

WORKING PAPER 6

**EMPLOYMENT, POVERTY AND SOCIAL EXCLUSION: EVIDENCE FROM
THE POVERTY AND SOCIAL EXCLUSION SURVEY OF BRITAIN**

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Poverty and Social Exclusion
Survey of Britain ●●●●



PREFACE

This Working Paper arose from the *1999 Poverty and Social Exclusion Survey of Britain* funded by the Joseph Rowntree Foundation. The *1999 PSE Survey of Britain* is the most comprehensive and scientifically rigorous survey of its kind ever undertaken. It provides unparalleled detail about deprivation and exclusion among the British population at the close of the twentieth century. It uses a particularly powerful scientific approach to measuring poverty which:

- incorporates the views of members of the public, rather than judgments by social scientists, about what are the necessities of life in modern Britain
- calculates the levels of deprivation that constitutes poverty using scientific methods rather than arbitrary decisions.

The *1999 PSE Survey of Britain* is also the first national study to attempt to measure social exclusion, and to introduce a methodology for poverty and social exclusion which is internationally comparable. Three data sets were used:

- The *1998-9 General Household Survey* (GHS) provided data on the socio-economic circumstances of the respondents, including their incomes
- The *June 1999 ONS Omnibus Survey* included questions designed to establish from a sample of the general population what items and activities they consider to be necessities.
- A follow-up survey of a sub-sample of respondents to the 1998-9 GHS were interviewed in late 1999 to establish how many lacked items identified as necessities, and also to collect other information on poverty and social exclusion.

Further details about the *1999 Poverty and Social Exclusion Survey of Britain* are available at: <http://www.bris.ac.uk/poverty/pse/>

1 INTRODUCTION

1.1 WORKLESS HOUSEHOLDS

The problem of 'workless' households in Britain is currently high on the Labour Government's agenda. The main plank of the Government's anti-poverty strategy is to reduce poverty through increasing the number of households with people in work.

By 'workless' households, the Government means those households with at least one person of working age but with no one in paid employment. Such households would perhaps be better described as jobless since 'many of (these households) include people doing large amounts of unpaid work caring for children or adult dependants' (Gordon, et. al., 2000, p.54-55). However, for simplicity this paper uses the term 'workless'.

The Problem

In the last twenty years there has been a large increase in the proportion of workless households. In 1979 nine per cent of the population lived in a workless household and, with the exception of the years 1988 to 1990, there was a steady increase to just over 20 per cent in 1996/7 (DSS, 1999).

The Labour Force Survey (LFS) confirms this trend suggesting that, as a proportion of all working-age households, workless households rose from 14.0 per cent in the Spring of 1990 to a high of 18.9 per cent in the Spring of 1996. However, since that time it has been declining slowly, reaching 17.2 per cent in Spring 1999.

The LFS shows that certain household characteristics increase the likelihood of being workless. Households with only one person of working age (29.4 per cent), lone parents (52.3 per cent) and those of ethnic origin other than White or Indian (at least

26.6 per cent) are the most likely to be workless. Despite the high rates of workless lone parent households, overall households with children are less likely to be workless than those without children. This is because of the extremely low rate of worklessness among couples with children (less than 6.5 per cent) (ONS, 2000).

Although Britain has one of the highest proportions of working age people in employment in the OECD, Britain also has one of the highest proportions of working age adults in workless households in Europe (OECD, 1998).

Causes

A number of causes have been suggested to explain why Britain has experienced these increases:

- ***Recent high levels of unemployment.*** Unemployment rates peaked in 1984 at 12 per cent and have since fallen to just over six per cent. However, the effect of past unemployment makes it increasingly difficult for unemployed individuals to get employment, remain in employment and for this employment to be well-paid – the ‘low pay, no pay’ cycle (DSS, 1999);
- *Changes in the labour market.* There have been movements away from unskilled and semi-skilled work towards more part-time jobs, short-term contracts and self-employment. In turn this has led to an increase in women’s employment and a decline in male employment (DSS, 1999);
- *Changes in family structure.* There have been very large increases in the number of single-adult households including lone parents, who are particularly unlikely to work (DSS, 1999); and
- *Distribution of work has become increasingly polarised.* In 1971 just three per cent of two-parent households had neither partner in work and 46 per cent had both in work. In 1991 the comparative figures were nine and 60 per cent. It has been suggested that this phenomenon accounts for four-fifths of the growth in workless households and just one-fifth has been the result of changes in household structure (Gregg and Wadsworth, 1999).

In addition, or as a result of the above, there has also been an increase in wage inequality in Britain. The wages of men in the top decile have increased at twice the rate of those in the bottom decile, and an even greater difference has occurred for women (DSS, 1999).

Worklessness and Poverty

The relationship between poverty and worklessness has been well-documented. Almost two out of three individuals with low incomes 'who move out of low income do so because someone in their household gets a job or increases their earnings' (DSS, 1999, p.78). The Government is clear that: 'Worklessness is the main cause of poverty and social exclusion'. It states that 'Lack of work leads to low incomes: six out of ten low-income adults live in households where no one works; this compares with fewer than one in ten who live in a household where all adults are in work'. The Government's conclusion is that 'The most important routes out of low income are finding a job, keeping a job and moving up the earnings distribution out of low-paid work.' (ibid., p.78).

The Government has also recognised that it is not only those out of work who suffer from poverty, but that those in work are also often at risk. By 1995/6 twice as many children in poverty were in working households than had been the case in 1979 (HM Treasury, 1999, p.10). Analysis of the Family Expenditure Survey has found that there are 1.25 million individuals in households without dependent children where someone is in work, but with incomes below 60 per cent of the median (HM Treasury, 2000).

Scope of the Paper

This paper uses data from the Poverty and Social Exclusion Survey of Britain (PSE) to analyse the relationship between employment, poverty and social exclusion. The

survey was undertaken in 1999 and has produced a wealth of data about poverty and social exclusion in Britain¹.

The paper first compares workless households of one, and two or more, adults to those with one person in work and two or more persons in work in terms of socio-demographic characteristics and a range of poverty and social exclusion indicators. Although the Government has strongly suggested that worklessness causes both poverty and social exclusion, their evidence appears narrowly focussed on the impact of income poverty rather than labour market exclusion as a form of social exclusion. Therefore the first section answers the question – is the Government right to emphasise paid employment as the answer to poverty *and* social exclusion?

Second, the paper compares the characteristics and experiences of poverty and social exclusion of households with just part-time workers, with households with full time workers, and with no workers. The aim is to explain whether any form of paid work is better than none, particularly in terms of poverty reduction².

The third section analyses the impact of past unemployment. Who suffers from unemployment? Are individuals who have suffered unemployment in the past at greater risk of poverty and social exclusion after the event and, if so, to what extent does the length of unemployment experience impact upon both the risk and extent of poverty and social exclusion? Following from this, do sudden changes in households' employment status, such as a household member gaining or losing a job, have an impact upon household income and living standards and are households with particular characteristics more likely than others to experience these sudden changes?

¹ Further details about the survey can be found in Gordon et. al., 2000 and in a number of working papers available from the authors and from <http://www.bris.ac.uk/poverty/pse>

² It should be borne in mind, however, that the Labour Government reforms to 'make work pay', including part time work, were not all introduced at the time the data was collected.

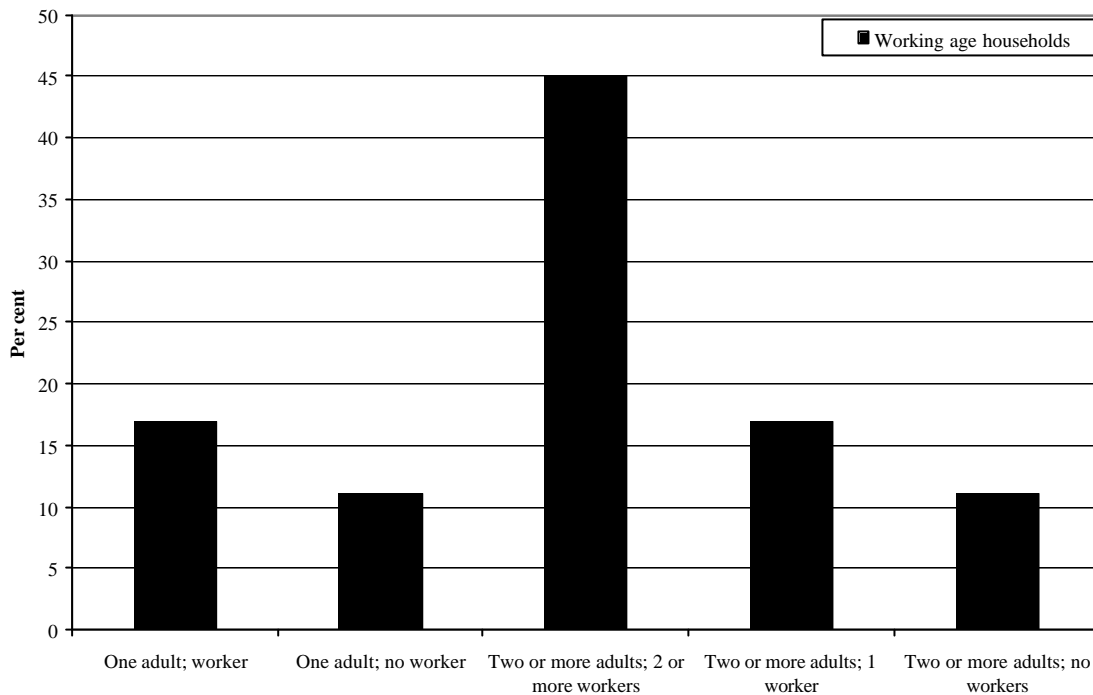
Finally, these findings are considered in the light of the range of policies that Government is currently introducing in pursuit of its two main aims of 'work for those who can, security for those that cannot' and 'making work pay'.

2 HOUSEHOLD EMPLOYMENT STATUS

2.1 INTRODUCTION

Households with at least one person of working age (described simply as 'households' from now on) have been divided into those with one, or two or more adults and then by whether they have workers or no workers³. More than one-fifth of working age households have no workers (22 per cent, Figure 2.1). This is slightly higher than government estimates reported earlier (see page 1) and may be explained by the inclusion of students in our definition. Workless households are evenly divided between one and two or more adult households (both eleven per cent). These figures are similar to those of spring 1999 LFS data for one adult households (11.7 per cent), but far higher than for two or more adult households (5.6 per cent).

³ Those with no workers and retired persons have been included in the no workers group.

Figure 2.1 Employment Status of Working Age Households

2.2 CHARACTERISTICS OF WORKLESS HOUSEHOLDS

This section describes the various socio-demographic characteristics of workless households (Tables 2.1 and 2.2). Table 2.1 provides information on the characteristics of all workless, households, regardless of size, compared to all households. Table 2.2, on the other hand, disaggregates workless households by the number of adults and compares their characteristics to the various working households and all households. The effect of labour market exclusion is then explored according to a number of measures of poverty and social exclusion (Tables 2.4 to 2.8d).

Household type

Single adults, with or without children are far more likely to be workless than their population size would suggest, whereas couples with children and households with three or more adults are particularly less likely to be workless (Table 2.1).

Households without children are more likely to be workless than those with children (Table 2.2). In one adult workless households, approximately three-fifths are childless and in two or more adult households, the proportion is more than three-quarters. This compares to three-quarters and one-half in working households respectively. This confirms the findings of the LFS reported earlier (ONS, 1999) that lone parents are more likely to be workless, whereas couples with children are less likely to be workless than those without children.

Age of respondent

Overall respondents aged 45 – 64 are by far the most likely to be workless, 53 per cent compared to 40 per cent of the working age population (Table 2.1). In one adult workless households, respondents are more likely to be at the younger or older end of the scale than the working-age population as a whole (Table 2.2). Approximately half are aged between 45 and 64, most probably having taken early retirement, and one-fifth aged 16 – 24, many of whom will still be in education, compared to 40 and nine per cent of the population. In two or more adult workless households respondents are also more likely to be at the older end of the scale, over half are aged between 45 and 64, but are less likely to be aged 16 – 24 than the whole population.

Area

Workless households as a whole are more likely to be found in the cities and less likely to be in rural areas than all households (Table 2.1).

One adult workless households are more likely to be found in cities than the working age population as a whole, 37 compared to 24 per cent, but are less prevalent in metropolitan or rural areas. In contrast, two adult no worker households are more common in metropolitan areas (37 compared to 28 per for the whole population) (Table 2.2).

Tenure

Overall, half of all workless households live in local authority or housing association homes compared to just one-fifth of all households.

Both one and two adult workless households are more likely to live in rented accommodation. Fifty-seven per cent of one adult no worker households and 42 per cent of two or more adult no worker households live in local authority or housing association homes, compared to 19 per cent of the whole population. There are at least two possible explanations for such findings. On the one hand it could be that these households are workless because they live in local authority accommodation (employers are discriminating against them because of the area in which they live) or, alternatively, that they live in local authority accommodation *because* they are workless (the loss of their job has resulted in the loss of their owned home).

Table 2.1 Characteristics of All Workless Households

Column per cent within each characteristic

	All Workless Households	All Households
Household Type*		
Single Adult	32	19
Couple, no children	32	29
Lone parent	20	8
Couple, children	11	28
3 or more adults	(6)	11
3 or more adults, children	(0)	5
Age of respondent*		
16 – 24	13	9
25 – 34	17	26
35 – 44	12	22
45 – 64	53	40
65 – 74	(4)	2
75 +	(2)	(0)
Area*		
City	29	24
Metropolitan	28	28
Town	23	23
Village	11	13
Rural	9	12
Tenure*		
Own outright	20	17
Own with mortgage	20	57
LA or HA	50	19
Rent privately	10	8

Long Standing Illness*

None	27	47
One or more	73	53

Benefit Receipt*

No	46	86
Yes	54	14

Ethnicity*

White	92	95
Non-white	8	5

Age Left Education*

15 or less	42	23
16	27	27
17 – 18	12	19
19 – 21	(9)	13
22 or over	11	18

Total	22	100
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Key: () less than 20 unweighted cases

* workless households significantly different to all other households ($p < 0.05$)

Table 2.2 Characteristics by Household Employment Status
Column per cent within each characteristic

	1 Adult		2 or more adults			All
	Worker	No Worker	2 or More Working	1 Working	No Workers	
Household Type *						
Single Adult	76	61				19
Couple, no children			33	43	65	29
Lone parent	24	39				8
Couple, children			41	40	23	28
3 or more adults			16	14	12	11
3 or more adults, children			10	(4)	(0)	5
Age of respondent*						
16 – 24	(7)	18	9	7	(7)	9
25 – 34	39	19	27	21	15	26
35 – 44	20	14	27	26	(10)	22
45 – 64	34	49	37	40	57	40
65 – 74			(0)	(6)	(8)	2
75 +				(0)	(3)	(0)
Area*						
City	28	37	22	21	19	24
Metropolitan	25	20	30	25	37	28
Town	18	23	22	29	24	23
Village	(11)	13	14	15	(9)	13
Rural	18	(6)	11	11	(11)	12
Tenure*						
Own outright	13	(12)	14	25	28	17
Own with mortgage	61	17	75	52	24	57
LA or HA	14	57	6	16	42	19
Rent privately	12	14	(5)	(8)	(6)	8

Long	Standing						
<i>Illness*</i>		72	36	52	34	17	47
None		28	63	48	66	83	53
One or more							
Benefit Receipt*							
No		95	37	99	97	54	86
Yes		(5)	63	(1)	(3)	46	14
Ethnicity*							
White		97	90	96	95	95	95
Non-white		(3)	(10)	(4)	(5)	(5)	5
Age	Left						
Education*		11	33	15	30	51	23
15 or under		31	35	28	23	18	27
16		18	11	22	22	(13)	19
17 – 18		(16)	(10)	16	(7)	(7)	13
19 – 21		25	(11)	19	19	(11)	18
22 or over							
Total		17	11	45	17	11	100

Key: () less than 20 unweighted cases

* workless households significantly different to all other households ($p < 0.05$)

Long-standing illness

Three-quarters of respondents in workless households say that one or more household member has a long-standing illness. Two-thirds of one adult non-working households and 83 per cent of two or more adult workless households are in this state, compared to 53 per cent of all households.

Further analysis showed that the majority of the two adult no worker households with a household member with a long-standing illness have respondents aged 45 or over – 69 per cent. Only one-third of the households, however, receive incapacity benefit or national insurance sick pay (34 per cent). In the 45 and over age group receipt of such benefits is 38 per cent, but this means that this older age group makes up 82 per cent of all households receiving these benefits.

Benefit receipt

Over one half of all workless households are claiming Income Support (IS) or Jobseeker's Allowance (JSA), the rest are receiving other benefits, such as incapacity benefit, or are living off private pensions, or other private income. Sixty-three per cent of one adult no worker households are receiving either IS or JSA, and 46 per cent of two adult workless households compared to just 14 per cent of all households.

Ethnicity

The numbers of non-white households are small, making up just five per cent of all working age households, and this analysis, therefore, should be treated with caution. However, it appears that non-white households make up eight per cent of workless households, which corresponds to 34 per cent of all non-white households being workless. Ten per cent of one adult workless households and five per cent of two adult workless households are non-white.

Age completed education

Workless households are more likely to have respondents that completed education at a young age. Only one in ten in both one and two adult workless households finished their education after the age of 21 compared to 18 per cent of all households.

One-third of one adult workless households and one half of two adult workless households, left school at 15 years or earlier, compared to only one-quarter of all households.

Explaining Worklessness

Our analysis so far has shown that households with particular family, economic and demographic characteristics are significantly more likely to be workless than others. These characteristics need to be disentangled in order to separate out those that are most likely to place households at an increased risk of worklessness when all other characteristics are taken into account.

Logistic regression is a technique that allows membership of the different household groups (one adult with none or one worker; two or more adults with none, one or two or more workers) to be predicted on the basis of the suite of characteristics used above to describe individuals' demographic, social and economic circumstances. The technique allows the impact of a particular characteristic (e.g. being non-white) on the odds of being in a workless household to be calculated relative to a reference group (white). In other words the analysis enables us to answer questions such as, to what extent are non-white individuals more or less likely than white individuals to live in a worker household rather than a workless household. Separate analyses were undertaken for households with one and two or more working age adults. For single households, a binomial regression was carried out whereas a multinomial technique was appropriate for multiple adult households because more than two categories were possible (Tables 2.3 and 2.4 respectively).

Many of the characteristics included in the model are not only related to the number of workers in the household, but are also related to each other. For example, many lone parents live in local authority accommodation and both lone parenthood and local authority accommodation are related to being in work. Logistic regression produces independent estimates of each characteristic when all others are controlled for. Receipt of Income Support and Jobseeker's Allowance has been excluded from the models because it is more correctly an outcome of worklessness, rather than a cause.

The first model focused on single adult households and shows that, when all other characteristics are taken into account, households less likely to be in work are:

- lone parents - two-thirds as likely to be in work as single adults without children;
- those with respondents aged between 16 and 24 - approximately half as likely to work as those aged 45 or over;
- non-white households - only half as likely to work as white households;
- those living in local authority accommodation or housing association accommodation - two fifths as likely to be in work as those who rent privately;
- households with one or member with a long-standing illness - two fifths as likely to be in work as those with no members with a long standing illness;
- those living in cities, towns and villages - less likely to be in work than those living in rural areas; and
- those with respondents educated up to the age of 16 – three fifths as likely to be in work as those educated to the age of 22 or above.

**Table 2.3 Logistic Regression Predicting the Odds of One Adult Households
Being a Worker**

**Odds of Households Having a
Worker**

HOUSEHOLD TYPE	1.00
	0.69*
Single adult	
Single adult with children	
AGE OF RESPONDENT	1.00
	0.46**
45 or over	4.63***
16 – 24	3.80***
25 – 34	
35 – 44	
ETHNICITY	1.00
	0.51*
White	
Non-white	
TENURE	1.00
	1.74*
Rent privately	3.56***
Own outright	0.41***
Own with a mortgage	
Rent LA or HA	
LONG STANDING ILLNESS	1.00
	0.38***
None	
One or more	
AREA	1.00
	0.37***
Rural	0.63
City	0.48**
Metropolitan	0.48**
Town	
Village	

AGE LEFT EDUCATION	1.00
	0.67
22 or over	0.62*
15 or less	1.47
16	1.42
17 – 18	
19 – 21	

This model seems to support the Government's choice of targets for the New Deal programme; the young, the old, disabled people and lone parents. It reinforces concerns about the plight of local authority (and housing association) tenants who research has repeatedly shown to suffer disproportionately from multiple deprivation (Gordon et. al., 2000).

The second model reports on the odds of a multiple household having workers when other characteristics are controlled for. The reference group is a household with no workers and two sets of estimates are reported: the first describes the differences between workless and one adult worker households; the second compares workless households to those with two or more workers.

The findings are similar in many respects as for one adult households. In the comparison between none and two or more worker households the following are significantly less likely to work:

- couples with and without children – only one-tenth and one-third less likely, respectively, to work than those with three or more adults in the household;
- non-white households - only one-tenth as likely to work as white households
- households renting local authority or housing association homes – one-quarter as likely to be working than those renting privately;
- those with one or more household member suffering a long standing illness – approximately one fifth as likely to be working as those with no members with a long standing illness; and

- those educated up to the age of 15 – half as likely to be working as those educated to 22 or over.

In the comparison between households with none or one worker, the following are significantly less likely to be in work:

- couples without children – a third as likely to work as those with three or more adults in the household;
- non white households – half as likely to be in work as white households;
- households renting local authority or housing association homes - just under half as likely to work as those renting privately; and
- those with no household members with a long standing illness – two fifths as likely to be in work as those with no members with a long standing illness.

**Table 2.4 Logistic Regression Predicting the Odds of Two or More
Adult Households Having One or Two or More Workers**

Odds of Household Having 2 or More Workers Rather Than None	Odds of Household Having 1 Worker Rather Than None
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HOUSEHOLD TYPE	1.00	1.00
3 or more adults (with or without children)	0.14***	0.36***
Couple	0.35***	0.73
Couple with children		
 AGE OF RESPONDENT	 1.00	 1.00
45 or over	1.45	1.75
16 – 24	3.04***	2.53***
25 – 34	3.21***	4.56***
35 – 44		
 ETHNICITY	 1.00	 1.00
White	0.13***	0.51*
Non-white		
 TENURE	 1.00	 1.00
Rent privately	1.46	2.23**
Own outright	7.19***	2.69***
Own with a mortgage	0.25***	0.45**
Rent LA or HA		

LONG ILLNESS	STANDING	1.00	1.00
		0.17***	0.40***
None			
One or more			
AREA		1.00	1.00
		1.10	0.99
Rural		0.96	0.74
City		0.96	1.48
Metropolitan		1.71*	2.07**
Town			
Village			
AGE LEFT EDUCATION		1.00	1.00
22 or over		0.54**	0.87
15 or less		1.86**	1.21
16		1.02	0.91
17 – 18		2.11**	0.69
19 – 21			

Therefore, two or more adult workless households are significantly less likely than one or two or more worker households to be a couple without children; of non-white ethnicity; living in rented local authority or housing association accommodation; and with one or more member of the household having a long-standing illness. Very much the same conclusions apply as for one adult households regarding the plight of the local authority tenant. However, this also highlights the problems for non-white households in gaining and sustaining entrance into the labour market. It

should also be noted that whilst child poverty and worklessness for parents is high on the policy agenda, couples without children are more likely to be workless, even when all other differences are controlled for.

Poverty in Workless Households

So far this paper has shown how worklessness disproportionately effects particular individuals and households. This section examines the impact of worklessness on household living standards.

Deprivation

Twenty-nine per cent of households with at least one member of working age are in poverty, defined as going without two or more necessities because of inability to afford them and having a low income (see Gordon et. al., 2000 for method). Poverty rates among workless households are very much higher. Seventy-two per cent of one adult no worker households and 48 per cent of two or more adult no worker households are poor.

The types of items and activities that workless households are most likely to be deprived of (because they cannot afford them) are the same as for all households. However, the rate at

which they are deprived is generally far greater, even for basic necessities such as food, clothing and a warm, dry home (Table 2.5). In general, one adult workless households are between two and four times more likely to lack these necessities than all households, and for two adult households the proportion lacking items is generally twice as high.

Table 2.5 Proportions Going Without Necessities**Cell per cent**

Necessities	All	1 Adult Non-working Household	2 or More Adult Non-working Household
Heating to warm living areas	3	8	(8)
Damp-free home	7	13	(12)
Visiting friends and family in hospital etc. (a)	3	(7)	(5)
Two meals daily	(1)	(4)	(2)
Fresh fruit and vegetables daily	5	17	(5)
Warm, waterproof coat	5	13	(11)
Replace or repair broken electrical goods	15	51	28
Visits to family/friends (a)	3	11	(6)
Celebrations (a)	2	14	(4)
Decent state of decoration	17	43	25
Visits to school (a)	2	(2)	(5)
Attending weddings, funerals etc.(a)	3	12	(7)
Meat, fish or vegetarian equivalent	2	13	(5)
Contents insurance	11	40	19
Hobby or leisure activity (a)	8	21	15
Collect children from school (a)	2	(2)	(4)
Telephone	2	(9)	(4)
Clothes for job interview	6	18	(12)
Carpets in living rooms and bedrooms	3	(7)	(8)
Regular savings	26	63	43
Two pairs of all weather shoes	8	23	12
Friends or family round for a meal/drinks (a)	7	23	(8)

Personal spending	17	44	28
Roast joint or equivalent	5	17	(9)
Presents for friends or family once a year	4	22	(8)
A week's holiday (a)	19	48	34
Replace worn out furniture	26	58	36
Dictionary	1	(6)	(3)
Outfit for special occasions	5	17	(12)
Total	29	72	48

Key: () less than 20 unweighted cases

(a) activity

Fifteen per cent of all households are unable to afford to replace or repair electrical goods, but for one adult workless households the proportion is 51 per cent and for two adult households 28 per cent.

One adult workless households are three times more likely to be unable to afford two pairs of all weather shoes, and for two adult workless households, the proportion is just under one and a half times higher.

Income poverty

Workless households are far more likely to have before housing costs incomes⁴ below a range of income poverty thresholds than households with workers (Figure 2.2). For two or more adult households, those with 2 or more workers have poverty rates of under 20 per cent on all measures, whereas for two or more adults with one worker poverty rates are between 20 and 40 per cent, and for no workers between 45 and 65 per cent. The difference between one adult households with and without

⁴ Income has been equivalised using the scale developed for the PSE study, see....

workers is particularly stark. For one adult workless households poverty rates are approximately three times higher on each measure.

Figure 2.2 Households Below Various Proportions of Mean Household Income

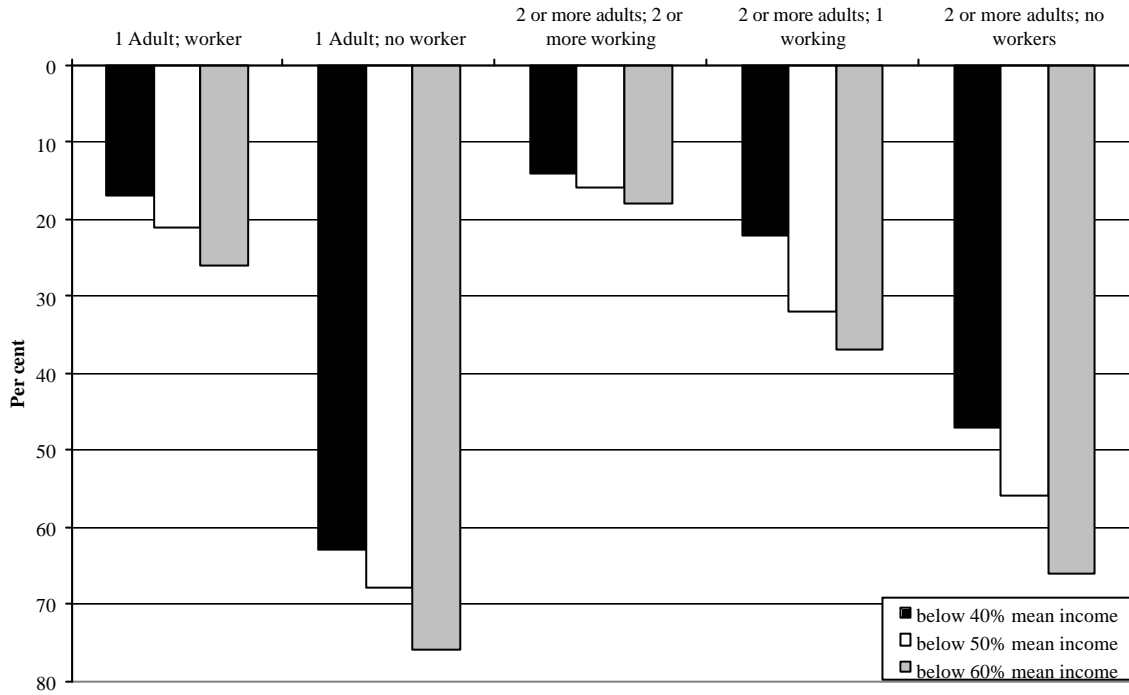


Table 2.6 Poverty Measures by Household Employment Status

	Column per cent					
	1 Adult		2 Adults		All	
	Worker	No Workers	2 or More Working	1 Working	No Workers	
Deprived of necessities						
No	73	28	85	71	52	71
Yes	27	72	15	29	48	29
Poverty over life						
Never	61	35	66	57	46	58
Rarely	16	17	13	12	8	13
Occasionally	17	26	15	20	24	19
Often/Most of the time	6	22	6	10	22	10
Currently in poverty						
Never	70	32	83	67	51	69
Sometimes	25	42	15	25	32	23
All the time	(5)	27	(2)	(8)	17	8

Key: () - less than 20 unweighted cases

History of poverty

It seems that for many individuals in workless households poverty is not a recent or short-term experience. Respondents were asked how often in their lives they had lived in poverty by the standards of that time. In ten per cent of working age

households respondents say that they have been in poverty often or most of the time. For non-working households the proportion is far higher, with just over one-fifth of respondents in non-working households of both sizes claiming to have experienced long term poverty.

Subjective feelings of poverty

Respondents were also asked whether they feel that they are currently living in poverty all of the time, some of the time or never. Those in households with no workers feel that they are in poverty to a greater extent than households with workers. One-quarter of one adult workless households feel that they are in poverty all of the time and two in five feel that they are sometimes in poverty. For two adult workless households, the proportions are slightly lower at 17 and 32 per cent respectively. However, these are both higher than for the working age population as a whole (8 and 23 per cent).

Social Exclusion in Workless Households

The PSE study has identified four main areas of measurement for social exclusion, although there are, of course, many others that could be identified. Labour market exclusion is the subject of this paper and exclusion from adequate income or resources has been dealt with above. Service exclusion and exclusion from social relations are the focus of this section (Table 2.7).

Service exclusion

Service exclusion has been divided into two main areas:

- exclusion from utilities, either because of disconnection or using less than needed because of lack of money; and
- exclusion from local services, public and/or private, either because the services are not available or because the respondent cannot afford them.

Utilities

One element of service exclusion is being cut off from, or having to use less of the utilities needed for everyday living (defined as gas, electricity, water and telephone) through inability to afford them. Whilst just seven per cent of all households have been disconnected from any of the utilities during the previous 12 months, this has occurred in 17 per cent of one adult workless households. For two adult workless households, the proportion was only slightly greater than for the whole population, at 11 per cent. Workless households were also more likely to use less of these utilities than was necessary because they could not afford them, effecting two-fifths of one adult households and more than one-quarter of two adult households.

The majority of disconnections are from the telephone, occurring in 17 per cent of one adult non-working households and nine per cent of two adult non-working households (Table 2.8a). However, proportions of one and two or more adult workless households using less of telephone, gas and electricity are similar, at approximately one-quarter for one adult workless households and just under one-fifth of two adult workless households, compared to one in ten of all households (Table 2.8b).

The number of utilities that households use less of is also greater for workless households, 23 per cent of one adult and 20 per cent of two or more adult workless households using less of two or more, compared to just eight per cent of all households (Table 2.8c).

Table 2.7 Social Exclusion Measures and Household Employment Status

Column per cent

	1 Adult		2 or More Adults		All
	Worker	No Worker	2 or More Working	1 Working No Worker	
Disconnection	95	83	96	94	93
No	(5)	17	(4)	(6)	7
Yes					
Used less utilities					
No	88	58	94	88	86
Yes	12	42	6	12	14
Unable to use public/private services					
Lacking none					
Lacking one	63	42	57	53	55
Lacking two	19	16	25	16	21
Lacking two or more	18	41	18	31	24
Lacking necessary activities					
None					
One	74	26	66	56	59
Two	(8)	(8)	14	10	(9)
Three or four	(7)	(6)	6	(6)	(10)
Five or more	(6)	22	8	15	9
	(5)	37	6	13	26
Relatives daily					
Yes	58	71	55	57	59
No	42	29	45	43	41

Friends daily

Yes	81	77	77	73	61	75
No	19	23	23	27	39	25

Relatives weekly

Yes	92	93	90	90	95	91
No	(8)	(7)	10	(10)	5	9

Friends weekly

Yes	98	92	95	88	88	93
No	(2)	(8)	(5)	12	12	7

Civic engagement

Yes	94	86	91	89	86	90
No	(6)	14	9	(11)	14	10

Key: () – less than 20 unweighted cases

Table 2.8a Disconnection From Utilities

Utility*	Cell per cent		
	1 Adult Workless Household	2 Adult Workless Household	All Households
NONE	83	89	93
Water	-	(2)	(0)
Gas	(0)	(0)	(0)
Electricity	-	(1)	(1)
Telephone	17	9	6

Key: * not mutually exclusive

() less than 20 unweighted cases

Table 2.8b Used Less Utilities

UTILITY*	Cell per cent		
	1 Adult Workless Household	2 Adult Workless Household	All Households
NONE	58	72	86
Water	(7)	(4)	2
Gas	26	17	8
Electricity	25	18	8
Telephone	24	19	9

Key: * not mutually exclusive

() less than 20 unweighted cases

Table 2.8c Number of Utilities Used Less of

Column per cent

Utility	1 Adult Workless Household	2 Adult Workless Household	All Households
NONE	58	72	86
One	19	(8)	7
Two or more	23	20	8

Key: () less than 20 unweighted cases

It is clear, therefore, that labour market exclusion increases the probability of the household being excluded from utilities, either through disconnection or through using less of them because of lack of money.

Local services

The PSE Survey asked a series of questions regarding the availability and affordability of a wide range of local public and private services (Gordon et. al., 2000). Overall, households were more likely to be unable to use these services because they were unavailable (40 per cent) rather than because they could not be afforded (ten per cent) (Table 2.9). Services were only slightly less likely to be available to workless households, but these households were less likely to be able to afford them than working households. One-quarter of one adult workless households and 16 per cent of two adult workless households were unable to afford all these services.

Combining unavailability and inability to afford as a measure of service exclusion (i.e. households can be missing the service for either of these reasons), 57 per cent of one adult non-working households and 52 per cent of two adult non-working households were lacking one or more service compared to 45 per cent of the population as a whole.

Although numbers are small, the most obvious differences between the services that are unavailable or too expensive for one adult workless households (and to some extent two adult workless households also) are:

- sports facilities;
- museums and galleries;
- community hall;
- place of worship;
- bus services;
- train or tube station;
- pub; and
- cinema or theatre (Table 2.8).

Table 2.9 Local Services and Worklessness

	Cell per cent					
	1 Adult Workless		2 Adult Workless		All Households	
	Don't Use – Unavailable or Unsuitable	Don't Use – Can't Afford	Don't Use Unavailable or Unsuitable	Don't Use – Can't Afford	Don't Use – Unavailable or Unsuitable	Don't Use – Can't Afford
PUBLIC SERVICES						
	(1)	(1)	(3)	0	2	(0)
LIBRARIES						
Sports facilities	(8)	(4)	(6)	(2)	5	2
Museums and galleries	13	(6)	(7)	(4)	14	1
Evening classes	(6)	(3)	(5)	(7)	5	3
Community hall	18	(1)	(12)	(1)	9	(0)
Hospital with accident and emergency	(3)	(0)	(3)	0	2	(0)
Doctor	(0)	0	0	0	(0)	0
Dentist	(1)	(1)	(2)	(2)	(1)	(0)
Optician	(3)	(2)	(1)	(1)	(2)	(1)
Post office	0	0	(0)	0	(0)	0
PRIVATE SERVICES						
	7	0	(5)	0	2	(0)
PLACE OF WORSHIP						
Bus services	(9)	(2)	(9)	(1)	6	(1)
Train or tube station	(8)	(8)	(12)	(3)	8	2
Petrol station	(2)	(3)	(3)	(1)	1	(1)
Chemist	(0)	(0)	(1)	0	(1)	(0)
Corner shop	(3)	(2)	(9)	(1)	6	(0)
Medium/large supermarket	(2)	(1)	(2)	0	2	(0)

Banks	or	(2)	(4)	(1)	(2)	(1)	(1)
building societies							
Pub		(7)	9	(4)	(6)	3	3
Cinema	or	(7)	16	(13)	(9)	9	6
theatre							
		46	25	43	16	40	10
TOTAL LACKING ONE OR MORE							

Key: () less than 20 unweighted cases

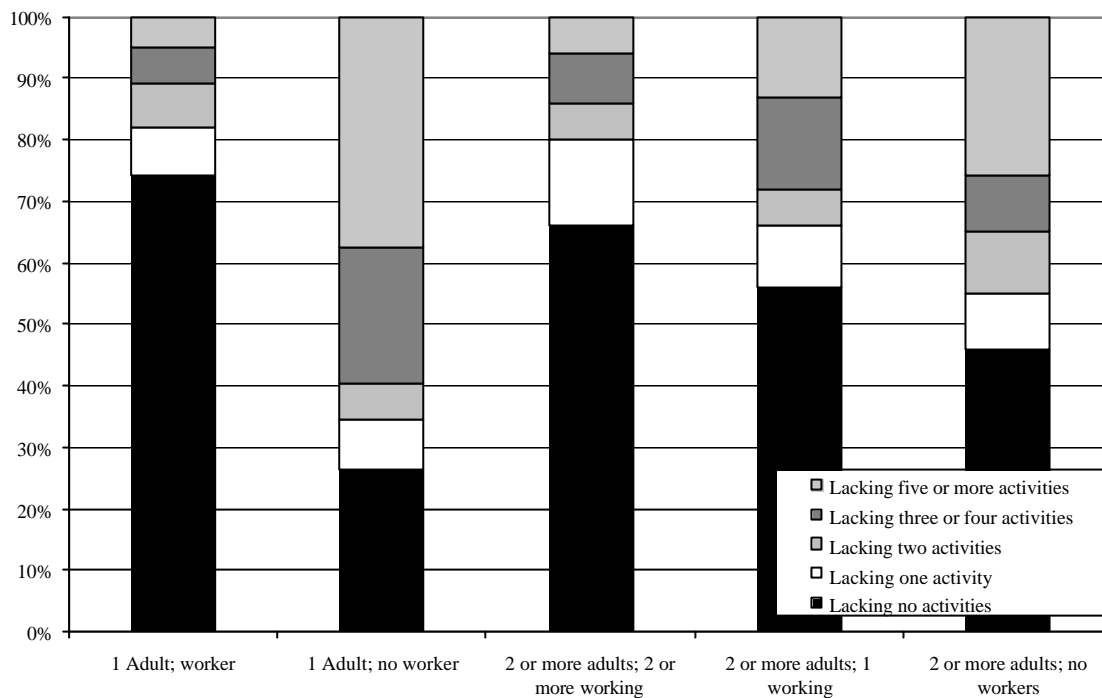
Although lack of availability of local services appears to be a countrywide phenomenon, the inability to afford local services is greater amongst workless households, this is particularly true for one adult workless households.

Social engagement

Activities

The deprivation index described earlier in this paper includes a number questions about necessary social activities (indicated in table 2.5 with an (a)). The questionnaire also included questions about additional activities: attending a place of worship, evening out once a fortnight, coach/train fares to visit family, meal in a restaurant/pub once a month and going to a pub once a fortnight. Households might be considered as excluded if they want to do these activities but are unable to participate through lack of money. One adult workless households are less likely to be able to afford these activities; just 26 per cent are not prevented from participating in any of them and 37 per cent are unable to undertake five or more. Similarly, for workless households with two or more adults, only 46 per cent are not deprived of any of them and 26 per cent are excluded from participating in five or more. This is in comparison to 66 and 6 per cent of two or more worker households excluded from none and five or more respectively.

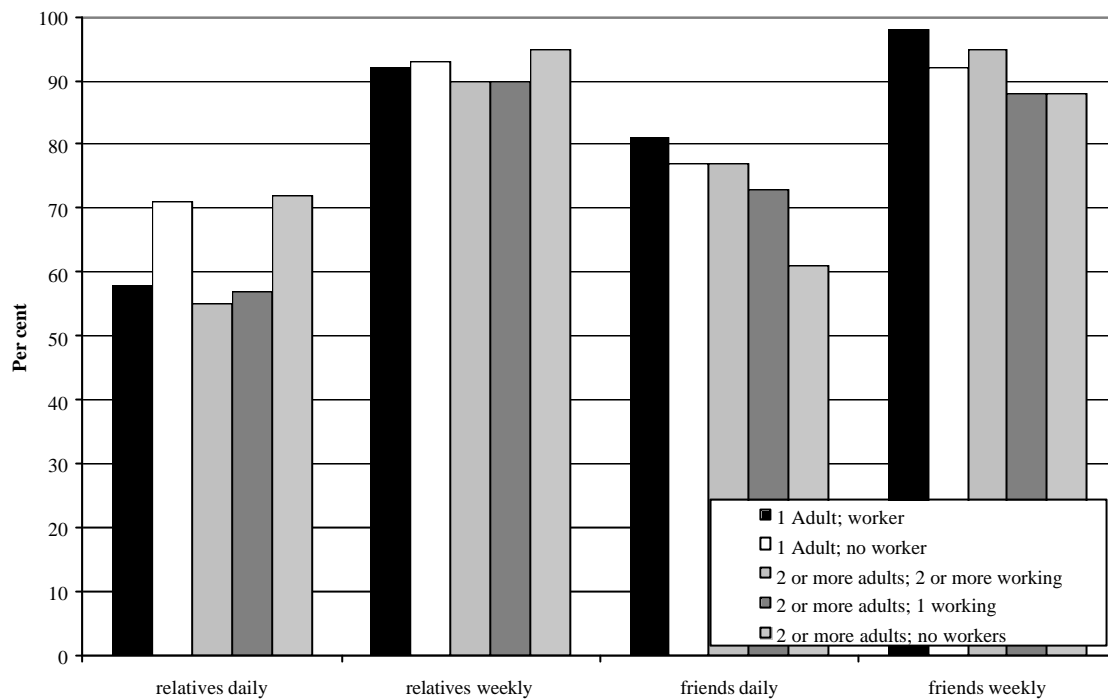
Figure 2.3 Number of Activities That Households Go Without Due to Lack of Money



Contact with family and friends

Respondents were also asked about the extent of their contacts with friends and family (excluding those with whom they live). On this measure, those not in work appear to be **less** likely to be socially excluded. Respondents in workless households are more likely to see family daily than those working. More than seventy per cent of one and two adult workless households see family daily compared to 59 per cent of all households. One adult workless households are slightly more likely to see friends daily than respondents from one adult working households, but respondents in two adult workless households are less likely than their working counterparts to do so. On a weekly basis there is little difference between the various groups' contact with family and friends.

Therefore it seems that labour market exclusion does not negatively impact on a household's contact with family and friends; the reverse is actually the case.

Figure 2.4 Rate at Which Households are in Contact With Relatives and Friends

Civic engagement

Social exclusion might also be indicated by a lack of engagement with civic activities such as voting and/or being a member of a group/organisation. Respondents were asked about their participation, both past and present, in a range of such activities (full list in tables 2.10a and 2.11). Respondents in non-working households are slightly less likely to have engaged in civic activities than their working counterparts, 20 per cent of workless households of both sizes have not participated compared to 14 per cent of all households.

However, one adult workless households are *more* likely than all households to have been in contact with democratic representatives that is, to have presented their views to a MP or local councillor and/or urged someone else to do so. They are also more likely to have taken an active part in a political campaign. Two-adult workless households are also slightly more likely than all households to urge someone to get in contact with a local councillor or MP, and to have taken an active part in a political campaign (Table 2.10a).

The number of activities the different household types had undertaken are similar; one-fifth have not done any and another fifth (or more) have undertaken five or more (Table 2.10b).

Table 2.10a Activities Undertaken in the Past Three Years

Cell per cent

Activity*	1 Adult Workless Household	2 Adult Workless Household	All Households
Presented views to a local councillor or MP	20	14	16
Written a letter to an editor	(9)	(4)	6
Urged someone outside family to vote	19	17	23
Urged someone to get in touch with a local councillor or MP	25	19	17
Made a speech before an organised group	(13)	(4)	12
Been an officer of an organisation or club	16	(7)	15
Stood for public office	0	0	(1)
Taken an active part in a political campaign	(5)	(5)	4
Helped on fund raising drives	22	23	29
Voted in the last General election	63	69	70
Voted in the last local election	55	62	62
None of these	20	20	18

Key: () less than 20 unweighted cases

* not mutually exclusive

Table 2.10b Number of Activities Undertaken in Past Three Years**Column per cent**

Number of Activities	1 Adult Workless Household	2 Adult Workless Household	All Households
None	20	21	19
1	14	12	12
2	26	28	26
3	17	(21)	18
4 or more	23	(18)	25

Key: () less than 20 unweighted cases

Membership of clubs and organisations

Workless households are less likely to be members of a range of clubs and organisations than all households. Over half of non-working households are not members of any of the clubs listed, compared to 44 per cent of all households.

Table 2.11a Current Membership of Clubs and Organisations

Club/Organisation*	Cell per cent		
	1 Adult Workless Household	2 Adult Workless Household	All Households
Political party	(3)	(5)	2
Trade union	(6)	(8)	12
Environmental group	(2)	(3)	3
Other pressure group	(4)	(2)	(3)
Parents or school association	(5)	(2)	8
Tenants, residents association,	12	(9)	9
Neighbourhood watch			
Religious group or church organisation	(7)	(9)	11
Voluntary service group	(6)	(7)	8
Other community or civic group	(3)	(1)	3
Social club or working men's club	(9)	(9)	10
Sports club	(13)	(10)	21
Women's institute or Townswomens guild	(0)	(2)	(1)
Women's group or organisation	(3)	(2)	2
Any other group or organisation	(8)	(10)	11
None of these	50	49	41
Don't know	(6)	(4)	3

Key: () less than 20 unweighted cases

* not mutually exclusive

Although numbers are small, respondents in workless households are less likely to be members of trade unions which, unlike trade unions in other Western European countries, have historically failed to maintain membership among unemployed people. Respondents in workless households are also less likely than households as a whole to have membership of a sports club. Cost is the most likely reason for this (Table 2.11a). Workless households are also less likely to have multiple

memberships of organisations. One-quarter of all households are members of two or more, compared to approximately one-fifth of workless households (Table 2.11b).

Table 2.11b Number of Clubs and Organisations in Which Currently Active
Column per cent

Number of clubs/organisations	1 Adult Workless Household	2 Adult Workless Household	All Households
None	56	53	43
1	22	27	30
2	14	(12)	14
3 or more	(4)	(8)	12

Key: () less than 20 unweighted cases

Therefore, in terms of measures of active citizenship, workless households are often as likely as all households to be participants. But, in terms of being members of clubs and organisations, particularly those which entail a cost, workless households are less likely to be able participate.

Support

Another way in which social exclusion may manifest itself is if households are unable to call on support when in need. Respondents were asked how much support they would expect to get in seven situations, including support from other members of the household, family and friends, or other sources. Four items related to practical support: needing help around the house if ill; help with heavy household or gardening jobs; help with caring responsibilities; and someone to look after the home when away. The remaining three related to emotional support: needing advice about an important life change; someone to talk to if depressed; and someone to talk to about relationship problems. Obviously these are questions asked of individuals but, in order to explore further circumstances in workless households, in this case they have been used to reflect the feelings of lack of support of the whole household. This may not, of course, necessarily be the case.

One adult households, working or not, are less likely to feel that they would have support than two adult (worker) households, presumably because they would have to rely on people outside the household. In many of the situations covered by these questions support would be available from another member of the two or more adult household. As a result, only one-fifth of one adult households feel that they would have support in all seven areas compared to over half of two adult, two worker households (Table 2.12a).

Workless households are slightly less likely to feel supported than households with workers. In one adult households, two-thirds of workers expect support in six or seven of the situations, compared with 58 per cent of workless households. For two adult workless households the proportion is two-thirds compared to three-quarters of households with two or more workers.

Table 2.12a Number of Situations Where Households Would Expect Some or a Lot of Support

Column per cent

	1 Adult		2 or More Adults		All	
	Worker	No Worker	2 or More Workers	1 Worker No Workers		
0 – 2	(5)	13	(3)	(2)	(10)	5
3 – 4	19	15	7	(8)	15	11
5	12	14	14	18	(11)	14
6	23	19	21	26	25	23
7	41	39	55	46	39	48

One adult no worker households are the most likely of all the groups to feel they would lack help around the home during personal illness, someone to talk to when depressed and someone to look after their personal possessions when away. They are as likely as one adult worker households to expect no or little help with heavy household jobs, relationship problems and informal caring. The proportions of two adult workless households that feel unsupported with advice, relationship problems and informal caring are higher than for all adults and, for help with relationship problems, higher than for one adult workless households. In all cases the two adult workless households feel unsupported to a greater degree than the workers (Table 2.12b).

Table 2.12b Situations Where Households Would Expect No, or Not Much, Support

	Cell per cent					
	1 Adult		2 or More Adults			All
	Worker	No Worker	2 or More Workers	1 Worker	No Workers	
Home help during personal illness	15	18	8	(7)	(13)	10
Help with heavy household jobs	22	23	9	13	19	14
Advice	(13)	19	9	12	24	13
Help with relationship problems	27	27	17	20	32	22
Talking to if depressed	(8)	16	9	10	13	10
Informal caring	39	37	19	26	36	27
Looking after personal possessions	(8)	16	7	11	(12)	10

This section has explored the connections between household's exclusion from the labour market and experiences of poverty and social exclusion when measured using a wide range of definitions. It has shown that there is clearly a relationship between being in a workless household and the experience of poverty. Furthermore, social exclusion, particularly when measured using indicators that rely on being able to afford activities, is also greater for the workless households. Workless households are also more likely to feel unsupported in practical household situations and with emotional problems.

However, worklessness does not seem to bring higher levels of disengagement from civic activities and contact with family and friends. Indeed, workless households display higher levels of engagement on some measures than those in working households.

3. FULL TIME AND PART TIME WORK

3.1 INTRODUCTION

The Government has been keen to promote getting back to work in any sense, full or part time, in a belief that work will protect households from poverty and social exclusion. It is believed that part-time work, supported by in-work benefits such as the Working Families Tax Credit, will not only protect from poverty and social exclusion but will act as an incentive or 'stepping stone' to full time work.

However, evidence from earlier analysis of the PSE study has suggested that part time work may not actually protect households from poverty. Children in households with only part-time workers are 11 times more likely to be necessities-deprived (lacking two or more essential items for children) than children in households with two or more full time workers (Gordon et. al., 2000). This section investigates the relationship between part-time work and poverty and social

exclusion. Following the structure of section two, first the characteristics of households with only part-time workers are described and second, the relationship between the various poverty and social exclusion indicators and part-time working households are analysed.

For this analysis household employment was further subdivided into the following groups:

- one adult household working full time;
- one adult household working part time;
- one adult no worker;
- two or more adult household two or more full time workers;
- two or more adult household one working full time (other part or non workers);
- two or more adult household one or more part time worker only; and
- two or more adult household no workers.

The proportions of households with just part time workers are small. Just seven per cent of working-age households have only part time workers; three per cent are one adult households and four per cent are two or more adult households. These small proportions mean that the following analysis should be treated with caution – many of the subgroups have unweighted numbers of less than 20 cases.

3.2 CHARACTERISTICS OF HOUSEHOLDS WITH PART-TIME WORKERS

There are differences between the one and two or more adult households with just part time workers. One adult part time worker households are more likely than all households to be:

- lone parent households;

- with respondents aged 35 – 44;
- living in towns;
- living in local authority or housing association housing;
- with no members with a long-standing illness;
- in receipt of Income Support or Jobseeker's Allowance; and
- with respondents completing education aged 16 or 22 and over.

In contrast, two or more adult households with just part time workers are more likely to be:

- couples without children;
- with respondents aged 16 – 24 or 45 – 64;
- living in rural areas;
- living in accommodation owned outright;
- with one or more members with a long-standing illness; and
- with respondents educated only up to the age of 15.

Table 3.1 Characteristics of Households With Full Time, Part Time and No Workers

Column per cent within each characteristic

	1 Adult			2 or More Adults			All
	Full - Time Worker	Part - Time Worker	No Worker	2 or More Full- Time	1 Full- Time (Others pt or Non- Worker)	1 or More Part-Time Worker(s)	
Household Type							
Single Adult	87	31	61				19
Couple, no children	(13)	69	39	43	28	59	65
Lone parent				23	55	(23)	23
Couple, children				22	11	(12)	12
3 or more adults				12	6	(6)	(0)
3 or more adults, children							
Age of respondent							
16 - 24	(8)	(1)	18	(10)	7	(16)	(7)
25 - 34	41	(30)	19	29	23	(18)	15
35 - 44	(14)	46	14	18	34	(10)	(10)
45 - 64	37	(23)	49	43	33	48	57
65 - 74					(3)	(7)	(8)
75 +					(0)		(3)
Area							
City	30	(19)	37	25	20	(20)	19
Metropolitan	25	(27)	20	27	30	(27)	37
Town	(14)	(33)	23	22	25	(27)	24
Village	(12)	(9)	13	17	14	(9)	(9)
Rural	(20)	(12)	(6)	(10)	11	(18)	(11)

Tenure								
Own outright	12	(19)	(12)	13	17	(40)	28	17
Own with mortgage	70	(23)	17	76	68	29	24	57
LA or HA	(6)	45	57	(5)	10	(22)	42	19
Rent privately	(12)	(13)	14	(6)	(5)	(10)	(6)	8
Long Standing Illness								
None	76	59	36	53	44	32	17	47
One or more	24	41	63	47	56	68	83	53
Benefit Receipt								
No	100	76	37	98	99	87	54	86
Yes	0	(24)	63	(2)	(1)	(13)	46	14
Ethnicity								
White	98	95	90	97	96	94	95	95
Non-white	(2)	(5)	(10)	(3)	(4)	(6)	(5)	5
Age completed education								
15 or less	(10)	(18)	33	18	18	40	51	23
16	29	37	35	29	26	(19)	18	27
17 – 18	(20)	(9)	11	15	27	(18)	(13)	19
19 – 21	(16)	(12)	(10)	15	12	(13)	(7)	13
22 or over	24	(25)	(11)	22	17	(10)	(11)	18
Total	13	3	11	24	34	4	11	100

Key: () – less than 20 unweighted cases

3.3 POVERTY

Table 3.2 Poverty Measures and Full or Part-Time Workers
Column per cent within each characteristic

	1 Adult			2 or More Adults			All	
	Full-Time Worker	Part-Time Worker	No workers	2 or More Full-Time	1 Full – Time (Others pt or Non-worker)	1 or More Part-Time Worker(s)		No Workers
Deprived of necessities								
No	82	47	28	89	77	71	52	71
Yes	18	53	72	11	23	29	48	29
Below 40% of mean								
No	89	65	37	85	84	72	53	75
Yes	(11)	35	63	15	16	28	47	25
Below 50% of mean								
No	87	56	32	84	80	57	44	70
Yes	(13)	44	68	16	20	43	56	30
Below 60% of mean								
No	85	43	24	83	75	52	34	66
Yes	15	57	76	17	25	48	66	34
Poverty over life								
Never	70	34	35	67	61	75	46	58
Rarely	(12)	(25)	17	(12)	14	(4)	8	13
Occasionally	(14)	32	26	17	16	(14)	24	19
Often/Most of the time	(4)	(9)	22	4	9	(6)	22	10

Currently in poverty

Never	78	52	32	85	76	71	51	69
Sometimes	(19)	39	42	13	19	29	32	23
All the time	(3)	(9)	27	(2)	(5)	(1)	17	8
Total	13	3	11	24	34	4	11	100

Key: () less than 20 unweighted cases

Deprivation

Using the deprivation of necessities measure, over one half of households with one adult working part time are poor and over one-quarter of the two or more adult households with just part time workers. This is in comparison to 72 and 48 per cent of workless households with one and two or more adults respectively.

Numbers are generally too small to analyse in detail necessities gone without, but the proportions of part-time worker households that do so, particularly in one adult part time worker households, is far greater for the majority of items than in working households. Forty-two per cent of one adult part time working households lack regular savings and 22 per cent lack a week's holiday, double the proportion in one adult full time working households.

Income poverty

Income poverty rates are also far higher for part time working households. For one adult households, part time workers have poverty rates more than three times higher than full time workers, and for two or more adults with just part time workers poverty rates are almost double those of one full time worker. Over one half of households with only part time workers (however many adults) have incomes below 60 per cent of the mean.

The fact that the poverty rate, using the below 40 per cent of the mean measure, for two or more adults with just part time workers is similar to that of the whole population suggests that these households are protected from the most severe poverty to some extent (unlike one adult part time working households). However, they are highly likely to have incomes between 40 and 60 per cent below the mean; one-fifth of two or more adults with part time workers fall into this group.

History of poverty

Households with two or more adults with only part time workers are *less* likely to have been in poverty during their lives than other household groups or the population as a whole. One adult households with a part time worker are, on the other hand, very likely to have experienced poverty in the past, just one-third reporting that they have never been in poverty.

Subjective feelings of poverty

One adult part time working households are also more likely feel that they are in poverty than other households with workers, approaching one half say that they were currently in poverty all or some of the time.

For two adult households with just part time workers, subjective feelings of poverty appear to be little different from those with one full time worker using this measure. However they are twice as likely as respondents in households with two or more full time workers to feel that they are in poverty some or all of the time.

Social Exclusion

Table 3.3 Social Exclusion and Working Families
Column per cent within each characteristic

	1 Adult			2 or More Adults			All	
	Full - Time Worker	Part- Time Worker	No Work er	2 or More Full- Time	1 Full- Time (Others pt or Non- Worker)	1 or More Part-Time Worker(s)		No Worker s
Disconnectio n	97	90	83	95	95	98	89	93
No	(3)	(10)	17	(5)	(5)	(2)	11	7
Yes								
Used less utilities								
No	94	75	58	93	92	87	72	86
Yes	(6)	25	42	(7)	8	(13)	28	14
Unable to use public/privat e services								
Lacking none	65	56	42	58	55	56	48	55
Lacking one	(19)	20	16	27	19	(20)	22	21
Lacking two or more	(16)	24	41	15	26	(23)	30	24
Lacking necessary activities								
None								
One	83	43	26	70	62	52	46	59
Two or more	(5)	(15)	(8)	15	10	(17)	(9)	11
	12	42	67	15	28	31	45	31
Relatives daily								
Yes	54	77	71	53	56	67	72	59
No	46	(23)	29	47	44	33	28	41

Friends daily								
Yes	79	83	77	75	77	65	61	75
No	(21)	(17)	23	25	23	35	39	25
Relatives weekly								
Yes	92	94	93	87	93	87	95	91
No	(8)	(6)	(7)	(13)	7	(13)	5	9
Friends weekly								
Yes	98	100	92	95	93	87	88	93
No	(2)	0	(8)	(5)	7	(13)	12	7
Civic engagement								
Yes	97	86	86	92	89	93	86	90
No	(3)	(14)	14	(8)	11	(7)	14	10
Number of situations have support								
Four or less								
Five	25	(22)	28	11	9	(12)	24	15
Six	(11)	(24)	14	15	15	(13)	(10)	14
Seven	(23)	(16)	19	24	22	(23)	26	23
	41	39	39	50	54	52	41	48
Total	13	3	11	24	34	4	11	100

Key: () less than 20 unweighted cases

The following section considers the impact that part time work, has on other measures of social exclusion. As in section 2, we analyse service exclusion from both utilities and local public and private services; exclusion from social engagement – in terms of social activities, contact with family and friends, civic engagement and membership of clubs and organisations; and expectations of support in a variety of situations.

Service exclusion

Utilities

One quarter of one adult part time working households have had to use less utilities because of lack of money. This is four times higher than the proportion of one adult full time households. Although numbers are small, it appears that households with two or more adults just working part time are also more likely to have had to use less utilities than their full-time counterparts. The proportion for two or more adults with just part time workers is twice as high as for households with two or more full time workers.

Local services

One adult part time worker households are more likely to lack services (through unavailability or inability to afford them) than one adult full time worker households. Two adult households with part time workers are actually slightly less likely to lack services than two adult households with one or more full time workers.

Social engagement

Activities

Part time working households are more likely than those with full time workers to lack necessary activities through inability to afford them. Only two-fifths of one adult part time working households are able to participate in all of the activities compared to four fifths of one adult full time working households. Although the difference is not as great, two adult part time working households are also more likely to be unable to afford activities than two or more full time worker households. Whilst 52 per cent of the part time working households can participate in all activities, 70 per cent of two or more full time worker households can do so.

Contact with friends and family

As with workless households, households with only part time workers are more likely to have regular contact with their family than full-time workers. In fact one adult part-time worker households are more likely to have regular contact with family and friends than those with no worker. Over three-quarters of one adult part time working households have daily contact with their family, compared with just over one half of one adult full time worker households and 71 per cent of one adult no worker households. Similarly, 67 per cent of two or more adult households with just part time workers see family members daily, compared to 53 per cent of two or more full time worker households.

Differences between the proportions seeing friends daily show similar patterns but were less marked, as were the proportions seeing friends and family weekly. However, it appears that two adult part-time worker households are the least likely to see friends and family weekly.

Civic engagement

In terms of civic engagement, 14 per cent of one adult part time worker households do not participate in any of the activities or organisations, the same proportion as for non-workers. However, two or more adult households with only part time workers have the highest percentage participating in civic activities, higher than the proportion of households with no workers, full time workers and all households.

Support

The extent of support that households with only part time workers would expect to have appears to be similar to that of households with workers, particularly in the case of two or more adult households. Two adult part time worker households generally expect support to the same degree as those with one full time worker. For one adult part time working households the pattern is less clear (Table 3.3).

Although numbers are small and, therefore, the results are not presented here, further analysis suggests that one adult part time worker households are less likely than one adult full time worker households to expect to have help around the home when they are ill; go to for advice or if depressed; and to look after personal possessions when away. For the other areas of support they are as likely to expect them as one adult worker households.

It is clear that paid work will not necessarily protect families from poverty. Income from part time work in one adult households leaves a higher percentage in poverty than households with a full-time worker or households as a whole. For one adult part time worker households this is true for all measures of poverty. For two part time worker households it is true for those based on income. The patterns of deprivation for one and two adult part-time working households are, in fact, very similar to those for workless households. The proportion of part time working households experiencing social exclusion is also generally higher than in full time working households. However, their experience seems to be closer to working than to workless households in many respects, and part-time working households appear to be best off in terms of access to local services and social contact.

4 PAST UNEMPLOYMENT

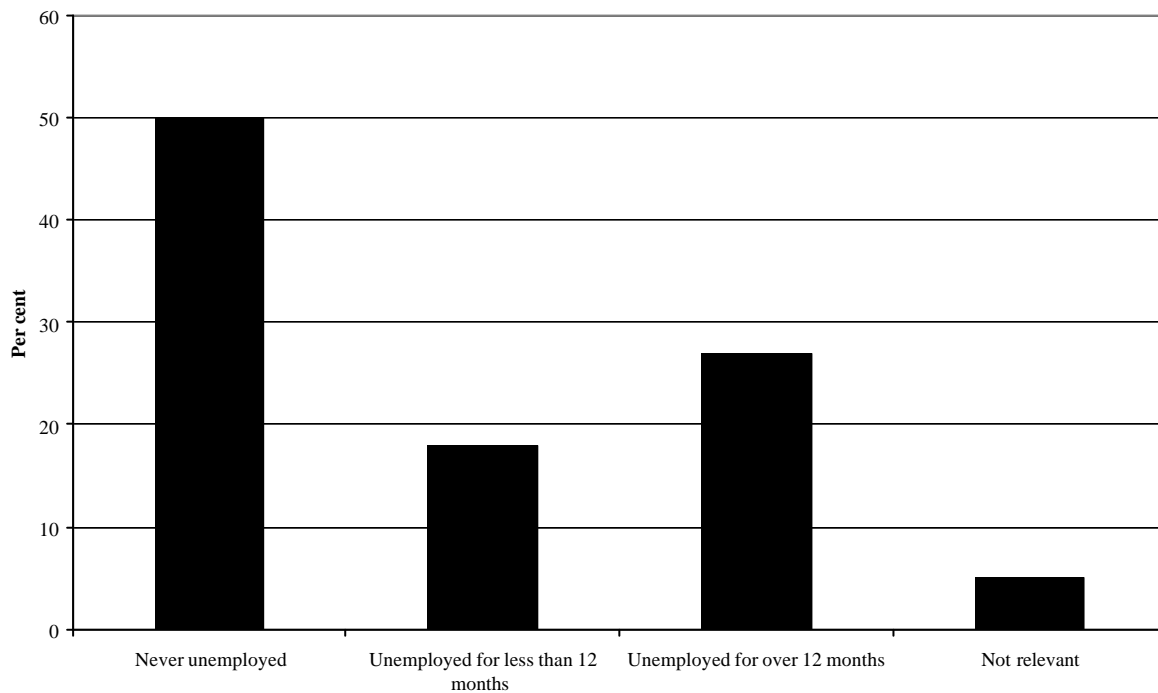
4.1 INTRODUCTION

Recent research has pointed to the link between past experiences of unemployment and current unemployment or low pay, the 'low pay, no pay cycle' (see, for example, Hills 1999). To attempt to quantify such an effect, PSE respondents were asked the number of years or months in which they had been unemployed in the past 10 years. Respondents could define unemployment as they wished, with the exception of time in retirement. So, for example, a mother looking after her children could have included such time as unemployment. Four categories have been defined for this analysis: never unemployed in the past 10 years; unemployed for under one year;

unemployed for over one year; or not applicable (largely students who have not yet worked).

Only 50 per cent of respondents under retirement age describe themselves as not having been unemployed at any time during the previous ten years, whilst almost one-fifth have been unemployed for under 12 months and one-quarter for over 12 months.

Figure 4.1 Length of Unemployment in the Past Ten Years



The remainder of this section briefly describes the characteristics of these groups and their experiences of poverty and social exclusion, using the same measures as for workless and part time worker households.

4.1 CHARACTERISTICS

Table 4.1 Characteristics by Past Unemployment

Column per cent within each characteristic

	Never	Less Than 12 Months	More Than 12 Months	Not Relevant	All Responde nts
Employment status					
Full time worker	56	63	14	(10)	43
Part time worker	19	14	19	(24)	19
Self-employed	14	(10)	(9)	(3)	11
Unemployed	(0)	(5)	14	(2)	5
Looking after home & family	(3)	(1)	18	(23)	7
Retired	(2)	(1)	(6)	(5)	3
Long term sick	(1)	(2)	15	(11)	6
Student	(4)	(2)	(2)	(18)	4
Other	(1)	(5)	(3)	(5)	2
Household employment status					
1 adult working	11	15	5	(3)	10
1 adult not working	(1)	(2)	18	(5)	6
1 adult retired	(1)	-	(1)	-	1
2 or more adults, 2 or more working	68	64	37	34	57
2 or more adults, 1 working	17	14	17	34	18
2 or more adults, no workers	(1)	(5)	15	(21)	6
2 or more adults, at least one retired	(2)	(1)	(7)	(1)	3
Gender					
Male	56	57	45	(25)	51
Female	44	43	55	75	49

Age					
16 – 24	9	(13)	10	(27)	11
25 – 34	22	35	28	(11)	25
35 – 44	26	19	21	(23)	23
45 – 64	43	34	41	(39)	41
Area					
City	23	21	26	(25)	24
Metropolitan	28	25	28	(25)	27
Town	18	33	30	(27)	24
Village	16	(13)	8	(13)	13
Rural	15	(7)	8	(10)	11
Tenure					
Own outright	16	(15)	16	(18)	16
Own with mortgage	73	64	40	55	61
LA or HA	6	12	36	(19)	16
Rent privately	5	10	8	(8)	7
Long Standing Illness					
None	50	45	41	40	46
One or more	50	55	59	60	54
Benefit Receipt					
No	98	95	71	82	89
Yes	2	(5)	29	(18)	11
Ethnicity					
White	96	98	92	83	94
Non-white	(4)	(2)	8	(17)	6
Age Left Education					
15 or less	18	17	32	(26)	22
16	25	25	35	(17)	27
17 – 18	25	18	13	(22)	21
19 – 21	13	(17)	8	(22)	13
22 or over	19	24	12	(13)	18
Total	50	18	27	5	100

The characteristics of those who have experienced only short-term unemployment in the previous ten years ('short-term' unemployed) are remarkably similar to those who claim to have experienced no unemployment.

Those who have not been unemployed in the previous ten years are most likely to be:

- male;
- currently in full time employment;
- in a household with two or more working adults;
- aged between 45 and 64; and
- in a home owned with a mortgage.

Those who have only experienced short-term unemployment in the previous ten years are most likely to be:

- male;
- currently in full time employment;
- in a household with two or more workers; and
- in a home owned with a mortgage.

This second group are, however, younger. They are more likely to be aged 16 – 34 than those that have never been unemployed and over one-third are aged between 25 and 34. This suggests that young people have been particularly prone to short periods of unemployment. Further, although the majority living in homes owned with a mortgage, double the proportion of short-term unemployed persons live in rented accommodation compared to the never unemployed. The short-term unemployed are also more likely to have been educated to the age of 19 or over than

the never unemployed. These last two characteristics are the result of the younger age profile of this group.

In contrast, those who have been unemployed for more than one year in the past ten years (the 'long-term' unemployed) are:

- more likely to be female;
- evenly spread between those currently in full or part time employment, unemployed, looking after home and family or long term sick (all 14 to 19 per cent);
- three times as likely as all adults to be currently in a workless household;
- slightly more likely to be aged between 25 and 34;
- more likely to live in urban areas and local authority or housing association homes than all adults;
- more likely to be in households receiving JSA or IS; and
- more likely to be educated to the age of 16 or less.

4.2 POVERTY

Table 4.2 Poverty Measures and Past Unemployment

Column per cent within each characteristic

	Never	Less Than 12 Months	More Than 12 Months	Not Relevant	All Respondents
Deprived of necessities					
No	83	82	48	64	73
Yes	17	18	52	36	27

Below 40% of mean					
No	84	82	59	(74)	76
Yes	16	18	41	26	24
Below 50% of mean					
No	81	77	53	62	72
Yes	19	23	47	38	28
Below 60% of mean					
No	78	74	46	54	67
Yes	22	26	54	46	33
Poverty over life					
Never	68	66	46	56	61
Rarely	13	(14)	11	(10)	13
Occasionally	15	(12)	25	(21)	17
Often/Most of the time	(4)	(8)	19	(13)	9
Currently in poverty					
Never	82	78	49	73	72
Sometimes	15	19	33	(23)	21
All the time	(3)	(4)	19	(3)	7

The 'never' and 'short-term' unemployed are also very similar in terms of their experience of poverty. Less than one-fifth are deprived of necessities and have household incomes below 40 per cent of the mean, compared to one-quarter of all adults. They are also less likely to have experienced poverty over their life or to feel that they are currently in poverty than all adults.

In contrast, those who have been unemployed for over one year in total in the last ten years are far more likely to be deprived of necessities (52 per cent), two-fifths

have incomes below 40 per cent of the mean and over one half have incomes below 60 per cent of the mean. As would be expected, therefore, one-third of the long term unemployed feel that they are currently in poverty some of the time and one-fifth all of the time. One quarter have experienced poverty occasionally in their lives and one-fifth state that they have experienced it most or all of the time.

Table 4.2 Poverty Measures and Past Unemployment
Column per cent within each characteristic

	Never	Less Than 12 Months	More Than 12 Months	Not Relevant	All Respondents
Deprived of necessities					
No	83	82	48	64	73
Yes	17	18	52	36	27
Below 40% of mean					
No	84	82	59	(74)	76
Yes	16	18	41	26	24
Below 50% of mean					
No	81	77	53	62	72
Yes	19	23	47	38	28
Below 60% of mean					
No	78	74	46	54	67
Yes	22	26	54	46	33

**Poverty over
life**

Never	68	66	46	56	61
Rarely	13	(14)	11	(10)	13
Occasionally	15	(12)	25	(21)	17
Often/Most of the time	(4)	(8)	19	(13)	9

**Currently in
poverty**

Never	82	78	49	73	72
Sometimes	15	19	33	(23)	21
All the time	(3)	(4)	19	(3)	7

4.3 SOCIAL EXCLUSION

Table 4.3 Social exclusion measures and past unemployment

Column per cent within each characteristic

	Never	Less Than 12 Months	More Than 12 Months	Not Relevant	All Respondents
Disconnection					
No	97	92	85	97	93
Yes	(3)	(8)	15	(3)	7
Used less utilities					
No					
Yes	95	87	77	85	88
	5	(13)	23	(15)	12
Unable to use public/private services					
Lacking none					
Lacking one	57	51	52	66	55
Lacking two or more	26	25	16	(12)	22
	17	24	32	(23)	23
Lacking necessary activities					
None					
One	69	69	39	56	60
Two	11	(11)	10	(12)	11
Three or four	4	(9)	8	(5)	6
Five or more	10	(6)	14	(16)	10
	6	(5)	29	(12)	12
Relatives daily					
Yes	55	53	71	72	60
No	45	47	29	28	40
Friends daily					
Yes	77	74	74	77	76
No	23	26	26	23	24

Relatives weekly					
Yes					
No	91	90	92	97	91
	9	(10)	8	(4)	9
Friends weekly					
Yes	95	92	94	95	94
No	5	(8)	6	5	6
Civic engagement					
Yes					
No	93	92	82	87	89
	7	(8)	18	(13)	11
Lacking support					
0 – 2	4	(4)	6	9	6
3 – 4	8	(9)	14	13	11
5	14	16	15	17	15
6	24	19	23	19	22
7	50	51	41	43	47

Similarly, the never and short term unemployed are less or as likely as the population as a whole to have been disconnected or have had to use less utilities through lack of money. However, the short-term unemployed are more likely than those who have not been unemployed at all to be unable to afford, or have access to, two or more local services (24 compared to 17 per cent). They are equally as likely to lack necessary activities, just under one third are excluded from one or more. Over 90 per cent of both the never and short-term unemployed are, or have been, engaged in civic activities. They are also slightly more likely than the whole population to have support in all areas, approximately one-half. The never and short-term unemployed are, however, less likely to see family and friends daily than the population as a whole, just over one half and three-quarters respectively.

For those who have had spells of more than 12 months of unemployment in the last ten years experiences are very different. This group is twice as likely as all adults to

have been disconnected or had to use less utilities. One-third cannot afford to use, or do not have access to, two or more local services and nearly one-third cannot participate in five or more necessary activities. Approaching one-fifth have not participated in any civic activities in the past three years. They are less likely than the short term and never unemployed to have support in all the seven areas – just two-fifths. However, they are more likely to have daily contact with family (71 per cent) and as likely as all adults to have daily contact with friends (74 per cent).

This section has shown a clear link between past and/or current long-term unemployment and poverty and social exclusion, particularly on measures related to income. However, short spells of unemployment do not appear to have a lasting detrimental effect.

5 CHANGES IN EMPLOYMENT

5.1 INTRODUCTION

The relationship between unemployment and poverty and, to a lesser extent, social exclusion demonstrated earlier in this paper would suggest that changes in employment status will bring about changes to people's income and living standards.

Respondents in the PSE Survey were asked whether a number of major, potentially life changing, incidents had happened to them in the previous twelve months. These included a member of the household losing their job and a member changing their job, effecting five and 11 per cent of working age households respectively. Entering or re-entering employment was recorded only if respondents stated that they had experienced a change in income in the past year. Both these events occurred for just three per cent of working age households. Small numbers experiencing these

changes prohibits detailed analysis and the findings presented here should be treated with caution.

5.2 CHARACTERISTICS OF THOSE WITH A CHANGE IN EMPLOYMENT PATTERN

Households where a member lost their job are slightly more likely to be at the end of their working lives. Forty-five per cent of respondents in households where a member had lost their job in the previous 12 months are aged between 45 and 64, compared to just 40 per cent of the working age population as a whole. Changing job is most likely to occur near the start of people's working lives, particularly for those aged between 25 and 34 (42 per cent).

Couples without children are the most likely to be at risk of someone losing their job (33 per cent), a higher proportion than their population share would suggest (29 per cent). Couples with children are the most likely to change their job, 37 per cent (population share – 28 per cent)⁵.

⁵ Numbers for entering/re-entering employment were too small to carry out this analysis.

Table 5.1 Characteristics, Income and Living Standards of Those Changing Employment Status

Column per cent within each characteristic

	Lost Job	Changed Job	Entered/Re- entered Employment (and Changed Income)	All Household s
Age of respondent				
16 – 24	(10)	(8)		9
25 – 34	(17)	42		26
35 – 44	(27)	27		22
45 – 64	(45)	(23)		40
65 – 74	(1)	-		2
75 or over	-	-		(0)
Household Type				
Single adult	(9)	(20)		19
Couple	(33)	(22)		29
Lone parent	(8)	(9)		8
Couple with children	(26)	37		28
3+ adults	(16)	(7)		11
3+ adults & children	(8)	(5)		5
Individual Income				
Increased	(19)	44	98	37
Decreased	(37)	(20)	(2)	10
Stayed about the same	(44)	36	-	53
Household Income				
Increased	(14)	40	82	40
Decreased	(51)	(21)	-	11
Stayed about the same	(35)	39	(18)	49
Living standard improved in last 2 years?				
No	91	73	(45)	78

Yes	(9)	27	55	22
Living standard reduced in last 2 years?				
No	47	81	96	89
Yes	53	(19)	(4)	11
Income improved in last 2 years?				
No	87	59	(14)	73
Yes	(13)	41	86	27
Income reduced in last 2 years?				
No	50	71	92	82
Yes	50	29	(8)	18
Total				
	5	11	3	

5.3 IMPACT ON INCOME AND LIVING STANDARDS

Changes in employment status impact upon income and living standards. Almost all households where respondents entered or re-entered employment (and had a change in income) experienced an increase in personal income. For over four-fifths there was also an increase in household income. However, 18 per cent had household incomes that remained the same, suggesting that their entrance into employment was accompanied by a corresponding loss of income from other sources, probably benefits.

Over one-third of households where a member lost their job experienced a decrease in individual income in the past year and over one-half experienced a decrease in household income. Those households where a member had changed their job experienced a slightly higher increase in individual income than the population as a whole, but their household income was only equally likely to increase. However,

they were also more likely to experience decreases of income, approximately double the proportion of all respondents using both household and individual measures.

Respondents were also asked whether their income and also living standards had improved or reduced over the previous two-years. For those entering/re-entering employment 86 per cent had an improvement in income, and over one-half had experienced an improvement in living standards. Two-fifths of those changing their job experienced an increase in income and over one-quarter experienced improvements in their living standards.

One half of households where a member lost their job experienced a reduction in income over the two years. The living standards of over half of these had also decreased over the past two years (compared to just 11 per cent of the whole population).

There appears to be a clear connection between employment changes and changes in income and living standards. The loss of a job has a large negative impact and the reverse is so for those entering employment (although it should be noted, once again, that these are only recorded if a change of income was reported). Those who changed their job generally improved their income and living standards. However, for significant proportions of households, entering employment and changing a job do not lead to an increased income and/or living standards.

CONCLUSIONS AND POLICY IMPLICATIONS

This paper set out to answer four questions:

- is the Government right to emphasis paid employment as the answer to poverty *and* social exclusion?
- is any form of paid work better than none in terms of poverty reduction?

- who suffers from unemployment and are individuals who have suffered unemployment in the past at greater risk of poverty and social exclusion after the event?
- do sudden changes in households' employment status, such as a household member gaining or losing a job have an impact upon household income and living standards and are particular households more likely than others to experience these sudden changes?

This section summarises the findings and highlights some policy implications.

First, are the government right to emphasise work as the solution to poverty for those who are able to work? All the evidence here suggests that they are. Workless households of all sizes have far higher poverty rates on all measures used and of social exclusion on the majority of measures, with the exception of contact with friends and family. The concern here, of course, is that not everyone can work and the second strand of the Government's proposal, 'security for those who cannot', must be given equal emphasis. The high proportion of workless households with members suffering a long-standing illness highlight the importance of this security. A separate working paper in this series considers poverty and social exclusion among those in receipt of social security benefits and discusses such matters in greater depth (Ashworth and Middleton, 2000).

The paper has also highlighted the fact that only full time work protects households from poverty to any great extent. Households with only part time workers have poverty and social exclusion rates closer to those of workless households than to full time working households. Therefore households where part time work is the only option for its adults members (because of caring commitments, for example) will not necessarily be protected from poverty. These data were collected before the introduction of the Working Families Tax Credit that currently guarantees families with one part time worker a minimum income of £145 (for those working at least 16

hours per week). However, this income is below 50 per cent of the mean equivalised household income for 1997/98 (£159; McClements equivalence scale). It should be of concern that part time work can only guarantee an income below one of the most commonly used figures to measure the incidence of poverty. Also, such a figure is only a guarantee for those with children; the proposed Employment Tax Credit is not expected to be introduced until 2003. No clear outline for it has yet been produced, and there may be parameters to its provisions (HM Treasury, 2000).

The Government has apparently accepted the findings of Gregg (1999) that it would 'require a minimum wage of between £5 and £5.50 (per hour) for one full time worker in a couple to generate an income equal to half average household income' (HM Treasury, 2000). Hence, it appears that the Government itself does not believe that part-time work is sufficient to keep families out of poverty. Government policy is, however, predicated on a belief that part-time work can act as a 'stepping stone' to full time work. If this were true, the extent of poverty and social exclusion noted in this paper among those in part-time work would only be short-term and, arguably, not of great concern. However, other research for the Department of Social Security on the impact of the Back to Work Bonus⁶ suggests that, whilst part time work did act as a stepping stone to full time work to some extent, often this work was non-permanent employment (Ashworth and Youngs, 2000). This suggests that part time workers moving into full time work were likely to be on the 'low pay, no pay cycle', rather than climbing the earnings ladder. The qualitative element of the study further suggested that some respondents, men in particular, find part time work undesirable and wish only to undertake full time work. In contrast, other respondents, mainly female, do not wish to increase their hours to full time, as their current hours fit in with their family commitments (Thomas et. al., 1999).

⁶ A lump sum derived from earnings from part-time work whilst claiming Income Support or Jobseeker's Allowance and is paid when moving off benefit into work.

The central aim of the New Deal for the Unemployed is to reduce long-term unemployment. The importance of doing so is supported by evidence in this paper which shows the clear relationship between long spells of past unemployment and current poverty and social exclusion.

Finally, changes in employment patterns produce significant changes in both personal and household income for many households. The dramatic shifts show the importance of employment to households' income and living standards. Yet by no means all households benefit from gaining a job in terms of increased income and living standards. Again, this raises questions regarding the effectiveness of benefits for those temporarily or permanently out of work and for those in work.

In conclusion paid, full time employment is vital for households to have a good chance of keeping out of poverty and social exclusion, although poverty and social exclusion are far from non-existent in full-time working households. Social exclusion, as measured by lack of contact with family and friends, is more likely to occur for full time working families. Generally the evidence suggests that the Government is correct in its promotion of 'work for those who can', but equally important are their parallel commitments to 'make work pay' and provide 'security for those that cannot' in order that households without full time workers can maintain acceptable living standards.

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