

Poverty: How does ethnicity matter?

Understanding the role of ethnicity and gender in addressing poverty



Raising living standards is a growing challenge in the UK. Central to tackling the problem is to understand why some groups are disproportionately affected by poverty. Research by the Joseph Rowntree Foundation (JRF) shows that without understanding the role of ethnicity and gender it is difficult to address poverty effectively.

Following a major review of poverty and ethnicity, JRF launched a research programme to understand the complex links between poverty and ethnicity. Running between 2011 and 2015 it has been investigating how ethnicity affects key areas of people's lives.

The first phase included seven projects looking at how poverty is affected by employer practices, caring for family, social networks and local labour markets, as well as policies in Wales and Northern Ireland. The second phase of research, recently completed, has been designed around five projects examining poverty through the recession, occupational and residential segregation, social networks and employment projections for 2020.

The overall research has been designed to offer evidence to improve the policy and practice of organisations including local authorities, UK and Devolved Governments, Local Enterprise Partnerships, service providers, community groups and employers.

It was fantastic to be able to use the Understanding Society data for these projects - the richness of the data especially in relation to ethnicity was invaluable. Both the sample size and the range of questions helped to build up a much more detailed picture than would otherwise have been possible

**Helen Barnard, Programme Manager,
Joseph Rowntree Foundation**

Research projects

Each project is distinct and used Understanding Society or other large-scale datasets to investigate the topic. The second phase projects included:

- Poverty through the recession – Paul Fisher and Alita Nandi, Institute for Social and Economic Research, University of Essex
- Occupational segregation – Malcolm Brynin and Simonetta Longhi, Institute for Social and Economic Research, University of Essex
- Residential segregation and the role of geography – Gemma Catney, Department of Geography and Planning at the University of Liverpool; and Albert Sabater, Department of Geography and Sustainable Development, University of St Andrews
- Social networks – Nissa Finney, Dharmi Kapadia and Simon Peters, ESRC Centre on Dynamics of Ethnicity, University of Manchester
- Employment projections for 2020 – David Owen, Anne Green, Lynn Gambin and Yuxin Li, Institute for Employment Research (IER), University of Warwick.

Findings

Child poverty is much higher in some ethnic minority groups than in the rest of the population. Over 40% of Bangladeshi and Pakistani children are growing up in poverty, compared with 31% of Chinese, 22% of Black Caribbean and 15% of children in the white majority population.

Poverty is more persistent for people from Black African and Pakistani backgrounds than for those from other ethnic groups.

The chances of being paid below the living wage vary considerably by ethnicity and gender. More than 30% of women from the white majority, Pakistani and Bangladeshi groups are paid less than the living wage. Over a third of Pakistani men and over half of Bangladeshi men are paid below the living wage.

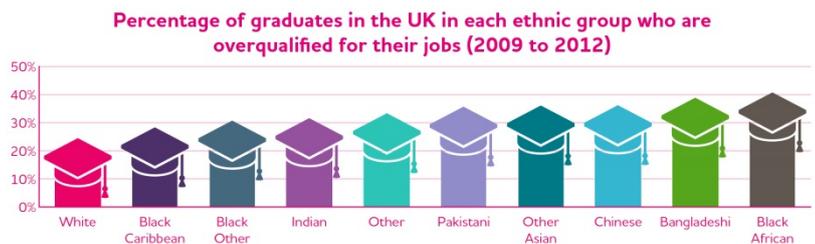
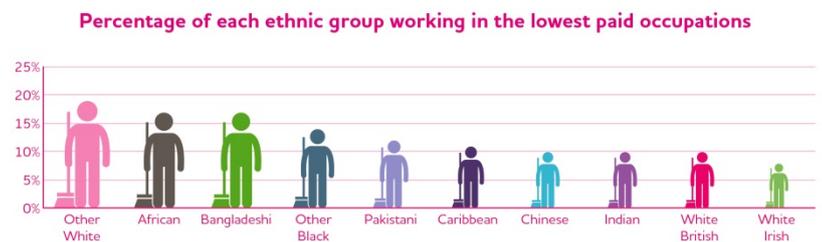
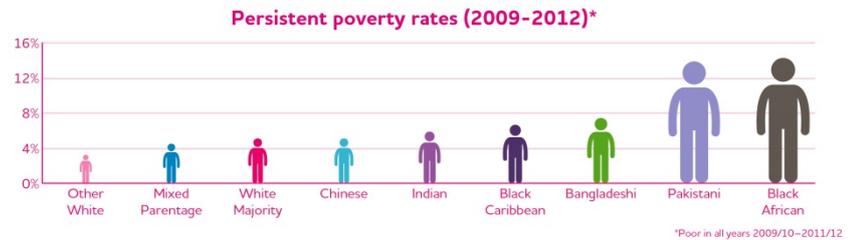
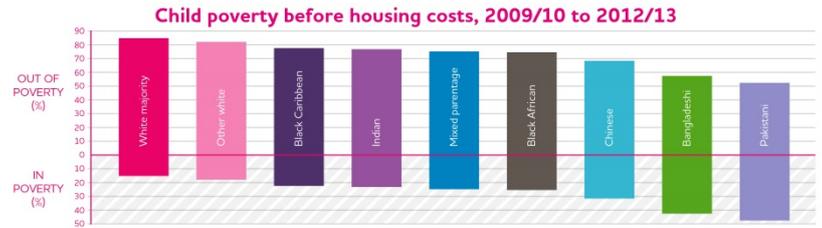
The biggest driver of wage inequality is that people from different ethnic groups tend to go into different kinds of jobs.

Improving skills and qualifications can make a big difference to poverty, but it is not the whole story. Nearly a quarter of all graduates are now over-qualified for their jobs, but for Black African graduates this figure rises to 40%.

Where you live also matters.

Unemployment rates for each ethnic group vary around the country, as do the types of jobs that people go into. For example:

People from the Indian group are most likely to be unemployed in Hackney or Wolverhampton (11%) and less likely in Cambridge and Hertsmere (4%).



25% of people from the African group are unemployed in Birmingham, compared to 9% in Reading.

People in the Chinese group are most likely to be unemployed in Haringey and Waltham Forest (10%) and less likely in the City of London and Warwick (3%).

The Joseph Rowntree Foundation's 2014 Monitoring Poverty and Social Exclusion report highlighted the importance of tackling entrenched low pay and lack of job progression in reducing poverty. This new research makes it clear that these problems are not evenly distributed across the population and the country.

Impact

The research gives the most comprehensive picture to date of the economic situation of people from all ethnicities in the UK. With the trend in labour market polarisation expected to continue most groups of men and women in London are likely to see increases in highly paid jobs. However, in the rest of England, all groups of men and most groups of women are set to see either an increase in low paid jobs or in polarisation. This shows it is unlikely that trends in the labour market by themselves will lift some ethnic minority groups out of poverty.

The findings point to the need for specific actions to improve the quality of jobs and improve access to them among ethnic minority groups. To drive down overall poverty, there is a need to particularly focus on persistent poverty amongst Black African and Pakistani groups.

The research has sparked wide ranging interest, with presentations invited by audiences including:

- The Department for Work and Pensions' Ethnic Minority Advisory Group
- Race for Opportunity's Employer Champions
- The Child Poverty Unit
- The Department for Business, Innovation and Skills

- Scottish Government and Committee of MSPs
- Equality and Diversity Forum
- Northern Ireland Government and Committee of MLAs
- Wales Race Forum

Representatives from 18 local authorities across England, Scotland and Wales have been involved in a series of workshops and meetings to discuss the findings from the first phase of the research. Some of these local authorities have continued to engage with the programme and to use the new research as it is published.

Acknowledgements and further information



Understanding Society would like to acknowledge the support given by Helen Barnard, Programme Manager at JRF in producing this information. However, all errors are our own, no wider relationships are implied. For more information about the ethnicity and poverty programme please read the JRF investigations summary: www.jrf.org.uk/publications

This case study is part of a series aimed at potential users of Understanding Society data, including: policy makers, researchers and people in a position to influence social policy. If you would like a more detailed briefing on this research or to discuss how you can make use of Understanding Society data in your research, or to profile your work, please email info@understandingsociety.ac.uk. To keep up to date with Understanding Society developments and new insights you can:

- [Sign up](#) to our newsletter
- Follow us on Twitter [@usociety](#)

Understanding Society
Institute for Social and Economic Research (ISER)
University of Essex
Wivenhoe Park
Colchester
CO4 3SQ
Tel: +44 (0) 1206 872957
www.understandingsociety.ac.uk
 @usociety
 Understanding Society



Understanding Society has been commissioned by the Economic and Social Research Council (ESRC). The Scientific Research Team is led by the Institute for Social and Economic Research (ISER) at the University of Essex.