TACKLING POVERTY ACROSS ALL ETHNICITIES IN THE UK

Poverty and ethnicity are strongly related, but the ways in which they affect one another are complicated and not yet well understood. This paper summarises findings from the first phase of a research programme that aims to increase understanding of these links, and suggest how poverty may be better tackled across all ethnicities in the UK.

Key points

- Poverty is higher among all ethnic minority groups than among white British people in the UK, but there is variation within and between ethnic groups.

- Ethnicity interacts with gender, class, education, disability and geography to affect poverty. Racism and discrimination are major factors limiting opportunities for people from ethnic minority groups.

- It is vital that effective monitoring of outcomes by ethnicity is carried out and used by local and national government, service providers and others involved in, employment, education and care.

- Opportunities for people to move out of poverty were influenced by:
    - the type of employer (and even the specific line manager) people work for;
    - the caring needs of their household, how they feel these needs should be met and what support is available;
    - access to informal social networks;
    - entry to local labour markets and access to local services.

- Low-paid workers find it hard to gain training, development opportunities and promotion. These 'low wage traps' affect ethnic minority workers particularly strongly.

- Employers should act to improve the progression of low-paid workers and economic development plans should include a focus on reducing poverty across all groups.

- Jobcentres, employment and education services and community groups can help people expand their social networks and use contacts more effectively.The research highlighted strong demand for more English as a second language provision and better support for asylum seekers and refugees across a range of services.

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INTRODUCTION

The proportion of people in poverty varies according to many factors, including age, gender, disability and geography. It is also very different across ethnic groups in the UK. Poverty is much higher among all ethnic minority groups[1] than among white people.

These statistics do not separate white minority groups from the white majority. However, other evidence indicates that there is high in-work poverty and disadvantage among migrant workers, for instance from Eastern Europe (Hudson and Radu, 2011) and very high poverty among Gypsy, Traveller and Roma groups (DCLG, 2012).

This pattern has been in place for many years. In 2007, a study analysing some of the drivers for the greater child poverty among ethnic minority groups showed that only half of the 'extra' poverty could be accounted for by differences in how old parents were, how many children they had, single parenthood and whether they were in work (Palmer and Kenway, 2007). An important part of the explanation for the rest of the 'extra' poverty was the type of work that people went into – being low-paid, working fewer hours and having less job security.

The shape of the UK labour market

Many of the issues highlighted in the JRF's Poverty and Ethnicity programme relate to broad underlying problems in the UK labour market. Overall, more people in poverty are now in households with at least one person in work than are in workless households (MacInnes *et al.,* 2013). JRF's Future Labour Markets programme examined the links between jobs, skills and poverty, and the potential solutions to in-work poverty as well as worklessness (Schmuecker, 2014). It found that the UK's labour market has a high number of low-paid, low-skilled jobs, leading to greater insecurity and fewer opportunities for progression for those in these jobs.

Low pay does not necessarily lead to poverty, as many low-paid people live in households that have incomes above the poverty line. However, research has shown that over half of those in in-work poverty are in a household where at least one person is paid below £7.40 per hour (the living wage is currently £7.65) (Barnard, 2014). In addition, people who are low-paid are less likely to receive training and to be able to access opportunities to move into more sustainable and better paid work. Improving terms and conditions, job security and progression in work are needed alongside increasing pay (Goulden, 2010).

Figure 1: Poverty rates by ethnic group
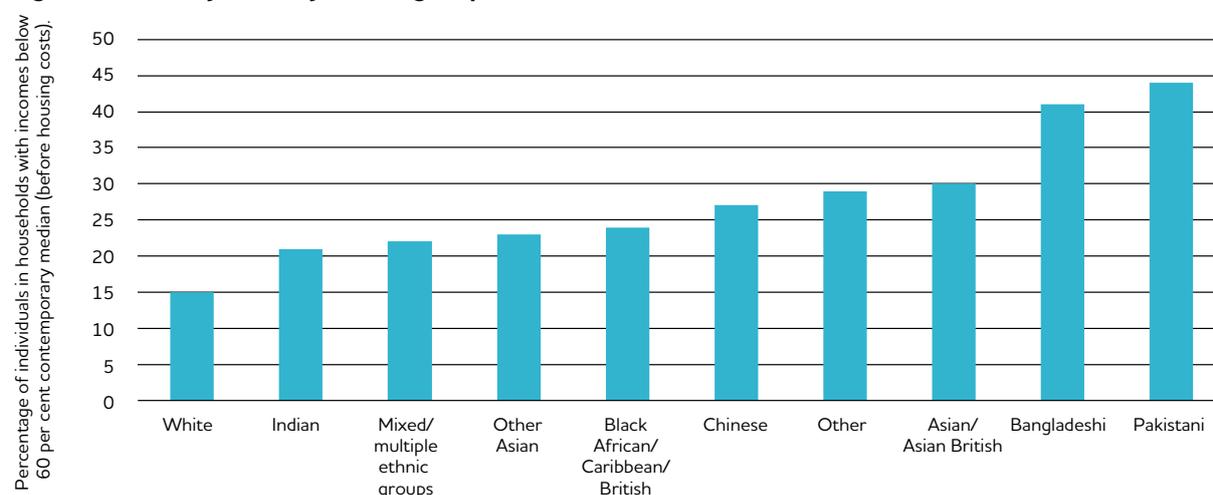
Source: Households Below Average Income 2011/12

The research

This paper draws on the following reports from JRF's Poverty and Ethnicity programme (all published by the Joseph Rowntree Foundation, York):

Holtom, H. Bottrill, I. and Watkins, J. (2013) *Poverty and ethnicity in Wales*

Hudson, M. , Netto, G., Sosenko, F., Noon, M., de Lima, P., Gilchrist, A. and Kamenou-Aigbekaen, N. (2013) *In-work poverty, ethnicity and workplace cultures*

Irwin, J., McAreavey, R. and Murphy, N.(2014) *Economic and social mobility among ethnic minority communities in Northern Ireland*

Khan, O., Ahmet, A. and Watkins, J. (2014) *Poverty and ethnicity: Balancing caring and earning for British Caribbean, Pakistani and Somali people*

Lalani, M., Metcalf, H., Tufekci, L., Corley, A., Rolfe, H. and George, A. (2014) *How place influences employment outcomes for ethnic minorities*

McCabe, A. Gilchrist, A. Harris, K, Afridi, A. Kyprianou, P. (2013) *Making the links: poverty, ethnicity and social networks*

Wallace, A., McAreavey, R. and Atkin, K. (2013) *Poverty and ethnicity in Northern Ireland*

These broad problems in the UK labour market affect people from ethnic minority groups particularly strongly. People from some ethnic minority groups have similar levels of economic activity as white British people (for example Indian men and Black Caribbean women). However, people in other groups (for example Pakistani, Bangladeshi and Black African people) have higher unemployment rates, higher inactivity rates, tend to work in lower level jobs and have lower pay (Platt, 2009a). There are also higher rates of part-time work among some ethnic minority groups, which is particularly important because hourly pay for men in part-time work is only 58 per cent of that for full-time work (ONS, 2013).

These differences in employment and earnings are not explained by differences in education or other individual characteristics (Longhi *et al.*, 2013). Part of the reason for them is that people from some ethnic minority groups are disproportionality likely to work in low-paying sectors. In 2012, 5.1 million people were paid less than £7.45 per hour (JRF, 2013a): 27 per cent of women and 15 per cent of men. Sectors such as hotels and catering, retail, care, wholesale and transport have very high proportions of workers on low pay. These are also sectors with high numbers of ethnic minority workers. For instance, figures for 2013 show that 28 per cent of Bangladeshi and 25 per cent of Chinese people work in the 'accommodation and food services' sector (DWP, 2014). In 2011, figures showed that almost half of Pakistani and Bangladeshi workers earned less than £7 per hour (The Poverty Site, 2011). In addition to being concentrated in lower-paying sectors offering less training, research has also indicated that people from some ethnic minority groups tend to work at lower levels within those sectors than White British people (ISER, 2012), and find it harder to access training and promotion opportunities (Hudson *et al.*, 2013).

The importance of geography

Where people live has relevance to levels of poverty overall and also to how ethnicity affects poverty. There is evidence that living in a deprived area has a particularly negative effect on work and poverty rates for ethnic minority groups, more so than for white British people living in the same area. In deprived areas, people from ethnic minority groups are disproportionately less likely to be in work compared with white British people (Clark and Drinkwater, 2007). People from a common ethnic background living in different areas often vary greatly in their rates of economic activity, worklessness and work types. Different ethnic minority groups living in the same area (and accessing the same

labour market) can also vary in their employment and other outcomes. This suggests that people are not necessarily affected in a uniform way by features of a place, and that other factors have a major impact on their opportunities.

Research for this programme throws some light on this by looking at the situation and experiences of African Caribbean, Indian and Pakistani people in Leicester, Glasgow and Luton (Lalani et al.). Overall unemployment was similar in Leicester and Luton, but people from African Caribbean and Indian backgrounds were more likely to be employed if they lived in Luton. One possible reason for this was access to London labour markets. Indeed, there was evidence that some African Caribbean people in Luton worked in London because they felt that it offered a less 'racialised' labour market. However, there was no suggestion from the Indian people in the sample that this was their view.

In contrast, the Pakistani community appeared to have better opportunities and employment outcomes in Leicester than in Luton. The role of self-employment may be significant here. Pakistani people were more likely to be self-employed in Luton than in Leicester. In two studies for this programme (McCabe et al. and Lalani et al.), social networks among people who were self-employed seemed to be particularly limited, affecting both adults' access to job and training opportunities and their children's understanding of potential career paths. The research also shows that being in employment (rather than self-employed) does not necessarily lead to broader networks, depending on the sector and type of work.

There are, of course, many other possible reasons for variations in the experiences of people from different ethnic groups in different areas. The migration history in an area is often important, with people from different groups ending up concentrated in particular sectors and thus strongly affected by the rise and fall of those industries and the pay and progression opportunities within them. Current migration may also be a factor, particularly as Lalani et al.'s and Hudson et al.'s studies suggest that newer migrants face particular challenges in negotiating both the education system and labour market. In addition, local authorities and other service providers often vary in the effectiveness with which they serve people from different ethnicities in their area, as discussed further below.

Places had a great deal of influence over how people felt about their lives, as illustrated in the experiences of people across different areas in Wales (Holtom et al.). This study found that people in all of the five ethnic groups involved highlighted ways in which the places they lived affected the ease of their day-to-day lives. This included practical considerations such as access to work, shops, family and friends and the quality of housing. However, great importance was also placed on the way that they felt when walking around the area and how accepting and safe it was perceived to be. Feeling safe was particularly significant for people who were members of 'visible' ethnic minority groups. In several JRF studies, women in particular raised concerns about leaving local areas where they felt safe and the risk of experiencing racism or abuse if they travelled to other places for work or to access services.

How important is ethnicity?

The persistent inequality between ethnic groups shows that ethnicity is an important factor shaping people's lives. But this does not have a straightforward relationship with outcomes, and is not the only factor affecting them. JRF research has shown (consistent with previous evidence) that factors such as class, gender, disability and religion can be equally important.

In conjunction with these other factors, ethnicity can affect people's lives through their own resources and attitudes; because of the way in which they are perceived by others; and through their social networks.

The links between ethnicity and the resources and attitudes held by an individual include:

- levels of skill in speaking English, particularly for people from non-English speaking countries;

- qualifications, due to overseas qualifications not being recognised, education being disrupted through migration or difficulties for children, young people and adults in navigating the UK education system;

- preferences in relation to work and caring.

The ways in which ethnicity is perceived by others affects the opportunities and treatment experienced by those assumed to be part of some minority groups. The strongest part of this is the racism and discrimination faced in many areas of life by people from visible ethnic and religious groups. This was highlighted in every single project in this programme, and has also been demonstrated by a great deal of other evidence.

Racism, and the fear of it, restricts access to social networks (McCabe et al.), underlies some concerns about using formal care for children and older people (Khan et al.) and can prevent progression at work (Hudson et al.). It also intimidates people from leaving their own area to look for work or access services (Holtom et al.). Children's education was affected by low expectations among teachers (Lalani et al.) and by racist bullying (Holtom et al. and Irwin et al.). There is also evidence that in some parts of the UK, it leads to people from ethnic minority backgrounds being directed into work for which they are greatly overqualified (Irwin et al.). Access to vital services, such as primary healthcare, was also affected by experiences of racism, particularly from frontline staff such as receptionists (Holtom et al. and Irwin et al.). In several of the studies, there was also evidence that racism was believed to be compounded by religious discrimination. Women in particular, felt that they were discriminated against if they wore headscarves or other visible signs of being Muslim.

The social networks people have access to are affected by individuals' own attitudes, the attitudes of others and by broader factors such as employment and education (discussed further below).

A further important element is the impact of migration status and history and the opportunities for asylum seekers, refugees and migrants to gain access to formal and informal support. Hudson et al. discuss the disadvantages facing migrant workers and there is considerable literature about the very great difficulties facing asylum seekers and refugees in the UK, which is comprehensively reviewed in Sigona (2014).

Inequality within groups

While it is useful to look at patterns of poverty and disadvantage according to particular groups, it is also important to remember that these are only averages. Research published by JRF (Platt, 2011) showed large variations within many ethnic minority groups (as is the case within the white British majority). Inequalities within minority groups are often as large as, and sometimes greater than, inequality in the population as a whole. Platt (2011) looked at inequality within the Bangladeshi, Chinese, Indian and Caribbean groups, and found big differences between these four. The Bangladeshi group had the highest poverty rate, but were also the group with the least inequality within it. In contrast, the Chinese group also had a high poverty rate but there was very high inequality, with significant numbers of people on high incomes as well as large numbers on low incomes. The pattern in the Indian group was similar to the Chinese group, although the inequality was not as marked. Finally, the Caribbean group had quite low inequality and large numbers of people clustered just above and just below the poverty line.

The JRF Poverty and Ethnicity programme has investigated some of the factors that affect what kind of outcomes individuals and families are able to achieve. Findings show the complex nature of the relationship between ethnicity and poverty, suggesting that factors such as low qualifications, poor quality job opportunities, racism and discrimination do not affect all members of groups in the same way. Many other issues help to explain some of the variations within as well as between groups.

Four key factors emerged as influencing opportunities for people to move out of poverty:

- the type of employer and even the specific line manager people end up with;

- the caring needs of their household (and family outside the household), how people feel these should be met and what kind of support they are aware of and have access to;

- access to social networks and how they are used;

- entry to local labour markets and access to local services.

In-work poverty and employers

Hudson et al.'s study of low-paid workers and managers in nine large employers demonstrated the multiple barriers to promotion faced by low-paid workers across all ethnicities. It showed that informal practices trapped people even where the organisation intended to be supportive. Line managers were often the central gatekeepers to development and progression, although some workers managed to circumvent them through relationships with other people in the organisation. Generally, however, line managers tended to shape access to training, development and experience as well as promotion. Therefore, personal relationships with managers often seemed to determine the opportunities available. Low-paid workers often had unsupportive line managers, with considerable variation within teams as to the amount of interest shown by managers in supporting different members of staff. Training was scarce and generally focused on the current job rather than development. There was often also a lack of opportunities to get different kinds of experience in the organisation, which could increase chances of progressing in the future even if current promotion opportunities with that employer were limited.

These problems were exacerbated for low-paid ethnic minority workers (both UK born ethnic minorities and migrant workers). They reported unequal access to training and development, stereotyping and pockets of informal culture that undermined equal opportunities policies. There was often a mismatch between the perceptions of managers and HR staff and low-paid workers themselves. Management and HR tended to assume that formal policies were enough to ensure fairness and did not appear to be aware of how informal culture could undermine these, or the need for proactive action and monitoring to support policies.

Ethnic minority women experienced multiple disadvantages in progressing, being affected by both ethnicity and gender (as has been shown in much previous research, e.g. Buckner et al., 2007). This reflected in part the impact of caring responsibilities, particularly for children, and lack of affordable and appropriate childcare. It was compounded in many cases by caring for older or disabled people and meant that some felt that they could not pursue their aspirations as there was little work available that they could combine with their caring responsibilities (discussed further below).

The research highlighted steps that employers can take to improve progression for low-paid workers and ensure that these are accessible to workers from different backgrounds. Taking a strategic approach at a senior level to developing low-paid workers was vital, with that commitment then needing to be incorporated into the performance objectives of managers at all levels of the organisation. Many low-paid workers (and their managers) were unclear how they might progress in their organisation or sector. This pointed to the need to increase the transparency of access to development opportunities, training and promotion criteria, linked to clear career paths. More broadly, the study suggested that building 'working to learn' cultures, with an emphasis on work shadowing, coaching and mentoring, would make a big difference to many low-paid workers. Monitoring was very variable across the organisations involved in the research. Public sector organisations tended to collect more information than private sector ones, but were not always using it effectively. Organisations needed to monitor development and progression as well as recruitment. Finally, there were serious weaknesses in the equalities and inclusion training taking place in many organisations; employers needed to develop ongoing training, not simply one-off or ad-hoc training, and use it to address hidden practices, such as stereotyping.

Studies in Wales and Northern Ireland echoed findings about the difficulties people across ethnicities faced in being trapped in poor quality work, and the additional barriers facing those from ethnic minorities in breaking out of these low wage traps. All three studies showed considerable underemployment and lack of recognition of skills and experiences by employers.

The *Hudson et al.* research showed the actions that individual employers could take, but it also showed that a wider approach to these issues is required. JRF's research into the future of the UK labour market has showed that it is vital to increase the demand for skilled workers among employers and encourage more to take a positive approach to developing and progressing low-paid, low-skilled staff, including through job redesign. The Future Labour Markets programme suggests that the city region agenda can contribute to this by linking skills strategies with economic development, innovation and business support. Local Enterprise Partnerships, Local Authorities and the devolved governments need to take a lead in shaping their local economies to achieve this. It is also clear that the Department for Work and Pensions, Jobcentre Plus and Work Programme providers will need to focus on these issues in order to address in-work poverty.

The role of procurement in advancing this agenda should not be overlooked. The increasing outsourcing of low-paid work by public sector organisations, and large private sector ones, means that these issues must be considered throughout the supply chain in order to be truly effective. The approach taken by proponents of the living wage might be considered here, with the cascading of policies which support progression and equal opportunities being seen as complementary to the movement to spread the living wage.

The role of caring

Over the last few decades, many more people have entered the labour market, particularly women. Alongside this, the proportion of people providing care has also risen (Khan et al.). This means that one of the main challenges facing many families, across ethnic groups, is how to balance work and care. According to Carers UK, the employment rate for carers is 67 per cent with over half of those who are not working saying that they want to do so, and one in five carers giving up employment to care (Carers Trust, 2014).

Caring for disabled adults and children is associated with particularly high levels of poverty, especially among ethnic minority groups. Khan et al. quote Lucinda Platt's research for the DWP (Platt, 2009b) showing that the risks of poverty associated with living with a disabled family member were higher among Pakistani and Bangladeshi children (57 per cent and 66 per cent respectively) than for Black Caribbean and Black African children (42 per cent and 44 per cent). The risk of poverty for White children living with a disabled family member was 28 per cent. The chances of living with a disabled family member were also much higher for Pakistani and Bangladeshi children (34 per cent and 37 per cent respectively) than for Black Caribbean and Black African children (at 16 per cent and 14 per cent). Families with disabled children are also particularly vulnerable to poverty. The poverty rate among ethnic minority families with disabled children is 44 per cent compared to 17 per cent of all disabled children (DWP, 2013; Khan et al., 2014). This additional poverty among families with a disabled member arises from three factors; additional childcare and other costs, restricted access to work and low take-up of benefits. Research has shown the latter to be a particular problem among ethnic minority families (DWP, 2013; Khan et al., 2014).

Khan et al. examine how ethnic minority families manage the balance between caring and earning, with a particular focus on Caribbean, Pakistani and Somali people. The study explored three different caring scenarios: caring for children, disabled children and older people. The research found that people from these ethnic groups did not have generic attitudes to caring – their views varied depending on who the care was for, what options were perceived to be available and according to their own personal feelings and those of their families about what was most important in relation to providing good care. A theme that cut across all of the groups and types of caring was access to employment. Almost all the participants wanted to work (to some extent and at some point in time) and were worried about being able to do so. Their most significant concern was often discrimination, as has been discussed above. Alongside this, there was great demand for more access to flexible jobs which could be more easily combined with different kinds of caring.

Formal and informal care: demand and supply

Previous research for JRF examined the demand for care among different communities by looking at the factors that influence it, including the demographic profile and levels of health of those

communities. Hirsch et al. (2011) showed that Pakistani families tend to be larger and start younger and that there are much higher rates of illness among Pakistani and Bangladeshi women. There were somewhat higher rates of illness for most other ethnic minority groups, but slightly lower for the Chinese group. This is reflected in the higher numbers of Bangladeshi and Pakistani children living in a household with a disabled member (Khan et al.). Newer migrant communities tend to have fewer children and fewer older people, affecting both the demand for care and the networks available to meet it.

However, Hirsch also demonstrated the importance of recognising the changing demographics among many communities. In particular, declining numbers of children and increasing numbers of older people among many ethnic minority and immigrant communities mean that demand for care looks to be converging between the majority and minority populations. Already, 14 per cent of the Black Caribbean population is over 65, compared to 19 per cent of White British people, 4 per cent of Bangladeshi and Pakistani and 2 per cent of Black African groups. However, by 2051, it is estimated that 15 per cent of Black Caribbean, 12 per cent of Pakistani and 12 per cent of Black African people will be over 65 (Hirsch et al., 2011).

In relation to **caring for older people**, Khan et al. report that there are around half a million ethnic minority carers in the UK. 40 per cent of these live in London and half are in work. The 2001 census found that the rates among Black and White people of providing 20 hours or more of informal care were similar to one another, with a slightly higher percentage of Indian, Pakistani and Bangladeshi people doing so. Other research suggests that 14 per cent of 'Asian' and 7 per cent of Black adults define themselves as carers. One important feature of how families balance caring and earning is how far they meet caring needs themselves or through informal relationships with friends or wider family and how far they pay for formal care. The take-up of health and social care services is generally lower among ethnic minority older people (Cattan and Guintoli, 2010), with considerable evidence of unmet need, particularly for more help in the home, including through respite services (Netto, 2009).

The importance of **childcare** to enable parents to work is the subject of much research. Across all ethnicities, families on lower incomes are less likely to use formal childcare and often find it more difficult to exercise choice and control over how they balance work and caring for children (Hirsch et al., 2011). There are many reasons for this, including:

- poorly paid work making it uneconomical to pay for formal childcare, particularly of good quality;

- lack of choice over hours and flexibility at work;

- an inadequate supply of care in the local area;

- lack of information about the available options.

The high cost and lack of flexibility of much childcare causes problems for many families. Khan et al. show that these are particularly strong barriers for parents from some ethnic minority groups who are more likely to live in London (where childcare is especially expensive and scarce) and to be employed in jobs that have atypical hours and are low-paid. Parents from different ethnic groups have very different patterns of childcare use. Black Caribbean parents are the most likely to use formal group care, followed by Black African, Indian and White parents. Pakistani and Bangladeshi parents are significantly less likely to use it. Grandparent care is especially high among White and Indian families and much lower among Black African people (linked in part to the younger age profile of this group in the UK).

Family structure affects these patterns. There are high rates of lone parent families among the Black Caribbean group and lower rates among the Pakistani and Bangladeshi populations. In addition, it is important to remember that the Black African group includes people from a very wide range of backgrounds. The research carried out by Khan et al. suggests that Somali people may be more similar in terms of their childcare use and preferences to the Pakistani and Bangladeshi communities than to other parts of the Black African population.

Table 1: Childcare use by ethnicity at 3 years (per cent)

Main childcare type	White	Indian	Pakistani	Bangladeshi	Black Caribbean	Black African	Other
Formal group care	17.9	18.4	7.2	7.3	29.8	21.6	22.9
Formal non-group care	9.5	3.9	0.3	0.3	15.3	10.4	7.4
Informal parent/ partner care	41.5	40.5	70.5	75.6	29.3	46.4	45.3
Informal grandparent care	22.6	27.4	14.7	11.1	16.7	6.1	16.9
Informal other care	8.5	9.9	7.4	5.8	9.0	15.6	7.5
N	*11700*	*359*	*669*	*254*	*156*	*256*	*639*

Source: Millenium Cohort Survey.
Notes: Formal group care includes nurseries, crèches, and child/family centres. Formal non-group care includes childminders, nannies, and au pairs. Informal parent/partner care is a residential parent. Informal other care includes playgroups and care from neighbours and other relatives.

Attitudes and preferences

The research carried out by Khan *et al.* suggests that attitudes to formal and informal care vary significantly among different ethnic groups, and that this is an important part of the reason for differential take-up of formal care for both children and older people. However, the patterns were not universal or straightforward.

The low use of formal childcare services among Pakistani and Somali parents seemed to be strongly linked to their desire to pass on their values and cultural practices to their children. Some parents in both groups did feel that they would be satisfied if some carers shared their cultural or religious values, with particular interest among the Somali parents in linking up with Somali childminders. However, others among both groups felt that children should be cared for by their parents, often with support from grandparents and other family members, at least until secondary school age. (This desire is not confined to these ethnic groups of course; many parents from white British and other backgrounds would also prefer to care for their children themselves or with grandparents until late primary or secondary school). The high cost of childcare was also a strong theme among parents from all groups. There was considerable use of after school clubs and other school based activities among Pakistani families, with few concerns here about cultural or religious appropriateness. This suggested that the framing of childcare as 'early education' might influence the attitudes of some towards care for younger children. Among the Black Caribbean parents, there was a generally positive attitude to mainstream childcare, albeit with some concerns about racism experienced from individual staff members.

In relation to caring for disabled children, neither cultural nor religious considerations were seen as being significant among any group. Parents expected to be the main carer for their disabled child but were very keen to secure care and support from mainstream services to improve their children's experience and opportunities.

'Cultural' considerations did emerge in relation to older people among all three groups involved in the research carried out by Khan et al.. Carers often stressed their positive motivations for caring, especially their sense of fulfilling 'religious obligations, spousal relationships or filial responsibilities'. There were worries about mainstream care providers meeting older people's religious, food and social needs. However, respondents also felt that they did not have enough information about the support that they could access both to help informal carers and in relation to care homes.

Social networks

The research carried out by McCabe et al. confirmed previous evidence that people across ethnicities tend to have networks mainly with people similar to themselves in education and work, also to some extent in terms of ethnicity, but not always. This means that those who are in poverty, unemployed or in low-paid work have far fewer opportunities to improve their situation through networks than those with access to professional or other more advantaged connections.

The process of maintaining and expanding networks was felt to be expensive in terms of time, energy and money. People on low incomes, as has been well documented, often rely on their networks to help them survive poverty and weather crises. This can leave them with few resources to devote to the higher risk development of links with a broader group of people who might (or might not) provide new opportunities. However, it was noticeable that people from ethnic minority groups often felt strongly that they wanted to meet people from across different ethnicities and particularly to meet British people. They found this difficult to achieve however, with many feeling that they lacked resources and confidence and worrying about encountering racism.

Effective networking required confidence and a belief in having 'something to offer'. It also required resources for travel or for broadband access and it needed skills, especially speaking English. Indeed, formal learning, such as English for Speakers of Other Languages (ESOL) classes, were an important place to develop connections as well as skills and qualifications.

Social networks were recognised as being important across all the ethnic groups included in the research. Social media was an important part of this, with respondents realising its capacity to help them maintain relationships and, for some, to 'market' themselves.

However, there were also negative aspects to social networks. Informal recruitment among private sector employers in some sectors led to people from certain groups being trapped in low-paid work. Pressure from family, friends and other connections could prevent people from looking for or taking up education or work opportunities that were outside the experience of their main networks.

The research showed that many people could make better use of the contacts they had, but required help and support to do so.

Services

The studies carried out for this programme confirm the importance of effective services in the lives of people living on low incomes across the range of ethnicities in the UK. They suggest that where mainstream services are not performing well, this may affect people from some ethnic minority groups particularly badly. The diversity in the needs and experiences of people from across and within ethnic groups suggests that there is merit in the overall agenda of personalising services to meet different needs rather than assuming that all members of a particular group require the same approach. However, the research also shows that services may be effective for some groups but not all, and that it is vital that their impact is monitored according to ethnic group, because of the group-based disadvantage that continues for many. In addition to more effective mainstream services, there were also some services targeted at specific groups that were highlighted as being crucial to their economic and social well-being, as discussed below.

Shaping labour markets and helping low-paid workers progress

As discussed previously, there are steps that individual employers can take to improve the prospects of low-paid workers across ethnicities, and far more employers need to take these measures to address poverty nationally. JRF's Future Labour Markets programme demonstrates some of the structural barriers to this, in particular the large numbers of employers operating successfully on a low-cost low-skill basis and thus having little motivation to change their business model. This is a particular problem in some sectors (such as retail, catering, care and hospitality) and in some local areas with labour markets that have low demand for skills. The evidence on how to change this is not yet fully developed, however there are indications that integrating local skills strategies with economic development, innovation and business support strategies can make a difference. The key stakeholders

are those which can shape local economies. This includes local authorities, employers, Jobcentre Plus, Work Programme providers and other training and employment service providers. In Wales, Scotland and Northern Ireland, the devolved governments are very important in relation to this. In England, Local Enterprise Partnerships and City Regions have a central role to play.

Some specific measures are suggested as part of these strategies, such as 'incremental innovation' in low-wage sectors and partnerships with employers to develop structured progression programmes for low earners. Evidence from the JRF's research programme also highlights the importance of targeting skills and in-work support towards households in poverty and not simply at low-paid workers.

The evidence from JRF's Poverty and Ethnicity programme shows the importance of understanding the ways in which in-work poverty and labour market disadvantage affect people from different ethnicities differently across areas. It also shows that services which may be effective for one ethnic group in an area (or even one ethnic minority group) do not necessarily work for other groups in that area. Thus a strategy which aims to improve employer demand for skills and progression for low-paid workers needs to be underpinned with a specific understanding of the situation of different groups in the area and the varying barriers they may face to progression.

Both Khan *et al.* and *Hudson et al.* argue strongly for better monitoring and data collection among employers, including in recruitment, progression, disciplinary and redundancy processes. Both projects also show the need for more employers to adopt policies which improve the representation of ethnic minorities in both recruitment and progression. These include positive action and equalities training.

McCabe *et al.*, and *Hudson et al.* provide evidence that employers need to address the negative impacts of recruitment through informal networks. These have been shown to risk trapping people from some groups in low-paid work and undermine the fairness of promotion within employers.

Finally, several projects demonstrate that greater support for flexible working would benefit people across many ethnicities, especially women and those caring for children and older people. There is considerable literature showing that part-time and flexible working is vital to enable women to re-enter work after having children, as well as enabling those who care for older people and disabled adults to sustain paid employment (Stewart et al., 2012). However, part-time jobs on average tend to be of worse quality than fulltime jobs – with lower hourly pay (JRF, 2013b) and fewer training and development opportunities.

The role of local authorities

Local authorities play an especially important part in shaping the services and opportunities in their areas. They are very significant providers and/or commissioners of services, large employers and shape economic development to varying degrees. Lalani et al.'s study demonstrates the myriad ways in which these roles may impact differentially on people from different backgrounds in an area. In particular, the study suggests that some local authorities may overlook smaller ethnic minority groups. This can be reinforced by inadequate monitoring of service recipients by ethnicity (an issue that also applies to central government and other service providers). The importance of knowing the range of groups in an area and understanding their specific experiences is illustrated by the evidence in this study of aspiration being inequitably held back and opportunities curtailed through poor information, advice and support. This included employment and careers advice, development opportunities at work and access to bursaries and other support to undertake further and higher education.

Helping people harness and develop social networks

McCabe et al. outline practical steps that can be taken by Jobcentres, employment and education services and community groups in order to help people to both expand and use their networks more effectively.

All of these organisations could do much more to:

- help people understand the potential power of their networks to widen their social and career related opportunities;

- raise their awareness and confidence to use them;

- increase their knowledge of how to develop them and identify potential opportunities and relevant networks.

Support that could do this includes:

- holding social media clinics to develop online skills, with particular focus on network awareness;

- developing a toolkit for employment advisers to enable them to discuss networks consistently with clients. This should include helping people to map their networks, develop ways of extending and using networks, and signposting to organisations that can help people to broaden their links;

- some forms of mentoring have been shown to promote the positive use of networks for getting work, progressing and setting up businesses. McCabe et al. recommend piloting peer mentoring for those in low-paid work and those struggling to return to work.

Voluntary, community and faith organisations emerged from McCabe et al.'s research, and from the studies carried out in Northern Ireland and Wales, as vital sources of advice and services and spaces for people to strengthen and extend their networks. The evidence suggests that the Public Services (Social Value) Act 2012, where it applies, could be better used in public service commissioning procedures to encourage contractors to demonstrate social value through providing access to community networks, as well as through implementing measures to support the progression of low-paid employees.

Formal care and supporting informal caring

A strong theme of Khan at al.'s research into caring and earning was the need for better information about key services and benefits among many ethnic minorities. In particular, the study recommends taking steps to improve:

- awareness and knowledge of Carer's Allowance;

- information and understanding about childcare options, particularly the free provision and the benefits of early education.

Khan *et al.*'s research suggests that more could also be done to make formal care for both children and older people culturally appropriate, for example through a diverse workforce, training for staff and consulting users about their preferences.

In relation to childcare, it recommends that more ethnic minority women be trained as childminders, supported by increased access to English as a Second Language classes. Given the current low levels of pay and status of this sector however, this approach should be considered alongside work to invest in the sector and improve qualifications and pay. In addition to this, the research reinforces the importance of improving the supply and affordability of childcare generally, and of irregular childcare hours in particular.

For adults and older people, there are two areas highlighted for action. First, the evidence suggested that there is a need for care homes to adapt so that they better meet the needs of ethnic minority people. This could involve 'ethnic-specific care homes; more training of care workers; more diverse television and cultural offerings; and partnering with local restaurants to provide more diverse meals'. Second, the research suggested that the personalisation agenda within care could bring great benefits for ethnic minority communities, but that it was not yet delivering in reality. Khan et al. recommend that more innovative solutions should be piloted to improve this. In particular, smaller, community led providers should be encouraged to work together to deliver more personalised services.

Education and careers advice

Education was not a main focus for this programme. However, it emerged as a strong theme in the study focusing on the role of local areas (Lalani *et al.*). Parental background (particularly class, parents' education and work type) was very important in shaping children's experience of education and the family's ability to engage effectively with schools, as has been shown in much previous research. This study also highlighted the importance of racism, mismatches of attitudes and understanding between families and service providers, and migration. Other research has also shown the problems caused by low teacher expectations, particularly of Black boys (Tackey *et al.*, 2011). Likewise, the study showed the very different benefits to be gained from adult education and training, depending on the course, provider and links to work. High numbers of ethnic minority people were returning to education later in life. However, they lacked independent advice and often found funding qualifications problematic. Some types of volunteering had also played an important role in overcoming early disadvantage and interrupted education or work histories.

Advice and guidance regarding education, training and career decisions emerged as a key difference between those who had developed successful career paths and those who were struggling. Both in the Lalani et al. and McCabe et al. studies, it was striking how few people had been able to access good quality formal advice. Most were dependent on informal sources of advice. Along with the Hudson at al. study, it emerged that those who were lucky enough to work for supportive employers or line managers had sometimes received good advice and access to the right training or experience to make progress. However, many others did not have these types of links and so struggled to follow a path that would enable them to fulfil their ambitions or improve their situation.

Other research has highlighted the lack of understanding among many low-income families about how to navigate increasingly complex education and work pathways (Carter-Wall and Whitfield, 2012). It has also demonstrated serious problems in the quantity and quality of careers advice being offered to young people (Education Select Committee, 2013). This research reinforces these findings and shows how these broad issues may impact particularly heavily on those from migrant or ethnic minority backgrounds in some areas.

In addition to these broad issues, Khan et al. also found that some black and minority ethnic parents of disabled children felt that their children were less likely to receive appropriate diagnoses from local authorities. This is a complicated and much debated issue, which was not a main focus of this programme. However, it provides a further example of the need for mainstream services to be provided in ways which make them truly accessible and fair to all of the groups who need them. Khan et al. recommend that Special Educational Needs Assessments be checked to make sure that they are addressing the needs of ethnic minority children, with additional thought being given to engaging with those families.

English for Speakers of Other Languages (ESOL)

Every single study in this programme raised the role of English as an additional language training. Individuals and service providers in England, Scotland, Wales and Northern Ireland argued that these services were central to enabling people from some ethnic minority and migrant groups to work, train, develop social networks, access services and support their children. Recommendations included greater funding for ESOL classes across the country and greater focus on enabling people to access them who are already working.

Refugees and asylum seekers

The deep and persistent poverty experienced by asylum seekers and refugees is well established. Sigona (2014) sets out the causes and consequences of this. 'Written out of the picture: The role of local services in tackling child poverty amongst asylum seekers and refugees' (Crossley and Fletcher, 2013) highlights steps that local authorities in particular can take to reduce this poverty and better enable refugees to integrate and move out of poverty.

The report argues that mainstream local services need to use the learning from earlier specialist provision to ensure that they meet the needs of all their local residents, including refugees and asylum seekers. Working with local refugee-led community organisations is a good way for service providers to give accurate and up-to-date information to communities, and to understand their changing

characteristics and needs. Front line staff need much better equality and diversity training which reflects the increasing diversity of minorities and their differing histories, circumstances and needs. This is particularly the case for staff in social and health care and youth work.

The report recommends a particular focus on ensuring that asylum seekers do not 'fall through the gaps' in the provision from different contractors. It also highlights the difficulties that arise for many people at the point when they receive refugee status, with administrative errors and delays leading to severe hardship, debt and long-term difficulties in moving into stable housing and work.

There is a specific need for advisers working in schools to be trained to understand the entitlements and funds accessible to children of asylum seekers. Employment and Enterprise support services should provide specific support for prior skills accreditation, updating skills and work placements. Public sector bodies should support this by offering volunteering and work experience opportunities. Finally, the report recommends that financial advice services consider the needs of refugees who may be unfamiliar with financial arrangements in the UK, particularly in relation to credit and debt, and who often struggle to access mainstream financial institutions.

Conclusion

The evidence demonstrates clearly that much more needs to be done to reduce poverty across different ethnic groups in the UK. Approaching 'ethnic minority groups' as a whole is not the solution to this. There is enormous variation between and within ethnic groups. General policies are very unlikely to be effective for all ethnic groups (or all ethnic minority groups) unless specific attention is paid to understanding the experiences of people from different backgrounds. This is true when looking at the picture at a local level, as well as nationally. Monitoring is vital, both for service providers and employers. The research has shown that broad policies have very variable effects and compound the disadvantage faced by some people from some groups.

Ethnicity affects poverty through the attitudes and resources of individuals, the ways in which they are treated by others, the composition of their social networks and the ways in which they interact with services. Racism is an important part of many people's experience, particularly those from visible ethnic or religious groups. It restricts access to education, work and services. Ethnicity is not the only factor however – gender, class, education and disability need to be considered alongside it.

There are clear ways in which many employers need to change the way that they interact with their staff, particularly in relation to progression for low-paid workers, facilitating flexible working and improving equalities and diversity practices.

Service providers in the public, private and community sectors, and both the UK and devolved governments, have a responsibility to examine how well they are serving all of the groups in their local areas. In particular, they should focus on fairness and effectiveness in:

- education and careers advice;

- support for informal carers and provision of formal care for older people and children;

- ESOL training;

- support for asylum seekers and refugees;

- shaping their local economy, stimulating more demand for skills and developing progression routes for low-paid workers.

The Public Services (Social Value) Act and Public Sector Equalities Duties (in the parts of the UK in which they apply) should be used more proactively to support all of these goals through procurement.

About this paper

This paper draws on the first phase of the JRF programme of research on poverty and ethnicity, managed by Helen Barnard, a programme manager in the policy and research department at JRF. The second phase of the programme began in 2014 and aims to extend our understanding of these issues through new quantitative analysis.

Notes

[1.] The terminology used in this report reflects that used in the studies that it draws on. Overall, we approach ethnicity as a dynamic and complex concept, which intersects with other dimensions of identity and incorporates diversity within groups as well as between them. The individual studies used a range of categories and labels, depending on their focus, methods and data. We have generally retained the terms used in the original research.

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