



Department  
for Education



Department  
for Work &  
Pensions

# Measuring Child Poverty: A Consultation on Better Measures of Child Poverty

## Consultation Response Form

The closing date for this consultation is: 15  
February 2013

Your comments must reach us by that date.

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes, primarily the Freedom of Information Act 2000 and the Data Protection Act 1998.

If you want all, or any part, of your response to be treated as confidential, please explain why you consider it to be confidential.

If a request for disclosure of the information you have provided is received, your explanation about why you consider it to be confidential will be taken into account, but no assurance can be given that confidentiality can be maintained. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department will process your personal data (name and address and any other identifying material) in accordance with the Data Protection Act 1998, and in the majority of circumstances, this will mean that your personal data will not be disclosed to third parties.

**Please tick if you want us to keep your response confidential.**

Reason for confidentiality:

Name **Mr John Davies**

Organisation (if applicable) **Credit Action**

Address: **6<sup>th</sup> Floor, Lynton House, 7-12 Tavistock Square,  
London WC1H 9LT**

If your enquiry is related to the policy content of the consultation you can telephone: 0370 000 2288 or e-mail:

[Measure.CONSULTATION@childpovertyunit.gsi.gov.uk](mailto:Measure.CONSULTATION@childpovertyunit.gsi.gov.uk)

If you have a query relating to the consultation process you can contact the CYPFD Team by telephone: 0370 000 2288 or via the Department's ['Contact Us'](#) page.

Please select the category that best describes you as a respondent.

<input checked="" type="checkbox"/> Voluntary and community sector	<input type="checkbox"/> Local authority	<input type="checkbox"/> Practitioner working with children/families
<input type="checkbox"/> Central Government	<input type="checkbox"/> Research body/academic	<input type="checkbox"/> Public bodies and named partners in the Child Poverty Act
<input type="checkbox"/> Family/organisation representing families and children	<input type="checkbox"/> Social enterprise	<input type="checkbox"/> Other

Please Specify:

Credit Action is a national financial capability charity (registered Charity in England & Wales No. 1106941) established in 1994.

Credit Action empowers people across the UK to build the skills, knowledge, attitudes and behaviours, to make the most of their money throughout their lives. It develops and delivers products and services which provide education, information and advice on money matters, in an appropriate way for young people and adults. Through its work Credit Action reaches over 500,000 UK citizens every year.

In responding to this consultation we have focused on answering questions 1, 2b, 8, 9, 13a, 14 and 27.

## SECTION TWO: POTENTIAL DIMENSIONS

1 Are there dimensions, other than those proposed in the consultation document, we should consider for inclusion in a multidimensional measure of child poverty?

Yes

No

Not Sure

Comments:

We do not believe that, in constructing a new measure of child poverty, there is any need to include further dimensions beyond those proposed in the consultation document. Indeed, even within the eight dimensions that the consultation suggests for inclusion in a multidimensional measure, we feel that some are more significant as actual drivers of child poverty than others.

While we recognise that the aim of this consultation is to broaden the debate around child poverty, and see this as a constructive exercise in many respects, we do feel that indicators which reflect the income position of families should retain an important place within the new measurement scheme. In our view, income has a central and deterministic role in defining whether or not families find themselves in poverty. Although factors such as poor housing and education undoubtedly shape children's experience of growing up in poverty, these can arguably be characterised as effects which stem from a deeper underlying cause – lack of sufficient income – which, for example, limits access to better quality accommodation or educational opportunities.

Consequently, we would emphasise the role played by “Income and Material Deprivation”, “Unmanageable Debt” (which serves to reduce available income) and to some extent “Parental Skill Level” (where this impacts upon a family's ability to manage its income effectively) as key motors of child poverty. Therefore, we believe there ought to be a core focus on these dimensions within the new measure, rather than seeing an urgent need to incorporate any additional dimensions.

## DIMENSION 1: INCOME AND MATERIAL DEPRIVATION

2 a) How should we measure income as a dimension in a future multidimensional measure of child poverty?

Comments:

2 b) How important is relative and absolute income?



Very important



Important



Slightly important



Not important



Not sure

Comments:

While the consultation document seeks to move beyond the relative income indicators that have been used up to this point in measuring child poverty, we believe there is value in continuing to track it, and would urge the Government to incorporate relative income into any new measure that is devised.

In particular, relative income indicators help users to monitor the level of inequality in society, which in our opinion constitutes an important component in our understanding of child poverty. The experience of growing up with less than your peers can have a significant impact on children, both in material and psychological terms, and relative income indicators can help tap the incidence of this.

We recognise that, as outlined in the consultation, focusing on relative income alone can sometimes lead to slightly distorted conclusions. Equally though, we would argue that no indicator, however simple or complex, will ever be perfect, and believe that there is still considerable insight to be gained from considering relative income as part of a multidimensional measure.

In addition, we welcome the fact that this section of the consultation highlights the importance of financial capability, and the recognition that “How families spend their money matters for children” (page 21). While we do not believe that this justifies completely abandoning a focus on income altogether – which we stress again plays a central and deterministic role in child poverty – we feel that financial capability is a significant supplementary concern, and that it could be a valuable part in a multidimensional measure. We make further comment on this in our response to Question 13a.

3 How does the ownership of assets such as a house affect our understanding of poverty?

Comments:

4 How can an income dimension in a multidimensional measure of child poverty avoid the drawbacks associated with a simple income threshold?

Comments:

## DIMENSION 2: WORKLESSNESS

5 How important is worklessness as a dimension in a future multidimensional measure of child poverty?

Very important

Important

Slightly important

Not important

Not sure

Comments:

6 How should worklessness be measured?

Comments:

7 Does the length of time for which a household is workless matter for measurement?

Yes

No

Not Sure

Comments:

### **DIMENSION 3: UNMANAGEABLE DEBT**

8 How important is unmanageable debt as a dimension in a future multidimensional measure of child poverty?

Very important

Important

Slightly important

Not important

Not sure

Comments:

We feel that unmanageable debt plays a highly important role in shaping child poverty, insofar as it acts as to reduce family income, and therefore the amount of money that is available to provide for a child's basic needs.

In our view, unmanageable debt is a particularly significant problem because of the "vicious cycle" effect, in that those who struggle to service their debts are often forced to take on additional credit in order to avoid default, adding further to their overall debt burden.

Therefore, unmanageable debt not only represents a major drain on a family's income, and consequently on that family's ability to provide for its children, but

one that is prospectively persistent and on-going. As such, we believe it represents a key aspect of child poverty that ought to be included in any prospective measure.

9 What aspects of unmanageable debt should we be most concerned about capturing?

Comments:

The consultation document suggests that arrears on current bills and payments are considered to be a strong objective indicator of current financial difficulties (page 26). We very much agree that arrears are an important component of unmanageable debt, but would emphasise that they are not the only one. Debt is a complex problem, and it is important to recognise that even if someone is not yet behind on their bills, they can still be struggling to manage their obligations – indeed, this is often when positive interventions can have the biggest impact.

We therefore believe that, in order to properly reflect the nature of unmanageable debt, multiple indicators will be required to effectively operationalise this as a dimension of any new child poverty measure. In particular, we feel that some kind of debt-to-income ratio would be especially informative.

#### DIMENSION 4: POOR HOUSING

10 How important is poor housing as a dimension in a future multidimensional measure of child poverty?

Very important

Important

Slightly important

Not important

Not sure

Comments:

11 What aspect of poor housing should be captured in a measure?

Comments:

12 How can we consider the impact of where children grow up when measuring child poverty?

Comments:

#### **DIMENSION 5: PARENTAL SKILL LEVEL**

13 a) How important is parental skill level as a dimension in a future multidimensional measure of child poverty?



Very important



Important



Slightly important



Not important



Not sure

Comments:

As an organisation with extensive experience of supporting people to manage their finances effectively, we would draw attention to the role that parents' levels of financial capability can have on child poverty. Credit Action provides a variety of products aimed at helping people to be on top of their money, including a range of advice guides (one of which is specifically aimed at the needs of single parents), online budget planners, and a mobile phone application which enables users to keep track of their spending. This work has given us a particular appreciation of how important an individual's financial capability is to their family's broader standard of living.

From a child poverty perspective, we would argue that unless a child's parents have the fundamental skills necessary to manage their family income appropriately, providing for that child can prospectively become very difficult. Indeed, as mentioned in our response to Question 2b, there is a recognition of

this within the consultation document itself, which states that:

“How families spend their income matters for children. Children in families which can budget between paydays, build savings and support their children’s education are better off than children in other families which have the same income but struggle to budget” (page 21)

While the consultation argues that a pure income indicator would be unable to capture this, we feel that allying an income indicator to some kind of measure of parental financial capability would yield valuable insights about child poverty.

13 b) What level of skills matter?

Comments:

14 How can we best capture parental skill level in a new child poverty measure?

Comments:

We recognise that financial capability can be a somewhat difficult concept to measure. The metrics used within the consultation primarily reflect the highest level of qualification that an individual holds, based on the National Qualifications Framework. However, as there are currently no national level tests for financial capability, approaching the concept in this way is not possible.

In our view however, one important component of financial capability is a person’s attitude towards money and the importance of managing it. Therefore, some form of attitudinal indicator may provide a useful way in to capturing financial capability, and we believe it is worth exploring this as a possible way of operationalising this aspect of parental skill level.

## DIMENSION 6: ACCESS TO QUALITY EDUCATION

15 What impact does attending a failing school have on a child's experience of poverty?

- |   |                                      |  |
|---|--------------------------------------|--|
| <input type="checkbox"/> Significant impact | <input type="checkbox"/> Some impact | <input type="checkbox"/> Little impact |
| <input type="checkbox"/> No impact          | <input type="checkbox"/> Not sure    |  |

Comments:

16 What impact does attending a failing school have on a child's life chances?

- |   |                                      |  |
|---|--------------------------------------|--|
| <input type="checkbox"/> Significant impact | <input type="checkbox"/> Some impact | <input type="checkbox"/> Little impact |
| <input type="checkbox"/> No impact          | <input type="checkbox"/> Not sure    |  |

Comments:

17 How should access to quality education be measured?

Comments:

#### **DIMENSION 7: FAMILY STABILITY**

18 How important is family stability as a dimension in a future multidimensional measure of child poverty?

Very important

Important

Slightly important

Not important

Not sure

Comments:

19 How important is the long term involvement of both parents to their child's experience of poverty and life chances?

- Very important       Important       Slightly important  
 Not important       Not sure

Comments:

20 How important is the presence of a father to a child's experience of poverty and life chances?

- Very important       Important       Slightly important  
 Not important       Not sure

Comments:

21 Which experiences associated with family stability should be captured in a measure?

Comments:

#### **DIMENSION 8: PARENTAL HEALTH**

22 How should we recognise young carers in a multidimensional measure of child poverty?

Comments:

23 How should we recognise parental drug and alcohol dependence and mental health conditions in a multidimensional measure of child poverty?

Comments:

24 How can parental disability and general poor parental health be reflected in a multidimensional measure of child poverty?

Comments:

### SECTION 3: CREATING A MULTIDIMENSIONAL MEASURE

25 Are there criteria, other than those listed in Section 3 of the consultation document, that we should evaluate a new measure against?

Yes

No

Not Sure

Comments:

26 In creating a new measure should any dimension be a gateway?

Yes

No

Not Sure

Comments:

27 Should the indicators be weighted and, if so, what factors should influence the choice of weighting?



Yes



No



Not Sure

Comments:

As noted in our response to Question 1, we feel that income remains a key determinant of whether or not families, and therefore children, find themselves in poverty. Consequently, while we certainly respect the Government's desire to bring a wider range of indicators into the measurement of child poverty, in our view those dimensions which particularly reflect family or household income levels, and parents' ability to manage that income, should be assigned particular priority within any new measure.

Of the dimensions put forward in the consultation document, we see "Income and Material Deprivation", "Unmanageable Debt" and "Parental Skill Level" (specifically relating to parental financial capability) as central in this respect, and therefore feel that the indicators that are selected to reflect these dimensions should be given the heaviest weighting.

28 Which indicators should be weighted more or less?

Comments:

29 How could we measure child poverty at the local level?

Comments:

30 How should we check the robustness and simplicity?

Comments:

31 What would you use a multidimensional measure of child poverty for?

Comments:

32 Please use this space for any other comments you would like to make.

Comments:

33 Please let us have your views on responding to this consultation (e.g. the number and type of questions, whether it was easy to find, understand, complete etc.).

Comments:

Thank you for taking the time to let us have your views. We do not intend to acknowledge individual responses unless you place an 'X' in the box below.

**Please acknowledge this reply** 

Here at the Department for Education we carry out our research on many different topics and consultations. As your views are valuable to us, would it be alright if we were to contact you again from time to time either for research or to send through consultation documents?



Yes



No

All DfE public consultations are required to meet the Cabinet Office [Principles on Consultation](#)

The key Consultation Principles are:

- departments will follow a range of timescales rather than defaulting to a 12-week period, particularly where extensive engagement has occurred before
- departments will need to give more thought to how they engage with and consult with those who are affected
- consultation should be 'digital by default', but other forms should be used where these are needed to reach the groups affected by a policy; and
- the principles of the Compact between government and the voluntary and community sector will continue to be respected.

Responses should be emailed to the relevant consultation email box. However, if you have any comments on how DfE consultations are conducted, please contact Carole Edge, DfE Consultation Coordinator, tel: 0370 000 2288 / email: [carole.edge@education.gsi.gov.uk](mailto:carole.edge@education.gsi.gov.uk)

**Thank you for taking time to respond to this consultation.**

Completed questionnaires and other responses should be sent to the address shown below by 15 February 2013.

Send by post to: CYPFD Team, Department for Education, Area 1C, Castle View House, East Lane, Runcorn, Cheshire WA7 2GJ or email to: [Measure.CONULTATION@childpovertyunit.gsi.gov.uk](mailto:Measure.CONULTATION@childpovertyunit.gsi.gov.uk)