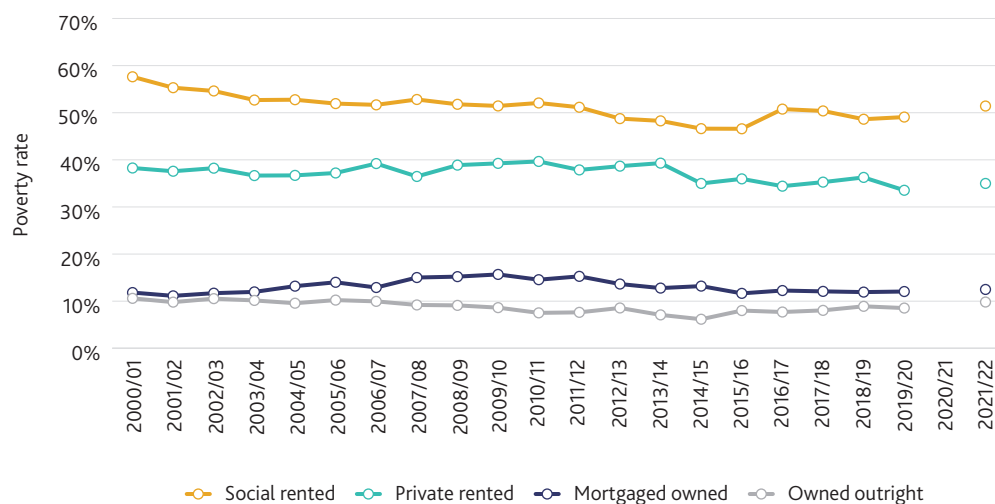
Of people in families living in owned-outright accommodation are in poverty

Notes: Figures have been rounded, so may not sum perfectly. Tenure is derived from HBAI tenure type variables at the benefit unit level. This allows specific benefit units within the sharing unit (e.g. someone renting a room in a house their sibling owns) to be classified separately from other benefit units. This applies to all estimates for housing tenure in this section.

Source: Family Resources Survey and HBAI dataset (2021/22), SMC analysis.

There have also been changes in the overall poverty rates for people living in different housing tenures. Figure 12 shows that poverty rates amongst those in social-rented accommodation remain significantly higher than for those in other tenure types. Poverty rates for owner-occupiers in 2021/22 are broadly in line with those in 2000/01. Since 2019/20, poverty rates have risen for all four tenure types, with the greatest increase seen for those in social-rented accommodation.

Figure 12: Poverty rates for the UK population, by housing tenure, over time

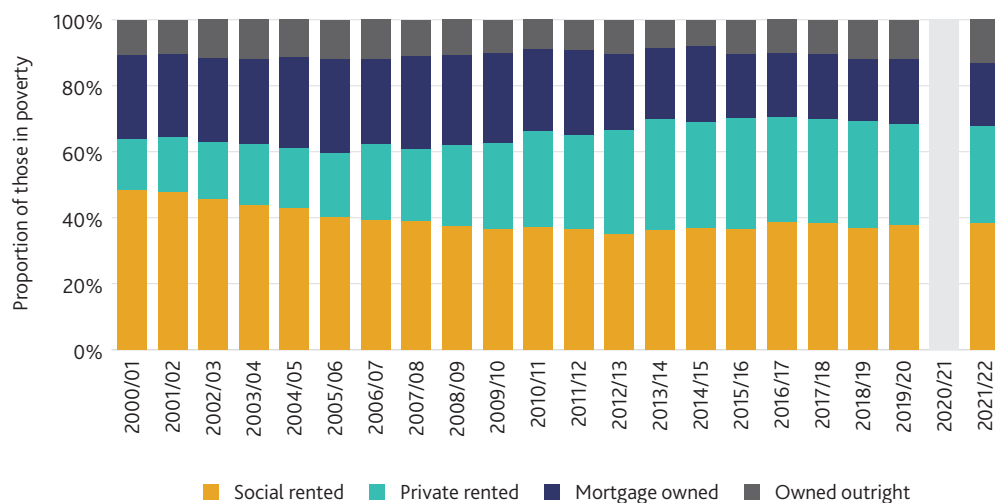


Source: Family Resources Survey and HBAI dataset (1998/99 – 2021/22), SMC Analysis.

Whilst poverty rates for those in private-rented accommodation have remained steady since 2000/01, remaining between 35% and 40%, there has been a significant increase in the proportion of those in poverty that live in the private-rented sector. Having only accounted for 15% of the population in poverty in 2000/01, this group now accounts for nearly a third (29%) of the population in poverty. There has been a commensurate decrease in the prevalence of those in social-rented accommodation. In 2000/01, just under half (48%) of people in poverty were in social-rented accommodation. This has decreased to under four in ten (38%) in 2021/22. It should however be noted that this is still the largest group in poverty, and that poverty rates for those in the social rented sector are persistently higher than for other tenure types.

This change in the tenure composition of poverty has been driven by a large increase in the overall UK population who live in the private-rented sector: this increases from 9% of the population in 2000/01 to 19% in 2021/22.

Figure 13: Composition of poverty, by housing tenure



Source: Family Resources Survey and HBAI dataset (2000/01 - 2021/22), SMC analysis.

## Disability

Poverty rates are higher for people living in families that include a disabled adult or child. Three in ten (30%) people in these families are in poverty, compared to under two in ten (17%) people in families where no one is disabled.

Overall, 8.6 million people in poverty are living in families that include a disabled adult or child. This means that nearly six in ten (58%) people in poverty live in a family where someone is disabled, up from half (50%) in 2019/20.

Figure 14: Composition of poverty and poverty rates in the UK, by whether the family includes a disabled person, 2021/22

### 14.9 million people in poverty in the UK (2021/22), comprised of:

8,600,000



People in families that include a disabled adult or child

6,300,000



People in families that do not include a disabled adult or child

### 8.6 million people in poverty in the UK in families that include a disabled person (2021/22), comprised of:

6,200,000



People in families that include one or more disabled adults and no disabled children

800,000



People in families that include disabled children and no disabled adult

1,500,000



People in families that include disabled children and one or more disabled adults

### Poverty rates in the UK (2021/22):

30%

Of people living in families that include a disabled adult or child are in poverty

17%

Of people living in families that do not include a disabled adult or child are in poverty

27%

Of people living in families that include one or more disabled adults and no disabled children are in poverty

38%

Of people living in families that include disabled children and no disabled adults are in poverty

46%

Of people living in families that include disabled children and one or more disabled adults are in poverty

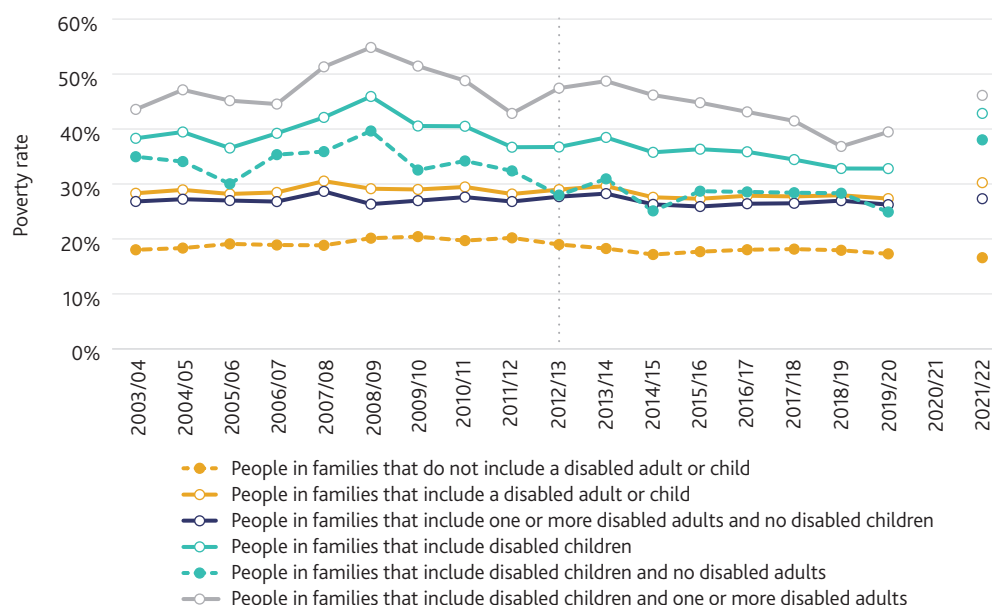
Notes: Figures have been rounded, so may not sum perfectly. Families are classified as having a disabled person if one or more benefit unit within the family has a disabled person according to the variables "disability within the family (benefit unit)". This variable changed to align with Equality Act definitions in 2012/13 but is otherwise consistent across years. This applies to all estimates for family disability in this section.

Source: Family Resources Survey and HBAI dataset (2021/22), SMC analysis.

Figure 15 demonstrates that, in each year since 2003/04, around three in ten people living in families that include a disabled person have been in poverty. This compares to the poverty rate of less than 20% for people not living in a family that include a disabled person.

There has been a significant increase in the most recent data, with the poverty rate for people who living in a family that includes a disabled person increasing from 27% in 2019/20 to 30% in 2021/22. The poverty rate for families that include a disabled child has particularly notably increased, rising from 33% in 2019/20 to 43% in 2021/22. This in part reverses a trend of decreasing poverty for families that include a disabled child: in 2008/09, nearly half (46%) of people in such families were in poverty.

Figure 15: Poverty rates for the UK population, by whether the family includes a disabled person, over time



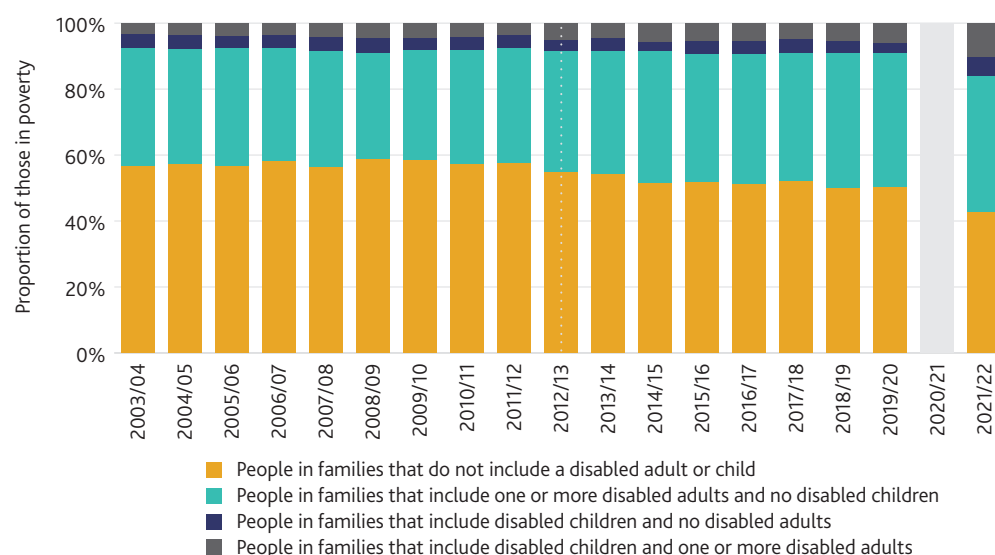
Notes: The dotted line indicates the change in definition to align with Equality Act definitions in 2012/13. Estimates for disability are only available from 2003/04 due to data limitations. This applies to all disability estimates in this section.

Source: Family Resources Survey and HBAI dataset (1998/99 – 2021/22), SMC Analysis.

Figure 16 shows that the proportion of people in poverty who live in families with a disabled person has increased significantly in the last two decades, from just over four in ten (44%) in 2003/04 to nearly six in ten (58%) in 2021/22. A significant part of this increase has come in the most recent data, with the share of people in poverty who live with a disabled person increasing by seven percentage points between 2019/20 and 2021/22.



Figure 16: Composition of poverty, by whether the family includes a disabled person



Notes: The dotted line indicates the change in definition to align with Equality Act definitions in 2012/13.

Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

## Work status

Figure 17 demonstrates how people in poverty in the UK are split between retired, working and workless families. To understand the poverty status of families with different work intensities, the following classifications are used:<sup>xi</sup>

- **Full-time work family:** All adults in the family work full time;
- **Full/part-time work family:** Some adults in the family work full time, others work part time;
- **Part-time work family:** Some or all adults in the family work part time, others may not work; and
- **Workless family:** None of the adults undertakes any paid work.

The experience of poverty varies significantly between families with different levels of work intensities. For example, half (50%) of people living in part-time work families are in poverty. This compares to just one in ten (9%) of those people living in full-time work families. Figure 17 also shows that 70% of those living in workless families are in poverty.

Together, this means that more than six in ten (61%) people in poverty in the UK live in a family where someone does at least a few hours of work.

Figure 17: Composition of poverty and poverty rates in the UK, by family work status, 2021/22

**14.9 million people in poverty in the UK (2021/22), comprised of:**

**2,800,000**



People in a full-time work family

**4,400,000**



People in a full/part-time work family

**1,700,000**



People in a part-time work family

**4,500,000**



People in a workless family

**1,200,000**



People in a retired family

**Poverty rates in the UK (2021/22):**

**9%**

Of people living in full-time work families are in poverty

**32%**

Of people living in full/part-time work families are in poverty

**50%**

Of people living in part-time work families are in poverty

**70%**

Of people living in workless families are in poverty

**13%**

Of people living in retired families are in poverty

Notes: Excludes sharing units where all adult members are students. Figures have been rounded, so may not sum perfectly. Family work status allocated in accordance with the approach summarised above. This applies to all estimates for family work status in this section.

Source: Family Resources Survey and HBAI dataset (2021/22), SMC analysis.

Table 1 considers how these results vary by different family types. It shows that, across all family types, as the family increases their work intensity, their chances of being in poverty falls significantly.

However, it also shows that different families with similar work-statuses can have quite different experiences of poverty. For example, people living in couple families without children, where both adults work full time, have the lowest poverty rate (3%). This contrasts with a poverty rate of 27% for people in families where the lone parent works full time. Whilst high, this is still considerably lower than the poverty rate for people in lone-parent families where the lone parent works full/part-time (49%), part time (57%) or is workless (74%).

Table 1: Poverty rates for people in working-age families, by family type and work status, 2021/22

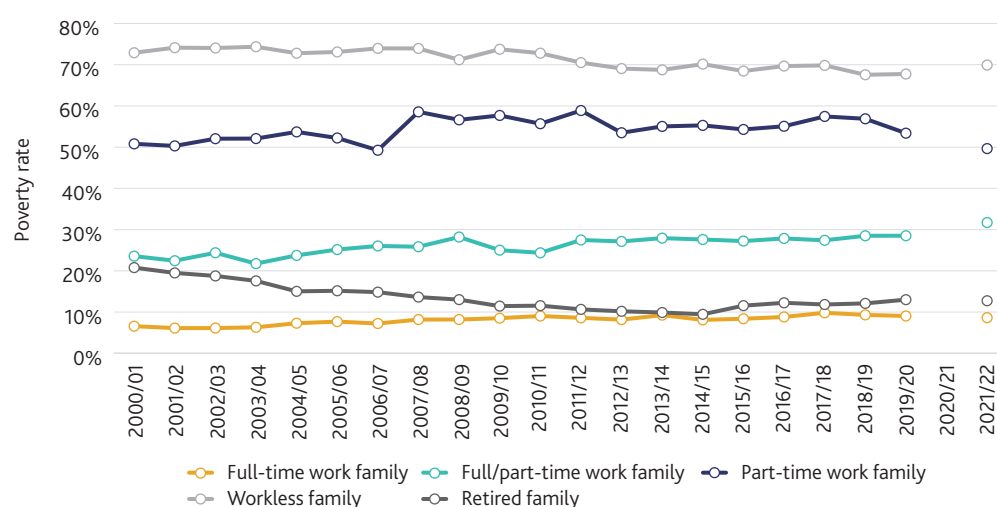
	Full-time work family	Full/part-time work family	Part-time work family	Workless family
Single, no children	8%	20%	45%	72%
Lone parent	27%	49%	57%	74%
Couple, no children	3%	17%	35%	70%
Couple with children	11%	40%	67%	85%

Notes: To provide a sufficient sample size, estimates for each family type have previously been presented as three-year averages. However, given data quality issues for the 2020/21 sample, the 2021/22 figure instead represents the two-year average of figures from 2019/20 and 2021/22. This is in line with the current HBAI approach. Full/part-time working families refer to the overall mix of adults in the sharing unit. As such, single person families or lone parents could be in a sharing unit with other adults leading to their allocation into this group, depending on the work status of the other adults.

Source: Family Resources Survey and HBAI dataset (2019/20 - 2021/22), SMC Analysis.

Figure 18 shows how the poverty rate for each of the family work statuses has changed over time. The most significant changes are seen in the poverty rate amongst part-time work families, which rose by eight percentage points, from 51% in 2000/01 to 59% in 2007/08, but has since fallen back to 50% in 2021/22. In contrast, the poverty rate for workless families was relatively stable between 2000/01 and 2007/08, before falling to 68% in 2019/20. It has since risen two percentage points, to 70% in 2021/22.

Figure 18: Poverty rates for the UK population, by family work status, over time

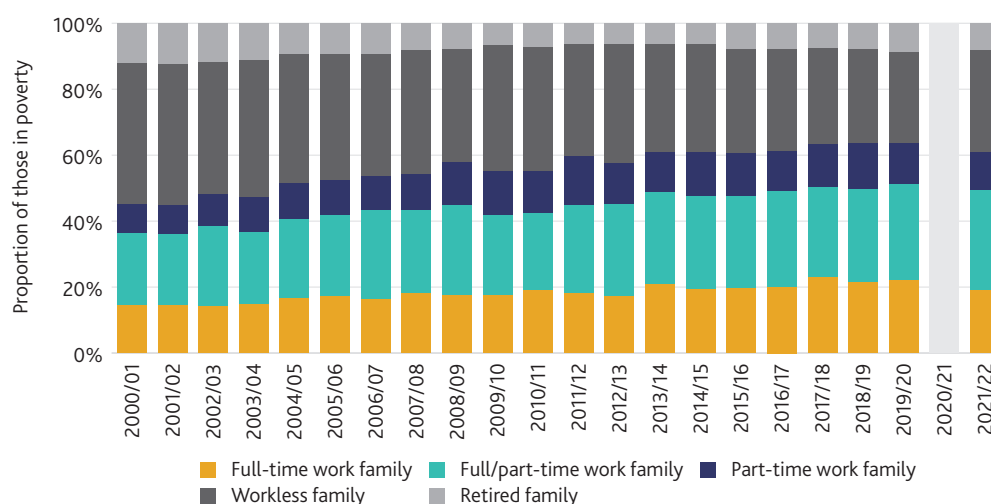


Source: Family Resources Survey and HBAI dataset (1998/99 – 2021/22), SMC Analysis

Whilst poverty rates are far lower for families where adults work, employment levels in the UK have increased significantly over the last two decades, leaving fewer people living in workless families. In fact, the proportion of working-age adults and children living in workless families has fallen from 14% in 2000/01 to 9% of the population in 2021/22. This has contributed significantly to the shift in composition of UK poverty towards families where someone works at least part time.

Figure 19 shows that over six in ten (61%) of those in poverty live in families where at least one person is working part time. The equivalent figure in 2007/08 was 54%, and in 2000/01 was 45%. Whilst some of these changes are driven by changes in poverty rates (shown above) changes in the number of people in workless and working families are a significant driver.

Figure 19: Composition of poverty, by family work status



Source: Family Resources Survey and HBAI dataset (1998/99 – 2021/22), SMC Analysis.

## Ethnicity

Britons from ethnic minority backgrounds largely face higher poverty rates than White Britons. Two in five (40%, 900,000) people living in families where the household head is Black/African/Caribbean/Black British were in poverty, compared to just under one in five (19%, 10.8 million people) of those living in families where the head of household is White.

Figure 20: Composition of poverty and poverty rates in the UK, by ethnic group of household head, 2021/22

### 14.9 million people in poverty in the UK (2021/22), comprised of:

10,800,000



People in families with a head of household who is White

200,000



People in families with a head of household who is from a mixed/multiple ethnic group

1,900,000



People in families with a head of household who is Asian/Asian British

900,000



People in families with a head of household who is Black/African/Caribbean/Black British

500,000



People in families with a head of household who is from any other ethnic group

### Poverty rates in the UK (2021/22):

19%

Of people in families living with a head of household who is White are in poverty

28%

Of people in families living with a head of household who is from a mixed/multiple ethnic group are in poverty

36%

Of people in families living with a head of household who is Asian/Asian British are in poverty

40%

Of people in families living with a head of household who is Black/African/Caribbean/Black British are in poverty

38%

Of people in families living with a head of household who is from any other ethnic group are in poverty

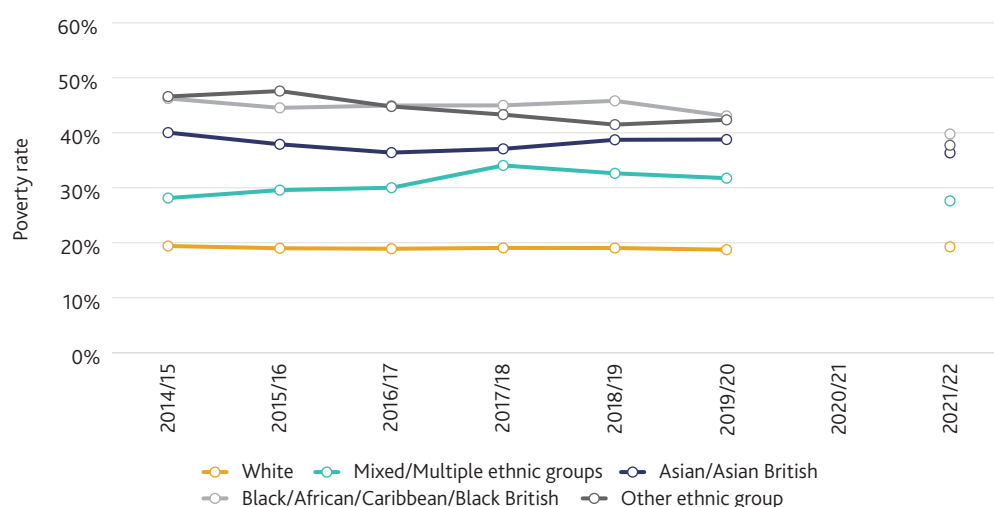
Notes: Figures have been rounded, so may not sum perfectly. To ensure sufficient sample sizes, analysis by ethnic group is presented as three-year averages. This is in line with current HBAI approaches. The harmonised standards for ethnicity questions were fully adopted across the UK from the 2012/13 questionnaire onwards. Analysis by ethnicity therefore only begins in that year and results are only presented from 2014/15 due to three-year averaging. Individuals have been classified according to the ethnic group of the household head. This applies to all estimates for ethnicity in this section.

Source: Family Resources Survey and HBAI dataset (2016/17 - 2021/22), SMC analysis.

Figure 21 shows that, since 2014/15<sup>xii</sup>, around one in five (19%) people in families where the head of household is White have been in poverty. Poverty rates for people in families where the head of household is not White have been consistently higher than poverty rates faced by White families. Poverty rates have fallen for ethnic minority groups in the most recent data. For example, poverty rates for families where the head of household is from a mixed/multiple ethnic background

decreased from 32% in 2019/20 to 28% in 2021/22. Similarly, in 2021/22 four in ten (40%) people in families headed by someone of Black / African / Caribbean / Black British ethnicity were in poverty. This is down from 43% in 2019/20, and from 46% in 2014/15. Sample sizes for these groups are relatively small, however, and so population inferences from year-on-year changes should be treated with caution.

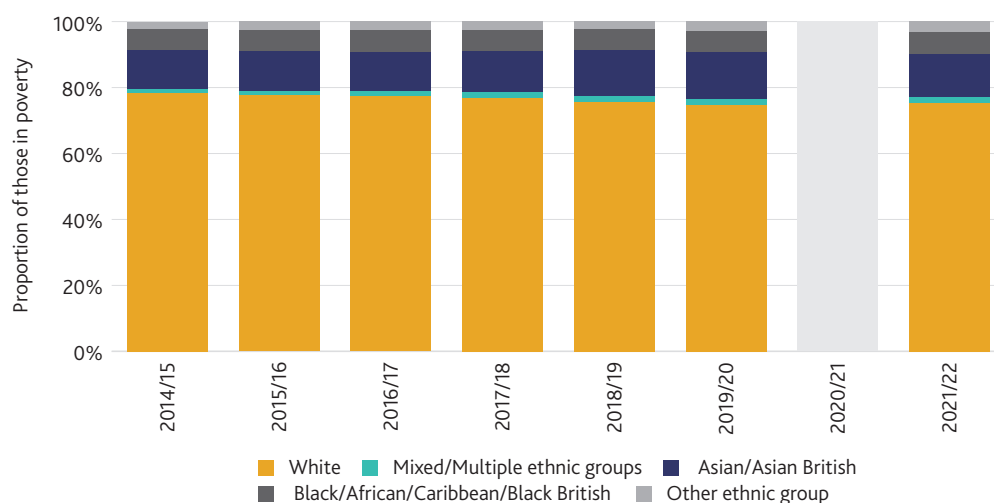
Figure 21: Poverty rates for the UK population, by ethnic group of household head, over time



Source: Family Resources Survey and HBAI dataset (2014/15 – 2021/22), SMC Analysis.

The overall composition of poverty over the years since 2014/15 has remained relatively constant, with only a slight fall in the overall proportion of those in poverty accounted for people in families where the head of household is White. Three-quarters (75%) of people in poverty are in families headed by a White person, down slightly from just under four-in-five (78%) in 2014/15.

Figure 22: Composition of poverty, by ethnic group of household head



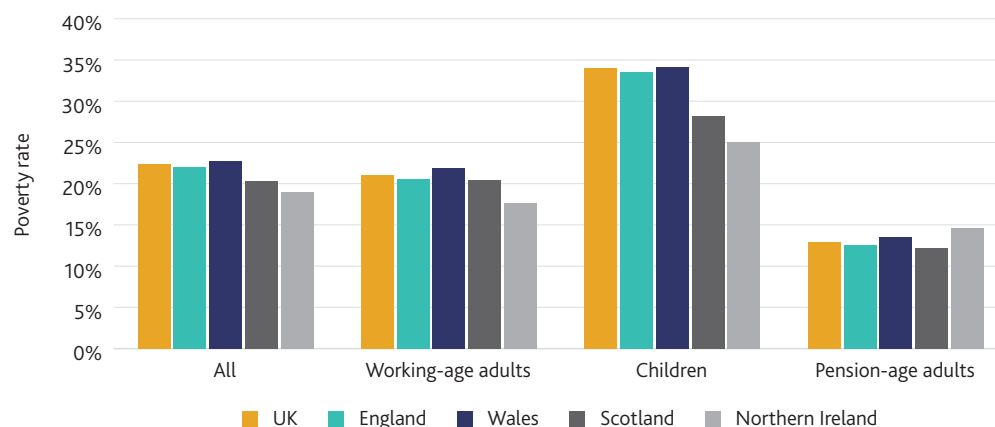
Source: Family Resources Survey and HBAI dataset (2014/15 – 2021/22), SMC Analysis.

## POVERTY ACROSS THE UK

### UK countries

This section considers poverty across different parts of the UK. Figure 23 shows poverty rates overall for each country and also split by working-age adults, children and pensioners. Compared to the UK average, poverty rates are generally higher for people living in Wales and lower for those living in Scotland and Northern Ireland.

Figure 23: Poverty rates for the UK population, by country and age, 2021/22

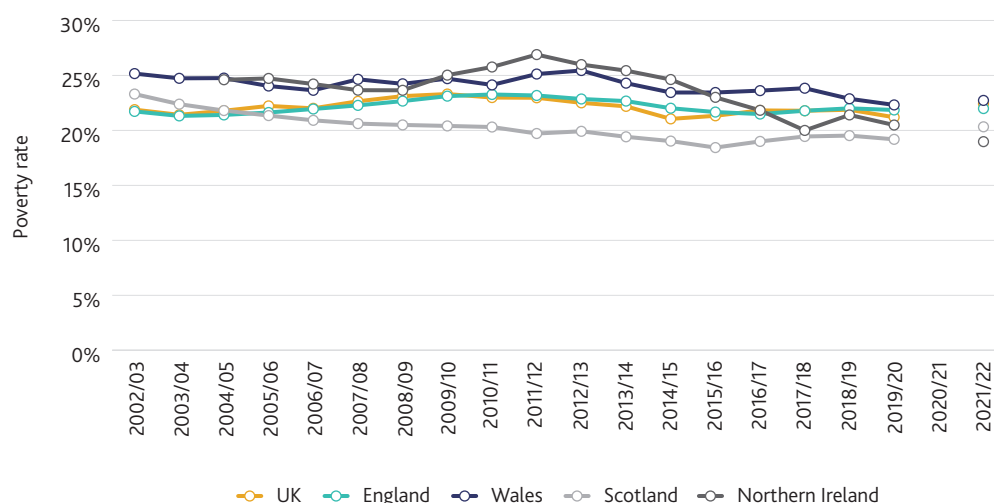


Notes: To provide a sufficient sample size, estimates for each family type have previously presented as three-year averages, in line with current HBAI approaches. However, given data quality issues for the 2020/21 sample, the 2021/22 figure instead represents the two-year averages of figures from 2019/2020 and 2021/22. This applies to all sub-national estimates in this section.

Source: Family Resources Survey and HBAI dataset (2019/20 - 2021/22), SMC analysis.

Figure 24 shows how poverty rates in each of the four nations have varied over time. Overall poverty rates in England, Northern Ireland and Wales have broadly followed the overall trend in the UK poverty rate: falling slowly in the early 2000s, rising during the financial crisis and recession and then falling post-recession. Poverty in Scotland has followed a slightly different trajectory, with the poverty rate on a downward trend up to 2015/16 but plateauing since. Northern Ireland has seen the greatest reduction in poverty post-financial crisis: from 27% in 2011/12, to 19% in 2021/22. Northern Ireland now has the lowest poverty rate of any nation in the United Kingdom.

Figure 24: Poverty rates for the UK population, by country, over time



Source: Family Resources Survey and HBAI dataset (2002/03 - 2021/22), SMC analysis.

Table 2 shows how the poverty rates for people living in different types of families vary across the countries in the UK.

Table 2: Poverty rates for the UK population, by family type and country, 2021/2

	England	Wales	Scotland	Northern Ireland
Single, no children	25%	26%	29%	22%
Lone parent	52%	50%	46%	40%
Couple, no children	10%	14%	11%	9%
Couple with children	25%	26%	22%	18%
Pensioner, single	17%	20%	17%	18%
Pensioner, couple	10%	11%	9%	13%

Source: Family Resources Survey and HBAI dataset (2019/20 - 2021/22), SMC analysis. To provide a sufficient sample size, estimates for each family type have previously presented as three-year averages, in line with current HBAI approaches. However, given data quality issues for the 2020/21 sample, the 2021/22 figure instead represents the two-year averages of figures from 2019/2020 and 2021/22.



## Areas within England

Differences in poverty rates between English regions are larger than between the countries of the UK. For example, figure 25 shows that the overall poverty rate in the West Midlands (27%) is around 10 percentage points higher than in the South East (18%), South West (18%) and the East of England (16%). Other regions with particularly high overall poverty rates include London (26%), the North West (24%), and the North East (24%).

Differences in the overall poverty rate across English regions are also reflected in the poverty rates for working-age adults, children and pension-age adults (table 3).

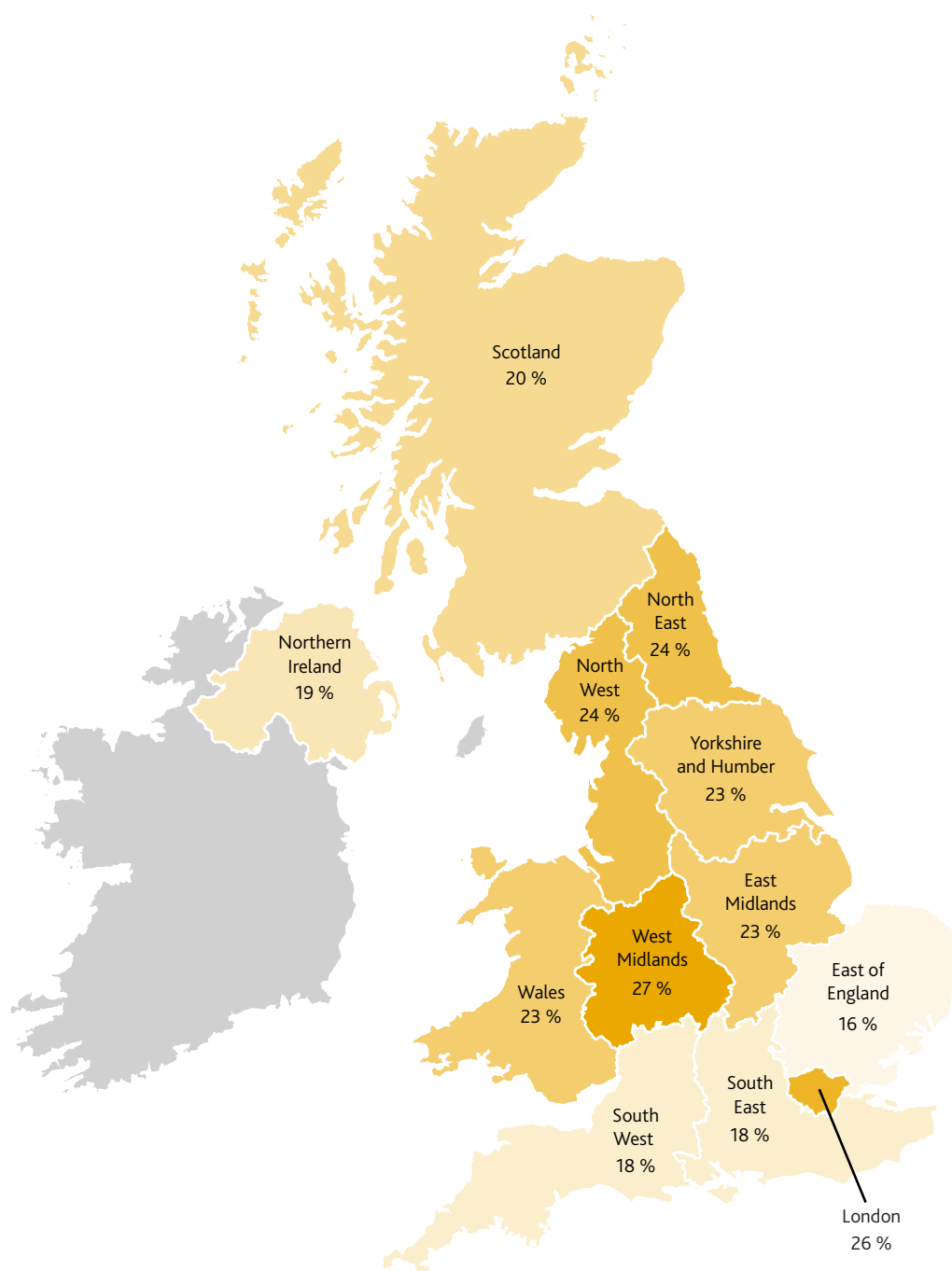
Table 3: Poverty rates for the UK population, by English region and age, 2021/22

	All		Working-age adults		Children		Pension-age adults	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
North East	600,000	24%	400,000	24%	200,000	36%	100,000	11%
North West	1,700,000	24%	900,000	22%	600,000	39%	200,000	15%
Yorks and the Humber	1,300,000	23%	700,000	22%	400,000	34%	100,000	13%
East Midlands	1,100,000	23%	600,000	22%	400,000	35%	100,000	12%
West Midlands	1,600,000	27%	900,000	26%	500,000	41%	100,000	13%
East of England	1,000,000	16%	600,000	15%	300,000	25%	100,000	10%
London	2,300,000	26%	1,400,000	23%	700,000	36%	200,000	19%
South East	1,600,000	18%	900,000	17%	500,000	27%	200,000	11%
South West	1,000,000	18%	600,000	18%	300,000	29%	100,000	10%
England	12,200,000	22%	7,000,000	21%	4,000,000	34%	1,200,000	13%

Notes: To provide a sufficient sample size, estimates for each family type have previously been presented as three-year averages, in line with current HBAI approaches. However, given data quality issues for the 2020/21 sample, the 2021/22 figure instead represents the two-year averages of figures from 201/20 and 2021/22. This applies to all regional estimates in this section.

Source: Family Resources Survey and HBAI dataset (2019/20 - 2021/22), SMC analysis.

Figure 25: Poverty rates for the UK population, by English region, 2021/22



Source: Family Resources Survey and HBAI dataset (2017/18 - 2021/22), SMC analysis.

## SECTION THREE: UNDERSTANDING THE NATURE OF POVERTY

### POVERTY DEPTH

The Commission's approach to measuring the depth of poverty ensures that it is possible to understand the distribution of poverty underneath the poverty line. The Commission's research also demonstrates that those only just above the poverty line are some of the most likely families to be in poverty in future and are already likely to be experiencing a similar standard of living as those who are already in poverty. For this reason, the Commission's approach to measuring depth of poverty also identifies those who are just above the poverty line.

### DEPTH BELOW THE POVERTY LINE

Table 4 shows that 8.6 million people in the UK (13% of the population) are more than 25% below the poverty line, meaning that their total resources available would need to increase significantly for them to be out of poverty. Around 2.7 million people are less than 10% below the poverty line, meaning that relatively small changes in their circumstances could mean that they are no longer in poverty.

Table 4: Breakdown of depth of poverty for those in poverty, 2021/22

Distance below poverty line	Number of people	% of UK population
<=5% below the poverty line	1,300,000	2
5%-10% below the poverty line	1,400,000	2
10%-25% below the poverty line	3,600,000	5
25%-50% below the poverty line	4,700,000	7
>=50% below the poverty line	3,800,000	6

Notes: Figures have been rounded, so may not sum perfectly. For poverty calculations, where families were directly on a given threshold, they were treated as being above it, as their resources would be defined as being equal to their poverty-level needs. This approach was also applied to the various categories of poverty depth in this section.

Source: Family Resources Survey and HBAI dataset (2019/20 - 2021/22), SMC analysis.

## CLEARANCE ABOVE THE POVERTY LINE

Table 5 shows that, as well as those under the poverty line, another 3% of the population (around 2.3 million people) are less than 10% above the poverty line, meaning that small changes to their situation could mean that they are in poverty.

Table 5: Breakdown of those above the poverty line, 2021/22

Distance above poverty line	Number of people	% of UK population
<=5% above the poverty line	1,100,000	2
5%-10% above the poverty line	1,100,000	2
10%-25% above the poverty line	3,500,000	5
25%-50% above the poverty line	5,700,000	9
>=50% above the poverty line	40,000,000	60

Notes: Figures have been rounded, so may not sum perfectly.

Source: Family Resources Survey and HBAI dataset (2019/10 - 2021/22), SMC analysis.

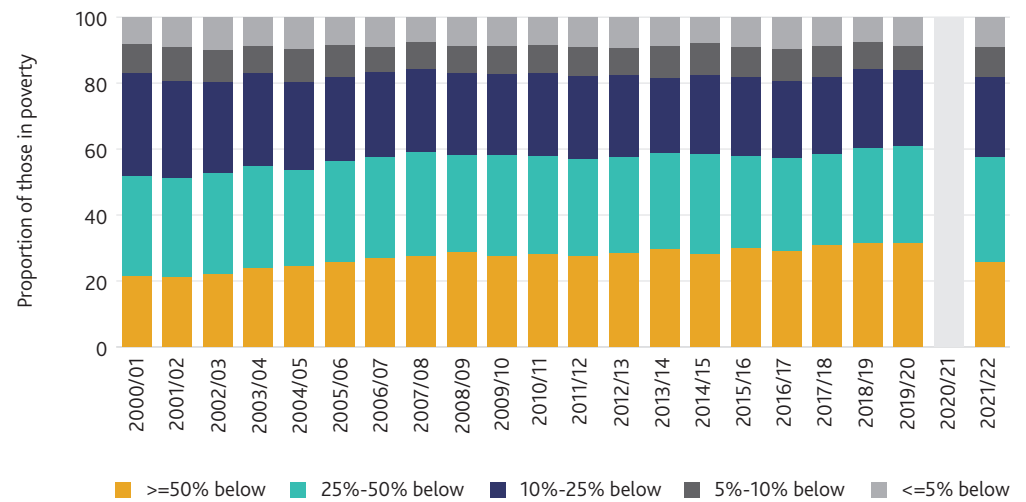
## Changing poverty depth over time

Figure 26 shows the composition of poverty by the depth of poverty that families experience.

It shows that, since 2000/01, those in the deepest level of poverty (more than 50% below the poverty line) have represented an increasing share of all of those in poverty. In 2000/01, 21% of those in poverty could be found in deep poverty. By 2019/20, this group accounted for 31% of all of those in poverty. The share of people in poverty who live in deep poverty has fallen back in the latest data, against the backdrop of rising headline poverty, and now stands at 26% of those in poverty.

This sort of analysis is a key advantage of the Commission's measurement framework, as this group would have been less apparent under previous measures of poverty that tended to focus on the overall number of people beneath the headline poverty line.

Figure 26: Composition of poverty, by poverty depth



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

## Poverty depth across English regions and UK countries

Table 6 shows how experiences of poverty depth for those in poverty vary across the regions and countries of the UK. Four in ten (40%) people living in poverty in London are in deep poverty (at least 50% below the poverty line). The South East, despite a lower overall poverty rate than London, also sees over a third (35%) of those in poverty being in deep poverty. This compares to two in ten (20%) of those living in poverty in the North West.

Table 6: Poverty depth for those in poverty, by country and English region, 2021/22

	<b>&lt;=10% below</b>	<b>10%- 25% below</b>	<b>25%- 50% below</b>	<b>&gt;=50% below</b>
North East	18	20	33	29
North West	20	30	29	20
Yorkshire and the Humber	18	27	31	24
East Midlands	18	22	34	26
West Midlands	16	25	33	26
East of England	22	24	27	27
London	16	14	30	40
South East	16	21	28	35
South West	16	28	29	27
Wales	16	27	31	26
Scotland	15	26	34	25
Northern Ireland	21	25	31	22
UK	18	24	32	26

Source: Family Resources Survey and HBAI dataset (2019/20 - 2021/22), SMC Analysis.

Notes: To provide a sufficient sample size, the first two depth categories (<=5% below the poverty line and 5%- 10% below the poverty line) have been combined. The estimates for each region have previously been presented as three-year averages to provide a sufficient sample size, in line with current HBAI approaches. However, given data quality issues for the 2020/21 sample, the 2021/22 figures instead represent the two-year averages of figures from 2019/20 and 2021/22.

## POVERTY PERSISTENCE

---

The Commission defines persistent poverty as the situation where a person lives in a family that is currently in poverty and was also in poverty for at least two out of the last three years. A range of research has shown that those experiencing longer spells of poverty can be more detrimentally impacted.

## A NOTE ON DATA AVAILABILITY

---

Persistent poverty is measured using the longitudinal survey Understanding Society. The most recent Understanding Society data available to researchers is from 2020/21. However, to ensure consistency with our treatment of pandemic-affected data elsewhere in this report, we have chosen not to use the 2020/21 dataset. Instead, this report focuses on the 2019/20 data, to provide a pre-pandemic view of persistent poverty. Our next release will provide analysis of the 2021/22 data.

## PERSISTENT POVERTY IN THE UK

Based on this definition, 57% of those in poverty in 2019/20 were in persistent poverty. That means that 12% of the whole population, or 7.9 million people, were in persistent poverty in 2019/20.

Rates of persistent poverty vary by age group, with 19% of all children in the UK living in persistent poverty, compared to just 4% of pension-age adults.

Figure 27: Persistent poverty in the UK, 2019/20

### 7.9 million people in persistent poverty in the UK (2019/20), comprised of:

4,600,000



Working-age adults

2,600,000



Children

700,000



Pension-age adults

### Persistent poverty rates in the UK (2019/20):

57%

Of all people in poverty are in persistent poverty

12%

Of the whole UK population are in persistent poverty

13%

Of working-age adults in the UK are in persistent poverty

19%

Of children in the UK are in persistent poverty

4%

Of pension-age adults are in persistent poverty

Notes: Figures have been rounded, so may not sum perfectly.

Source: Understanding Society (2012/13 – 2019/20), SMC analysis.



## PERSISTENT POVERTY OVER TIME

Table 7 demonstrates how persistent poverty has changed since 2014/15. It suggests that the proportion of those in poverty who are also in persistent poverty has risen, from 53% in 2014/15 to 57% in 2019/20.<sup>xiii</sup>

This movement has been particularly pronounced for children: just over half (54%) of children in poverty in 2014/15 were in persistent poverty. This increases to six-in-ten (60%) children in poverty in 2019/20.

Table 7: Persistent poverty by age group, over time

	All		Working-age adults		Children		Pension-age adults	
	% of all people in poverty who are also in persistent poverty	% of all people (regardless of poverty status) who are in persistent poverty	% of all working-age adults in poverty who are also in persistent poverty	% of all working-age adults (regardless of poverty status) who are in persistent poverty	% of all children in poverty who are also in persistent poverty	% of all children (regardless of poverty status) who are in persistent poverty	% of all pension-age adults in poverty who are also in persistent poverty	% of all pension-age adults (regardless of poverty status) who are in persistent poverty
2014/15	53	10	55	11	54	16	41	3
2015/16	55	11	56	12	55	17	40	3
2016/17	49	10	50	11	51	16	31	3
2017/18	49	10	50	11	51	17	33	3
2018/19	53	12	54	13	54	19	47	4
2019/20	57	12	57	13	60	19	45	4

Source: Understanding Society (2009/10 – 2019/20), SMC analysis.

## PERSISTENT POVERTY FOR DIFFERENT GROUPS

This section demonstrates the proportion of various in-poverty groups who are also in persistent poverty (for example, the proportion of those single adults in poverty, who are also in persistent poverty), as well as the proportion of the overall group who are in poverty (for example, the proportion of all single adults who are in persistent poverty).

Table 8 shows this for different family types. It shows that some family types in poverty are more likely than others to be experiencing persistent poverty. For example, 65% of all people living in lone-parent families in poverty are also in persistent poverty. The proportion is lower for people living in poverty in a couple family without children, where just over half (51%) of people in poverty in this group are also in persistent poverty. While the likelihood of persistent poverty is lower for people in pension-age families, nearly half of people in poverty in single pension-age families (47%) and 44% of people in pension-age couple families in poverty are also in persistent poverty.

Rates of persistent poverty across each of these groups are also different. For example, 31% of all of those living in lone-parent families live in persistent poverty, compared to 15% of those in couple families with children and only 8% of people living in couple families with no children.

Table 8: Persistent poverty for people living in different family types, 2019/20

	% of all people in poverty who are also in persistent poverty	% of all people (regardless of poverty status) who are in persistent poverty
Single, no children	58	15
Lone parent	65	31
Couple, no children	51	8
Couple with children	58	15
Pensioner, single	47	6
Pensioner couple	44	3

Source: Understanding Society (2009/10 – 2019/20), SMC analysis.

Table 9 shows a breakdown of persistent poverty for people living in families with different work statuses. It shows that, as with overall poverty rates, persistent poverty rates and the proportion of those in poverty who are also in persistent poverty are strongly associated with work intensity.

Overall, the closer to full-time work a family gets, the less likely they are to be in persistent poverty.

For example, just 3% of those living in a family where all adults work full time are in persistent poverty, compared to nearly a third (31%) of those living in a workless family. Equally, for people in families where all adults work full time, 45% of those in poverty are in persistent poverty. This rises to over six-in-ten (61%) for people living in a workless family.

Table 9: Persistent poverty for people living in families with different work statuses, 2019/20

	% of all people in poverty who are also in persistent poverty	% of all people (regardless of poverty status) who are in persistent poverty
Retired family	48	3
Full-time work family	45	3
Full/part-time work family	54	13
Part-time work family	61	27
Workless family	61	31

Notes: Family work status allocated in accordance with the approach summarised in the previous section.

Source: Understanding Society (2009/10 – 2019/20), SMC analysis.

Table 10 shows a breakdown of persistent poverty for people living in families at different depths of poverty. The results show that those in the deepest levels of poverty are the most likely to be in persistent poverty. Over six-in-ten (61%) of those who are more than 50% below the poverty line are in persistent poverty. This is little better for those who are 25% to 50% below the poverty line, of whom 60% are in persistent poverty.

Table 10: Persistent poverty for people living in families at different depths of poverty, 2019/20

	% of all people in poverty who are also in persistent poverty
Living in a family <=5% below the poverty line	48
Living in a family 5%-10% below the poverty line	41
Living in a family 10%-25% below the poverty line	51
Living in a family 25%-50% below the poverty line	60
Living in a family >=50% below the poverty line	61

Source: Understanding Society (2009/10 – 2019/20), SMC analysis.

Table 11 shows that the majority of people in poverty who live in social- (64%) and private-rented (61%) accommodation are also in persistent poverty. This compares to just under half (48%) of those in poverty in mortgage-owned accommodation.

Overall, people living in both social- and private-rented accommodation are also much more likely to be in persistent poverty than those living in families that are owner-occupied. For example, nearly three in ten (28%) of all people in social-rented accommodation are in persistent poverty, compared to just 9% of those in mortgage-owned accommodation. Over a quarter (26%) of people in the private-rented sector are in persistent poverty.

Table 11: Persistent poverty by housing tenure, 2019/20

	% of all people in poverty who are also in persistent poverty	% of all people (regardless of poverty status) who are in persistent poverty
Living in a family in social-rented accommodation	64	28
Living in a family in private-rented accommodation	61	26
Living in a family in mortgage-owned accommodation	48	9
Living in a family in owned-outright accommodation	50	4

Source: Understanding Society (2009/10 – 2019/20), SMC analysis.

Table 12 shows poverty persistence is significantly more prevalent for Black and Minority Ethnic groups. People in Black and Minority Ethnic families are between two and three times more likely to be in persistent poverty than people in White families. For example, a third of people (33%) living in families with a mixed/multiple ethnic head of household are in persistent poverty, compared to 11% of those living in families with a White head of household. Nearly three in ten (27%) people in Black/African/Caribbean/Black British families are in persistent poverty.

Table 12: Persistent poverty by ethnicity of household reference person, 2019/20

	% of all people in poverty who are also in persistent poverty	% of all people (regardless of poverty status) who are in persistent poverty
Living in a family where the household reference person is White	55	11
Living in a family where the household reference person is from a mixed/multiple ethnic group	83	33
Living in a family where the household reference person is Asian/Asian British	70	24
Living in a family where the household reference person is Black/African/Caribbean/Black British	65	27
Living in a family where the household reference person is from any other ethnic group	64	19

Notes: Understanding Society collects certain information on household reference persons rather than household heads. A household reference person is defined as the owner or renter of the accommodation in which the household lives. If there are multiple owners or renters, the default is the eldest of them is the household reference person.

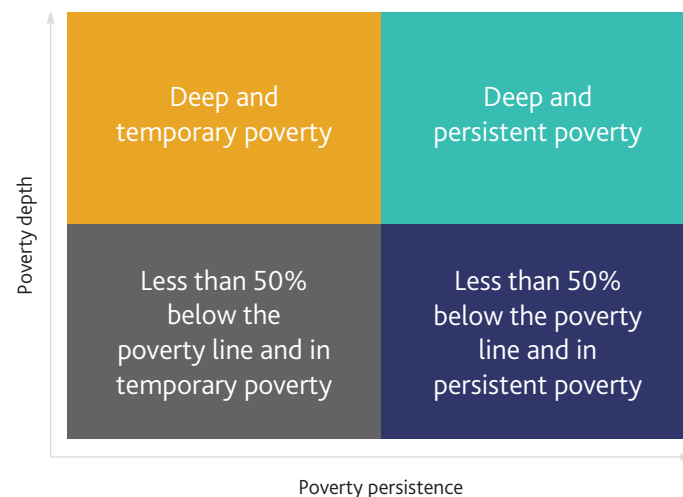
Source: Understanding Society (2009/10 – 2019/20), SMC analysis.

## CONSIDERING DEPTH AND PERSISTENCE TOGETHER

Of course, someone's experience of poverty will depend on both the depth of that poverty and the length of time that they experience it for. This means that poverty depth and persistence can be brought together to create four groups of the population in poverty. As shown in figure 28 these are:

- **Deep and persistent poverty:** those families 50% or more below the poverty line in the most recent data and who have been in poverty for at least two out of the previous three years.
- **Less than 50% below the poverty line and in persistent poverty:** those families less than 50% below the poverty line in the most recent data and who have been in poverty for at least two out of the previous three years;
- **Deep poverty (non-persistent):** those families 50% or more below the poverty line in the most recent data and who have been in poverty for less than two out of the previous three years; and
- **Less than 50% below the poverty line (non-persistent poverty):** those families less than 50% below the poverty line in the most recent data and who have been in poverty for less than two out of the previous three years.

Figure 28: Categorisation of poverty types



Source: Understanding Society (2012/13 – 2019/20), SMC analysis.

Figure 29 shows how the UK population is split between these categories and those not in poverty. Note that this analysis draws on data from Understanding Society and Family Resources Survey from 2019/20.

It shows that 7% of the UK population is in some form of deep poverty, with over six in ten (61%) of those in deep poverty also being in persistent poverty. This means that 2.6 million people in the UK are in families that are in deep and persistent poverty, with another 1.7 million people in families in deep poverty (non-persistent).

Around 15% of the UK population is less than 50% below the poverty line and either in persistent (5.0 million) or non-persistent poverty (4.6 million). Of the four groups in poverty, the group of people who are less than 50% below the poverty line, but who are in persistent poverty, is the largest in number.

Figure 29: UK population, by poverty status, 2019/20



Notes: Estimates of the proportions of those in each type of poverty were taken from Understanding Society and calibrated against the SMC's headline estimates produced using the 2019/20 FRS/HBAI data.

Source: Understanding Society (2012/13 – 2019/20) and Family Resources Survey and HBAI dataset (2019/20), SMC analysis.



## LIVED EXPERIENCE INDICATORS

---

This section provides detail on a wider set of measures of some of the factors that affect the lived experience of people in poverty. Measuring and understanding the lived experience of poverty is vital to ensure that policymakers can consider the widest range of policy tools available to them to tackle the impacts and reduce the incidence of poverty.

The Commission's approach is limited by the extent to which data on these factors can be linked to the measure of poverty (in the data sources that we are using). As such, Lived Experience Indicators were selected based on data availability and the themes that the Commission viewed as being important to understanding the nature of poverty. A range of indicators have been developed under five domains:

1. Family, relationships and community;
2. Education;
3. Health;
4. Family finances; and
5. Labour market opportunity.

Within each of these, a number of indicators have been analysed to understand the differences between families in poverty and those not in poverty. These indicators have also been analysed to show how they have changed for people in poverty both since the last time they were reported in the survey and since the first time they were reported in the survey. For indicators based on the Understanding Society survey, this is only possible over a relatively short timescale, but as more waves become available, longer-term reporting will be possible.

The results below demonstrate that, across a wide range of indicators, people in poverty are experiencing disadvantage, or a number of factors that are likely to negatively impact on either their experience of poverty today, or the likelihood that they can move out of and avoid poverty in future.

## FAMILY, RELATIONSHIPS AND COMMUNITY

Nearly half of people in poverty (44%) live in families that contain just one adult, this compares to 30% of those not in poverty. People in poverty are more likely to think that people in their neighbourhood cannot be trusted (21% of people in poverty compared to 9% of those not in poverty) and to be in families in which at least one adult does not feel safe walking alone at night (29% of people in poverty to 22% of those not in poverty).

People in poverty are less likely to have significant social and relational capital: they are more likely to live in families where no adult is a member of an organisation (61% of people in poverty compared to 35% of those not in poverty) and are more likely to be in families where the size of the family's social network is below 5 close friends (64% compared to 54% of those not in poverty).

Table 13: Family, relationships and community domain of Lived Experience Indicators, by poverty status

	Proportion of people in poverty who have characteristic listed (%)	Proportion of people not in poverty who have characteristic listed (%)
Single adults	21	18
Lone parent families	18	5
Single pensioners	5	7
Adults in family rarely or never feel close to others	12	5
One or more youths in family does not feel supported by their family/people who they live with	3	3
One or more adults in family feels unsafe walking alone at night	29	22
One or more adults in family worries about being affected by crime	50	50
One or more adults in family does not like living in current neighbourhood	13	6
One or more adults in family spends time caring for someone	32	30
One or more adults in family perceives local services as poor	43	42
One or more adults in family thinks people in their neighbourhood cannot be trusted	21	9
No adults in family are members of an organisation	61	35
One or more adults in family is not willing to improve neighbourhood	15	14
Family's average size of social network is below 5 close friends	64	54

Source: Family Resources Survey and HBAI dataset (2021/22) and Understanding Society (2014/15 - 2019/20), SMC analysis.

There have been some positive changes in these indicators over the last few years. In particular, fewer people in poverty are living in families where one or more adults feels unsafe walking home at night (down by six percentage points) or where someone worries about being affected by crime (down four percentage points).

There have also been reductions in the proportion of people in poverty who live either in lone-parent or single pensioner families. For example, since 2000/01 the proportion of people in poverty who live in lone-parent families has fallen by five percentage points.

Table 14: Changes over time in family, relationships and community domain of Lived Experience Indicators

	Proportion of people in poverty who have characteristic listed		
	This year	Change since last data (percentage point)	Change since earliest data (percentage point)
Single adults	21	-1	3
Lone parent families	18	0	-5
Single pensioners	5	-1	-3
Adults in family rarely or never feel close to others	12	3	2
One or more youths in family does not feel supported by their family/people who they live with	3	-2	-4
One or more adults in family feels unsafe walking alone at night	29	-6	-
One or more adults in family worries about being affected by crime	50	-4	-
One or more adults in family does not like living in current neighbourhood	13	-3	-
One or more adults in family spends time caring for someone	32	1	2
One or more adults in family perceives local services as poor	43	1	-
One or more adults in family thinks people in their neighbourhood cannot be trusted	21	-1	-
No adults in family are members of an organisation	61	5	3
One or more adults in family is not willing to improve neighbourhood	15	0	3
Family's average size of social network is below 5 close friends	64	-1	2

Notes: '-' indicates that data is not available for this period. The Lived Experience Indicators use data from a range of survey years as not all questions are asked every year. See Annex 3 for details on the years that each of the indicators are drawn from.

Source: Family Resources Survey and HBAI dataset (2021/22) and Understanding Society (2011/12 - 2019/20), SMC analysis.

## EDUCATION

Educational outcomes amongst people living in families in poverty are worse than for those not in poverty. For example, almost one in five (17%) people in poverty live in a family where no one has any formal qualifications, compared to less than one in ten (7%) of those in families not in poverty. Additionally, over a quarter (26%) of people in poverty live in families where the highest qualification is below 5A\*-C GCSEs or equivalent, compared to only 11% of those in families not in poverty. Nevertheless, it is encouraging that there has been a six point decrease in the proportion of people in poverty living in families where no one has any qualification since 2000/01.

Table 15: Education domain of Lived Experience Indicators, by poverty status

	Proportion of people in poverty who have characteristic listed (%)	Proportion of people not in poverty who have characteristic listed (%)
No one in family has any formal qualifications	17	7
All adults have highest qualification that is below 5A*-C GCSEs or equivalent	26	11

Source: Family Resources Survey and HBAI dataset (2021/22) and Understanding Society (2014/15 - 2019/20), SMC analysis.

Table 16: Changes over time in education domain of Lived Experience Indicators

	Proportion of people in poverty who have characteristic listed		
	This year	Change since last data (percentage point)	Change since earliest data (percentage point)
No one in family has any formal qualifications	17	-2	-6
All adults have highest qualification that is below 5A*-C GCSEs or equivalent	26	-3	-3

Notes: The Lived Experience Indicators use data from a range of survey years as not all questions are asked every year. See Annex 3 for details on the years that each of the indicators are drawn from.

Source: Family Resources Survey and HBAI dataset (2000/01 - 2021/22) and Understanding Society (2011/12 - 2019/20), SMC analysis.

## HEALTH

There are some large differences between people in poverty and those not in poverty in the health domain. For example, more than half (58%) of people in poverty live in a family that includes a disabled person, compared to 38% of people who are not in poverty. The prevalence of self-reported mental health concerns is 11 percentage points higher amongst people living in families that are in poverty (35%), than amongst those who do not live in a family that is in poverty (24%). Additionally, smoking prevalence is 15 percentage points higher amongst families living in poverty (35%), than amongst families not living in poverty (20%). Alternatively, it is notable that people in poverty are markedly less likely to live with someone who drinks to excess, or who has taken illegal drugs in the last year.

Table 17: Health domain of Lived Experience Indicators, by poverty status

	Proportion of people in poverty who have characteristic listed (%)	Proportion of people not in poverty who have characteristic listed (%)
In a family that includes a disabled adult or child	58	38
One or more adults in family with poor self-reported physical health	26	21
One or more adults in family with poor self-reported mental health	35	24
One or more adults in family with low life satisfaction	15	9
One or more adults in family with low health satisfaction	23	16
One or more youths in family has drunk to excess in last four weeks	40	60
One or more adults in family has drunk to excess in the last year	50	62
One or more adults in family smokes cigarettes (not incl. e-cigarettes)	35	20
One or more youths in family has used or taken illegal drugs at least once in the last year	17	24

Source: Family Resources Survey and HBAI dataset (2021/22) and Understanding Society (2014/15 - 2019/20), SMC analysis.

Table 18 shows changes over time in the indicators of the health domain. There has been a seven percentage point rise in the proportion of people in poverty that live in a family that includes a disabled adult or child. In contrast, the proportion of people in poverty living in a family where One or more adults in family has drunk to excess in the last year has fallen by eight percentage points.

Table 18: Changes over time in health domain of Lived Experience Indicators

	Proportion of people in poverty who have characteristic listed		
	This year	Change since last data (percentage point)	Change since earliest data (percentage point)
In a family that includes a disabled adult or child	58	7	11
One or more adults in family with poor self-reported physical health	26	0	1
One or more adults in family with poor self-reported mental health	35	1	2
One or more adults in family with low life satisfaction	15	-3	-6
One or more adults in family with low health satisfaction	23	0	-8
One or more youths in family has drunk to excess in last four weeks	40	-4	-10
One or more adults in family has drunk to excess in the last year	50	-8	-6
One or more adults in family smokes cigarettes (not incl. e-cigarettes)	35	-1	-5
One or more youths in family has used or taken illegal drugs at least once in the last year	17	3	-1

Notes: '-' indicates that data is not available for this period. The Lived Experience Indicators use data from a range of survey years as not all questions are asked every year. See Annex 3 for details on the years that each of the indicators are drawn from. The question on health satisfaction appears in the adult self-completion questionnaire of Understanding Society, which shifted from paper to computer administered self-interview over the period analysed. This change is likely to contribute to the large fall in low health satisfaction recorded in the table.

Source: Family Resources Survey and HBAI dataset (2000/01 - 2021/22) and Understanding Society (2011/12 - 2019/20), SMC analysis.

## FAMILY FINANCES

As discussed above, worklessness amongst working-age adults in poverty has fallen since 2000/01. However, nearly a third (34%) of people in poverty still live in workless families. This compares to just 5% of those not in poverty. People who are in poverty are more likely to live in families that are behind in paying their bills, that report material deprivation, or where adults have felt embarrassed by low income. The proportion of people in poverty who live in families where no adult saves (66%) is double of that of people not in poverty (33%).

Table 19: Family finances domain of Lived Experience Indicators, by poverty status

	Proportion of people in poverty who have characteristic listed (%)	Proportion of people not in poverty who have characteristic listed (%)
Family is behind in paying bills	28	7
In a workless family	34	5
In a family reporting material deprivation	21	3
One or more adults in family with low income satisfaction	27	13
One or more adults in family has felt embarrassed by low income	42	22
No adult in family saves	66	33

Source: Family Resources Survey and HBAI dataset (2019/20) and Understanding Society (2014/15 - 2018/19), SMC analysis.

Table 20 shows that the proportion of people in poverty living in a workless family has fallen by 15 percentage points since 2000/01. Rates of dissatisfaction with low income and material deprivation along with the likelihood of being behind with paying the bills have also fallen since these indicators started to be measured.

Table 20: Changes over time in family finances domain of Lived Experience Indicators

	Proportion of people in poverty who have characteristic listed		
	This year	Change since last data (percentage point)	Change since earliest data (percentage point)
Family is behind in paying bills	28	1	-3
In a workless family	34	3	-15
In a family reporting material deprivation	21	-3	-8
One or more adults in family with low income satisfaction	27	-2	-12
One or more adults in family has felt embarrassed by low income	42	0	-
No adult in family saves	66	-5	-5

Notes: '-' indicates that data is not available for this period. The Lived Experience Indicators use data from a range of survey years as not all questions are asked every year. See Annex 3 for details on the years that each of the indicators are drawn from.

Source: Family Resources Survey and HBAI dataset (2000/01 - 2021/22) and Understanding Society (2011/12 - 2019/20), SMC analysis.



## LABOUR MARKET OPPORTUNITY

The proportion of working-age adults in poverty who are workless is 56%, compared to 17% of those living in families not in poverty. On average, working adults in poverty spend slightly less time traveling to work (22 minutes), compared to working adults not in poverty (26 minutes).

Table 21: Labour market opportunity domain of Lived Experience Indicators, by poverty status

	Proportion of people in poverty who have characteristic listed (%)	Proportion of people not in poverty who have characteristic listed (%)
Proportion of working-age adults who are workless	56	17
Average time spent travelling to work for working adults in family (minutes)	22	26

Notes: Estimates denote percentage, unless otherwise specified in the variable description.

Source: Family Resources Survey and HBAI dataset (2021/22) and Understanding Society (2014/15 - 2018/19), SMC analysis.

More positively, the proportion of working-age adults in poverty who are workless has fallen by eight percentage points since 2000/01.

Table 22: Changes over time in labour market opportunity domain of Lived Experience Indicators

	Proportion of people in poverty who have characteristic listed		
	This year	Change since last data (percentage point)	Change since earliest data (percentage point)
Proportion of working-age adults who are workless	56	4	-8
Average time spent travelling to work for working adults in family (minutes)	22	-1	-1

Notes: The Lived Experience Indicators use data from a range of survey years as not all questions are asked every year. See Annex 3 for details on the years that each of the indicators are drawn from. Estimates denote percentage, unless otherwise specified in the variable description.

Source: Family Resources Survey and HBAI dataset (2000/01 - 2021/22) and Understanding Society (2011/12 - 2019/20), SMC analysis.

While these statistics begin to paint a picture of the wider experiences and challenges that people in poverty face, they are by no means comprehensive. More work is needed to develop a full suite of indicators that can comprehensively and regularly capture a better picture of the lived experience of people in poverty. The Commission will review and improve its approach to measuring the lived experience of poverty.

## SECTION FOUR: DETAILED FACTSHEETS ON POVERTY BY AGE, AGE GROUP, DISABILITY STATUS AND FOR MEN AND WOMEN

### POVERTY AMONGST WORKING-AGE ADULTS PRIOR TO THE PANDEMIC

There are 8.5 million working-age adults in poverty in the UK. The poverty rate for working-age adults (21%) is around a percentage point lower than the poverty rate for the whole population (22%).

Figure 30: Composition of working-age adult poverty and working-age adult poverty rates in the UK, 2021/22

**14.9 million people in poverty in the UK (2021/22), of which:**

**8,500,000**



Working-age adults

**Poverty rates in the UK (2021/22):**

**21%**

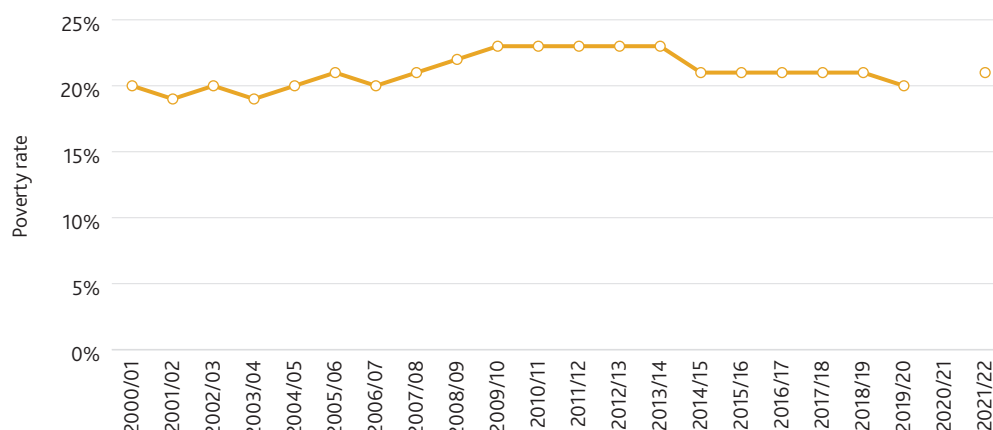
Of working-age adults are in poverty

Notes: Figures have been rounded, so may not sum perfectly.

Source: Family Resources Survey and HBAI dataset (2021/22), SMC analysis.

Figure 31 shows that, from a low of 19% in 2001/02, the poverty rate for working-age adults increased steadily to a peak of 23% between 2009/10 and 2013/14, before falling to 20% in 2019/20. The poverty rate for working-age adults then increases during the pandemic, to 21% in 2021/22. Overall, this means that the poverty rate for working-age adults is slightly higher than it was in the early 2000s.

Figure 31: Poverty rates for working-age adults, over time



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

## POVERTY AMONGST WORKING-AGE ADULTS: FAMILY TYPE

Figure 32 shows how poverty amongst working-age adults varies by the type of family in which they live. It shows that the most prevalent family type for working-age adults in poverty is a single family with no children. Together with those in couple families with no children, this means that more than half (55%) of working-age people in poverty live in families without children.

Rates of poverty for working-age adults also vary between those in different family types. The lowest poverty rate for working-age adults is for those living in couple families without children (11%), while the rate for working-age adults in lone-parent families is more than four times as high (48%).

Figure 32: Composition of poverty and poverty rates in the UK for working-age adults, by family type, 2021/22

**8.5 million working-age adults in poverty in the UK (2021/22), comprised of:**

**3,100,000**



Working-age adults in single families with no children

**900,000**



Working-age adults in lone-parent families

**1,400,000**



Working-age adults in couple families with no children

**2,800,000**



Working-age adults in couple families with children

**Poverty rates in the UK (2021/22):**

**26%**

Of working-age adults in single families with no children are in poverty

**48%**

Of working-age adults in lone-parent families are in poverty

**11%**

Of working-age adults in couple families with no children are in poverty

**24%**

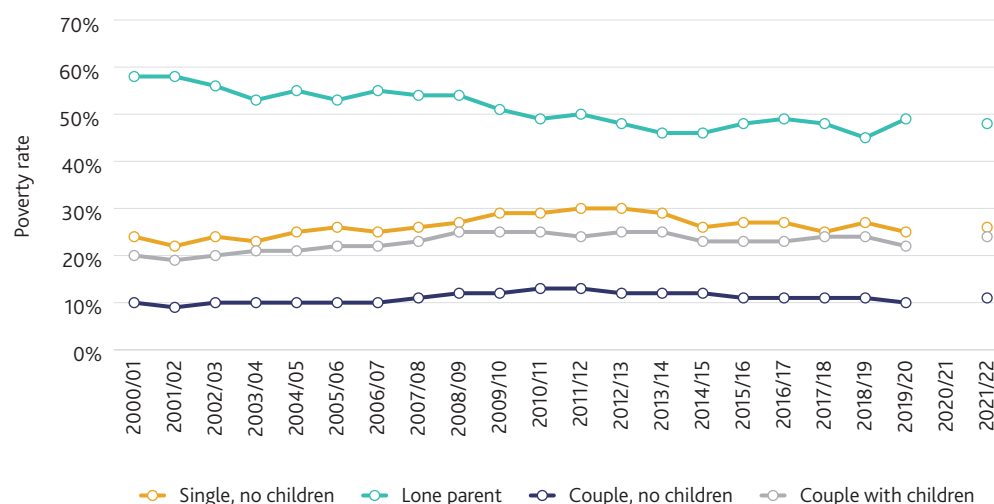
Of working-age adults in couple families with children are in poverty

Notes: Figures have been rounded, so may not sum perfectly. Family types taken from the HBAI dataset once SMC poverty indicators (assessed at the sharing unit level) have been allocated to each benefit unit. In the cases where there are working-age adults in pensioner families they are included in the aggregates, but not displayed in the breakdown above. This applies to all estimates for family type in this section.

Source: Family Resources Survey and HBAI dataset (2021/22), SMC analysis.

Figure 33 shows how poverty rates for working-age adults in different family types have changed over time. It shows that poverty rates for working-age adults in lone-parent families have fallen considerably, from 58% in 2000/01 to 48% in 2021/22. In contrast, poverty rates for working-age adults in couple families with children have risen by four percentage points since 2000/01. Over the entire period, poverty rates are the lowest for couples without children, with around one in ten (11%) people in these families living in poverty in 2021/22.

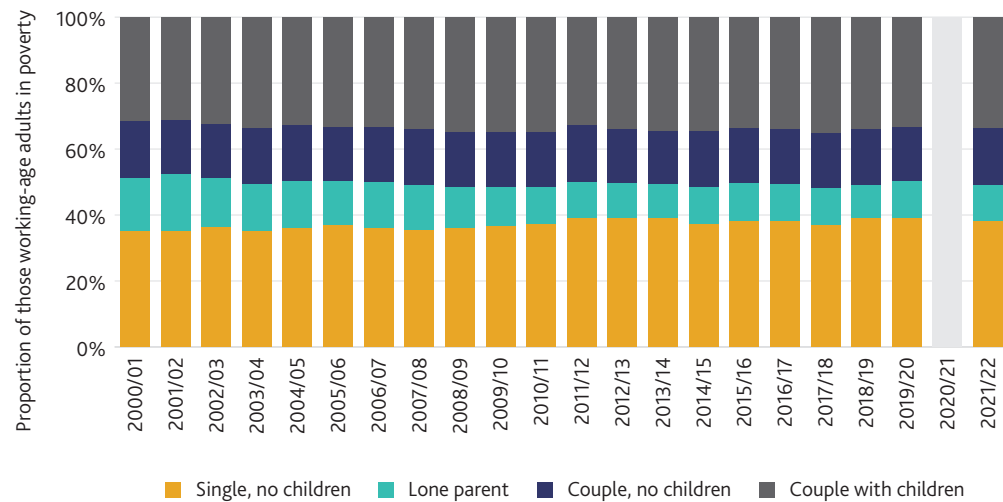
Figure 33: Poverty rates for working-age adults, by family type, over time



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

Figure 34 shows what this means for the composition of working-age adults in poverty by family type and how this has changed over time. It shows that, since 2000/01, working-age adults in couple families with children have consistently accounted for around a third of working age adults in poverty. The largest group is working age adults who are single, without children. This group increased from 35% of the total in 2000/01 to just under two in five (39%) in 2011/12. They currently make up 38% of the total. The proportion of working-age adults in poverty who live in lone parent families has fallen by five percentage points, from 16% in 2000/01 to 11% in 2021/22.

Figure 34: Composition of working-age adults in poverty, by family type



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

## POVERTY AMONGST WORKING-AGE ADULTS: FAMILY WORK STATUS

Figure 35 shows that 64% of working-age adults (5.3 million people) in poverty are in families where at least one person works at least a few hours. However, the overall poverty rate for working-age individuals in workless families is significantly higher (71%) than that of those in families where someone works. Less than one in ten (7%) working-age adults in families where all adults work full-time are in poverty.

Figure 35: Composition of poverty and poverty rates in the UK for working-age adults, by family work status, 2021/22

**8.5 million working-age adults in poverty in the UK (2021/22), comprised of:**

**1,700,000**



Working-age adults in full-time work families

**2,500,000**



Working-age adults in full/part-time work families

**1,100,000**



Working-age adults in part-time work families

**2,900,000**



Working-age adults in workless families

**Poverty rates in the UK (2021/22):**

**7%**

Of working-age adults in full-time work families are in poverty

**27%**

Of working-age adults in full/part-time work families are in poverty

**47%**

Of working-age adults in part-time work families are in poverty

**71%**

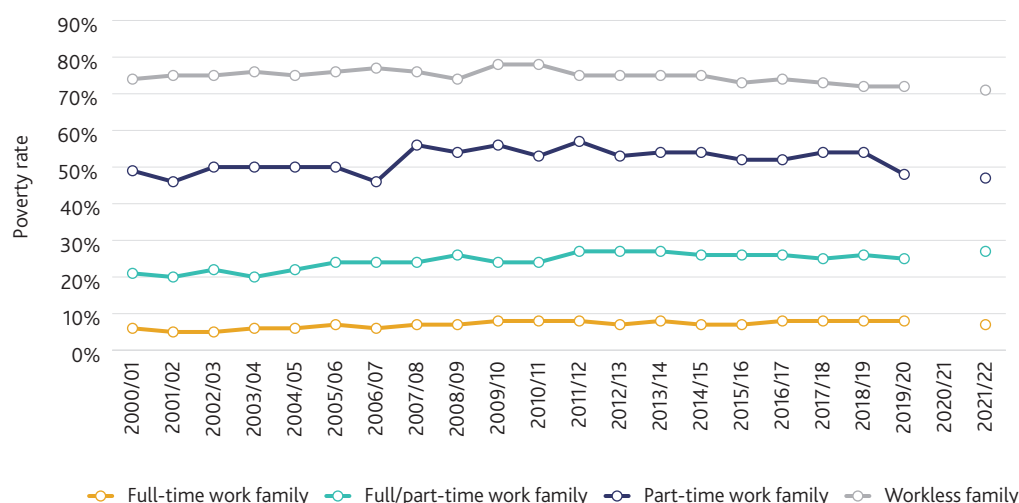
Of working-age adults in workless families are in poverty

Notes: Figures have been rounded, so may not sum perfectly.

Source: Family Resources Survey and HBAI dataset (2021/22), SMC analysis.

Poverty rates for working-age adults in workless families have fallen from a peak of 78% in 2010/11 to stand at 71% in 2021/22. In contrast, the poverty rate for working-age adults in full/part-time work families has risen by six percentage points since 2000/01. Figure 36 shows that this rise largely occurred in the early 2000s and during the financial crisis. Since 2012/13, the poverty rate for this group has remained broadly flat.

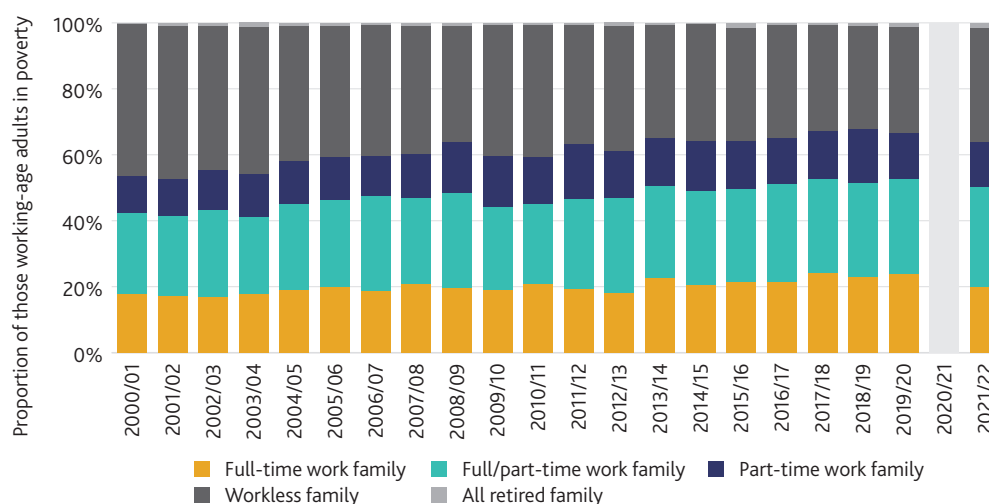
Figure 36: Poverty rates for working-age adults, by family work status, over time



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

As well as differences in the changes in poverty rates, the overall population of working-age adults living in working families since 2000/01 has risen considerably. In contrast, the number of working-age adults living in workless families has fallen, from just under half (46%) in 2000/01 to just over a third (35%) in 2021/22. This rising number of people in employment and falling number of workless families has been a large driver of the composition of working-age poverty having shifted towards those in working families (figure 37).

Figure 37: Composition of working-age adults in poverty, by family work status



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.



## POVERTY AMONGST WORKING-AGE ADULTS: HOUSING TENURE

Figure 38 shows how the population of working-age adults in poverty is split between different tenure types. Seven in ten (68%) working-age adults in poverty live in families in social-rented or private-rented accommodation. Poverty rates for working-age adults are also highest amongst families in these tenure types, with just over half (52%) of working-age adults in social-rented accommodation being in poverty, and nearly a third (29%) of those in private-rented accommodation.

Figure 38: Composition of poverty and poverty rates in the UK for working-age adults, by housing tenure, 2021/22

**8.5 million working-age adults in poverty in the UK (2021/22), comprised of:**

**3,200,000**



Working-age adults in social-rented accommodation

**2,500,000**



Working-age adults in private-rented accommodation

**1,700,000**



Working-age adults in mortgage-owned accommodation

**1,000,000**



Working-age adults in owned-outright accommodation

**Poverty rates in the UK (2021/22):**

**52%**

Of working-age adults in social-rented accommodation are in poverty

**29%**

Of working-age adults in private-rented accommodation are in poverty

**11%**

Of working-age adults in mortgage-owned accommodation are in poverty

**10%**

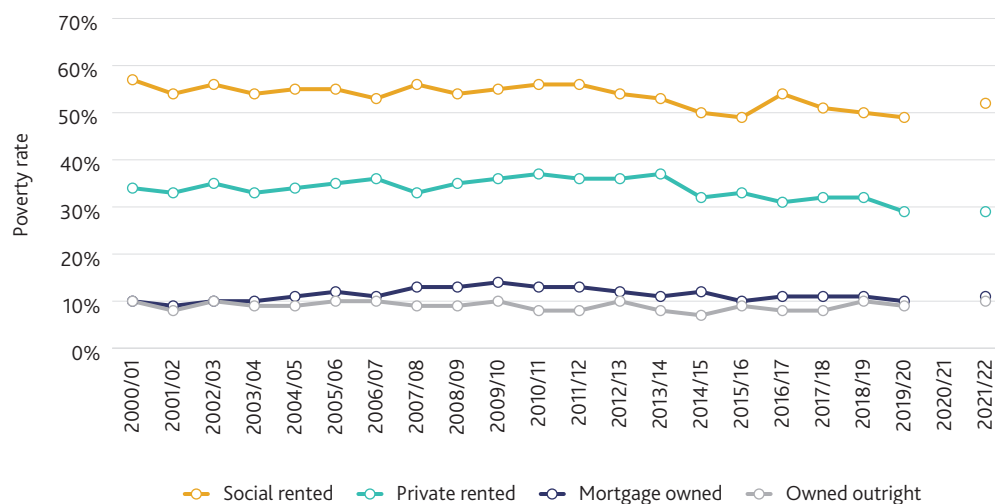
Of working-age adults in owned-outright accommodation are in poverty

Notes: Figures have been rounded, so may not sum perfectly.

Source: Family Resources Survey and HBAI dataset (2021/22), SMC analysis.

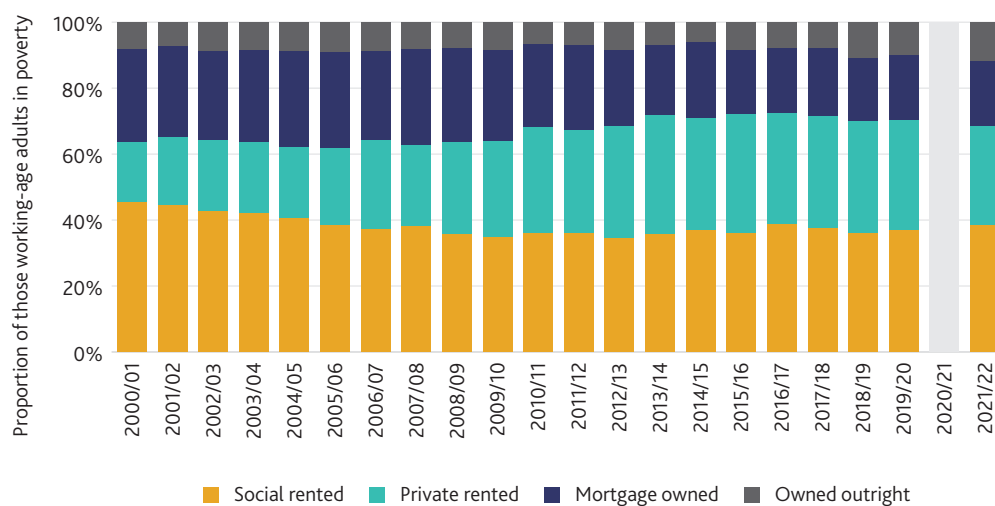
Figure 39 shows that the poverty rate for working-age adults in social-rented accommodation fell by eight percentage points between 2000/01 and 2019/20. Since then, it has risen by three percentage points, from 49% in 2019/20 to 52% in 2021/22. After rising between 2000/01 and 2013/14, poverty rates for working-age adults in private-rented accommodation have fallen, from 37% in 2013/14 to 29% in 2021/22. However, the fact that there has been a large shift towards living in the private-rented sector has meant that a higher proportion of working-age adults in poverty now live in the sector than in 2000/01.

Figure 39: Poverty rates for working-age adults, by housing tenure, over time



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis

Figure 40: Composition of working-age adults in poverty, by housing tenure



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

## POVERTY AMONGST WORKING-AGE ADULTS: FAMILY DISABILITY

Figure 41 shows that of the 8.5 million working-age adults in poverty, nearly six in ten (5 million) live in a family that includes a disabled adult or child. Rates of poverty for working-age adults living in families with a disabled person are far higher (31%) than those in families with no disabled person (14%).

Figure 41: Composition of poverty and poverty rates in the UK for working-age adults, by whether the family includes a disabled person, 2021/22

**8.5 million working-age adults in poverty in the UK (2021/22), comprised of:**

**5,000,000**



Working-age adults in families that include a disabled adult or child

**3,500,000**



Working-age adults in families that do not include a disabled adult or child

**Poverty rates in the UK (2021/22):**

**31%**

Of working-age adults in families that include a disabled adult or child are in poverty

**14%**

Of working-age adults in families that do not include a disabled adult or child are in poverty

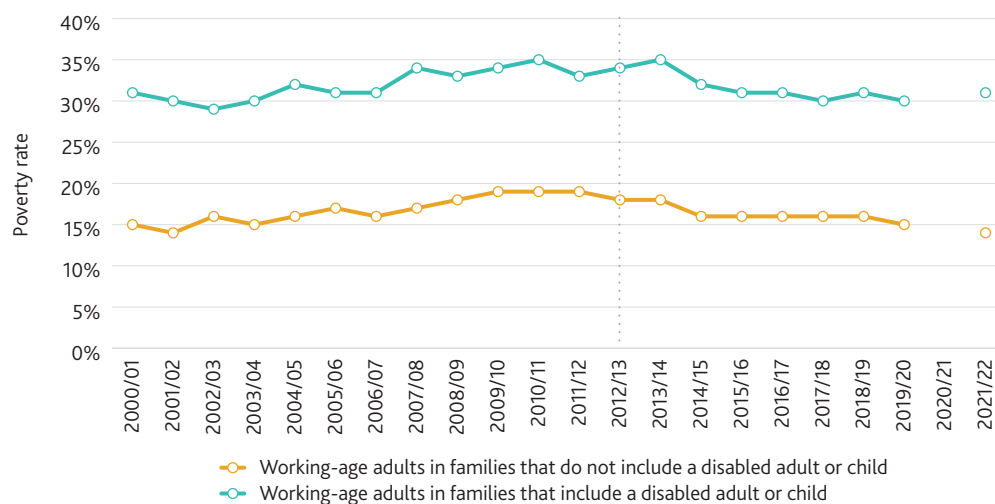
Notes: Figures have been rounded, so may not sum perfectly. The definition of disability changed to align with the core definition of disability under the Equality Act 2010 in 2012/13 but is otherwise consistent across years. Comparisons with years prior to 2012/13 should therefore be made with caution. This applies to all disability estimates in this section.

Source: Family Resources Survey and HBAI dataset (2021/22), SMC analysis.

Poverty rates for working-age adults living in families with a disabled person have fallen from a peak of 35% in 2013/14, and now stand at 31%, broadly the same rate as at the start of the 2000s.

In 2021/22, almost six in ten (59%) working-age individuals in poverty lived in a family where someone was disabled. Over the last decade, there has been a dramatic increase in the proportion of working-age adults in poverty who live with someone disabled, from 41% in 2009/10 to 59% in 2021/22. This trend accelerated between 2019/20 and 2021/22, with a seven percentage-point increase.

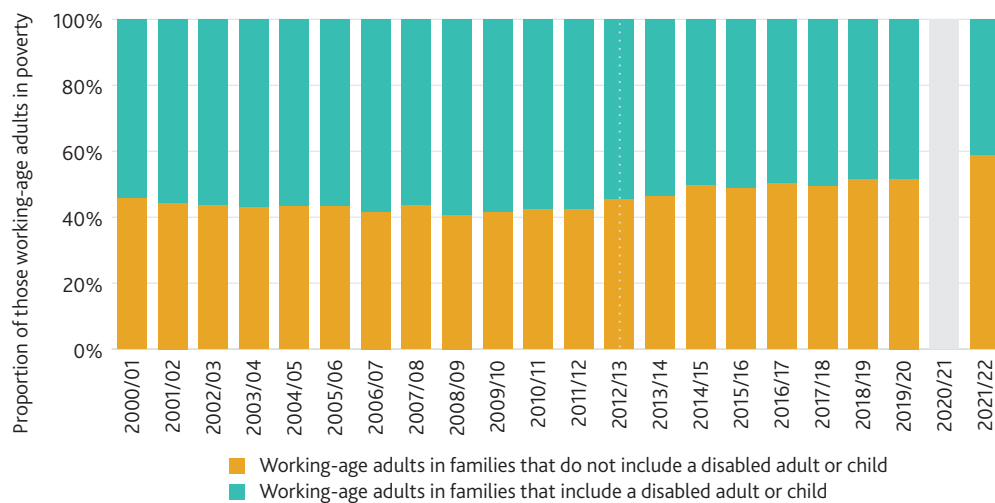
Figure 42: Poverty rates for working-age adults, by whether the family includes a disabled person, over time



Notes: The dotted line indicates the change in definition to align with Equality Act definitions in 2012/13.

Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

Figure 43: Composition of working-age adults in poverty, by whether the family includes a disabled person



Notes: The dotted line indicates the change in definition to align with Equality Act definitions in 2012/13.

Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

## CHILDREN IN POVERTY

Of the 14.9 million people in poverty in the UK, 4.9 million are children. The proportion of children in poverty (34%) is significantly above the rate for the whole population (22%).

Figure 44: The number of children in poverty and poverty rates amongst children in the UK, 2021/22

**14.9 million people in poverty in the UK (2021/22), of which:**

**4,900,000**  
  
Children

**Poverty rates in the UK (2021/22):**

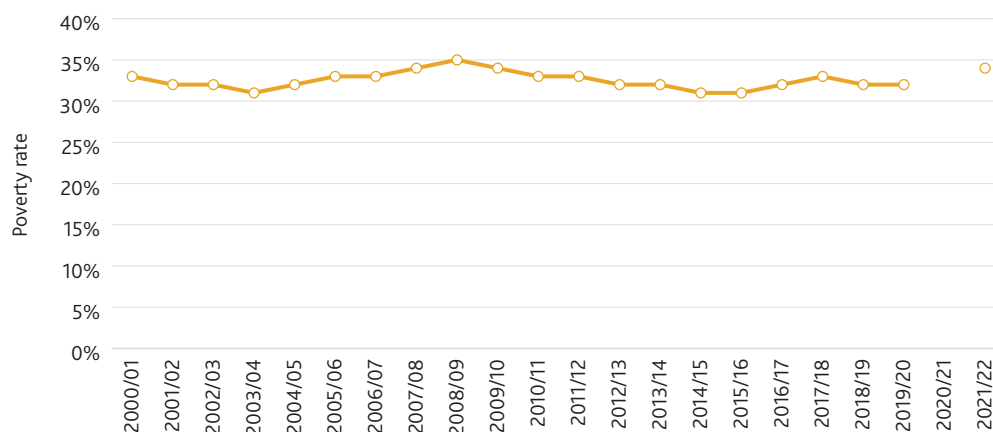
**34%**  
Of children are in poverty

Notes: Figures have been rounded, so may not sum perfectly.

Source: Family Resources Survey and HBAI dataset (2021/22), SMC analysis.

Figure 52 shows that the rate of poverty amongst children fell in the years after the financial crisis, from a high of 35% in 2008/09 to 31% in 2014/15. The rate has since risen and stands at 34% in 2021/22.

Figure 45: Poverty rates amongst children, over time



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

## CHILDREN IN POVERTY: FAMILY TYPE

Figure 46 shows that of the 4.9 million children in poverty, about two thirds (64%) live in couple families. However, poverty rates for children living in lone-parent families (52%) are almost twice as high as those living in couple families (29%).

Figure 46: Poverty rates and composition of poverty amongst children in the UK, by family type, 2021/22

**4.9 million children in poverty in the UK (2021/22), comprised of:**

**1,800,000**



Children in lone-parent families

**3,200,000**



Children in couple families

**Poverty rates in the UK (2021/22):**

**52%**

Of children in lone-parent families are in poverty

**29%**

Of children in couple families are in poverty

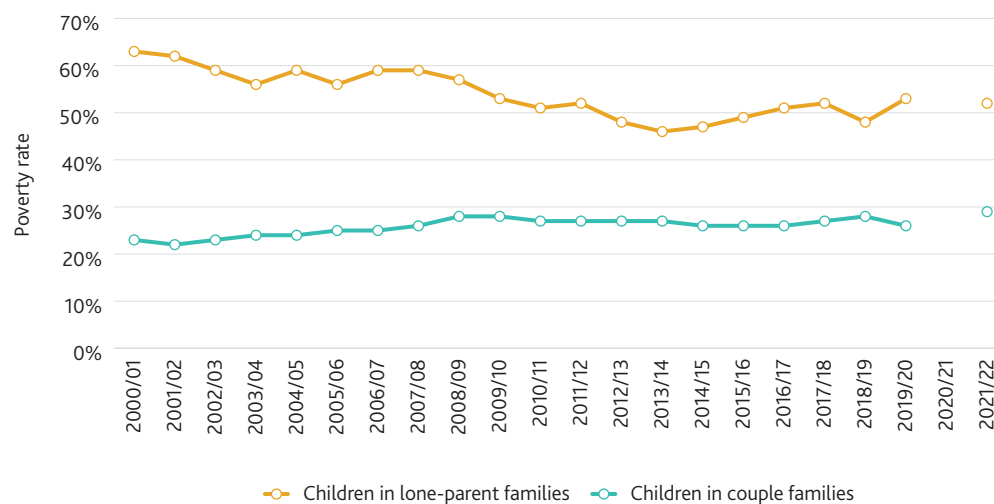
Notes: Figures have been rounded, so may not sum perfectly. Family types taken from the HBAI dataset once SMC poverty indicators (assessed at the sharing unit level) have been allocated to each benefit unit. Where one or more adult is pension age, the family type of the child is designated as 'pensioner couple' or 'pensioner single'. For this analysis these groups were included in couple and lone-parent families. This applies to all estimates for family type in this section.

Source: Family Resources Survey and HBAI dataset (2021/22), SMC analysis.

One of the major changes in UK poverty over the last two decades has been the fall in poverty amongst children living in lone-parent families. Poverty rates for children in lone parent families fell from 63% in 2000/01 to 46% in 2013/14. Progress in reducing poverty amongst children in lone parent families has more recently reversed, with poverty increasing to 52% in 2021/22.

Poverty rates amongst children in couple families have followed a different trend; after rising by five percentage points in the pre-recession period, they then held steady in the period after the recession. Since 2019/20, there has been a marked increase in poverty for children in couple families, with the rate increasing from 26% in 2019/20 to 29% in 2021/22.

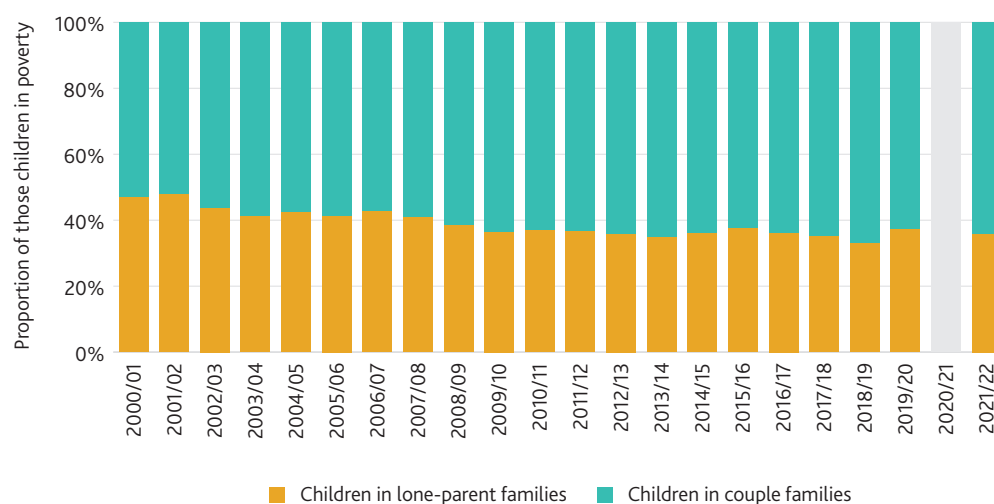
Figure 47: Poverty rates for children, by family type, over time



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

The trends outlined above have also meant that the overall composition of children living in poverty has changed since 2000/01. Figure 48 shows that children living in couple families have formed an increasingly large overall proportion of children in poverty, now representing 64% of children in poverty overall, up from 53% in 2000/01.

Figure 48: Composition of poverty amongst children, by family type



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

## CHILDREN IN POVERTY: FAMILY WORK STATUS

Figure 49 shows that of the 4.9 million children in poverty, 1.1 million (22%) are in families where all adults work full time. Around half (2.4 million children; 49%) of children in poverty are in families that either mix full- and part-time work, or where all adults work part-time. The remaining 1.4 million children in poverty (28%) are in workless families. The poverty rate amongst children in workless families stands at 79%. Even where all adults work full time, 14% of children in these families are in poverty.

Figure 49: Poverty rates and composition of poverty amongst children in the UK, by family work status, 2021/22

**4.9 million children in poverty in the UK (2021/22), comprised of:**

**1,100,000**



Children in full-time work families

**1,900,000**



Children in full/part-time work families

**600,000**



Children in part-time work families

**1,400,000**



Children in workless families

**Poverty rates in the UK (2021/22):**

**14%**

Of children in full-time work families are in poverty

**48%**

Of children in full/part-time work families are in poverty

**59%**

Of children in part-time work families are in poverty

**79%**

Of children in workless families are in poverty

Notes: Figures have been rounded, so may not sum perfectly.

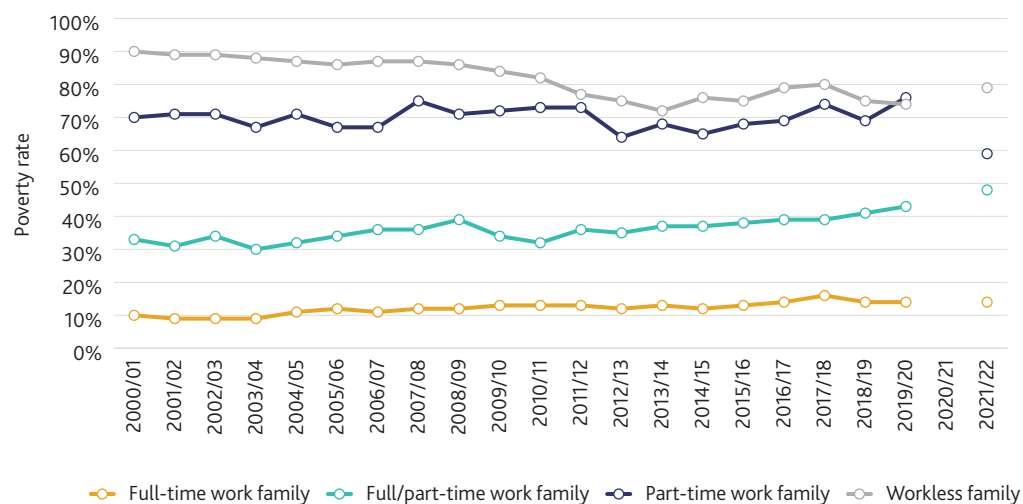
Source: Family Resources Survey and HBAI dataset (2021/22), SMC analysis.

Figure 50 shows that poverty rates for children in workless families have fallen significantly since 2000/01.

As is the case with poverty amongst working-age adults, a rising overall employment rate has led to the proportion of children in poverty who are in families with someone in work increasing over time. Figure 51 shows that in 2000/01, just over half (52%) of children in poverty lived in a family where someone was in work. By 2021/22, this figure had risen to nearly three in four (72%).

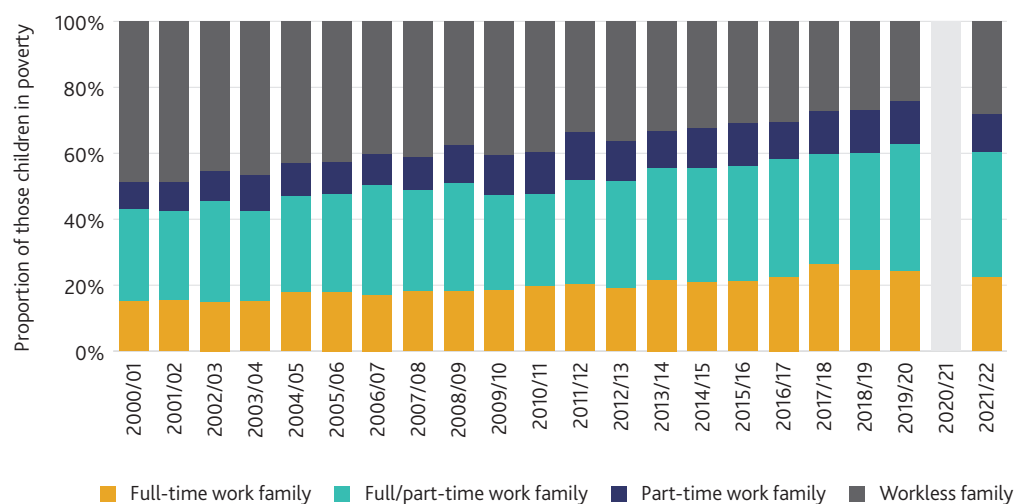


Figure 50: Poverty rates for children, by family work status, over time



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

Figure 51: Composition of children in poverty, by family work status



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

## CHILDREN IN POVERTY: HOUSING TENURE

Figure 52 breaks down the number of children living in poverty in the UK by the housing tenure of the child's family. It shows that nearly three in four (73%) children in poverty live in families in social- or private-rented accommodation. The rates of poverty for these two tenures are also significantly higher than for children who live in families in owner-occupied accommodation. For example, six in ten (60%) children living in families in social-rented accommodation are in poverty. Over half (52%) of children in private-rented accommodation are in poverty. In contrast, 16% of children living in families in mortgage-owned accommodation are in poverty.

Figure 52: Poverty rates and composition of poverty amongst children in the UK, by housing tenure, 2021/22

**4.9 million children in poverty in the UK (2021/22), comprised of:**

**1,900,000**



Children in social-rented accommodation

**1,600,000**



Children in private-rented accommodation

**1,100,000**



Children in mortgage-owned accommodation

**200,000**



Children in owned-outright accommodation

**Poverty rates in the UK (2021/22):**

**60%**

Of children in social-rented accommodation are in poverty

**52%**

Of children in private-rented accommodation are in poverty

**16%**

Of children in mortgage-owned accommodation are in poverty

**18%**

Of children in owned-outright accommodation are in poverty

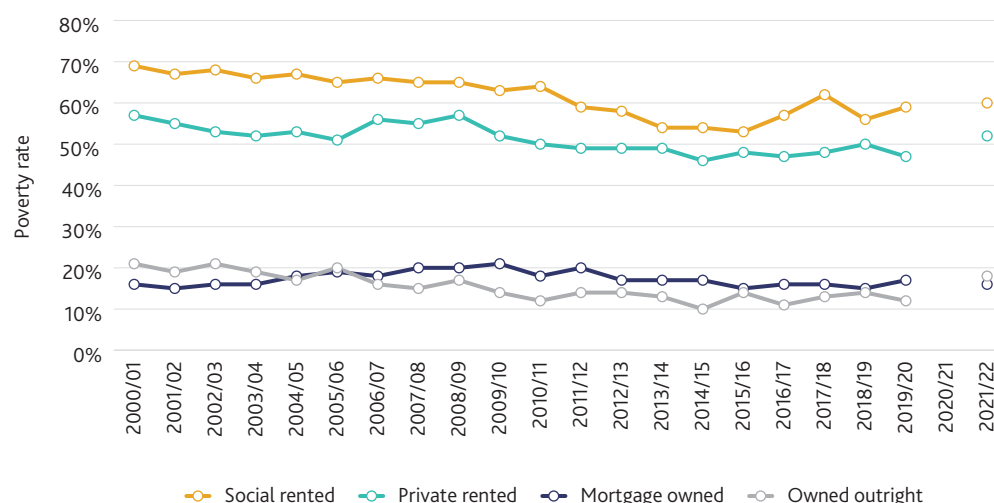
Notes: Figures have been rounded, so may not sum perfectly.

Source: Family Resources Survey and HBAI dataset (2021/22), SMC analysis.

Figure 53 shows that rates of poverty have fallen for children in rented tenures since 2000/01. In 2000/01, seven in ten (69%) children in social rented accommodation were in poverty. This has fallen to six in ten (60%) in the most recent data.

Similarly, in private rented accommodation, the proportion of children in poverty has fallen from 57% in 2000/01 to 47% in 2019/20. There has however been a recent increase in poverty for those in the private rented sector, with the proportion of children in this tenure type living in poverty increasing from 47% in 2019/20 to 52% in 2021/22. Trends for poverty amongst children in mortgage-owned and outright-owned accommodation are much flatter.

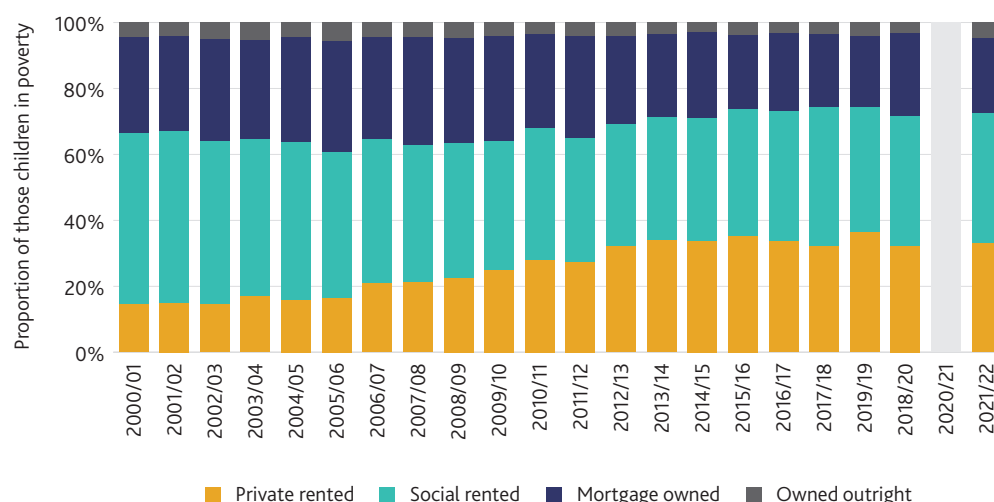
Figure 53: Poverty rates amongst children, by housing tenure, over time



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

Figure 54 demonstrates significant shifts in the composition of children living in poverty since 2000/01, with a significant rise (18 percentage points) in the proportion of children in poverty who live in private-rented accommodation. This has been offset by large reductions in the proportion accounted for by children in poverty in the social-rented sector (12 percentage points) and mortgage-owned accommodation (six percentage points). This reflects a broader trend towards a greater share of people in poverty living in the private-rented sector. As demonstrated above, the poverty rate faced by children living in privately rented accommodation sector has fallen since 2000/01, so this compositional increase reflects the fact that more children now live in privately rented accommodation than used to be the case.

Figure 54: Composition of poverty amongst children, by housing tenure



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

## CHILDREN IN POVERTY: FAMILY DISABILITY

Of the 4.9 million children in poverty in the UK, over half (2.6 million; 53%) are living in a family where someone is disabled. Amongst children living in a family where someone is disabled, 45% are in poverty. In families with no disabled person, this figure is 27%.

Figure 55: Poverty rates and composition of poverty amongst children in the UK, by whether the family includes a disabled person, 2021/22

**4.9 million children in poverty in the UK (2021/22), comprised of:**

**2,600,000**



Children in families that include a disabled adult or child

**2,300,000**



Children in families that do not include a disabled adult or child

**Poverty rates in the UK (2021/22):**

**45%**

Of children in families that include a disabled adult or child are in poverty

**27%**

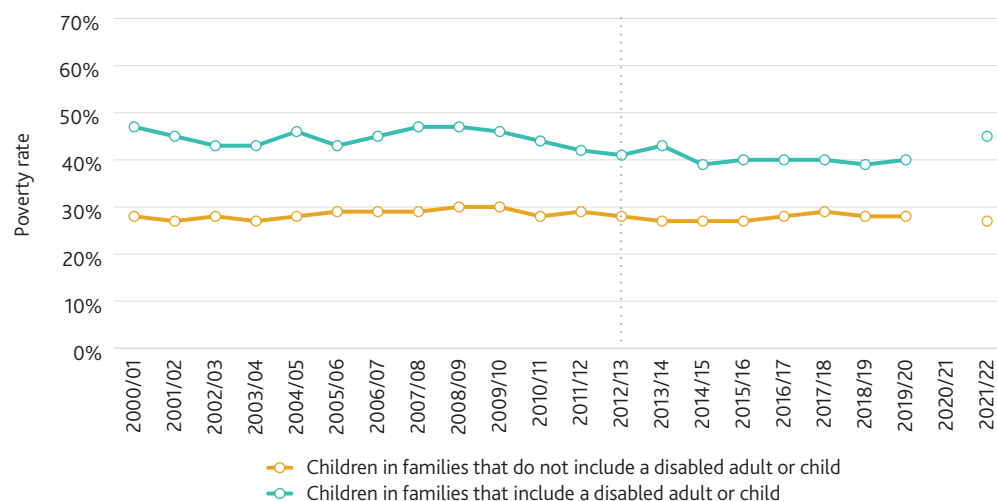
Of children in families that do not include a disabled adult or child are in poverty

Notes: Figures have been rounded, so may not sum perfectly.

Source: Family Resources Survey and HBAI dataset (2021/22), SMC analysis.

Figure 56 shows that the poverty rate for children in families with a disabled person fell from 47% in 2000/01 to 39% in 2018/19. Since 2018/19, this rate has increased sharply, to 45% in 2021/22. The poverty rate for children in families where no one is disabled remains similar to that seen in 2000/01. Figure 57 shows that the proportion of all children in poverty comprised of children living in families where someone is disabled has increased significantly, from a low of 34% in 2006/07 to over half (53%) in 2021/22.

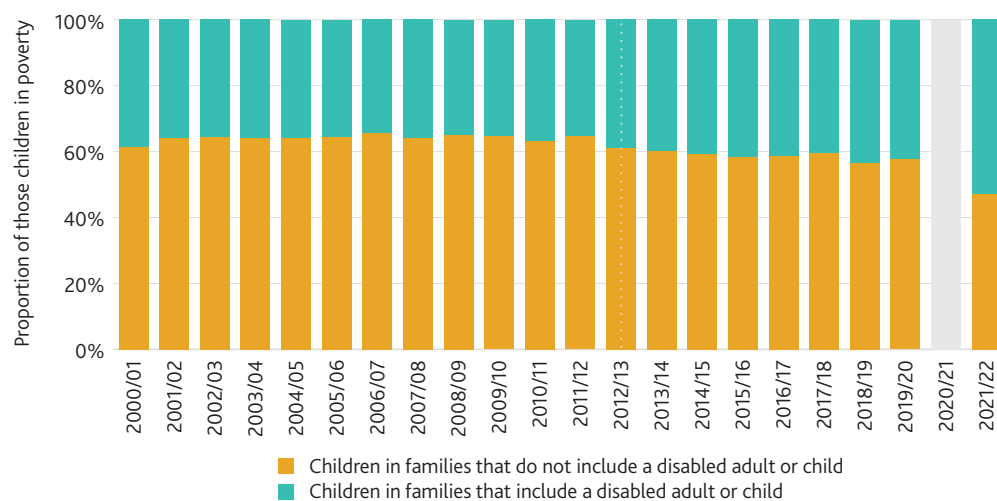
Figure 56: Poverty rates amongst children, by whether the family includes a disabled person, over time



Notes: The dotted line indicates the change in definition to align with Equality Act definitions in 2012/13.

Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

Figure 57: Composition of poverty amongst children, by whether the family includes a disabled person



Notes: The dotted line indicates the change in definition to align with Equality Act definitions in 2012/13.

Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

## CHILDREN IN POVERTY: AGE OF YOUNGEST CHILD

Nearly half (48%) of the 4.9 million children in poverty in the UK live in a family where the youngest child is under the age of five. Poverty rates for this group of children are also higher, standing at 39%, compared to between 32% and 26% for children living in families where the youngest child is over the age of five.

Figure 58: Poverty rates and composition of poverty amongst children in the UK, by age of youngest child in family, 2021/22

**4.9 million children in poverty in the UK (2021/22), comprised of:**

**2,400,000**



Children in families where the youngest child is under 5

**1,900,000**



Children in families where the youngest child is aged between 5 and 11

**600,000**



Children in families where the youngest child is aged over 12

**Poverty rates in the UK (2021/22):**

**39%**

Of children in families where the youngest child is aged under 5 are in poverty

**32%**

Of children in families where the youngest child is aged between 5 and 11 are in poverty

**26%**

Of children in families where the youngest child is aged over 12 are in poverty

Notes: Figures have been rounded, so may not sum perfectly.

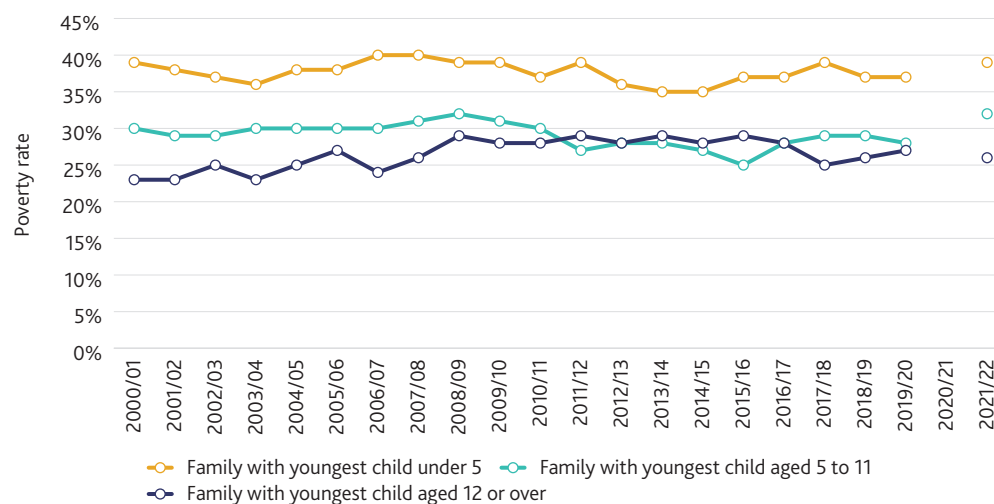
Source: Family Resources Survey and HBAI dataset (2021/22), SMC analysis.

Figure 59 shows that poverty rates for children who live in families where the youngest child is aged 5 to 11 have increased by around six percentage points since 2015/16. The majority of this increase has come in the most recent year, with poverty rates increasing from 28% in 2019/20 to 32% in 2021/22.

For children living in families where the youngest child is under 5, there has been a gradual increase in poverty rates from a low of 35% in 2014/15, up to 39% in 2021/22.

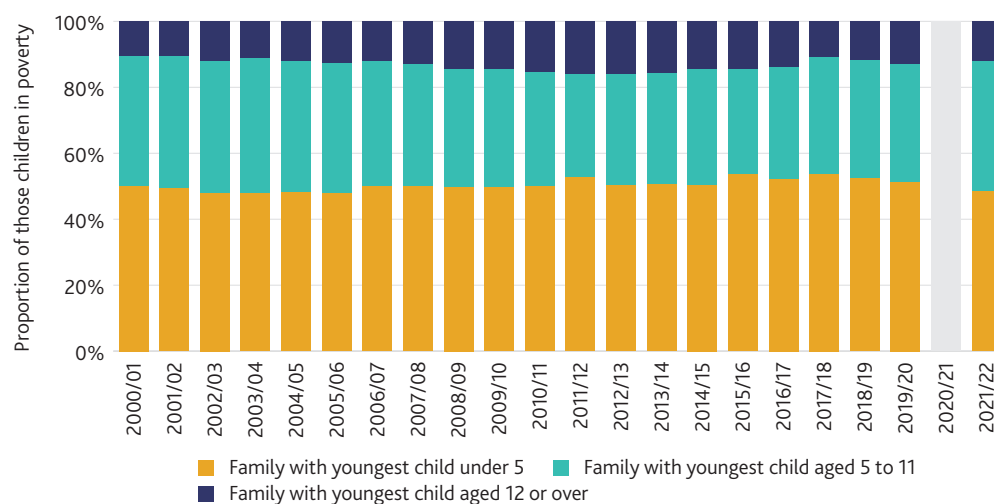
In contrast, poverty rates amongst children who live in families where the oldest child is aged 12 or over rose by six percentage points between 2000/01 and 2013/14 but have since fallen by three percentage points.

Figure 59: Poverty rates amongst children, by age of youngest child in the family, over time



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

Figure 60: Composition of poverty amongst children, by age of youngest child in the family



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

## CHILDREN IN POVERTY: NUMBER OF CHILDREN

Almost half (49%) of the 4.9 million children in poverty in the UK live in a family with three or more children. Poverty rates for this group of children are also higher, standing at 50% compared to 25% for children living in families where they are the only child, or 26% where there are two children.

Figure 61: Poverty rates and composition of poverty amongst children in the UK, by number of children in family, 2021/22

**4.9 million children in poverty in the UK (2021/22), comprised of:**

**800,000**



Children in families with one child

**1,700,000**



Children in families with two children

**2,400,000**



Children in families with three or more children

**Poverty rates in the UK (2021/22):**

**25%**

Of children in families with one child are in poverty

**26%**

Of children in families with two children are in poverty

**50%**

Of children in families with three or more children are in poverty

Notes: Figures have been rounded, so may not sum perfectly.

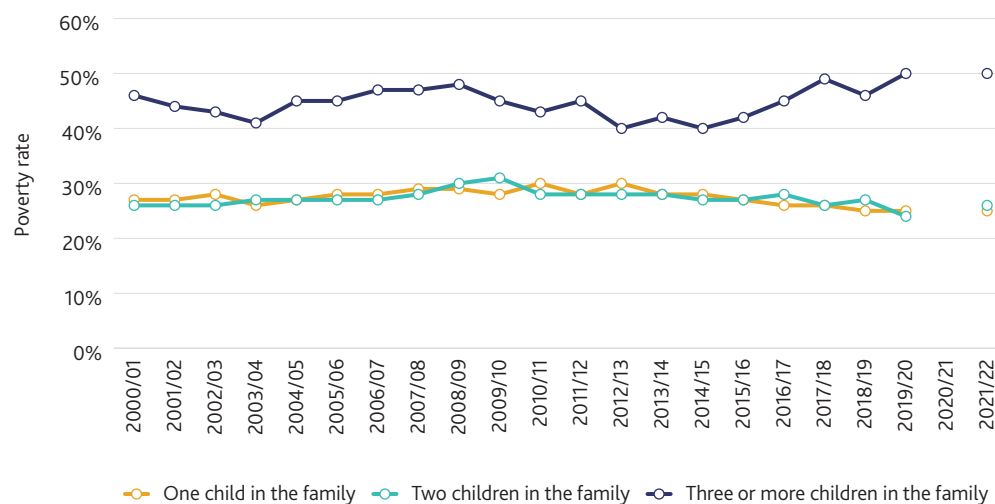
Source: Family Resources Survey and HBAI dataset (2021/22), SMC analysis.

Figure 62 shows that rates of poverty for children vary depending on the number of children in the family. Since 2000/01, children in families with three or more children have consistently had higher rates of poverty than those in families with fewer children.

Recently, this gap has been widening, with children in large families facing increasing poverty risk and making up an increasingly large share of the overall number of children in poverty. While the poverty rates for children in one- and two-child families have changed little since 2000/01, and have in fact decreased since 2014/15, poverty rates for those in families with three or more children have shown a significant upward trend, increasing from 40% in 2014/15 to 50% in 2021/22. Children in families with three or more children make up just under half (49%) of children in poverty in 2021/22, up from 35% in 2014/15.

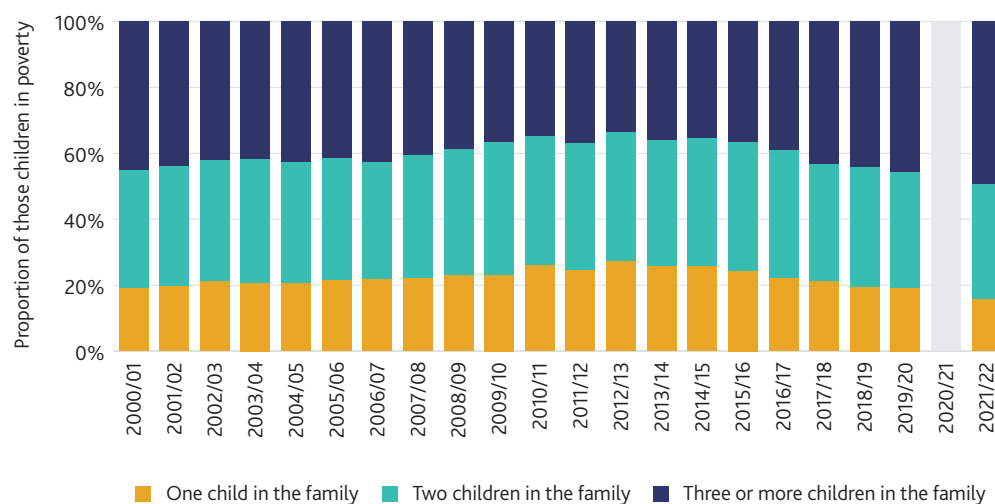


Figure 62: Poverty rates amongst children, by number of children in the family, over time



Source: Family Resources Survey and HBAI dataset (1998/99 – 2021/22), SMC analysis.

Figure 63: Composition of poverty amongst children, by number of children in the family



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

## POVERTY AMONGST PENSION-AGE ADULTS

Of the 14.9 million people in poverty in the UK, 1.5 million are pension-age adults. This means that the poverty rate (13%) for pension-age adults is significantly lower than that of the whole population (22%) and less than half that of children (34%).

Figure 64: Composition of pension-age poverty and pension-age poverty rates in the UK, 2021/22

**14.9 million people in poverty in the UK (2021/22), of which:**

**1,500,000**



Pension-age adults

**Poverty rates in the UK (2021/22):**

**13%**

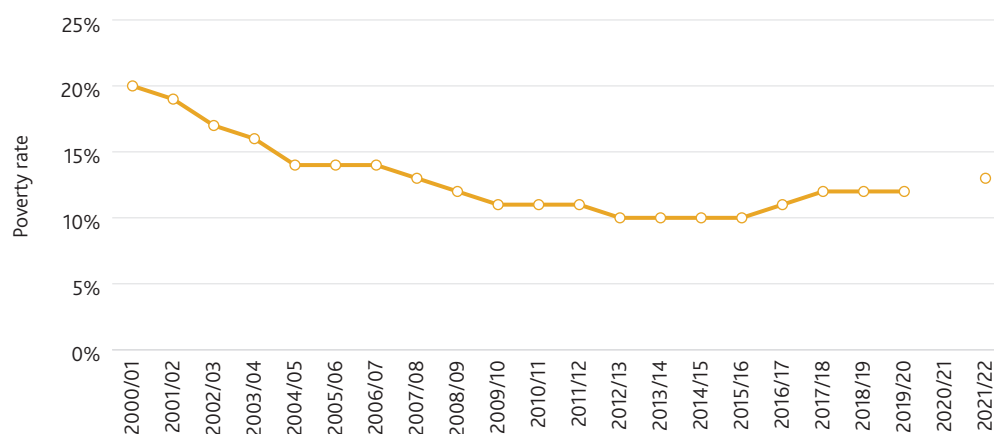
Of pension-age adults are in poverty

Notes: Figures have been rounded, so may not sum perfectly.

Source: Family Resources Survey and HBAI dataset (2021/22), SMC analysis.

Since 2000/01, the overall rate and level of pension-age adults in poverty has fallen significantly. From 20% in 2000/01, the overall pensioner poverty rate fell to a low of 10% in 2014/15. However, this progress has recently been partially reversed. Since 2014/15, the poverty rate for pension-age adults has risen by three percentage points, to 13% in 2021/22.

Figure 65: Poverty rates for pension-age adults, over time



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

## POVERTY AMONGST PENSION-AGE ADULTS: FAMILY TYPE

Of the 1.5 million pension-age adults in poverty, 700,000 are single and 800,000 live in couple families. Poverty rates for single pension-age adults (17%) are seven percentage points higher than those for pension-age adults living in couple families (10%).

Figure 66: Composition of poverty and poverty rates in the UK for pension-age adults, by family type, 2021/22

**1.5 million pension-age adults in poverty in the UK (2021/22), comprised of:**

**700,000**



**800,000**



**Poverty rates in the UK (2021/22):**

**17%**

Of pension-age adults in single families are in poverty

**10%**

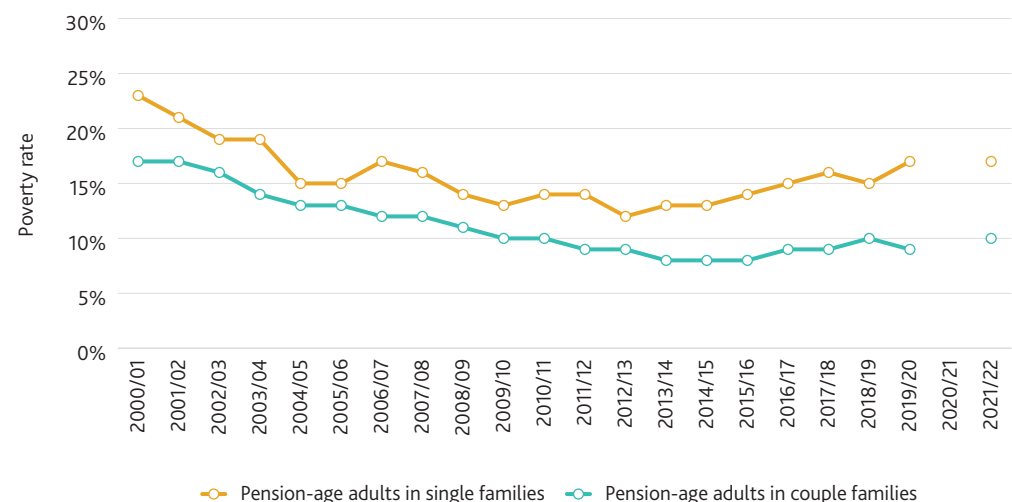
Of pension-age adults in couple families are in poverty

Notes: Figures have been rounded, so may not sum perfectly.

Source: Family Resources Survey and HBAI dataset (2021/22), SMC analysis.

Figure 67 demonstrates that poverty rates for pension-age adults fell significantly between 2000/01 and 2014/15, both for single people and for those living in a couple. However, rates have since risen, with the most marked increase coming for single pension-age adults. The poverty rate for such pension-age adults has increased from 13% in 2014/15 to 17% in 2021/22.

Figure 67: Poverty rates for pension-age adults, by family type, over time



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

Figure 68 shows that, overall, the composition of pension-age poverty has remained relatively stable 2000/01. In 2000/01, just over half (51%) of pension-age adults in poverty lived in single families. In 2021/22 this figure stands at 49%.

Figure 68: Composition of pension-age adults in poverty, by family type



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

## POVERTY AMONGST PENSION-AGE ADULTS: HOUSING TENURE

Of the 1.5 million pension-age adults in poverty, nearly half (700,000) live in social- or private-rented accommodation. Another 700,000 live in accommodation that is owned outright. Poverty rates for pension-age adults are far higher for those living in social-rented (33%) or private-rented accommodation (30%) than they are for those in owned-outright accommodation (8%).

Figure 69: Composition of poverty and poverty rates in the UK for pension-age adults, by housing tenure, 2021/22

**1.5 million pension-age adults in poverty in the UK (2021/22), comprised of:**

**500,000**



Pension-age adults in social-rented accommodation

**200,000**



Pension-age adults in private-rented accommodation

**100,000**



Pension-age adults in mortgage-owned accommodation

**700,000**



Pension-age adults in owned-outright accommodation

**Poverty rates in the UK (2021/22):**

**33%**

Of pension-age adults in social-rented accommodation are in poverty

**30%**

Of pension-age adults in private-rented accommodation are in poverty

**14%**

Of pension-age adults in mortgage-owned accommodation are in poverty

**8%**

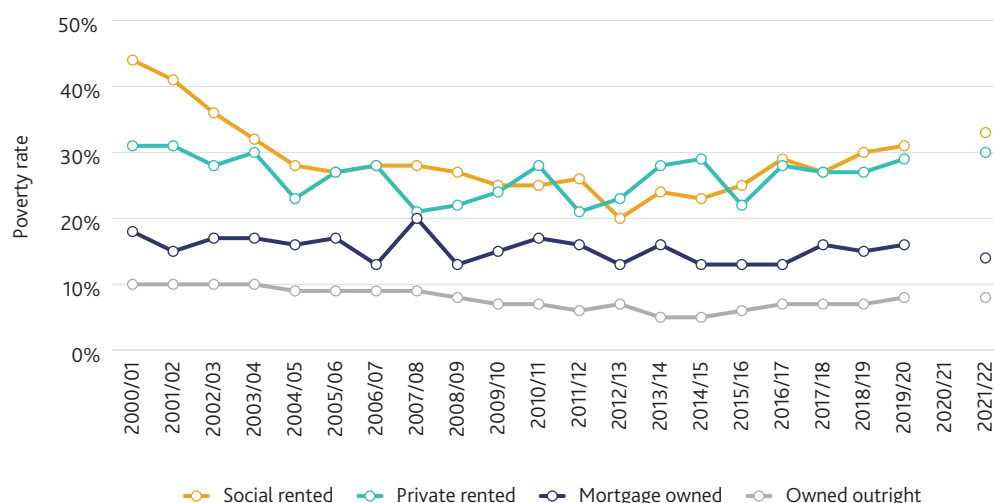
Of pension-age adults in owned-outright accommodation are in poverty

Notes: Figures have been rounded, so may not sum perfectly.

Source: Family Resources Survey and HBAI dataset (2021/22), SMC analysis.

Figure 70 shows dramatic falls in poverty rates between 2000/01 and 2012/13 for pension- aged adults living in social- (23 percentage points) and private-rented (eight percentage points) accommodation. However, these have both since risen, with poverty rates for those in the social-rented sector rising by 13 percentage points and for those in the private-rented sector by six percentage points between 2012/13 and 2021/22.

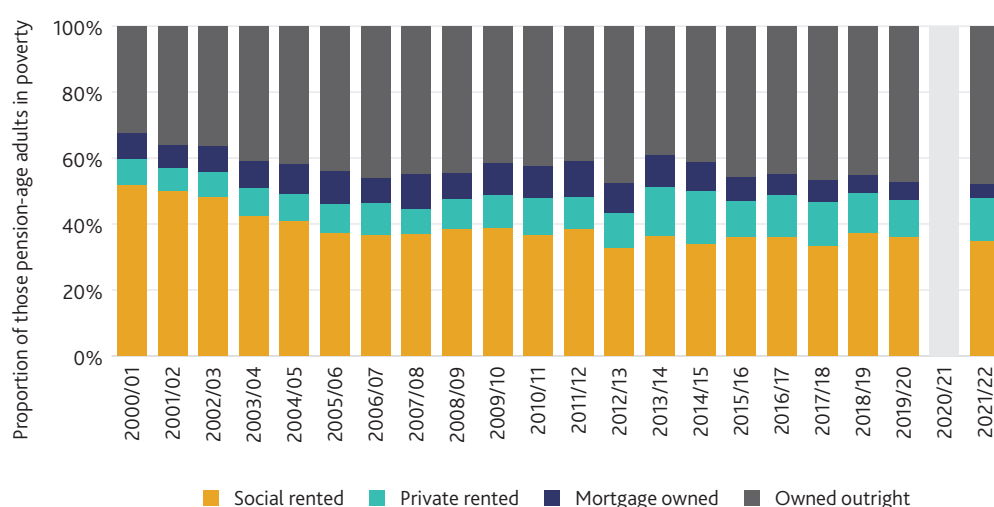
Figure 70: Poverty rates for pension-age adults, by housing tenure, over time



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

Large reductions in poverty rates for pension-age adults living in social-rented accommodation have also been reflected in the composition of poverty amongst pension-age adults. Figure 71 shows that the proportion of pension-age poverty accounted for by people in social-rented accommodation fell by 17 percentage points between 2000/01 and 2021/22. In contrast, the proportion of pension-age adults in poverty accounted for by those in private rented accommodation rose by five percentage points (driven by an increase in the population in this tenure type) and by 16 percentage points for those in owned-outright accommodation.

Figure 71: Composition of pension-age adults in poverty, by housing tenure



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

## POVERTY AMONGST PENSION-AGE ADULTS: FAMILY DISABILITY

Of the 1.5 million pension-age adults in poverty, 1.0 million live in families where someone is disabled. As with working-age adults and children, pension-age adults who live in a family where someone is disabled have higher poverty rates (15%) than those who live in a family where no one is disabled (10%).

Figure 72: Composition of poverty and poverty rates in the UK for pension-age adults, by whether the family includes a disabled person, 2021/22

**1.5 million pension-age adults in poverty in the UK (2021/22), comprised of:**

**1,000,000**



Pension-age adults in families that include a disabled adult or child

**500,000**



Pension-age adults in families that do not include a disabled adult or child

**Poverty rates in the UK (2021/22):**

**15%**

Of pension-age adults in families that include a disabled adult or child are in poverty

**10%**

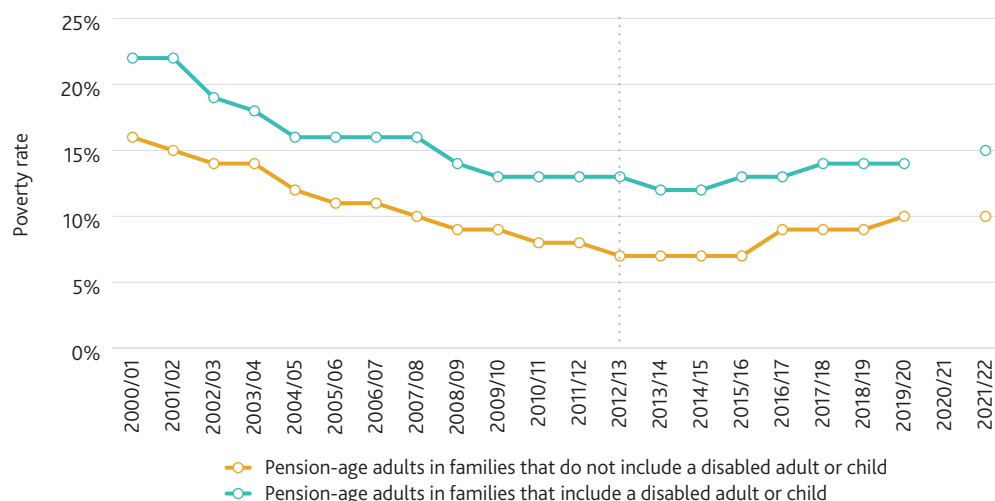
Of pension-age adults in families that do not include a disabled adult or child are in poverty

Notes: Figures have been rounded, so may not sum perfectly.

Source: Family Resources Survey and HBAI dataset (2021/22), SMC analysis.

Almost two thirds (66%) of pensioners in poverty live in families with someone who is disabled. Poverty rates for pensioners, both in families with and in families without a disabled person fell significantly between 2000/01 and 2014/15. In this period, poverty rates fell by nine percentage points for pensioners living in families without a disabled person, and by 11 percentage points for pensioners living in families with a disabled person. There has since been a reversal of trends for both groups, with poverty rates rising.

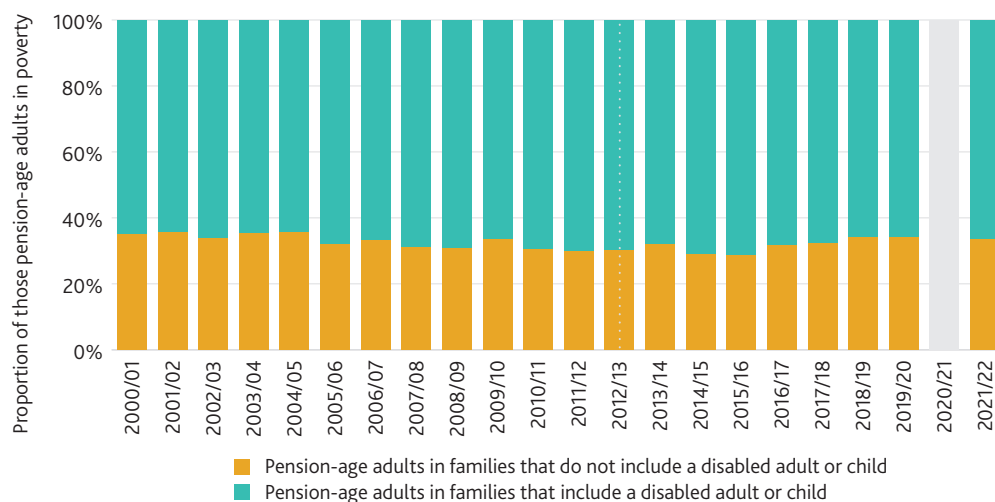
Figure 73: Poverty rates for pension-age adults, by whether the family includes a disabled person, over time



Notes: The dotted line indicates the change in definition to align with Equality Act definitions in 2012/13.

Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

Figure 74: Composition of pension-age adults in poverty, by whether the family includes a disabled person



Notes: The dotted line indicates the change in definition to align with Equality Act definitions in 2012/13.

Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.



## POVERTY AMONGST PENSION-AGE ADULTS: DETAILED BREAKDOWN BY AGE

Poverty amongst pension-age adults can also be split by pension-age families of different ages. This section considers the composition of poverty amongst pension-age adults and rates of poverty by the age of the oldest adult in the pension-age family. Figure 75 shows that nearly half (47%) of pension-age adults in poverty live in families where the eldest member is aged over 75.

Figure 75: Composition of pension-age poverty and pension-age poverty rates in the UK, by age of oldest person in family 2021/22

**1.5 million pension-age adults in poverty in the UK (2021/22), comprised of:**

**400,000**



Pension-age adults in families where the eldest member is 70 and below

**400,000**



Pension-age adults in families where the eldest member is 71-75

**200,000**



Pension-age adults in families where the eldest member is 76-80

**500,000**



Pension-age adults in families where the eldest member is 80 or above

**Poverty rates in the UK (2021/22):**

**13%**

Of pension-age adults in families where the eldest member is 70 and below are in poverty

**14%**

Of pension-age adults in families where the eldest member is 71-75 are in poverty

**11%**

Of pension-age adults in families where the eldest member is 76-80 are in poverty

**13%**

Of pension-age adults in families where the eldest member is 80 or above are in poverty

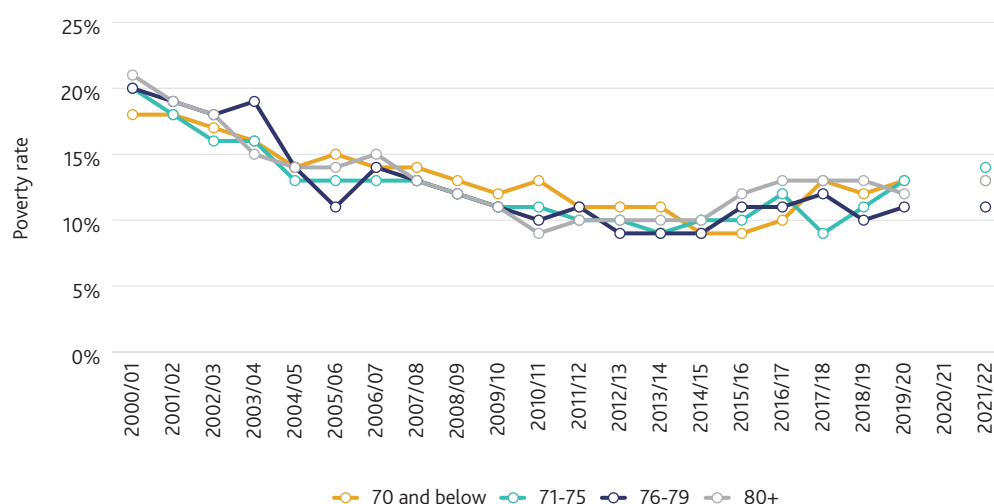
Notes: Figures have been rounded, so may not sum perfectly. In some years, adults under 65 can still be classified as pension- aged due to the gradual increase of the pension age for women. This applies to all estimates for pension-age adults in this section.

Source: Family Resources Survey and HBAI dataset (2021/22), SMC analysis.

Figure 76 shows that, since 2000/01, poverty rates have fallen for pension-age adults in all of these groups. The greatest reductions have been seen for pensioners in older families. For example, for those in families with the eldest member aged over 80, poverty rates have fallen by eight percentage points (from 21% to 13%). There has been a similar eight percentage point decrease (from 20% to 11%) for those in families with the eldest member aged between 76 and 79.

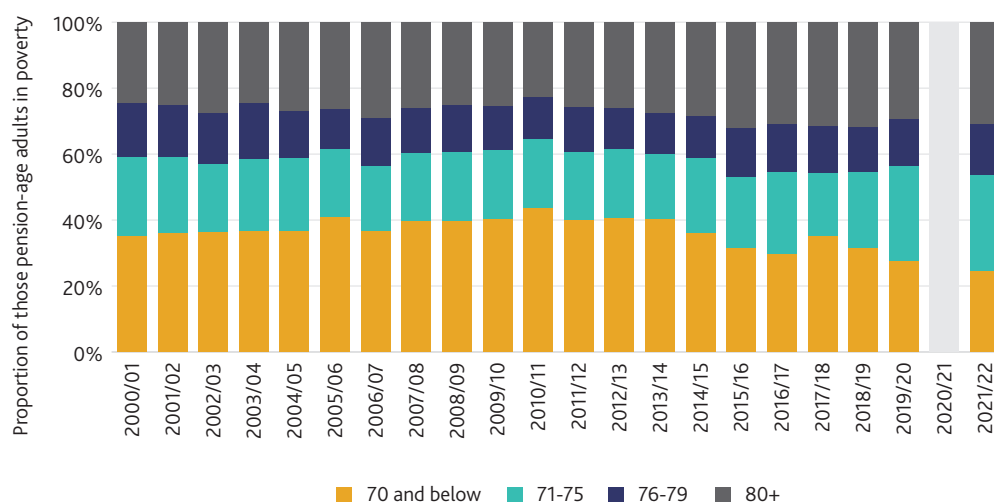
Despite this overall reduction since 2000/01, poverty rates are higher now than they were in 2014/15 for pension-age adults, regardless of the age of the eldest member of the family.

Figure 76: Poverty rates for pension-age adults, by age of eldest person in the family, over time



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis.

Figure 77: Composition of pension-age adults in poverty, by age of eldest person in the family



Source: Family Resources Survey and HBAI dataset (1998/99 - 2021/22), SMC analysis

## POVERTY AMONGST INDIVIDUALS, BY AGE GROUP

Around one in five (20% or 3.1 million people) of those in poverty are aged 10 and under. Poverty rates are highest for young children, with just over a third (35%) of children aged four or under in poverty. Poverty rates are substantially lower for adults than for children. Among adults, poverty rates are highest for adults in between the ages of 35 and 49, who are more likely to themselves have dependent children. Poverty rates are lowest for pensioners, and particularly for old pensioners, with only 13% of people older than 75 living in poverty.

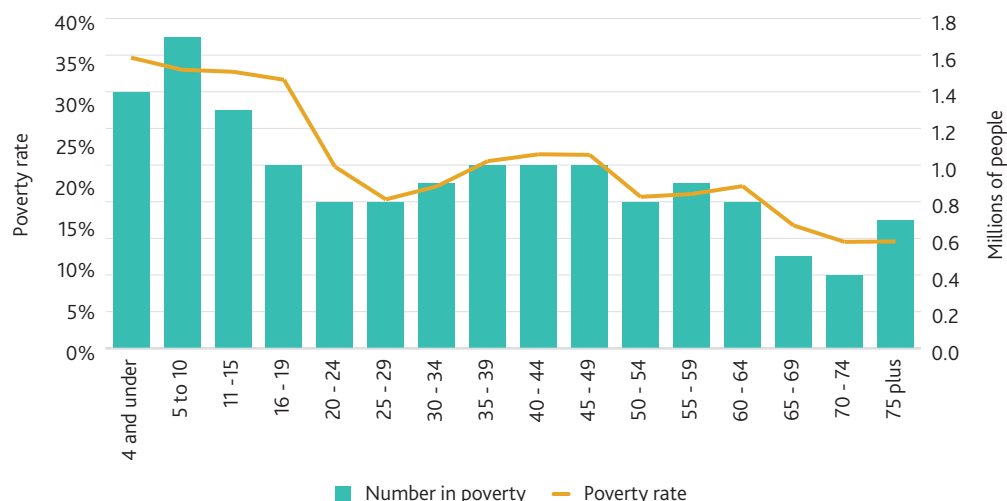
Figure 78: Composition of poverty and poverty rates in the UK, by age group, 2021/22

14.9 million people in poverty in the UK (2021/22), comprised of:		Poverty rates in the UK (2021/22) for people:	
1,400,000	people aged under 4	Aged 4 and under	35 %
1,700,000	people aged 5 - 10	Aged 5 - 10	34 %
1,300,000	people aged 11 -15	Aged 11 -15	34 %
1,000,000	people aged 15 - 19	Aged 15 - 19	33 %
800,000	people aged 20 - 24	Aged 20 - 24	22 %
800,000	people aged 25 - 29	Aged 25 - 29	18 %
900,000	people aged 30 - 34	Aged 30 - 34	20 %
1,000,000	people aged 35 - 39	Aged 35 - 39	23 %
1,000,000	people aged 40 - 44	Aged 40 - 44	24 %
1,000,000	people aged 45 - 49	Aged 45 - 49	23 %
800,000	people aged 50 - 54	Aged 50 - 54	18 %
900,000	people aged 55 - 59	Aged 55 - 59	19 %
800,000	people aged 60 - 64	Aged 60 - 64	20 %
500,000	people aged 65 - 69	Aged 65 - 69	15 %
400,000	people aged 70 - 74	Aged 70 - 74	13 %
700,000	people aged 75 plus	Aged 75 plus	13 %

Notes: Figures have been rounded, so may not sum perfectly.

Source: Family Resources Survey and HBAI dataset (2021/22), SMC analysis.

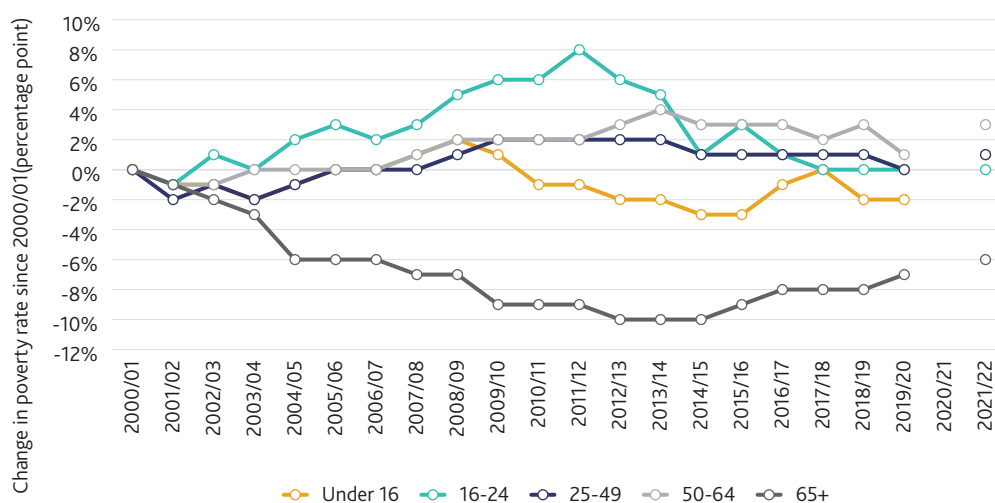
Figure 79: Poverty rates and number in poverty for the UK population, by age group (2021/22)



Source: Family Resources Survey and HBAI dataset (2021/22), SMC Analysis.

Figure 80 shows how poverty rates have changed for different age groups over time. Results are grouped into wider age groups, for ease of presentation (full results can be found in the data tables that accompany this report). The figure shows that people aged 65 and over saw significant falls in poverty rates between 2000/01 and 2014/15, but since then the rate of poverty for this group has gradually increased. A similar trend can be seen for those aged under 16, with poverty rates falling in the early 2000s, before stagnating and then rising during the financial crisis and then falling sharply until 2014/15. Since, the rate of poverty for this group has gradually increased. In contrast, poverty rates for those aged 16-24 rose sharply between 2000/01 and 2011/12 (when they were eight percentage points higher than in 2000/01) but have fallen back to 2000/01 rates since then.

Figure 80: Change in poverty rates since 2000/01, by age group



Source: Family Resources Survey and HBAI dataset (1998/99 – 2021/22), SMC Analysis.

## POVERTY AMONGST MEN AND WOMEN

Poverty rates for women (20%) are higher than those for men (18%), with about one in five of each group living in poverty. This means that of the 10.0 million people aged 16 and over in poverty, there are 5.4 million women in poverty compared to around 4.6 million men.

Figure 81: Composition of poverty and poverty rates in the UK, by men and women, 2021/22

**10 million people aged 16 and over in poverty in the UK (2021/22), comprised of:**

**5,400,000**  
  
Women

**4,600,000**  
  
Men

**Poverty rates in the UK (2021/22):**

**20%**  
Of women  
are in poverty

**18%**  
Of men  
are in poverty

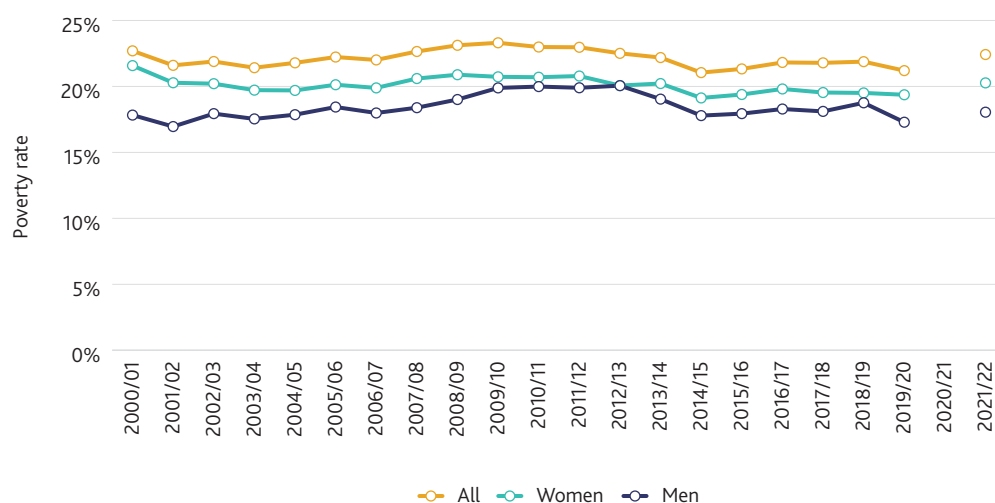
Notes: Figures have been rounded, so may not sum perfectly. Estimates for men and women apply to people aged 16 and over. This applies to all estimates in this section.

Source: Family Resources Survey and HBAI dataset (2021/22), SMC analysis.

Figure 82 shows that after rising slightly in the 2000s and peaking in 2012/13, poverty rates for men have now fallen back to their pre-financial crisis levels. In contrast, apart from a moderate rise during the financial crisis and recession, poverty rates for women have fallen slowly, but steadily, over the last two decades, and ended one percentage point lower in 2021/22 (20%) than they were in 2000/01 (22%).

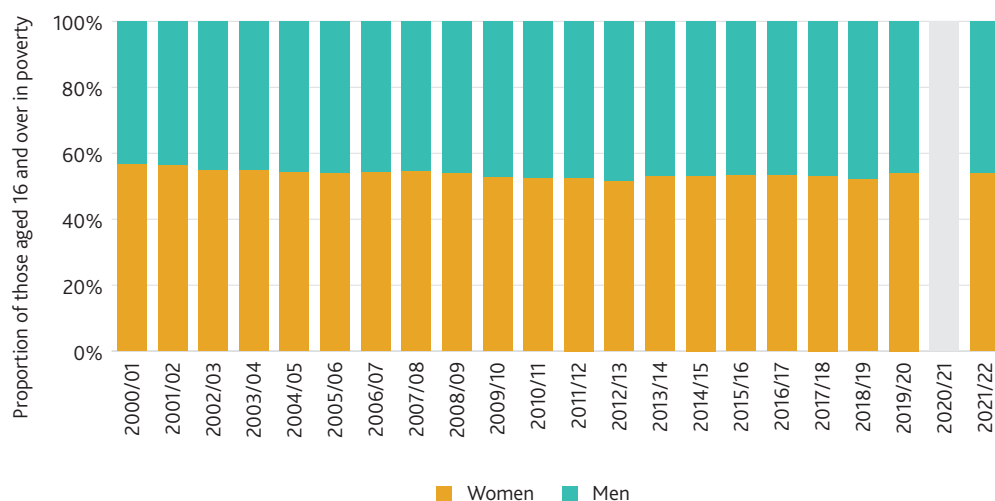
The composition of poverty has shifted slightly away from women (54% of the total in 2021/22, compared to 57% in 2000/01) and towards men.

Figure 82: Poverty rates for the UK population, by men and women, over time



Source: Family Resources Survey and HBAI dataset (1998/99–2021/22), SMC Analysis.

Figure 83: Composition of poverty, by men and women



Source: Family Resources Survey and HBAI dataset (1998/99–2021/22), SMC Analysis.

## POVERTY AMONGST INDIVIDUALS, BY DISABILITY

---

The sections earlier in this report looked at the proportion of people in poverty who live in a family that includes a disabled person. It showed that more than half (58%) of people in poverty are either disabled or live with someone who is disabled.

This section considers poverty amongst disabled people, rather than families that include a disabled person. Of the 14.9 million people in poverty in 2021/22, 4.7 million are disabled. Of these, 3.2 million are disabled working-age adults, 600,000 are disabled children and 800,000 are disabled pension-age adults. This means that over half (54%) of all pension-age adults in poverty have a disability, compared to around four in ten (38%) adults in poverty and just over one in ten (13%) children in poverty.

Poverty rates for disabled working-age adults (36%) are more than twice that of non-disabled working-age adults (17%). Poverty rates for disabled children (41%) are significantly above those for children without a disability (33%), and poverty rates for disabled pension-age adults (16%) are five percentage points higher than those for non-disabled pension-age adults (11%).

Figure 84: Composition of poverty and poverty rates in the UK, by disability, 2021/22

**14.9 million people in poverty in the UK (2021/22), comprised of:**

**3,200,000**



Disabled working-age adults

**600,000**



Disabled children

**800,000**



Disabled pension-age adults

**5,300,000**



Working-age adults without a disability

**4,300,000**



Children without a disability

**700,000**



Pension-age adults without a disability

**Poverty rates in the UK (2021/22):**

**36%**

Of disabled working-age adults are in poverty

**41%**

Of disabled children are in poverty

**16%**

Of disabled pension-age adults are in poverty

**17%**

Of working-age adults without a disability are in poverty

**33%**

Of children without a disability are in poverty

**11%**

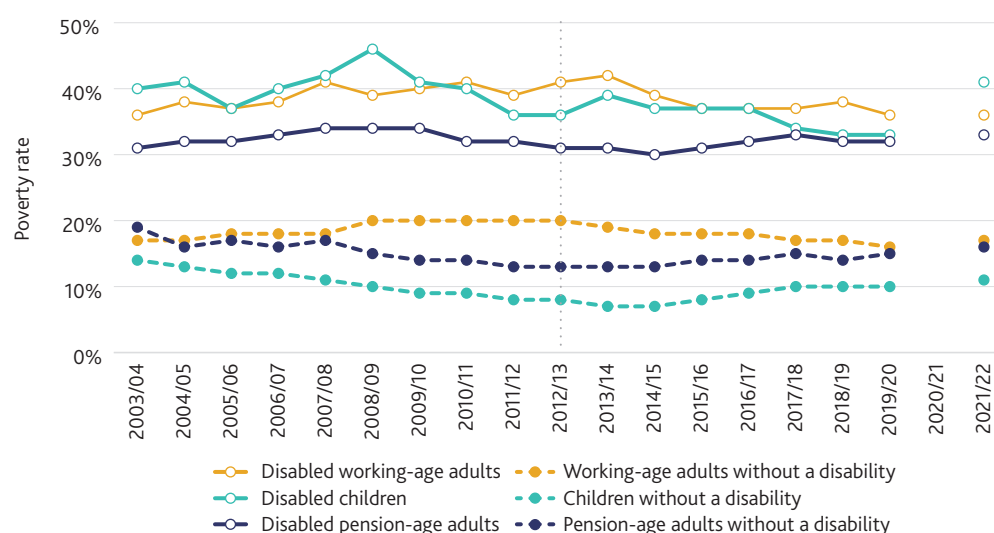
Of pension-age adults without a disability are in poverty

Notes: Figures have been rounded, so may not sum perfectly. The definition of disability changed to align with the core definition of disability under the Equality Act 2010 in 2012/13 but is otherwise consistent across years. Comparisons with years prior to 2012/13 should therefore be made with caution. This applies to all disability estimates in this section.

Source: Family Resources Survey and HBAI dataset (2021/22), SMC analysis.



Figure 85: Poverty rates for the UK population, by individual disability, over time

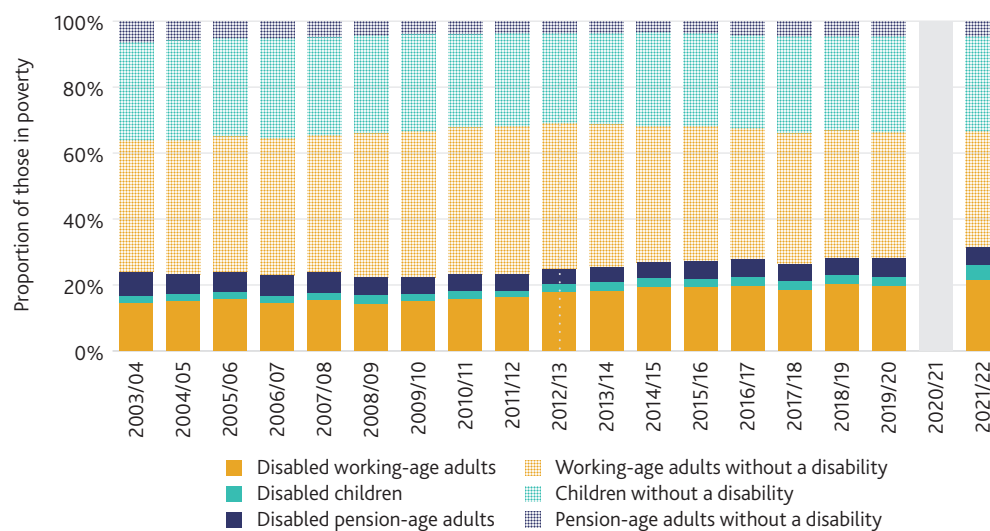


Notes: The dotted line indicates the change in definition to align with Equality Act definitions in 2012/13. Estimates for disability are only available from 2003/04 due to data limitations. This applies to all disability estimates in this section.

Source: Family Resources Survey and HBAI dataset (1998/99 – 2021/22), SMC Analysis.

Figure 86 shows that the proportion of those in poverty who are disabled has increased over the last five years, rising from 25% in 2013/14 to 31% in 2021/22.

Figure 86: Composition of poverty, by individual disability



Notes: The dotted line indicates the change in definition to align with Equality Act definitions in 2012/13.

Source: Family Resources Survey and HBAI dataset (1998/99 – 2021/22), SMC Analysis.

## ANNEXES

### ANNEX 1: METHODOLOGICAL UPDATES

---

There have been no methodological changes this year. There have however been a small number of changes to the underlying code. These are predominantly improvements made following a detailed quality-assurance workstream, running alongside the Department for Work and Pension's programme of work on the creation of an *official statistic in development* corresponding to the Social Metrics Commission's measure.

The most significant change is a correction to the process that calculates estimates of the extra costs of disability that are relevant to each family. According to the design of the SMC's poverty measure, the extra costs of disability should be considered equal to the total receipts of Disability Living Allowance (DLA), Personal Independence Payment (PIP), and Attendance Allowance (AA). However, in previous versions of the code, Attendance Allowance was unintentionally omitted from these calculations. This has now been corrected, with Attendance Allowance being added to the adjustments made to proxy the extra costs of disability.

The main impact of this correction has been to increase rates of poverty for pensioners, relative to those for working age adults and children. For example, in 2021/22, this correction increases the rate of pensioner poverty by one percentage point, from 12% to 13%. A commensurate decrease in poverty rates for children and for working-age adults means that there is little change in the headline rate of poverty in 2021/2: the overall change is less than a hundredth of a percentage point.

The Commission's 2018 report establishes the Commission's principle that where methodological changes have a significant impact on the overall number of people in poverty, it will revisit its original threshold decision. The Commission's intention in doing so is to ensure that the Commission's measure of poverty in 2016/17 continues to match that of the after-housing costs version of the Households Below Average Income series. The inclusion of Attendance Allowance changes the total number of people in poverty in 2016/17 by only 45,000. We judge that this small a revision does not warrant a change in poverty thresholds. The Commission's poverty threshold therefore remains at 54% of total resources available for this publication.

The Commission's website<sup>xiv</sup> continues to provide users with access to the underlying code that can be used to create the Commission's measures of poverty using the Family Resources (FRS) / Households Below Average Income (HBAI) data. This is allowing a range of analysts and researchers to both recreate the Commission's analysis and also extend and further analyse UK poverty based on its approach. The Commission believes that poverty can only be effectively understood by analysing the incidence of poverty, poverty depth and persistence and Lived Experience Indicators together and would strongly encourage users to approach their analysis in this manner.

## ANNEX 2: MEASUREMENT OF ASSETS IN THE FAMILY RESOURCES SURVEY

The release of the Family Resources Survey dataset covering the financial year 2021/22 features a change in the methodology for estimating the assets held by households. As in previous years, respondents are initially asked for an estimate of the value of the assets that they hold. If the response lies between a low threshold and a high threshold, respondents are asked a further, more detailed set of questions. If the respondent's estimate lies outside of these thresholds, an imputation method is used to estimate the value of assets held.

This method of routing, the detailed questionnaire, and the imputation method are unchanged. However, the low and high thresholds have both been changed, increasing the number of people who are routed onto the more detailed questionnaire and reducing the number of people subject to the imputation. Table 23 shows changes to the thresholds between the 2019/20 survey and the 2021/22 survey. This change is intended to improve the quality of assets data, both for use in estimating eligibility for means-tested benefits, and for the estimation of assets and wealth more generally. This methodological improvement will be particularly beneficial for the ongoing development of our measure, which is novel in factoring liquid assets into a measure of poverty.

Whilst this change risks introducing a discontinuity in our time series, we believe that the increase in assets seen in this data compared to 2019/20 is likely to represent a real change in asset holdings, rather than simply reflecting the change in methodology.

This view has been informed by discussions with the Department for Work and Pensions that highlighted that the change in methodology was unlikely to have had a significant impact in the data used in this report. This is because large numbers of respondents in 2021/22 continued to answer the survey over the phone (where changes to the approach were not implemented in full).

We will continue to monitor the impact of this change in future releases of data, as the return to face-to-face interviewing in future years of data may mean there is a more significant impact of this methodological change.

Table 23: Thresholds for routing onto detailed assets questionnaire.

Year	Household Type	Low Threshold	High Threshold
2019/20	Working age household	1,500	20,000
	Pensionable age household	1,500	20,000
2021/22	Working age household	100	30,000
	Pensionable age household	100	200,000

### ANNEX 3: POVERTY LINES FOR DIFFERENT FAMILIES

In practice, when determining who is in poverty, the Commission's approach is to set a poverty line specific to the needs of each family. This means that each family's unequivalised available resources can be compared directly with their poverty line to determine whether they are in poverty.

Table 24 demonstrates these poverty lines for a range of example families. It shows that in 2021/22 a single childless person with less than £177 a week of available resources would be judged to be in poverty. The threshold for a childless couple is £305 a week and, for a couple with two children, the threshold is £494 a week.

Table 24: Poverty lines for different example family types

Family type	2019/20 poverty line (£ available resources per week)
Single, no children	£177
Lone parent	
<i>One child</i>	£238
<i>Two children</i>	£366
Couple, no children	£305
Couple with children	
<i>One child</i>	£366
<i>Two children</i>	£494
Pensioner, single	£177
Pensioner couple	£305

Notes: Indicative poverty thresholds are calculated by typical family type - in one child cases, the child is assumed to be under 14. In two-child cases, one is assumed to be under 14 and one is assumed to be over 14.

Source: Family Resources Survey and HBAI dataset (2019/20 to 2021/22), SMC analysis.

## ANNEX 4: SURVEY YEARS FOR LIVED EXPERIENCE INDICATORS

The Lived Experience Indicators were selected based on data availability and the themes that the Commission wanted to capture as important to fully understanding lived experience. Each indicator draws on data from either the Family Resources and the Understanding Society surveys and are estimated in a range of different survey years as not all questions are asked every year. The table below provides details on the survey and years that each of the indicators are drawn from.

Domain and indicator	Survey	Most recent data	Last data	Earliest data
<b>Family, relationships and community</b>				
<i>Single adults</i>	2021/22	2019/20	2000/01	2000/01
<i>Lone parent families</i>	2021/22	2019/20	2000/01	2000/01
<i>Single pensioners</i>	2021/22	2019/20	2000/01	2000/01
<i>Adults in family rarely or never feel close to others</i>	2018/19	2015/16	2012/13	2012/13
<i>One or more youths in family does not feel supported by their family/people who they live with</i>	2019/20	2018/19	2011/12	2011/12
<i>One or more adults in family feels unsafe walking alone at night</i>	2014/15	2011/12	no data	no data
<i>One or more adults in family worries about being affected by crime</i>	2014/15	2011/12	no data	no data
<i>One or more adults in family does not like living in current neighbourhood</i>	2014/15	2011/12	no data	no data
<i>One or more adults in family spends time caring for someone</i>	2019/20	2018/19	2011/12	2011/12
<i>One or more adults in family perceives local services as poor</i>	2014/15	2011/12	no data	no data
<i>One or more adults in family thinks people in their neighbourhood cannot be trusted</i>	2014/15	2011/12	no data	no data
<i>No adults in family are members of an organisation</i>	2017/18	2014/15	2011/12	2011/12
<i>One or more adults in family is not willing to improve neighbourhood</i>	2017/18	2014/15	2011/12	2011/12
<i>Family's average size of social network is below 5 close friends</i>	2017/18	2014/15	2011/12	2011/12

Domain and indicator	Survey	Most recent data	Last data	Earliest data
<b>Education</b>				
<i>No one in family has any formal qualifications</i>	Family Resources	2021/22	2019/20	2008/09
<i>All adults have highest qualification that is below 5A*-C GCSEs or equivalent</i>	Family Resources	2021/22	2019/20	2008/09
<b>Health</b>				
<i>In a family that includes a disabled adult or child</i>	Family Resources	2021/22	2019/20	2000/01
<i>One or more adults in family with poor self-reported physical health</i>	Understanding Society	2019/20	2018/19	2011/12
<i>One or more adults in family with poor self-reported mental health</i>	Understanding Society	2019/20	2018/19	2011/12
<i>One or more adults in family with low life satisfaction</i>	Understanding Society	2019/20	2018/19	2011/12
<i>One or more adults in family with low health satisfaction</i>	Understanding Society	2019/20	2018/19	2011/12
<i>One or more youths in family has drunk to excess in last four weeks</i>	Understanding Society	2018/19	2016/17	2011/12
<i>One or more adults in family has drunk to excess in the last year</i>	Understanding Society	2019/20	2017/18	2015/16
<i>One or more adults in family smokes cigarettes (not incl. e-cigarettes)</i>	Understanding Society	2016/17	2015/16	2014/15
<i>One or more youths in family has used or taken illegal drugs at least once in the last year</i>	Understanding Society	2019/20	2018/19	2011/12

Domain and indicator	Survey	Most recent data	Last data	Earliest data
<b>Family finances</b>				
<i>Family is behind in paying bills</i>	Understanding Society	2019/20	2018/19	2011/12
<i>In a workless family</i>	Family Resources	2021/22	2019/20	2000/01
<i>In a family reporting material deprivation</i>	Family Resources	2021/22	2019/20	2010/11
<i>One or more adults in family with low income satisfaction</i>	Understanding Society	2019/20	2018/19	2011/12
<i>One or more adults in family has felt embarrassed by low income</i>	Understanding Society	2016/17	2015/16	no data
<i>No adult in family saves</i>	Understanding Society	2018/19	2016/17	2012/13
<b>Labour market opportunity</b>				
<i>Proportion of working-age adults who are workless</i>	Family Resources	2021/22	2019/20	2000/01
<i>Average time spent travelling to work for working adults in family (minutes)</i>	Understanding Society	2019/20	2018/19	2011/12



## ENDNOTES

The data in this report is drawn from the following sources:

Department for Work and Pensions. (2023). Family Resources Survey, 2021-2022. [data collection]. UK Data Service. SN: 9073, DOI: <http://doi.org/10.5255/UKDA-SN-9073-1>

Department for Work and Pensions. (2023). Households Below Average Income, 1994/95-2021/22. [data collection]. 17th Edition. UK Data Service. SN: 5828, DOI: <http://doi.org/10.5255/UKDA-SN-5828-15>

University of Essex, Institute for Social and Economic Research. (2023). Understanding Society: Waves 1-12, 2009-2021 and Harmonised BHPS: Waves 1-18, 1991-2009. [data collection]. 17th Edition. UK Data Service. SN: 6614, DOI: <http://doi.org/10.5255/UKDA-SN-6614-18>

- i Work on an official statistic in development based on the Social Metrics Commission's poverty measurement framework was resumed by the Department for Work and Pensions in March 2023. See <https://www.gov.uk/government/statistics/development-of-a-new-measure-of-poverty-statistical-notice/development-of-a-new-measure-of-poverty-statistical-notice>, accessed 13/11/2023.
- ii The Secretary of State for Work and Pensions, Mel Stride MP, speaking on the 5th of September 2023. Transcript at: <https://www.parliament.co.uk/mp/mel-stride/dept-debates/DWP?page=1>, accessed 13/11/2023
- iii There was a UK-wide official measure of child poverty, with associated targets, contained in the Child Poverty Act 2010. Targets based on reducing child poverty in the UK were abolished in 2015. Note that Scotland (who have now legislated for new measures and targets), Wales and Northern Ireland have retained measures of poverty based around the Child Poverty Act 2010 definitions.
- iv See <https://www.gov.uk/government/news/new-poverty-statistics-developed-to-help-government-target-support>, accessed 15/11/2023.
- v See <https://www.gov.uk/government/statistics/development-of-a-new-measure-of-poverty-statistical-notice/development-of-a-new-measure-of-poverty-statistical-notice>, accessed 13/11/2023.
- vi The Secretary of State for Work and Pensions, Mel Stride MP, speaking on the 5th of September 2023. Transcript at: <https://www.parliament.co.uk/mp/mel-stride/dept-debates/DWP?page=1>, accessed 13/11/2023
- vii Crisp. R, McCarthy. L, Parr. S, & Pearson. S, (2016), Community-led approaches to reducing poverty in neighbourhoods: A review of evidence and practice', Joseph Rowntree Foundation & Centre for Regional Economic and Social Research, JRF, York.

- viii Sherraden M. (2002), Assets and the social investment state, In Paxton W. (ed) Equal Shares? Building a progressive and coherent asset-based welfare policy. London: IPPR.
- ix Note that we also use “related” to refer to two people living together as a couple.
- x Note that a pension-age family is defined as one where at least one individual is above state pension age (SPA). Note that that this definition takes account of recent changes to SPA.
- xi Family work status was determined by taking all non-retired and non-student adults in the sharing unit, and allocating full-time workers a value of 1, a part-time worker a value of 0.5, and someone who is unemployed, inactive, or studying a value of 0. The average of these scores is then taken for the family. Full-time work families have an average score of greater than/ equal to 0.75, full/part-time work families have a score of between 0.75 and 0.5 (including 0.5 but excluding 0.75), and part-time work families have a score of between 0 and 0.5 (excluding 0 and 0.5). Families that are workless have scores of 0. Note that these categories will include benefit units with all retired adults that are in a sharing unit with a working-age adult who is not retired. For further information please refer to the full SMC report from 2018.
- xii The use of three-year averages (to ensure sufficient sample sizes) and the fact that harmonised standards for ethnicity questions on the Family Resources Survey mean that results are only available from 2014/15.
- xiii The Commission’s approach to measuring persistent poverty relies on Understanding Society. Given the relatively few waves of data available for Understanding Society, it is only possible to report on persistent poverty for 2014/15, 2015/16, 2016/17 and 2017/18. As more waves of data from Understanding Society become available, a fuller account of long-term poverty persistence will become possible, as will an analysis of those who move repeatedly in and out of poverty, who may not be captured by the measure of persistence outlined here.
- xiv See: <https://socialmetricscommission.org.uk/>



**DECEMBER 2023**

@SocMetricsComm  
[www.socialmetricscommission.org.uk](http://www.socialmetricscommission.org.uk)