

Response to the Independent Review on Poverty and Life Chances

**Submission by the
Joseph Rowntree Foundation**

October 2010

The Joseph Rowntree Foundation is one of the largest social policy research and development charities in the UK. For over a century we have been engaged with searching out the causes of social problems, investigating solutions and seeking to influence those who can make changes. JRF's purpose is to understand the root causes of social problems, to identify ways of overcoming them, and to show how social needs can be met in practice.

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1. Early years and life chances

Which aspects of children's early years are the most important determinants of positive outcomes and good life chances? What single aspect of early childhood has the greatest influence?

How can early years support, from parents, children's services and the community, best deliver positive outcomes for the most disadvantaged children and their families?

Research by Goodman and Gregg *et al.* (2010) using the Millennium Cohort Study examined factors that explain the attainment gap between children from richer and poorer backgrounds at ages three to five. Their research showed that a number of factors including the home learning environment, regular routines, family interaction, breast-feeding and post-natal depression have a significant impact on the cognitive gap at age three. Taken together, these differences explain about one quarter of the cognitive gap between the richest and poorest children, more than half of which (16 per cent) is accounted for by the home learning environment. By way of comparison, 25 per cent is explained by family background/demographic factors, 16 per cent by parental education and about a third of the gap is unexplained by any of the factors captured in the survey.

When looking at the growth in the cognitive attainment gap between ages three and five, the home learning environment at age three continues to be important but other elements of the early caring environment do not. Rather, a significant part of the widening of the gap between ages three and five can be attributed to parental education, family size and mother's age.

Differences in the early childhood caring environment between three and five do play an important role in explaining gaps in social and emotional development between richer and poorer children aged between three and five. Family interactions and health and well-being factors are significant as well as the home learning elements of the early childhood caring environment.

The researchers conclude that 'policies to improve parenting skills and home learning environments in isolation cannot possibly eliminate the cognitive skills gap between rich and poor young children, although such policies could go some way towards reducing it'.

Reports published in 2008 as part of the Effective Provision of Pre-school Education (EPPE) 3–11 longitudinal study showed that the overall influence of background factors had weakened by the time the children were 11 years old, reflecting the impact of influences from outside the family, particularly primary school and peer effects. However, the research demonstrated that the early years home learning environment was still one of the most important background factors affecting the children's attainment.

The study also showed that attending a good quality pre-school had a significant effect on attainment at age 11, and that the higher the quality the better the attainment. Going to an effective primary school was also a very important influence on attainment and this was particularly strong for children from disadvantaged backgrounds.

However, a key finding was the cumulative effect of children's experiences and service quality over a child's life:

- attending a good quality pre-school and effective primary school can give a significant boost to children's cognitive outcomes at age 11;
- the size of the effect is similar to the impact of having a mother with a degree compared with a mother with no qualifications.

For social and emotional development in particular the home learning environment and pre-school can compensate for each other. 'Experiencing a high early years home learning environment seems to be a protective factor for children who do not attend pre-school by promoting later "self regulation" at Key Stage 2 of primary school. Similarly, attending a high quality pre-school seems to protect against the negative impact of a low early years home learning environment and predicts higher levels of "Self-regulation" at age 11.

2. Family environment

In what ways do family and the home environment affect children's life chances?

What role can the government play in supporting parents to ensure children grow up in a home environment which allows them to get the most out of their schooling?

What role do family earnings and income play in children's outcomes and life chances?

Research from the Joseph Rowntree Foundation's (JRF's) education and poverty programme finds that children are very aware of the external world and their place and opportunities within it from an early age, with different attitudes evident from age 8. This includes detailed awareness of the costs of attending school (uniforms, pens, shoes, bus fares and so on) and the stresses this can cause as well as awareness of their place in a hierarchy of opportunity and ability. Comments made by primary school children in a study carried out in 2007 included:

"That child is smart because he's rich."

"[That child would go to a worse school] because the house is not that rich and the school wouldn't get that much money." (quoted in Horgan, 2007)

Experiences of the external world, and perceptions of the opportunities and risks it offers, affect parents' and children's behaviour and attitudes throughout their lives. Recent JRF research (Goodman and Gregg *et al.*, 2010) showed that parental and children's attitudes, aspirations and behaviour between ages 7 and 14 play an important part in explaining the significant widening of the socioeconomic attainment gap during those years.

Earlier research (Hirsch, 2007) highlighted the important role played by the relationships that children developed outside the home during those years with adults in school and as part of out-of-school activities. These were linked to the degree of control and confidence children felt in their education.

Access to out-of-school activities is strongly affected by income, not only due to fees but also transport and other incidental costs and the

availability of activities in different areas. Likewise, it is still the case that children from poorer families, and those with special educational needs (SEN), are more likely to attend poorly performing schools than children from more advantaged backgrounds.

The effect of paid work on parents, parenting and family life is complex but extremely important. Research highlights very varied effects depending on the type of work (in particular, hours, security, stress and satisfaction), extent to which it lifts the family income and the age and stage of children. This is discussed further below under other views and information in Section 4.

3. Poverty and life chances and how they are measured

What constitutes child poverty in modern Britain?

How can our measures of child poverty be reformed to better focus policy development and investment on delivering positive outcomes and improved life chances for children?

What are the strong predictors of children's life chances which might be included in any new measure of child poverty?

Poverty is best defined as not having the resources to meet your needs, physically, socially and psychologically. There are many ways by which this can be measured. Taking a fraction of average income is an important part of any such measurement, but decisions on where to set the line are often arbitrary. We feel that it is important to use a plurality of methods.

JRF has supported research by Davis *et al.* (2010) on 'a minimum income standard for the UK in 2010' that asks the public what items and activities they think are required for a minimum acceptable standard of living, and then costs these. This method has the benefit of being democratic as well as transparent and independent.

An approach that considers resources (material, educational, social and health-related), participation (in relationships, activities and services that most people take for granted) and outcomes (over the life course) can help illuminate the different elements of disadvantage that affect people's lives.

It is vital that any development of child poverty measures enables both individual and structural factors to be addressed. Processes within the family are very influential. However, these are affected by the resources, constraints and opportunities open to different members of the family outside the home. Measures that focus on outcomes in the first few years of a child's life will only be helpful if they are placed within a set of measurements that cover outcomes and influences at later stages.

A single measure will not be able to capture all of the important aspects of poverty. The depth or severity of poverty experienced is a critical part of the picture. One way of measuring this is to use indicators tracking the numbers below 40 per cent and 50 per cent of median income (and expenditure) as well as 60 per cent. There are warranted criticisms of

the quality of data towards the lower end of the income distribution in the Family Resources Survey (FRS). However, it is still a valid measure if a method can be found for isolating those who are genuinely 'severely' poor, for example by exploring the use of a combined income and expenditure/deprivation measure, or by analysing the self-employed separately. The fact that some of the information may be unreliable should not mean that we ignore severe poverty as an indicator.

Research commissioned by JRF and the Tenant Services Authority on the impact of social housing makes it clear that living in social housing at any point in childhood is predictive of a range of poorer outcomes in relation to health and health behaviours, well-being, education, employment and income (Lupton *et al.*, 2000). However, it is important to note that this is not as a consequence of an independent 'tenure effect'; rather it is a consequence of the changes in allocations policy that have led to a residualisation, with social housing now functioning as a safety net for only the most vulnerable.

We would strongly urge the Review to fully integrate the measures that are selected with those that are being developed by the Child Poverty Unit for the Child Poverty Strategy. Our view is that indicators focusing on early years outcomes and predictors would be most helpful if used as part of a wider set covering the other key aspects of poverty and life chances. The publication of two or more different sets of indicators would risk making policy-making confused, diffuse and contradictory.

4. If you have any other views or information that you think are relevant to the Review please use this space to submit them

JRF welcomes policies giving young children from low-income backgrounds a better start in life. Reducing the attainment gap between children from richer and poorer backgrounds at every age is vital.

However, a strategy focusing solely on early childhood development and parenting for the 0–5 age range is highly unlikely to significantly ‘reduce poverty and enhance life chances for the least advantaged’, as stated in the Review’s terms of reference. To achieve this, a life course approach is necessary, paying attention to the wider circumstances of families’ lives as well as to the relationships within them.

The provision of better early years and parenting support needs to be closely linked to the following areas:

- *Labour market strategy*: increasing opportunities for people to move into work that is decently paid, secure and compatible with caring responsibilities.
- *Childcare*: increasing access to good quality, flexible, affordable, appropriate provision for children of school age and younger children.
- *Adult skills and qualifications*: enabling adults to increase their skills and qualifications should be accompanied by much greater efforts to stimulate employer demand for and use of skills.
- *Flexible and part-time work*: this is vital to allow parents to lift their families out of poverty and fulfil caring responsibilities but is available very unevenly. Parents looking for part-time work often accept jobs below their skill level, affecting motivation and the effectiveness of work as a route out of poverty.
- *Benefits and welfare*: enabling more people to move into work is very important, as is the greater attention now being paid to people who move into low-paid work and who go in and out of work frequently. However, there will always be some families who are not able to work for periods of time. The current system results in many of those families living in poverty.

The role of *work* in shaping family life is highly influential, but complex.

Research using the British Household Panel Survey (Ermisch and Francesconi, 2001) found that mothers working full time when their children were under five reduced their children’s chances of obtaining

A-levels and increased their risk of unemployment and economic inactivity and psychological distress as young adults. Part-time employment by mothers appeared to have few adverse effects on children as young adults.

Qualitative research for the Department for Work and Pensions (DWP) discussed the wider benefits of work for some families: 'Work created positive psychological impacts for adults in two ways: how a person viewed, or felt about, themselves (increased self-confidence and self-esteem, feeling of purpose or worth, sense of achievement, independence, and feeling "normal") and how they related to, and interacted with, others (at work, with partners, and with children)' (Graham *et al.*, 2005).

However, research published in 2009 (Cole *et al.*, 2009) highlighted tensions between work and parenting for many families on low incomes. These included the inability of low-paid work to support childcare costs and the lack of flexibility to fulfil parental responsibilities. Earlier research (Dex, 2003) has highlighted particular problems for parents who work at atypical times and for long hours. This affected not only time with children but also the quality of relationships between adults.

Research carried out for JRF into the relationship between parenting and poverty confirms that the links are complex and variable. It found that 'the whole range of parenting styles is to be found in all socio-economic groups ... the majority of parents in poverty possess adequate parenting capacity' (Katz and la Placa, 2007). However, it showed that living in poverty makes it more difficult to parent effectively, in part due to increased stress, depression and irritability.

Research in 1999 using national surveys (Gregg, 1999) concluded that young adults who as children suffered financial hardship, were in trouble with the law or played truant, have significantly greater than average chances of earning lower wages, being unemployed, spending time in prison (men) or becoming a lone parent (women). These associations exist independently of socioeconomic background or experiences in early childhood. They are only partly accounted for by lower educational attainment.

Increasing the number of parents in work is an important plank of policy, particularly enabling more 'potential second earners' in couples to work and increasing lone-parent employment. However, there are major problems with this. First, the type and location of jobs currently available

does not necessarily fit the requirements of these parents. Research published by the DWP in 2009 (Collard and Atkinson, 2009) highlighted parents' need for local part-time work and the difficulty in finding it.

However, even improving this situation would not necessarily reduce child poverty to the levels anticipated by the Child Poverty Bill. Already, one in seven children in poverty lives in a family where a lone parent works at least part time or a couple includes at least a full-time and a part-time worker (DWP, 2009). Moving more second earners into work without improving the quality of jobs risks enlarging this group.

Our research suggests that the current nature of the labour market acts as a major barrier to reducing child poverty. There is a particular problem with the UK's high proportion of low-skilled, low-paid and insecure jobs (Goulden, 2010). Addressing early childhood development should help people into better employment as adults but is not enough by itself. No matter how well prepared people are in early childhood, if the jobs do not exist in a form that they can do, then it will still be hard for them to achieve a reasonable standard of living for the family.

Reforms to policy have increased low-end qualifications to the point of over-supply but demand lags behind – the focus should now be on stimulating demand for skills by employers and making many more jobs at different levels available on a flexible or part-time basis.

Finally, *childcare* is vital for many families to enable parents to work or study and can also deliver significant child development benefits. The Daycare Trust has highlighted significant problems in the UK's current childcare provision, particularly in relation to quality (Goddard & Knights, 2009), accessibility and affordability (Waldfogel and Garnham, 2008).

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