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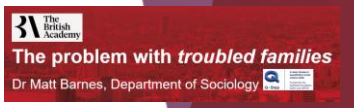


Poverty in Perspective: A poverty typology for Scotland

Quantitative Analysis of the Scottish Household Survey

Matt Barnes & Sally Stares, Department of Sociology
and Jason Dykes, giCentre, City University of London
& NatCen Social Research & DEMOS

funded by The Scottish Government

What is poverty (in Scotland)?

At its heart, poverty is fundamentally about a forced '**going without**'
(Sodha and Bradley, 2010)

When we talk about poverty in the UK, we generally refer to a notion of poverty called '**relative poverty**'

*"Individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain types of diet, participate in the activities and have the living conditions and amenities which are **customary**, or at least widely encouraged or approved, in the **society** to which they belong."*
(Townsend, 1979, p30)

How is poverty measured (in Scotland)?

Poverty, in more economically-developed countries like Scotland, usually refers to going without due to **lack of economic resources**

*"…resources are so seriously below those commanded by the **average** individual or family that they are, in effect, excluded from **ordinary** living patterns, customs and activities".* (Townsend, 1979, p15)

This is usually measured via **surveys**, by determining a household's **income** (earnings, benefits, pensions etc.) and comparing this to the average household income

People living in households with income less than **60% of population median** are said to be in poverty

60% of median household income in Scotland is **£23,200 per year** (for a couple with two children) [Scotland 2014-17]

- that is the 'poverty line' and of course most households in poverty have income below that threshold

How much poverty is there (in Scotland, in 2015/16)?

The number of people living in poverty (<60% income) in Scotland has increased to **880,000** - or 17% of the population

The percentage of children in poverty was even higher, at **19%**

Living in poverty is **not good** for people: evidence suggests poverty can lead to cold homes, poor diet, social isolation, lower educational attainment etc…which can have impacts on people now and into the future

How can research help **to reduce poverty** in Scotland?

More than a quarter of children in Scotland were living in relative poverty after housing costs in 2015-2016, according to government figures.

Rationale for this new research

Poverty is more than a monetary problem - it is a **complex, multidimensional experience** that involves factors such as health, housing, **educational** and social opportunities

Measuring poverty using **income alone** fails to highlight the different experiences of poverty, and can lead to only income-based policy solutions

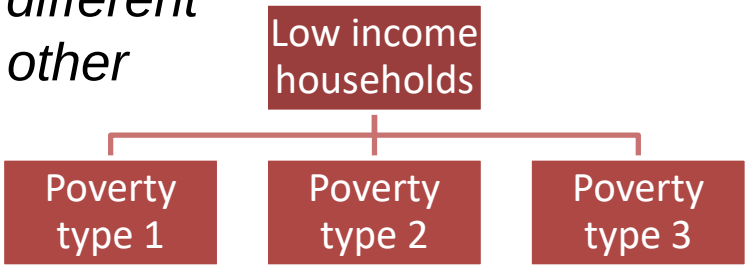
Policies may work better if other aspects of households' **poverty experience** are tackled too

Plus, people's experiences of poverty may be **different**, some people may feel socially isolated, others may be carers, others may live in deprived areas, etc. – and have different combinations of problems

These different **types** of poverty may need different policy solutions

Research aims

Can we identify different '**types**' of poverty in Scotland?
(*can we identify different groups of people on low income that have similar experiences of living on low income within the same group, but that are different to the experiences of low income people in other groups?*)



What are the different types of poverty that people in Scotland experience?

To do this we need a **social survey** that collects information on household incomes, and also collects information on other aspects of experiencing poverty.

The survey we identified to use is called …
the **Scottish Household Survey** (SHS)

What is the Scottish Household Survey?

Funded by Scottish Government to support various policy areas

14,000 households interviewed per year

We use data from 2012 **and** 2013 (28,000 households)

Collects detailed information on **household income**

Covers **wide range of topics** such as …

household composition, housing, transport, health,
employment, education, neighbourhood satisfaction,
being in arrears on bill payments,
experiences of homelessness,
feeling unsafe in your local neighbourhood,
experiences of harassment etc.

What are poverty indicators?

We used the information in the survey to create a number of indicators of poverty that reflect the experiences of living on low income.

They help us identify different types of poverty.

‘Resources’
- Very low income
- Financial difficulties
- No savings
- No car
- Can’t rely on neighbours

‘Participation’
- Unpaid carer
- No paid cultural activities
- No free cultural activities
- No internet at home

‘Qualify of life’
- No visits to open space
- Feel unsafe
- Live in deprived area
- Has been homeless

These are potential consequences of living on low income (‘experiences of poverty’)

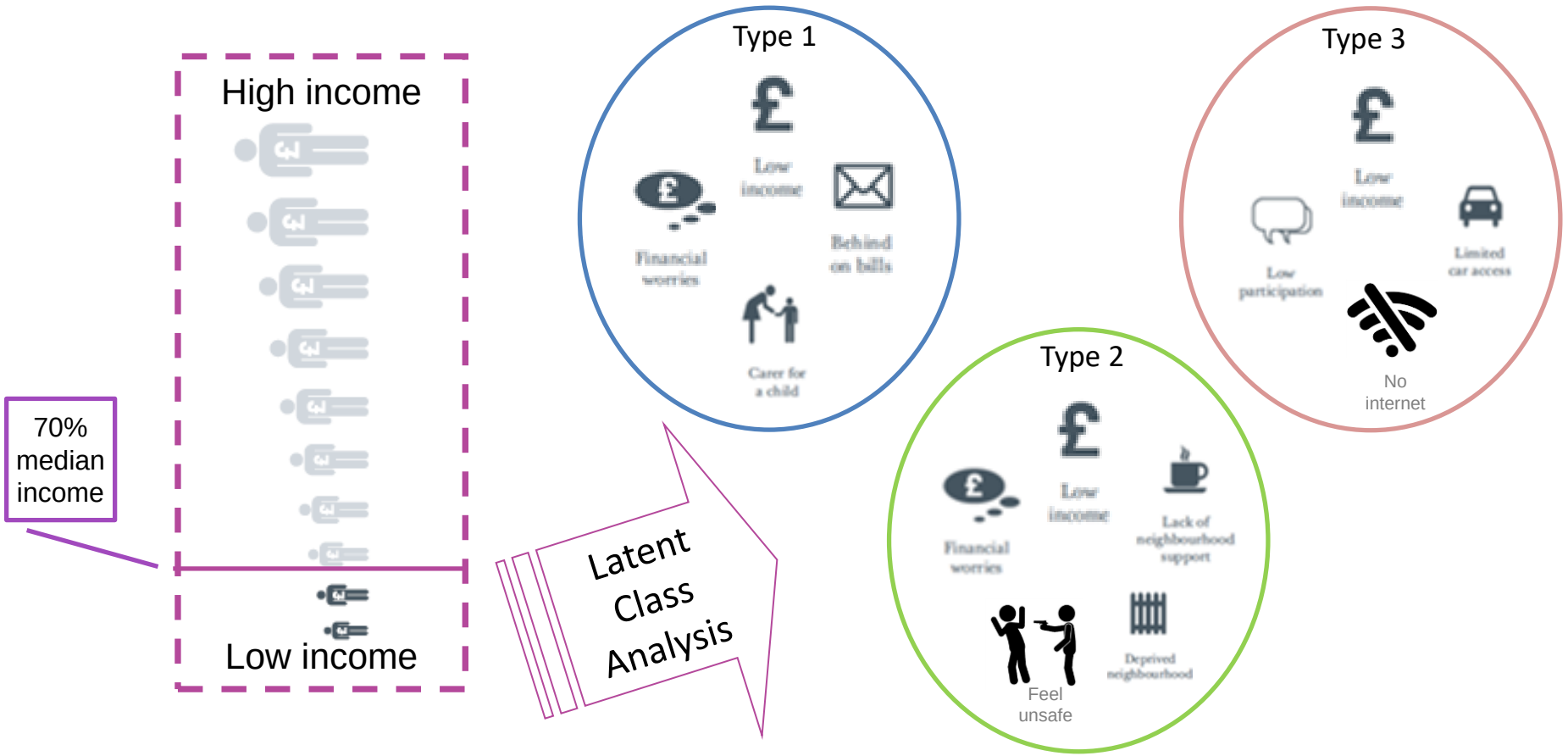
But not all low income people would have the same experiences

Are there groups of households that have similar combinations of experiences, i.e. different ‘types of poverty’?

Aim : to identify different types of poverty in Scotland

Latent Class Analysis was used to find the **combinations of poverty indicators** that clustered most frequently for low-income households

Hypothetical example:

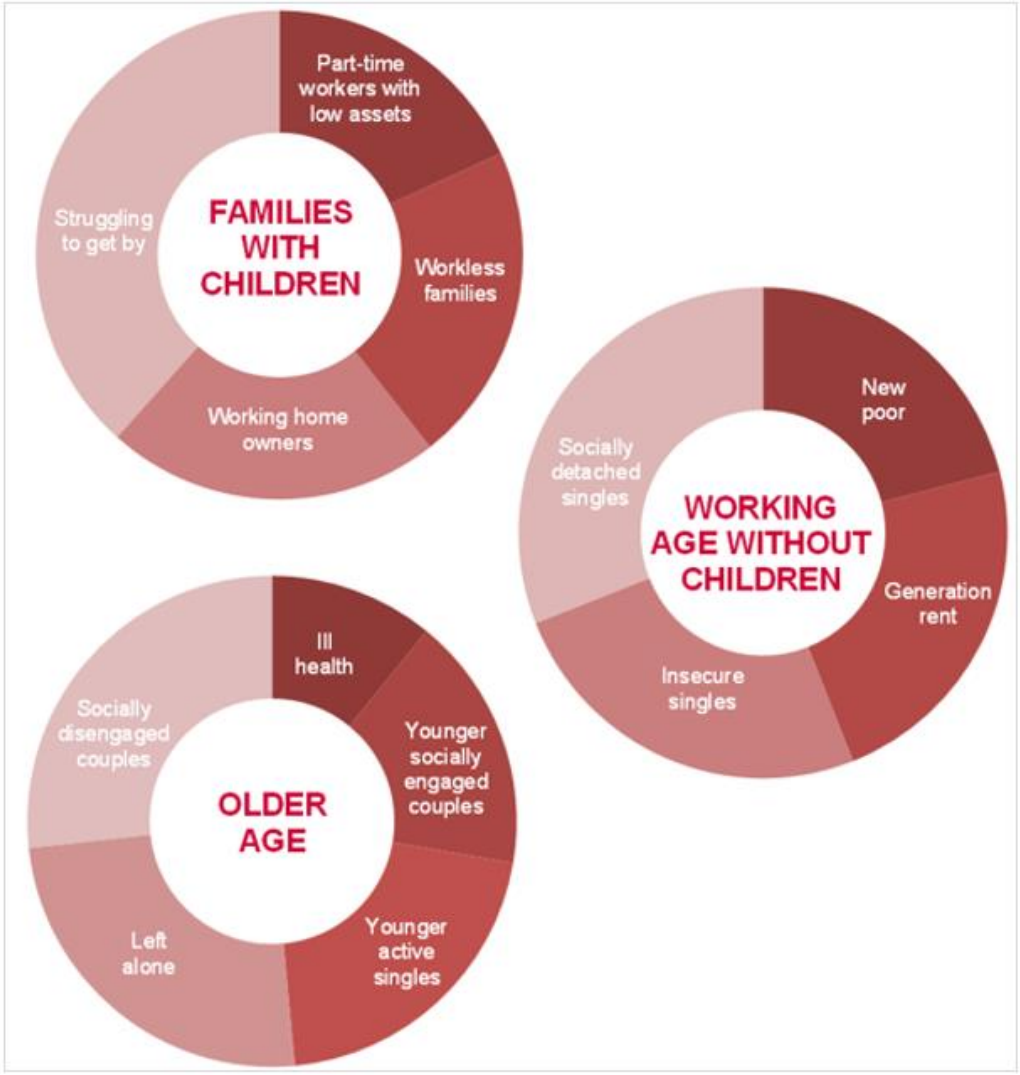


Results

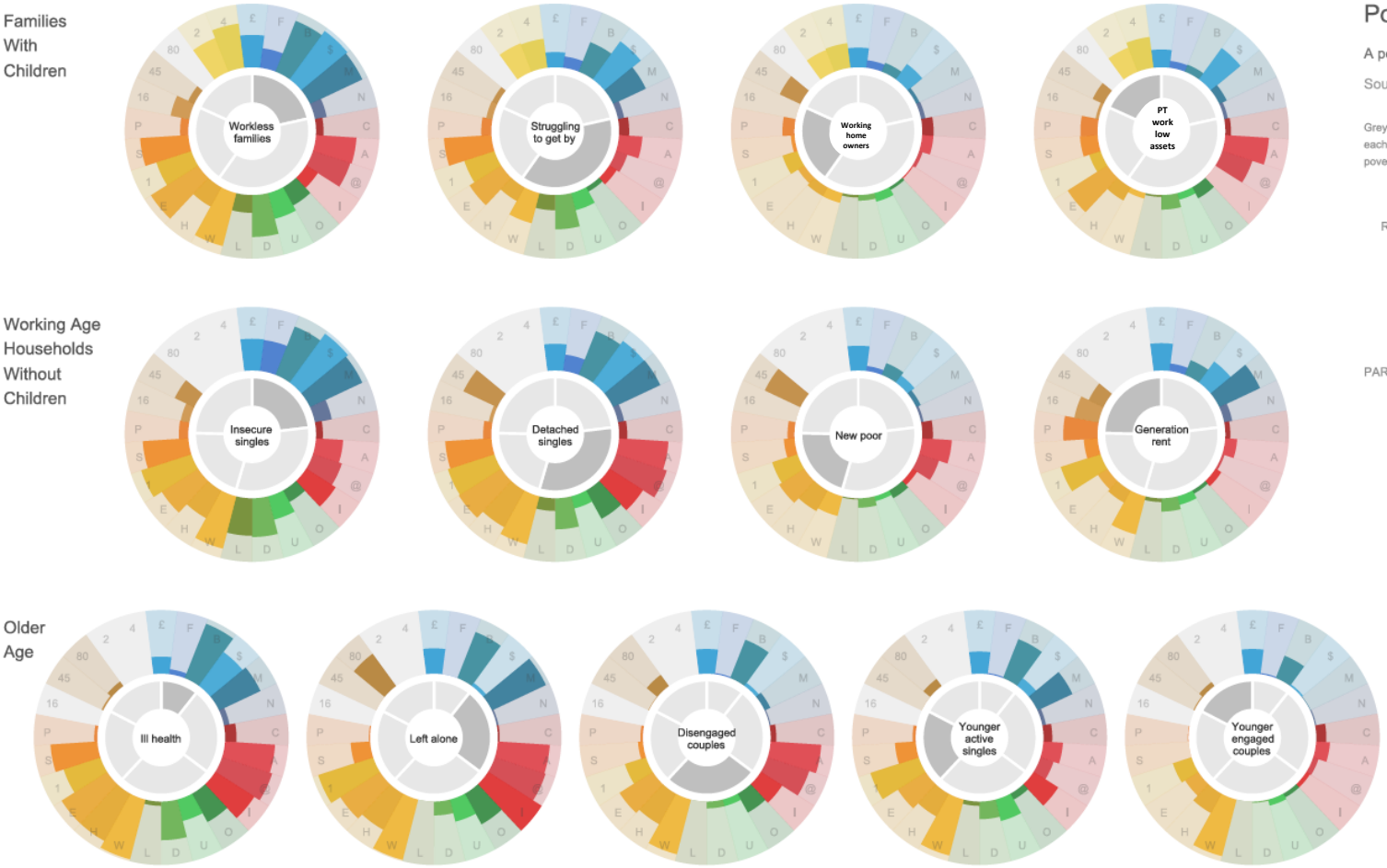
We found 13 types of poverty in Scotland

We carried out the analysis separately for three different '**life stages**'

We can **describe** each poverty type by seeing which poverty indicators people in that type tend to experience and what their socio-demographic characteristics are (lone parent/couple, number of children, ethnicity etc.)



Visualising the 13 types of poverty



Poverty in Perspective: Scotland

A poverty typology for low income Scottish households

Source: The Scottish Household Survey 2013 and 2014

Grey segments in inner rings show relative sizes of poverty types in each life stage. Coloured bars in outer rings show importance of poverty indicators in each poverty type.

RESOURCES
- £ - Poorest 10% £
- F - Financial Difficulty
- B - >80% Benefits
- $ - No $avings
- M - No Motor Car
- N - No Friends or Neighbours

PARTICIPATION
- C - Provides Regular Unpaid Care
- A - Few Free Cultural Activities
- @ - Few Paid Cultural @ctivities
- I - No Home Internet

QUALITY OF LIFE
- O - No Visit to Open Space
- U - Feel Unsafe
- D - Lives In Deprived Area
- L - Has Been HomeLess

RISK FACTORS
- W - Workless
- H - Poor Health
- E - No Level 1 Education
- 1 - S1ngle Adult
- S - Social Renting
- P - Private Renting
- 16 - Age 16-24
- 45 - Age 45-59
- 80 - Age 80+
- 2 - >2 Children
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@giCentre

Families with children poverty types

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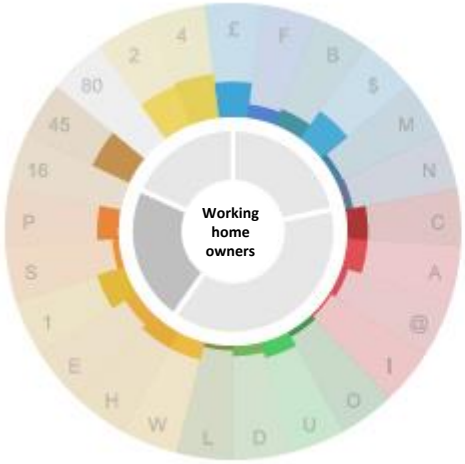

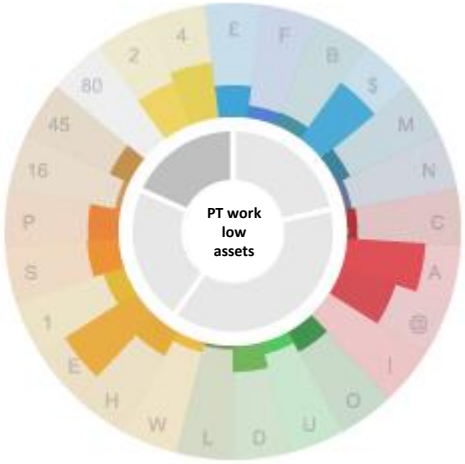

Families with children – Poverty type ‘workless families’

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Who are they?
Single mothers
Young children
Out of work
Benefits income
No savings
Social renting
Deprived neighbourhood
Low education
Social isolation (car, cultural activities)
1 in 3 have health problems

How to reach them?
Social housing
Free childcare entitlement (young children)

How to help them?
Employability support
Employment & health initiative

Families with children – Poverty type ‘struggling to get by’

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Who are they?

Largest poverty type
Half are single mothers
Out of work or work part time
Social renting

How to reach them?

Social housing
Free childcare entitlement (young children)
Schools

How to help them?

Employment - in-work progression / more hours
Childcare costs

Families with children – Poverty type ‘part-time workers with low assets’

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Who are they?

In part-time work
No savings
Low education
Low cultural activities

How to reach them?

Employers
Schools

How to help them?

Childcare costs
Stretch finances
Financial management

Families with children – Poverty type ‘working home owners’

Poverty in Perspective: Scotland

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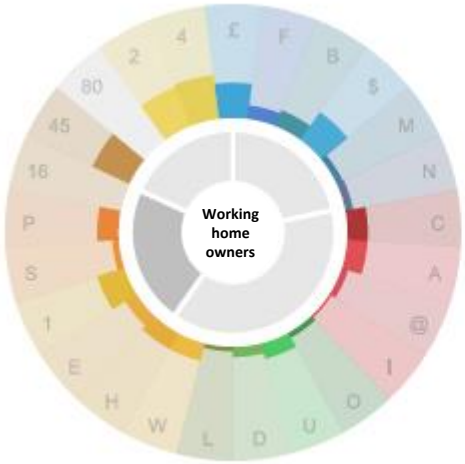
Who are they?

Couples
Employed
Well educated
Home owners
Less deprivation

How to reach them?

Not through support services
Employers / business support organisations
Schools

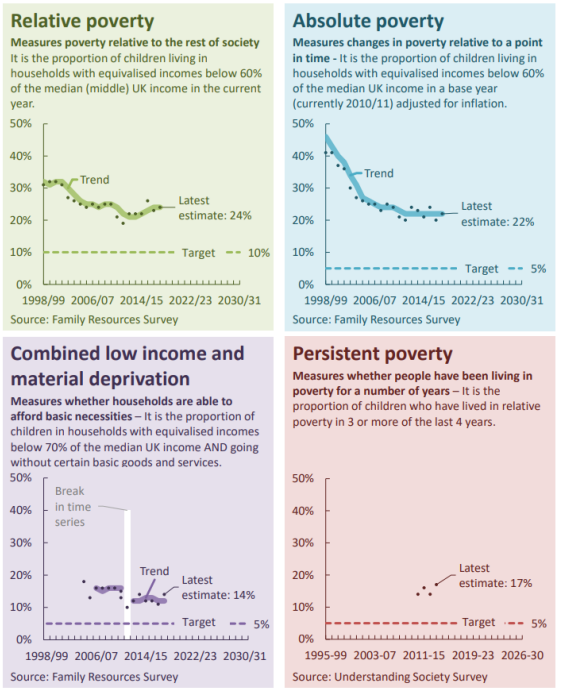


How to help them?

Prevention and reinforcement measures to help withstand pressure points

Conclusion

- Households in all poverty types have **low income**, but each poverty type represents a **different experience** of poverty
- **Policy implications** would be different for the different poverty types
  - Albeit all would benefit from higher incomes
- The **Child Poverty (Scotland) Act 2017** introduced targets, but Scottish Government unlikely to hit these
- *Every child, every chance: tackling child poverty delivery plan 2018-2022* (Scottish Gov, 2018), includes help with cost of the school day e.g.:
  - minimum payment for the School Clothing Grant
  - food insecurity during school holidays
  - childcare after school and in the holidays
  - Young Scot card
  - CPAG *Cost of the school day* project



Further research

- Households **do not fit perfectly** into a set of poverty types - not all households in the same type have exactly the same experience of poverty
- Further research would benefit from **replication** of this approach, to see if other data produces a similar set of poverty types in Scotland
- Further research may also try to understand the **dynamic** element of poverty types
    - Do types of poverty remain the same over time, or do different types of poverty emerge - perhaps in line with structural changes to the economy and society?
    - Do people stay in the same poverty type over time, and does the persistence of poverty vary depending in which type of poverty you are in?
    - Do people move from one poverty type to another, and is moving between poverty types a start of the route out of poverty for some?

Questions and discussion

- **Questions** on the research?

- **Discussion**:
  - How do these findings relate to the English context / your experience?
  - How do different types of poverty shape children's needs and educational experiences?

Families with children poverty types

Families with children poverty types

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Single mothers
Young children
Out of work
Benefits income
No savings
Social renting
Deprived neighbourhood
Low education
Social isolation (car, cultural activities)
1 in 3 have health problems

Who are they?
Largest poverty type
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Out of work or work part time
Social renting

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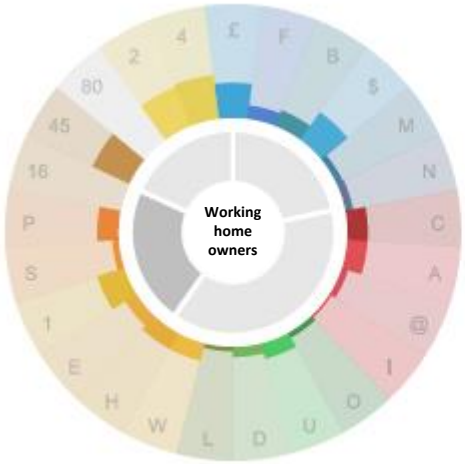

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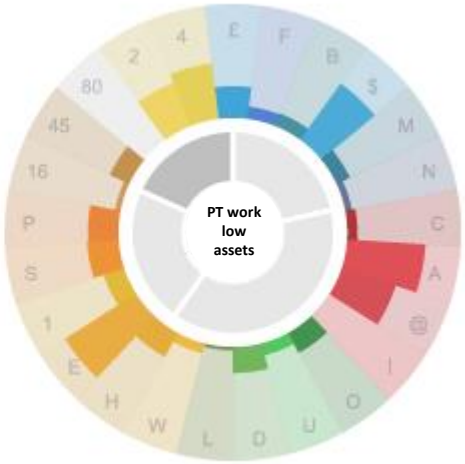
Home owners
Less deprivation



Who are they?
In part-time work
No savings
Low education
Low cultural activities

Academic excellence for business and the professions

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Quantitative Analysis of the Scottish Household Survey

https://www.gov.scot/publications/poverty-perspective-typology-poverty-scotland/

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Department of Sociology, City University of London

Annex

Resources

- **Poverty indicator: Household income decile (full sample)**

Households below the 70% median could be at different depths of low income. This indicator shows which of the bottom income deciles a household is in.

- **Poverty indicator: Some or deep financial difficulties (full sample)**

Households are asked 'Taking everything together, which of these phrases on this card best describes how you and your household are managing financially these days?' from 'manage very well' to 'are in deep financial trouble'. This poverty indicator identifies households that say they 'have some financial difficulties' or 'are in deep financial trouble'.

- **Poverty indicator: No savings (part sample)**

Households are asked about the total value of any savings or investments they have. This poverty indicator identifies households that have no savings or investments.

- **Poverty indicator: No car (full sample)**

Households are asked how many cars are normally available for private use by members of the household. This poverty indicator identifies households that have no access to a car.

- **Poverty indicator: Cannot rely on friends/neighbours for help (full sample)**

Households were asked how involved they are with other people living in their neighbourhood. More specifically they were asked 'If I was alone and needed help, I could rely on one of my friends/relatives in this neighbourhood to help me'. This poverty indicator identifies households that 'tend to disagree' or 'strongly disagree' to this statement.

Participation

- **Poverty indicator: Provides regular unpaid care (full sample)**

Apart from anything they might do as part of employment households were asked if anyone in the household looks after, or gives any regular help or support to family members, friends, neighbours or others because of either long-term physical / mental ill-health / disability; or problems related to old age. This poverty indicator identifies whether anyone in the household provides regular unpaid care.

- **Poverty indicator: Has not done any paid cultural activities in past year (full sample)**

Households are asked whether they have done a range of paid cultural activities in the past year, and if so how frequently. The activities includes: going to the Cinema; Classical music performance or opera; Live music event, e.g. traditional music, rock concert, jazz event; Theatre, pantomime / musical / play; Dance show / event, e.g. ballet; Historic place, e.g. castle, stately home and grounds, battle or archaeological site; Exhibition - including art, photography and crafts. This poverty indicator identifies households that have not done any paid cultural activities in the past year.

- **Poverty indicator: Has not done any free cultural activities in past year (full sample)**

Households are asked whether they have done a range of free cultural activities in the past year, and if so how frequently. The activities includes: Library, including mobile and online; Museum; Gallery; Street arts, e.g. musical performances or art in parks, streets or shopping centre; Culturally specific festival, e.g. mela /Feis/ local Gala days; Book festival or reading group; and, Archive or records office, e.g. Scotland's Family History Peoples Centre. This poverty indicator identifies households that have not done any free cultural activities in the past year.

- **Poverty indicator: No internet access at home (part sample)**

This indicator identifies households that do not currently have access to the internet from home.

Quality of Life

- **Poverty indicator: Ever been homeless (full sample)**

This indicator identifies households that have said they have ever been homeless, that is, lost their home with no alternative accommodation to go to.

- **Poverty indicator: Feel unsafe walking alone in neighbourhood or alone at home (full sample)**

Households were asked how safe they feel walking alone in their neighbourhood after dark, and, how safe they feel when alone at home at night. This poverty indicator identifies households that said 'a bit unsafe' or 'very unsafe' to either of these two questions.

- **Poverty indicator: Lives in one of the 20% most deprived local areas (full sample)**

The Scottish Index of Multiple Deprivation 2012 helps identify concentrations of deprivation by incorporating several different aspects of deprivation and combining them into a single index. The SIMD combines 38 indicators across 7 domains: income, employment, health, education, skills and training, housing, geographic access and crime. Example indicators include the percentage of adults receiving low-income welfare benefits (Income domain), the journey time by public transport to a post office (Access domain), and the percentage of people living in households without central heating (Housing domain). The SIMD divides Scotland into 6,505 small areas, called datazones, each containing around 350 households. The Index provides a relative ranking for each datazone, from 1 (most deprived) to 6,505 (least deprived). This poverty indicator identifies households that live in one of the 20% most deprived areas as classified by the Scottish Index of Multiple Deprivation.

- **Poverty indicator: Not visited countryside in last 12 months (full sample)**

Households were asked some questions about various visits to the outdoors that they might do in their leisure time. The term 'outdoors' covered things such as; visits to open spaces in the countryside as well as in towns and cities, such as woodland, parks, farmland, paths, beaches etc. These leisure trips could either have been taken from home or whilst away from home on holiday, provided the holiday was in Scotland. They might include everyday activities like walking the dog as well as other activities like mountain biking or kayaking. This poverty indicator identifies households that did this once or twice a month or less.

Data

The data shows the **probability** that someone (a household) in a poverty type has the poverty indicator (so varies from 0-1)

We have highlighted poverty indicators where the probability is more than **0.50** – this may suggest it is a defining feature of that poverty type

Lifestage	Poverty type	% of households in poverty type (per lifestage)	Poorest income decile	Some/deep financial difficulties	No savings	No car	Not rely on friends/neighbours	Provides regular unpaid care	Few free cultural activities	Few paid cultural activities	No internet access at home	Not visited countryside/open space	Feel unsafe	20% most deprived area	Been homeless
Families with children	1	21%	0.51	0.31	0.94	0.91	0.19	0.12	0.64	0.62	0.22	0.33	0.42	0.66	0.28
Families with children	2	38%	0.24	0.18	0.74	0.57	0.10	0.16	0.37	0.19	0.14	0.08	0.28	0.54	0.24
Families with children	3	22%	0.31	0.12	0.30	0.06	0.07	0.18	0.18	0.06	0.02	0.05	0.14	0.09	0.04
Families with children	4	18%	0.28	0.11	0.61	0.13	0.06	0.09	0.69	0.50	0.00	0.20	0.11	0.23	0.03
Working age without children	5	23%	0.50	0.49	0.95	0.91	0.27	0.11	0.43	0.48	0.55	0.21	0.38	0.61	0.59
Working age without children	6	31%	0.42	0.26	0.81	0.82	0.10	0.13	0.78	0.84	0.63	0.51	0.20	0.49	0.20
Working age without children	7	21%	0.39	0.08	0.14	0.08	0.04	0.17	0.47	0.33	0.09	0.14	0.08	0.15	0.02
Working age without children	8	25%	0.43	0.12	0.41	0.71	0.13	0.08	0.19	0.04	0.11	0.06	0.14	0.21	0.06
Older age	9	11%	0.27	0.08	0.66	0.72	0.09	0.18	0.79	0.83	0.73	0.51	0.35	0.61	0.07
Older age	10	25%	0.40	0.00	0.06	0.94	0.03	0.03	0.82	0.84	1.00	0.55	0.36	0.22	0.00
Older age	11	27%	0.39	0.02	0.06	0.10	0.02	0.09	0.80	0.69	0.40	0.34	0.11	0.11	0.00
Older age	12	21%	0.35	0.02	0.15	0.61	0.06	0.14	0.31	0.22	0.46	0.11	0.35	0.28	0.07
Older age	13	17%	0.39	0.02	0.03	0.01	0.02	0.16	0.22	0.09	0.07	0.07	0.10	0.02	0.00

Data

We also used '**poverty risk factors**' to help describe the poverty types.

These are variables in the survey that may cause a household to be in poverty (have low income), such as: being workless, having poor health, low education, young children etc.

Lifestage	Poverty type	Workless	Adult/s have poor health	No or level 1 education	Age 16-24	Age 45-59	Age 80+	2 or more children	Youngest child aged 0 to 4	Social renting	Private renting
Families with children	1	0.86	0.35	0.88	0.30	0.11		0.43	0.70	0.76	0.13
Families with children	2	0.49	0.25	0.59	0.10	0.09		0.52	0.46	0.75	0.16
Families with children	3	0.16	0.16	0.12	0.00	0.36		0.63	0.39	0.06	0.19
Families with children	4	0.09	0.24	0.74	0.05	0.19		0.59	0.49	0.28	0.27
Working age without children	5	0.85	0.50	0.68	0.14	0.34				0.72	0.15
Working age without children	6	0.78	0.66	0.79	0.06	0.59				0.73	0.13
Working age without children	7	0.32	0.37	0.47	0.00	0.62				0.17	0.11
Working age without children	8	0.62	0.22	0.18	0.39	0.26				0.22	0.54
Older age	9	0.97	0.85	0.85		0.03	0.09			0.74	0.05
Older age	10	0.98	0.65	0.74		0.00	0.63			0.31	0.02
Older age	11	0.89	0.55	0.62		0.01	0.22			0.08	0.04
Older age	12	0.91	0.41	0.52		0.00	0.14			0.33	0.05
Older age	13	0.92	0.35	0.25		0.02	0.08			0.00	0.01