

# Living standards, poverty and inequality 2016

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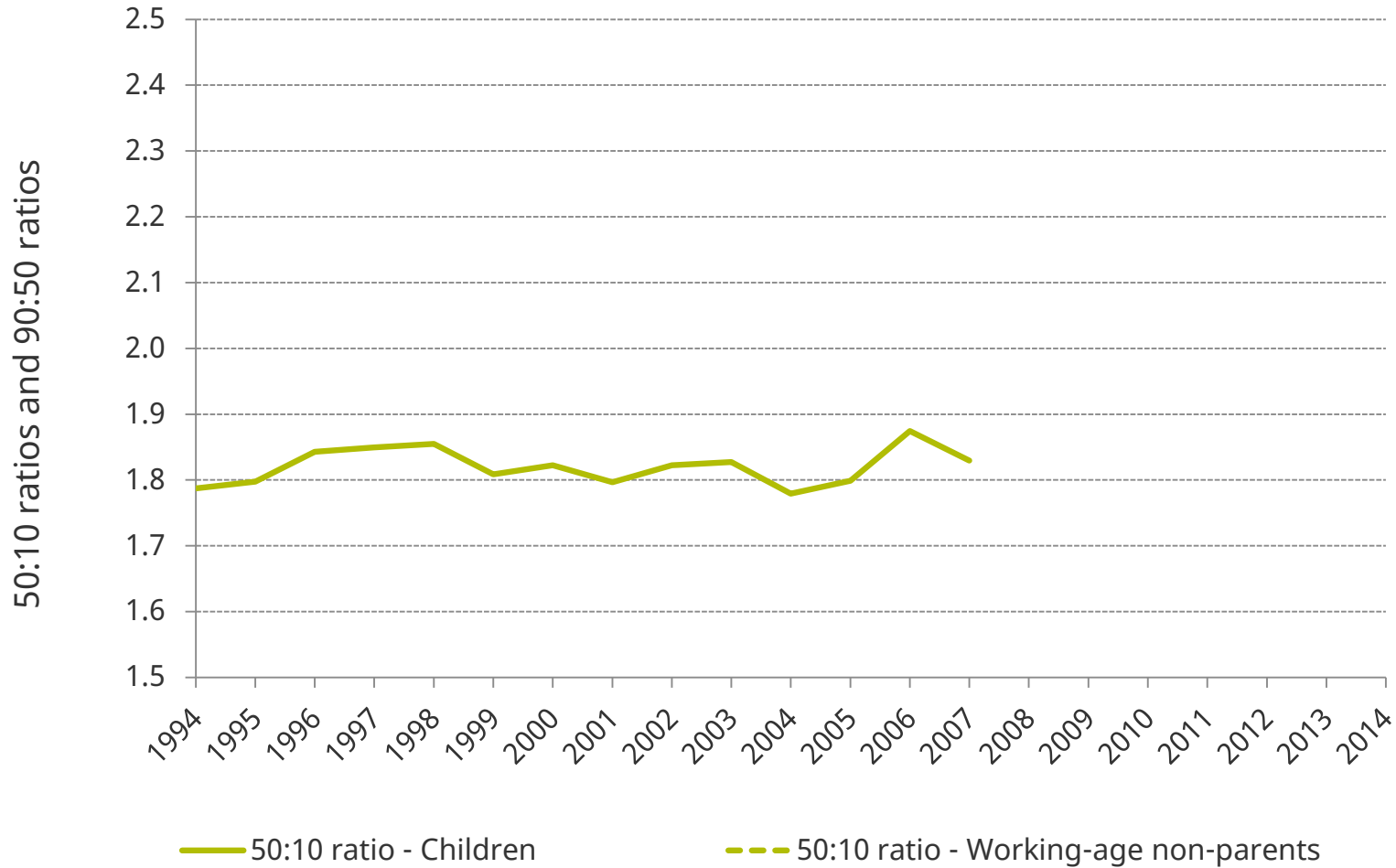
# Income inequality in childhood

Jonathan Cribb

# Measuring income inequality in childhood

- We measure the living standards for children in the same way as any other individual
  - Calculate the net household income for a household with children
  - “Equivalise” income in order to adjust for household size
- Median net household income for children in 2014-15 equivalent to:
  - £30,000 for a family with 2 adults and 2 children

# Child income inequality since 1994-95



Source: Figure 4.1 of *Living Standards, Poverty and Inequality: 2016*

# Child income inequality since 1994-95



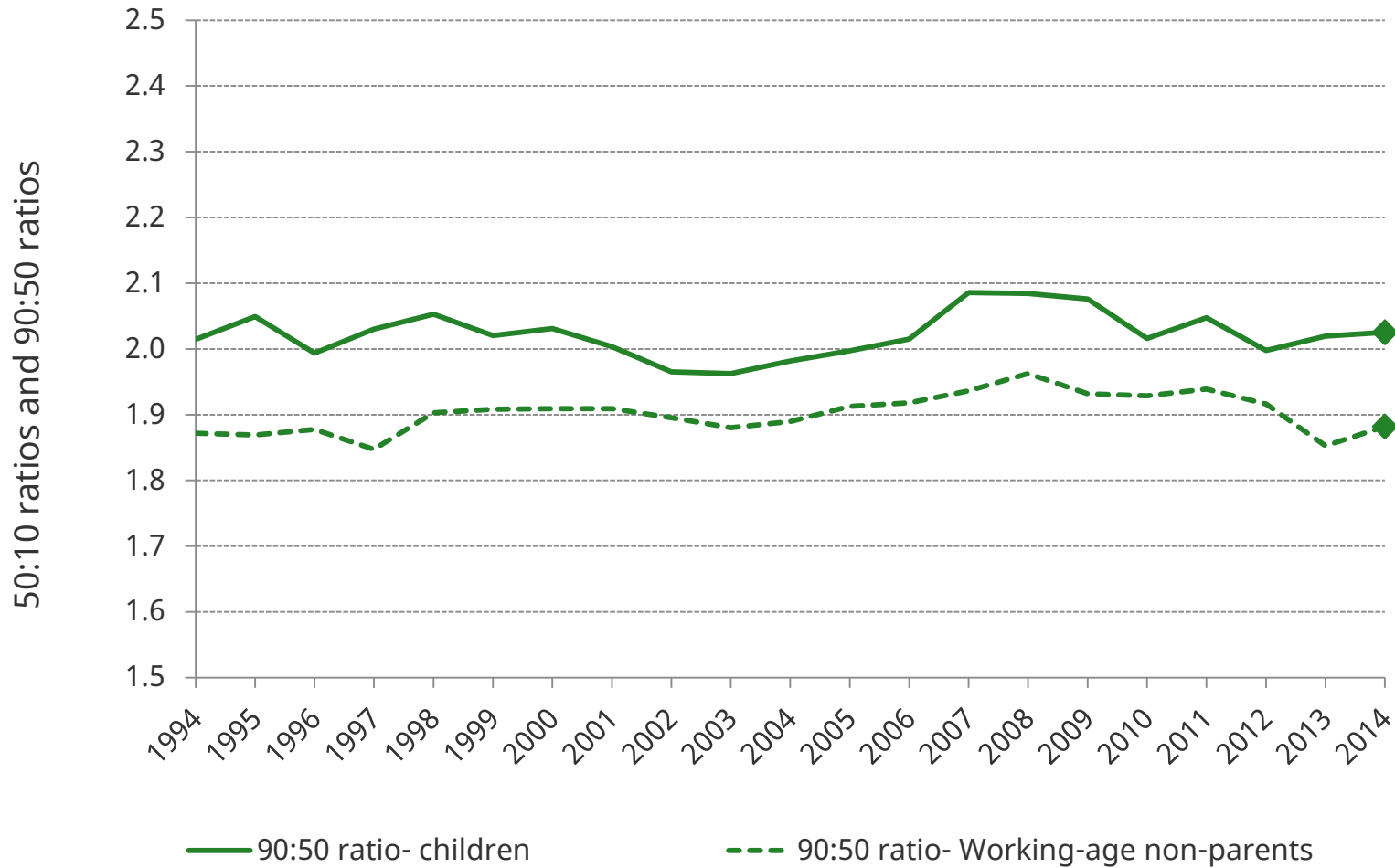
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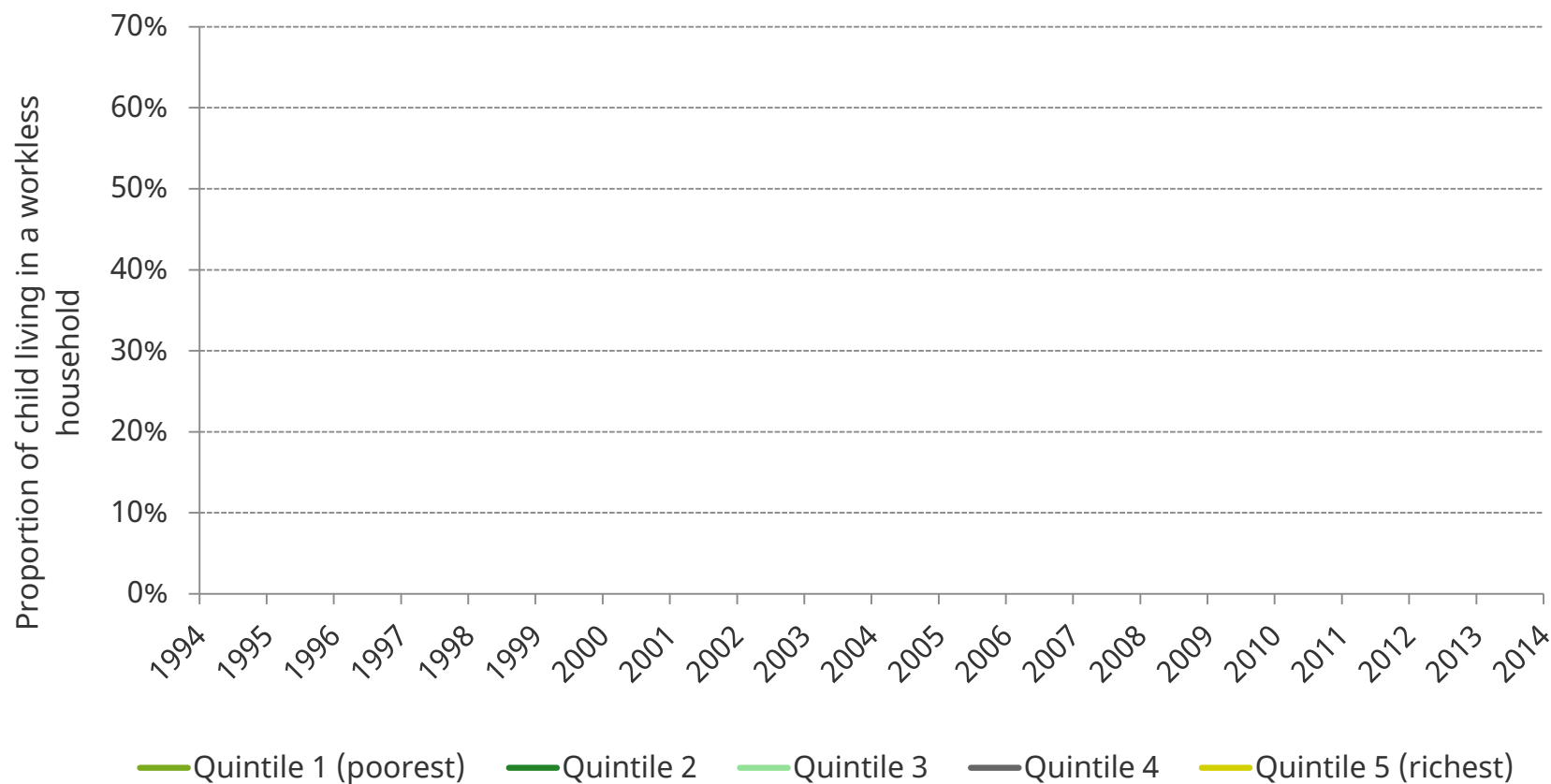
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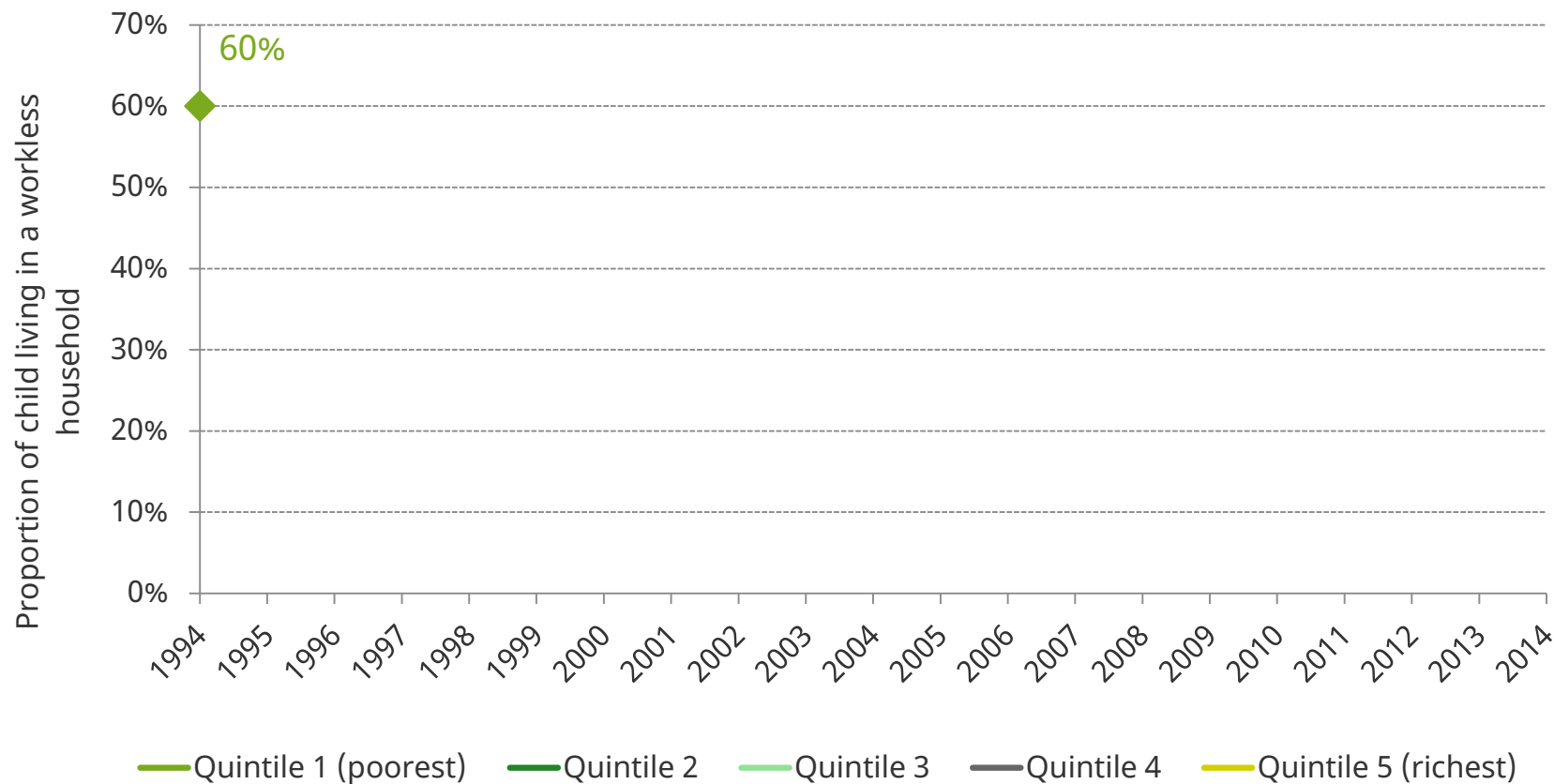
# Household worklessness and child inequality



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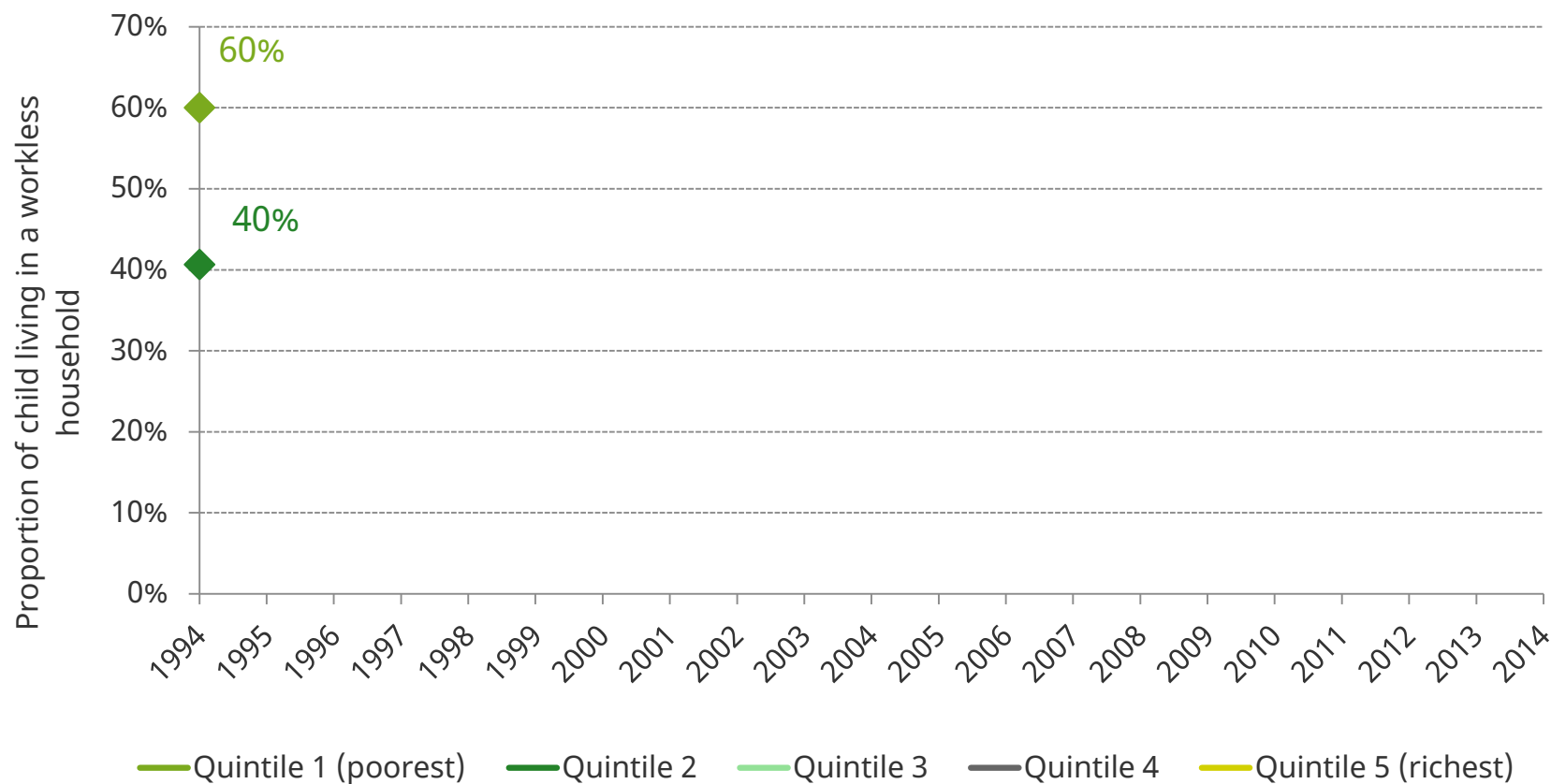


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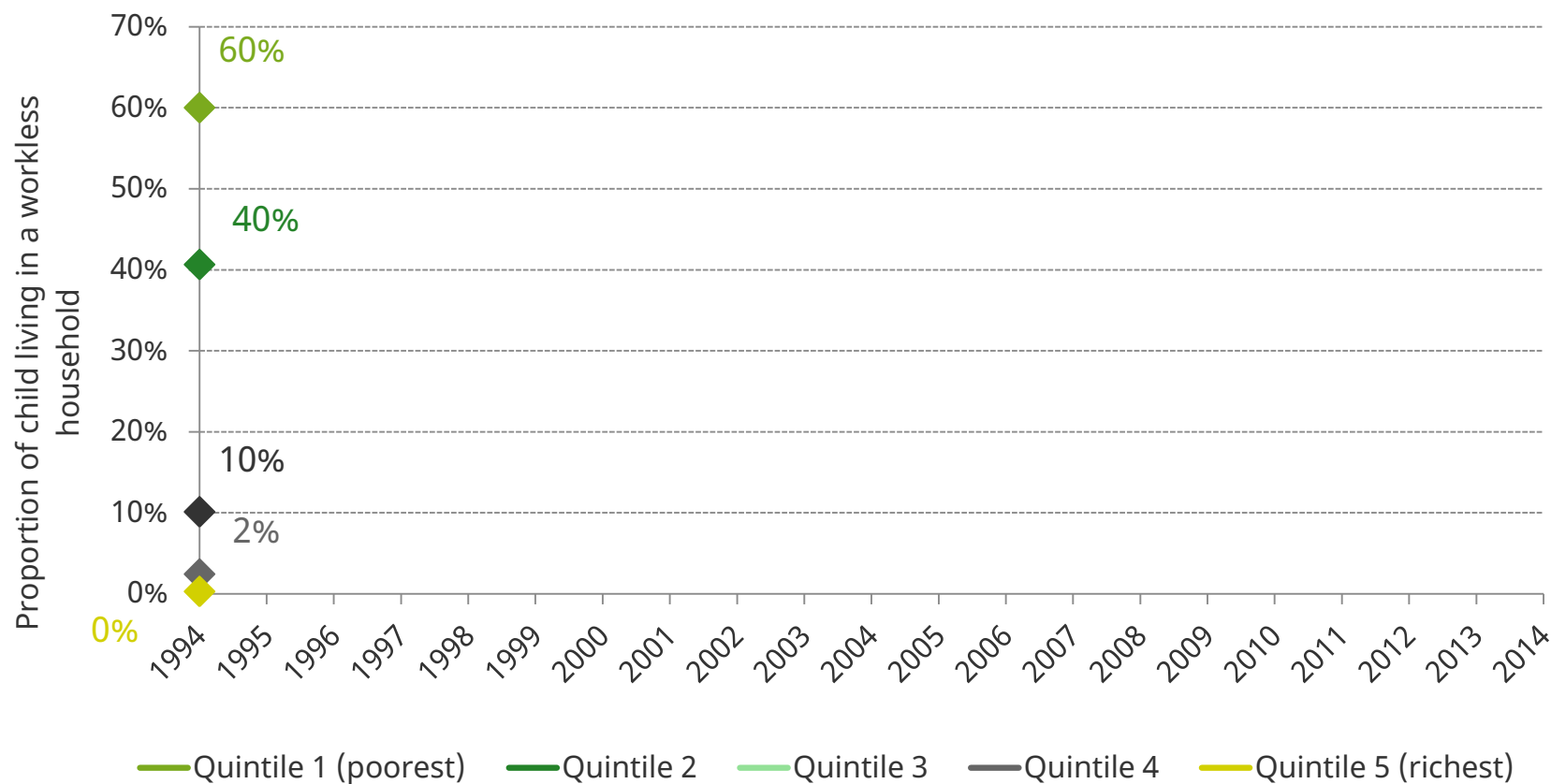
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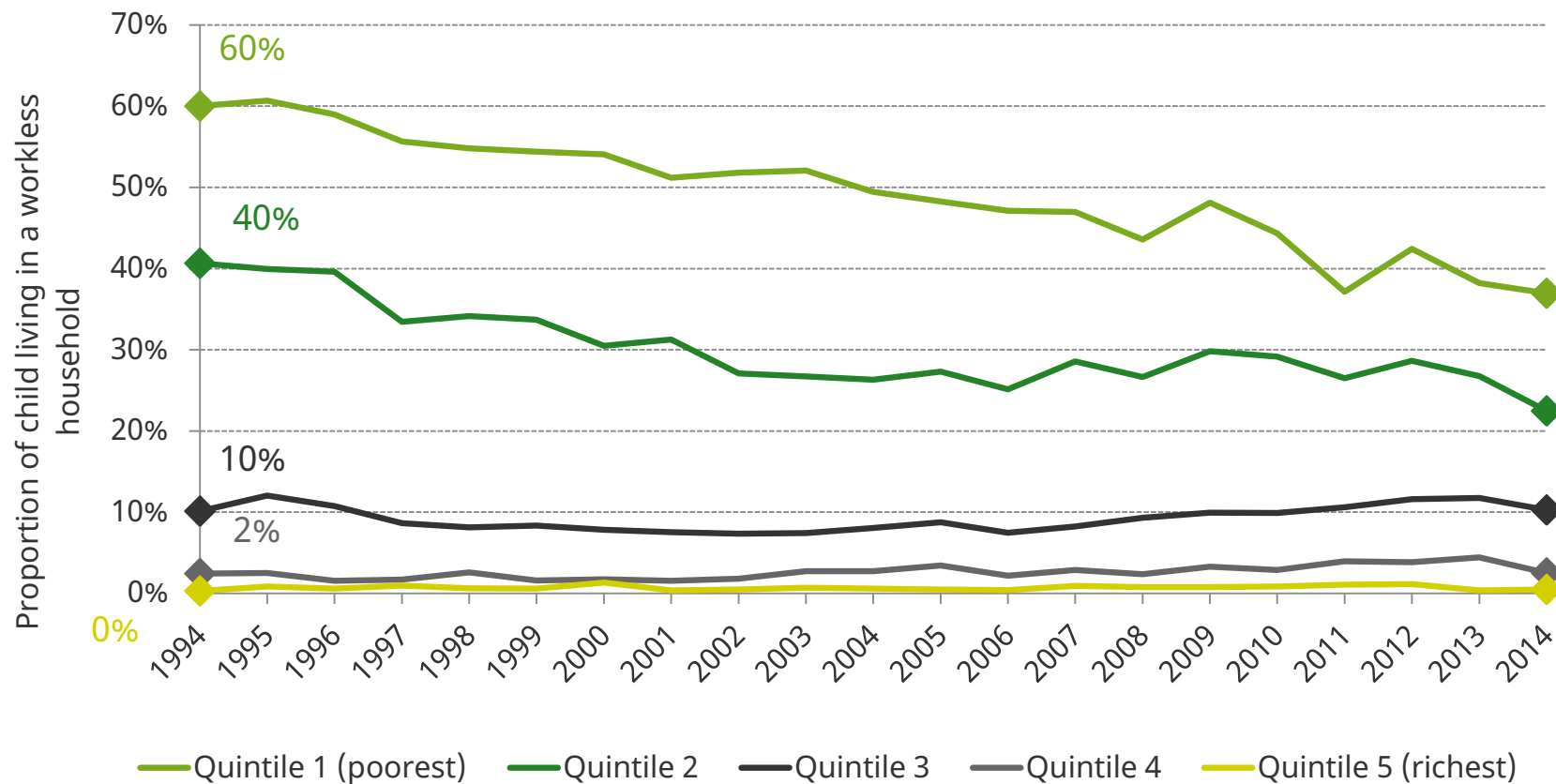
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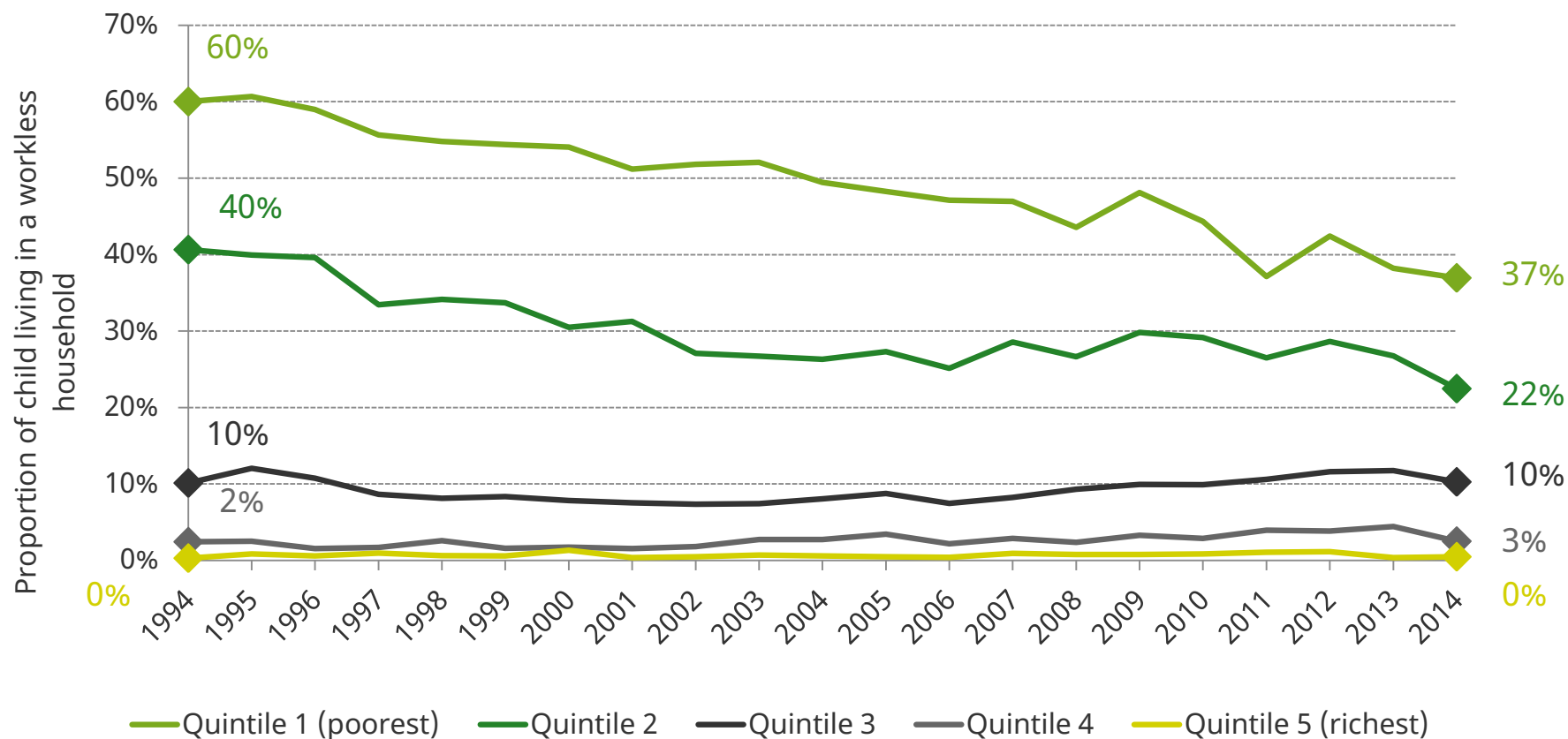
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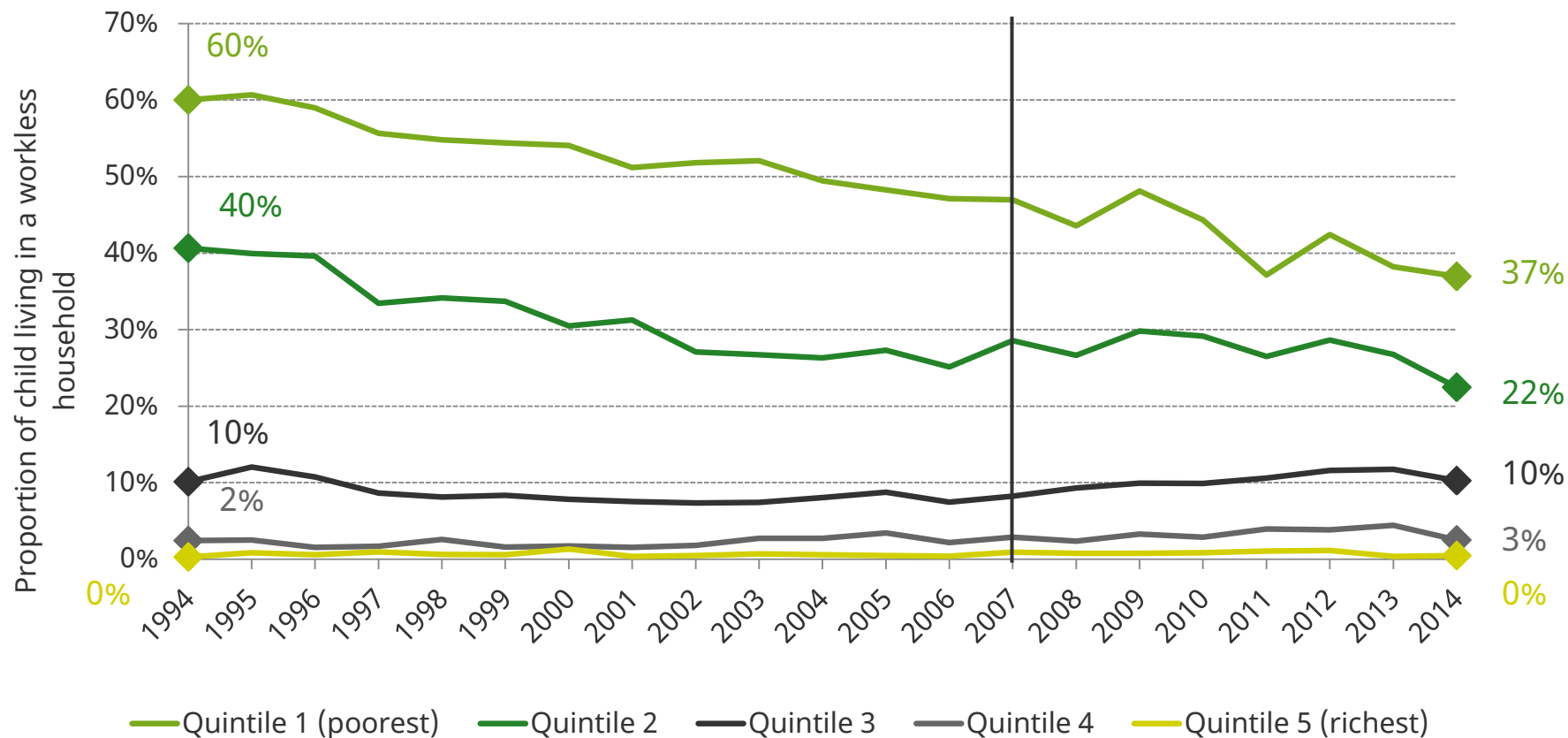
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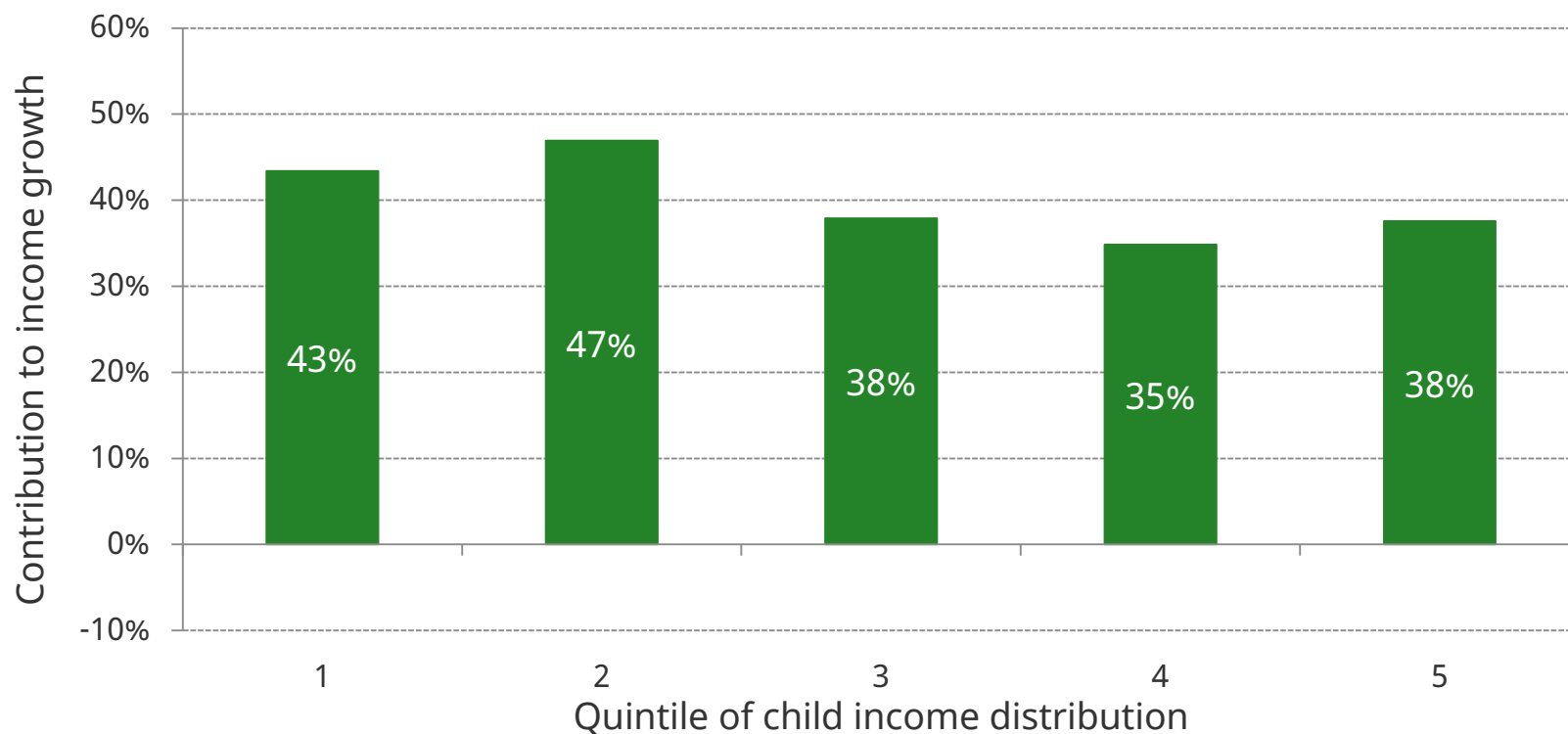
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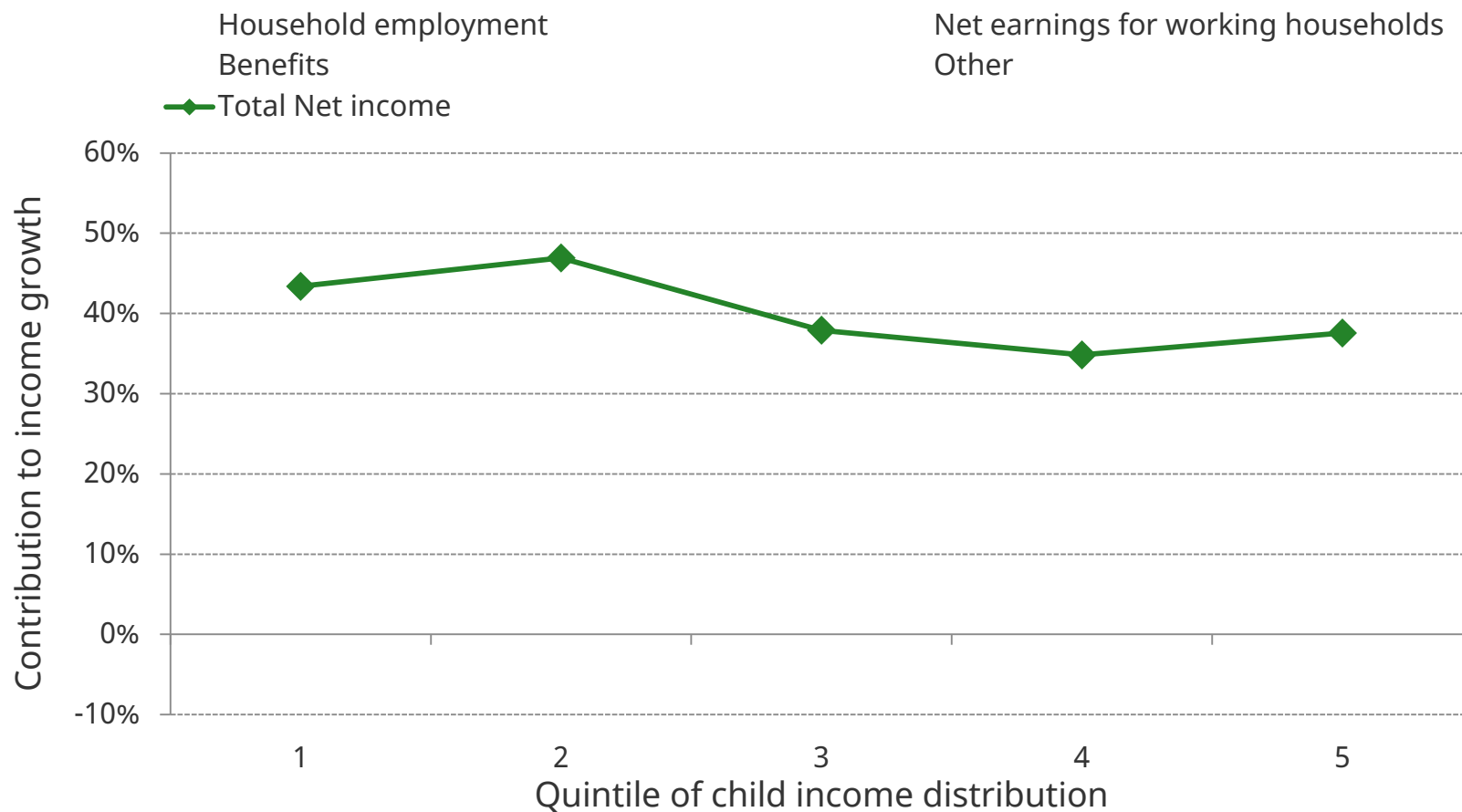
# Understanding changes in child inequality

Household income growth for children 1994-95 to 2014-15, by quintile



Source: Figure 4.4 of *Living Standards, Poverty and Inequality: 2016*

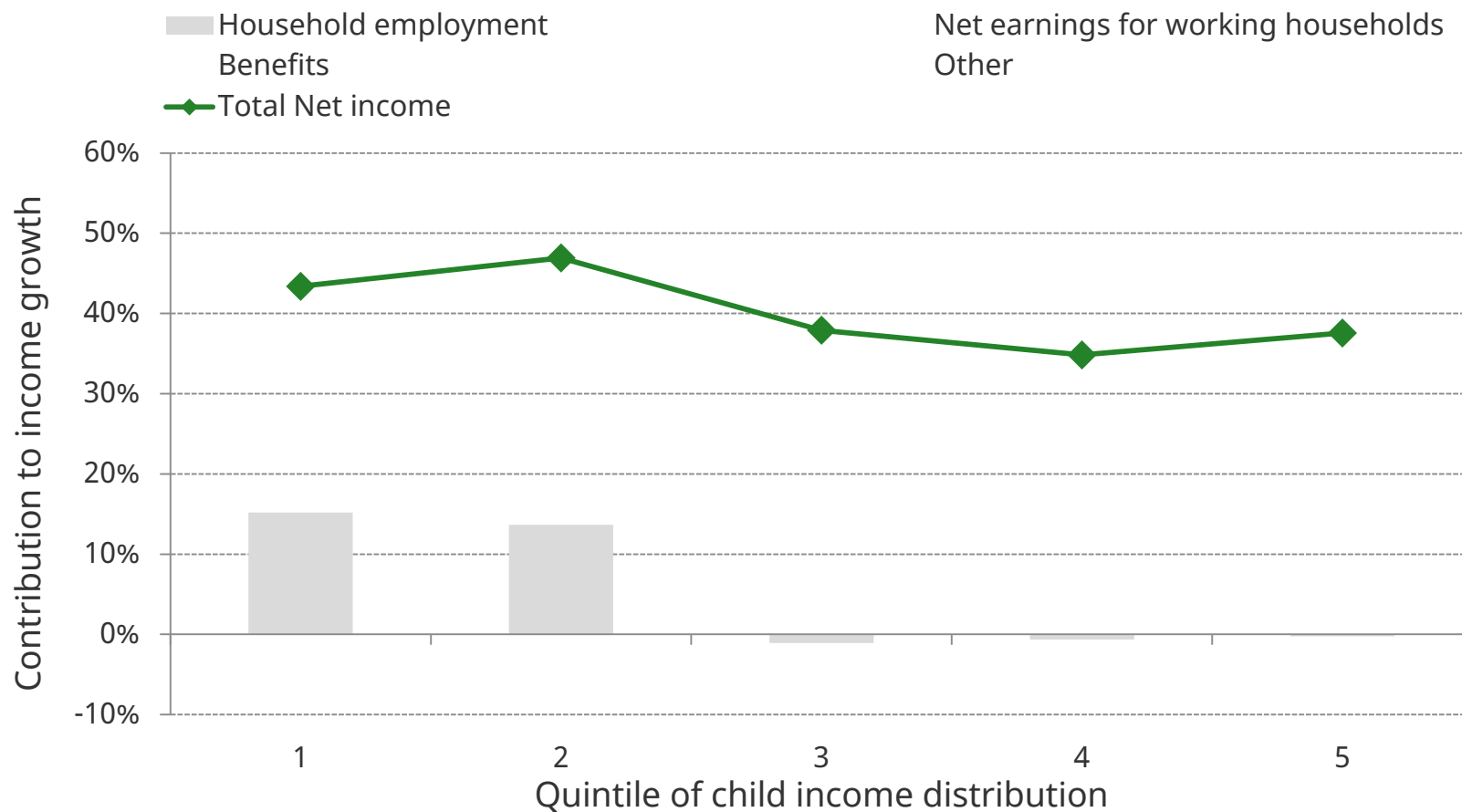
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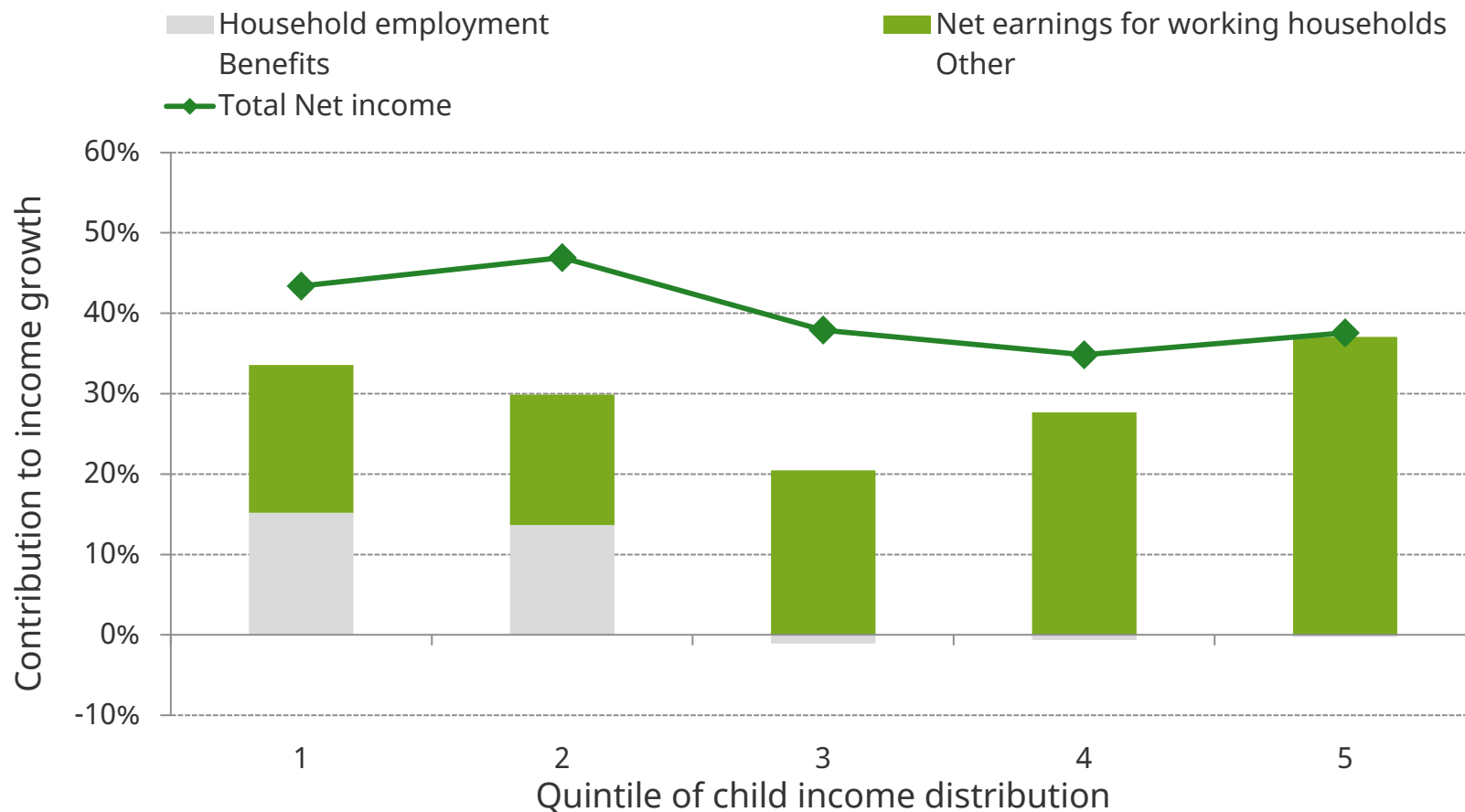


# Understanding changes in child inequality



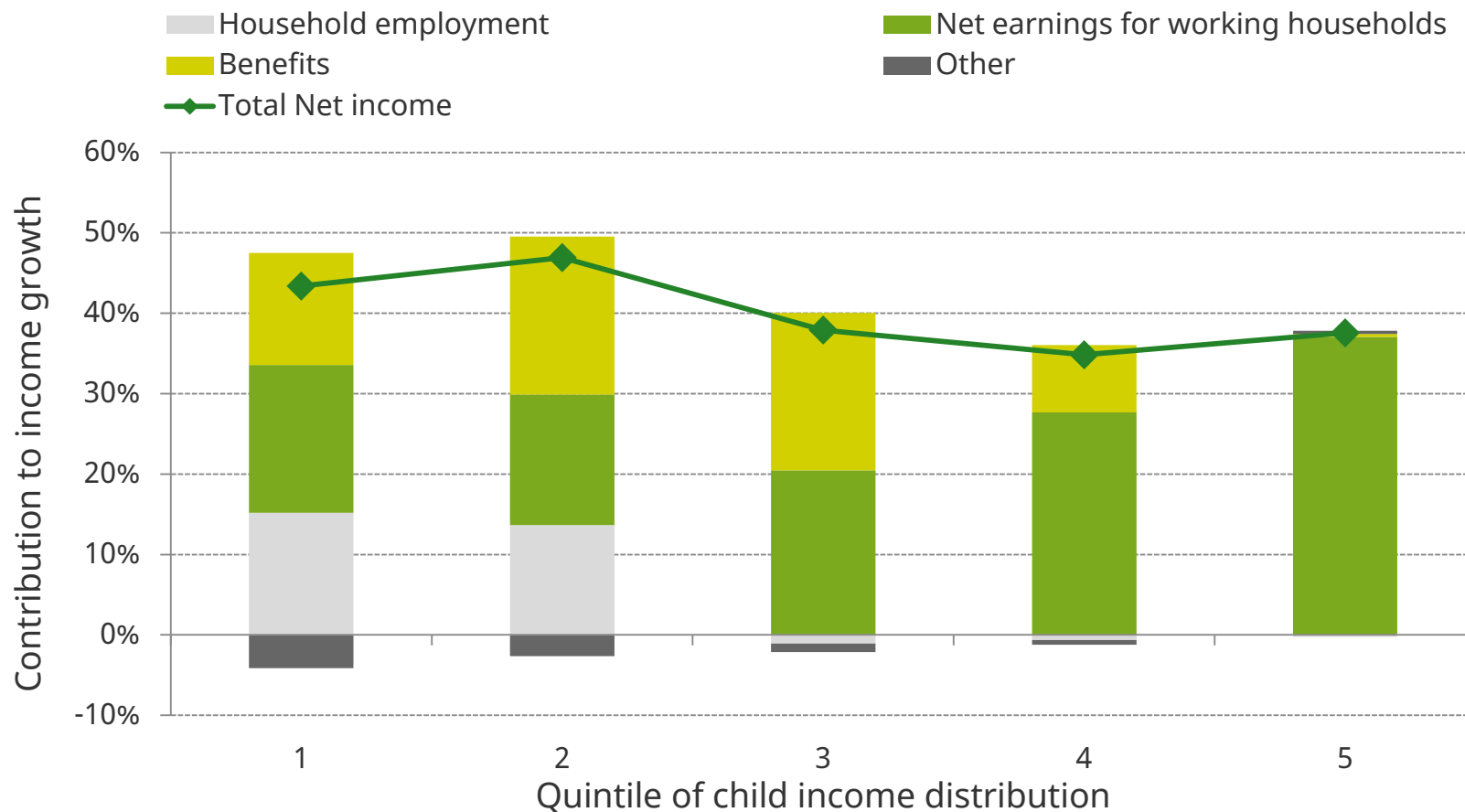
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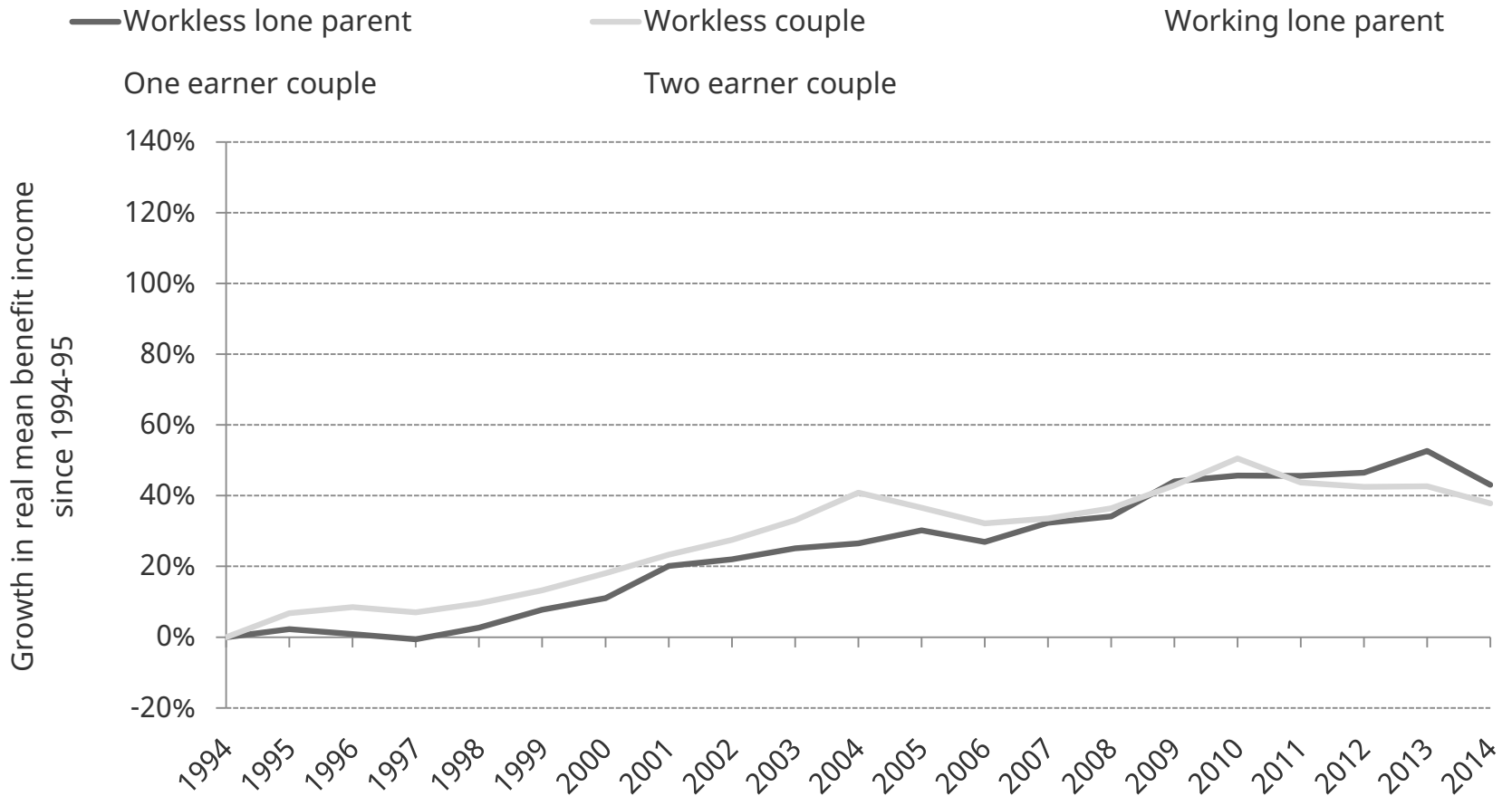
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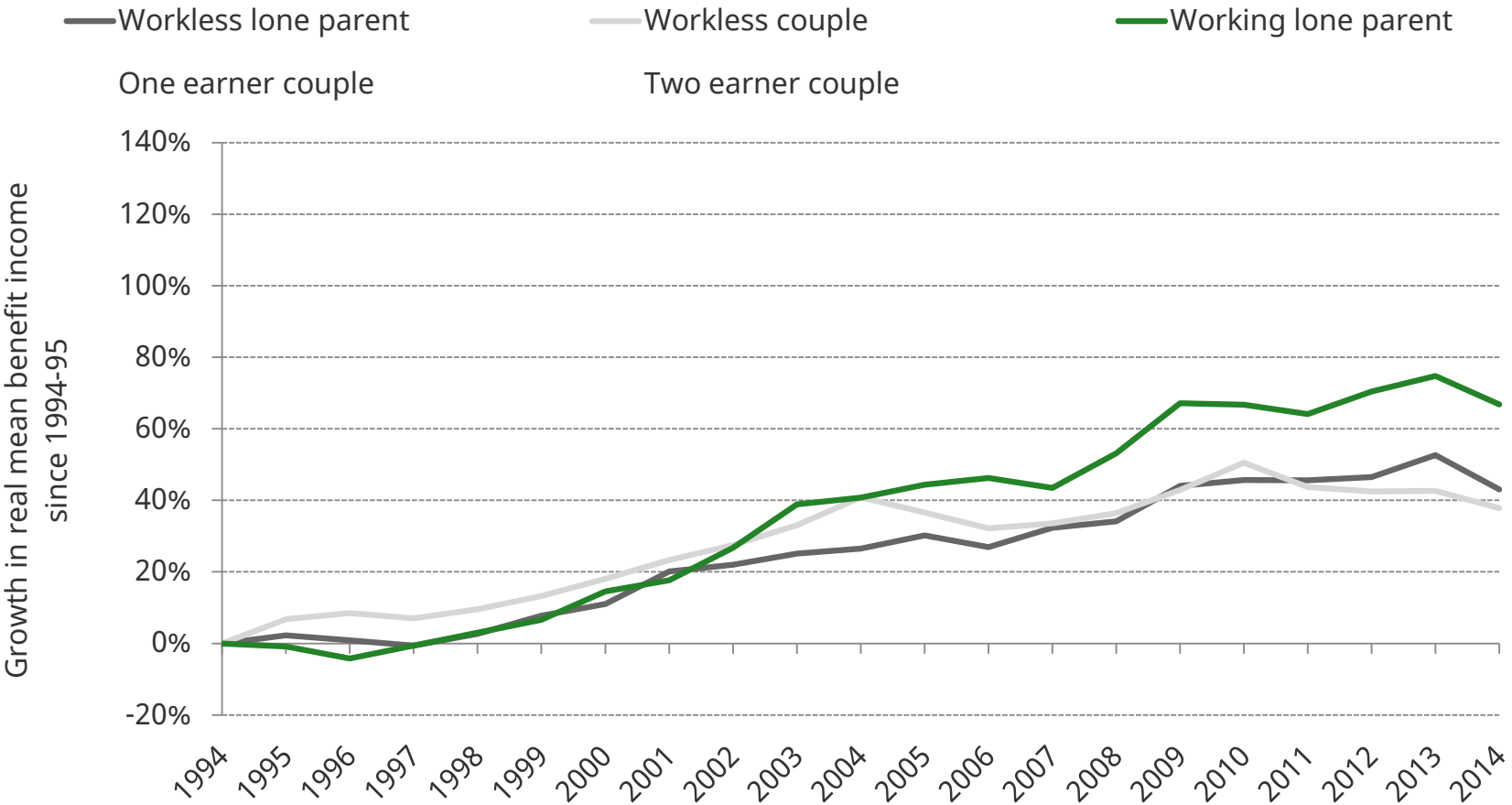
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# Benefit income growth by family type



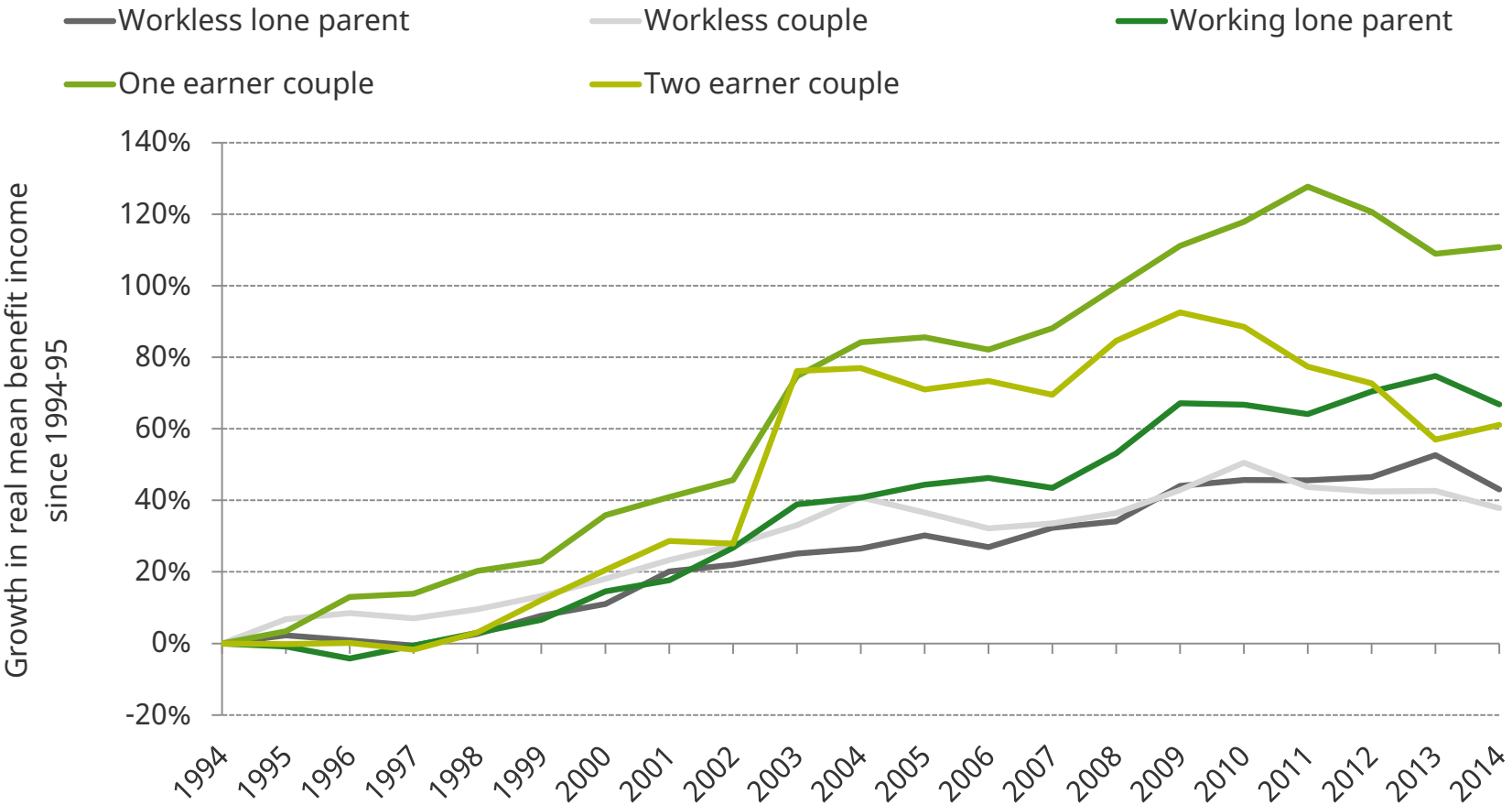
Source: Figure 4.5 of *Living Standards, Poverty and Inequality: 2016*

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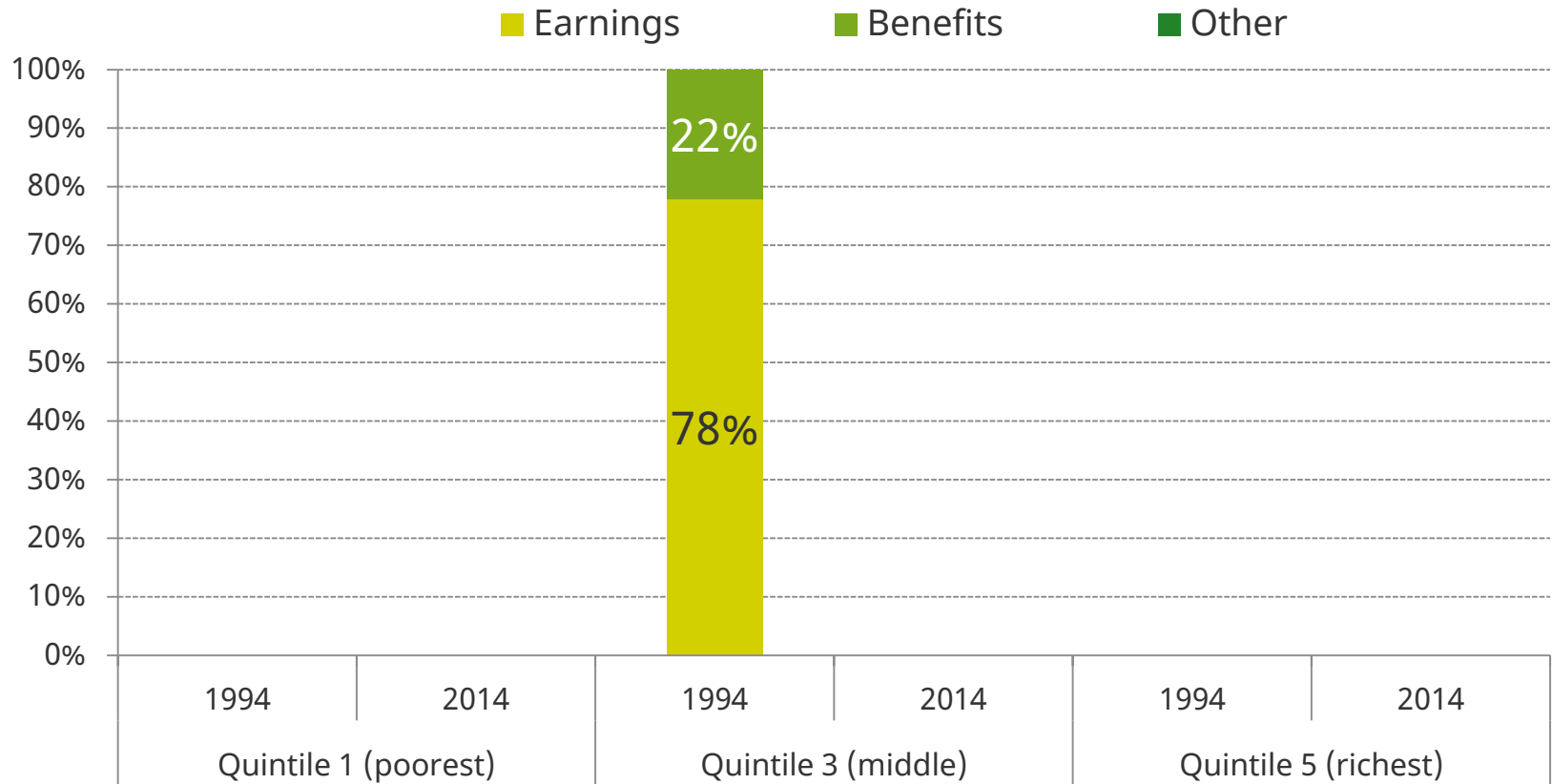
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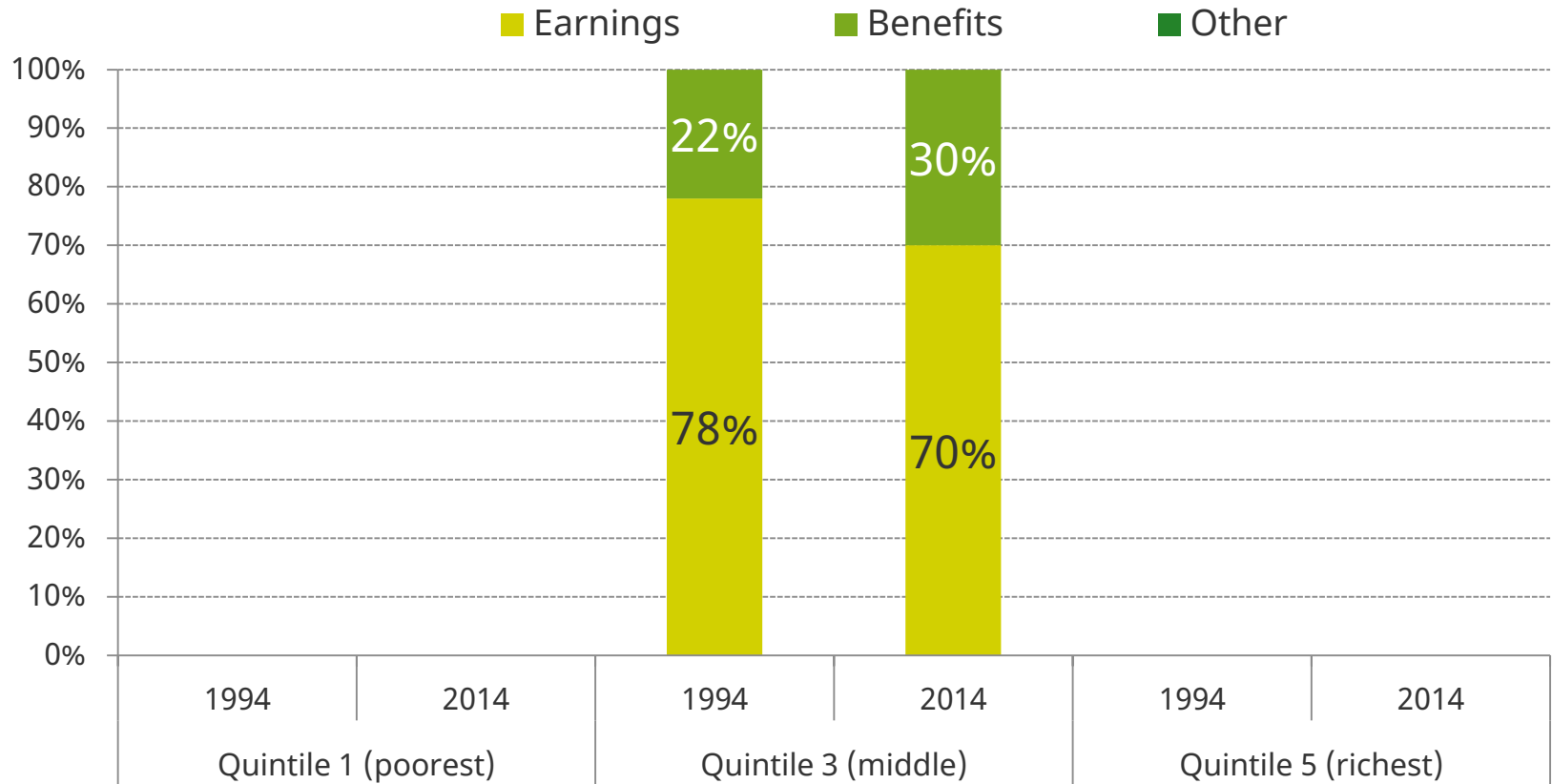
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# Share of income from earnings and benefits



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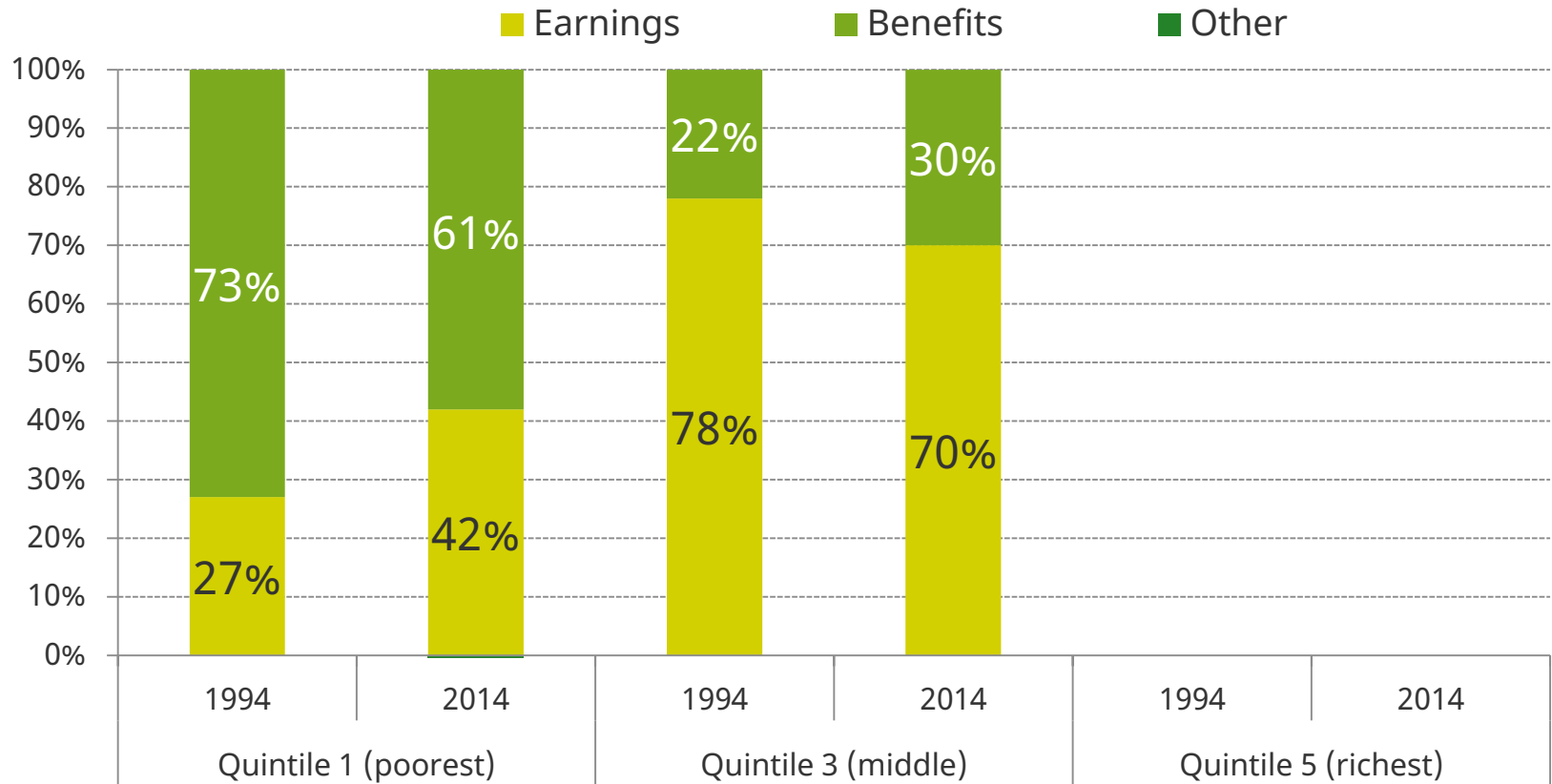
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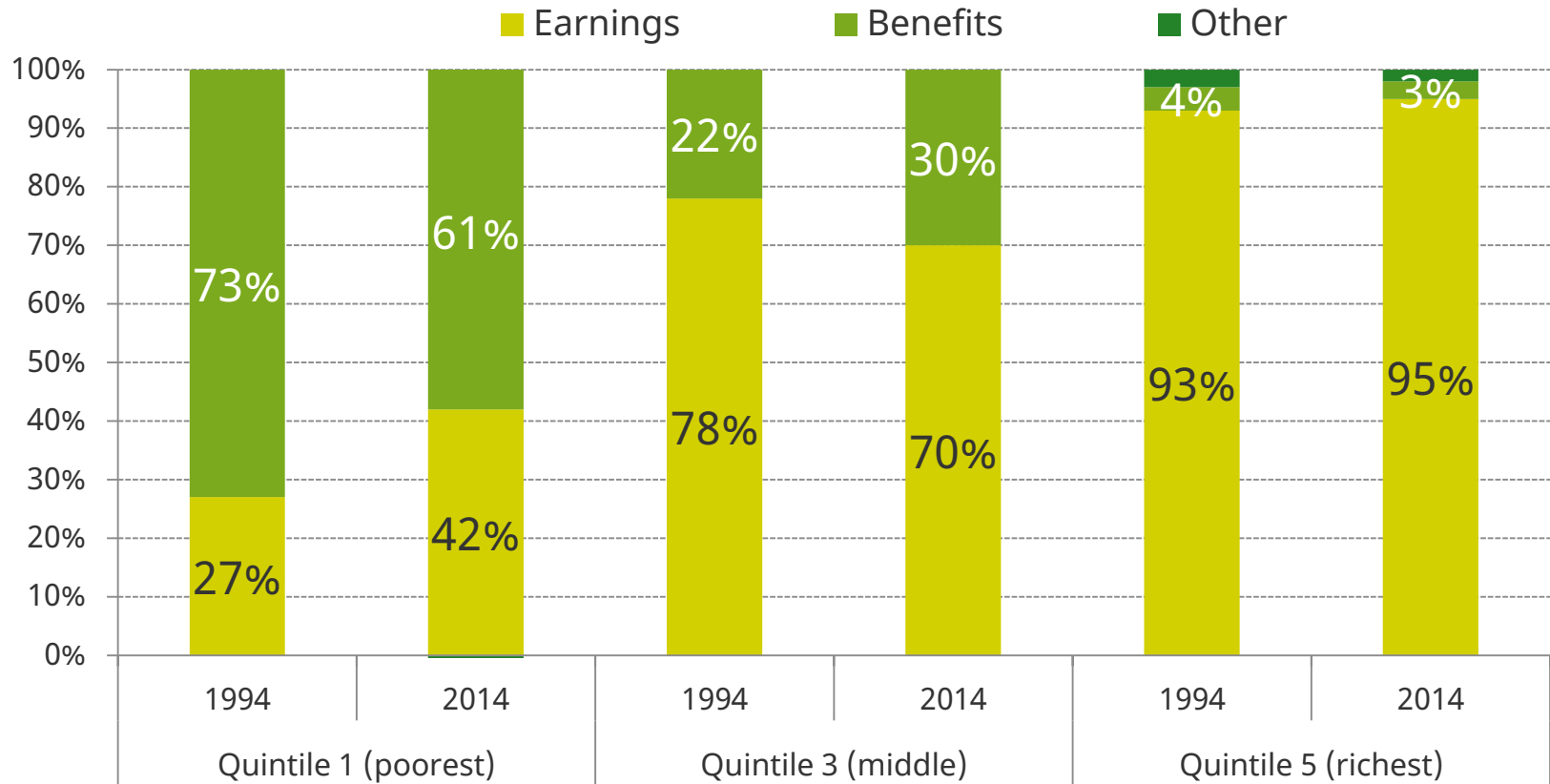


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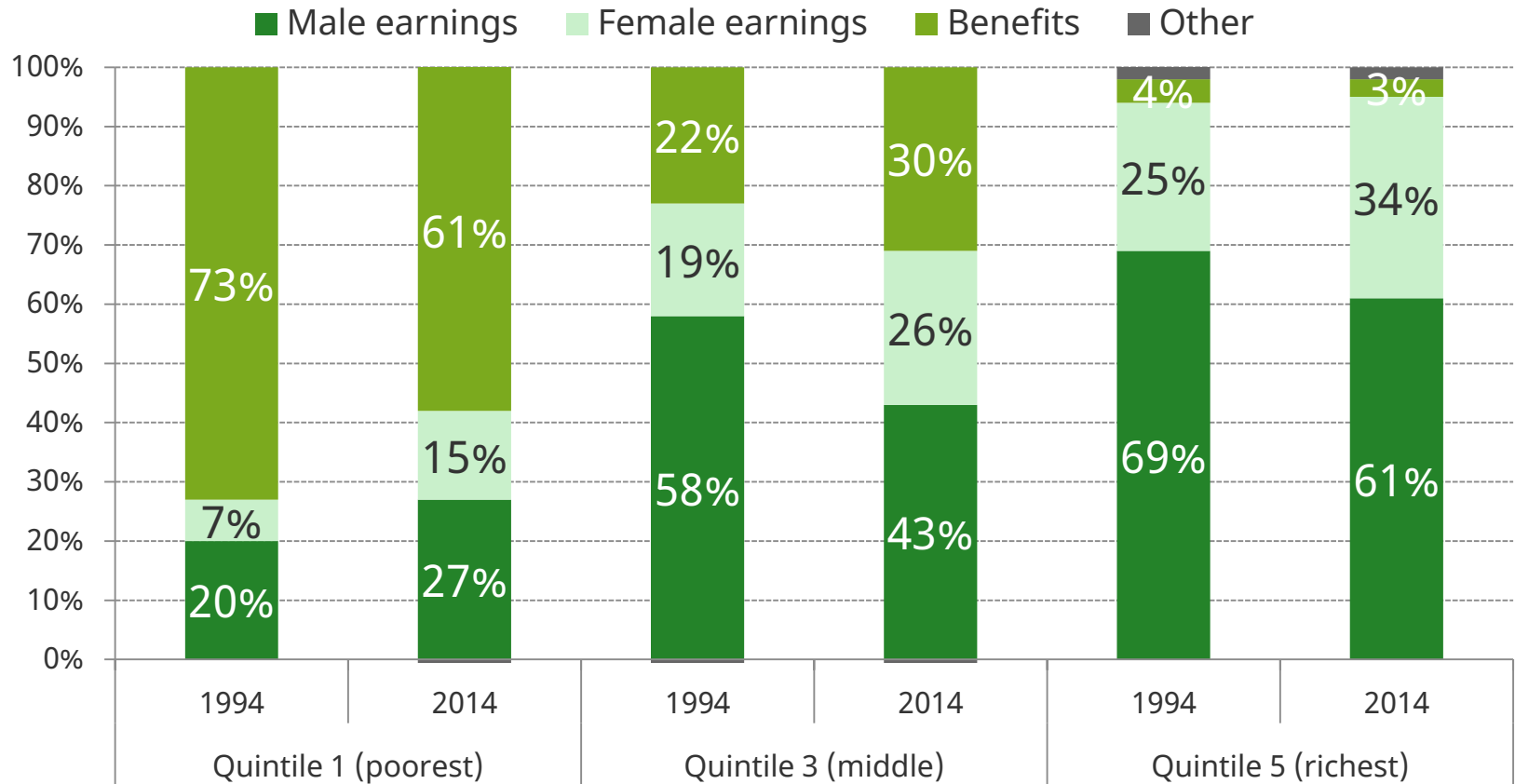
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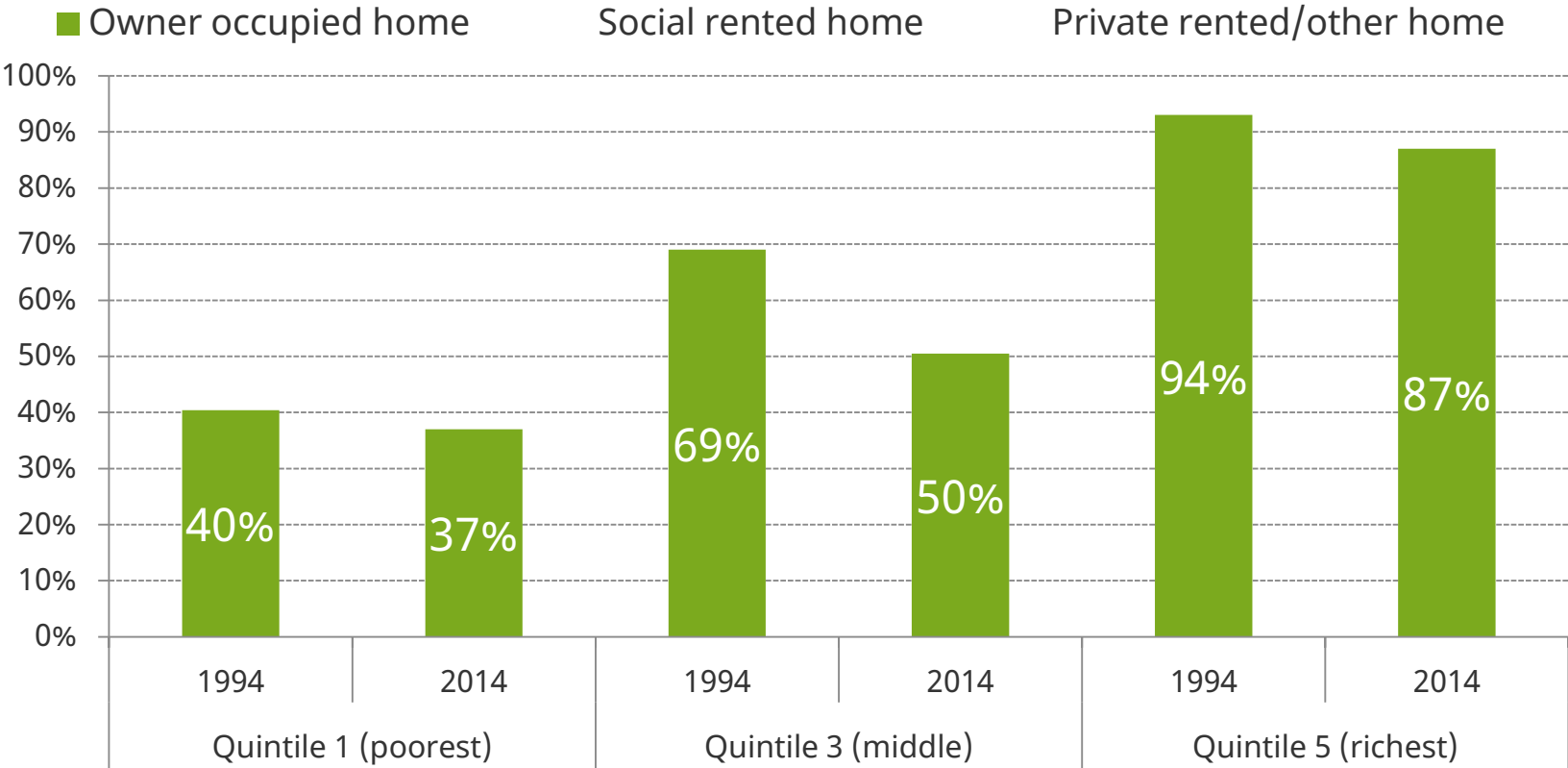
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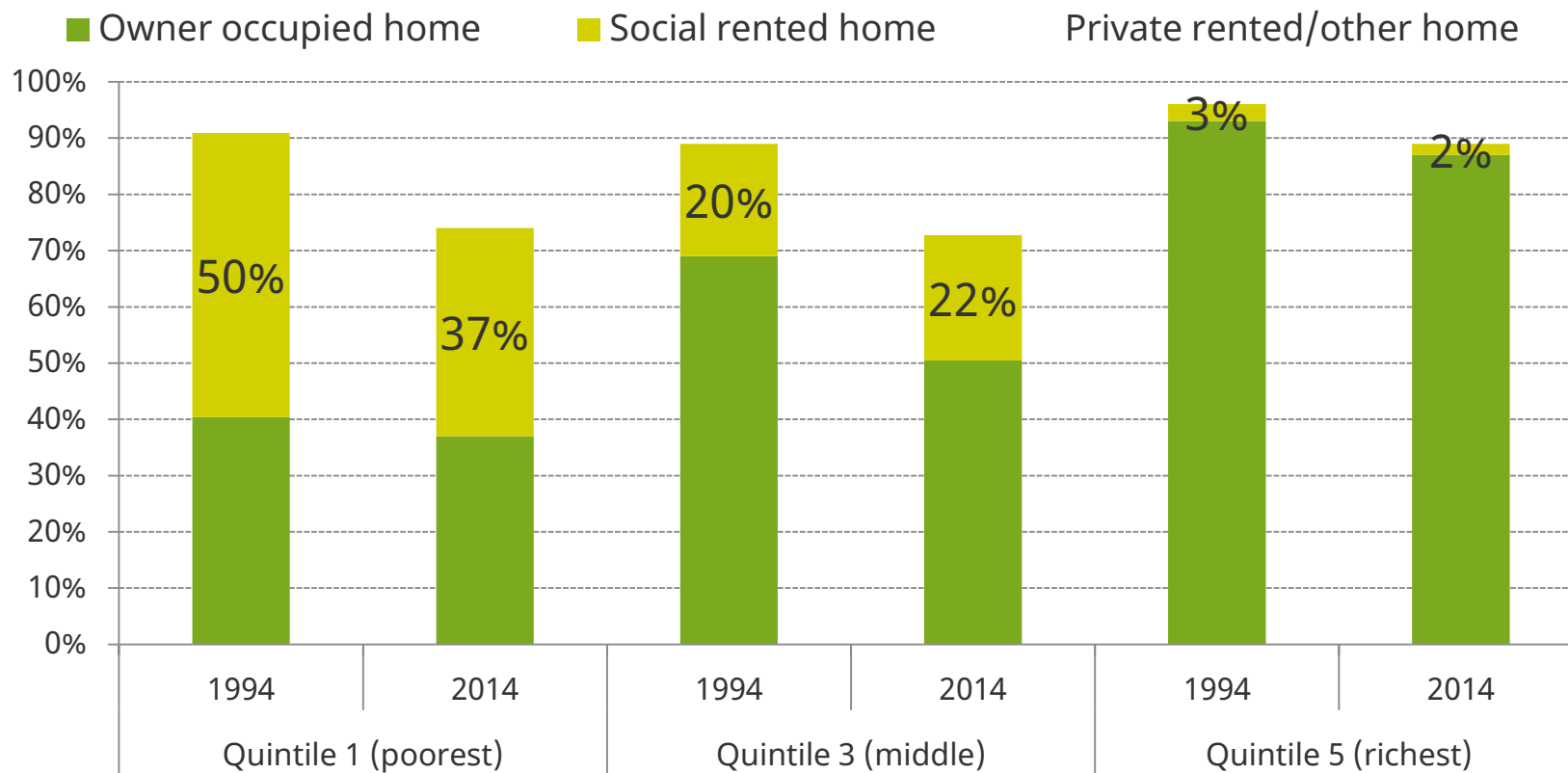
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# Changes in housing tenure by quintile



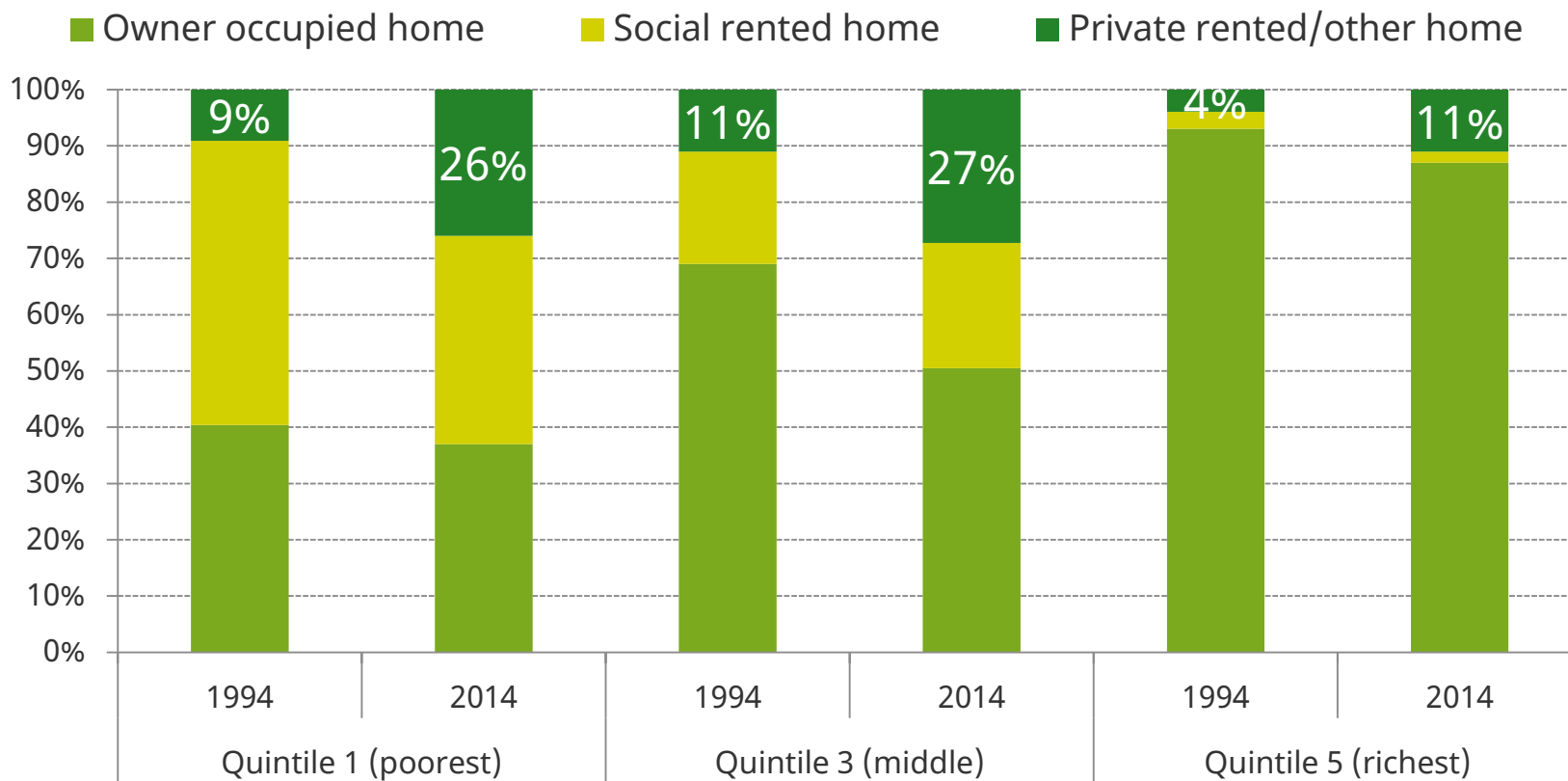
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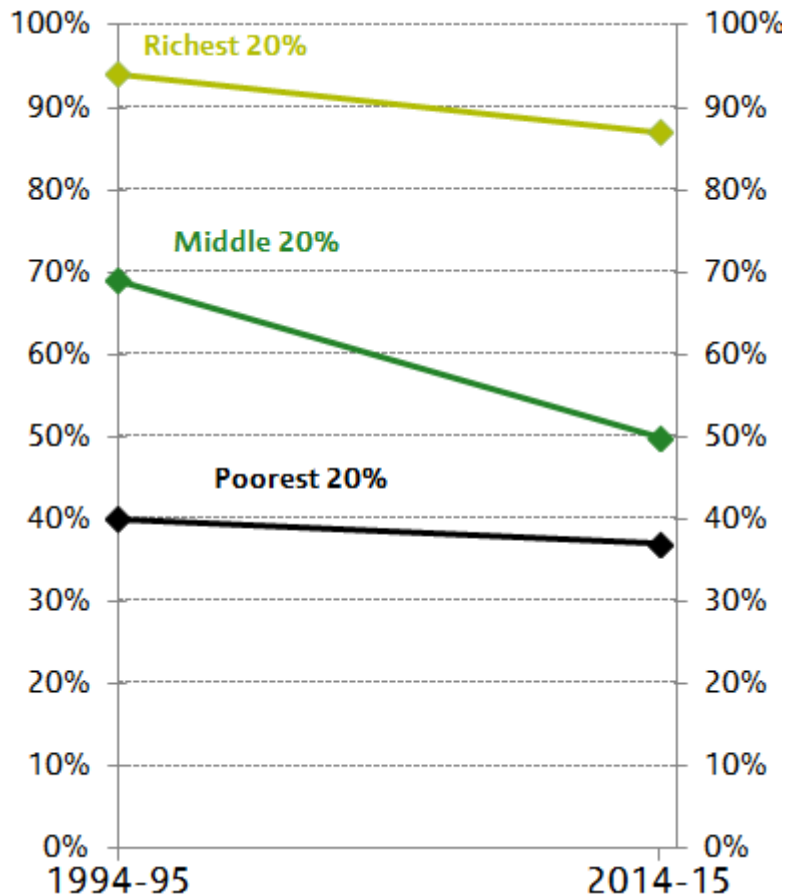
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# Conclusion

- Income inequality between middle-income and poorer children has fallen over the last twenty years
  - Driven in part by large falls in household worklessness
- Benefit income growth has acted to prevent an increase in inequality between middle and high income children
- These changes have substantially altered the composition of income for poorer and middle income children
- In this way, and in housing tenure, middle income children are more similar to poor children, and more different to rich children, than 20 years ago

# Increasing similarity of middle- and low-income children

### Proportion of children living in owner-occupied housing



### Proportion of children's household income coming from benefits

