

Annex 3

Indicators of Social Exclusion

Introduction

1. **This Annex outlines major trends and emerging challenges shown by the indicators that have been developed for the National Action Plan (NAP) on poverty and social inclusion. These indicators are used for monitoring the social inclusion strand.**
2. The new reporting framework agreed with the European Commission states that in describing the social situation in the National Action Plan 'Member States are expected to use at least the primary indicators in their national strategy reports, if only to remind themselves that in the context of the EU social inclusion process poverty and social exclusion are a relative concept that encompasses income, access to essential durables, education, health care, adequate housing, distance from the labour market.'
3. The agreed list of indicators contains 11 primary indicators, 3 secondary indicators and 11 context indicators; these are known as the streamlined indicators. Some of the indicators are included in the overarching portfolio and the context paper because they were considered more appropriate to monitor overall social cohesion (in which case they are only kept as context information) or because they are considered crucial indicators to monitor both social cohesion and social exclusion and poverty. Since the NAP 2006-08 a few indicators were considered redundant and were dropped: persistent poverty calculated with a 50 per cent threshold, long-term unemployment share and very long-term unemployment rate¹.
4. In preparing the NAP we have been asked to present analysis, which draws on these streamlined indicators. However, we have also been encouraged to supplement the data with national indicators, highlighting national specificities in particular areas of social protection and social inclusion. We have been encouraged by the European Commission to supplement the data with national indicators, highlighting national specificities in particular areas of social protection and social inclusion². The Opportunity for all indicators are used to report in more detail on trends across the UK in the field of poverty and social inclusion.
5. Eurostat produces the data for the streamlined indicators. They have recently replaced the European Community Household Panel (ECHP) with the European Union Survey of Income and Living Conditions (EU-SILC). This means there has been a break in the time series data for the majority of the income poverty measures. UK data from the EU-SILC is available from 2005 and 2006. It is also important to note that in the previous NAP national data was used from the Family Resources Survey due to this transition period. Therefore, figures in this report are not directly comparable to the last NAP.
6. **Due to the change in the survey it is important to note that for most of the income poverty indicators there are only two data points. Therefore, we cannot make a robustness judgement on the trends in these indicators. Any trends provided using EU-SILC data are indicative at this stage.**

¹ http://ec.europa.eu/employment_social/spsi/docs/social_inclusion/2008/indicators_update2008_en.pdf

² http://ec.europa.eu/employment_social/spsi/docs/social_inclusion/2006/indicators_en.pdf

Streamlined indicators summary table

7. Of those streamlined indicators for which a trend can be identified, the majority exhibit a positive trend. The trend indicators where a positive trend can be identified are: persistent at risk of poverty rate; the long term unemployment rate; the number of children in jobless households; the number of adults in jobless households; the number of early school leavers; the employment gap of immigrants; the regional cohesion of employment rates; the number of rough sleepers; the proportion of people who live in a home that falls below the set standard of decency; life expectancy and healthy life expectancy.
8. Three of the streamlined indicators exhibit a negative trend : the child at risk of poverty rate, the pensioner at risk of poverty rate and the income quintile ratio(S80/S20). Four indicators had a broadly consistent trend and these were : the total at risk of poverty rate, the adult at risk of poverty rate, the relative poverty median risk gap and the total unmet need for medical care.

| Progress since baseline | Numbers of indicators |
|-------------------------|-----------------------|
| Improving trend | 11 |
| Broadly constant trend | 4 |
| Worsening trend | 3 |
| Cannot determine trend | 22 |
| Total | 40 |

Trend

- ✓ data moving in right direction
- ✗ data moving in wrong direction
- ≈ data show broadly constant trend or no significant movement
- ▲ only baseline data available or insufficient data available to determine a trend

| | Indicator | Baseline year | UK Trend since baseline | Latest data UK | Latest data EU Average |
|---------------------------|--|---------------|-------------------------|----------------|------------------------|
| Primary Indicators | | | | | |
| 1 | At-risk-of-poverty rate (low income rate): | | | | |
| | Total | 2005 | ≈ | 19% | 16% |
| | Children (0-17 years) | 2005 | ✗ | 24% | 19% |
| | Adults (18 to 64 years) | 2005 | ≈ | 16% | 15% |
| | Pensioners(65+) | 2005 | ✗ | 28% | 19% |
| 1b | At-risk-of-poverty threshold (Euros) | | | | |
| | -one-person household | 2006 | ▲ | 11584 | * |
| | -two adults and two children household | | | 24327 | |
| 2 | Persistent at-risk of poverty rate, total | 1997 | ✓ | 9% | * |

| | | | | | |
|-----------------------------|---|------------------------------------|---|--------------------|-------|
| 3 | Relative median poverty risk gap | 2005 | ≈ | 23% | 22% |
| 4 | Long term unemployment rate | 1998 | ✓ | 1.3% ³ | 3.0% |
| 5 | Population living in jobless households | 1997 | | | |
| | -Adults | | ✓ | 10.9% ⁴ | 9.3% |
| | -Children | | ✓ | 16.7% | 9.3% |
| 6 | Early school leavers not in education or training, total | 1997 | ✓ | 13% ⁵ | 14.5% |
| 7 | Employment gap of immigrants | 2005 | ✓ | 5.6% ⁶ | 3.0% |
| 8 | Material deprivation | <i>To be developed by Eurostat</i> | | | |
| 9 | Housing | | | | |
| | -Number of rough sleepers (England) | 1998 | ✓ | 498 ⁷ | * |
| | -The proportion of older people who live in a home that falls below the set standard of decency | 1996 | ✓ | 27 % ⁸ | * |
| 10 | Self reported unmet need for medical care | 2006 | ≈ | 2.6% | 6.2% |
| 11 | Child well-being | <i>To be developed by Eurostat</i> | | | |
| Secondary Indicators | | | | | |
| 1 | At-risk-of poverty rate | | | | |
| 1a | Poverty risk by household type | | | | |
| | -Households without dependent children | 2006 | ▲ | 18% | 15% |
| | -Households with dependent children | | ▲ | 21% | 17% |
| 1b | Poverty risk by the work intensity of households | | | | |
| | Household with work intensity=1 | | | | |
| | -between 18 and 64 years old, without dependent children | 2006 | ▲ | 7% | 7% |
| | Household with work intensity=0 | | | | |
| | -between 18 and 64 years old, without | | | | |

³ The latest available data for the long-term unemployment rate is for 2007

⁴ The latest available data on jobless households is 2007 for both the UK and the EU

⁵ The UK data is for 2006, whereas the EU-25 data is for 2007.

⁶ The latest available data on employment gap indicator is for 2007 for both the UK and the EU

⁷ This is based on national data, the latest available UK data is for 2007

⁸ This is based on national data, the latest available UK data is for 2005

| | | | | | |
|----------------------------|--|-----------------------------|---|-------|--------------------|
| | dependent children | | ▲ | 54% | 41% |
| 1c | Poverty risk by most frequent activity status | | | | |
| | -at work, total | 2006 | ▲ | 8% | 8% |
| | -unemployed, total | | ▲ | 58% | 41% |
| 1d | Poverty risk by accommodation tenure | | | | |
| | -owner, total | 2006 | ▲ | 14% | 14% |
| | -tenant, total | | ▲ | 33% | 23% |
| 1e | Dispersion around the at-risk-of-poverty threshold | | | | |
| | Total population-40% | | | 6% | 5% |
| | Total population-50% | 2006 | ▲ | 12% | 10% |
| | Total population-70% | | | 27% | 24% |
| 2 | Persons with low educational attainment Aged 25-64 | 2006 | ▲ | 27.5% | 30.5% |
| 3 | Low reading literacy performance of pupils Aged 25-64 | To be developed by Eurostat | | | |
| Context Information | | | | | |
| 1 | Income quintile ratio (S80/S20) | 1997 | ✘ | 5.4% | 4.8% |
| 2 | Gini coefficient | 2006 | ▲ | 32 | 30 |
| 3 | Regional cohesion: dispersion in regional employment rates | 2000 | ✓ | 5.5% | 11.9% |
| 4 | Life expectancy and Life expectancy at birth, at 65 | | | | |
| | -Life expectancy at birth, males | | | 77.1 | * |
| | -Life expectancy at 65, males | | ✓ | 17 | * |
| | -Life expectancy at birth, females | | | 80.7 | * |
| | -Life expectancy at 65, females | 1995 | | 19.1 | * |
| | Health Life expectancy | | | 63.2 | |
| | - males at birth | | ✓ | 65 | 64.5 ⁹ |
| | -females at birth | | | | 66.0 ¹⁰ |

⁹ EU figure is for 2003

¹⁰ EU figure is for 2003

| | | | | | |
|----|--|------------------------------------|-------------------------|--------------------------|--------|
| | | | | | |
| 5 | At-risk-of poverty anchored at a moment in time | 2006 | ▲ | 18% | 16% |
| 6 | At-risk-of poverty rate before social cash transfers (other than pensions), total population | 2006 | ▲ | 30% | 26% |
| 7 | Jobless households by main household types -children -adults | 1997 | See primary indicator 5 | | |
| 8 | In-work poverty risk, breakdown full-time/part time | <i>To be developed by Eurostat</i> | | | |
| 9a | Unemployment traps single person, no children, moving to 50% of average production worker single person, no children, moving to 67% of average production work | 2006 | ▲ ▲ | 78% 68% | * * |
| 9b | Inactivity Trap at 67% of APW, with and without childcare costs two-earner couple with two children, no childcare two-earner couple with two children, with childcare | 2002 | ▲ ▲ | 25% ¹¹ 89% | * * |
| 9c | Inactivity traps, for inactive persons entering work at 2 different wage levels ¹ single person, no children, moving to 50% of average production worker single person, no children, moving to 67% of average production work | 2006 | ▲ ▲ | 78% 68% | * * |
| 9d | Low wage traps single person, no children, moving to 33%-67% of average production worker single person, no children, moving to 67%-100% of average production work | 2006 | ▲ ▲ | 77% 33% | * * |
| | Net income of social assistance as a % of | | | | |

¹¹ The latest available data for the UK is 2002.

| | | |
|----|---|---|
| 10 | the at-risk of poverty threshold for 3 jobless household types | We are awaiting interpretation on this indicator from the OECD. |
| 11 | Self-reported limitations in daily activities by income quintiles | <i>To be developed by Eurostat</i> |

Streamlined indicators

Employment

9. In all the streamlined indicators about employment for which we can determine a trend, there has been a positive movement. The UK continues to have one of the lowest long-term unemployment rates in Europe. The indicators on jobless households have shown a marked improvement, although the percentage of jobless households is still well above the EU-25 average.

Long term Unemployment Rate

10. The UK's long term unemployment rate has dropped substantially since 1998 from 1.9 per cent to 1.3 per cent in 2007 and the UK continues to have one of the lowest long-term unemployment rates in Europe. The EU-25 average had a rate of 3.0 per cent in 2007. Women in the UK had a lower long-term unemployment rate of 0.9 per cent compared to men whom had a rate of 1.6 per cent. This can be explained by women having lower activity rates compared to men.

Jobless Households

11. The number of children in jobless households has decreased from 18.9 per cent in 1997 to 16.7 per cent in 2007. National data shows that there has been a fall of 445,000 children in workless households since Q2 1997¹². This is especially important as the chances of child poverty are considerably increased if the child lives in a workless household.¹³
12. However, there is still substantial work to do on this target, as the EU-25 average is 9.3 per cent. The UK Government is actively seeking to narrow this gap, especially by increasing the employment rate of lone parents. According to national data¹⁴, around two-thirds of children in jobless households live in households that contain a lone parent. The employment rate of lone parents has increased by 11.6 percentage points since 1997 to 56.3 per cent.¹⁵ The UK Government through policies such as mandatory work focused interviews for lone parents on Income Support (IS) is striving to further increase lone parent employment rate and as a result lower the number of children in workless households.
13. In a similar way the number of adults, both male and female, who live in jobless households, has been reduced since 1997. The percentage of men in jobless households has fallen from 10.9 per cent in 1997 to 8.9 per cent in 2007. The EU-25 figure is 8.2 per cent in 2007, but the gap has closed in recent years. The number of females in the UK in jobless households has also reduced since 1997, from 15 per cent to 12.7 per cent in 2007.

¹² Data for GB rather than UK – HBAI data

¹³ EU data refer to jobless households, UK data refers to workless households

¹⁴ Labour Force Survey

¹⁵ Data for GB rather than UK – HBAI data

Employment Rate Gap of Immigrants

14. Since 2005 the employment gap between immigrants and non-immigrants has reduced in the UK from 7.7 per cent to 5.6 per cent in 2007. This fall is a similar degree to the EU-25 but the employment gap between immigrants and non-immigrants is still higher in the UK than the EU-25 average, which was 3 per cent in 2007. However, it is not the case in the UK that immigrants for all countries have a lower employment rate than natives. According to national data¹⁶ those from Australia, South Africa, Bulgaria and Romania for instance had higher employment rates than UK natives.
15. Additionally, for most migrant groups employment outcomes vary a great deal by gender. Foreign-born women fare far worse in comparison to UK-born women. Pakistani women have an employment rate of (15.9 per cent) 56 percentage points lower than native women (72.0 per cent) - Bangladeshi women have a similarly low employment rate (20.3 per cent). The approximate 50:50 gender split of the foreign-born UK working age population means that low female employment rates in most migrant groups significantly reduce overall employment rates. For example, the employment rate for Pakistani men is only 4 percentage points lower than for UK-born men, but the female rate is 56 percentage points lower than for UK-born females, resulting in the overall Pakistani employment rate being 30 percentage points lower than for all natives.

Regional Cohesion

16. Since 1997, employment has increased in every region and country in the UK. Since 2000 the regional cohesion indicator of the UK's employment has fallen from 7.1 to 5.5 demonstrating that those regions which had a lower employment rate have reduced the deficit between them and the higher employment regions. The UK is also performing much better than the EU on this measure with the EU -27 figure being 11.3 in 2007.

Making work pay

Marginal effective tax rates (METR) also known as Marginal Deduction Rates are defined as the proportion of extra earnings that is lost through higher income tax and NICs, and lower entitlement to in-work benefits.

Unemployment traps

17. The marginal effective tax rate for an unemployed person measures the short-term financial incentive to move from unemployment where benefits are received into paid work and is the rate at which taxes increase and benefits decrease as an unemployed person takes up a job. The 'unemployment trap' arises when the difference between in and out of work incomes is too small to provide an incentive for those currently out of work to take a job. For an unemployed person previously employed at a wage of 67 per cent of average national earnings (here measured as the average earnings of a full-time manual worker in the manufacturing industry – Average Production Worker), taking up a new job at the same wage as before the unemployment spell would imply facing a marginal effective tax rate of 68 per cent in the UK for a single person with no children. This means that by taking up a new job net income would increase by 32 per cent. In particular, for couples with two children and only one potential earner, the unemployed individual faces a marginal effective tax rate of 78 per cent, in 2006. However, this is fairly low compared to other European countries where on average most countries exceed 80 per cent for this group.

¹⁶ Labour Force Survey 2008 Quarter 2

Making work pay

The National Minimum Wage is part of an overall strategy to make work pay. Together with the Working and Child Tax Credits, in October 2008, the National Minimum Wage will guarantee that every family with one child and one person working 35 hours per week will receive a minimum income of £292 per week. The bite (National Minimum Wage as a percentage of median earnings) is now 50 per cent of the median wage. The UK minimum wage is now around the OECD average and is one of the highest in the OECD in terms of purchasing power.

The Government increased the adult rate of the national minimum wage on 1 October 2007 from £5.35 to £5.52, and from October 2008 it will be raised again to £5.73. The minimum wage plays a part in narrowing the gender pay gap, as women are more likely to work in lower paid and often part-time jobs than men. Therefore more women than men will benefit from raising the minimum wage.

We are piloting a Better Off In Work Credit to ensure that all long-term claimants see a significant rise in their incomes when they take a job. We are also introducing a number of measures for lone parents (the majority of whom are women) to make work pay, help sustainability and progression once in work. These include: the national roll out of In-Work Credit, In-Work Advisory Support and an In-Work Emergency Discretion Fund for lone parents. We will also ensure that programmes and policies meet the needs of people who are disadvantaged in the labour market by offering targeted back to work programmes.

Inactivity traps

18. The 'inactivity trap'¹⁷ is a similar situation to the unemployment trap except that it applies to people of working-age not receiving any unemployment benefits. The marginal effective tax rates for the inactive shows the effect of tax and benefit systems on the financial incentives of entering low-wage employment or part-time work for inactive persons. In the UK the METRs faced by inactive individuals considering taking up a job and who are not or no longer entitled to unemployment benefits are broadly the same as those for the 'unemployment trap'. However, inactivity METR's are higher than the European average as the METR faced by inactive households in most European countries are lower in comparison to the unemployment METR's in 2006.

Inactivity traps with and without childcare costs

19. The inactivity traps with and without childcare costs shows estimates of household incomes after childcare costs, assuming that households where all adults are employed purchase formal (centre-based) childcare services on a full-time basis¹⁸. The available estimates refer to 2002 and therefore the values of inactivity traps in the absence of childcare costs do not correspond to those shown in context indicator 9b (they are generally higher). This indicator illustrates the important financial trade-offs between work and staying at home faced by families with children.
20. With childcare costs taken into account as work-related expenses, a low earner couple with two children would see 89 per cent of their earnings consumed by childcare fees, taxes and reduced benefits compared to 25 per cent for the same measure without childcare included. In the UK, a marginal effective tax rate of 59 per cent for lone parents (with two children, but with no childcare costs) increases to 84 per cent when childcare costs are included.

¹⁷ As defined by the OECD who produce the making work pay indicators for Eurostat. For the inactivity-related indicators, the OECD consider the definition of 'inactivity' as someone who is not entitled to unemployment benefits (JSA contribution based or income based in the UK case) but instead receives social assistance (income support).

¹⁸ Families with at least one labour market inactive adult do not require any formal childcare

Low wage traps

21. The low-wage trap shows the financial consequences of increasing working hours or work effort for those already in work. This indicator measures the financial incentives to improve a household's income situation by increasing earnings, and is defined as the rate at which taxes are increased and benefits are reduced as a person increases his or her earnings by a small amount.
22. In the UK, METRs for the income range between 33 per cent and 67 per cent of APW are higher than those for the higher income range of 67 per cent to 100 per cent of APW, reflecting the fact that most income dependent social transfers are already phased out in the higher ranges and only taxes and social security contributions play a role.

Income and Living Conditions

Child Poverty

23. One of the key goals of the UK government is to reduce child poverty, measured in relative terms, as 60 per cent of median income, with the eventual goal of eliminating it by 2020. The Eurostat survey shows that the at-risk of poverty rate for children increased slightly from 22 per cent to 24 per cent from 2005 to 2006. However, national data¹⁹ shows that between 1998 and 2007 the at risk of poverty rate has fallen from 26 per cent to 22 per cent. In addition, national data shows that whilst the last two years have seen a small increase in child poverty, both before and after housing costs, this should not detract from the significant reductions in child poverty that have been made in the last 10 years. Since 1998/99 the number of children in relative poverty has fallen by 600,000 before housing costs, to 2.9 million, and 500,000 after housing costs to 3.9 million, notwithstanding the recent rises. In addition, there has been a 50 per cent reduction, representing 1.7 million, in children living in absolute poverty between 1998 and 2007. Government policies, laid out in Budget 2008, are actively seeking to further reduce the number of children in poverty and these are outlined in Figure 3.

Figure 3

- Increasing the child element of Child Tax Credit by £50 a year above indexation from April 2009
- Increasing the first child rate of Child Benefit to £20 a week from April 2009
- Disregarding Child Benefit in calculating income for Housing and Council Tax Benefit from October 2009
- This all adds up to an extra £1.7bn over the next 3 years which will make significant progress in lowering child poverty.

24. As a result of the reforms since 1997, including those in the 2008 Budget, couples with children in the poorest fifth of the population will be £4,700 a year better off and lone parents £3,350 a year better off by October 2008. Taken together, reforms announced in the 2007 Budget, the 2007 Pre-Budget Report, the Comprehensive Spending Review, and the 2008 Budget will lift around 500,000 more children out of poverty.

¹⁹ Households Below Average Income(HBAI)- 2006/2007

At risk of poverty for other age groups

25. The at-risk of poverty rate for adults in the UK in 2006 was 16 per cent which was only slightly higher than the EU-25 average of 15 per cent. The at-risk of poverty rate for pensioners in the UK in 2006 was 28 per cent which is considerably higher than the EU-25 average of 19 per cent. However EU-SILC data do not take into account housing costs, and the definition of disposable income does not take into consideration contributions for personal pensions. National data (which captures both effects) shows the pensioner poverty rate to be much lower (at 19%). Moreover, recent pension reforms in the UK mean that in the future the generosity will rise slightly while the EU-25 generosity will fall. Without the pension reform, such as making the State Pension fairer, the introduction of personal accounts and the raising of the State Pension age over time to reflect longevity, then the generosity of the UK system would have declined appreciably.
26. Elderly women are more at risk of poverty than men in the UK, but this is the same as the EU-25 average and for the first time in 2006, the risk gap between elderly men and women was lower in the UK than in the EU-25.

Other at risk of poverty rate indicators

27. The at-risk of poverty rate for adults in the UK in 2006 was 16 per cent which was only slightly higher than the EU-25 average of 15 per cent.
28. The UK's at risk of poverty rate anchored in 2005 is higher than the EU-25 average with the total being 18 per cent compared to 16 per cent for the EU-25. For children while the EU-25 rate is 19 per cent the UK at risk rate is 23 per cent.

The at-risk-of-poverty rate before social transfers

29. In 2006, the UK at-risk-of-poverty rate was 30 per cent before all social transfers except pensions. This is considerably higher than the EU-25 average at-risk-of-poverty rate before transfers except pensions, which was 26 per cent during the same time period. The difference can be explained by the UK's high at risk-of-poverty rate before social transfers for children which was 41 per cent and the rate for women aged 65 years and more which was 39 per cent. The EU-25 average is substantially lower than the UK as the at-risk-of-poverty rate for children is 33 per cent and for women aged 65 years and more the rate is 25 per cent.

Relative median poverty risk gap

30. The relative median poverty risk gap in the UK for the population is 23 per cent which is very similar to the EU-25 figure which is 22 per cent. The relative median poverty risk gap is smaller for children and the elderly than it is for 18-64 year olds, probably because of more diverse income spectrum for that age group. The risk gap is higher for children in the EU-25 average at 21% compared to 19% in the UK. However, for adults the EU-25 average is slightly lower than the UK figure.

Persistent at risk of poverty rate

31. The proportion of all households in the UK in persistent low income has fallen since 1997-2000. There has been some reduction in the proportion of dependent children living in households with persistent low income, using the below 60% and 70% of median threshold.

Poverty risk by breakdown of housing type

32. The indicator measuring the at risk of poverty by households type shows that two-adult households who are aged below 65 without children are at the lowest at-risk of poverty at 10 per cent in both the UK and EU-25 in 2006. Overall, adults living in two-adult households have a lower risk of falling into low income than those living in one-person households. In the UK, single parents were the household group which had the highest at risk of poverty rate at 41 per cent in comparison to the EU-25 figure of 32 per cent. Two-adult households with more than three children also have a high at risk of poverty rate of 25 per cent for the UK and 24 per cent for the EU-25. Those aged over 65 in one-person households also face a high risk of falling into low income which was 36 per cent in the UK and higher than the EU-25 at 26 per cent.

Poverty risk by the work intensity of households

33. The poverty risk by the work intensity of households shows clearly that those in paid work have a lower risk of falling into low income than those who do not work. For example, those aged between 18 and 64 years in the UK face an at risk of poverty rate of 7 per cent in comparison to an at-risk of poverty rate of 68 per cent for the same age group in households who do not work. This is also similar to the EU-25 average. In general, the risk of a household falling into poverty decreases as the work intensity of the households increases. The group with the highest risk of falling into low income are workless households with dependent children who are below 18. This group faces a risk of falling into low income of 76 per cent in the UK and the EU-25.

Poverty risk by most frequent activity status

34. Similarly, in the UK those who are unemployed face a high risk of falling into low income at 58 per cent in 2006. This is higher than the EU-25 average of 41 per cent in 2006. In particular, unemployed men face a higher at risk of poverty rate at 64 per cent than women who have a rate of 50 per cent in the UK. Those who are inactive also face a high at risk of poverty rate of 37 per cent which is higher than the EU-25 average of 27 per cent. This re-enforces the Government's view that for most people, paid work is the most important route out of poverty.

Poverty risk by household type

35. In the UK, those living in rented accommodation face a higher at risk of poverty rate of 33 per cent than those who live in owner households have a 14 per cent chance of falling into low income. The EU-25 average is 23 per cent and 14 per cent respectively. Those aged 65 plus who are home owners face an at-risk of poverty rate of 28 per cent in the UK which is higher than the EU-25 average of 19 per cent.

Poverty threshold values

Dispersion around the at-risk-of-poverty threshold

36. The at risk of poverty rate falls substantially from the standard measure of poverty at 60 per cent of median income (19 per cent) if it is measured as 50 per cent of the median income and 40 per cent of median income with the chances of falling into poverty being 12 per cent and 6 per cent respectively in the UK in 2006. If the poverty threshold is measured as 70 per cent of the median income the at risk of poverty rate increases to 27 per cent in the UK in 2006.
37. When the poverty threshold is measured as 70 per cent of medium income the over 65 at risk of falling into poverty increases to 42 per cent from 28 per cent when measured at 60 per cent of median income. This is higher than the EU-25 average of 30 per cent in 2006 and shows that many pensioners in the UK are dispersed near the poverty threshold.

Illustrative Threshold Value

38. The illustrative threshold value is €11584 in 2006 and €24327 in 2006. This is a contextual figure and as such no trends can be identified. The figures are represented in euros rather than PPS as there was no EU-25 wide data for a time series.

Inequality Indicators

S80/S20 ratio

39. Since 1997 the UK's ratio of the top quintile's income to the bottom quintile has increased from 4.7 to 5.4. This is higher than the EU-25 average of 4.8. However, this rise must be put into context when it is considered that since 1998 the ratio has only risen from 5.2 to 5.4, and the EU-25 average has risen by the same amount, from 4.6 to 4.8 over the same period. In addition, between 2005 and 2006 the UK's ratio fell by 0.2 from 5.6 to 5.4. Therefore, since the introduction of the new survey in 2005 the UK's ratio has fallen.

Gini-coefficient

40. The Gini co-efficient for the UK in 2006 was 32 per cent which was slightly higher than the EU's figure of 30 per cent. This shows that the UK is a slightly more unequal society than the EU-25 average²⁰.

Healthcare

Unmet medical need for care

41. The UK's figure for unmet medical need for care is substantially lower at 2.6 than the EU-25 average of 6.2 in 2006 demonstrating that UK citizens have better than average access to healthcare. There is not much difference in unmet need for care between men and women, with slightly more unmet care for men in the UK and for women in the EU-25.
42. In terms of income distribution for both the UK and the EU-25 the largest unmet need for care was found in the poorest group in society, those under 20% of median income. This is presumably because this income group will face greater financial barriers to accessing health care than the wealthier groups. However, it is noticeable that the disparities in unmet need for care among income groups are greater in the EU-25 than in the UK and the larger amount of unmet need for care in the lower income groups are the cause of the differences between the EU-25 and the UK in total.

Life expectancy at birth and at 65

43. Since 1995 the life expectancy for UK citizens has risen considerably both at birth and after 65 demonstrating UK citizens are living longer. For males, life expectancy at birth has risen from 74 years in 1997 to 77.1 in 2005. For females, life expectancy has increased slightly from 79.2 years to 80.7 years. Both life expectancy indicators are higher than the average for the European countries. It's worth noting that in general the accession countries have the lowest life expectancy in the EU and Scandinavian countries have the highest life expectancy.
44. In addition, the life expectancy from 65 has also increased in the UK. For males this has increased from 14.6 years in 1995 to 17 years in 2005. Similarly, for females life expectancy after 65 has increased from 18.2 years to 19.1 years.

²⁰ This data for S80/S20 and the Gini coefficient exhibits similar trends to national data.
http://www.dwp.gov.uk/asd/hbai/hbai2007/pdf_files/full_hbai08.pdf - p 36

Healthy Life expectancy

45. Since 1997 the healthy life expectancy for UK citizens has risen considerably both at birth and after 65 demonstrating that as well as living longer, UK citizens are also living longer in a healthy condition. For males, healthy life expectancy at birth has risen from 60.9 years in 1997 to 63.2 in 2005. For females, healthy life expectancy has risen from 61.2 years in 1997 to 65 years in 2005. These rises have occurred most notably in the period between 2003 and 2005, though the figures are still lower than those for the EU-15.²¹

Education

Low educational attainment

46. The UK performs better than the EU-25 for people with low education attainment. For those aged 25-64, 27.5 per cent have low educational attainment in comparison to 30.5 per cent for the EU-25 average for the same age group. In particular, the UK performs much better than the EU-25 average for those aged 65 plus with 37 per cent having low education attainment in comparison to the EU-25 of 65.6 per cent. In general women tend to have a higher chance of having low educational attainment than men.

Early School Leavers

47. The UK has made noteworthy progress on the number of early school leavers since 2000. In 2000, 18.4 per cent of individuals left school early but this has been reduced to 13 per cent which is 1.5 percentage points lower than the latest EU-25 estimate.²² In addition, from 2013²³ the compulsory age for individuals being in education or training will increase from 16 to 17, which will further reduce early school leavers in the future. This demonstrates the commitment to improving the skills of younger people.

²¹ The EU in the healthy life expectancy figure refers to EU15 and not EU25.

²² EU figure is for 1997

²³ Those who start secondary school in 2008

Primary indicators

Primary Indicator 1: At-risk-of-poverty rate, 2006

| | | UK | EU-25 |
|--------------------|-------|----|-------|
| Total population | Total | 19 | 16s |
| | Men | 18 | 15s |
| | Women | 20 | 17s |
| Children aged 0-17 | Total | 24 | 19s |
| People aged 18-64 | Total | 16 | 15s |
| | Men | 15 | 14s |
| | Women | 16 | 15s |
| People aged 65+ | Total | 28 | 19s |
| | Men | 25 | 16s |
| | Women | 30 | 21s |

Total - At Risk of poverty rate (%)

| | 2005 | 2006 |
|-------|-----------------|------|
| EU 25 | 16 | 16 |
| UK | 19 ^b | 19 |

0-17 - At Risk of poverty rate (%)

| | 2005 | 2006 |
|-------|-----------------|------|
| EU 25 | 19 | 19 |
| UK | 22 ^b | 24 |

18-64 - At Risk of poverty rate (%)

| | 2005 | 2006 |
|-------|-----------------|------|
| EU 25 | 14 | 15 |
| UK | 16 ^b | 16 |

65+ - At Risk of poverty rate (%)²⁴

| | 2005 | 2006 |
|-------|-----------------|------|
| EU 25 | 19 | 19 |
| UK | 26 ^b | 28 |

Definition: Share of persons aged 0+ (unless stated otherwise) with an equivalised disposable income below 60% of the national median equivalised disposable income

Data Source: Source: EU-SILC 2006, Income data 2005; except for UK, income year 2006 and for IE moving income reference period (2005-2006)

Primary Indicator 1b: At-risk-of-poverty threshold (illustrative values), 2006

| Euros | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---------------------------------------|-------|-------|-------|-------|-------|-------|-------|------|-------|-------|
| Single person | 6573 | 8160 | 8288 | 10013 | 10576 | 10861 | 10150 | - | 11141 | 11584 |
| Two adults with two children under 14 | 13803 | 17136 | 17405 | 21027 | 22210 | 22808 | 21315 | - | 23396 | 24327 |

Definition: Value of the at-risk-of-poverty threshold (60% median national equivalised income) in euros for an illustrative household type (e.g., single person household)

Data Source: EU-SILC

²⁴ Though 65+ data on at risk of poverty rate goes back further to 1997 this is at odds with more robust national HBAI data – which shows a fall in pensioner poverty since 1997. http://www.dwp.gov.uk/asd/hbai/hbai2007/pdf_files/full_hbai08.pdf

Primary Indicator 2: Persistent at risk of poverty rate

| | Below 60% median | | | | | | Below 70% median | | | | | |
|--------------------|------------------|---------|---------|---------|---------|---------|------------------|---------|---------|---------|---------|---------|
| | 1997-00 | 1998-01 | 1999-02 | 2000-03 | 2001-04 | 2002-05 | 1997-00 | 1998-01 | 1999-02 | 2000-03 | 2001-04 | 2002-05 |
| Children | 17 | 17 | 17 | 15 | 13 | 11 | 27 | 26 | 27 | 26 | 24 | 22 |
| Working age adults | 7 | 7 | 7 | 7 | 7 | 6 | 13 | 13 | 12 | 13 | 12 | 12 |
| Total | 12 | 12 | 11 | 11 | 10 | 9 | 20 | 20 | 20 | 20 | 19 | 18 |

Definition: Percentage of individuals in households with low income (before housing costs) 3 out of the last 4 years. Data cover private households in Great Britain.

Data source: British Household Panel Survey 1991-2006.

This indicator will become available from Eurostat in 2009. Therefore, we have used best available national data which does not produce age breaks

Primary Indicator 3: Relative median poverty risk gap, 2006

| Relative median at-risk-of-poverty gap by age and gender, 2006 | | | |
|---|-------|-----------|--------------|
| | | UK | EU-25 |
| Total population | Total | 23 | 22s |
| | Men | 23 | 23s |
| | Women | 23 | 22s |
| Children aged 0-17 | Total | 21 | 23s |
| People aged 18-64 | Total | 26 | 25s |
| | Men | 27 | 25s |
| | Women | 24 | 24s |
| People aged 65+ | Total | 19 | 18s |
| | Men | 18 | 18s |
| | Women | 20 | 18s |

s=eurostat estimate

Definition: Difference between the median equivalised income of persons aged 0+ below the at-risk-of poverty threshold and the threshold itself, expressed as a percentage of the at-risk-of poverty threshold.

Data source: EU-SILC 2006, Income data 2005; except for UK, income year 2006 and for IE moving income reference period (2005-2006)

Total – relative median poverty risk gap(%)

| | 2005 | 2006 |
|-------|-----------------|------|
| EU 25 | 23 | 22 |
| UK | 23 ^b | 23 |

0-17 - relative median poverty risk gap(%)

| | 2005 | 2006 |
|-------|-----------------|------|
| EU 25 | 23 | 23 |
| UK | 21 ^b | 21 |

18-64 - relative median poverty risk gap(%)

| | 2005 | 2006 |
|-------|-----------------|------|
| EU 25 | 25 | 25 |
| UK | 26 ^b | 26 |

65+ - relative median poverty risk gap(%)

| | 2005 | 2006 |
|-------|-----------------|------|
| EU 25 | 18 | 18 |
| UK | 19 ^b | 19 |

Definition: Difference between the median equivalised income of persons aged 0+ below the at-risk-of poverty threshold and the threshold itself, expressed as a percentage of the at-risk-of poverty threshold.

Data source: EU-SILC 2006, Income data 2005; except for UK, income year 2006 and for IE moving income reference period (2005-2006)

Primary Indicator 4: Long term unemployment rate, 1998-2007

| | Total | | Female | | Male | |
|------|-------|------------------|--------|------------------|------|------------------|
| | UK | EU-25 | UK | EU-25 | UK | EU-25 |
| 1998 | 1.9 | 4.4 | 1.2 | 5.5 | 2.4 | 3.6 |
| 2000 | 1.4 | 3.9 | 0.9 | 4.8 | 1.9 | 3.3 |
| 2002 | 1.1 | 3.9 | 0.7 | 4.6 | 1.4 | 3.3 |
| 2004 | 1.0 | 4.1 | 0.6 | 4.7 | 1.2 | 3.6 |
| 2006 | 1.2 | 3.6 ^p | 0.8 | 4.0 ^p | 1.5 | 3.2 ^p |
| 2007 | 1.3 | 3.0 | 0.9 | 3.3 | 1.6 | 2.8 |

p=provisional value

Definition: Long-term unemployed (12 months and more) persons are those aged at least 15 years not living in collective households who are without work within the next two weeks, are available to start work within the next two weeks and who are seeking work (have actively sought employment at some time during the previous four weeks or are not seeking a job because they have already found a job to start later). The total active population (labour force) is the total number of the employed and unemployed population. The duration of unemployment is defined as the duration of a search for a job or as the length of the period since the last job was held (if this period is shorter than the duration of the search for a job).

Data source: Eurostat Labour Force Survey.

Primary Indicator 5a: Population living in jobless households: children (aged 0-17), 2007

Children(0-17) living in jobless households (%)

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|-------|------|------|------|------|------|------|------|------|------|------|------|
| EU 25 | - | - | - | - | 9.6 | 9.9 | 9.8 | 9.8 | 9.6 | 9.5 | 9.3 |
| UK | 18.9 | 18.9 | 18.4 | 17.0 | 16.9 | 17.4 | 17.0 | 16.8 | 16.5 | 16.2 | 16.7 |

Primary Indicator 5b: Population living in jobless households: prime-age adults (aged 18-59)

Total Adults(18-59) living in jobless households (%)

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|-------|------|------|------|------|------|------|------|------|------|------|------|
| EU 25 | - | - | - | - | 10.1 | 10.2 | 10.2 | 10.3 | 10.2 | 9.8 | 9.3 |
| UK | 12.9 | 12.5 | 11.8 | 11.4 | 11.2 | 11.3 | 10.9 | 11 | 11 | 10.7 | 10.9 |

Men(18-59) living in jobless households (%)

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|-------|------|------|------|------|------|------|------|------|------|------|------|
| EU 25 | - | - | - | - | 8.8 | 8.9 | 9.0 | 9.3 | 9.2 | 8.8 | 8.2 |
| UK | 10.9 | 10.3 | 9.6 | 9.1 | 9.1 | 9.2 | 8.9 | 9.0 | 9.2 | 8.8 | 8.9 |

Females(18-59) living in jobless households (%)

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|-------|------|------|------|------|------|------|------|------|------|------|------|
| EU 25 | - | - | - | - | 11.4 | 11.4 | 11.3 | 11.4 | 11.2 | 10.8 | 10.3 |
| UK | 15 | 14.6 | 13.9 | 13.5 | 13.2 | 13.3 | 12.9 | 13.0 | 12.8 | 12.5 | 12.7 |

Data Source: Eurostat- European Labour Force Survey- Quarter 2 results

Definition: Proportion of people living in jobless households, expressed as a share of all people in the same age group. This indicator should be analysed in the light of context indicator N°8: jobless households by main household types

Primary Indicator 6: Early school leavers not in education or training

| | Total | | Female | | Male | |
|------|-------------------|-------------------|-------------------|------|-------------------|------|
| | UK | EU | UK | EU | UK | EU |
| 2000 | 18.4 | 17.3 ^e | 17.9 | 15.2 | 19.0 | 19.5 |
| 2004 | 14.9 ⁱ | 15.6 | 14.2 ⁱ | 13.1 | 15.7 | 18.0 |
| 2005 | 14.0 ^p | 15.2 | 13.2 ^p | 13.1 | 14.7 ^p | 17.3 |
| 2006 | 13 | 15.1 | 11.4 | 12.8 | 14.6 | 17.4 |
| 2007 | : | 14.5 | : | 12.3 | : | 16.7 |

p=provisional value, : not available or unreliable data

Definition: Percentage-share of persons aged 18 to 24 who have only lower secondary education (their highest level of education or training attained is 0, 1 or 2 according to the 1997 International Standard Classification of Education – ISCED 97) and have not received education or training in the four weeks preceding the survey.

Data Source: Eurostat Labour Force Survey

Primary Indicator 7: Employment gap of immigrants, 2005-2007

| | Employment rate gap between persons born inside and outside the country | | | Employment rates by country of birth | | | | | | | | |
|-------|---|------|------|--------------------------------------|------------------------------|-----------------------|---------------------|------------------------------|-----------------------|---------------------|------------------------------|-----------------------|
| | | | | 2005 | | | 2006 | | | 2007 | | |
| | 2005 | 2006 | 2007 | Born in the country | Born in another EU25 country | Born outside the EU25 | Born in the country | Born in another EU25 country | Born outside the EU25 | Born in the country | Born in another EU25 country | Born outside the EU25 |
| UK | 7.7 | 5.9 | 5.6 | 72.5 | 72.1 | 62.2 | 72.2 | 75.1 | 63.1 | 72.0 | 75.4 | 62.8 |
| EU-25 | 5.1 | 3.1 | 3.0 | 65.2 | 65.6 | 58.2 | 65.1 | 66.6 | 60.4 | 66.1 | 68.6 | 60.8 |

Definition: Percentage point difference between the employment rate for non-immigrants and that for immigrants.

Data Source: Eurostat Labour Force Survey

Primary Indicator 8: Material deprivation

To be developed - indicator is awaiting EU-level agreement.

Primary Indicator 9: Housing deprivation

On the basis of national sources, Member States have to report on homelessness, housing costs and decent housing. Indicator to be developed based on information available in EU-SILC.

a) Number of People Sleeping Rough(England) – estimate

| Year | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|------|------|------|------|------|------|------|------|------|------|------|
| | 1850 | 1633 | 1180 | 703 | 596 | 504 | 508 | 459 | 502 | 498 |

Definition: Figures based on single night street counts and estimates

Data Source: Housing Strategy Statistical Appendix data supplied by local authorities

Table above is the same as Opportunity For All indicator 26.

b) Households living in housing below the set standard of decency(%)

| | 1996 | 2001 | 2003 | 2004 | 2005 |
|--------------------|------|------|------|------|------|
| Total | 44% | 33% | 30% | 28% | 27% |
| Older People(60+) | 46% | 34% | 32% | 29% | 27% |

Definition : The proportion of households who live in a home that did not meet the set standard of decency. The definition of a decent home is one which meets all the following criteria:

- it is above the current statutory minimum standard for housing;
- it is in a reasonable state of repair;
- it has reasonably modern facilities and services; and
- it provides a reasonable degree of thermal comfort

This is the same as Opportunity For All indicator 33.

Data Source: The English House Condition Survey(EHCS) was undertaken every five years up to and including 2001, from which data fieldwork was added on a continuous basis. Results have been published annually since 2003, based on a combined two-year datasets. The EHCS 2005 Annual Report was published in June 2007.

Primary Indicator 10: Unmet need for medical care (by socio-economic status)

Self reported unmet need for medical care(for three reasons: too expensive, too long waiting time, too far to travel), total

| | | 2005 | 2006 |
|----|--------|------|------|
| EU | Total | 8.2 | 6.2 |
| | Male | 7.5 | 5.7 |
| | Female | 8.7 | 6.5 |
| UK | Total | 2.4 | 2.6 |
| | Male | 2.1 | 2.8 |
| | Female | 2.6 | 2.5 |

| Income group | Age range | Gender | EU-25 | UK |
|--|-------------------------|--------|-------|------|
| Below 20% of median equivalised income | Between 18 and 44 years | female | 6.8 | 2.1 |
| | | male | 5.3 | 3 |
| | Between 45 and 54 years | female | 9.5 | 3.3 |
| | | male | 8 | 3.2 |
| | Between 55 and 64 years | female | 7.2 | 3 |
| | | male | 7 | 2.7 |
| | Between 65 and 74 years | female | 5.2 | 1.7 |
| | | male | 5.2 | 3 |
| | 75 years and above | female | 4.2 | 3.2 |
| | | male | 3.2 | 1.9 |
| Between 20% and 40% of median equivalised income | Between 18 and 44 years | female | 4.3 | 2.5 |
| | | male | 3.3 | 1.3 |
| | Between 45 and 54 years | female | 6.2 | 2.5 |
| | | male | 4.3 | 1.5 |
| | Between 55 and 64 years | female | 4.7 | 1.4 |
| | | male | 4.6 | 0.8 |
| | Between 65 and 74 years | female | 4.4 | 1.8 |
| | | male | 3.3 | 1.6 |
| | 76 years and above | female | 3.8 | 0.6 |
| | | male | 2.5 | 1.8 |
| Between 40% and 60% of median equivalised income | Between 18 and 44 years | female | 3 | 1.9 |
| | | male | 2.3 | 1.4 |
| | Between 45 and 54 years | female | 4.3 | 2.6 |
| | | male | 3.4 | 1.3 |
| | Between 55 and 64 years | female | 3.8 | 0.8 |
| | | male | 2.7 | 0.8 |
| | Between 65 and 74 years | female | 3.5 | 1.5 |
| | | male | 2.7 | 2 |
| | 77 years and above | female | 3.9 | 0.7 |
| | | male | 2.7 | 0.8 |
| Between 60% and 80% of median equivalised income | Between 18 and 44 years | female | 2.5 | 2.1 |
| | | male | 2 | 3 |
| | Between 45 and 54 years | female | 3.2 | 2.5 |
| | | male | 2.5 | 2.2 |
| | Between 55 and 64 years | female | 2.8 | 1.3 |
| | | male | 2.9 | 4 |
| | Between 65 and 74 years | female | 2.7 | 0.6 |
| | | male | 2.4 | 1.8 |
| | 78 years and above | female | 3 | 2.8 |
| | | male | 2.7 | 0 |
| Above 80% of median equivalised income | Between 18 and 44 years | female | 1.9 | 1.6 |
| | | male | 1.3 | 0.9 |
| | Between 45 and 54 years | female | 2.1 | 3.4 |
| | | male | 1.9 | 1.1 |
| | Between 55 and 64 years | female | 1.9 | 1.4 |
| | | male | 1.4 | 1.5 |
| | Between 65 and 74 years | female | 1.9 | 1.1 |
| | | male | 1.4 | 2.2 |
| | 79 years and above | female | 2 | 2.1u |
| | | male | 2.1 | 0 |

u = Unreliable or uncertain data

Definition: Problem of access (could not afford to, waiting list, too far to travel), as a percentage of relevant population

Data Source: EU-SILC 2006

Primary Indicator 11: Child well-being

Indicator is awaiting EU-level agreement and data is not available.

Secondary indicators

Secondary Indicator 1: Poverty risk by gender and age, 2006

| | | UK | EU-25 |
|--------------------|-------|----|-------|
| Total population | Total | 19 | 16s |
| | Men | 18 | 15s |
| | Women | 20 | 17s |
| Children aged 0-17 | Total | 24 | 19s |
| People aged 18-64 | Total | 16 | 15s |
| | Men | 15 | 14s |
| | Women | 16 | 15s |
| People aged 65+ | Total | 28 | 19s |
| | Men | 25 | 16s |
| | Women | 30 | 21s |

Definition: The share of the population (or the relevant breakdown) with an equivalised disposable income below the at-risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income

Data Source: EU-SILC 2006

Secondary Indicator 1a: Poverty risk by household type

| Household type | Breakdown | EU25 | UK |
|---|---------------------|-------------|-----------|
| Households without dependent children | Total | 15s | 18 |
| * One-person households | Total | 24s | 29 |
| | Men | 22s | 26 |
| | Women | 25s | 31 |
| | Aged < 65 yrs | 22s | 23 |
| | Aged 65+ | 26s | 36 |
| * Two-adult households | Both < 65 yrs | 10s | 10 |
| | At least one 65+ | 16s | 23 |
| * Other households | Total | 10s | 13 |
| Households with dependent children | Total | 17s | 21 |
| * Single parents | at least 1dep child | 32s | 41 |
| * Two-adult households | 1 dep. child | 12s | 14 |
| | 2 dep. children | 14s | 13 |
| | 3+ dep. children | 24s | 25 |
| *Three or more adults with dependent children | | 25s | 27 |
| * Other households | | 18s | 18 |

Definition: The share of the population (or the relevant breakdown) with an equivalised disposable income below the at-risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income

Data source: Source: EU-SILC 2006,

Secondary Indicators 1b: Poverty risk by the work intensity of households, 2006

| Work intensity of Household | Household type | Age | gender | EU-25 | UK |
|---|---|--|------------------------------------|-------|---------|
| Max work: Household with work intensity = 1 | Households with dependent children | Total | Females | 7s | 10 |
| | | | Males | 6s | 9 |
| | | Less than 18 years | Total | 12s | 19 |
| | | Between 18 and 64 years | Total | 10s | 14 |
| | Households without dependent children | Total | Females | 5s | 5 |
| | | | Males | 5s | 5 |
| | | Less than 18 years | Total | 0s | 0 |
| | | Between 18 and 64 years | Total | 7s | 7 |
| | | 65 years and over | Total | 9s | 14 |
| | | None work: Household with work intensity = 0 | Households with dependent children | Total | Females |
| Males | 63s | | | | 62 |
| Less than 18 years | Total | | | 76s | 76 |
| Between 18 and 64 years | Total | | | 70s | 68 |
| Households without dependent children | Total | | Females | 28s | 38 |
| | | | Males | 31s | 43 |
| | Less than 18 years | | Total | 0s | 0 |
| | Between 18 and 64 years | | Total | 41s | 54 |
| | 65 years and over | | Total | 30s | 39 |
| | Some (high) work: Household with work intensity between 0.5 and 1 | | Households with dependent children | Total | Females |
| Males | | 18s | | | 24 |
| Less than 18 years | | Total | | 30s | 37 |
| Between 18 and 64 years | | Total | | 26s | 33 |
| Households without dependent children | | Total | Females | 7s | 11 |
| | | | Males | 7s | 12 |
| | | Less than 18 years | Total | 0s | 0 |
| | | Between 18 and 64 years | Total | 11s | 17 |
| | | 65 years and over | Total | 12s | 36 |
| | | Some (low) work: Household with work intensity between 0 and 0.5 | Households with dependent children | Total | Females |
| Males | 41s | | | | 36 |
| Less than 18 years | Total | | | 59s | 64 |
| Between 18 and 64 years | Total | | | 51s | 56 |
| Households without dependent children | Total | | Females | 20s | 29 |
| | | | Males | 22s | 38 |
| | Less than 18 years | | Total | 0s | 0 |
| | Between 18 and 64 years | | Total | 30s | 46 |
| | 65 years and over | | Total | 25s | 56 |
| | At least some work: Household with work intensity between 0 and 1 | | Households with dependent children | Total | Females |
| Males | | 21s | | | 25 |
| Less than 18 years | | Total | | 34s | 41 |
| Between 18 and 64 years | | Total | | 30s | 36 |
| Households without dependent children | | Total | Females | 10s | 13 |
| | | | Males | 11s | 15 |
| | | Less than 18 years | Total | 0s | 0 |
| | | Between 18 and 64 years | Total | 16s | 21 |
| | | 65 years and over | Total | 16s | 42 |

Definition: The share of the population (or the relevant breakdown) with an equivalised disposable income below the at-risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income. The work intensity of the household refers to the number of months that all working age household members have been working during the income reference year as a proportion of the total number of months that could theoretically be worked within the household.

Individuals are classified into work intensity categories that range from WI=0 (jobless households) to WI=1 (full work intensity).

Data source: EU-SILC 2006

Secondary Indicators 1c: Poverty risk by most frequent activity status

At-risk-of-poverty rate most frequent activity status and by gender (population 18 and over)

| Activity status | Gender | UK | EU-25 |
|------------------------|---------------|-----------|--------------|
| Total | Total | 18 | 15s |
| | Men | 16 | 14s |
| | Women | 19 | 16s |
| At work | Total | 8 | 8s |
| | Men | 8 | 8s |
| | Women | 7 | 7s |
| * Unemployed | Total | 58 | 41s |
| | Men | 64 | 46s |
| | Women | 50 | 36s |
| * Retired | Total | 28 | 16s |
| | Men | 26 | 15s |
| | Women | 30 | 17s |
| * Other inactive | Total | 37 | 27s |
| | Men | 39 | 27s |
| | Women | 35 | 27s |

s=Eurostat estimate

Definition: Poverty risk for the adult population (aged 18 years and over) in the following most frequent activity status groups: employment; unemployment; retirement; other activity

Data source: Source: EU-SILC 2006

Secondary Indicator 1d: Poverty risk by accommodation tenure status, 2005-2006

At-risk-of-poverty rate by accommodation tenure status and by gender

| Incidence | Gender | UK | EU-25 |
|------------------|---------------|-----------|--------------|
| Owner | Total | 14 | 14s |
| | Men | 13 | 13s |
| | Women | 15 | 15s |
| Tenant | Total | 33 | 23s |
| | Men | 33 | 22s |
| | Women | 33 | 23s |

At-risk-of-poverty rate by accommodation tenure status and by selected age group

| Incidence | Gender | UK | EU-25 |
|------------------|---------------|-----------|--------------|
| Owner | 0-17 | 14 | 15s |
| | 18-64 | 10 | 12s |
| | 65+ | 28 | 19s |
| Tenant | 0-17 | 44 | 30s |
| | 18-64 | 30 | 22s |
| | 65+ | 26 | 17s |

Definition: Poverty risk for the total population aged 0+ in the following accommodation tenure categories. Owner-occupied or rent free, rented

Data source: Source: EU-SILC 2006, Income data 2005; except for UK, income year 2006 and for IE moving income reference period (2005-2006)

Secondary Indicator 1e: Dispersion around the at-risk-of-poverty threshold, 2005-2006

Dispersion around the at-risk-of-poverty threshold by gender for the total population (threshold: at 40%, 50% and 70%), by gender

| | Threshold | UK | EU-25 |
|-------------------------|------------------|-----------|--------------|
| Total population | 40% | 6 | 5s |
| | 50% | 12 | 10s |
| | 70% | 27 | 24s |
| Men | 40% | 6 | 5s |
| | 50% | 11 | 9s |
| | 70% | 26 | 23s |
| Women | 40% | 6 | 5s |
| | 50% | 13 | 10s |
| | 70% | 29 | 25s |

Dispersion around the at-risk-of-poverty threshold by gender for the total population (threshold: at 40%, 50% and 70%), by those aged over 18

| | Threshold | UK | EU-25 |
|--------------|------------------|-----------|--------------|
| Men | 40% | 6 | 5s |
| | 50% | 11 | 9s |
| | 70% | 24 | 21s |
| Women | 40% | 6 | 5s |
| | 50% | 12 | 10s |
| | 70% | 28 | 24s |

Age groups

| | Threshold | UK | EU-25 |
|--------------|-----------|----|-------|
| 0-17 | 40% | 7 | 6s |
| | 50% | 14 | 11s |
| | 70% | 34 | 28s |
| | | | |
| 18-64 | 40% | 6 | 5s |
| | 50% | 10 | 9s |
| | 70% | 22 | 21s |
| | | | |
| 65+ | 40% | 7 | 4s |
| | 50% | 16 | 10s |
| | 70% | 42 | 30s |

Definition: Share of persons aged 0+ with an equivalised disposable income below 40%, 50% and 70% of the national equivalised median income.

Data source: Source: EU-SILC 2006, Income data 2005; except for UK, income year 2006 and for IE moving income reference period (2005-2006)

Secondary indicator 2: Persons with low educational attainment (2006)

| Age | Gender | UK | EU-25 |
|-------|---------|------|-------|
| 25-34 | Total | 20.1 | 21.3 |
| | Females | 20.1 | 19.5 |
| | Males | 20.0 | 23.1 |
| 35-44 | Total | 27.5 | 27.2 |
| | Females | 30.2 | 27.3 |
| | Males | 24.7 | 27.0 |
| 45-54 | Total | 29.5 | 32.9 |
| | Females | 36.0 | 35.7 |
| | Males | 22.8 | 30.1 |
| 55-64 | Total | 34.5 | 43.6 |
| | Females | 44.7 | 49.3 |
| | Males | 27.3 | 37.9 |
| 65+ | Total | 37.0 | 65.6 |
| | Females | 49.0 | 72.7 |
| | Males | 29.8 | 55.7 |
| 25-64 | Total | 27.5 | 30.5 |
| | Females | 31.4 | 32.0 |
| | Males | 23.7 | 29.0 |

Definition: Share of the adult population (aged 25 years and over) whose highest level of education or training is ISCED 0, 1 or 2.

Data Source: Eurostat Labour Force Survey

Secondary Indicator 3: Low reading literacy performance of pupils

This indicator is not available for the UK.

Context Indicators

Context indicator 1: Income quintile ratio (S80/S20)

s=Eurostat estimate

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|-------|------|------|------|-------|------|------|------|------|-------|------|
| EU 25 | - | 4.6 | 4.6 | 4.5 | 4.5 | - | 4.6 | 4.8 | 4.9 | 4.8 |
| UK | 4.7 | 5.2 | 5.2 | 5.2 b | 5.4 | 5.5 | 5.3 | - | 5.8 b | 5.4 |

This indicator is covered in the overarching portfolio by indicator 2.

Definition: Ratio of total income received by the 20% of the country's population with the highest income (top quintile) to that received by the 20% of the country's population with the lowest income (lowest quintile)

Data source: Source: EU-SILC 2006, Income data 2005; except for UK, income year 2006 and for IE moving income reference period (2005-2006)

Context indicator 2: Gini coefficient, 2005-2006

| | UK | EU-25 |
|------------------|----|-------|
| Gini coefficient | 32 | 30s |

s = estimated by Eurostat

Definition: The relationship of cumulative shares of the population arranged according to the level of income, to the cumulative share of the equivalised total net amount received by them. Its value ranges from 0% (complete) to 100% (complete inequality). Data cover private households in the UK.

Data source: Source: EU-SILC 2006, Income data 2005; except for UK, income year 2006 and for IE moving income reference period (2005-2006)

Context indicator 3: Regional cohesion (dispersion of regional employment rates), 2006

| | UK | EU-25 |
|------|-----|-------|
| 2000 | 7.1 | 13.4 |
| 2004 | 5.8 | 12.2 |
| 2005 | 5.7 | 11.9 |
| 2006 | 5.5 | : |

This indicator is covered in the overarching portfolio by indicator 13.

Definition: Coefficient of variation of employment rates at NUTS (Nomenclature of Territorial Units for Statistics) level 2. Standard deviation of regional employment rates divided by the weighted national average (age group 15-64 years). (NUTS II)

Data source: Eurostat Labour Force Survey.

Context indicator 4: Healthy Life expectancy and Life expectancy at birth, at 65 (by Socio-Economic Status when available), UK

This indicator is covered in the overarching portfolio by context indicator 3.

Healthy Life expectancy and Life expectancy at birth, at 65, for men, UK

| | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|--|------|------|----------|----------|----------|----------|----------|----------|----------|------|------|
| Life expectancy at birth - males | 74 | 74.3 | 74.6 | 74.8 | 75 | 75.5 | 75.8 | 76 | 76.2 | 76.8 | 77.1 |
| life expectancy at 65 - males | 14.6 | 14.9 | 15.1 | 15.3 | 15.4 | 15.8 | 16.1 | 16.2 | 16.3 | 16.8 | 17 |
| Disability free life expectancy at birth - males | 60.6 | 60.8 | 60,9 (e) | 60,8 (e) | 61,2 (e) | 61,3 (e) | 61,1 (e) | 61,4 (e) | 61,5 (e) | | |

e=estimate

Healthy Life expectancy and Life expectancy at birth, at 65, for women, UK

| | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Life expectancy at birth - females | 79.2 | 79.5 | 79.6 (e) | 79.7 (e) | 79.8 | 80.2 | 80.4 (p) | 80.5 | 80.7 (e) |
| life expectancy at 65 - females | 18.2 | 18.3 | 18.4 | 18.5 | 18.5 | 18.9 | 19.1 | 19.1 | : |
| Disability free life expectancy at birth - females | 61,2 (e) | 61,8 (e) | 61,2 (e) | 62,2 (e) | 61,3 (e) | 61,2 (e) | 60,8 (e) | 60,9 (e) | 60,9 (e) |

e=estimate, p=provisional figure

Definition: Life expectancy at birth, at 65: the mean number of years that a newborn child can expect to live if subjected throughout his life to the current mortality conditions (age specific possibilities of dying). Disability free life expectancy at birth: Number of years that a person at birth is still expected to live in a healthy condition (also called Health life expectancy).

Data source: Eurostat, Demography

Context Indicator 5: At-risk-of-poverty rate anchored at a moment in time, 2006

This indicator is covered in the overarching portfolio by overarching indicator 9.

At-risk-of-poverty rate anchored at a fixed moment in time (2006), by gender and selected age groups (breakdowns: by sex and by age: total, 0-17, 18-64)

| | | UK | EU-25 |
|--------------------|-------|----|-------|
| Total population | Total | 18 | 16s |
| | Men | 18 | 15s |
| | Women | 19 | 17s |
| Children aged 0-17 | Total | 23 | 19s |
| People aged 18-64 | Total | 15 | 14s |
| | Men | 14 | 14s |
| | Women | 16 | 15s |
| People aged 65+ | Total | 26 | 19s |
| | Men | 23 | 16s |
| | Women | 28 | 20s |

s = estimated by Eurostat

Definition: Share of persons aged 0+ with an equivalised disposable income below the at-risk-of-poverty threshold calculated in year 2004 (1st EU-SILC income reference year for all 25 EU countries), up-rated by inflation over the years.

Data source: Source: EU-SILC 2006, Income data 2005; except for UK, income year 2006 and for IE moving income reference period (2005-2006)

Context Indicator 6: At-risk-of-poverty rate before social cash transfers (other than pensions), 2005-2006

This indicator is covered in the overarching portfolio by context indicator 11.

At-risk-of-poverty rate before social transfers by gender and selected age groups

Before all social transfers except old-age and survivors' benefits

| | | UK | EU-25 |
|-------------------------------|-------|----|-------|
| Total population | Total | 30 | 26s |
| | Men | 28 | 25s |
| | Women | 32 | 27s |
| Children aged 0-17 years | | 41 | 33s |
| People aged 18-64 years | Total | 25 | 24s |
| | Men | 23 | 24s |
| | Women | 27 | 25s |
| People aged 65 years and more | Total | 36 | 23s |
| | Men | 31 | 20s |
| | Women | 39 | 25s |

s = estimated by Eurostat.

Definition: Relative at-risk-of-poverty rate where equivalised income is calculated as follows:

- 'Before all transfers': excluding all social cash transfers
- 'Including pensions': including retirement and survivors pensions and excluding all other social cash transfers
- Other results: including all social cash transfers (= indicator 1)
- The same at-risk-of-poverty threshold is used for the three statistics, and is set at 60% of the national median equivalised disposable income (after social cash transfers).

Data source: EU-SILC 2006, Income data 2005; except for UK, income year 2006 and for IE moving income reference period (2005-2006)

Context indicator 7: Jobless households by main household types (see breakdown of secondary indicator 1a), 2007

Children (0-17) living in jobless households (%)

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|-------|------|------|------|------|------|------|------|------|------|------|------|
| EU 25 | - | - | - | - | 9.6e | 9.9e | 9.8e | 9.8e | 9.6e | 9.5e | 9.3e |
| UK | 18.9 | 18.9 | 18.4 | 17.0 | 16.9 | 17.4 | 17.0 | 16.8 | 16.5 | 16.2 | 16.7 |

Total Adults(18-59) living in jobless households (%)

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|-------|------|------|------|------|-------|-------|-------|-------|-------|------|------|
| EU 25 | - | - | - | - | 10.1e | 10.2e | 10.2e | 10.3e | 10.2e | 9.8e | 9.3e |
| UK | 12.9 | 12.5 | 11.8 | 11.4 | 11.2 | 11.3 | 10.9 | 11 | 11 | 10.7 | 10.9 |

Men(18-59) living in jobless households (%)

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|-------|------|------|------|------|------|------|------|------|------|------|------|
| EU 25 | - | - | - | - | 8.8e | 8.9e | 9.0e | 9.3e | 9.2e | 8.8e | 8.2e |
| UK | 10.9 | 10.3 | 9.6 | 9.1 | 9.1 | 9.2 | 8.9 | 9.0 | 9.2 | 8.8 | 8.9 |

Females(18-59) living in jobless households (%)

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|-------|------|------|------|------|-------|-------|-------|-------|-------|-------|-------|
| EU 25 | - | - | - | - | 11.4e | 11.4e | 11.3e | 11.4e | 11.2e | 10.8e | 10.3e |
| UK | 15 | 14.6 | 13.9 | 13.5 | 13.2 | 13.3 | 12.9 | 13.0 | 12.8 | 12.5 | 12.7 |

e=estimated value, i=see explanatory text from the Eurostat website

Definition: Proportion of all people aged 18-59 years who live in a jobless household as a proportion of all people in the same age group. Students aged 18-24 years who live in households composed solely of students are counted in neither numerator nor denominator.

Data source: Eurostat Labour Force Survey

Context Indicator 8: In-work poverty risk, breakdown full-time/part time

Data has not been provided by Eurostat

Context Indicator 9: Making work pay indicators (unemployment trap, inactivity trap (esp. second earner case), low-wage trap

This indicator is covered in the overarching portfolio by context indicator 9.

Context 9a: Unemployment, 2006

| | | | | | | | | |
|---|----------------------------|-----|-------------|-----|-------------------------------|-----|-------------------------------|-----|
| For unemployed persons (previous work at 67% of APW, full-time) returning to full-time work at 2 different wage levels. Including social assistance where applicable. | | | | | | | | |
| | Single person, no children | | Lone parent | | One-earner couple, 2 children | | Two-earner couple, 2 children | |
| moving to % of APW | 50 | 67 | 50 | 67 | 50 | 67 | 50 | 67 |
| United Kingdom | 78% | 68% | 66% | 72% | 74% | 78% | 44% | 41% |

The wage level of the second earner is fixed at 67% of the APW.

Data source: Joint EC-OECD project using OECD tax-benefit models.

Definition: Unemployment trap: Marginal effective tax rate (METR) on labour income taking account of the combined effect of increased taxes and benefits withdrawal as one takes up a job. Calculated as the ratio of change in gross income minus (net in work income minus net out of work income) divided by change in gross income for a single person moving from unemployment to a job with a wage level of 67% of APW.

Context 9b: Inactivity trap at 67% of Average Production Worker, with and without childcare costs, 2004

| | | | | |
|---|--|--|---|---|
| Inactivity Trap at 67% of APW, with and without childcare costs, | | | | |
| Lone parents and two-earner couples with two children, in percent | | | | |
| | Lone Parents with two children, no childcare | Lone Parents with two children, with childcare | Two-earner Couple with 2 children, no childcare | Two-earner Couple with 2 children, with childcare |
| United Kingdom 2002 | 59% | 84% | 25% | 89% |

Transition for lone parent is from non-UB recipient to full-time employment at 67% of APW. Transition for married couple is from a family with one full-time earner employed at 67% of APW to two full-time earners, each at 67% of APW. Both family types are assumed to have two children, aged 2 and 3, and are assumed to use full-time childcare after transition. Childcare in public or publicly sanctioned facilities, where applicable.

Data source: Joint EC-OECD project using OECD tax-benefit models.

Definition: Inactivity trap: METR on labour income taking account of the combined effect of increased taxes and benefits withdrawal as one takes up a job while previously inactive. Calculated as the ratio of change in gross income minus (net in work income minus net out of work income) divided by change in gross income for a single person moving from inactivity to a job with a wage level of 67% of APW.

Context 9c: Inactivity traps for inactive persons entering work at 2 different wage levels1, 2006

For inactive persons entering work at 2 different wage levels1, 2006

| | Single person, no children | | Lone parent | | One-earner couple, 2 children | | Two-earner couple, 2 children | |
|--------------------------|----------------------------|-----|-------------|-----|-------------------------------|-----|-------------------------------|-----|
| | 50 | 67 | 50 | 67 | 50 | 67 | 50 | 67 |
| <i>moving to % of AW</i> | | | | | | | | |
| UK | 78% | 68% | 66% | 72% | 74% | 78% | 40% | 38% |

Data source: Joint EC-OECD project using OECD tax-benefit models.

Definition: Inactivity trap: METR on labour income taking account of the combined effect of increased taxes and benefits withdrawal as one takes up a job while previously inactive. Calculated as the ratio of change in gross income minus (net in work income minus net out of work income) divided by change in gross income for a single person moving from inactivity to a job with a wage level of 67% of APW.

Context 9d: Low wage traps, 2006

| METR as wage increases by 33% of the APW wage level from two starting low wages | | | | | | | | |
|---|----------------------------|-------------|-------------------------------|-------------------------------|----------------------------|-------------|-------------------------------|-------------------------------|
| | from 33 to 67% of APW | | | | from 67 to 100% of APW | | | |
| | Single person, no children | Lone parent | One-earner couple, 2 children | Two-earner couple, 2 children | Single person, no children | Lone parent | One-earner couple, 2 children | Two-earner couple, 2 children |
| Income ranges: | | | | | | | | |
| United Kingdom | 77% | 89% | 89% | 33% | 33% | 33% | 55% | 33% |

Data source: Joint EC-OECD project using OECD tax-benefit models.

Definition: Low wage trap: METR on labour income taking account of the combined effect of increased taxes on labour and in-work benefits withdrawal as one increases the work effort (increased working hours or moving to a better job). Calculated as the ratio of change in personal income tax and employee contributions plus change (reductions) in benefits, divided by increases in gross earnings, using the "discrete" income changes from 34-66% of APW. Breakdown by family types: one-earner couple with two children and single parent with two children

Context Indicator 10: Net income of social assistance recipients as a % of the at-risk of poverty threshold for 3 jobless household types

We are awaiting interpretation on this indicator from the OECD.

Data source: Joint EC-OECD project using OECD tax-benefit model and Eurostat 2003.

Definition: This indicator refers to the income of people living in households that only rely on "last resort" social assistance benefits (including related housing benefits) and for which no other income stream is available (from other social protection benefits – e.g. unemployment or disability schemes – or from work). The aim of such an indicator is to evaluate if the safety nets provided to those households most excluded from the labour market are sufficient to lift people out of poverty. This indicator is calculated on the basis of the tax-benefit models developed jointly by the OECD and the European Commission. It is only calculated for Countries where non-categorical social benefits are in place and for 3 jobless household types: single, lone parent, 2 children and couple with 2 children. This indicator is especially relevant when analysing MWP indicators.

Context Indicator 11: Self-reported limitations in daily activities by income quintiles, by sex, by age (0-17, 18-64, 65+)

Indicator is awaiting EU-level agreement and data is not available.

Tertiary Indicators

The Tertiary Indicators are shown in a separate document called Opportunity for all 2007 and can be found at the following link http://www.dwp.gov.uk/opportunity_age/indicators/indicators_table.asp.