

# Poverty & Inequality

Learning resource for teachers



Learn  
**Sheffield**  
By Sheffield. For Sheffield. In collaboration



**Living standards across  
the world have  
improved greatly over  
the last 100 years.**

This change was supported by the industrialisation and modernisation of society, improvements in healthcare and more government support for citizens. The pace has been different in different countries, but the 20th century showed big improvements across many key areas.

As a result of this development, some people argue that poverty no longer exists in the United Kingdom. This view might be influenced by different definitions of the word 'poverty'; **in reality poverty affects millions of people in the UK, who do not have enough money to cover the basic needs of themselves and their families.**

**"Poverty is when your resources are well  
below your minimum needs."**

**- JRF**

# Poverty & Inequality

The term **'poverty'** describes an inability to live a healthy and fulfilling life, deprived of the chance to play a full part in society due to not having enough money.

**'Absolute poverty'** means someone cannot meet their immediate needs, like food, water and shelter.

Charities and governments also sometimes talk about **'relative poverty'**. A household is seen as living in relative poverty when its income is 50% less than the average household in the UK. This might be described as 'living on the breadline' - having enough money to cover the basic costs of living but no more.

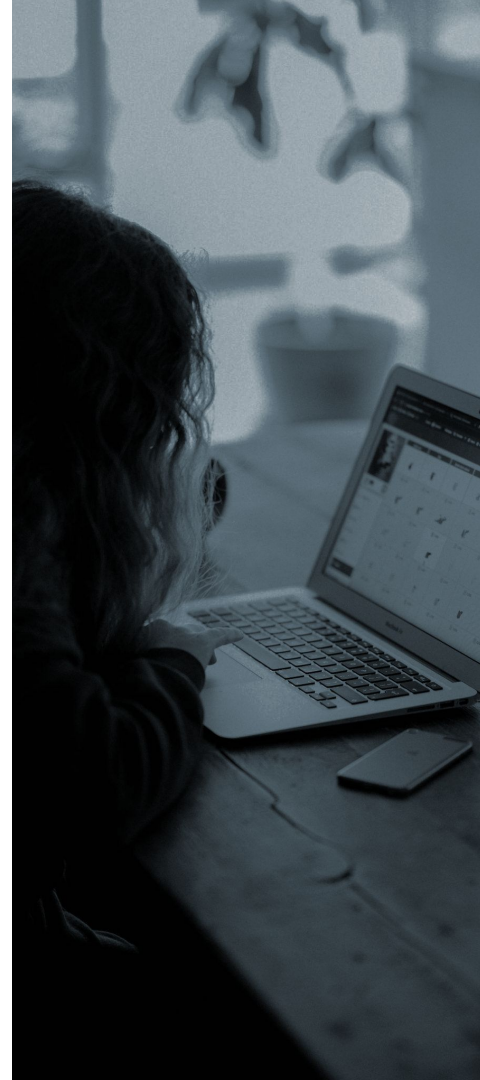
The word **'inequality'** describes the difference between those who are 'worst off' and those who are 'best off' - the bigger the difference, the more unequal a society is. This is important, because inequality can affect richer countries as well as poorer ones.

The word 'inequality' also often covers race and ethnicity, gender, age, sexuality and disability, because these factors do influence people's life chances.

While it can be difficult to measure, the Joseph Rowntree Foundation (JRF) uses different methods to understand levels of poverty in the UK, including its **'Minimum Income Standard'**.

The charity argues that poverty in the UK is caused by factors including:

- **Work** which is poorly paid, insecure or which doesn't offer chances for progression.
- **Low levels of skills or education.**
- **High costs** - for example, the cost of living has risen since the coronavirus pandemic began and inflation is currently high, which means everything costs more.
- A **welfare state** which doesn't meet the basic needs of people's housing, food and other essentials.
- **Discrimination** based on race, gender, sexuality, disability and other protected characteristics.
- **Weak relationships**, childhood trauma, abuse and chaotic lives.



# Levels of Poverty







# Money and resources

**1 IN 5** of the UK population live in poverty. Over half of these people live in working households. Poverty damages health and poor health increases the risk of poverty.

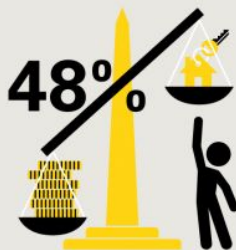
An inadequate income can cause poor health because it is more difficult to:

Avoid stress and feel in control



Living with the day-to-day stresses of poverty in early childhood can have damaging consequences for long-term health

Access experiences and material resources



Money can allow people to access the basics they need to fully participate in society. Yet, 48% of 21-24 year-olds earn less than the living wage

Adopt and maintain healthy behaviours



Healthy behaviours can feel unattainable. It is 3 times more expensive to get the energy we need from healthy foods than unhealthy foods

Feel supported by a financial safety net



A safety net enables people to invest in their future. In a recent study, 40% of people with unmanageable debt said they were less likely to study or retrain

# Health and Poverty

## How does poverty affect health?

The **healthy life expectancy gap** between the most and least deprived parts of the UK is 19 years. The reasons for this are complex and money is just one part of the picture – the **index of multiple deprivation** also includes other determinants of our health such as housing, employment and education.

## Poverty constraints choice

There is much debate about the balance between individual 'lifestyle' choices versus wider structural factors in shaping our health. It's true that individuals can have agency over decisions that affect their health, but this agency can be severely limited by poverty.

## Tackling poverty to improve health

There are many stories of people overcoming a lack of money, perhaps through getting a place at a school or college, or using a talent in music or sport. But given the scale of the problem, a few 'golden tickets' is not the answer. Tackling poverty requires cross-sectoral action. Education and skills, good work, a benefits system that responds to need, debt support, and tighter gambling laws all have their part to play.

Single parents often find it hard to earn enough money to cover the cost of living for their families.

For those who do not have savings, a sudden loss of expected income (e.g. delayed pay) or a sudden unexpected cost (e.g. replacement boiler) can have a serious knock-on effect on their ability to cover rent and bills. This can then lead to being in debt to landlords or energy companies - and costly, high-interest loans.

Even if they don't have debts, people who live in poverty can also end up paying more for basic things - for example, because they can't afford to pay bills by direct debit. This is sometimes called the '**poverty premium**'.

**What is the 'poverty premium'?**

LET'S MAKE THE FUTURE  
**FAIR BY DESIGN**





# Trying to understand poverty

We can't fully understand poverty if we see it as an issue of personal responsibility - if we believe there is 'something wrong' with people who are poor. Writer and journalist Rutger Bregman describes this by saying: **"Poverty isn't a lack of character - it's a lack of cash."**

**Rutger Bregman: "Poverty isn't a lack of character - it's a lack of cash."**



# Food bank use: a symptom, not a solution

Food bank use is driven by economic need - that is, not having enough money to buy food once essential bills have been paid.

This extreme economic need is brought about by three factors:

- ➔ Not having sufficient income from the social security safety net is the first and most significant factor.
- ➔ Ill-health or adverse life experiences (such as household separation or eviction).
- ➔ A lack of informal and/or formal support.

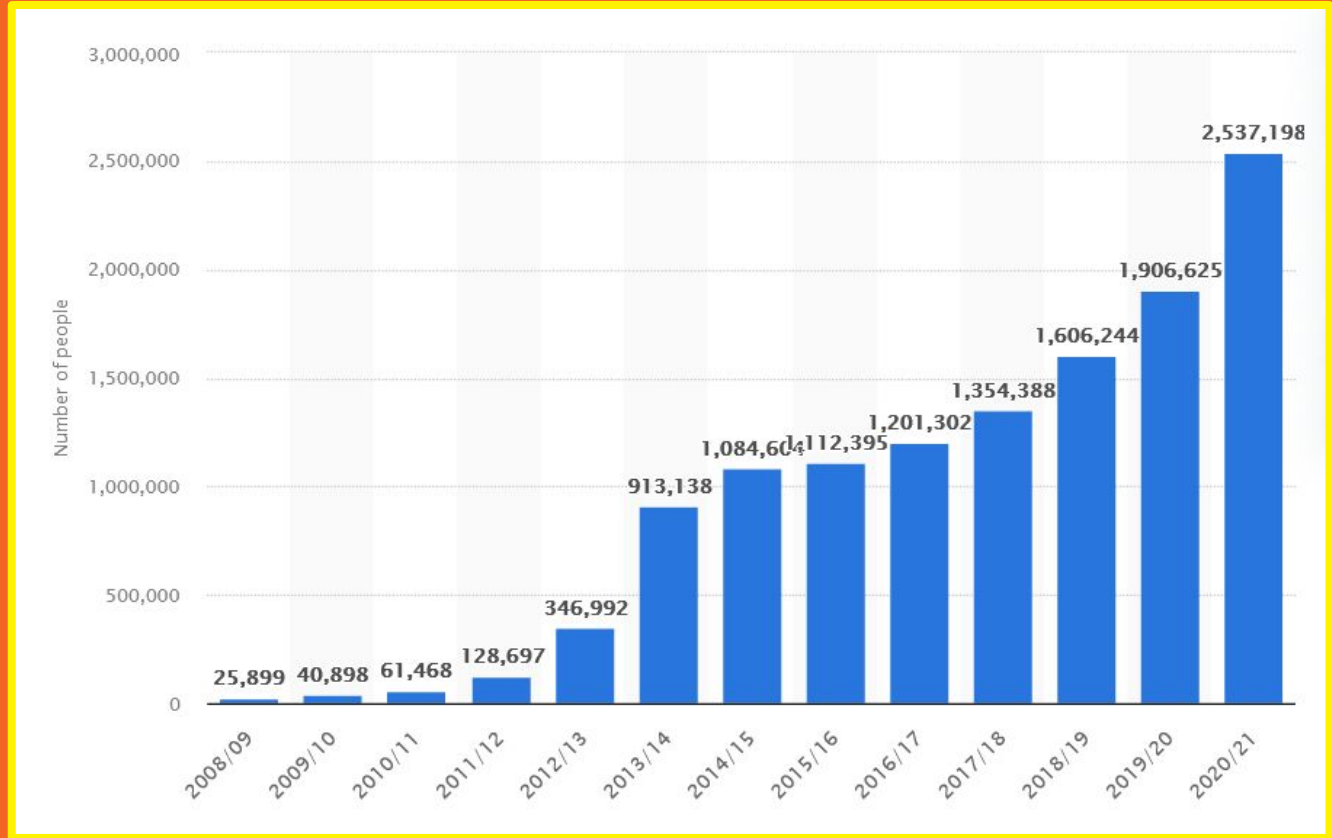
In mid-2020, around 40% of food bank visits were mainly due to the pandemic. However, half of these visits were made by people who had also used a food bank before the pandemic. As such, the persistence of severe poverty cannot be resolved through the use of food banks.



The idea that poverty is a structural problem - something built into our society and our systems - is supported by the fact that **in June 2021, 40% of people in the UK who received Universal Credit had at least one job.**

This suggests that their work is unstable, not frequent enough or not paid well enough to help them make ends meet.

Many regular food bank users are also in paid employment.



*Number of people receiving three days' worth of emergency food by Trussell Trust foodbanks in the United Kingdom from 2008/09 to 2020/21 (Statistica.com, 2021)*

## Trussell Trust three-day emergency food supply parcels

Millions\*, 2005-06 to 2020-21



\* Number of parcels supplied, not the number of individuals receiving them

Both the number of food banks and the quantity of emergency food parcels they distribute have increased.

In February 2021 there were over 1,300 Trussell Trust food banks in the UK, in addition to over 900 independent food banks.

# Child Poverty

- ➔ In short, **child poverty** means parents can't afford the basics of food, clothing and shelter.
- ➔ The UK is one of the world's richest economies but 4.3 million children and young people are growing up trapped in poverty in 2021. This means 30% of children, or nine pupils in every classroom of 30 pupils, are **officially** poor.
- ➔ There are millions of children living in poverty who have at least one employed parent. Low paid jobs and zero-hour contracts mean many working families live hand-to-mouth. The Covid-19 crisis - loss of jobs, closure of schools, bigger bills - will have pushed even more over the edge.

**107%**  
increase in  
children  
receiving  
emergency  
food in 2020

**75%**  
live in a  
household  
were at  
least one  
person  
works.

**3 in 10**  
children  
live in  
poverty

## Percentage of children in poverty, 2020/21, by English region:

- London – 35%
- North East – 38%
- West Midlands – 33%
- Yorkshire and the Humber – 34%
- North West – 30%
- East Midlands – 24%
- South West – 25%
- East of England – 27%
- South East – 24%

# How does poverty affect teaching and

## learning?

According to [the Education Union](#), poverty has a significant impact on the educational experience and attainment of many children growing up in the UK. Children and young people from poor families frequently lack some of the daily essentials of life and this can affect their ability to learn in school or even to attend school in the first place. For example, hungry children may be unable to concentrate, children without a warm coat may be kept off school in cold weather or girls without sanitary protection may miss school during their periods.

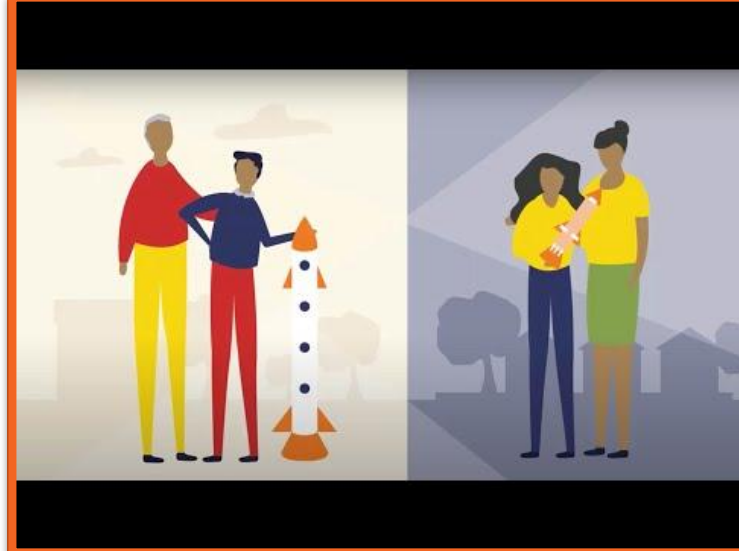
There are a number of specific factors which could affect learning for pupils from less well-off families, both in the classroom and at home, which teachers should be aware of. These might include:

- ➔ Not having a place to study when at home.
- ➔ Not having adults to help with homework.
- ➔ Not having access to digital devices and/or a stable internet connection. This is sometimes called **'digital exclusion'**.
- ➔ Not having regular healthy meals.
- ➔ Not getting enough sleep.



## Poverty is holding too many children and young people back, limiting their life chances and creating barriers around their access to education - National Education Union.

- ➔ Poverty harms children's physical health and mental well-being and this undermines their ability to learn, in lots of different ways.
- ➔ Students demonstrated fatigue (78%) or poor concentration (75%) in school as a result of poverty.
- ➔ More than half of members said their students had experienced hunger (57%) or ill health (50%) as a result of poverty.
- ➔ Children living around debt are **five times more likely** to be unhappy than children from wealthier families.
- ➔ More than a **quarter of children from the poorest families** said they had been bullied because their parents couldn't afford the cost of school.
- ➔ Many children take on the family's money worries. Some feel they need to step up and put food on the table. **Criminals take advantage of this.** They recruit these young people into **gangs**.



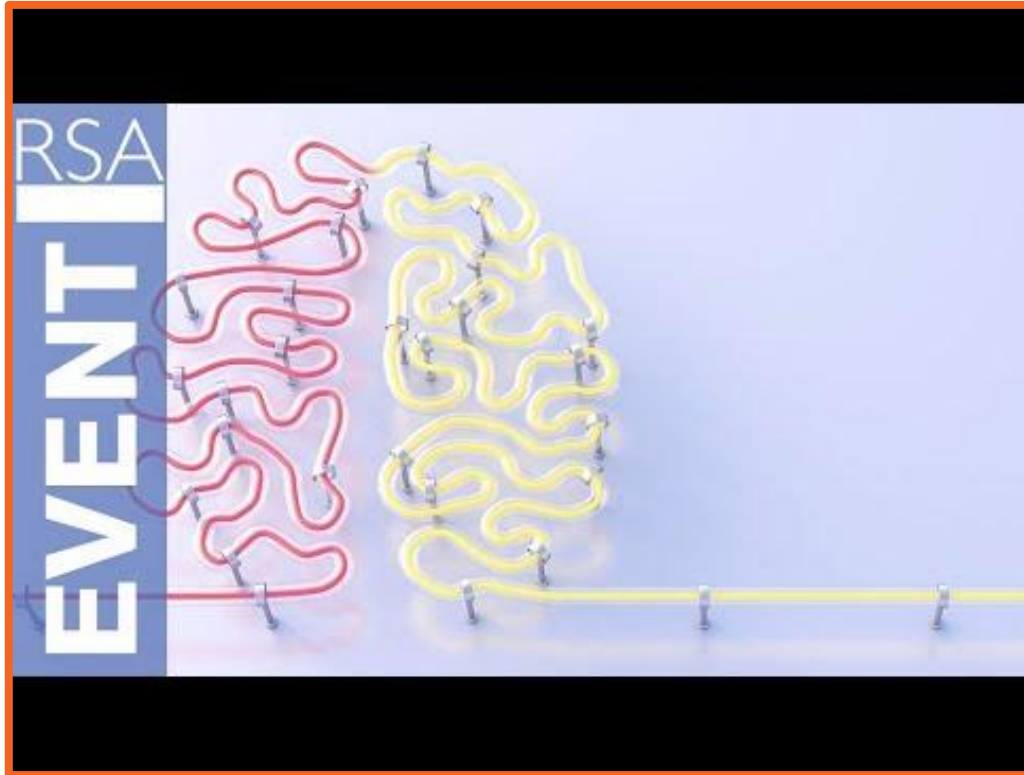


## Inequality causes societal problems

In their book *The Spirit Level*, Richard Wilkinson and Kate Pickett find that big differences between the incomes of the lowest and highest earners can cause problems in any society.

Because humans are social beings, we always compare ourselves to others, they say, and this has negative effects on trust, wellbeing and consumption (e.g. excessive drug or alcohol use).

In other words, societies that are more equal have better outcomes in health, happiness, education, crime and more - **even if those societies are not as rich as other societies.**



The problems caused (or made worse) by inequality often end up costing society money 'down stream' too. For example, crime can be worse in societies which are more unequal, and this means more money is spent on the criminal justice system.

The writers even found that the negative effects of inequality are also felt by the richest people in society - not just the poorest.

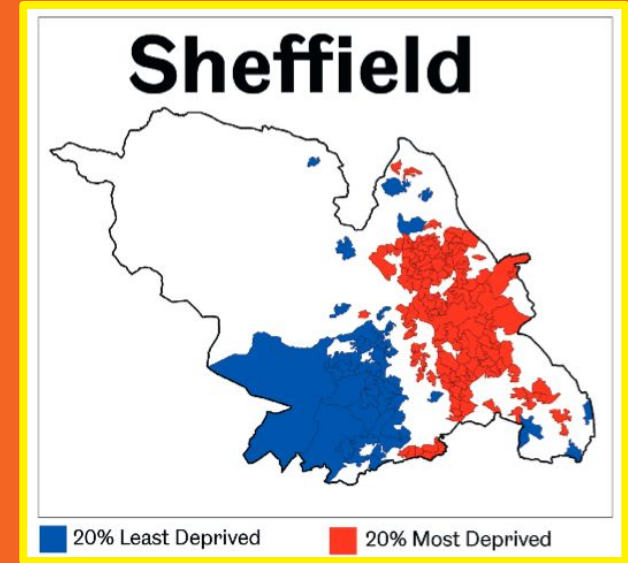
**Kate Pickett & Richard Wilkinson:  
How inequality gets inside our  
heads.**

# Inequality in Sheffield and the UK

According to the [Office for National Statistics](#), in 2020/21 the UK's most disadvantaged people with children held a mean equivalised £12,530 in disposable income, while the wealthiest people with children held a mean equivalised of £72,382 in disposable income. [The Equality Trust](#) reports that **the richest 1% of people in the UK own as much wealth as 80% of the population, or 53 million people.**

The picture is not much different in Sheffield, where there is a large difference in household earnings, job and income security across the south-west and north-east of the city. In 2017, the [Fairness Commission and Annual Review](#) found that 25% of children are born into relative poverty in the city.

These differences show themselves in many other ways too, such as life expectancy and educational attainment. Please see the [Indices of Deprivation Map](#) for a visual representation.



The majority of Sheffield's most well-off areas are located in the south-west - categorised as within the 20% least deprived in England - while most of its least well-off areas (20% most deprived) are in the north-east.



# Case Study

- No data
- Most deprived decile
- 2nd
- 3rd
- 4th
- 5th
- 6th
- 7th
- 8th
- 9th
- Least deprived decile

## Sheffield 026A E01008065

English 2019 IMD (E19)	1st (1725 of 32844)
E19 Income domain	1st (1680 of 32844)
E19 Employment domain	1st (762 of 32844)
E19 Education domain	1st (2404 of 32844)
E19 Health domain	1st (1353 of 32844)
E19 Crime domain	4th (12502 of 32844)
E19 Housing domain	5th (15077 of 32844)
E19 Environment domain	6th (19477 of 32844)

- Most deprived decile
- 2nd
- 3rd
- 4th
- 5th
- 6th
- 7th
- 8th
- 9th
- Least deprived decile

## Sheffield 073E E01033276

English 2019 IMD (E19)	7th (20739 of 32844)
E19 Income domain	10th (32843 of 32844)
E19 Employment domain	10th (32844 of 32844)
E19 Education domain	7th (21070 of 32844)
E19 Health domain	6th (19631 of 32844)
E19 Crime domain	10th (30926 of 32844)
E19 Housing domain	1st (3082 of 32844)
E19 Environment domain	1st (2200 of 32844)

Using the governments English **Index of Multiple Deprivation** we can compare how inequality can impact the area you live in. Compare 026A and 073E in Netherthorpe.

Being 1st in the most deprived decile is to be amongst the most deprived 10% in England, whereas the 10th decile is to be amongst the least deprived 10%.

026A is amongst the lowest on the income domain, employment, educational access and access to health services.

This is a stark contrast to 073E where they have the highest rates of employment and lowest crime rates. With significantly better access to health and education.

A postcode has a significant impact on a families quality of life, even ones that are a street away.

# The cost of living crisis

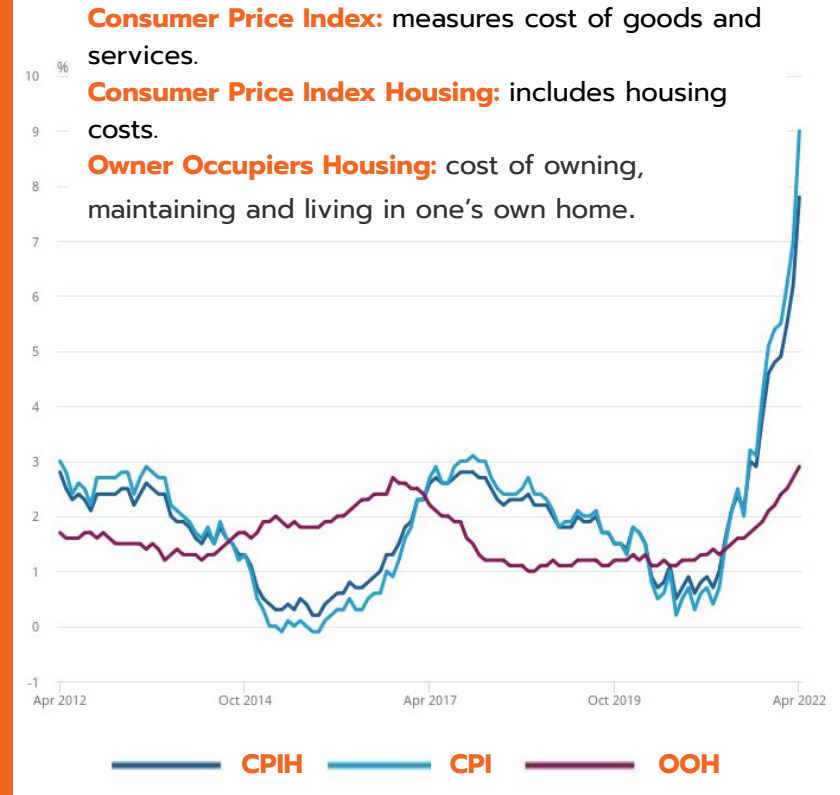
A cost of living crisis can occur when the rate of inflation supersedes wage growth.

An increase in inflation will change the value of a product, making it more expensive. However, if wages do not increase at the same rate as inflation then earnings will no longer have the same purchasing power.

This can be further exacerbated by an increase in living costs such as; fuel, utilities, food, housing, consumer products etc.

In turn, this further increases inflation and - should wages also continue to rise - businesses may mitigate the rise in employee wages by increasing the price of their products.

## CPIH, OOH & CPI 12-month inflation rates for the last 10 years - UK, April 2012 to April 2022



The annual CPIH inflation rate was last higher in April 1991

Source: Office for National Statistics - Consumer price inflation



# What can be done about poverty & inequality?

Government action can have a huge impact on poverty.

For example, the current government's withdrawal of the £20 Universal Credit weekly 'uplift' introduced during the pandemic resulted in an effective pay cut of £1,040 a year for claimants. [Citizens Advice](#) has estimated that 2.3 million people could be pushed into debt by the decision.

Conversely, the Low Pay Commission [found in 2019](#) that the introduction of the **minimum wage** by the government in 1998 means that workers today earn £5,000 more a year than they would have done if the minimum wage hadn't been made a legal requirement.



Although they might not reach every child that needs them, **free school meals** are another way that the government can help address some of the impacts of poverty on children's education.

Since 2011 the [Living Wage Foundation](#) has been campaigning for a **'living wage'** for workers. Their accredited Living Wage rate is always higher than legal minimum wages set by government, because it is based on the real cost of living in the UK. It is also the same for anyone over the age of 18, instead of having different rates for workers aged over 18, over 21 and over 23.



Some campaigners and politicians believe the welfare state should provide a more stable base for people to meet the cost of living. Others think the government should go further by introducing a 'minimum income' or **'universal basic income'** to all people. This would involve everyone receiving a regular payment from the government, with the tax system changed to account for this.

# Solutions to poverty and inequality

## Poverty in Childhood

- ➔ Ensuring all young people leave school with the support, advice, skills and confidence to move successfully into further education, training or the labour market, and towards independence.

## Poverty during Working Age

- ➔ Creating more jobs offering at least the Living Wage, with greater job security and opportunities for progression.

## Poverty in Later Life

- ➔ Encouraging more older people to take up the financial support for which they are eligible.

## Containing the effects of Rising Costs

- ➔ Boosting the supply of genuinely affordable housing, and ending the poverty premium through responsible business practices, better customer service, regulatory intervention and product innovation.

Although not exhaustive, these solutions can only be achieved through policy change. It is therefore our individual responsibility to engage with the political sphere. Please see the [Joseph Rowntree Foundation](#) for further information.

## Further reading

[The Spirit Level authors: Why society is more unequal than ever](#) - Richard Wilkinson and Kate Pickett, The Guardian, March 2014

[Framing Toolkit: Talking About Poverty](#) - Joseph Rowntree Foundation

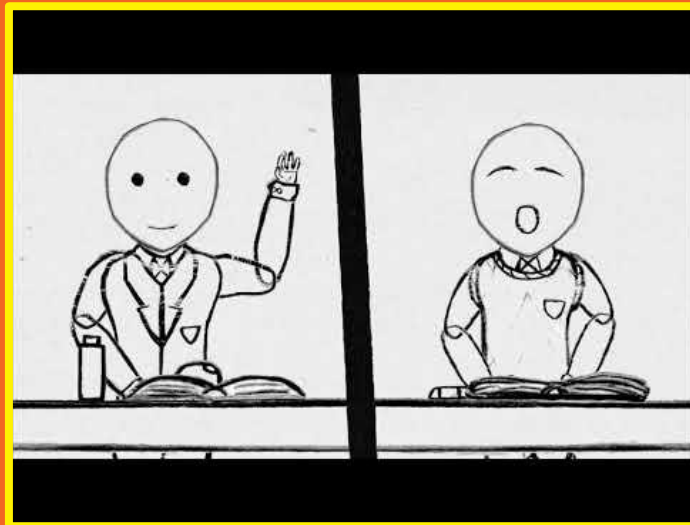
[Turning the Page on Poverty: Resource for teachers and school staff](#) - Child Poverty Action Group

[Web of Poverty](#) - Leeds Poverty Truth Commission

[Turn2us](#) - Fighting UK Poverty

[Learn Sheffield](#) - Climate Emergency Programme 2022

## Further watching



['What's Poverty Like?'](#) video series by Child Poverty Action Group in collaboration with London College of Communication.

[Watch more here](#)