

Measuring child poverty: A consultation on better measurements of child poverty

Church Urban Fund's response

February 2013

Church Urban Fund is a charity that brings Christians together to transform the lives of the poorest and most marginalised in England. Our response to this consultation has been informed by the expertise of the Together Network, a network of joint ventures between Church Urban Fund and Dioceses, and a roundtable event attended by members of the End Child Poverty Coalition.

In summary:

- We support the use of a range of indicators to measure the different dimensions of child poverty, only where these are not aggregated into an index and where they complement the four income-based measures set out in the Child Poverty Act 2010.
- We have serious concerns about the lack of effective transparency inevitable in any composite index, even where the underlying indicators that would comprise such a composite index are published separately.

Publishing data on a range of indicators

As an organisation, we firmly believe that poverty is about more than low income. Our report entitled '**The Web of Poverty**' (cuf.org.uk/web-of-poverty), argues that the many dimensions of poverty can be helpfully grouped into three categories: poverty of identity, resources and relationships. These three categories are closely linked and result in individuals and communities being trapped in a web of poverty. For example, poor education dampens aspirations, unstable home lives and domestic abuse are triggers for homelessness and drug and alcohol misuse, mental health problems lead to social isolation and long-term dependence on benefits disempowers people.

We support the government in its aim to measure a range of poverty-related dimensions. Making such data available would not only give the public more information about the reality of poverty, but could also help to incentivise the development of long-term policies that tackle the root causes of poverty.

However, we would like to see the data on these indicators published separately and not used to build a composite index (even where the underlying indicators that would comprise such a composite index are published separately).

Serious concerns about the use of a composite index

The consultation document makes it clear that the government plans to develop a composite index:

“The new measure will combine a range of indicators into a **single number**. There are a variety of ways in which this could be done. In particular, it is possible to give certain indicators greater weight to reflect the fact that they play a more important role in child poverty.” (Page 47)

We have serious concerns about the use of such an index to measure child poverty. These concerns centre on the process of aggregating multiple indicators into one single number. We believe this process would result in a significant lack of effective transparency.

This process of combining multiple indicators is not only complex, but involves many subjective and value-based judgements about the relative importance of each indicator. When combining multiple indicators, the government would have to decide exactly how much weighting to give each one (how important is poor housing compared to unmanageable debt? Or family stability compared to parental health?) These judgements would then be embedded into the index and obscured from view when the final index number is reported to the public. Even if the underlying weightings are published, it is likely that media attention, public attention, and therefore probably policy attention, will focus on the composite indicator given its greater (but misleading) simplicity.

For example, when we look at the Index of Economic Freedom or the Legatum Prosperity Index, a very high level of engagement is required to research the methodology underlying the index figures. It is doubtful that a casual observer, or even many seriously interested observers, would undertake such research.

There is a serious risk that similar problems would occur with an index measure of child poverty. This would create a significant lack of effective transparency as the value-based judgements incorporated in to the index would not be immediately apparent to the public.

Proposed additional indicators

In developing a set of indicators to complement the 2010 income-based measures, we would like to see the government move beyond the dimensions included in the consultation. In **‘The Web of Poverty’** report, we argue that the many dimensions of poverty can be helpfully grouped into three categories: the poverty of identity, resources and relationships.

The government’s proposed dimensions focus primarily on poverty of resources (income, material deprivation, debt, housing, education, parental skill level and parental health). They speak only in part to poverty of relationship (family stability) and not at all to poverty of identity.

We would like to see indicator(s) of ‘poverty of identity’ included in any set of indicators, as a child’s perception of self can have a significant impact on their ability to seek and take hold of opportunities. The following indicators, taken from the Web of Poverty report, could be used to measure children’s poverty of identity:

- Children who suffer from low self-confidence
- Children who feel worthless; Children who feel depressed or unhappy
- Children who feel unable to face their problems

Data for the above indicators is captured using the General Health Questionnaire (GHQ12) that forms part of the Health Survey for England.

We would also like to see additional indicator(s) of 'poverty of relationship' included. Family stability is one way to measure the impact of a poor relational network, but additional indicators of familial and community relations could strengthen our understanding of the impact of relationships on the lived experience of poverty.

The following indicators, taken from the report, could be used to measure the relationships between parent and child:

- Children living in lone parent households
Data captured by the English Housing Survey.
This indicator was mentioned in the government's consultation paper under the dimension of family stability and we would support its inclusion in a set of indicators.
- Children 'in care'
Data available from local-authority level statistics on 'looked after children'.

The following indicators could be used to measure the relationship between an individual (either a child or their parent) and their community:

- Adults and children who have been victims of crime; who worry about being victims of crime
Data available from the Crime Survey for England and Wales, which was extended in 2009/10 to include interviews with 10 – 15 year olds.
- People that are satisfied with their area as a place to live
Data captured by the English Housing Survey.
- People who feel they belong to a neighbourhood; feel that people in their neighbourhood can be trusted
Historic data collected by the Citizenship Survey, based on a core sample of people aged 16 and over. The 2003 survey included a boost sample of children and young people. (The Citizenship Survey was cancelled in 2011.)

These indicators would enable the government to measure the impact of identity and relationships on the lived experience of poverty and thus construct appropriate policy responses.

Conclusion

We do not support the use of a composite index to measure child poverty. We would like to see data published separately on a range of indicators, in addition to the income-based measures of the Child Poverty Act 2010. This would ensure the public is directly informed about the different dimensions of child poverty and would hopefully lead to the development of long-term policies that tackle the root causes of poverty.