

Poverty, Work and Place

Findings from the
Joseph Rowntree Foundation

PHINS Seminar, 8 October 2010

Jim McCormick, JRF Scotland Adviser

JRF Programmes

- **Impact of Devolution on low-income people and places** viewed through four policy themes
- **Monitoring Poverty and Social Exclusion (MoPSE)** series includes bi-annual Scotland report
- **Recurrent Poverty** looks at cycling from benefits to insecure work and back
- **Cuts, Spending and Society** micro-site

Progress on 16 MOPSE indicators (98-08)

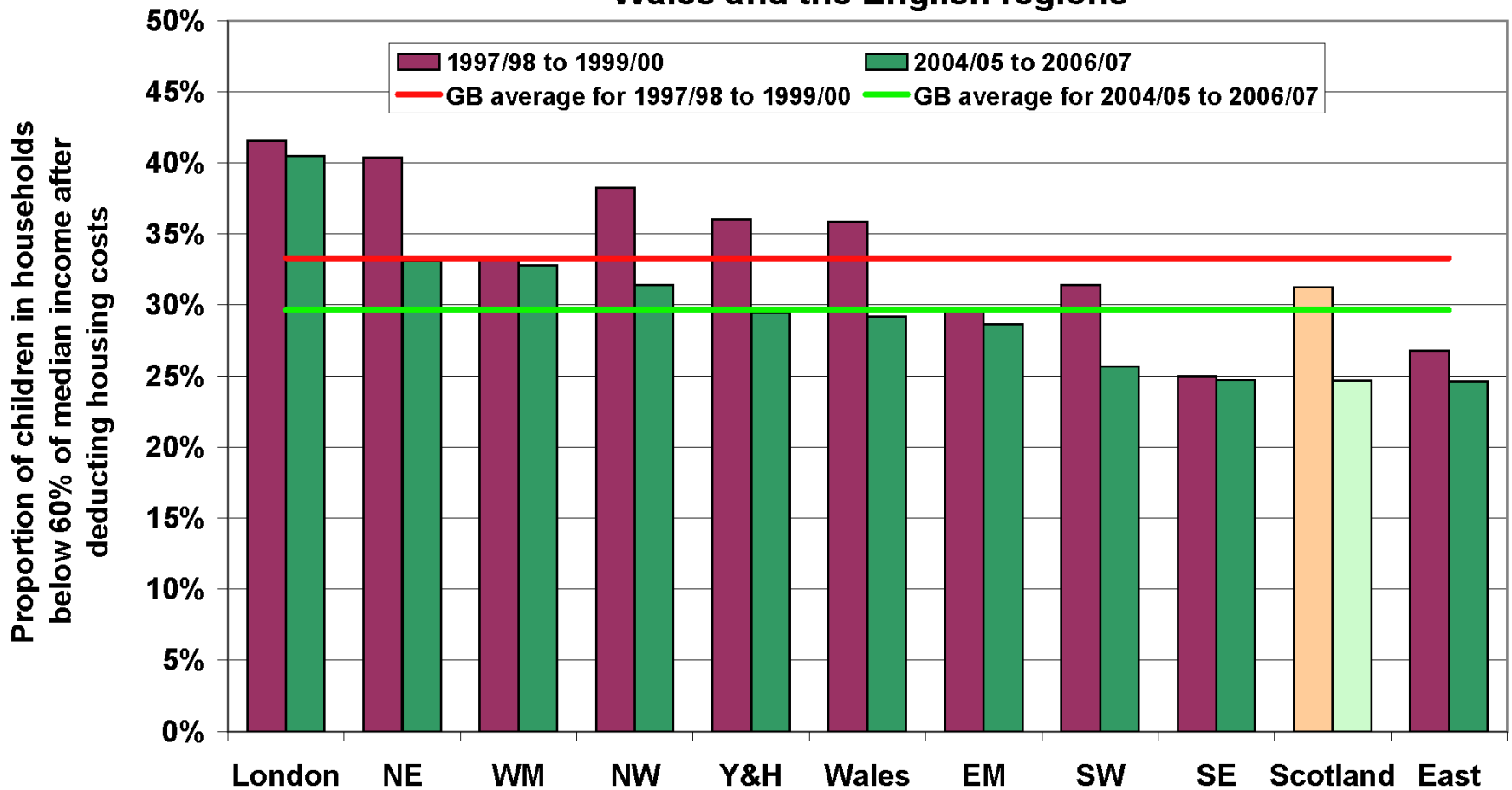
| | Most improved | Least improved | Net |
|------------------|---------------|----------------|-----|
| Scotland | 6 | 0 | +6 |
| North East | 5 | 0 | +5 |
| Wales | 1 | 1 | 0 |
| Northern Ireland | 2 | 3 | -1 |
| London | 2 | 2 | 0 |
| East Midlands | 0 | 4 | -4 |
| East | 0 | 4 | -4 |
| West Midlands | 0 | 5 | -5 |
| South East | 0 | 5 | -5 |

Poverty trends in Scotland (98-08)

- Down by one-fifth among **children** though now rising again
- Down by more than half among **pensioners**
- Little change for **working-age adults** as a whole
 - But down for those with children and up for those without children, whether in-work or not
 - Long-term workless adults among the poorest 10%

Change in child poverty, GB (1998-2007)

Figure 1: child poverty rates, now and a decade ago, for Scotland, Wales and the English regions

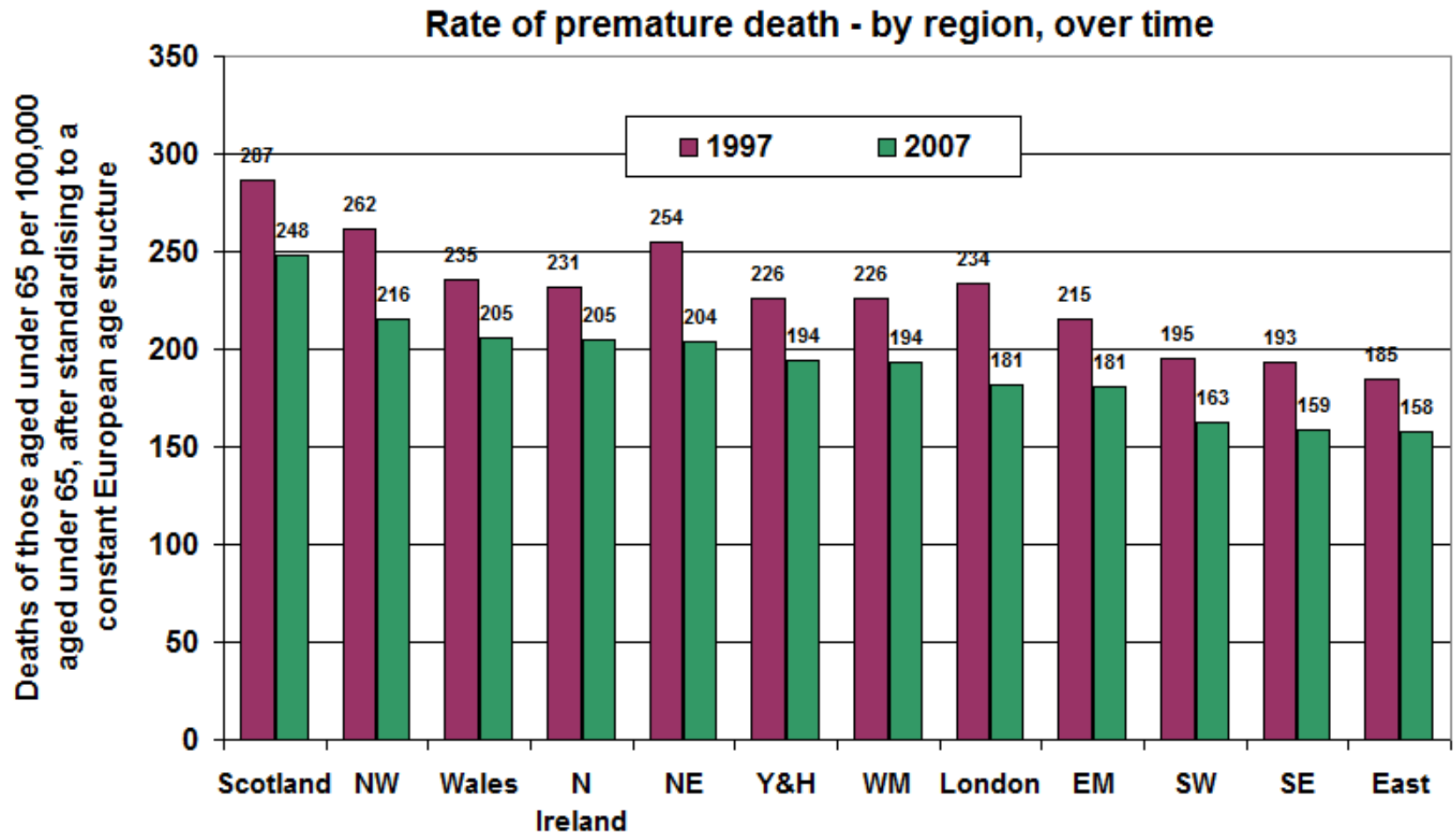


Source: Households Below Average Income, DWP

Poverty risks in Scotland by 2009

| | Proportion in poverty (AHC) | Est. number | Trend 2005-2009 |
|----------------|-----------------------------|----------------|-----------------|
| Children | 26% | 250,000 | + 1% |
| Working Age | 19% | 625,000 | + 1% |
| <i>In-work</i> | <i>12%</i> | <i>275,000</i> | <i>+ 2%</i> |
| Older People | 11% | 110,000 | - 5% |

Change in early mortality rates (1997-2007)

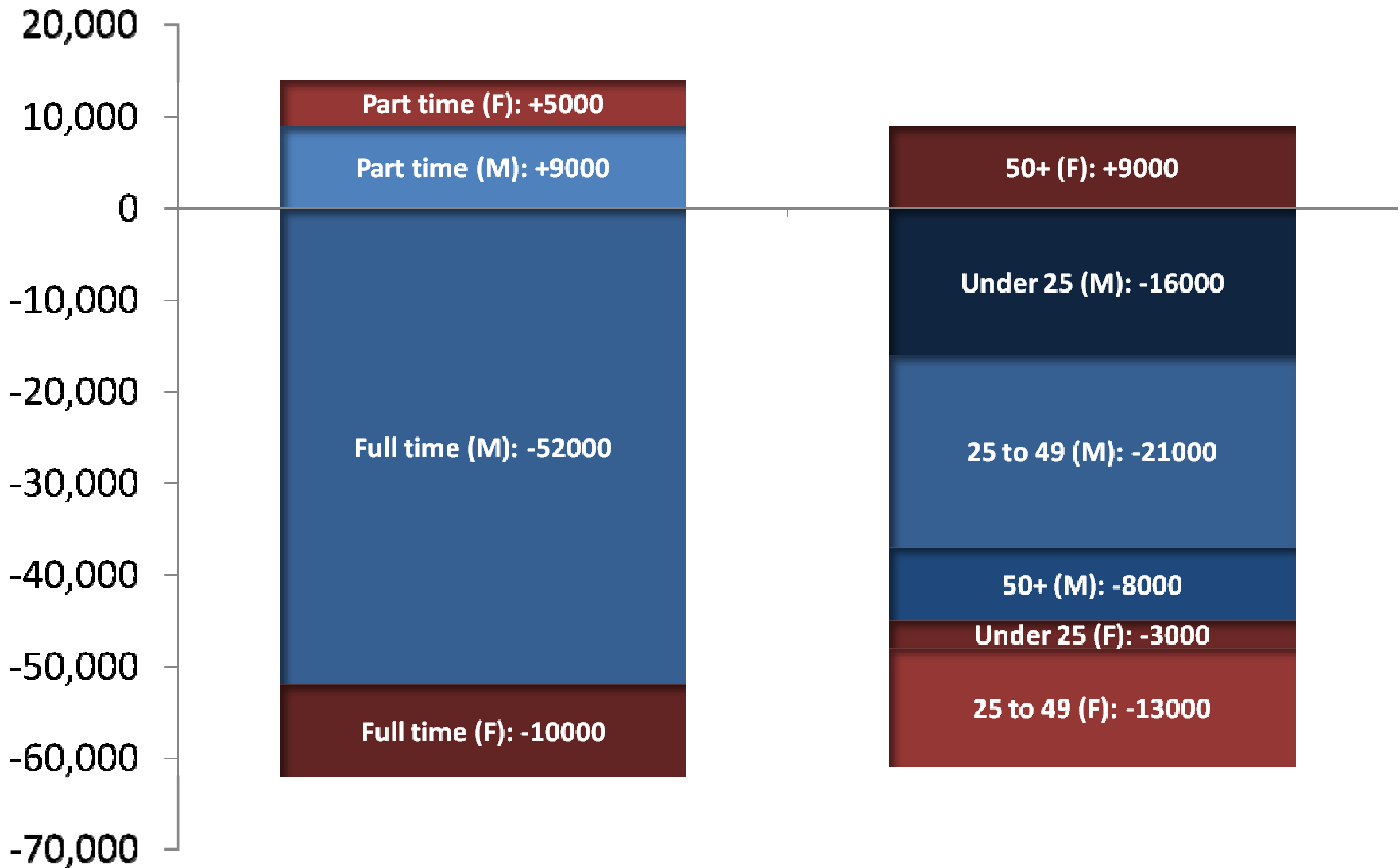


Source: General Register Office (Scotland), Registrar General (Northern Ireland) and Mortality Statistics Division, ONS (England and Wales)

Trends in work and welfare

- **Employment rate** (1998-2008) peaked at 76.5%, was most improved in UK.
- **Unemployment:** lower rate than England entering recession but now about 2% higher and still rising. Net 50,000 jobs lost mainly full-time, among men and the under-50s.
- **Working age people claiming out-of-work benefits** fell to 16%, but still bottom half of UK ranking. Rose to 18% by 2009. Biggest increases during recession in Ayrshire, Lanarkshire and West Dunbartonshire.

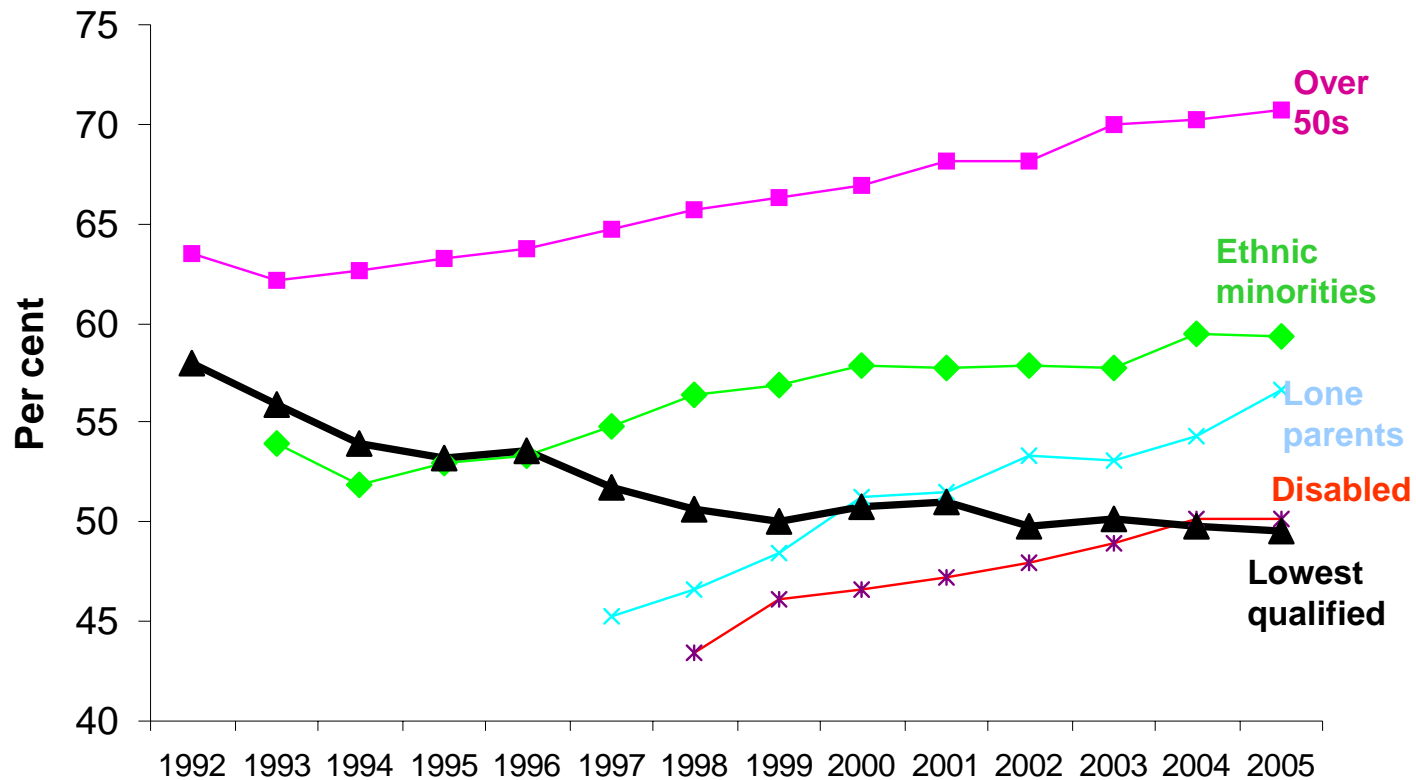
Shifts in employment (year to Sept 2009)



Skills

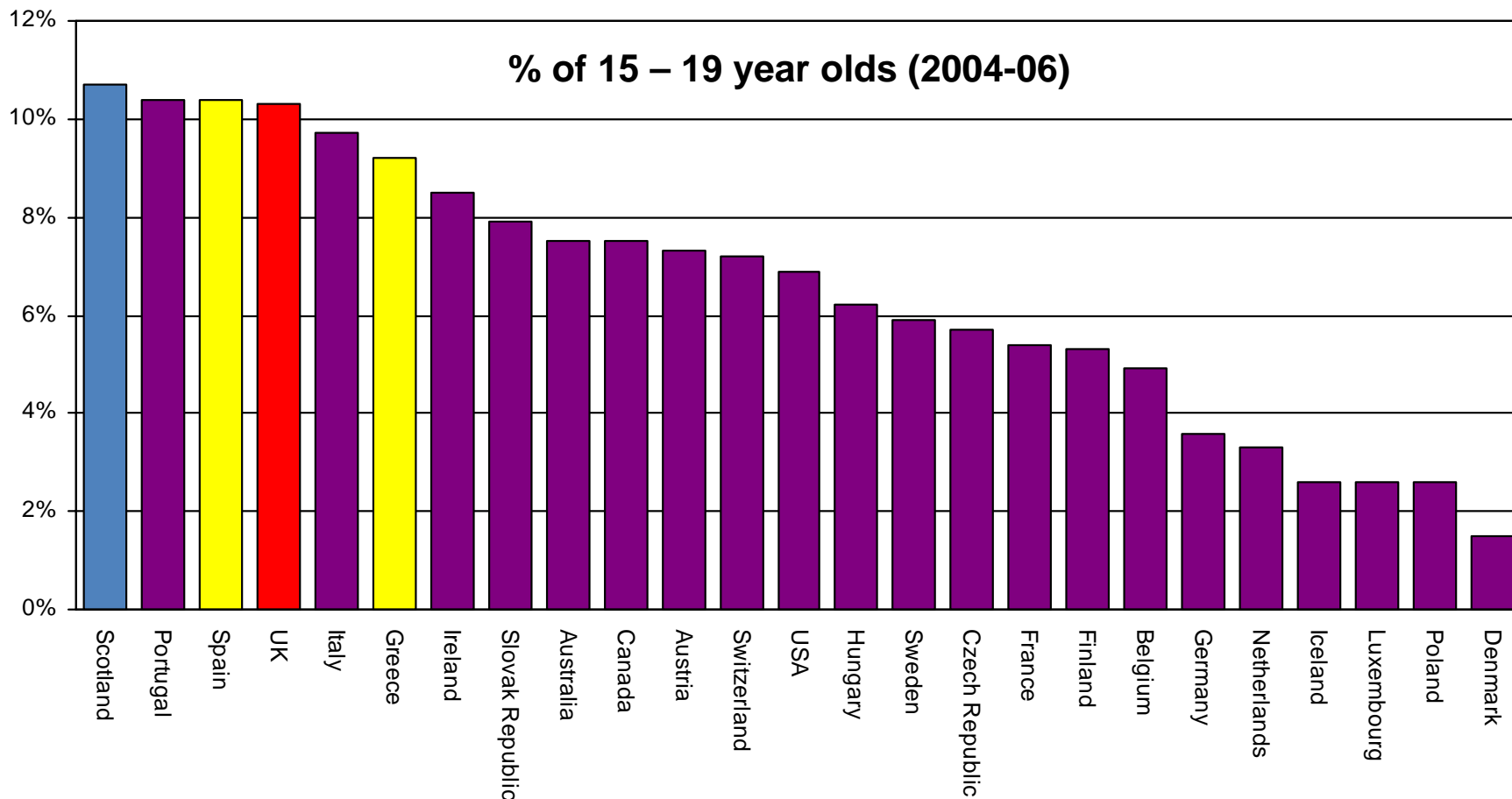
- For the least qualified, odds of being in work only 50:50 before recession.
- Access to job-related training for those lacking qualifications did not improve over the decade.
- Young people at high risk – fully 40% of jobs lost in recession affected under-25s.
- One of the long-term policy drivers against poverty which is devolved.

UK employment rates rose except for least qualified (1992-2005)



Source: DWP, Opportunity for All Seventh Annual Report, 2005.
Adapted from David Halpern, Institute for Government.

Young people not in education, employment or training



Source: Education at a glance 2006, Annual Population Survey 2004

Note: Differences in methodology exist between calculation of the Scottish NEET group in international terms and within Scotland

Place: Devolution and regeneration

- Continuity: England (*New Deal for Communities*) and Wales (*Communities First*)
- Change: Scotland
- Stalled: Northern Ireland
- Concern about loss of focus on 'place-making'
- Housing and environment improved but horizons still restricted
- Balance between improving neighbourhoods and linking them to wider work, training and learning

Impact of devolution: summary

- Reserved policies had a bigger impact on tackling poverty...but devolved policies still matter
- Some need to be applied on a much bigger scale and for longer (e.g. *Working for Families; New Futures Fund*)
- Need to achieve better results from training and skills; regeneration; face up to 'flat-lining' (the lowest-attaining 20% in secondary school) and drive down costs for low-income households
- And improve administrative devolution (the case of Pension Credit)

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