

Millennium Cohort Study

POVERTY



Taken from Chapter 10 of *Millennium Cohort Study Second Survey: A User's Guide to Initial Findings*

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The Survey

The Millennium Cohort Study (MCS) offers groundbreaking large-scale information about children born into the new century and the families who are bringing them up in all four countries of the United Kingdom. It lays the foundation for a major new research resource.

For the first survey, conducted in 2001-2002, we interviewed the families of nearly 19,000 children aged nine months. A disproportionate number of these children came from families living in areas of high child poverty, and, in England, from areas with relatively high minority-ethnic populations¹. This survey looked at the circumstances of pregnancy and birth, as well as the social and economic background of the families into which these children were born.

The second survey marks the beginning of a series of follow-up surveys. Conducted in 2003-2005, it records how nearly 16,000 cohort children are developing at the age of three. For the first time, researchers have been able to chart the changing circumstances of families and relate children's outcomes at age three to earlier circumstances and experiences. This summary reveals some of the results from the second survey.

Income and poverty

The economic situation of the families in which children are growing up determines current standards of living and is linked to prospects for the children's development. Eradicating the number of children growing up in poverty is a key long-term aim of government policy.

In the sweep 2 survey (MCS2), respondents were asked to specify where their family income fell in one of 18 bands. Separate bands were used for lone parents and for couples. The median income band for couples was £22,000 - £28,000 per annum, and for single parents £5,500 - £7,500.

A poverty threshold was defined as 60 per cent of national median income before housing costs. This resembles the conventional relative poverty line used in the government's Households Below Average Income (HBAI) series, but does not reproduce this measure exactly. Our measure of equivalised family income gives greater weight to the costs of young children and is based on family rather than household income (the latter could include the income of other adults in the household). It was estimated that about 26 per cent of our cohort families fell below the MCS poverty threshold in the age three survey. This is a little below the first survey, but is somewhat above the contemporary HBAI estimates of 23 and 22 per cent in the UK, both in 2001-2 and 2003-4.

- The proportion of respondents to MCS2 who reported income below the

poverty line was 30 per cent in in Wales, 29 per cent in Northern Ireland, 25 per cent in England and 21 per cent in Scotland. Once family size is taken into account, only the difference between Wales and Scotland was statistically significant.

- Over half the families sampled from wards in England with high minority ethnic populations (57 per cent) had income below the poverty threshold, as did 39 per cent of respondents in other disadvantaged wards, compared to 17 per cent in advantaged wards.

Family

- Lone parents were most likely to report family income below the poverty line; 72 per cent, compared to 14 per cent of married and 32 per cent of cohabiting parents. The contrast with HBAI estimates is largely confined to lone parents.
- Families with four or more children have estimated poverty rates of 54 per cent, compared to the lowest rate of 21 per cent for families with two children. The rates for one or three children were 24 and 32 per cent respectively.
- Mothers aged 31-35 at the time of their first birth had the lowest reported poverty rate at 15 per cent whereas mothers aged 20 years or younger had a rate of 69 per cent.

Ethnicity

- White respondents were least likely to report incomes below the poverty line (23 per cent), followed by Indians (24 per cent), Black

¹ Percentages reported here have been re-weighted to be representative of the population as whole.

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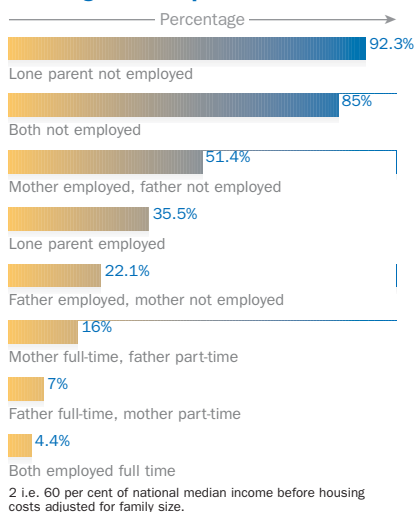
Caribbeans and Black Africans, each (42 per cent), Bangladeshis (67 per cent) and Pakistanis (68 per cent).

- This is despite the fact that Black Africans were more likely than Whites to have degree-level or above qualifications whilst Black Caribbeans have similar educational attainment to White respondents. The higher minority ethnic poverty rates partly reflect the greater proportion of lone mothers among the Black groups and the lower rates of employment among both Bangladeshi and Pakistani mothers and fathers.

Employment

- Having jobs made a great deal of difference to the chances of income above the poverty line. Where both partners were employed full-time, only 4 per cent were in poverty, compared with 86 per cent for couples with no one earning, and 92 per cent for lone parents with no job.

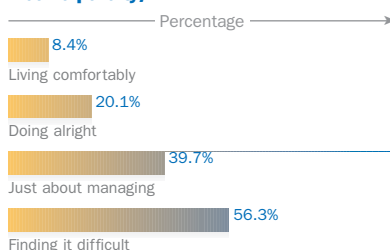
Percentage below 60 per cent threshold²



Education

- The higher the level of a respondent's educational qualifications, the less likely they were to report income below the poverty line. Nine per cent of mothers with at least degree-level qualifications lived in poverty, in contrast to 66 per cent of those without any qualifications.

Mother's report of how she is doing financially (showing percentage in income poverty)



Subjective poverty

Mothers reporting income below the poverty line and subjective poverty are broadly consistent, although not fully aligned, as the graph below shows. Only just over half of those reporting most financial difficulty had incomes below the line, as did 8 per cent of those who said they were living comfortably.

Stability and change

There was considerable stability in respondents' poverty status between sweeps 1 and 2 among those who gave income data at both surveys:

- Sixty-three per cent of those estimated to be in poverty in sweep 1 were still estimated to be in poverty in sweep 2. Of those who were not estimated to be in poverty in sweep 1, only 15 per cent were estimated to be in poverty by sweep 2. One-third of these MCS families had been in poverty at sweep 1 or 2, one-sixth on both occasions.

From MCS1 to MCS2

	MCS2			
	Income	Above poverty threshold	Below poverty threshold	Total (N)
MCS2	Above 60 per cent	85	15	100 (8,263)
	Below 60 per cent	37	63	100 (3,527)
	Total	74	26	100 (11,790)

Those entering the poverty group (13 per cent of the total) appear to outnumber those leaving the low income band (8 per cent of the total), but allowance has yet to be made for the disproportionate numbers of 'poor' families in the first survey who did not give income evidence at sweep 2.

Conclusion

The overall poverty rate, as defined here, changed little between MCS1 and MCS2. Individual families moved, in both directions. More research will find out how factors such as employment and family changes and government policy influence

movements in and out of poverty and may help to speed or hinder progress towards government targets. More use should also be made of information collected in the survey about how families spend their money and what they cannot afford. This will

increase understanding of how income and standards of living contribute to people finding themselves in poverty.

Millennium Cohort Study Second Survey: A User's Guide to Initial Findings is available at www.cls.ioe.ac.uk

If you require this briefing in a larger font, please contact Lorna Hardy (l.hardy@ioe.ac.uk)