



UK child poverty gaps still increasing

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Poverty gaps and poverty rates

There has always been a debate in the world of poverty measurement about whether we should be more concerned about poverty rates (the proportion below a poverty threshold) or poverty gaps (how far people in poverty are below the poverty threshold). Is it better for a country to have many children a little way below the poverty threshold or few children below the poverty threshold, but a long way below it?

The UK has tended in the past to have comparatively high poverty rates but comparatively low poverty gaps. This has been thanks to a fairly comprehensive but quite low minimum income scheme. But since the recession our minimum income scheme has been undermined³ by benefit caps, the two child limit, the bedroom tax, local rent limits, real-terms cuts to benefit levels, the failure to uprate child tax credits and child benefits, the localisation of council tax benefit and sanctions.

The most recent Households Below Average Income (HBAI) statistics for 2016-17⁴ produced by the DWP show an increase in child poverty rates (after housing costs). However the HBAI series have never included poverty gap data: for households below the poverty line, the average of how far their incomes are from the poverty threshold.

Nevertheless poverty gaps are important, as they tell us about likely levels of hardship for those living below the poverty line. Poverty rates may be falling when poverty gaps are rising and vice versa. We have analysed trends in the poverty gaps for families with children from 2007/8 to 2016/17 and the results are presented in Tables 1 and 2 and Figure 1.

Poverty gap increasing in the UK

The best measure to focus on is the median poverty gap for all families with children. There has been an increase in the poverty gap, both before and after housing costs. In 2007/8 the median poverty gap before housing costs was £41.60 per week, but by 2016/17 it had increased to £57.40 per week. After housing costs the increase was from £50.40 per week in 2007/8 to £63.00 per week in 2016/17.

In other words, not only is the number of children in poverty increasing but families with children are now living, on average, further below the poverty line than they did ten years ago. The sharpest increases in the poverty line have occurred since around 2012, when the first wave of cuts to family benefits (such as the benefit cap and reductions in support with housing costs) started to take effect.

¹[https://pure.york.ac.uk/portal/en/researchers/jonathan-richard-bradshaw\(905fa104-a977-4863-83ff-cf28283fe3a2\)/profile.html](https://pure.york.ac.uk/portal/en/researchers/jonathan-richard-bradshaw(905fa104-a977-4863-83ff-cf28283fe3a2)/profile.html)

² [https://pure.york.ac.uk/portal/en/researchers/antonia-keung\(1d5a090d-af93-46b9-9858-1ff636da1bc1\).html](https://pure.york.ac.uk/portal/en/researchers/antonia-keung(1d5a090d-af93-46b9-9858-1ff636da1bc1).html)

³ See <http://discoversociety.org/2015/01/03/the-erosion-of-the-uk-safety-net/>

⁴ <https://www.gov.uk/government/statistics/households-below-average-income-199495-to-201617>

Table 1: Poverty gaps average £ per week before housing costs

	Poverty gap (£ per week)									
	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Lone parent										
Mean (SD)	47.00 (42.56)	48.17 (48.67)	48.32 (48.48)	47.56 (50.60)	55.05 (48.25)	63.32 (59.55)	53.87 (54.56)	61.96 (61.28)	66.25 (64.09)	67.57 (63.01)
95% CI for the mean	46.92- 47.08	48.07- 48.26	48.22- 48.43	47.44- 47.68	54.93- 55.16	63.18- 63.46	53.73- 54.00	61.82- 62.10	66.11- 66.38	67.44- 67.71
Median	35.60	32.60	32.00	31.80	41.20	45.00	33.80	37.80	45.60	50.40
Couple with children										
Mean (SD)	66.34 (59.68)	70.30 (63.19)	70.12 (64.65)	68.22 (62.88)	63.59 (60.44)	74.68 (71.49)	68.89 (63.07)	75.39 (68.55)	72.47 (69.57)	84.03 (77.47)
95% CI for the mean	66.25- 66.42	70.21- 70.39	70.03- 70.22	68.12- 68.31	63.50- 63.69	74.57- 74.79	68.79- 68.99	75.29- 75.49	72.37- 72.57	83.92- 84.14
Median	47.60	48.60	49.00	48.80	45.20	51.00	50.80	54.80	51.60	60.40
All families with children										
Mean (SD)	59.04 (54.67)	62.18 (59.25)	63.21 (60.85)	62.08 (60.24)	61.07 (57.24)	71.33 (68.38)	64.92 (61.29)	71.25 (66.68)	70.45 (67.90)	78.87 (73.64)
95% CI for the mean	58.98- 59.11	62.11- 62.25	63.14- 63.29	62.00- 62.16	60.99- 61.14	71.24- 71.42	64.84- 65.00	71.17- 71.33	70.36- 70.53	78.78- 78.96
Median	41.60	42.60	44.00	42.80	44.20	49.00	46.80	49.80	50.60	57.40
Children										
Total number of children (thousands)	12,976	12,965	13,150	13,207	13,267	13,350	13,329	13,480	13,541	13,660
% in poverty	22.5	21.9	19.8	17.6	17.6	17.3	17.0	18.8	19.6	19.5

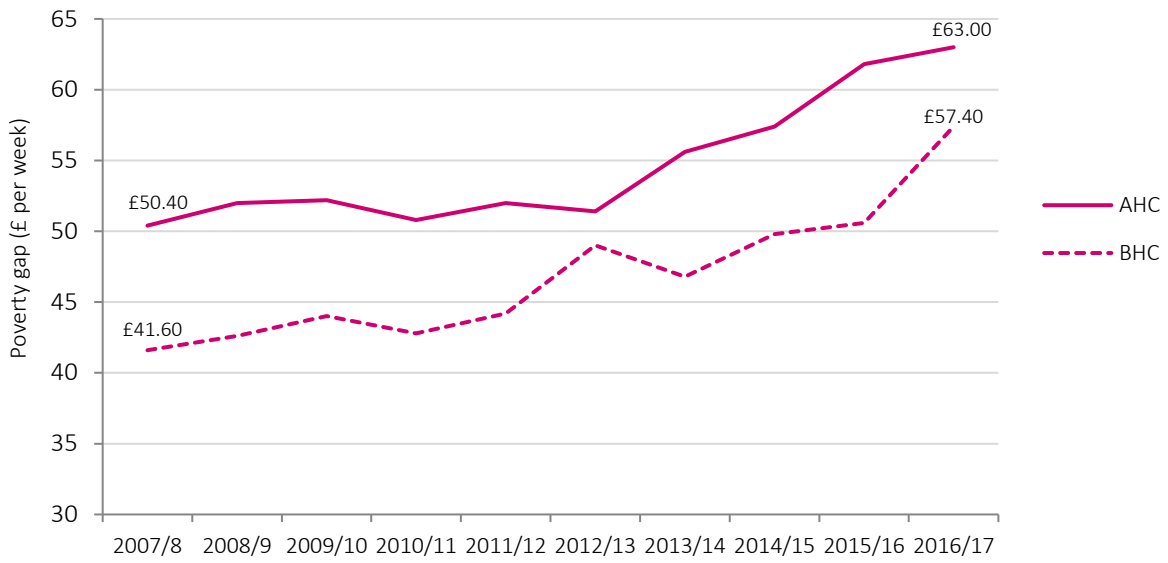
Source: Own analysis of HBAI

Table 2: Poverty gaps average £ per week after housing costs

	Poverty gap (£ per week)									
	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Lone parent										
Mean (SD)	57.66 (49.57)	59.83 (61.61)	59.95 (61.36)	59.31 (57.62)	60.62 (57.41)	66.90 (67.50)	63.02 (65.57)	75.69 (69.65)	78.04 (72.42)	77.84 (71.29)
95% CI for the mean	57.58- 57.73	59.74- 59.93	59.85- 60.05	59.21- 59.41	60.52- 60.72	66.79- 67.02	62.90- 63.13	75.57- 75.80	77.93- 78.16	77.72- 77.95
Median	46.40	43.00	44.20	41.80	47.00	46.40	46.60	54.40	57.80	59.00
Couple with children										
Mean (SD)	78.01 (84.23)	81.62 (80.61)	78.67 (80.98)	78.10 (74.65)	76.46 (78.29)	80.47 (83.21)	81.55 (75.57)	85.14 (81.50)	90.76 (107.84)	93.98 (96.96)
95% CI for the mean	77.91- 78.12	81.52- 81.72	78.57- 78.77	78.00- 78.19	76.36- 76.57	80.37- 80.58	81.46- 81.65	85.04- 85.24	90.63- 90.90	93.87- 94.10
Median	52.40	57.00	57.20	57.80	56.00	55.40	62.60	61.40	63.80	67.00
All families with children										
Mean (SD)	70.02 (73.30)	73.29 (74.68)	71.86 (74.99)	71.44 (69.68)	70.78 (71.90)	75.59 (78.20)	75.16 (72.82)	81.80 (77.66)	85.95 (96.19)	88.14 (88.87)
95% CI for the mean	69.95- 70.09	73.22- 73.37	71.79- 71.94	71.36- 71.51	70.70- 70.85	75.51- 75.68	75.09- 75.24	81.72- 81.88	85.86- 86.05	88.05- 88.22
Median	50.40	52.00	52.20	50.80	52.00	51.40	55.60	57.40	61.80	63.00
Children										
Total number of children (thousands)	12,976	12,965	13,150	13,207	13,267	13,350	13,329	13,480	13,541	13,660
% in poverty	31.4	30.3	29.5	27.3	27.1	27.2	27.8	29.0	29.6	30.3

Source: Own analysis of HBAI

Figure 1. Changes in the poverty gap since 2007/8 for families with children before (BHC) and after housing costs (AHC)



Source: Own analysis of HBAI

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