

Increasing polarisation between better-off and poorer neighbourhoods in Oldham and in Oxford

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Data from two apparently contrasting urban areas - Oldham and Oxford - provide clear evidence that growing income inequalities, found at national level since the early 1980s, are apparent within both areas and that there has been increasing polarisation between poor and better-off neighbourhoods. This polarisation may now be widespread within towns throughout Britain. The study by Michael Noble and George Smith of the University of Oxford found that:
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f Oldham and Oxford have very similar 'poverty profiles' in 1994. At least one in four of the total population of both towns lives in families receiving a means-tested benefit. In both towns, one in seven of the population lives in families dependent on Income Support.

f One in four of Oxford's children lives in families dependent on Income Support, compared to one in five in Oldham.

f The number living in low-income families has grown in both towns between 1981 and 1991 - more markedly in Oldham, but Oxford has deteriorated sharply since 1991, with a 30% increase in those receiving Income Support between 1991 and mid-1993.

f The gap between poor and better-off families has widened. In the decade since 1981 there was a growth in the numbers of low-income households and a growth in the numbers of more prosperous ones. This polarisation was much greater in Oldham by 1991.

f Between 1981 and 1991 low-income households in Oldham also became more geographically concentrated, particularly in more disadvantaged council estates.

f In both areas lone parents are increasingly dependent on Income Support and are often concentrated in peripheral estates. However, single-parent claimants tend to be over 30 years old and even over short periods there is substantial movement on and off benefit.

At first sight Oxford and Oldham are contrasting towns - one located in the prosperous South East and the other in the more depressed North West. By 1994, however, both towns had very similar 'poverty profiles' when measured by the numbers living in families dependent on means-tested benefits. About a quarter of the population of each town lives in families receiving housing or council tax benefit. Around one in seven in each town lives in a family dependent on Income Support (IS).

For IS cases, single adults below pension age dominate in Oxford, whereas in Oldham single pensioners are the biggest group. One in four of Oxford's children lives in families dependent on IS, compared to one in five in Oldham.

However, while the overall level on means-tested benefit is very similar in the two towns, the geographical distribution *within* Oldham is markedly more uneven than in Oxford, and areas with high levels of benefit recipients are tightly clustered in a few districts.

This study analyses different areas within each city at two levels: 'enumeration districts', small areas containing approximately 200 households, and groups of enumeration districts which form 'recognised' neighbourhoods within cities.

In Oldham differences between 'prosperous' and 'poor' neighbourhoods are more marked than in Oxford. Prosperous neighbourhoods have 2% to 3% of residents in families dependent on IS; the poorer ones over 40%. In Oxford the 'best' neighbourhood had 5% of its population in families receiving Income Support whereas the poorest had 28%.

Within Oxford poor neighbourhoods have nearly 40% of children living in families dependent on Income Support whereas only 6.5% of the children in the most prosperous neighbourhood live in such families. Again divisions are greater in Oldham. In the poorest neighbourhood 57% of children live in families dependent on Income Support; the figure for the most prosperous is just over 1%.

Polarisation

The proportion of households on low incomes has increased since 1981 in both towns; in Oxford this has happened most sharply since 1991. There was a 30% increase in IS claimants in Oxford between 1991 and mid-1993 with single non-pensioners accounting for the majority of this growth, and rising levels of unemployment the main reason. Since then there has been little change in the overall numbers of claimants in both towns, although this masks considerable inflow and outflow in the claimant populations of both towns.

Since 1981 better-off neighbourhoods have improved their position, participating in increased prosperity, including a relative increase in their housing asset values. Particularly in Oldham, there is increased concentration of low-income households within particular areas. The result, particularly in

Oldham, is increased polarisation between disadvantaged council estates and the more settled owner-occupied areas on the city periphery.

In both towns single parents form a group that is increasingly dependent on Income Support. Some minority ethnic groups in Oldham are increasingly concentrated in the most disadvantaged parts of the town.

The similarities between Oxford and Oldham suggest that the polarisation is likely to be found in towns throughout the country. The differences suggest that the exact form and degree will depend on local circumstances.

The changing patterns of income and wealth

There are several dimensions to the changing patterns of income and wealth and the research considers employment, access to a car and access to owner-occupied housing in some detail.

Employment

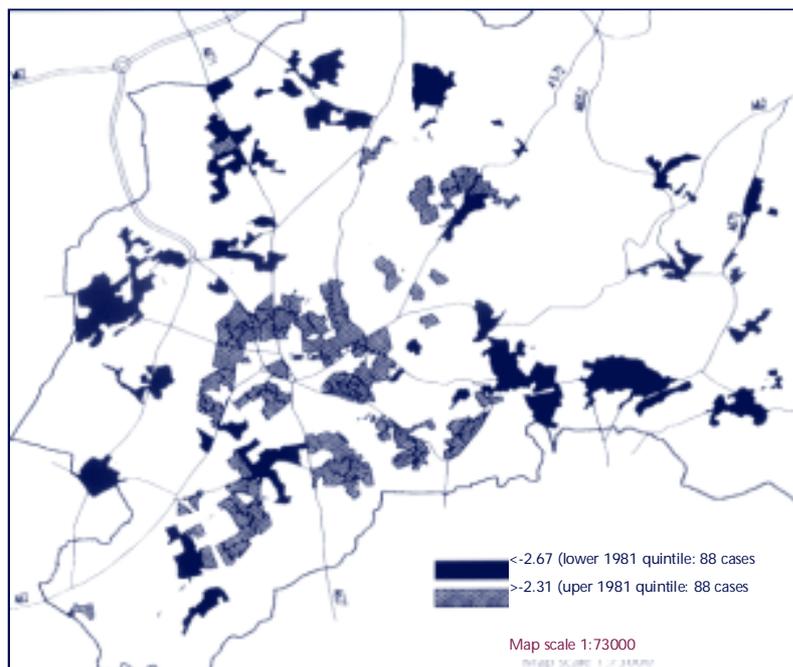
At the start of the period male unemployment in Oxford was just over 13%; in Oldham it was 14.5%. With the 'boom' in the late 1980s the rate dropped in both areas. This was much more dramatic in Oxford, with male unemployment falling to just over 5% in the summer of 1989. In Oldham the lowest rate was around 8.5%. As the recession hit in 1990, unemployment rose much more rapidly in Oxford and the rate exceeded that in Oldham by mid-1991. By early 1993 the rate in both areas exceeded the already high levels a decade earlier (around 16% in Oxford, and 15% in Oldham), despite the changes in methods of counting.

For women the pattern was quite different. From a base of 7% unemployment in Oxford and just over 8% in Oldham, there was a modest rise in both areas until mid-1986. The rate then fell to a low in early 1990. The fall was faster in Oxford and the low (2%) was half that in Oldham (around 4%). Both areas have seen a rise in the female unemployment rate since then but much more modest than that for men. Again Oxford has 'overtaken' Oldham but in both areas the peak rates in the early 1990s are much lower than the rates in the mid-eighties, reflecting the growth in service sector part-time employment which has drawn on female labour, and the probable under-registration of unemployed women.

The male unemployment rate for the 20% of enumeration districts (EDs) with the lowest rate of unemployment stayed more or less the same in both towns (at around 6% or less in 1981 and 1991). However, there was an increase in male unemployment in the 20% of EDs with the highest rate of unemployment, particularly in Oldham (up from 18.1% in 1981 to 23.2% in 1991). One neighbourhood in Oldham had an unemployment rate of 33% by 1991.

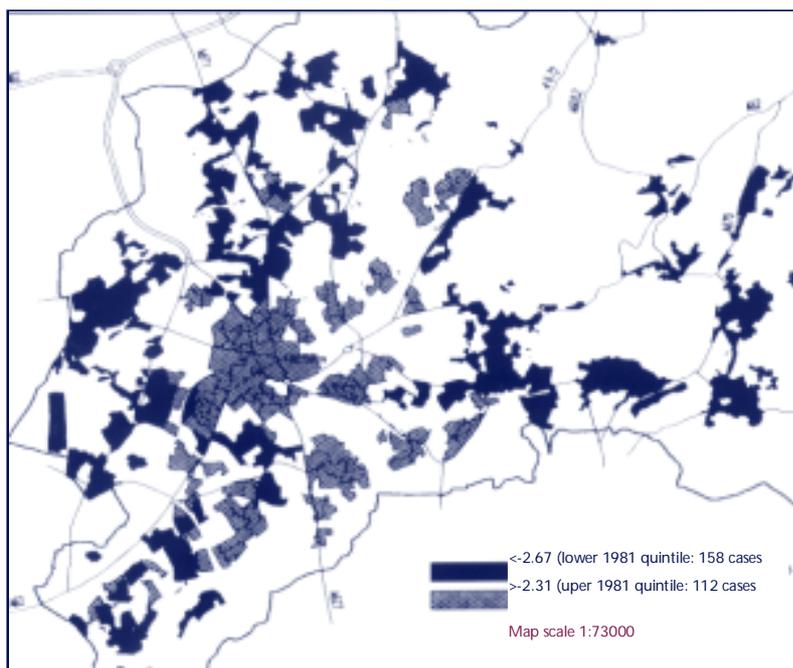
Oldham 1981: Index of deprivation

Produced by Dept. Applied Social Studies, Oxford, June 1994
Source: 1981 Census data redistributed to 1991 Census boundaries



Oldham 1991: Index of deprivation

Produced by Dept. Applied Social Studies, Oxford, June 1994
Source: 1991 Census data and boundaries



Access to a car

The proportion of households with access to a car increased in both towns over the decade. However, particularly in Oldham, EDs with already high levels of access to a car in 1981 showed a greater increase than areas where levels of access to a car were low. Access to two or more cars shows a similar pattern of

divergence over the decade, with areas with already high levels of two-car ownership gaining more, again particularly in Oldham.

A very similar pattern is apparent at the neighbourhood level. In 1981 in Oldham, households without access to a car were, as would be expected, over-represented in the poor neighbourhoods and markedly under-represented in the more prosperous. By 1991 the gap between better-off and poor neighbourhoods had widened. The picture was repeated (in reverse) for access to two or more cars.

There was much less polarisation in terms of access to a car between the neighbourhoods in Oxford.

Access to owner-occupation

A mid-priced property was priced at around 4 times (4x) a manual worker's annual earnings in Oxford and Oldham in 1981, and was affordable only for two-earner families (on the basis of mortgages generally being offered to a value equivalent to 3x the primary earner's gross annual income). In 1988 the manual worker needed an impossible 7x earnings to buy a mid-priced Oxford semi and in Oldham (two years later) 6x earnings to buy an equivalent Oldham property. By 1993 the Oxford semi was still an unaffordable 5x manual earnings and the Oldham property was just under 4.5x manual earnings.

White collar workers fared better as they were better paid on average in 1981 and their incomes grew faster than manual workers. The mid-

priced semis were around 3x non manual earnings in both towns in 1981 and were in more or less the same position in 1993. However, the trajectory in the intervening period was markedly different in the two areas. In Oxford the property became progressively less affordable, requiring 4.5x annual earnings in 1988 before falling back to 3x annual earnings in 1993.

In Oldham there was actually an increase in affordability in the early eighties - in 1985 only 2.5x the annual non-manual earnings were required. There was then a decrease in affordability reaching the peak in 1990 when just over 4x annual earnings were required.

For both manual and non-manual workers the low-priced Oldham terrace has remained an affordable option throughout the period - an option not available to residents of Oxford.

Overall deprivation

Mapping changes using an overall *index of deprivation* (based on census variables) provides further evidence of the increased polarisation in Oldham over the decade. The maps show the distribution of EDs in Oldham with high and low scores in 1981 and 1991.

On the basis of this index, some 36% of EDs in Oldham had the same or less deprivation by 1991 than the *most* advantaged 20% in 1981; and 25% of EDs had equal or greater deprivation than the *most* disadvantaged 20% of EDs in 1981. The figures also show the way these EDs at top and bottom are clustered geographically. The position in Oxford showed a similar, but less marked trend.

Poverty tends to be concentrated in areas dominated by the more disadvantaged council estates in both towns, and also in Oldham in the traditional 'inner city' areas. On the overall index of deprivation Oldham council estates are, in absolute terms, more disadvantaged in 1991 than they were in 1981. By contrast the settled owner-occupied areas ended the decade better-off. Thus an already-wide difference between these areas in 1981 had grown significantly by 1991.

About the study

The study was undertaken using a range of local authority and national data, particularly the 1981 and 1991 Census and Housing Benefit and Council Tax Benefit data. There was a strong focus on the *spatial* distribution of low income and wealth, taking advantage of post-codes to link data from different sources and GIS (geographical information systems) to map this distribution principally at enumeration district level (areas containing approximately 200 households).

Further information

A report of this study, *Changing Patterns of Income and Wealth in Oxford and Oldham* by Michael Noble, George Smith, David Avenell, Teresa Smith and Elaine Sharland, is available price £6 from the University of Oxford, Department of Applied Social Studies and Social Research, Barnett House, Wellington Square, Oxford OXI 2ER.

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Published by the
Joseph Rowntree Foundation
The Homestead, 40 Water End
York YO3 6LP
Tel: 0904 629241 Fax: 0904 620072
ISSN 0958-3815

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