

How much does money matter?

Programme summary

We expect relative and absolute income poverty to rise for working-age adults and children by 2020, given the changes to the tax and benefits system and despite the beneficial impact of Universal Credit.

There is more to poverty than just income, as the cost of living matters too. However, the exact role that money plays in people's lives, compared with other factors, has long been contested in public, media and political circles.

The assumption is that money does make a substantive difference to people's lives but unless we better understand both the mechanisms and the extent of any impacts, we cannot create effective policy and practice responses.

This programme aims to help all those concerned with poverty in the UK to better understand the impact of financial resources – however conceptualised or measured – on different aspects of people's lives.

The programme will look at what causes different 'outcomes' in JRF's areas of interest and the role that money plays in these. Outcomes might include:

- health – infant mortality, premature mortality, mental health problems;
- education – low levels of attainment and participation at different ages;
- employment – being out of work, having poor quality work;
- housing – poor housing quality, overcrowding;
- crime and victimisation – committing or being a victim of various crimes;

- community participation – lack of voluntary activity, low social capital;
- family and personal relationships – poor quality, lack of support and contact;
- well-being – low levels of reported happiness or self-esteem;
- inter-generational relationships of the above – the impact of parents' income on their children in later life.

There is no UK consensus on the acceptable level of these outcomes we should be aiming for everyone to reach in our society as a minimum.

We want to find out how much money makes a difference in shaping these outcomes, what other factors are important, and how these interact.

We also want to know how the relationships between money and outcomes change over time for the population as a whole and for different groups.

What are we doing?

We have already commissioned two systematic reviews of existing evidence and theory, to help inform the design of new analysis of relevant data. This will start in 2013 and last 12 months.

We will be engaging with stakeholders throughout this work and when we launch the findings of the reviews in 2013 and the new research in 2014.

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