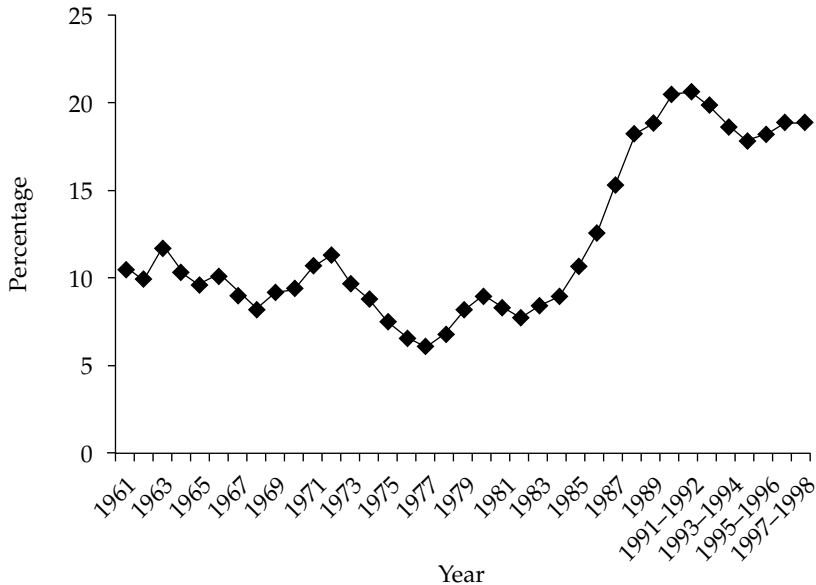
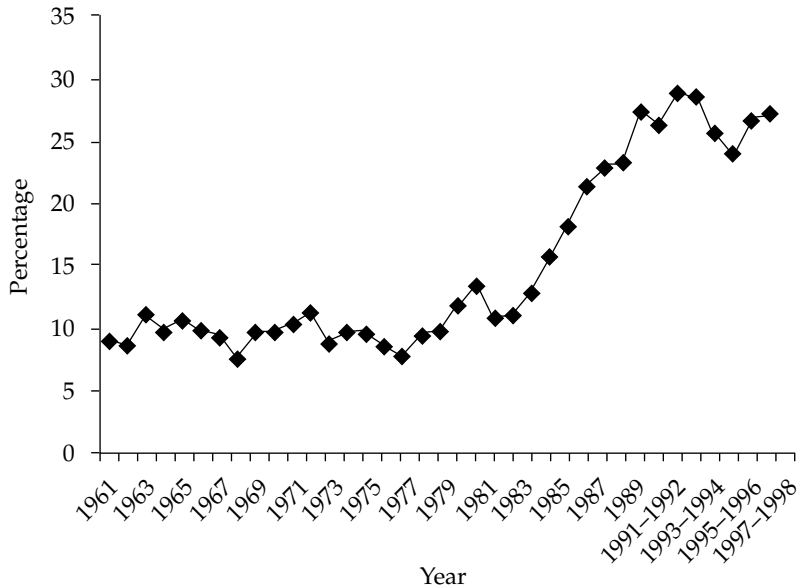


**Figure 1.1****Share of British Population in Relative Poverty, 1961 to 1997–1998**

*Source:* Author's compilation based on data from Goodman and Webb (1994) and Department for Work and Pensions (2004).

*Note:* Relative poverty is defined as income below half of average income, before housing costs.

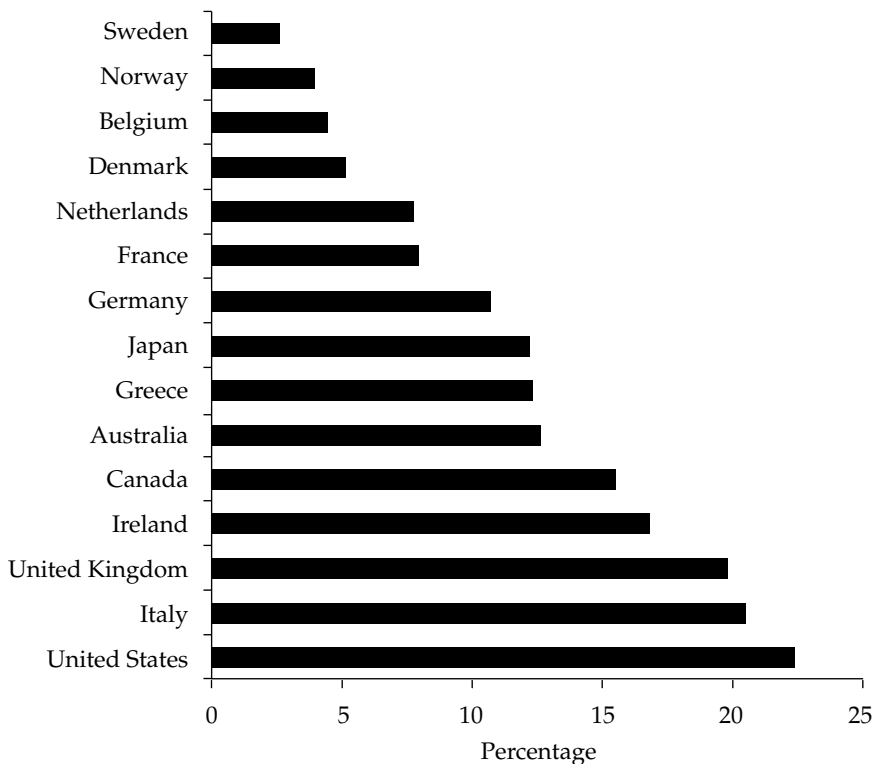
**Figure 1.2****Share of British Children in Relative Poverty, 1961 to 1997–1998**

*Source:* Author's compilation based on data from Institute for Fiscal Studies (2009).

*Note:* Relative poverty is defined as income below half of average income, before housing costs.

**Figure 1.3** Child Poverty Rate in Britain Versus Other Countries in the Mid-1990s

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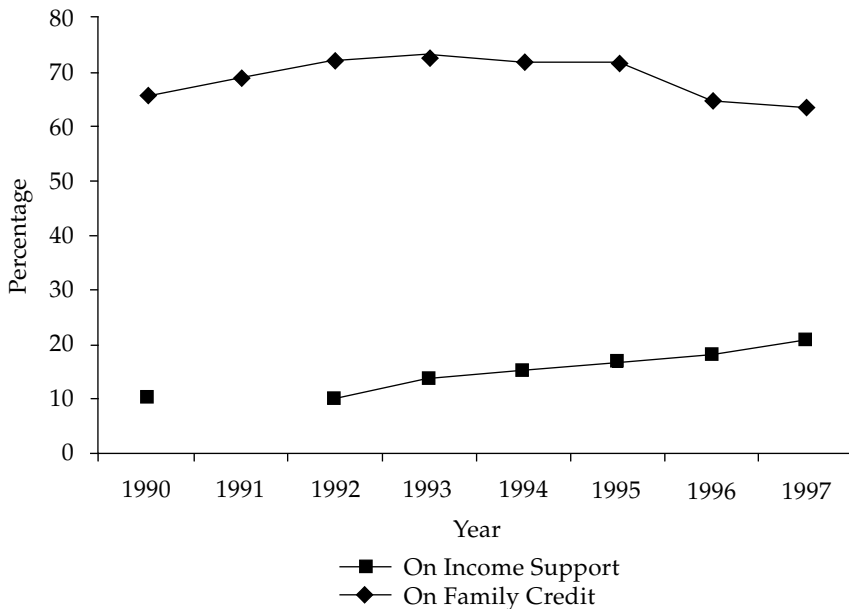


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*Source:* Author's compilation based on data from UNICEF Innocenti Research Centre (2000).  
*Note:* Poverty is defined as income below half of national median income.

**Figure 1.4** Share of Lone Parents in Britain on Income Support and Family Credit, 1990 to 1997

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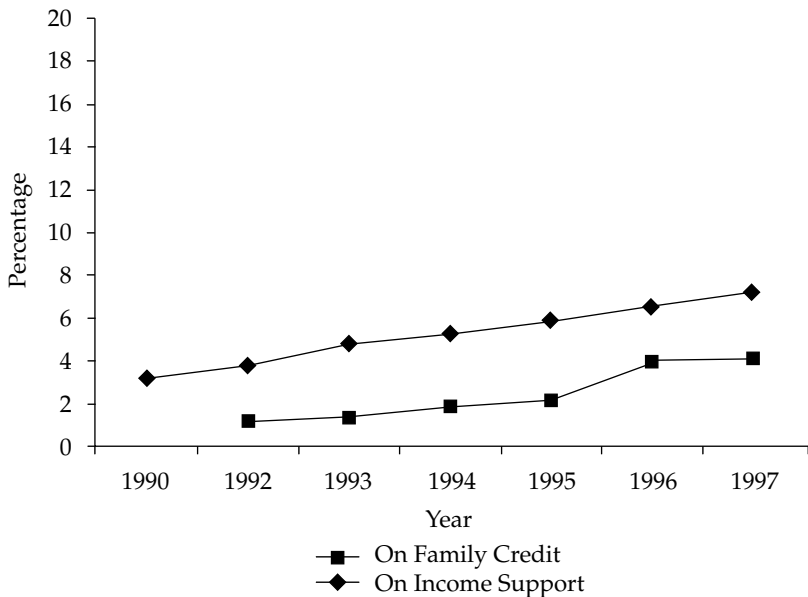
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Source: Author's compilation. Numbers of lone parents on Income Support and Family Credit from *Social Security Statistics* (Department for Social Security, various years); number of lone parents from Millar and Ridge (2001).

Note: No data available for "On Income Support" for 1991.

**Figure 1.5** Share of Couple Parents on Income Support and Family Credit in Britain, 1990 to 1997

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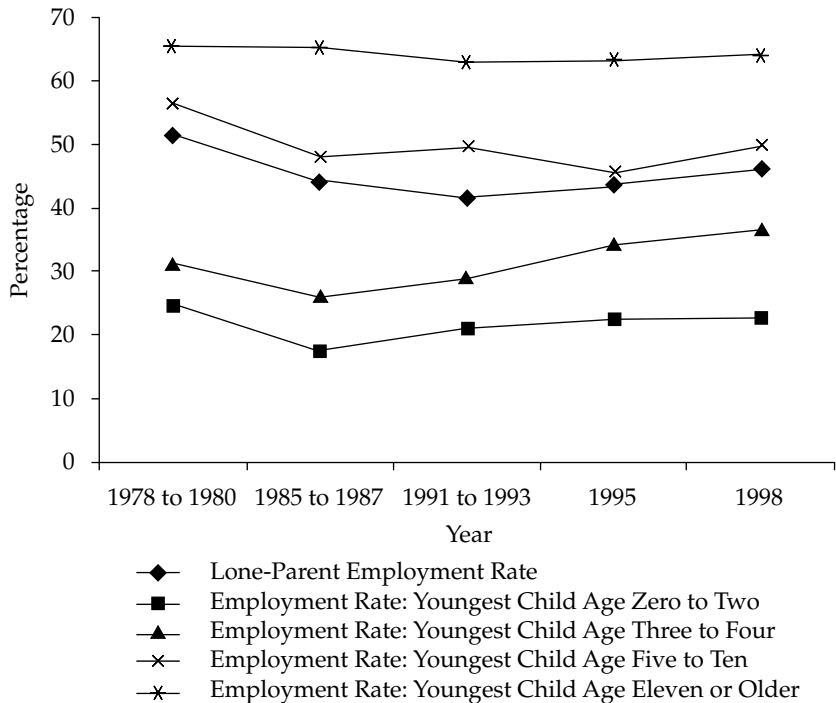


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*Source:* Author's compilation. Number of two-parent families from Millar and Ridge (2001); number of two-parent families in receipt of Family Credit from *Social Security Statistics* (Department for Social Security [DSS], various years).

*Note:* Number of two-parent families in receipt of Income Support calculated by subtracting the number of lone parents in receipt of Income Support (available from *Social Security Statistics* [DSS, various years]) from the total number of Income Support recipients with dependent children (available for 1992 to 1997 from *Social Security Statistics* [DSS 1998]).

**Figure 1.6 Lone-Parent Employment Rates, by Age of Youngest Child, 1978 to 1998**



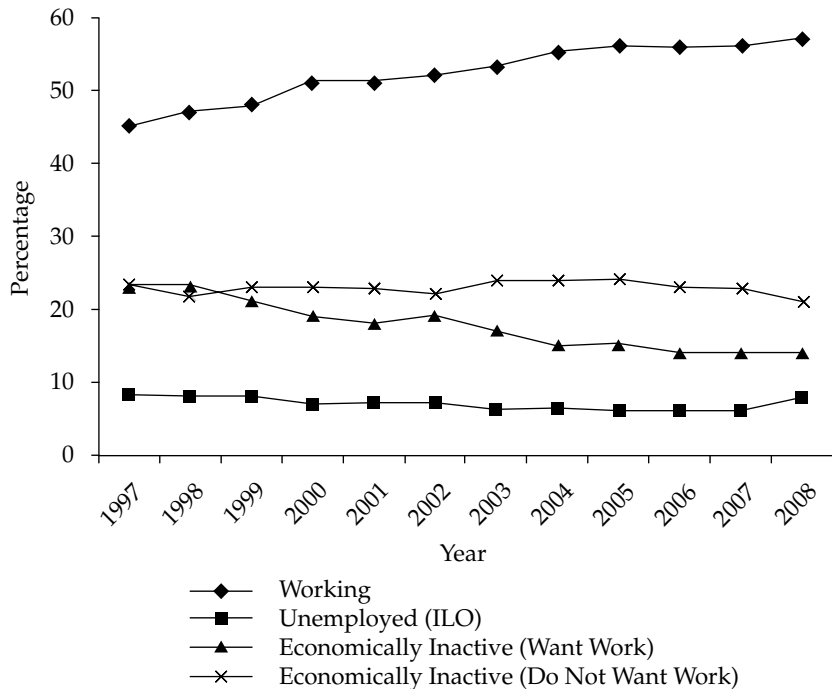
Source: Author's compilation based on data from Gregg and Harkness (2003, table 1).

**Table 1.1 Government Social Welfare Expenditure As a Percentage of Gross Domestic Product in OECD Countries, 1960, 1975, and 1990 (Countries Ranked by Percentage in 1990)**

Country	1960	1975	1990
1. Sweden	15.6	27.4	39.6
2. Norway	11.0	23.2	35.5
3. Netherlands	12.8	29.3	34.4
4. Denmark	9.0	27.1	33.9
5. Finland	14.9	21.9	33.8
6. France	14.4	26.3	31.9
7. Belgium	n.a.	28.7	30.6
8. Austria	17.4	26.0	29.9
OECD average	12.3	21.9	27.9
9. United Kingdom	12.4	19.6	27.6
10. Germany	17.1	27.8	27.5
11. Italy	13.7	20.6	26.7
12. Canada	11.2	20.1	25.5
13. Ireland	11.3	22.0	25.2
14. Spain	n.a.	n.a.	23.8
15. Portugal	n.a.	n.a.	20.8
16. Switzerland	8.2	19.0	20.5
17. United States	9.9	18.7	20.1
18. Greece	n.a.	10.0	19.5
19. New Zealand	12.7	19.0	19.8
20. Australia	9.5	17.3	17.7
21. Japan	7.6	13.7	15.3

*Source:* Author's compilation based on data from Kamerman and Kahn (1997, table 4.1).

*Note:* 1990 figures for Greece, Italy, and New Zealand are from 1985; 1990 figure for Switzerland is from 1984.

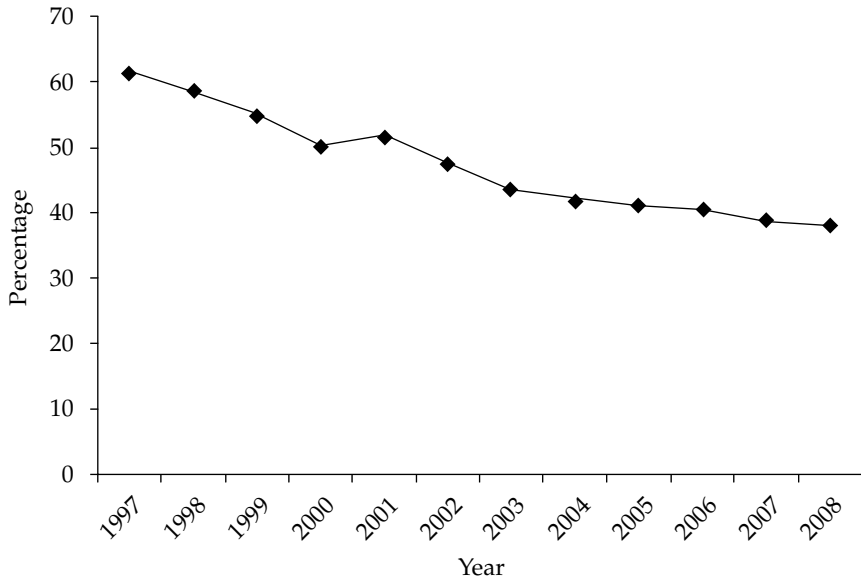
**Figure 2.1****Lone-Parent Employment Rate, 1997 to 2008**

Source: Author's compilation based on data from the Poverty Site (2009).



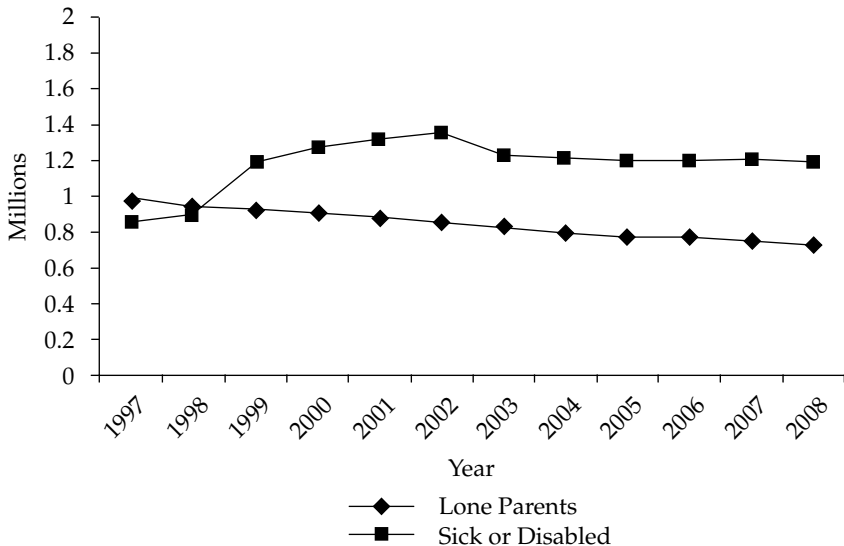
**Figure 2.2****Share of Lone Parents on Income Support, 1997 to 2008**

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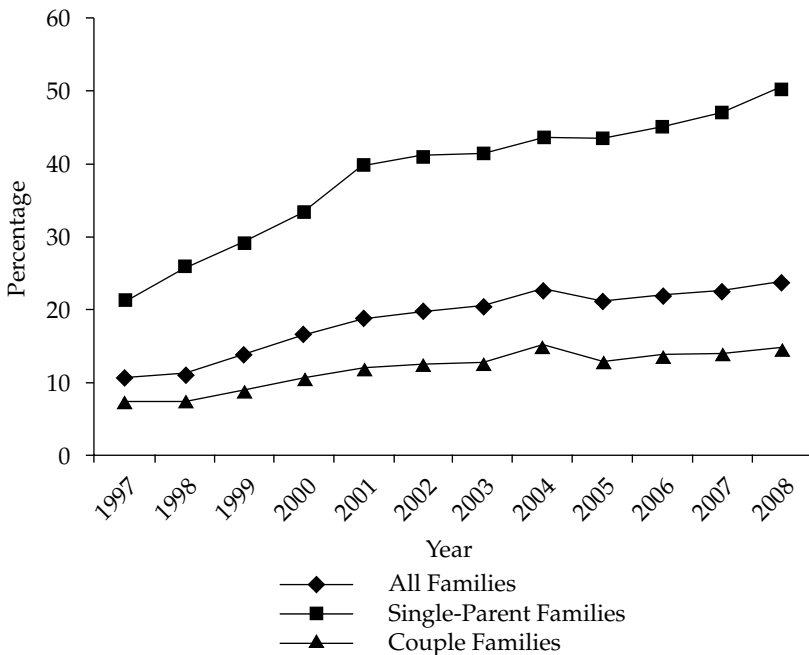
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Sources: Author's compilation. Number of lone parents from Department for Social Security (1999b) and Department for Work and Pensions (DWP), *Households Below Average Income* (2004, 2005, 2007a, 2008a, 2009a), available at: [http://research.dwp.gov.uk/asd/hbai\\_arc.asp](http://research.dwp.gov.uk/asd/hbai_arc.asp). Numbers on Income Support from DWP, *DWP Tabulation Tool*, available at: <http://research.dwp.gov.uk/asd/tabtool.asp>.

**Figure 2.3****Income Support Caseload Numbers, 1997 to 2008**

Source: Author's compilation. Data for 1999 to 2008 from Department for Work and Pensions, *DWP Tabulation Tool*, available at: <http://research.dwp.gov.uk/asd/tabtool.asp>. Data for 1997 and 1998 from *Social Security Statistics* (Department for Social Security, various years).

**Figure 2.4** Share of Families with Children Receiving Work-Related Tax Credits, 1997 to 2008



Source: Author's compilation. Total number of lone-parent and couple families from Department for Social Security (1999b) and Department for Work and Pensions, *Households Below Average Income* (2004, 2005, 2007a, 2008a, 2009a), available at: [http://research.dwp.gov.uk/asd/hbai\\_arc.asp](http://research.dwp.gov.uk/asd/hbai_arc.asp). Tax credit data for 1997 and 1998 are for receipt of Family Credit and come from *Social Security Statistics* (DSS, various years). Tax credit data for 1999 to 2002 are for receipt of Working Families Tax Credit; data for 2003 to 2009 are for receipt of Working Tax Credit; both come from HM Revenue and Customs, "Personal Tax Credits," available at: <http://www.hmrc.gov.uk/stats/personal-tax-credits/menu.htm>.

**Table 2.1**      **British Attitudes Toward Working Mothers, 1989 and 1994**

	1989	1994
Women should stay home when a child is under school age (percentage agree)		
Men	67%	60%
Women	64	55
Family life suffers when a woman has a full-time job (percentage agree)		
Men	45	32
Women	39	33

*Source:* Author's compilation based on Crompton, Brockmann, and Wiggins (2003, tables 8.3 and 8.7).

**Table 2.2**      **Employment of Mothers with Children under the Age of Six in Britain and the United States, 1994**

	Britain	United States
Mothers in couple families		
Working full-time	15.7%	33.7%
Working part-time	33.1	19.2
Not working	46.2	38.5
Lone mothers		
Working full-time	9.1	33.8
Working part-time	16.8	10.3
Not working	74.0	55.9

*Source:* Author's compilation based on Organization for Economic Cooperation and Development (2001a, table 4.2).

**Table 2.3 National Minimum Wage Rates in Britain and the United States, 1999 to 2009**

Year	Britain		United States	
	Level	As a Percentage of Median Earnings	Level	As a Percentage of Median Earnings
1999	£3.60	46%	\$5.15	38%
2000	3.70	45	5.15	37
2001	4.10	44	5.15	35
2002	4.20	47	5.15	35
2003	4.50	47	5.15	34
2004	4.85	48	5.15	34
2005	5.05	49	5.15	33
2006	5.35	50	5.15	32
2007	5.52	51	5.85	35
2008	5.73	51	6.55	38
2009	5.80	51	7.25	40

*Source:* Author's compilation. Data for Britain from Cooke and Lawton (2008), HM Treasury (2008), and Low Pay Commission (2008). Data for the United States from Economic Policy Institute (2008) and author's calculations using data from the Current Population Survey (CPS) Outgoing Rotation Groups (ORG).

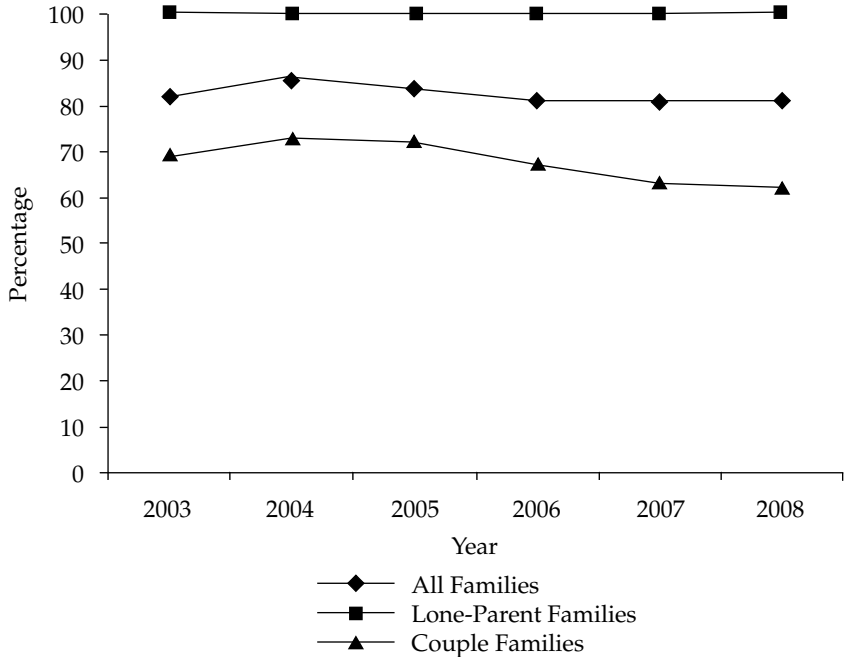
**Table 2.4 Net Income from Working Thirty Hours per Week at the Minimum Wage in 1998 and 2008**

	1998		2008	
	Net Income	Income As Percentage of Poverty Line	Net Income	Income As Percentage of Poverty Line
Lone-parent family: child care £50 per week	£163.73	101%	£348.04	123%
Couple family: no child care expenses	218.10	98	355.67	99
Couple family: child care £50 per week	177.49	80	345.67	96

*Source:* Based on author's calculations and sources listed in appendices 2 and 3.

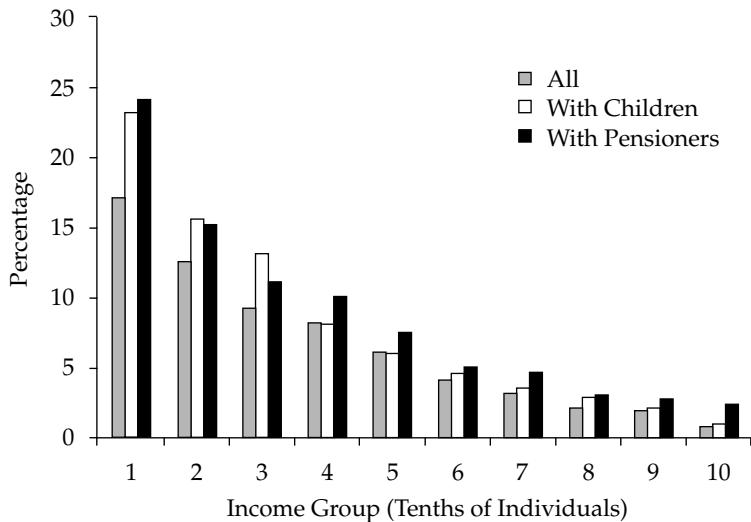
*Note:* Estimates are for families with two children under the age of eleven. See appendices 2 and 3 for details.

**Figure 3.1** Share of Families with Children Receiving Child Tax Credit, 2003 to 2008



Source: Author's compilation. Number of lone-parent and couple families from Department for Work and Pensions, *Households Below Average Income* (2004, 2005, 2007a, 2008a, 2009a), available at: [http://research.dwp.gov.uk/asd/hbai\\_arc.asp](http://research.dwp.gov.uk/asd/hbai_arc.asp). Tax credit data from HM Revenue and Customs (various years).

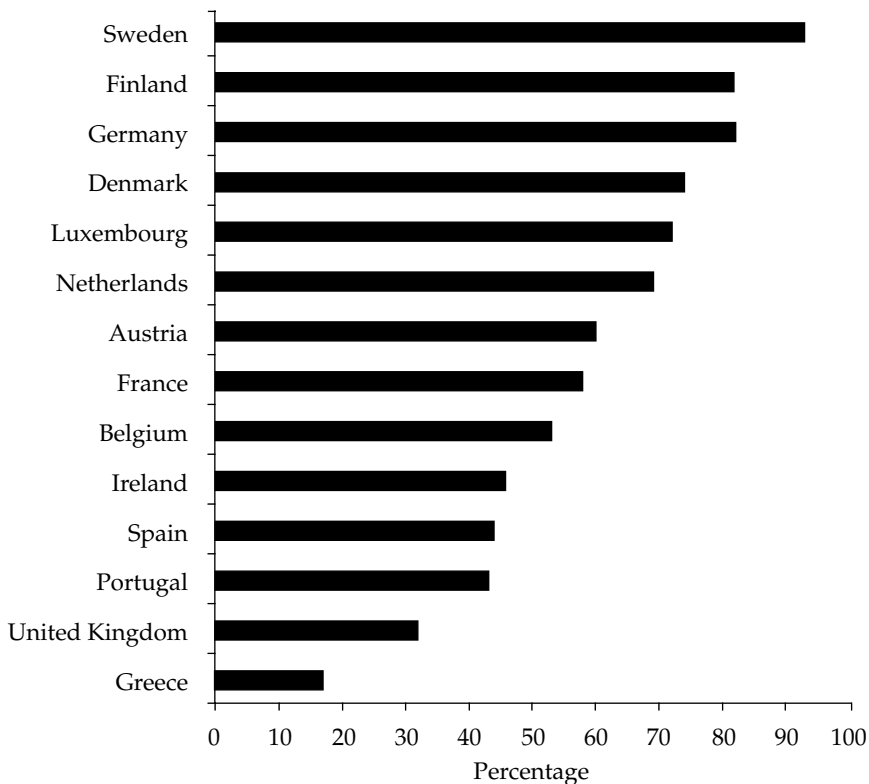


**Figure 3.2****The Impact of the First Five Labour Budgets on Family Income, by Income Decile**

Source: Sutherland (2001).

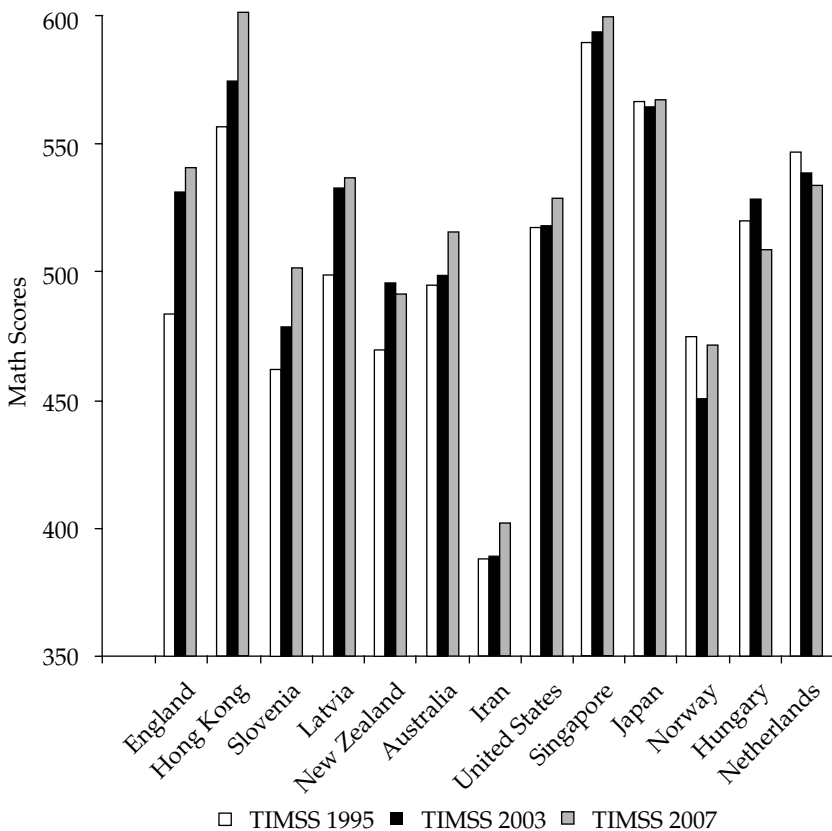
**Figure 5.1** Share of Eighteen-Year-Olds in Full-Time Education in European Union Countries, 1996

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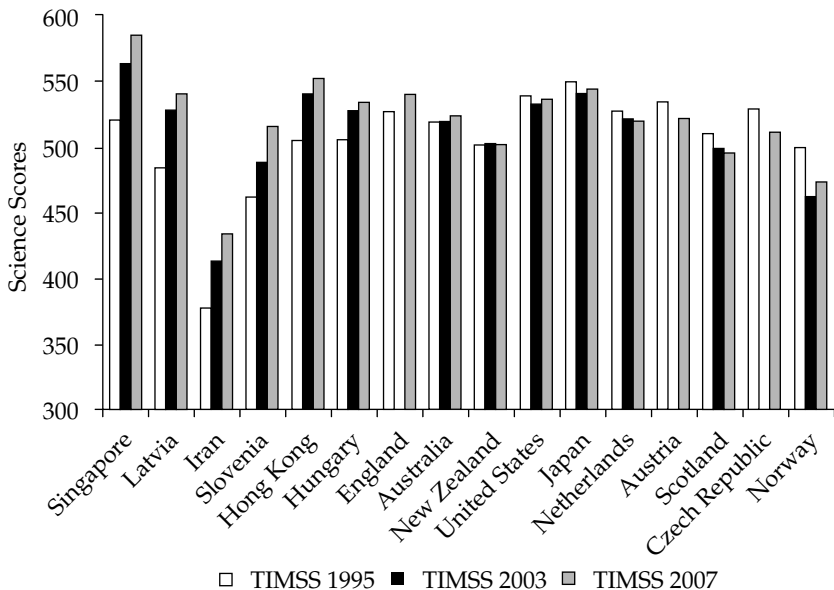


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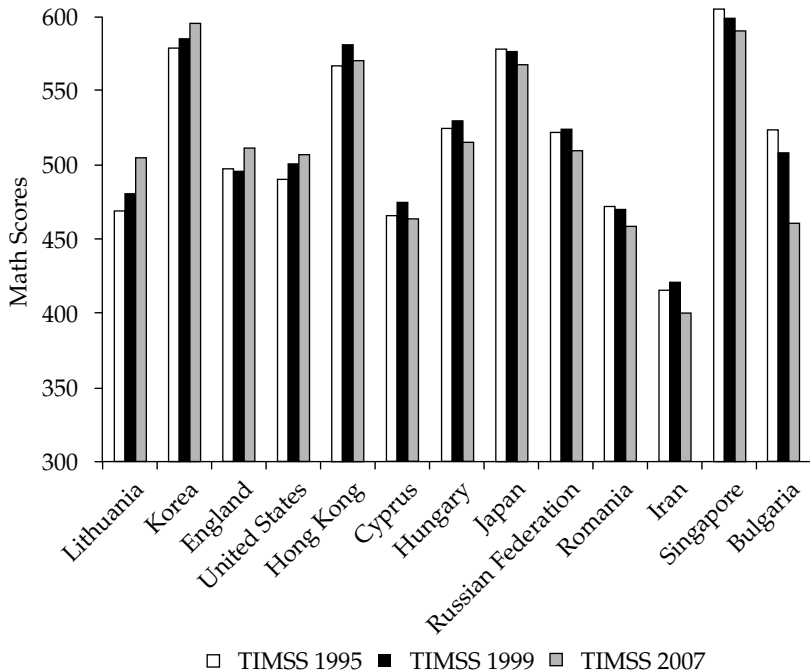
Source: Author's compilation based on OECD data, available from National Statistics (1996).

**Figure 5.2****Math Scores for Fourth-Graders in 1995, 2003, and 2007**

Source: Author's compilation based on data from the 1995, 2003, and 2007 Third International Math and Science Studies (TIMSS) (2009a, 2009c, 2007).

**Figure 5.3****Science Scores for Fourth-Graders in 1995, 2003, and 2007**

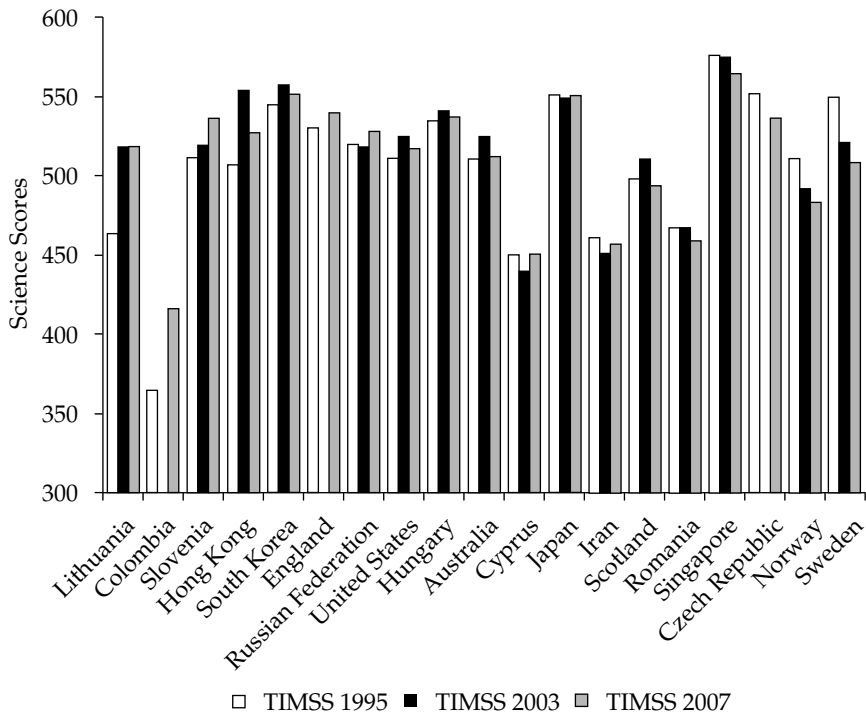
Source: Author's compilation based on data from the 1995, 2003, and 2007 TIMSS (TIMSS 2009a, 2009c, 2007).

**Figure 5.4****Math Scores for Eighth-Graders in 1995, 1999, and 2007**

Source: Author's compilation based on data from the 1995, 1999, and 2007 TIMSS (TIMSS 2009a, 2009c, 2007).

**Figure 5.5**

**Science Scores for Eighth-Graders in 1995, 2003, and 2007**



Source: Author's compilation based on data from the 1995, 2003, and 2007 TIMSS (TIMSS 2009a, 2009c, 2007).

**Table 5.1 Seven-Year-Olds at Expected Level (Level 2 or Above) at Key Stage 1, by Free School Meal (FSM) Status**

	All	FSM	Non-FSM	Gap
<b>Reading</b>				
1997	80%			
1998	80			
1999	82			
2000	81			
2001	84			
2002	84	69%	88%	19%
2003	84	69	88	19
2004	85	70	88	18
2005	85	70	89	19
2006	84	69	88	19
2007	84	69	87	18
2008	84	69	87	18
<b>Math</b>				
1997	84			
1998	85			
1999	83			
2000	90			
2001	91			
2002	90	81	93	12
2003	90	80	93	13
2004	90	80	93	13
2005	91	81	93	12
2006	90	80	92	12
2007	90	80	92	12
2008	90	79	92	13
<b>Writing</b>				
1997	80			
1998	81			
1999	83			
2000	84			
2001	86			
2002	86	72	89	17
2003	81	64	85	21
2004	82	66	85	19
2005	82	66	86	20
2006	81	65	85	20
2007	80	63	84	19
2008	80	64	84	20

*Source:* Author's compilation. Data for 1997 to 2001 from Glennerster (2001); data for 2002 to 2008 from Department for Children, Schools, and Families (2004, 2005, 2006, 2007a, 2007b).

*Note:* Data by pupil characteristics are not available prior to 2002.

**Table 5.2** Eleven-Year-Olds at Expected Level (Level 4 or Above) at Key Stage 2, by Free School Meal (FSM) Status

	All	FSM	Non-FSM	Gap
<b>English</b>				
1997	63%			
1998	65			
1999	71			
2000	75			
2001	75			
2002	74	53%	79%	26%
2003	75	54	79	25
2004	77	58	81	23
2005	79	60	82	22
2006	79	61	83	22
2007	80	62	83	21
<b>Math</b>				
1997	62			
1998	59			
1999	69			
2000	72			
2001	71			
2002	73	54	77	23
2003	72	53	76	23
2004	73	55	78	23
2005	75	56	78	22
2006	75	58	79	21
2007	77	60	80	20
<b>Science</b>				
1997	69			
1998	69			
1999	79			
2000	85			
2001	87			
2002	86	72	89	17
2003	86	72	89	17
2004	86	71	89	18
2005	86	72	89	17
2006	86	73	89	16
2007	87	75	90	15

*Source:* Author's compilation. Data for English and math from 1997 to 2001 from Department for Work and Pensions (2006b); data for science from 1997 to 2001 from Glennerster (2001); data for English, math, and science from 2002 to 2007 from Department for Children, Schools, and Families (2004, 2005, 2006, 2007a, 2007b).

*Note:* Data by pupil characteristics are not available prior to 2002 and were not yet available for 2008.



**Table 5.3 Fourteen-Year-Olds at Expected Level (Level 5) at Key Stage 3, by Free School Meal (FSM) Status**

	All	FSM	Non-FSM	Gap
<b>English</b>				
1997	57%			
1998	65			
1999	64			
2000	64			
2001	64			
2002	67	43%	72%	29%
2003	69	44	74	30
2004	71	46	76	30
2005	74	51	78	27
2006	73	50	77	27
2007	74	52	78	26
<b>Math</b>				
1997	60			
1998	59			
1999	63			
2000	65			
2001	66			
2002	67	43	72	29
2003	71	46	75	29
2004	73	50	77	27
2005	74	51	78	27
2006	77	56	81	25
2007	76	55	79	24
<b>Science</b>				
1997	60			
1998	62			
1999	55			
2000	69			
2001	66			
2002	67	40	72	32
2003	68	42	74	32
2004	66	39	71	32
2005	70	44	74	30
2006	72	48	77	29
2007	72	49	77	28

*Source:* Author's compilation. Data for 1997 to 2001 from Glennerster (2001); data for 2002 to 2007 from Department for Children, Schools and Families (2004, 2005, 2006, 2007a, 2007b).  
*Note:* Data by pupil characteristics are not available prior to 2002 and were not yet available for 2008.

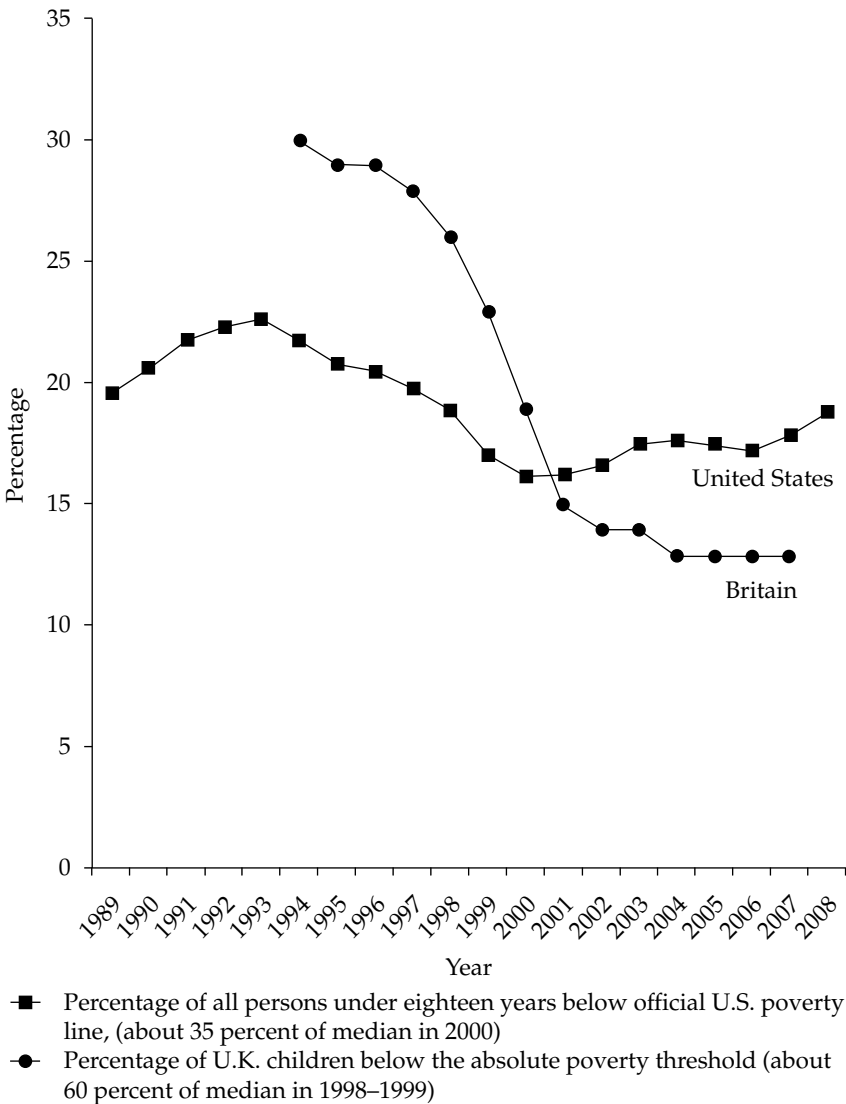
**Table 5.4** GSCSE Results for Sixteen-Year-Olds, by Free School Meal (FSM) Status

	All-1	All-2	FSM	Non-FSM	Gap
Percentage with five or more GCSEs (grades A to C)					
1997	45%				
1998	46				
1999	48				
2000	49				
2001	50				
2002	52	49%	23%	54%	31%
2003	53	51	24	55	31
2004	54	52	26	56	30
2005	57	55	30	59	29
2006	59	57	33	61	28
2007	61	59	36	63	27
2008	65	64	40	67	27
Percentage with five or more GCSEs, including English and math (grades A to C)					
1997	36				
1998	37				
1999	39				
2000	40				
2001	41				
2002	42				
2003	42				
2004	43				
2005	45	43	18	46	28
2006	46	44	20	48	28
2007	46	45	21	49	28
2008	48	48	24	51	27

*Source:* Author's compilation. Data for all students from 1997 to 2008 (All-1) from Department for Children, Schools, and Families (2008b); data for all children (All-2), FSM, and non-FSM for 2002 to 2008 from DCSF (2004, 2005, 2006, 2007a, 2007b; 2008b).

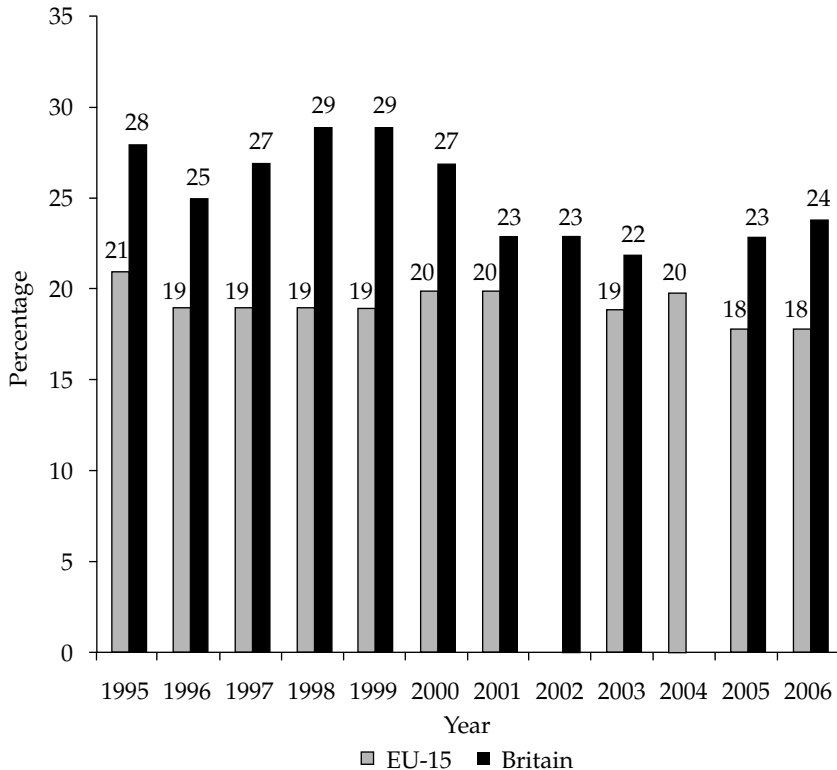
*Note:* Data by pupil characteristics are not available prior to 2002.

**Figure 6.1 Trends in Child Poverty in Britain and the United States**



Source: U.S. Bureau of the Census (2009a); Department for Work and Pensions (2009a, 73).

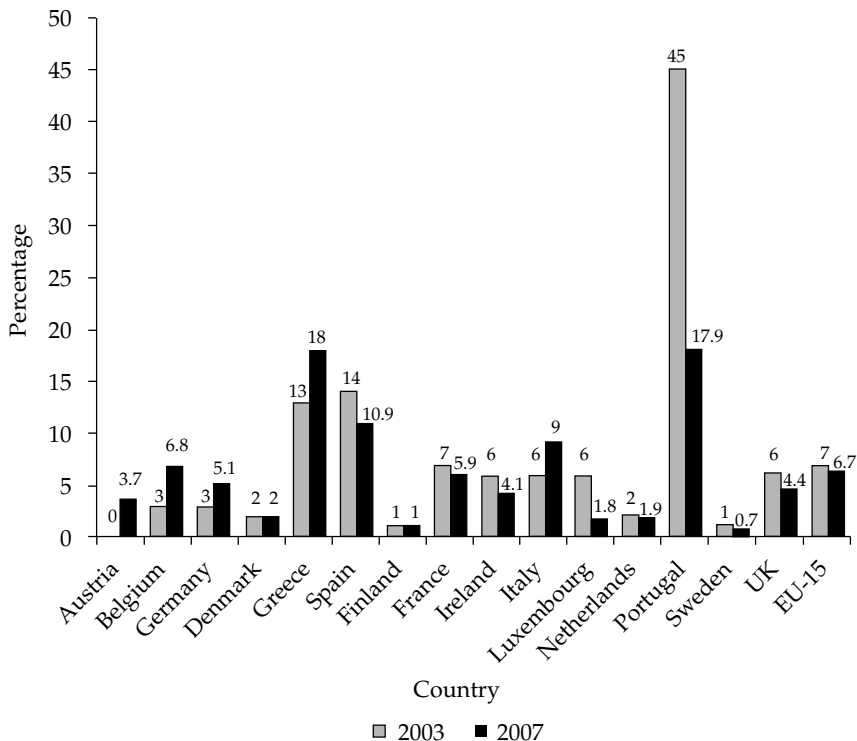
**Figure 6.2** Child Poverty Rates in Britain and the EU-15, 1995 to 2006



*Source:* Author's calculations using data from Eurostat (2008b; see chapter 6, note 24); data from 1995 to 2001 from the European Community Household Panel. Data from 2002 and 2005 are provided by national sources, with some countries providing data from a new survey, European Union Statistics on Income and Living Conditions (EU-SILC), in 2003 and 2004. From 2005 onward, all country data are from EU-SILC.

*Note:* The poverty rate is defined as the percentage of children with an equivalized disposable income below a poverty threshold set at 60 percent of the national median equivalized disposable income (after transfers).

**Figure 6.3** Percentage of Population that Cannot Afford to Keep Home Adequately Warm



Source: European Foundation for the Improvement of Living and Working Conditions (2003, 2007).

**Table 6.1 Trends in Child Poverty Using the British Government's Three Official Measures, 1997 to 2008**

	Relative Poverty		Absolute Poverty		Material Deprivation	
	Percentage	Number (Millions)	Percentage	Number (Millions)	Percentage	Number (Millions)
1996–1997	26.7%	3.4				
1997–1998	26.9	3.4				
1998–1999	26.1	3.4	26.1%	3.4	20.8%	2.6
1999–2000	25.7	3.4				
2000–2001	23.4	3.1				
2001–2002	23.2	3.0				
2002–2003	22.6	2.9	14.1	1.8		
2003–2004	22.1	2.9	13.7	1.8		
2004–2005	21.3	2.7	12.9	1.7	17.1	2.2
2005–2006	22.0	2.8	12.7	1.6	16.3	2.1
2006–2007	22.3	2.9	13.1	1.7	15.6	2.0
2007–2008	22.5	2.9	13.4	1.7	17.1	2.2

*Source:* Author's compilation based on Brewer et al. (2008, tables 4.2, 4.5, and 5.2).

*Note:* Income is measured before housing costs.

**Table 6.2** Real Income Growth Under Conservatives and New Labour, by Income Quintile

	1	2	3	4	5
	(Lowest)				(Highest)
Conservatives: 1979 to 1996–1997	0.8%	1.1%	1.6%	1.9%	2.5%
New Labour: 1996–1997 to 2006–2007	1.8	2.1	1.9	1.7	1.9
Blair 1: 1996–1997 to 2000–2001	2.4	2.7	2.4	2.5	2.7
Blair 2: 2000–2001 to 2004–2005	2.6	2.5	2.0	1.6	1.4
Blair 3: 2004–2005 to 2006–2007	-1.1	0.1	0.7	0.6	1.2

*Source:* Author's compilation based on data from Brewer et al. (2008, table 3.1).

**Table 6.3 Changes in Financial Stress and Material Deprivation Among British Lone Parents**

	1999	2002	2005	2006
Lone parents with financial stress				
Almost always worries about money	45%	30%	27%	29%
Always runs out of money before end of week	27	19	19	18
Problems with debt almost all the time	15	12	14	n.a.
Lone parent who cannot afford:				
Going away for one-week holiday	74	58	53	53
Having company over for a meal	34	20	18	16
Celebrating special occasions	27	14	11	10
Toys and sports gear for children	24	12	7	7
Best outfit for children	20	13	10	n.a.
Fresh fruit on most days	17	8	6	n.a.

*Source:* Author's compilation based on data from Stewart (2009a, table 3.2), using data from Families and Children Survey.



**Table 6.4 Food Insecurity Among Families with Children, 1995 to 2007**

	Married-Couple Families		Single-Mother Families	
	All Insecure	Insecure with Hunger	All Insecure	Insecure with Hunger
1995	9.9%	2.6%	32.2%	11.9%
1996	7.0	2.9	31.3	11.4
1997	7.5	1.8	27.9	9.2
1998	9.6	2.0	31.9	10.4
1999	9.6	1.6	29.7	8.1
2000	10.9	1.9	31.0	9.0
2001	10.7	2.1	31.9	8.7
2002	10.4	1.9	32.0	8.7
2003	10.8	1.9	31.7	8.7
2004	11.6	2.3	33.0	9.2
2005	9.9	2.3	30.8	8.7
2006	10.1	2.1	30.4	10.3
2007	10.5	2.7	30.2	10.3

*Source:* Author's compilation based on data from *Household Food Security in the United States* (Bickel, Carlson, and Nord 1999; Cohen, Parry, and Yang 2000; Nord et al. 2001, 2002, 2003, 2004, 2005, 2006, 2007).

**Table 6.5 Changes in Child Health and Development Between 1997 and 2007 on the “Opportunity for All” Indicators**

	Improvement?
Children in workless households	n.a.
Low income	
Relative	✓
Absolute	✓
Persistent	✓
Teen pregnancy	
Teen conceptions	✓
Teen parents in education, employment, or training	✓
Children in disadvantaged areas with “good” development	n.a.
School achievement of eleven-year-olds	✓
School achievement	
Sixteen-year-olds	✓
Schools below floor target	✓
Nineteen-year-olds with at least Level 2 qualification	n.a.
School attendance	—
Outcomes for looked-after children	
Education gap	X
Not in education, employment, or training	—
Stability	✓
Sixteen- to eighteen-year-olds in learning	—
Infant mortality	X
Serious unintentional injury	✓
Smoking prevalence for	
Pregnant women	✓
Children ages eleven to fifteen	✓
Obesity for children ages two to ten	X
Re-registrations on Child Protection Register	✓
Housing that falls below standard of decency	✓
Families in temporary accommodation	X

*Source:* Author’s compilation based on data from Department for Work and Pensions (2007c, Indicator Summary Table, 5–7).

*Note:* The table compares the status of children on each indicator as it was in 1997 and 2007 (or the closest year for which data are available). “✓” indicates improvement over the period, “X” indicates worsening, “—” indicates no change, and “n.a.” indicates data were not available in or around 2007.

**Table 6.6** Change in the Well-Being of Young People in Britain Relative to Young People in Other OECD Countries, 2000–2001 and 2005–2006

	2000–2001		2005–2006		Change in Rank
	Score	Rank	Score	Rank	
Eat fruit every day	27%	18/21	43%	3/21	(15)
Like school a lot	20	16/21	37	4/21	(12)
Agree that peers are kind and helpful	47	20/21	72	10/21	(10)
Used condom last intercourse <sup>a</sup>	70	11/14	82	5/14	(6)
Ever used cannabis <sup>b</sup>	40	19/20	25	15/20	(4)
Overweight according to BMI <sup>c</sup>	15	17/22	13	14/22	(3)
Smoke cigarettes once a week	13	16/21	8	13/21	(3)
In at least three fights in last year	14	16/21	14	13/21	(3)
Above middle in life satisfaction	84	16/21	85	13/21	(3)
Health fair or poor	23	20/20	19	18/20	(2)
Eat breakfast every day	56	16/21	64	15/21	(1)
Have had sexual intercourse <sup>b</sup>	37	16/16	29	15/16	(1)
Bullied at least twice in past few months	10	12/21	10	12/21	(0)
Drunk at least twice	30	21/21	24	21/21	(0)

*Source:* Author's compilation based on data from Stewart (2009b, table 13.5).

*Notes:* Score indicates the percentage of British eleven-, thirteen-, and fifteen-year-olds who replied "yes" to a given item (unless otherwise indicated); ranking is Britain's place among twenty-one OECD countries (unless otherwise indicated), with a ranking of 1 indicating the best-performing country and 21 the worst.

a. Indicates question was asked only of fifteen-year-olds who had had sexual intercourse.

b. Indicates question was asked only of fifteen-year-olds.

c. Indicates question was asked only of thirteen- and fifteen-year-olds.

**Table 6.7 Change in the Well-Being of Young People in the United States Relative to Young People in Other OECD Countries, 2000–2001 and 2005–2006**

	2000–2001		2005–2006		Change
	Score and Rank		Score and Rank		in Rank
Eat fruit every day	28%	18/21	40%	8/21	(10)
In at least three fights in last year	12	12/21	10	6/21	(6)
Drunk at least twice	12	6/21	9	4/21	(2)
Above middle in life satisfaction	83	18/21	84	16/21	(2)
Ever used cannabis <sup>a</sup>	36	17/20	31	16/20	(1)
Eat breakfast every day	47	20/21	49	19/21	(1)
Bullied at least twice in past few months	12	14/21	12	13/21	(1)
Overweight according to BMI <sup>b</sup>	25	21/21	30	21/21	(0)
Health fair or poor	20	19/20	23	19/20	(0)
Agree that peers are kind and helpful	53	19/21	48	20/21	(–1)
Like school a lot	23	8/21	27	9/21	(–1)
Smoke cigarettes once a week	7	5/21	5	9/21	(–4)

*Source:* Author's compilation based on data from World Health Organization (2004b, 2008).

*Notes:* Score indicates the percentage of United States eleven-, thirteen-, and fifteen-year-olds who replied “yes” to a given item (unless otherwise indicated); ranking is the place of the United States among twenty-one OECD countries (unless otherwise indicated), with a ranking of 1 indicating the best-performing country and 21 the worst.

a. Indicates question was asked only of fifteen-year-olds.

b. Indicates question was asked only of thirteen- and fifteen-year-olds; data on sexual intercourse and condom usage were not available for the United States.

**Table 7.1**      **Distribution of Poor Children by Family Type, 1996–1997 and 2007–2008**

	1996–1997	2007–2008
Living with working parents	42%	51%
Two parents, at least one working	37	43
At least one full-time	19	20
At least one part-time	8	11
Self-employed	10	12
One parent, working	5	8
Full-time	1	2
Part-time	4	6
Living with workless parents	58	49
Two parents, neither working	24	19
One parent, not working	34	30

*Source:* Author's compilation based on Department for Work and Pensions (2009a, table 4.3, 4.5).

*Note:* Poverty is defined in relative terms as income below 60 percent of contemporary median income, before housing costs.

**Table 7.2      The Effect of Changing Family Structure and Poverty Risk on Change in Poverty, 1996–1997 to 2006–2007**

Child poverty rate in 1996–1997	27%	
Child poverty rate in 2006–2007	22	18.5% reduction
Child poverty rate in 2006–2007 if:		
Only family structure had changed	28	3.7% increase
Only poverty risk for lone parents had changed	24	11.1% reduction
Only poverty risk for couples had changed	25	7.4% reduction

*Source:* Author's calculations using data from Department for Work and Pensions (2008a).  
*Note:* Poverty is defined in relative terms as income below 60 percent of contemporary median income, before housing costs.

**Table 8.1 Perceptions of Poverty in Britain, 1986 to 2006**

	1986	1989	1994	2000	2003	2006
Respondents agreeing that there is:						
Quite a lot of poverty	55%	63%	71%	62%	55%	52%
Very little poverty	41	34	28	35	41	45
Don't know or refused	4	3	1	3	4	3

*Source:* Data from Taylor-Gooby and Martin (2008, table 11.3).

*Note:* Respondents were replying to the question: "Some people say there is very little real poverty in Britain today. Others say there is quite a lot. Which comes closest to your view? That there is very little real poverty in Britain, or that there is quite a lot?"

## APPENDIX 2: GAIN FROM WORK FOR A LONE-PARENT FAMILY WITH TWO CHILDREN UNDER AGE ELEVEN

	Gross Pay (1)	Tax and NIC (2)	Net Pay (3)	WFTC (or FC) (4)	CTC (5)	HB and CTB (6)
1998						
Sixteen hours per week	£52.00	—	£52.00	£73.50	—	£54.41
Thirty hours per week	108.00	£4.58	92.92	84.30	—	54.41
Forty hours per week	130.00	12.26	117.74	84.30	—	54.41
1999						
Sixteen hours per week	57.60	—	57.60	80.10	—	56.67
Thirty hours per week	108.00	4.20	103.80	91.15	—	56.67
Forty hours per week	144.00	12.89	131.11	91.15	—	56.24
2000						
Sixteen hours per week	60.00	—	60.00	139.35	—	20.48
Thirty hours per week	110.00	5.97	104.03	178.68	—	—
Forty hours per week	150.00	18.34	131.66	163.48	—	—
2001						
Sixteen hours per week	65.50	—	65.60	146.00	—	21.31
Thirty hours per week	123.00	3.30	119.70	179.36	—	—
Forty hours per week	164.00	10.58	153.43	147.16	—	—
2002						
Sixteen hours per week	67.20	—	67.20	150.40	—	20.48
Thirty hours per week	126.00	3.60	122.40	182.25	—	15.91
Forty hours per week	168.00	11.37	156.63	161.78	—	—
2003						
Sixteen hours per week	72.00	—	72.00	92.70	£65.73	36.71
Thirty hours per week	130.00	10.71	124.29	113.37	65.73	17.20
Forty hours per week	180.00	25.56	154.44	96.72	65.73	6.58
2004						
Sixteen hours per week	77.60	—	77.60	84.76	72.94	6.82
Thirty hours per week	145.50	13.10	132.40	124.24	72.94	—
Forty hours per week	194.00	29.60	164.40	105.74	72.94	—
2005						
Sixteen hours per week	80.80	—	80.80	96.58	75.46	45.29
Thirty hours per week	151.50	13.63	137.87	125.69	75.46	26.58
Forty hours per week	202.00	30.13	171.87	107.19	75.46	13.83
2006						
Sixteen hours per week	85.60	—	85.60	103.39	78.26	40.82
Thirty hours per week	160.50	15.87	144.63	134.21	78.26	18.50
Forty hours per week	214.00	32.37	181.63	115.71	78.26	5.83
2007						
Sixteen hours per week	88.32	—	88.32	105.45	81.13	42.51
Thirty hours per week	165.60	16.20	149.40	134.63	81.13	20.28
Forty hours per week	220.82	34.35	186.25	114.28	81.13	6.52
2008						
Sixteen hours per week	91.68	—	91.68	108.32	90.58	51.31
Thirty hours per week	172.00	17.94	154.06	144.18	90.58	15.49
Forty hours per week	230.00	36.54	193.46	120.78	90.58	2.93

Source: Author's compilation based on Department for Work and Pensions (2008e), *Tax Benefit Model Tables* (2001 to 2008); Department of Social Security (2000), *Tax Benefit Model Tables* (1998 to 2000).

Notes: (1) Gross weekly pay is calculated by multiplying hours per week by the applicable minimum wage rate (for that year); (2) tax and NIC combine income tax and national insurance contributions; (3) net weekly pay is gross pay minus tax and NIC; (4) Working Families Tax Credit (WFTC) includes child care payments for families using child care (FC refers to the Family Credit program, which preceded WFTC); (5) Child Tax Credit (CTC); (6) Housing Benefit (NB) and Council Tax Benefit (CTB); (7) Child Benefit (CB); (8) Council Tax (CT); (9) Child Care (CC) shows total child care costs (families working sixteen hours per week are assumed to have £50 per week in child care costs; families working thirty or forty



CB (7)	CT (8)	CC (9)	Net Income (10)	Income/ Poverty Line (11)	Income on IS (12)	IS/ Poverty Line (13)	Gain from Work (14)
£20.75	£9.40	£50.00	£161.41	100%	£147.82	91%	£13.59
20.75	9.40	100.00	163.73	101	147.82	91	15.91
20.75	9.40	100.00	188.55	116	147.82	91	40.73
24.00	10.10	50.00	181.67	106	159.09	93	22.58
24.00	10.10	100.00	189.62	111	159.09	93	30.53
24.00	11.10	100.00	216.40	127	159.09	93	57.31
25.00	11.10	50.00	208.73	119	172.34	98	36.39
25.00	11.10	100.00	221.61	126	172.34	98	49.27
25.00	11.10	100.00	234.06	134	172.34	98	61.72
25.85	11.40	50.00	223.21	119	187.30	100	35.91
25.85	11.10	100.00	224.91	120	187.30	100	27.61
25.85	11.10	100.00	252.34	134	187.30	100	65.04
26.30	12.60	50.00	244.25	122	195.07	98	49.18
26.30	12.50	100.00	248.91	124	195.07	98	53.84
26.30	11.10	100.00	250.70	125	195.07	98	55.63
26.80	13.40	50.00	257.34	124	207.52	100	49.82
26.80	13.40	100.00	260.79	126	207.52	100	53.27
26.80	13.40	100.00	263.67	127	207.52	100	56.15
27.55	14.60	50.00	242.62	112	201.69	93	40.93
27.55	14.60	100.00	270.08	125	201.69	93	68.39
27.55	14.60	100.00	283.58	131	201.69	93	81.89
28.40	15.40	50.00	289.53	129	208.97	93	80.56
28.40	15.40	100.00	307.00	137	208.97	93	98.03
28.40	15.40	100.00	309.75	138	208.97	93	100.78
29.15	16.50	50.00	299.88	115	215.19	83	84.69
29.15	16.50	100.00	317.41	122	215.19	83	101.50
29.15	16.50	100.00	323.24	124	215.19	83	107.33
30.20	17.10	50.00	310.71	115	242.71	90	68.00
30.20	17.10	100.00	328.74	121	242.71	90	86.03
30.20	17.10	100.00	331.68	122	242.71	90	88.97
31.35	17.00	50.00	337.59	119	259.34	92	78.25
31.35	17.00	100.00	348.04	123	259.34	92	88.70
31.35	17.00	100.00	353.45	125	259.34	92	94.11

hours per week are assumed to have £100 per week in child care costs); (10) net income is the sum of net pay plus WFTC plus CTC plus HB and CTB plus CB minus CT minus CC; (11) income/poverty line is net income as a percentage of the applicable relative poverty threshold (for that year; see appendix 5); (12) income on Income Support (IS) is the weekly amount a family would receive from Income Support (or other means-tested benefits) plus CB minus CT if the parent did not work or worked less than sixteen hours per week; (13) IS/poverty line is the ratio of the income from IS to the applicable relative poverty threshold (for that year); (14) gain from work is the weekly difference in net income from work and income that would be received from IS.

**APPENDIX 3: GAIN FROM WORK FOR A COUPLE-PARENT FAMILY WITH TWO CHILDREN UNDER AGE ELEVEN**

	Gross Pay (1)	Tax and NIC (2)	Net Pay (3)	WFTC (or FC) (4)	CTC (5)	HB and CTB (6)
1998						
Thirty hours per week	£97.50	£4.58	£92.92	£74.91	—	£21.37
Thirty hours per week	97.50	4.58	92.92	84.30	—	21.37
Sixty hours per week	195.00	34.36	160.64	45.10	—	3.03
1999						
Thirty hours per week	108.00	4.20	103.80	74.95	—	20.24
Thirty hours per week	108.00	4.20	103.80	91.15	—	20.24
Sixty hours per week	216.00	39.29	176.71	63.60	—	1.19
2000						
Thirty hours per week	110.00	5.97	104.03	108.68	—	4.87
Thirty hours per week	110.00	5.97	104.03	143.68	—	4.87
Sixty hours per week	220.00	40.74	179.26	137.30	—	—
2001						
Thirty hours per week	123.00	3.60	119.40	107.88	—	4.99
Thirty hours per week	123.00	3.60	119.40	142.88	—	4.99
Sixty hours per week	246.00	37.78	208.23	126.82	—	—
2002						
Thirty hours per week	126.00	3.70	122.30	111.76	—	7.21
Thirty hours per week	126.00	3.70	122.30	146.76	—	7.21
Sixty hours per week	252.00	36.97	215.03	131.87	—	—
2003						
Thirty hours per week	135.00	10.71	124.29	55.65	£65.73	9.57
Thirty hours per week	135.00	10.71	124.29	90.65	65.73	9.57
Sixty hours per week	270.00	55.26	214.74	75.70	65.73	—
2004						
Thirty hours per week	145.50	13.10	132.40	54.43	72.94	—
Thirty hours per week	145.50	13.10	132.40	89.43	72.94	—
Sixty hours per week	291.00	60.95	230.05	70.78	72.94	—
2005						
Thirty hours per week	151.50	14.13	137.38	55.33	75.46	9.68
Thirty hours per week	151.50	14.13	137.38	90.33	75.46	9.68
Sixty hours per week	303.00	63.13	239.87	70.38	75.46	—
2006						
Thirty hours per week	160.50	16.04	144.47	54.24	78.26	10.77
Thirty hours per week	160.50	16.04	144.47	94.24	78.26	10.77
Sixty hours per week	321.00	68.67	252.33	80.00	78.26	—
2007						
Thirty hours per week	165.60	16.40	149.20	54.84	81.13	15.02
Thirty hours per week	165.60	16.40	149.20	94.84	81.13	15.02
Sixty hours per week	331.20	70.65	260.55	80.00	75.14	—
2008						
Thirty hours per week	171.90	18.51	153.37	63.65	90.58	10.18
Thirty hours per week	171.90	18.51	153.37	103.65	90.58	10.18
Sixty hours per week	343.80	70.64	273.16	80.00	88.67	—

*Source:* See source information for appendix 2.

*Notes:* (1) Gross weekly pay is calculated by multiplying hours per week by the applicable minimum wage rate (for that year); (2) tax and NIC combines income tax and national insurance contributions; (3) net weekly pay is gross pay minus tax and NIC; (4) Working Families Tax Credit (WFTC) includes child care payments for families using child care (FC refers to the Family Credit program, which preceded WFTC); (5) Child Tax Credit (CTC); (6) Housing Benefit (NB) and Council Tax Benefit (CTB); (7) Child Benefit (CB); (8) Council Tax (CT); (9) Child Care (CC) shows total child care costs (for couple families working thirty hours per week, both no costs and £50 per week costs are modeled; families working sixty hours per

CB (7)	CT (8)	CC (9)	Net Income (10)	Income/ Poverty Line (11)	Income on IS (12)	IS/ Poverty Line (13)	Gain from Work (14)
£20.75	£12.60	—	£218.10	98%	£176.47	79%	£41.63
20.75	12.60	£50.00	177.49	80	176.47	79	1.02
20.75	12.60	100.00	137.67	62	176.47	79	-38.80
24.00	13.40	—	233.58	100	188.34	81	45.24
24.00	13.40	50.00	199.78	86	188.34	81	11.44
24.00	13.40	100.00	176.10	76	188.34	81	-12.24
25.00	14.50	—	253.08	105	202.09	84	50.99
25.00	14.50	50.00	238.08	99	202.09	84	35.99
25.00	14.50	100.00	252.06	105	202.09	84	49.97
25.85	15.50	—	268.46	104	217.50	85	50.96
25.85	15.50	50.00	253.46	99	217.50	85	35.96
25.85	15.50	100.00	271.95	106	217.50	85	54.45
26.30	16.40	—	277.47	102	227.21	83	50.26
26.30	16.40	50.00	262.47	96	227.21	83	35.26
26.30	16.40	100.00	283.09	104	227.21	83	55.88
26.80	17.90	—	290.93	103	238.62	84	52.31
26.80	17.90	50.00	275.93	98	238.62	84	37.31
26.80	17.90	100.00	291.87	103	238.62	84	53.25
27.55	19.50	—	294.87	100	233.55	79	61.32
27.55	19.50	50.00	279.87	95	233.55	79	46.32
27.55	19.50	100.00	309.37	105	233.55	79	75.82
28.40	20.90	—	313.74	103	240.92	79	72.82
28.40	20.90	50.00	298.74	98	240.92	79	57.82
28.40	20.90	100.00	321.61	105	240.92	79	80.69
29.15	22.20	—	323.84	98	247.84	75	76.00
29.15	22.20	50.00	313.84	95	247.84	75	66.00
29.15	22.20	100.00	341.91	103	247.84	75	94.07
30.20	25.00	—	335.60	97	276.36	80	59.24
30.20	25.00	50.00	325.60	94	276.36	80	49.24
30.20	25.00	100.00	351.09	101	276.36	80	74.73
31.35	24.80	—	355.67	99	293.79	81	61.88
31.35	24.80	50.00	345.67	96	293.79	81	51.88
31.35	24.80	100.00	379.73	105	293.79	81	85.94

week are assumed to have £100 per week in child care costs); (10) net income is the sum of net pay plus WFTC plus CTC plus HB and CTB plus CB minus CT minus CC; (11) income/poverty line is net income as a percentage of the applicable relative poverty threshold (for that year; see appendix 5); (12) income on IS is the weekly amount a family would receive from Income Support (or other means-tested benefits) plus CB minus CT if the parent did not work or worked less than sixteen hours per week; (13) IS/poverty line is the ratio of the income from IS to the applicable relative poverty threshold (for that year); (14) gain from work is the weekly difference in net income from work and income that would be received from IS (or other means-tested benefits).

**APPENDIX 4: GAIN FROM WORK FOR A COUPLE-PARENT FAMILY WITH THREE CHILDREN UNDER AGE FOURTEEN**

	Gross Pay (1)	Tax and NIC (2)	Net Pay (3)	WFTC (or FC) (4)	CTC (5)	HB and CTB (6)
1998						
Thirty hours per week	£97.50	£4.58	£92.92	£95.36	—	£17.63
Thirty hours per week	97.50	4.58	92.92	104.75	—	17.63
Sixty hours per week	195.00	34.36	160.64	61.95	—	—
1999						
Thirty hours per week	108.00	4.20	103.80	95.85	—	16.33
Thirty hours per week	108.00	4.20	103.80	112.05	—	16.33
Sixty hours per week	216.00	39.29	176.71	66.40	—	1.19
2000						
Thirty hours per week	110.00	5.97	104.03	134.28	—	—
Thirty hours per week	110.00	5.97	104.03	169.28	—	—
Sixty hours per week	220.00	40.74	179.26	162.90	—	—
2001						
Thirty hours per week	123.00	3.60	119.40	133.88	—	0.82
Thirty hours per week	123.00	3.60	119.40	168.88	—	0.82
Sixty hours per week	246.00	37.78	208.23	152.82	—	—
2002						
Thirty hours per week	126.00	3.70	122.30	138.21	—	4.23
Thirty hours per week	126.00	3.70	122.30	173.21	—	4.23
Sixty hours per week	252.00	36.97	215.03	158.31	—	—
2003						
Thirty hours per week	135.00	10.71	124.29	55.65	£93.38	9.65
Thirty hours per week	135.00	10.71	124.29	90.65	93.38	9.65
Sixty hours per week	270.00	55.26	214.74	75.70	93.38	—
2004						
Thirty hours per week	145.50	13.10	132.40	54.43	104.16	—
Thirty hours per week	145.50	13.10	132.40	89.43	104.16	—
Sixty hours per week	291.00	60.95	230.05	70.78	104.16	—
2005						
Thirty hours per week	151.50	14.13	137.38	55.33	107.94	9.68
Thirty hours per week	151.50	14.13	137.38	90.33	107.94	9.68
Sixty hours per week	303.00	63.13	239.87	70.38	107.94	—
2006						
Thirty hours per week	160.50	16.04	144.47	54.24	112.14	10.77
Thirty hours per week	160.50	16.04	144.47	94.24	112.14	10.77
Sixty hours per week	321.00	68.67	252.33	80.00	107.36	—
2007						
Thirty hours per week	165.60	16.40	149.20	54.84	116.48	15.02
Thirty hours per week	165.60	16.40	149.20	94.84	116.48	15.02
Sixty hours per week	331.20	70.65	260.55	80.00	110.49	—
2008						
Thirty hours per week	171.90	18.53	153.37	63.65	130.62	10.18
Thirty hours per week	171.90	18.53	153.37	103.65	130.62	10.18
Sixty hours per week	343.80	70.64	273.16	80.00	128.71	—

Source: See source information for appendix 2.

Notes: (1) Gross weekly pay is calculated by multiplying hours per week by the applicable minimum wage rate (for that year); (2) tax and NIC combines income tax and national insurance contributions; (3) net weekly pay is gross pay minus tax and NIC; (4) Working Families Tax Credit (WFTC) includes child care payments for families using child care (FC refers to the Family Credit program, which preceded WFTC); (5) Child Tax Credit (CTC); (6) Housing Benefit (NB) and Council Tax Benefit (CTB); (7) Child Benefit (CB); (8) Council Tax (CT); (9) Child Care (CC) shows total child care costs (for families working thirty hours per week, both no costs and £50 per week are modeled; families working sixty hours per week

CB (7)	CT (8)	CC (9)	Net Income (10)	Income/ Poverty Line (11)	Income on IS (12)	IS/ Poverty Line (13)	Gain from Work (14)
£30.05	£12.60	—	£253.41	100%	£205.97	81%	£47.44
30.05	12.60	£50.00	212.80	84	205.97	81	6.83
30.05	12.60	100.00	170.09	67	205.97	81	-35.88
33.60	13.40	—	269.77	101	218.40	82	51.37
33.60	13.40	50.00	235.97	89	218.40	82	17.57
33.60	13.40	100.00	196.91	74	218.40	82	-21.49
35.00	14.50	—	293.81	107	232.73	85	61.08
35.00	14.50	50.00	278.81	102	232.73	85	46.08
35.00	14.50	100.00	297.66	109	232.73	85	64.93
36.20	15.50	—	311.00	106	253.14	86	57.86
36.20	15.50	50.00	296.00	101	253.14	86	42.86
36.20	15.50	100.00	317.95	109	253.14	86	64.81
36.85	16.40	—	322.04	104	264.98	85	57.06
36.85	16.40	50.00	307.04	99	264.98	85	42.06
36.85	16.40	100.00	330.64	106	264.98	85	65.66
37.55	17.90	—	340.16	105	281.40	87	58.76
37.55	17.90	50.00	325.16	101	281.40	87	43.76
37.55	17.90	100.00	341.02	106	281.40	87	59.62
38.60	19.50	—	348.69	104	248.93	74	99.76
38.60	19.50	50.00	333.69	100	248.93	74	84.76
36.20	15.50	100.00	362.69	112	248.93	74	113.76
39.80	20.90	—	369.02	106	256.69	74	112.33
39.80	20.90	50.00	354.02	101	256.69	74	97.33
39.80	20.90	100.00	376.89	108	256.69	74	120.20
40.85	22.20	—	381.12	102	263.92	70	117.20
40.85	22.20	50.00	371.12	98	263.92	70	107.20
40.85	22.20	100.00	399.19	106	263.92	70	135.27
42.30	25.00	—	395.15	100	328.45	83	66.70
42.30	25.00	50.00	385.15	98	328.45	83	56.70
42.30	25.00	100.00	410.64	104	328.45	83	82.19
43.90	24.80	—	420.81	102	351.34	85	69.47
43.90	24.80	50.00	410.81	100	351.34	85	59.47
43.90	24.80	100.00	444.87	108	351.34	85	93.53

are assumed to have £100 per week in costs); (10) net income is the sum of net pay plus WFTC plus CTC plus HB and CTB plus CB minus CT minus CC; (11) income/poverty line is net income as a percentage of the applicable relative poverty threshold (for that year; see appendix 5); (12) income on IS is the weekly amount a family would receive from Income Support (or other means-tested benefits) plus CB minus CT if the parent did not work or worked less than sixteen hours per week; (13) IS/poverty line is the ratio of the income from IS to the applicable relative poverty threshold (for that year); (14) gain from work is the weekly difference in net income from work and income that would be received from IS (or other means-tested benefits).

**APPENDIX 5: RELATIVE POVERTY THRESHOLDS (60 PERCENT OF MEDIAN INCOME) FOR LONE-PARENT AND COUPLE FAMILIES WITH CHILDREN: BEFORE HOUSING COSTS**

	1997	1998	1999	2000
Thresholds in nominal pounds				
Lone parent (two children)	£154	£162	£171	£175
Couple (two children)	211	222	233	240
Couple (three children)	241	253	266	274
Thresholds in 2007–2008 pounds				
Lone parent (two children)	216	222	227	227
Couple (two children)	300	305	310	320
Couple (three children)	342	348	353	364

*Source:* Author's compilation based on data from sources listed in notes.

*Note:* Thresholds are the amount of income a family of this type would need to have family income at 60 percent of median equivalized income for all families in that year. Values for thresholds in nominal pounds for families with two children between 2001 and 2008 are taken from Department for Work and Pensions, *Households Below Average Incomes* (2004, 2005, 2007a, 2008a, 2009a) and are then con-

**APPENDIX 6: RELATIVE POVERTY THRESHOLDS (60 PERCENT OF MEDIAN INCOME) FOR LONE-PARENT AND COUPLE FAMILIES WITH CHILDREN: AFTER HOUSING COSTS**

	1997	1998	1999	2000
Thresholds in nominal pounds				
Lone parent (two children)	£128	£135	£143	£150
Couple (two children)	176	185	196	206
Couple (three children)	201	211	223	235
Thresholds in 2007–2008 pounds				
Lone parent (two children)	182	185	189	196
Couple (two children)	250	254	260	271
Couple (three children)	285	290	296	309

*Source:* Author's compilation based on data from sources listed in notes.

*Note:* Thresholds are the amount of income a family of this type would need to have family income at 60 percent of median equivalized income for all families in that year. Values for thresholds in nominal pounds for families with two children between 2001 and 2008 are taken from Department for Works and Pensions, *Households Below Average Incomes* (2004, 2005, 2007a, 2008a, 2009a) and are then con-

2001	2002	2003	2004	2005	2006	2007	2008
£188	£200	£207	£216	£224	£260	£271	£283
257	273	283	294	306	332	346	361
293	311	323	335	349	378	394	412
239	254	257	259	260	279	282	283
327	346	351	353	355	357	360	361
373	394	400	402	405	407	410	412

verted to 2007–2008 pounds using the Retail Price Index. Values for thresholds for families with two children between 1997 and 2000 are provided in 2007–2008 pounds in Department for Works and Pensions (2009a) and are then deflated to nominal pounds using the Retail Price Index. Thresholds for couple families with three children were calculated using the OECD equivalence scale.

2001	2002	2003	2004	2005	2006	2007	2008
£156	£168	£175	£182	£186	£223	£231	£239
225	242	253	262	268	301	312	322
256	276	288	299	306	343	356	367
198	207	212	217	218	239	237	239
286	297	307	313	314	323	320	322
326	339	350	357	358	368	365	368

verted to 2007–2008 pounds using the Retail Price Index. Values for thresholds for families with two children between 1997 and 2000 are provided in 2007–2008 pounds in Department for Work and Pensions (2009a) and are then deflated to nominal pounds using the Retail Price Index. Thresholds for couple families with three children were calculated using the OECD equivalence scale.