

Changing weights and measures: disability and child poverty

The fall in child poverty from its peak of one in three children in 1998/99 is, by now, familiar. But how have children of disabled parents and disabled children themselves fared relative to children not affected by disability? Tania Burchardt examines the question.



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Poverty among children affected by disability

Since 1999/00, the *Households Below Average Income* (HBAI) series has published breakdowns of poverty rates by disability status. Interpretation of these depends on whether one concentrates on *levels* of poverty or on *rates of change*. In terms of levels, it remains the case that children living in households with one or more disabled adults are significantly more likely to be living on a low income than children in households with no disabled adult (38 per cent compared with 26 per cent). Children who are themselves disabled, or who have a disabled sibling, are also at greater risk of poverty (31 per cent compared with 27 per cent of those in households with no disabled children). Finally, children living in households containing both a disabled child and a disabled adult, although they make up only 4 per cent of all children, are at high risk of poverty. At the beginning of the

period, half were living under the poverty line (defined here as 60 per cent of median income after housing costs), falling to 36 per cent in the most recent figures. There is clearly much more to be done, both in terms of closing the gap between children affected by disability and the rest, and in terms of the overall levels of poverty among all groups of children.

On the other hand, looking at the rates of change in poverty over this five-year period, the picture is more encouraging. Rates of poverty have fallen faster for groups of children affected by disability than for other children, with the result that the gaps between them have narrowed. Overall rates of poverty for children fell by 12.5 per cent, but for children in a household with a disabled adult the decline was 15.6 per cent, for disabled children (or with a disabled sibling) it was 22.5 per cent, and for children with both a disabled adult and a disabled child in the household it was 28 per cent. Of course, these decreases were from a higher initial level, so larger changes are, arguably, easier to achieve, but it is nevertheless to be welcomed that there has been both a convergence in the rates of poverty among children affected by disability and the rest, and an overall fall.

There is nothing inevitable about these changes. Indeed, if one turns to the figures for adults of working age (not shown in the table), poverty rates among disabled adults and those living with a disabled adult have fallen only very slightly to 28 per cent, while the rate for adults unaffected by disability has risen slightly to 17 per cent. The result is a slight narrowing in

Trends in child poverty rates, by household composition

Year	All children	Children in households				
		No disabled adult	One or more disabled adults	No disabled child	One or more disabled children	Disabled adult and disabled child
1999/00 ¹	32	29	45	31	40	50
2000/01	30	28	43	30	36	39 ²
2001/02	30	27	43	29	35	46
2002/03	28	26	39	28	31	40
2003/04	28	26	38	27	31	36
<i>Composition of child population (%)</i>	100	83	17	90	10	4

1 Figures exclude the self-employed.

2 This figure is out of line with the trend and may reflect sampling or clerical error in the series.

Source: Department for Work and Pensions, *Households Below Average Income*, 2005 and previous editions

poverty rates between the two groups, but for the wrong reason – by increasing poverty among the previously less at-risk group.

Equivalisation and the extra costs of disability

The figures from the HBAI series are the mainstay of monitoring child poverty. However, there are concerns about whether they allow accurate comparisons to be made between different household types, and particularly between households affected and unaffected by disability.

The HBAI series adjusts incomes for differences in household size and composition – a process known as equivalisation. The idea is to take account of the fact that a larger household is likely to have a lower standard of living than a smaller household with the same income. At present, the adjustments are made according to the McClements scale but, after the next release of HBAI data in March, alternative scales will be used. These make international comparisons easier and give greater weight to the costs of babies (which the McClements scale is widely thought to under-count) and will lead to an increase in the estimated rates of poverty of about 1 percentage point.¹

It is difficult to predict how the change in equivalisation will affect comparisons between the poverty rates of disabled and non-disabled children. Probably more significant for that comparison is the fact that neither the old nor the new scales take account of the extra costs of living incurred by families with a disabled adult or child. Estimates of the extra costs of disability have varied widely. The most recent research presented estimates based on a budget standards approach, ranging from £389 per week for someone with ‘low-medium needs’ to £1,513 for someone with ‘high-medium mobility needs and personal assistance’.² Previous estimates using alternative methods ranged from 14 per cent of income for someone with low severity impairments, to 78 per cent for someone with high severity (figures for single non-pensioners).³

There have been fewer attempts to quantify the extra costs of disabled children, but in-depth qualitative work indicates that they are considerable.⁴ Depending on the nature of the child’s impairment, they may range from additional childcare costs (because of the lack of availability of suitable places), through to the cost of replacing furniture and items of equipment more frequently, to costs of therapies not available on the NHS but which parents feel are very valuable to their child.

Some benefits are available to help towards the extra costs of disability, in particular, disability living allowance (DLA). This is included in the calculation of income in the HBAI series, but the extra costs of living that it is designed to meet are not. Thus, disabled people (and others in households containing a disabled person) appear to be better off in the HBAI figures than they really are, at least in terms of the standard of living they can hope to obtain on the income they receive.

The principle of equivalisation for disability is the same as that for differences in household size and composition, yet, so far, the Department for Work and Pensions (DWP) has resisted incorporating any adjustment for disability into the main estimates. An appendix to HBAI regularly reports the sensitivity of overall poverty rates to including an additional factor of 0.10 for each disabled adult or child to the household equivalisation factor, but this figure is, as the publication itself states, arbitrary, and according to many of the studies described above, too low. Moreover, no breakdown of the results of the sensitivity analysis by disability status is provided.

Low income and deprivation

Current measures of child poverty leave a great deal to be desired when it comes to comparisons between families affected by disability and others. Perhaps the new measures of child poverty, due to be produced for the first time later this year, will help. After consultation with CPAG among others, the DWP determined that the pledge to end child poverty would be measured against progress on three scales.⁵

- **Absolute income.** The poverty threshold fixed at 1998/99 levels and updated only in line with inflation. This means that the income of a family on the poverty threshold should buy the same basket of goods in 2005/06 as in 1998/99, but it does not take into account any changes in expectations of what a family needs.
- **Relative income.** Poverty threshold set relative to contemporary median income. This indicates whether children are keeping pace with the general rise in standards of living.
- **Material deprivation.** Families who lack certain goods and services and have an income below 70 per cent of median income.

Material deprivation is the most innovative component of the new DWP measure. The precise list of goods and services is yet to be determined, but will be drawn from those listed in the

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Items from which an index of material deprivation will be drawn

Adult deprivation	Child deprivation
Keep your home in a decent state of repair	Enough bedrooms for every child over 10 of different sex to have her/his own bedroom
Keep your home adequately warm	Celebrations on special occasions, such as birthdays, Christmas or other religious festivals
Replace any worn-out furniture	Play group/nursery/toddler group at least once a week for children of pre-school age
Replace or repair broken electrical goods, such as refrigerator or washing machine	Going on a school trip at least once a term for school-aged children
Two pairs of all-weather shoes	Leisure equipment (for example, sports equipment or a bicycle)
Holiday away from home for one week per year, not staying with relatives	Holiday away from home at least one week per year with her/his family
Have friends and family for a drink or meal at least once a month	Friends round for tea or a snack once a fortnight
Hobby or leisure activity	Hobby or leisure activity
Small amount of money to spend each week on yourself, not on your family	Swimming at least once a month
Regular savings (of £10 a month) for rainy days or retirement	
Insurance of contents of dwelling	

Source: Department for Work and Pensions, *Measuring Child Poverty*, 2003

table above. Survey respondents who say they would like to have the item in question but cannot afford it will be classified as lacking that item. The number of items a family must lack in order to count as deprived has also yet to be determined.

The motivation for using an index of deprivation is two-fold. Firstly, it is thought that deprivation has more intuitive meaning to the general public than poverty expressed as a percentage of mean or median income. This may be so in principle, although by the time one has explained that a family who is counted as deprived must say that they lack a certain number of a list of items which they want but cannot afford and that their income is less than 70 per cent of median income, any intuitive appeal may have been lost. The second reason for adopting a deprivation measure is that the DWP, and some of the experts it consulted, was concerned about inaccuracy in the measurement of low incomes. Some people on a low income appear to have relatively high standards of living. Questions like those in the table attempt to measure standards of living directly. However, this approach raises a number of its own difficulties. Firstly, respondents must say that they want the item in question. But this does not allow for the possibility that people's expectations are conditioned by their circumstances.

Secondly, respondents who say they do want an item (for example, to take their child swimming) are then asked whether the reason they do not is because they cannot afford it. There

are many barriers to participation other than affordability, particularly for disabled people, which will not be picked up by this measure of deprivation. The swimming pool may be inaccessible or unsafe, or there may be no transport available to get there. Families with disabled children (or parents) who are prevented from participating for these reasons will not be classified as deprived by the DWP formula.

Thirdly, combining the deprivation measure with an income threshold, as the DWP intends, means that those who have a low standard of living, despite having a slightly higher income, will not be classified as deprived. This again is problematic for comparisons between disabled and non-disabled children and families. A family in receipt of extra costs benefits like DLA may have an income above the poverty threshold (in this case, 70 per cent of median income) but, nevertheless, be unable to afford or access a number of the items listed because of the extra costs they incur. Such a family will be excluded from the deprivation figures by the income cut-off.

Deprivation measures have the potential to improve comparisons between families who are and who are not affected by disability because they can focus on the extent to which families are able to access goods, services, and activities, which gets to the heart of the idea of social inclusion. Unfortunately, the particular form of deprivation indicator on which the DWP has settled does not help to meet this objective, because it focuses on affordability rather than accessibility, and because it re-introduces an income threshold without making any allowance for extra costs.

Aspirations and employment of disabled young people

One might anticipate that disabled children growing up with all the frustrations of inaccessible transport and venues, unhelpful social attitudes and so on, combined with the constraints imposed by living in a family on a low income, would look ahead to adult life with little enthusiasm and with a limited range of ideas about the roles they could play. But recent research funded by the Joseph Rowntree Foundation has found that today's disabled teenagers have high aspirations for their further education and later employment.⁶

In one survey, three-fifths of disabled young people wanted to stay on in education at age 16, the same proportion as non-disabled young people. Between one in three and one in four of

each group aspired to a professional occupation, and both groups felt that getting a good job would be an important component of adult life. The average weekly pay disabled and non-disabled teenagers expected to be able to get from a full-time job was the same.

These results are particularly encouraging because previous research on disabled teenagers in the 1960s had found disabled young people's aspirations were significantly lower than their non-disabled counterparts.⁷ So it seems the 'aspiration gap' between disabled and non-disabled young people has narrowed over time. One can speculate that this might be the result of greater integration in education, and the increased prominence of the disability rights movement.

Unfortunately, when we turn to the experience of these same young people as they move into adulthood, the picture is less rosy. By age 18/19, disabled young people are nearly three times as likely to be unemployed or 'doing something else' as their non-disabled counterparts, and widening to nearly four times by age 26. Those who had been able to find work were earning 11 per cent less than their non-disabled counterparts, even after taking into account differences in educational qualifications.

Despite their high aspirations, it seems as if the employment opportunities are not available for these disabled people in early adulthood. Many will be surviving on a low income, possibly continuing to live with parents, and claiming incapacity benefit (IB). At time of writing, the Green Paper on IB reform had not yet been published, but it has been trailed as being designed to help more disabled people into work. For these young people, any help with turning their aspirations for fulfilling employment into a reality is, of course, to be welcomed.

Unfortunately, the aspects of the proposed reforms which have emerged so far from the DWP's Five Year Strategy and recent ministerial speeches seem unlikely to meet this objective. Two features seem clear. Firstly, some claimants will be required to undertake some form of job-seeking/preparation activities as a condition of receiving their benefit. Secondly, the emphasis will continue to be on the claimant adapting her/himself to the world of work, rather than the other way round. These young people do not need to be compelled to look for work; they have stated their desire to work and often formulated quite detailed plans about how they want to achieve their aim. Neither will nor com-

mitment are lacking, but the substantive opportunities for good quality jobs are. Rather than preaching to the already-converted claimants, IB personal advisers might spend their time more productively ensuring that employers are well informed about their duties under the Disability Discrimination Act, and aware of the financial help available to them to make any necessary adjustments to employ a disabled person through the Access to Work scheme.

Conclusion

The high profile of policies on child poverty and on disability has not, as yet, resulted in a significant degree of 'joining up' between the two. There have been improvements – disabled young people today are more positive about their future lives than their counterparts in earlier generations, and the recent narrowing of the gaps in poverty rates between disabled and non-disabled children, and between children of disabled and non-disabled parents, is certainly to be welcomed. But both the measurement of child poverty (and its relationship to disability) and the overall shape of proposed benefit reforms continue to be unhelpful. Until the statistics reflect the extra costs of disability, meaningful conclusions about relative living standards across different families are difficult to draw. And until welfare to work policies acknowledge that, for young people at least, the problem lies not with their motivation but with the lack of substantive opportunities available to them, the aspirations of disabled young people will remain frustrated.

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3 A Zaidi and T Burchardt, 'Comparing Incomes When Needs Differ: equalising for the extra costs of disability in the UK', *Review of Income and Wealth*, 51 (1), 2005 pp89-114

4 G Preston, *Helter Skelter: families, disabled children and the benefit system*. CASEpaper 92, Centre for Analysis of Social Exclusion, London School of Economics, 2005

5 Department for Work and Pensions, *Measuring Child Poverty*, 2003

6 T Burchardt, *The Education and Employment of Disabled Young People: frustrated ambition*, The Policy Press, 2005

7 A Walker, *Unqualified and Underemployed: handicapped young people and the labour market*, Macmillan, 1982

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