

'How the Other Half Live' Information Sheet

Introduction

Save the Children worked with Channel 4 on their series 'How the Other Half Live', which is based on a wealthy family providing charitable donations to a family living below the poverty line. The three-part series gives viewers an insight into poverty in the UK and the huge differences in income that now exist. This paper provides information to help viewers with questions they may have about the issues raised by the programme.

Background on Save the Children

The main focus of Save the Children's work across the UK is tackling child poverty. The UK is one of the richest countries in the world yet there are an estimated 4 million children living in poverty.

We are particularly concerned about children living in severe and persistent poverty. Save the Children's analysis has shown that these children are being ignored. The number of children living in severe poverty has not reduced in recent years, and recent research suggests that the recession will make things worse.¹

Child poverty: what does it mean?

- Not all families in poverty live on benefits – over half of families in poverty have a parent who works full time.
- Benefits do not give enough income to buy the basics – poor families often have only £20 a week to pay for food.
- Families struggle to afford basic items when they are in poverty, such as childcare, leisure activities, school uniforms, beds and furniture for children.
- Debt is almost inescapable if you live in poverty as there is no way to pay for the basic items a family needs. Yet debt for low income families is very costly.

Child poverty: the statistics

- There are 4 million children living in poverty in the UK.² 1.4 million children in the UK are in severe poverty (which means that a family of 4 live on £7,000 a year).³
- In addition to the human cost to families and children, it is estimated that child poverty costs the UK economy £25 billion each year.⁴
- The UK is one of the worst countries for child poverty in Europe. A recent league table of child wellbeing placed the UK 24th out of 29 countries.

¹ JRF (2009) *Ending child poverty in a changing economy*

² Using the End Child Poverty-preferred 'after housing costs' measure there are 4 million children living in poverty in the UK. Using the Government's preferred 'before housing costs measure' there are 2.9 million children living in poverty in the UK.

³ Save the Children (2007) *Severe child poverty in the UK*

⁴ JRF (2008) *Estimating the costs of child poverty*

Families struggling to survive on a low income

Because of low wages and the high cost of living, even families where one or more members are working, can find themselves living in poverty.

The low-income families that we work with typically have a very tight budget, and need to plan what they spend very carefully. Once they have paid for their rent, gas, electricity, water, telephone and any debts, a family of 4 has about £40 a week to pay for food, items for their children, and any extra costs like transport or clothing. These families often have to cut back on the essentials: heating, food and clothing, for themselves and their children, because they simply don't have enough money.

Low pay is a big problem in the UK. Child tax credits and benefits are aimed to stop people falling into poverty and to support those experiencing poverty, but the level of support is not high enough to provide a decent safety net. The minimum wage is currently set at £5.73 an hour but even people earning more than this can struggle to meet the costs of living and fall into poverty.

There are times of the year when being in poverty is particularly hard for families. Our research has shown that families on lower incomes find it very difficult to meet costs during the summer (because of summer activities and back-to-school expenses) and during the winter (because of the cost of fuel and winter clothes). Our Crisis Grants Fund has shown that small amounts of money targeted at supporting families with specific costs or meeting debts can have a real impact.

Families on low incomes often have to pay more for the same services than people who are better off, which makes it even harder to pay for the essentials each week. Low-income families also have very limited credit options and these are extremely high cost. For more information, see the 2007 Save the Children report, [The Poverty Premium: How poor households pay more for essential goods and services](#).

How does poverty affect the lives of children and their families?

Save the Children's conversations with low-income families show that being in poverty has a negative impact on their health, environment, wellbeing and access to services. For more information about how a lack of money can damage children's lives, see Save the Children's 2008 report, [Why Money Matters: Family income, poverty and children's lives](#).

Our research has shown that among families in severe poverty:

- Three quarters can't replace worn-out furniture
- Nearly all can't afford a holiday away from home once a year even in the UK
- Most can't make regular savings of £10 or more per month
- Nearly a quarter can't afford to send their children on school trips
- A quarter can't afford to send their children to a toddler group, nursery group or playgroup at least once a week.⁵

⁵ Save the Children (2007) *Severe child poverty in the UK*.

Who is affected?

Unemployed

62% of those in severe poverty are in workless households and therefore rely on benefits and child tax credits, which are often not high enough to cover basic costs. ⁶

Working poor

Poverty does not just affect families who don't work. A significant proportion of 'in work families' are in severe poverty. Many people are trapped in low paid and insecure jobs. Because of low wages and the high cost of living, even a family where one or more members are working full time, can find themselves living in poverty.

Housing

People in poverty are likely to live in poor housing and to live somewhere without green and open spaces nearby. For children this can mean they don't feel safe in their local neighbourhood and are less likely to go out and play.

Lone parents

Finding a job that pays well enough to meet childcare costs is hard, especially when it has to be flexible so as to fit around the family's needs. This is particularly difficult for lone parents.

Education

More needs to be done to support people to break free from poverty and to meet their aspirations and goals. Through no fault of their own, children from less well off backgrounds are less likely to do well at school, to go to university, or get a good job. ⁷

Ethnicity

The risk of being in poverty varies between ethnic groups, but people from all ethnic backgrounds experience poverty in the UK. ⁸ There are many white families who live in persistent poverty, where the likelihood of the children breaking out of poverty is limited.

Working to improve things

Save the Children UK believes that much more can be done to ensure children no longer have to live in poverty. We work with the Government, charities and other organisations to make this happen. You can make a difference by donating to our work [here](#).

Save the Children works with other charities as a member of the End Child Poverty Coalition. The Coalition is made up of more than 150 organisations including all the major children's charities, child welfare organisations, social justice groups, faith groups, trade unions and others, concerned about the unacceptably high levels of child poverty in the UK. These groups have united to ensure the Government keeps its promise to halve child poverty by 2010 and eradicate it by 2020.



savethechildren.org.uk

We're the world independent children's charity. We're outraged that millions of children are still denied proper healthcare, food, education and protection. We're working flat out to get

⁶ Save the Children (2007) *Severe child poverty in the UK*.

⁷ Report from the Independent Commission On Social Mobility (2009)

⁸ Save the Children (2007) *Severe child poverty in the UK*.

every child their rights and we're determined to make further, faster changes. How many? How fast? It's up to you.