



The Deepening of UK Poverty

Wednesday 5 June

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- Four big take-aways on poverty in the UK today
- Reflections on why we've got to this point
- What we can do about it – a call to arms!



About the Joseph Rowntree Foundation (JRF)

We are an independent social change organisation, working to support and speed up the transition to a more equitable and just future, free from poverty, where people and planet can flourish.

For us, ending poverty in the UK is a moral cause: to ensure dignity and respect for everyone, and to address exclusion and powerlessness.



What is poverty?

What is poverty? - in human terms

Poverty means:

- Not being able to heat your home, pay your rent, or **buy the essentials** for your children
- Waking up every day facing **insecurity, uncertainty, and impossible decisions** about money.
- Facing marginalisation – and even **discrimination** – because of your financial circumstances.
- It means being unable to play a full part in society.

The **constant stress** of living in poverty can, in itself, lead to problems for people's physical and mental health.

What is poverty? - some measure we use

Relative income poverty, where households have less than **60%** of contemporary **median income** – our usual measure (after housing costs)

Deep and Very Deep Poverty, where households have less than **50% or 40%** of contemporary **median income**

Destitution, the most severe form of hardship, where you **can't afford basics** such as shelter, heating and clothing or have extremely low income.

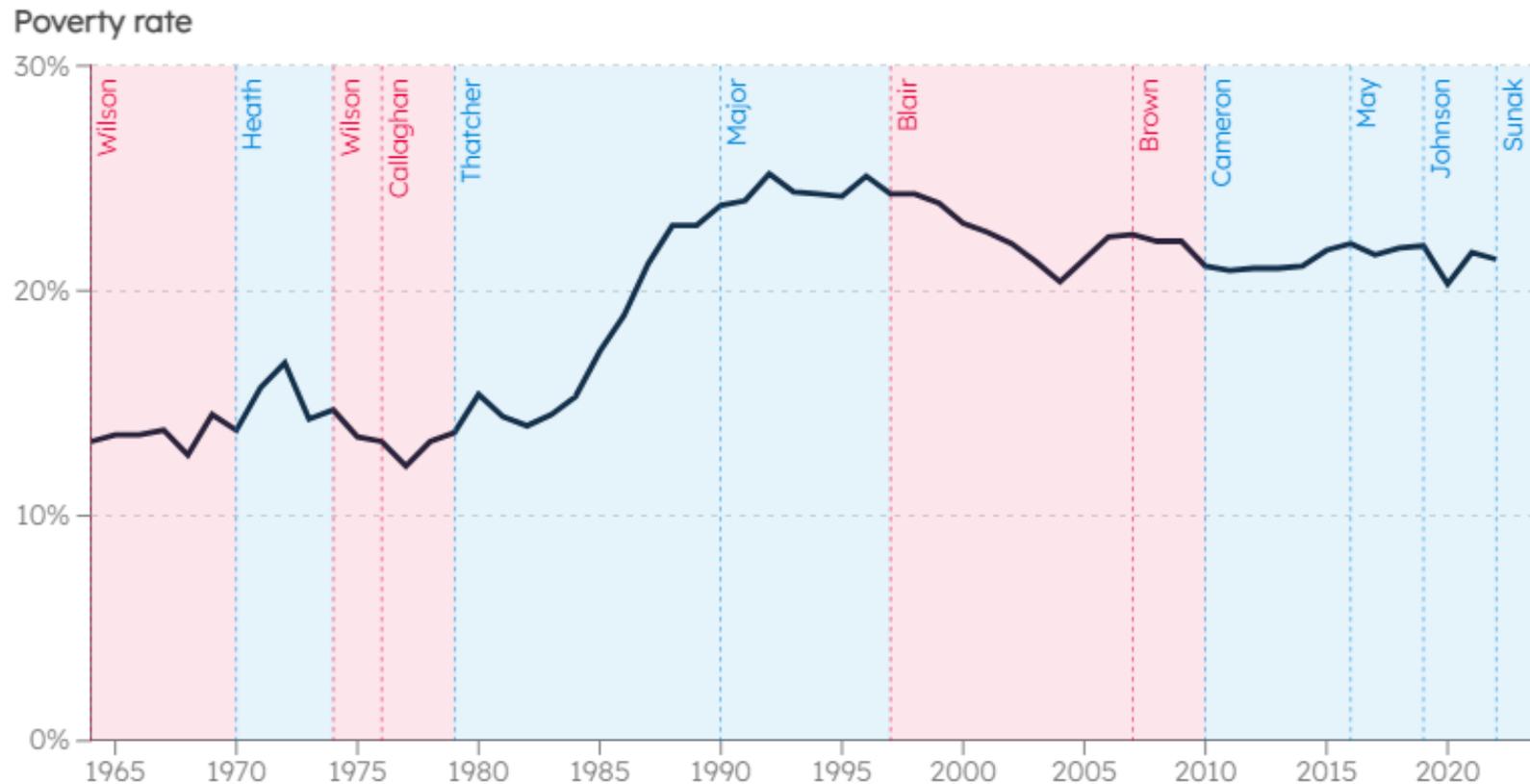


What is happening with poverty?

Key point 1

The overall level of poverty in the UK are high, and has been for decades

The long view: poverty rates grew rapidly under Margaret Thatcher's administration and remained high, with only small decreases since

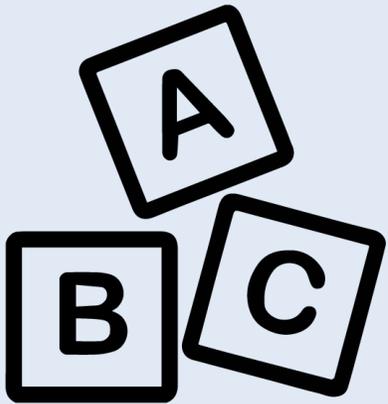


Source: Institute for Fiscal Studies analysis of FES and HBAI data

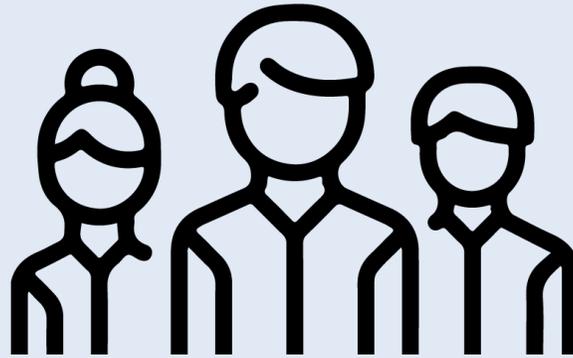
More than **one in five people**
in the UK were in poverty in
2022/23



Around **14.3 million people** were in poverty



4.3 million
children



8.1 million
working-age adults



1.9 million
pensioners

How do we compare?

Compared to other countries:

- UNICEF ranked the UK **37th out of 39** nations in a league table based on their most recent income child poverty rate and their success in reducing child poverty – *UNICEF 2023*
- The poorest fifth of households in Britain are more than **20% poorer** than their French and German equivalents – *Resolution Foundation, 2022*



UNICEF Innocenti Rank		Most recent rate of child poverty (Average 2019–2021)		Change in child poverty rate (2012–2014 to 2019–2021)	
		%	Rank	%	Rank
1	Slovenia	10.0	2	-31.4	2
2	Poland	14.1	8	-37.6	1
3	Latvia	16.3	16	-31.0	3
4	Republic of Korea	15.7	15	-29.0	5
5	Estonia	14.8	9	-23.4	6
6	Lithuania	18.3	22	-30.6	4
7	Czechia	11.6	4	-14.5	16
8	Japan	14.8	11	-18.7	11
9	Ireland	14.8	10	-18.5	12
10	Croatia	16.6	17	-21.8	10
11	Canada	17.2	19	-22.7	7
12	Belgium	14.9	12	-17.0	15
13	Portugal	19.3	25	-22.5	9
14	Finland	10.1	3	0	26
15	Denmark	9.9	1	+3.5	30
16	Malta	19.8	26	-18.2	13
17	Netherlands (Kingdom of the)	13.5	7	+0.7	27
18	Greece	22.3	31	-17.2	14
19	New Zealand	21.1	29	-11.7	17
20	Norway	12.0	5	+10.1	35
21	Slovakia	18.9	23	-4.9	21
22	Sweden	18.0	20	-2.4	23
23	Iceland	12.4	6	+11.0	38
24	Cyprus	15.6	14	+4.0	32
25	Germany	15.5	13	+5.0	33
26	Australia	17.1	18	+1.7	29
27	Chile	21.6	30	-7.7	19
28	Romania	29.0	37	-22.5	8
29	Austria	19.2	24	+5.3	34
30	Switzerland	18.0	21	+10.3	36
31	Bulgaria	26.1	34	-8.3	18
32	United States	26.2	35	-6.7	20
33	France	19.9	27	+10.4	37
34	Italy	25.5	33	-0.8	25
35	Luxembourg	24.5	32	+3.7	31
36	Spain	28.0	36	-4.0	22
37	United Kingdom	20.7	28	+19.6	39
38	Türkiye	33.8	38	+1.5	28
39	Colombia	35.8	39	-2.1	24

What is happening with poverty?

Key point 2

Poverty is falling more heavily on some groups than others

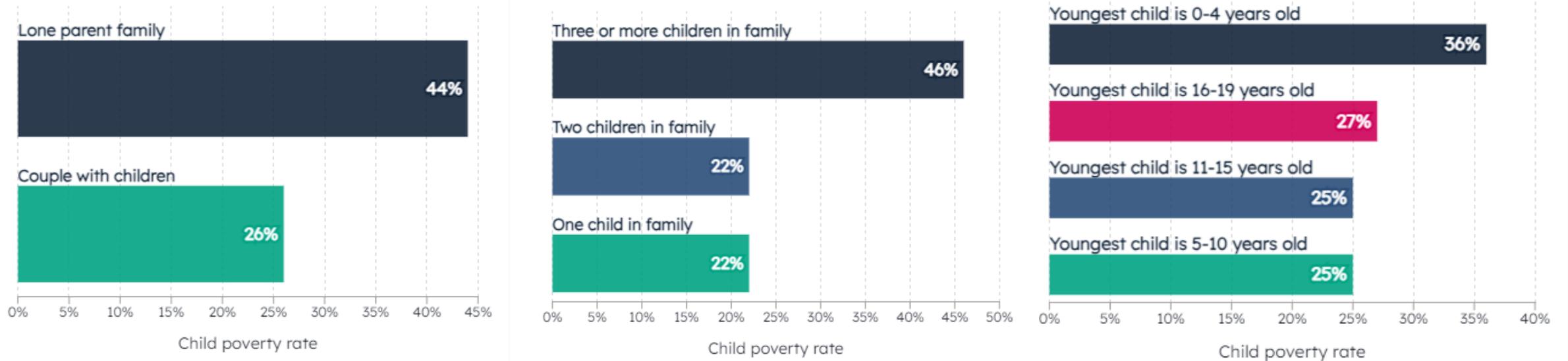
Some groups of people face particularly high levels of poverty

- People from many minority ethnic groups – particularly people in Pakistani (48%) and Bangladeshi (56%) households
- Families claiming income-related benefits, including 52% of people in families claiming Universal Credit
- Lone parent families (42%)
- Social renters (44%) and private renters (35%)
- Disabled people (31%) – particularly people with a mental disability (38%)*
- Informal carers (28%)*

Source: HBAI 2022/23 except * HBAI 2021/22



Child poverty rates are particularly high in families where childcare responsibilities limit their ability to work



Source: Households Below Average Income, 2021/22, DWP

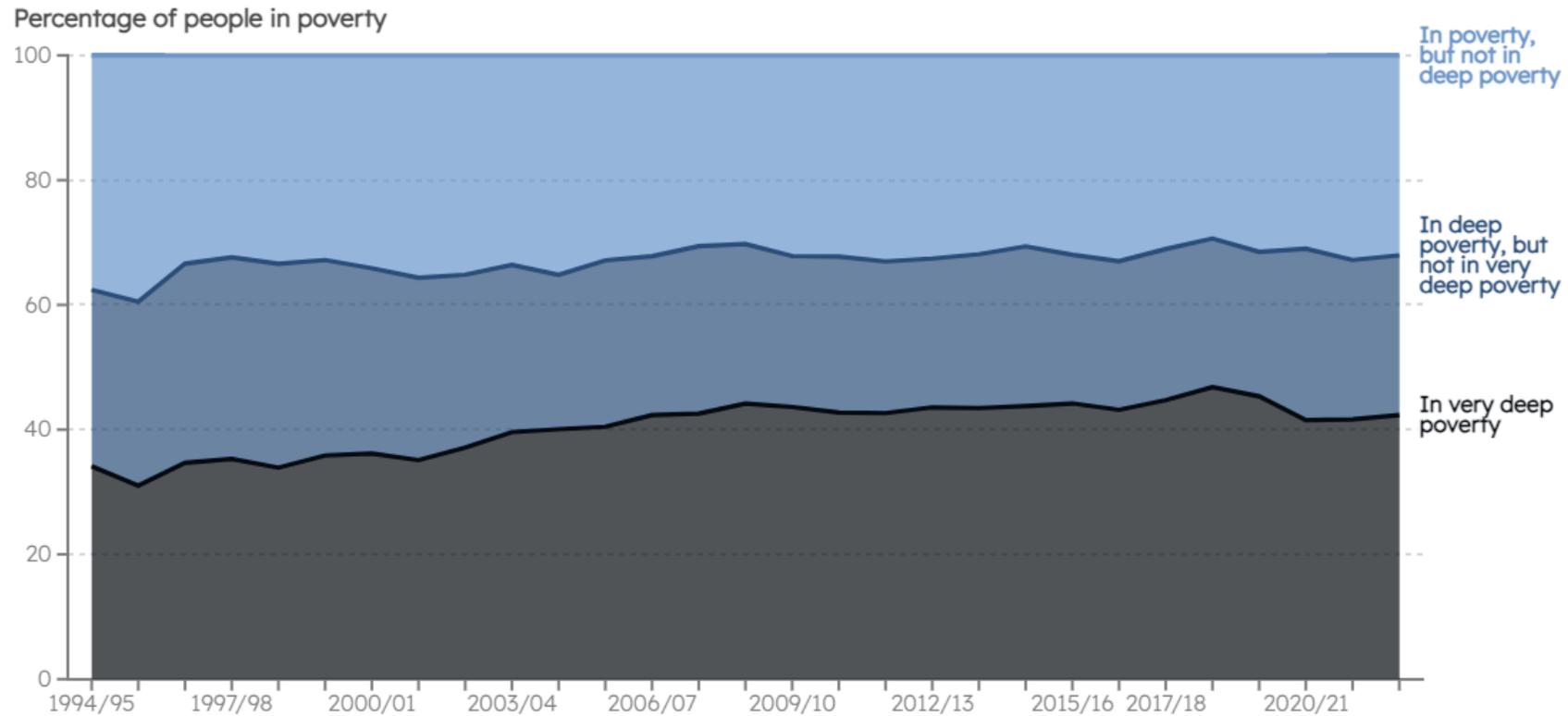


What is happening with poverty?

Key point 3

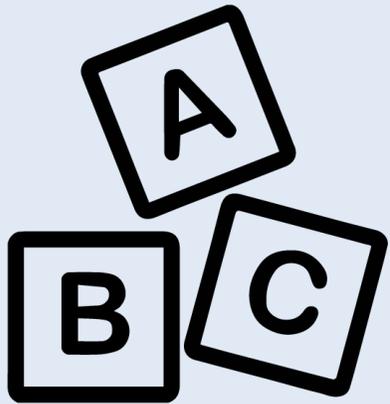
Poverty is *deepening*

People in very deep poverty now make up the largest group of people in poverty

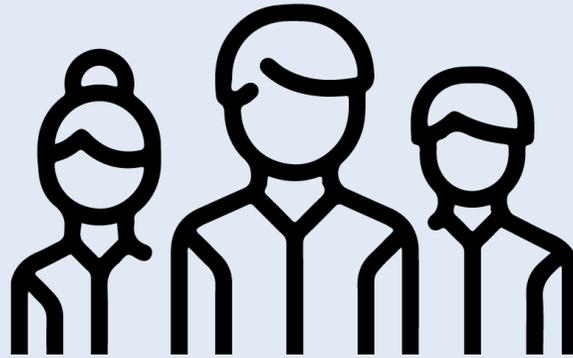


Source: Households Below Average Income, 2021/22, DWP

Around **6 million people** were in very deep poverty in 2022/23



1.6 million
children



3.9 million
working-age adults

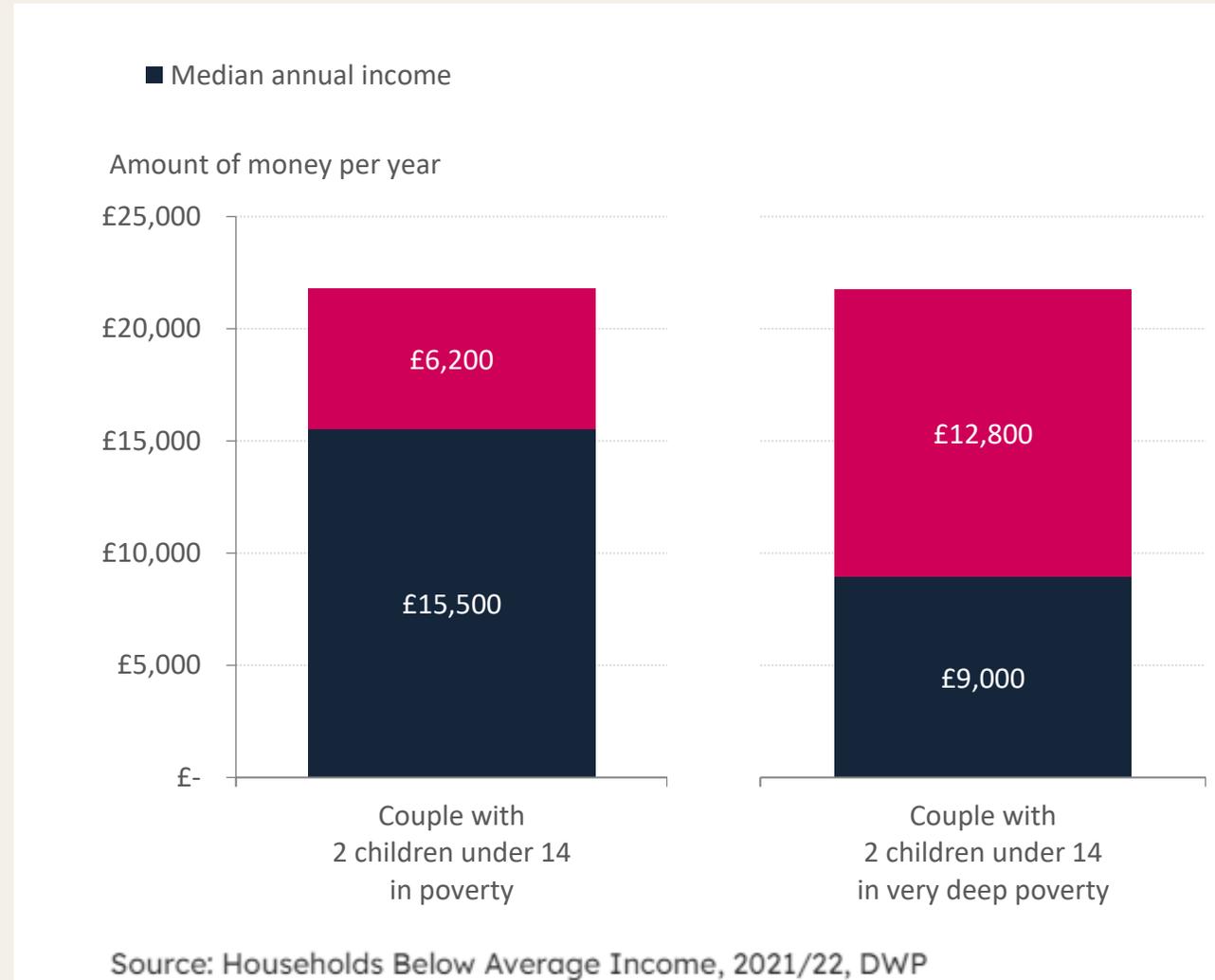


600,000
pensioners

Between 2019/20 and 2021/22, the average person in poverty had an income 29% below the poverty line

This is equivalent to a couple with two children under 14 in poverty needing an additional £6,200 per year to reach the poverty line.

The same type of family in very deep poverty would need to more than double their income, with an additional £12,800, to reach the poverty line – and £5,600 more just to reach the very deep poverty line.



What is happening with poverty?

Key point 4

Destitution and deep hardship is rising fastest of all

Definition of destitution

a) People are destitute if they have lacked two or more of following in past month because they cannot afford them:

- Shelter
- Food
- Heating
- Lighting
- Clothing and footwear
- Basic toiletries

b) People are also destitute if their income is so low, and they have no savings, such that they are unable to purchase these essentials for themselves

- £95 for a single adult living alone
- £125 for a lone parent with one child
- £145 for a couple with no children
- £205 for a couple with two children

Destitution in the UK

3.8 million people

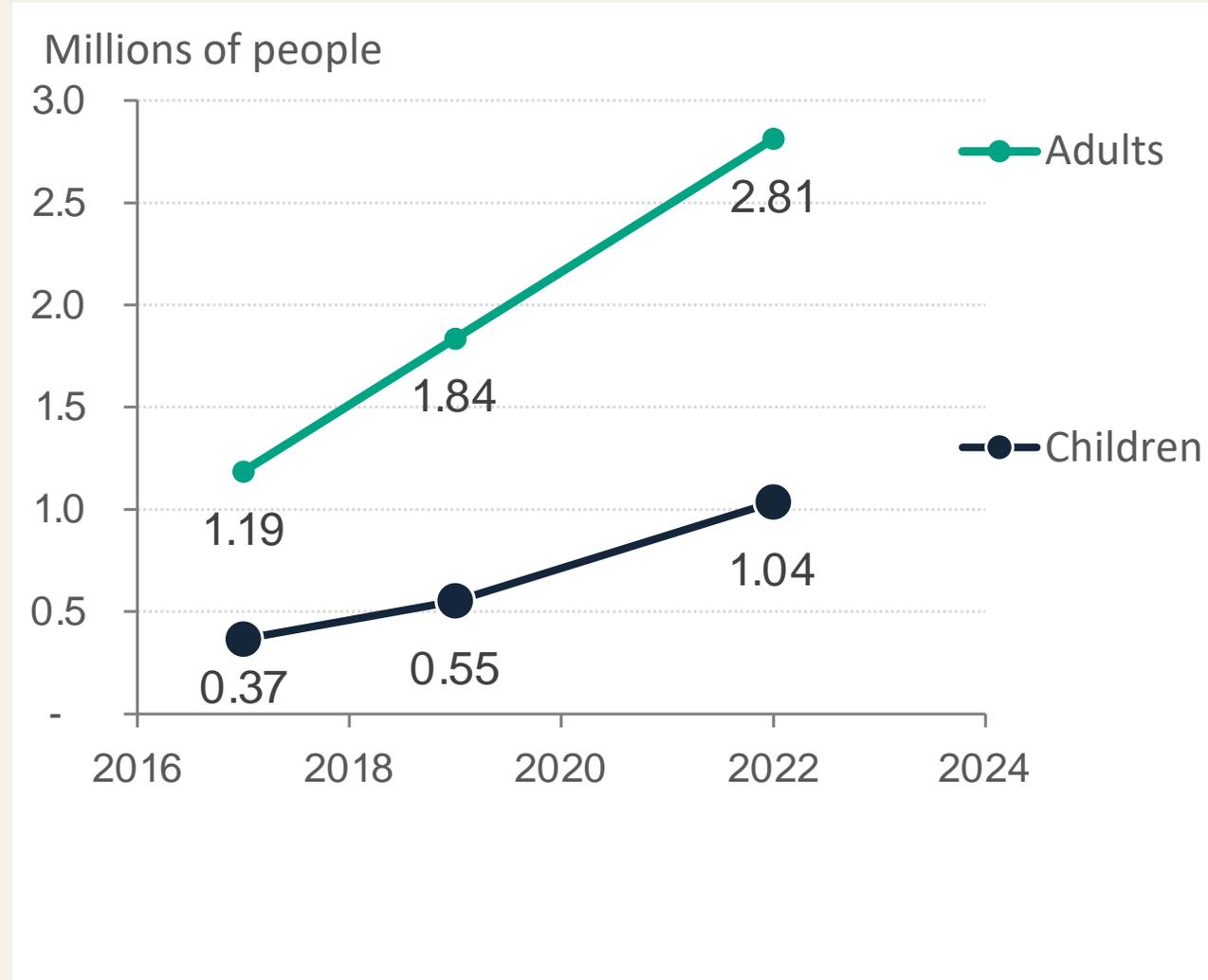
1 million of them children

were unable to meet their most basic physical need to be warm, dry, clean and fed in 2022.

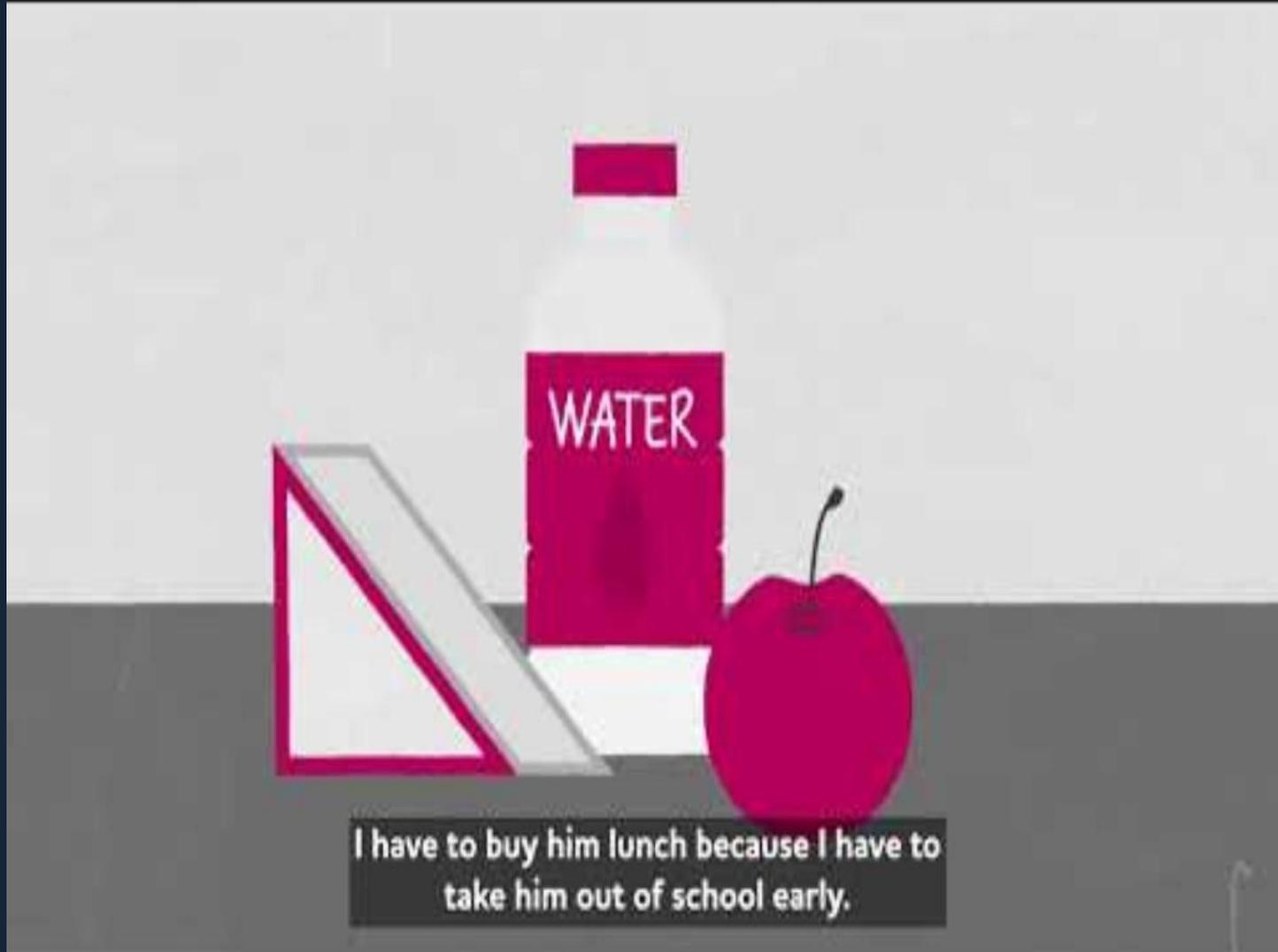


The Scale of Destitution

- Around 1.8 million UK households were destitute at some point in 2022, including 3.8million people, **of whom around one million were children**
- The number of people experiencing destitution has increased sharply (by 61%) since the last Destitution in the UK survey was conducted in 2019, and has more than doubled between 2017 and 2022
- **The number of children experiencing destitution has almost trebled since 2017**



The experience of destitution



What is it like experiencing destitution?

From people in destitution:

"I only eat one meal a day. I'll probably have a bit of toast when I get home from work, but I tend to just eat at night time because I can't afford to buy things for me to eat during the day."

"I mean my gas and electric, I've not paid that for over a year. I can't even touch it. I owe them thousands. But it's kind of a case of, do I pay that, or do I go and buy food?"

"I've still got a little bit of shampoo from the church. But they don't always have very many toiletries. They tend to have shampoo or they'll have hand wash...and toilet rolls. You're allowed one toilet roll a week."

"Me and my partner survive on one meal a day. We make sure my daughter is eating. She has three meals a day"

"I went without washing powder for two weeks. I didn't do any washing for two weeks."

Living in poverty makes it harder for people to manage their health well

For example, it is more difficult to eat healthily. If money is short, spending on a healthy diet becomes a substantial expense.

Source: King's Fund/JRF

- 8% of households with an income below £10,000 per year have **no cooker** and 16% have **no freezer**
- Nearly one in three **food outlets** in the most deprived areas are **fast food**, compared to one in five in the least deprived areas.
- Food insecurity is increasing, and in a 2023 survey, 25% of households in the most deprived quintile of areas reported **eating less fruit and fewer vegetables because of cost-of-living increases**, compared to 8% of the least deprived quintile.

Outcomes: *Compared to the least deprived areas of the UK, among the most deprived:*

Mental health

- Depression rate 2x higher
- 2x as many people are in contact with mental health services
- **Nearly 4x as many are sectioned under the mental health act**

Bowel cancer

- Diagnoses is 36% lower
- Fewer people take part in screening (64% vs 75%)
- Fewer are diagnosed early (42% vs 55%)
- **Mortality rate is 25% higher**

Covid 19

- Cases were 1.5x higher
- Vaccine uptake was lower (79% vs 93%)
- Hospital admission rates due to Covid 19 were 3x higher
- **The number of people dying with Covid was 2.5x higher**

Source: King's Fund/JRF

Effects on life expectancy

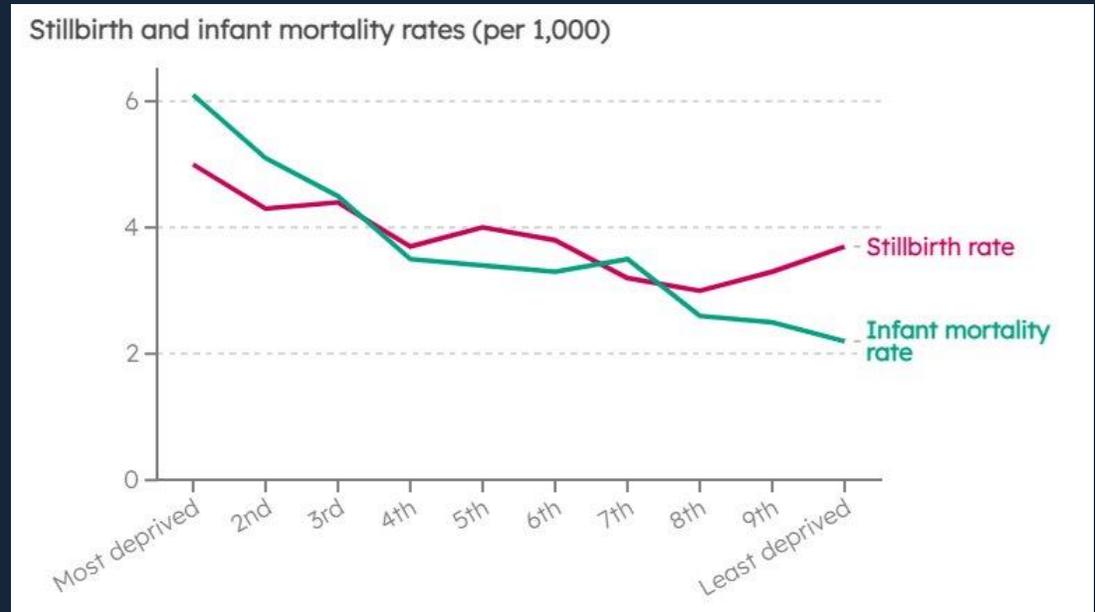
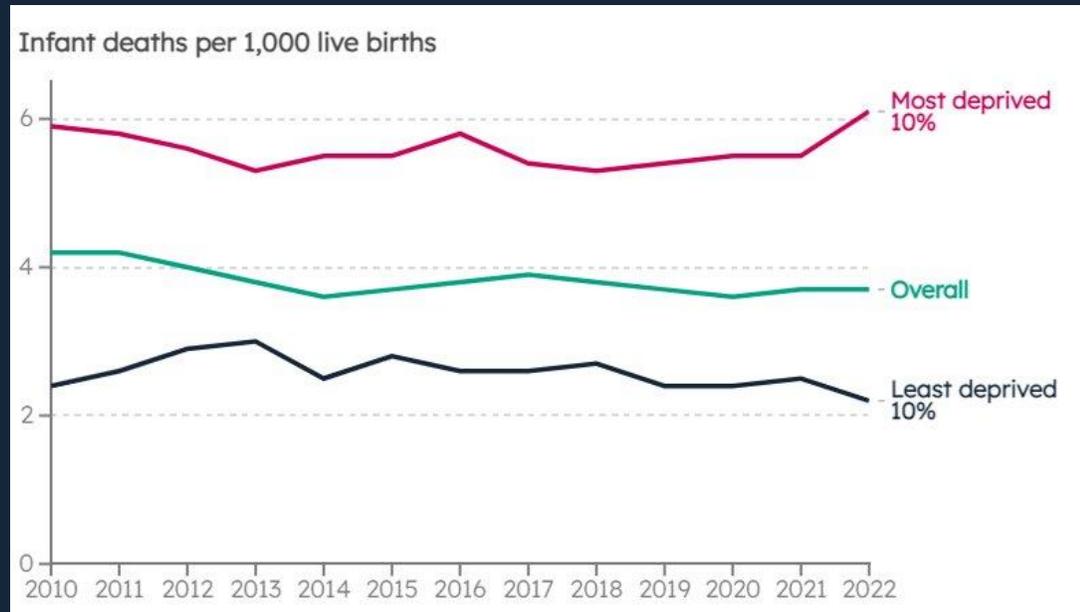
As of early 2024, ONS figures show that overall **life expectancy has decreased**, returning to 2010-12 levels for women and below this for men

The greater the deprivation, the shorter the life expectancy

(Marmot and others, BMJ Commission on the Future of the NHS, 2024)

- In every region outside London, life expectancy has fallen in the most deprived group
- **Infant mortality** increased between 2014 and 2017, with the steady reduction since 1980 stalling since 2014
- **Infant and child death rates increased** between 2020 and 2023, with similar trends in the rates of **stillbirths** linked to areas of deprivation

The mortality rate for infants living in the 10% most deprived areas was almost three times higher than for infants living in the 10% least deprived areas





What is driving deepening poverty?

Our social security system is not doing what it should do

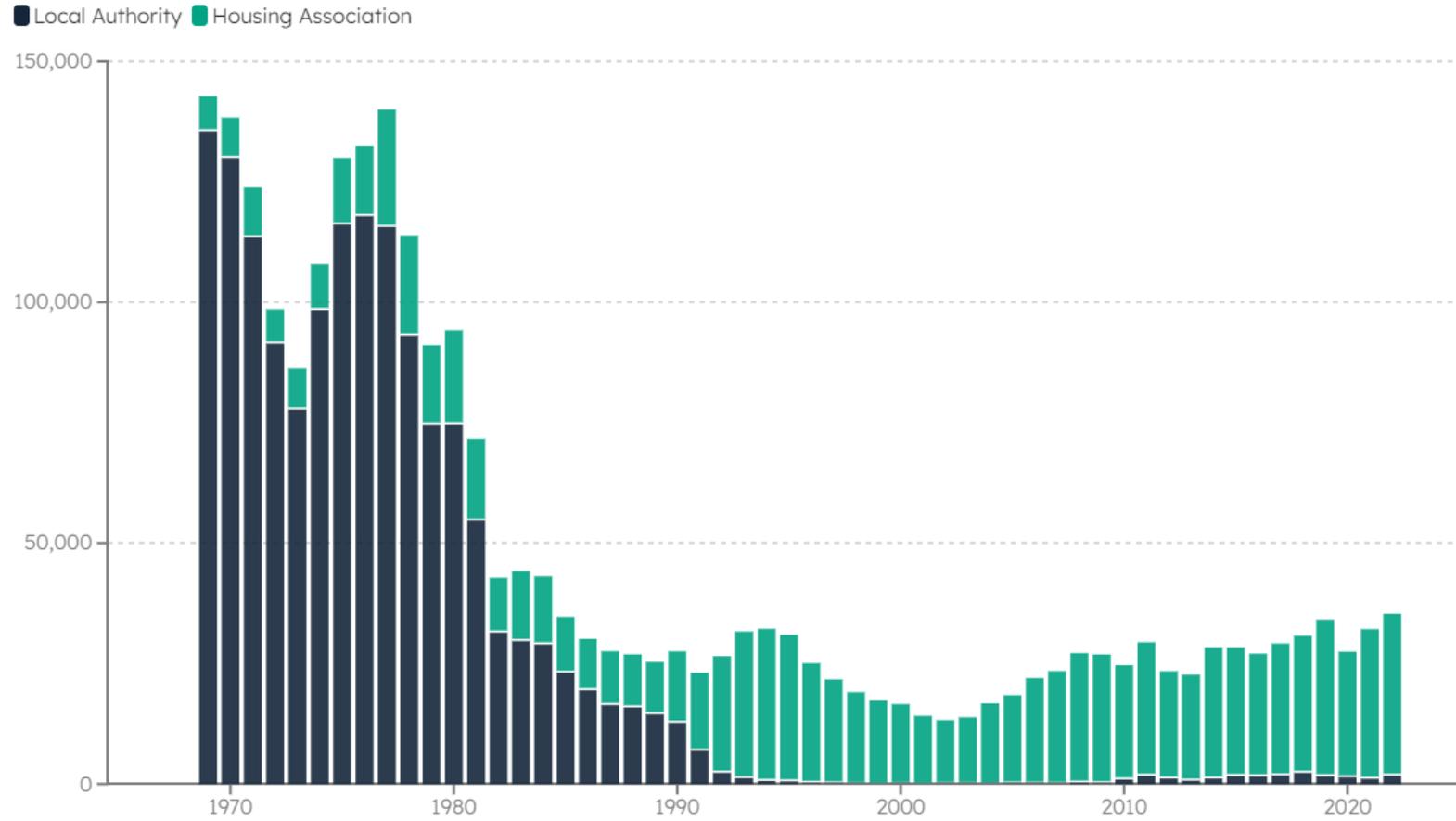
- The basic rate of **social security** while higher than in 2022 and 2023, is still around its **lowest rate in real terms for over 30 years** – at the same time that we had the highest annual rise in the absolute poverty rate for 40 years. This shows that support is fundamentally inadequate.
- The low basic rate is made still less generous by the way the system is designed, with **deductions** affecting many of the worst off
- The **2-child limit** affects more families and drives some groups into deepening poverty
- The **cost of living** has made a bad situation worse, with the prices for essential items outpacing the uprating of benefits and earnings for many

Housing's impact on poverty

- Homes are an important **foundation of our health and wellbeing**, but too many people are living in **cold, damp, mouldy housing**
- 145,800 **children in England were living in temporary** accommodation (Q4 2023), double the number in 2010 (2010 Q1: 74,600)
- Households in poverty are twice as likely to be living in the **private rented sector** than they were in the mid-1990s (increasing from 15% of households in poverty living in the PRS in 1995/96 to 32% today)
- Families in poverty are **twice as likely to be living in damp homes** than those not in poverty (6.5% live in damp homes, compared to 3.3% not in poverty)
- Families in poverty are more likely on average to be living in **poorer quality homes** (i.e. homes that do not meet the 'Decent Homes Standard'; 18% compared to 14% of those not in poverty)
- Housing **benefits have lagged behind rents** in 6 of the last 10 years

Social housebuilding has not recovered to the levels of delivery pre-1980s

Housing completions by sector, England



Source: [UK House building: permanent dwellings started and completed](#), ONS, [Live tables on affordable housing supply](#), DLUHC

Work as a route out of poverty

- **Work** should offer a reliable route out of poverty for those that can work, but there are **not enough good jobs** offering the earnings, hours or security that people need
- **38%** of the people on Universal Credit were **in employment** in March 2024
- Work remains the best route out of poverty for those who can work, BUT it has become **less effective over time**.
- In 1996/97, **47%** of children in poverty were in a household where at least one person was in work, increasing to **71%** of children in poverty in a family where at least one person was in work today (2022/23).

Sickness or disability

- We don't have a 'sicknote' culture, but we do have **increasing numbers who are sick or disabled** and therefore out of work.
- The share of working-age **adults who are disabled started increasing** before the pandemic, climbing from just over 15% in 2012-13 to 20% by 2020-21.
- In 2019, more than half of our **destitute** survey respondents said their day-to-day activities were limited due to a **chronic health problem or disability**. By 2022 this had increased to two-thirds

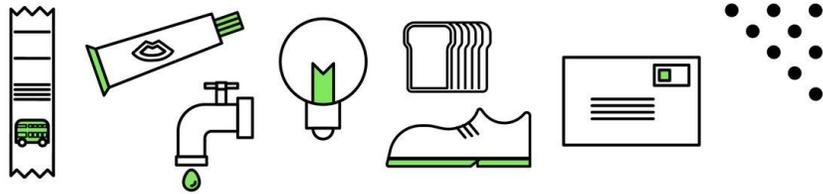
Sickness and the benefit system

- The social security system is very ungenerous to the sick or disabled. Looking specifically at **working-age PIP claimants** in non-working households:
 - Over 40% experienced **food insecurity**
 - Around 35% were unable to keep their homes **warm**
 - Around 70% are in **material deprivation**.
- We have a **very mean statutory sick pay system** (£116.75 per week) compared with other countries which forces people to work when not well. This equates to a replacement rate of 17% of UK median earnings, compared to an OECD average replacement rate of 64%. The UK has the **lowest replacement rate of all G20 and OECD countries**, except for the United States and South Korea, which do not provide any statutory sick pay.



Change is possible!

We are calling for an "Essentials Guarantee" in Universal Credit



Around **9 in 10 low-income households** on **Universal Credit** are going without **life's essentials.**

Join us in urging the Government to...

**GUARANTEE
OUR ESSENTIALS**



- Universal credit should always enable people to at least afford life's essentials.
- Currently, at £91 per week for a single adult, the basic rate of UC falls short of what is needed.
- We estimate a basic basket of essentials is £120 per week for a single person (not including housing).
- UC needs an "Essentials Guarantee" - a minimum protected level based on what is needed to cover essentials such as food and utilities.

Political parties need to share their plans for reducing the destitution and hardship in the UK in this Election campaign

Actions should include:

1. **Tackle the sharp edges of Universal Credit** that drive hardship (e.g. deductions, five week wait, sanctions) and guarantee the basic rate is always at least enough to afford life's essentials
2. **Set out a renewed ambition to end homelessness**, galvanising local coordination, and strengthening private renters' protection from eviction.
3. Make a reformed **Household Support Fund** a permanent part of our system of support, at the heart of localised systems to get people back on their feet.
4. **Tighten and enforce employee rights**, with more secure contracts the default, more notice of shifts and compensation for cancelled shifts. Reorient employment support towards engagement, rather than compliance.
5. **Better protection for everyone in our communities**, by making it quicker and easier to lift the condition of 'no recourse to public funds' when people face hardship, allowing asylum seekers to work after six months, and allowing people granted refugee status a longer 'move on period' from asylum accommodation.



Thank you

Wednesday 5 June