

# THE SURVEY OF GUERNSEY LIVING STANDARDS: PHASE II

## POVERTY AND STANDARD OF LIVING IN GUERNSEY

### EXECUTIVE SUMMARY

#### Introduction

In March 1998, the States accepted a Requête regarding low-income earners and households (Billet VI, 1998). The Requête concluded that: “*there seemed to be a general consensus amongst members that extra help should be given to low income earners; that the majority of members rejected the idea of tackling the problem through income tax alone and expressed a wish to see a broader approach including the use of social security;*”

The Advisory and Finance Committee commissioned the Townsend Centre for International Poverty Research at the University of Bristol to undertake a survey of poverty and standard of living in Guernsey. A primary purpose of this research was to assess the numbers of households in Guernsey that may be considered to be in relative poverty judged against various relevant benchmarks, both local and from other jurisdictions.

The first survey, in November 2000, asked a random sample of Islanders about what they considered to be the necessities of life which all Islanders should be able to afford and which no one should be forced to go without. These ‘necessities’ covered a wide range of social activities and possessions (eg food, clothing, shelter, financial security, medical expenses, etc) for both adults and children. Islanders’ views were also obtained about which public and private services were considered to be ‘essential’. People’s opinions were also canvassed about the policies and actions which would improve their own quality of life, the quality of life in their parish or in Guernsey and the quality of life of less well off Islanders. The results from this Phase I survey have been published as two reports: *The Necessities of Life* and *The Views of the People*.

The second survey, in February 2001, consisted of in-depth face-to-face interviews with people in 433 households. The purpose of Phase II was to determine the standard of living of the respondents’ households using the results from Phase I as well as a range of methods which have been developed in Europe over the past 100 years. In particular, the Phase II survey was able to establish the number of households where the standards of living and incomes were so low as to be considered as unacceptable by the overwhelming majority of Guernsey people, ie below a minimum acceptable standard. This Executive Summary presents the key findings from the Phase II survey.

The major finding from all this research is that the overwhelming majority of people in Guernsey have a very high standard of living. They are content with their accommodation and with life on the Island and have good friends, neighbours and close family who can provide them with support when needed. They are living healthy and happy lives and can afford to buy the things that they need. However, there is a minority of people who have such low incomes that their standard of living is below the minimum acceptable to the majority of Islanders. These ‘poor’ people suffer from a range of problems which are detailed in this Executive Summary. It should be borne in mind, when

reading this summary, that the problems that are highlighted usually only affect relatively small minorities of Islanders and not the majority.

## **Adult and Child Poverty**

This section examines the extent of adult and child poverty in Guernsey and the population's living standards at the beginning of the 21<sup>st</sup> Century. People are defined as living in poverty if they are unable to afford so many of the 'necessities of life' that their standard of living was below the minimum considered acceptable by the majority of Islanders. What constitutes the necessities of life was determined in Phase I of the Survey, where respondents were asked which items and activities they thought were essential which nobody should have to go without because of lack of money.

- The population of Guernsey considers a wide range of adult possessions and social activities to be essential and feels that no-one should go without them because of lack of money
- There is even greater support for children's possessions and social activities. Large majorities think that all Islanders should have enough money to participate in Island life as well as to meet their basic needs for food, clothing, shelter and medical care
- The vast majority of households in Guernsey (76%) are not living in poverty and are not at risk of becoming poor in the near future. Ninety-five percent of pensioner couples are not poor
- Guernsey people are less likely to suffer from poverty and deprivation than people in Britain
- However, over 3,000 households (16%) in Guernsey are poor. People in these households have a low income and suffer from multiple deprivation – they do not have four or more necessities of life which the majority of islanders think they should be able to afford and should not have to do without
- Almost two thirds (63%) of lone parents are suffering from poverty, *ie* they have a low income and do not have at least four necessities of life due to a lack of money. Two fifths (43%) of single pensioners are also living in poverty in Guernsey as are a quarter of large households with children (26%)
- Poor people in Guernsey have greater difficulties than poor people in the UK in keeping their homes free of damp and keeping warm in winter. The higher cost of clothes and medical care also causes problems for poorer Guernsey households
- Being unable to afford adequate clothing seems to be a problem for both adults and children in some poor households in Guernsey
- One in five of the Guernsey households cannot afford any savings for retirement or emergencies or to 'replace worn out furniture'. Fourteen percent said they could not afford a 'damp free home'
- Poor parents are likely to go without social activities and financial security so that they can afford food, clothing and other 'necessities' for their children. For example, 91% said that they went without some essential social activities and financial security in the previous year, 35% said that they had an inadequate diet by today's standards and 9% said they could not afford to feed their children adequately

## **Housing and Standard of Living**

The high cost and often relatively poor quality of housing in Guernsey is a major issue, particularly for the poorer sections of society. However, it must be stressed that the overwhelming majority of people are satisfied with both their accommodation and the area where they live. They like living in Guernsey and their own neighbourhood.

- People with higher incomes have the best housing conditions and poor people have the worst housing conditions
- Poor people are most likely to live in accommodation rented from the States and are unlikely to be owner-occupiers
- People with high monthly mortgage or housing loan payments are least likely to be poor
- No association was found between the amount of rent paid and poverty and there are poor households paying both low and high rents
- A large majority of people are satisfied with their accommodation and their neighbourhood
- Some dissatisfaction with accommodation was reported by families with children and by poor households
- Most people (roughly three quarters) report that their homes are in a good state of repair. Older people are more likely than younger people to report a good state of repair
- Private renters are more likely than either States' renters or owner-occupiers to report a poor state of repair
- Half the population have at least one problem with their accommodation (poor housing conditions). The most commonly cited problems are damp, shortage of space, mould and rot. However, evidence from the recent Housing Needs Survey indicates that in many cases the extent of these problems may not be serious
- There are three times as many households in Guernsey with problems of damp as in Britain. Twice as many have problems of mould or a leaky roof and almost twice as many households lack adequate heating facilities
- Problems of damp walls, floors and foundations affect a quarter of Guernsey households yet 95% of Islanders believe that 'a damp free home' is a necessity of life that everybody should be able to afford and nobody should have to do without. There seems to be a large gap between the aspirations of the Guernsey population and the realities of housing conditions on the Island
- Problems with accommodation affect a higher proportion of private renters than either States' renters or owner-occupiers
- Poor housing conditions are reported to be affecting the health of more than one in 20 people
- One in 10 adults aged under 30 or over 65 reported health problems caused by poor housing conditions

## Health and Standard of Living

During the last two decades, a wealth of evidence has been accumulated that suggests that poverty causes poor physical and mental health. People who live in disadvantaged circumstances have more illnesses and shorter lives than those who are more affluent. Data from this survey supports this evidence: those with the lowest incomes were over four times as likely to report poor health than those in the highest income groups and those who lived in poverty were over four times as likely to report poor health than those not in poverty.

- People who live in disadvantaged circumstances have poorer health than those who are more affluent
- Those who reported that they were 'never' poor consistently reported better health than those who were 'sometimes' or 'always' poor
- Those reporting that they were poor 'sometimes' most frequently reported social isolation. By contrast, those reporting that they were poor 'all the time' most frequently reported depression
- For each of the measures of health examined, respondents in the lowest net household income quintile had the worst health. In general, there was a linear trend between rising income and better health
- For all but one of the health measures examined, those who were 'poor' fared significantly worse than those who were 'not poor'
- There is a clear and unequivocal association between poor health, measured in a number of ways, and poverty, also measured in a number of ways, whilst taking into account the influence of other variables known to influence health. In general, those in the poorest circumstances experienced four times worse health than those in the most favourable circumstances, when controlling for their age, sex, household type, level of education and place of birth. In simple terms, this means that poor people in Guernsey are four times more likely to be ill than the rest of the population

## Crime, Social Harm and Standard of Living

This section examines the extent of crime and other socially harmful events experienced by the people of Guernsey. The reason for looking at both crime *and* other harmful events is that, throughout a person's life, they will experience numerous events which cause harm, distress, and anxiety. Crime will only be one type of a socially harmful event which people experience – alongside divorce, redundancy and accidents at work, on the roads or at home.

The general aim of this section is to contextualise people's experience of crime in order to provide a more balanced and objective understanding of the harmful situations and events which they may have experienced in the previous year. The focus of these findings is on the unequal risks of experiencing socially harmful events. It shows how poverty affects whether some people experience more harmful events than others and also highlights a number of other important factors.

- The vast majority of Guernsey people had suffered no crime in the previous year. However, just over a third were victims of some form of crime
- Nearly three quarters of victims experienced vehicle-related crime whilst 37% experienced other forms of property crime and only 20% personal crime
- Most people (19%) were victims of just one crime but 9% experienced two crimes and 5% experienced three or more crimes
- The people of Guernsey experience less crime than British people in most categories of crime, especially crimes of violence
- People living in poverty bear the brunt of most crime: 39% of those living in poverty experienced crime in the previous year compared to only 33% of those not poor
- Higher rates of crime affected respondents aged 16-24, households with two adults, with and without children and those born in Guernsey or one of the other Channel Islands
- More than half the Guernsey population worries about being a victim of some form of crime
- People worried most about burglary: 41% said that they were 'fairly' or 'very' worried about having their home broken into and something stolen
- Poor people were nearly twice as likely to feel 'fairly' or 'very' unsafe when on the streets and 1.7 times more likely to feel unsafe when at home than the rest of the population
- People living in accommodation rented from the States of Guernsey, as well as women and the elderly, worry most about crime
- 76% of people reported some form of harmful event in their life in the previous twelve months
- Of the people who had experienced a harmful event or situation, 72% said that they had relationship problems (particularly the death of a close friend or relative)
- Poor people were significantly more likely to experience a harmful event in the previous year: 91% of poor people experienced a form of difficulty compared to only 73% of those not living in poverty

## **Social Support and Standard of Living**

When times are hard, family and friends are the first source of help and support for many people. One indicator of the existence of functioning social networks is the amount of practical and emotional support 'potentially' available to individuals in times of need.

- Almost everyone in Guernsey can count on at least some support with practical and emotional problems
- Almost two thirds of respondents can count on good support
- Younger and older people have better support networks than middle-aged persons
- Women have more potentially supportive networks than men
- Single adults report less supportive networks than couples
- Those in social housing have poorer potential support networks than private renters or owner-occupiers
- People born in Guernsey have better social support networks than those born elsewhere
- People with a lower income tend to have worse social support available
- Poor people are likely to have less social support

## Services and Standard of Living

This section presents findings on the level of access - or lack of it - to services on the Island. Such access is known to affect people's standard of living, with good local services improving people's standard of living. Local services may also provide a means of participating in the community (*eg* going to church or attending an evening class).

- Lack of availability, or 'collective exclusion', from public and private services affects close to one-third (31%) of respondents. Lack of affordability, or 'individual exclusion' affects one in seven (14%) respondents
- Poor people are more likely to not be able to use public and private services because they are either too expensive or not available where they live
- Poor people have some difficulties with paying to use public sports facilities, museums, galleries, dentists and cinema/theatres
- The majority of people feel that there is insufficient community policing and an inadequate bus service in many areas
- Elderly/disabled services exclusion affects very few Islanders

## Perceptions of Poverty

In a democracy like Guernsey, the population's views and perceptions about poverty and the standard of life on the Island are of great importance. It is also important to know if people are prepared to pay more tax in order to eliminate poverty.

- Fairly high proportions of households said that their incomes were inadequate to avoid absolute poverty (7%), general poverty (12%) and overall poverty (16%). The scientific measurement of relative poverty (suffering from both low income and multiple deprivation) also found that 16% of the population were 'poor'
- Poverty rates are lower in Guernsey than in the UK. However, rates of poverty amongst lone parents are very high in both countries and, unfortunately, poverty amongst single pensioners in Guernsey is worse than in the UK
- The average incomes of poor households, before housing costs, (£231 per week) are only slightly above that needed to avoid absolute poverty in Guernsey (£226 per week)
- The rates of extreme time stress (7%) in Guernsey and Britain are the same, however, there are fewer people who suffer from moderate time stress in Guernsey than in Britain. Overall, Guernsey people suffer from slightly less time stress than the population of Britain
- The 'poorest' suffer twice as much time stress as the rest of the population
- People in Guernsey are very pessimistic about poverty, 36% thought poverty had increased over the past 10 years (despite rapid economic growth) and 44% thought that poverty would continue to increase over the next 10 years. Much smaller numbers thought poverty would decrease
- The large majority of Guernsey people (67%) believe that poverty and need are caused by inevitable changes in society, injustice or bad luck
- Two thirds (67%) of the population would support an increase in tax to help end poverty in Guernsey.