

Article

A Summary of *Focus on Social Inequalities*

Social and Welfare

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*Focus on Social Inequalities*ⁱ considers the advantaged and the disadvantaged and explores the differences between them. The report presents information on education, work, income, living standards, health and participation. This article provides a summary of some of the key findings in the report. The full report is available online at www.statistics.gov.uk/focuson/socialinequalities.

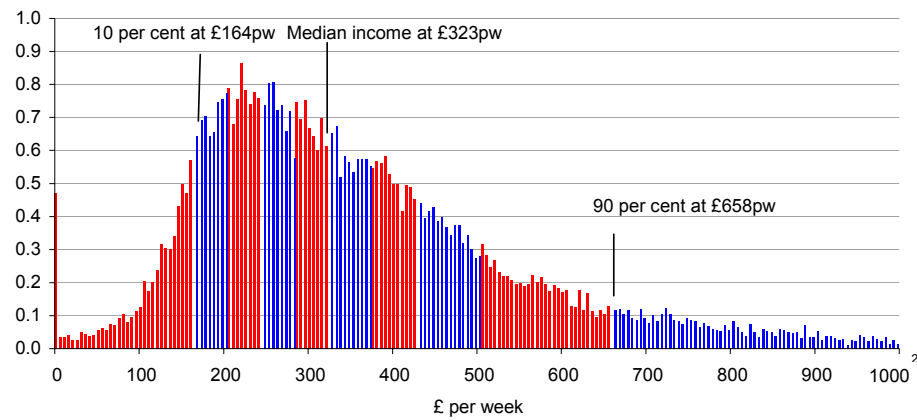
Income and wealth inequalities

Over the past 30 years the United Kingdom has seen considerable economic growth. This has been reflected in an increase in both household income and wealth. However, people have not necessarily benefited equally from this growth.

The income distribution in Great Britain in 2002/03 is summarised in Figure 1. Each bar represents the number of people living in households by the amount of weekly household disposable income (equivalised to take account of different household sizes).ⁱⁱ There is a greater concentration of people at the lower levels of weekly income. The household income of the bottom 10 per cent was £164 or less a week, while the top 10 per cent was £658 or more a week. There are an estimated 1.6 million individuals living in households receiving more than £1,000 a week.

Income inequality gradually decreased over much of the 1970s. But this was more than reversed in the 1980s when disposable income (adjusted for inflation) grew sharply for those at the 90th percentile (Figure 2). This was more than five times the rate of growth for those at the 10th percentile. Since the mid-1990s disposable income grew by over a fifth for both groups. However, these increases resulted in a rise of £119 per week for those near the top of the income distribution compared with a rise of £28 per week for those near the bottom. This shows that the absolute difference in the average weekly income has continued to widen.

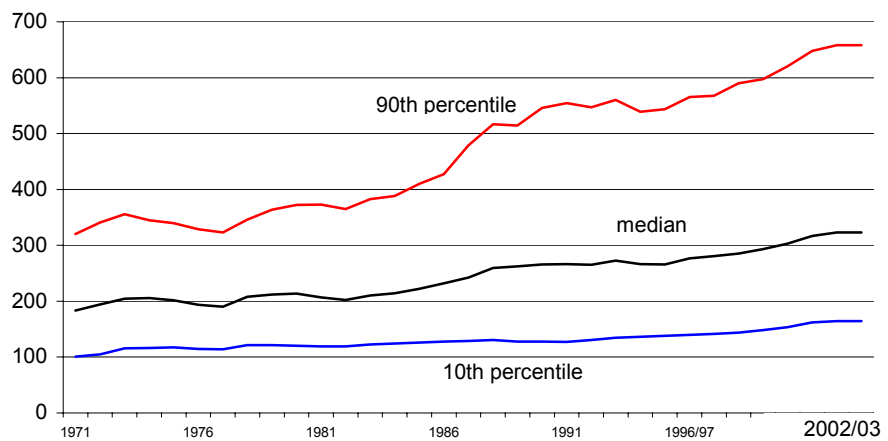
Figure 1
Distribution of weekly household income,¹ 2002/03
Great Britain
 Number of people (millions)



1 Equivalised household disposable income before housing costs (in £5 bands).
 2 There were also 1.6 million individuals with income above £1,000 per week.

Source: Households Below Average Income, Department for Work and Pensions

Figure 2
Distribution of real¹ disposable household income^{2, 3}
United Kingdom/Great Britain
 £ per week

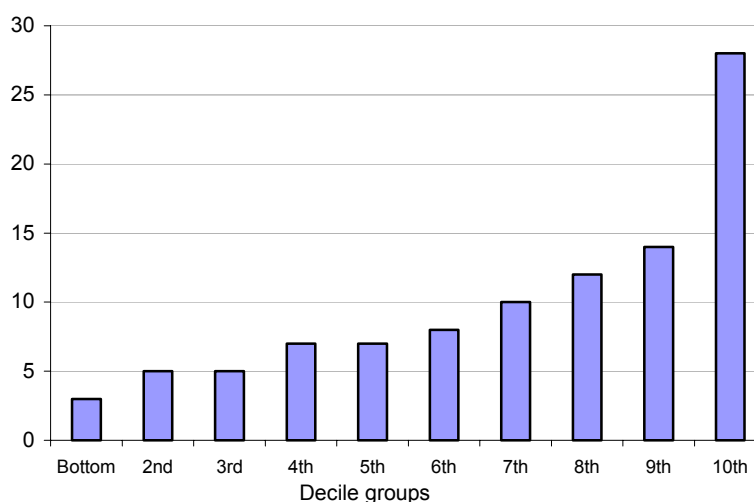


1 Data adjusted to 2002/03 prices using the Retail Prices Index less local taxes.
 2 Equivalised household disposable income before housing costs.
 3 Source data changed in 1994/95 from FES to HBAI series, definition of income changed slightly and geographic coverage changed from United Kingdom to Great Britain. Data from 1993/94 onwards are for financial years.

Source: Institute for Fiscal Studies from Family Expenditure Survey; Households Below Average Income, Department for Work and Pensions

The income distribution remains unequal. The top 10 per cent received over a quarter of total income in 2002/03 and the top 30 per cent received just over half of total income (Figure 3).

Figure 3
Shares of total disposable income¹, 2002/03
Great Britain
 Percentages



¹ Equivalised household disposable income before housing costs has been used to rank individuals.

Source: Households Below Average Income, Department for Work and Pensions

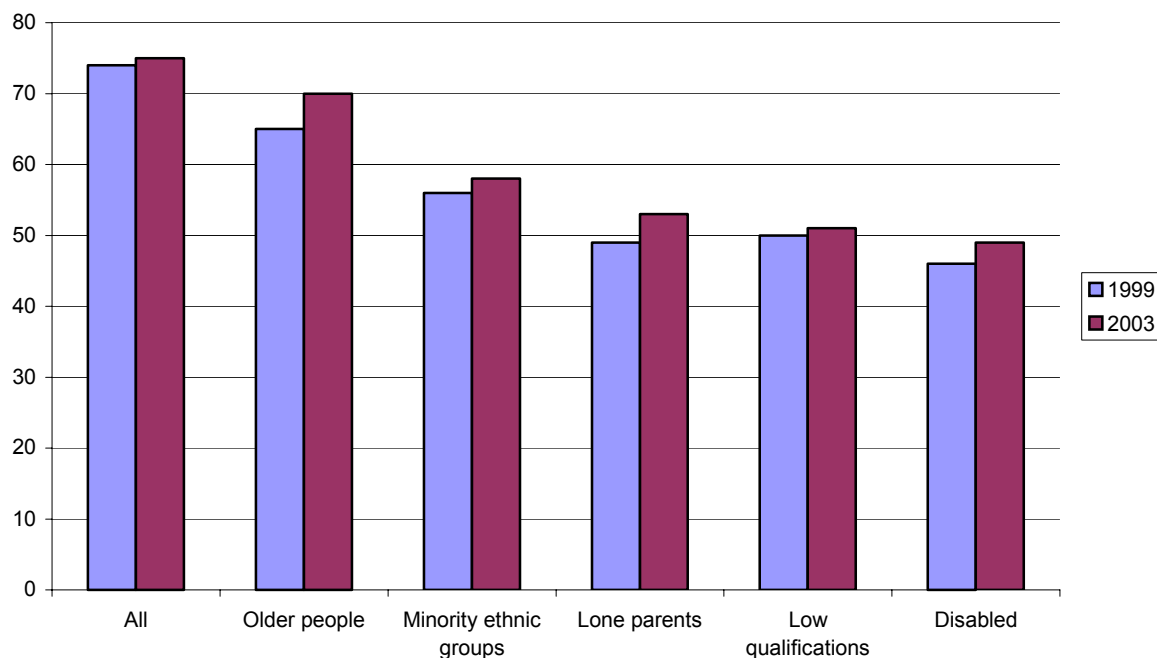
The distribution of wealth, which includes financial assets such as savings or shares and non-financial wealth such as owning a house, is even more unequal than income. Half of the population in the United Kingdom owned just 5 per cent of the wealth in 2001. However, wealth became more evenly distributed over the 20th century as a whole. It has been estimated that the richest 1 per cent held around 70 per cent of UK wealth in 1911 compared with 23 per cent of in 2001.

There are a variety of factors that influence an individual's position in the income distribution. Those most strongly associated with being in the top fifth are being in a couple without children or being in full-time work. Conversely the factors most strongly associated with being in the bottom fifth are unemployment, economic inactivity, or being in the Pakistani or Bangladeshi ethnic groups. Workless households were more than three times as likely to be in the bottom income group compared with the average in 2002/03. Households where all adults were in full-time employment had twice the expected likelihood of being in the top income group.

Labour market disadvantage

Overall employment rates have increased over the past decade. In spring 2003 the UK labour market was buoyant with numbers in work at record levels. There has been a rise in both full-time and part-time working and generally people are working in more flexible ways. The UK employment rate is among the highest in Europe and its unemployment rate the lowest.

Figure 4
Employment rates:¹ by disadvantaged groups^{2,3}
United Kingdom
 Percentages



1 Employment rates for working age people: men aged 16 to 64 and women aged 16 to 59.

Figures are not Census adjusted.

2 Older people - those aged 50 to 64 for men and 50 to 59 for women.

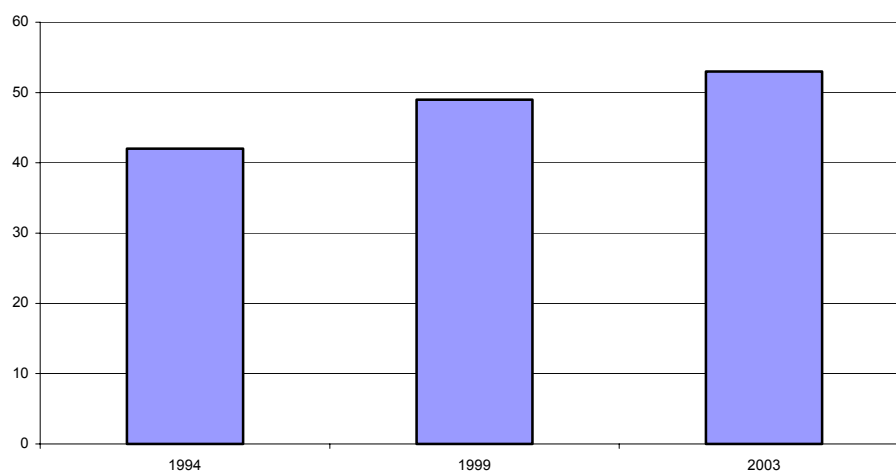
3 Low qualifications - people with no formal qualifications.

Source: Department for Work and Pensions, HM Treasury from Labour Force Survey

Employment rates have also increased for those who have been identified as having particular labour market disadvantage – such as people aged 50 to retirement age, those from minority ethnic groups, lone parents, those without formal qualifications, and disabled people (Figure 4).

The increase in employment among these groups was generally greater than for the working-age population overall, with particular advances for older workers and lone parents. Figure 5 shows the rise in the employment rate for lone parents over the past decade, from 42 per cent in 1994 to 53 per cent in 2003.

Figure 5
Lone parents' employment rates
United Kingdom
Percentages



Source: Department for Work and Pensions, HM Treasury from Labour Force Survey

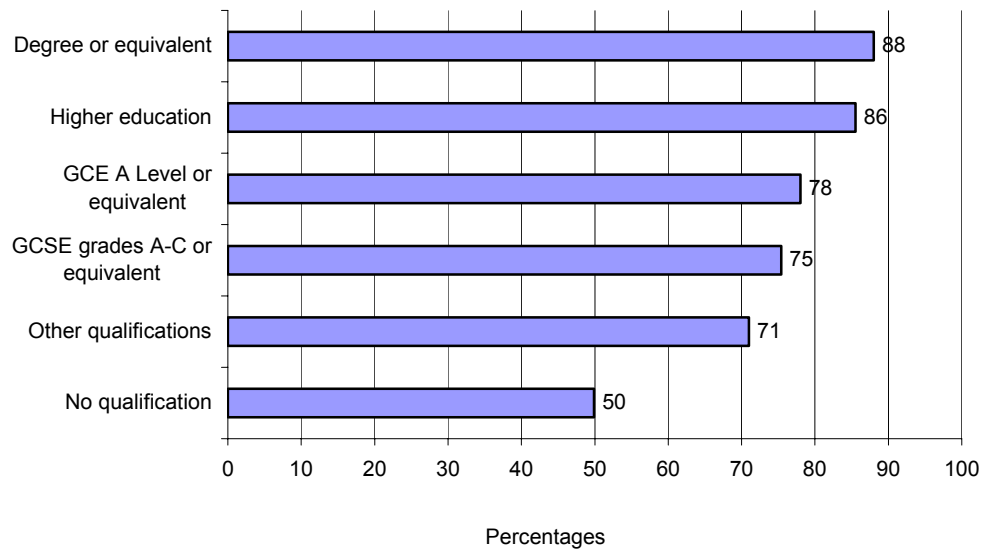
The unemployment rates of the key disadvantaged groups are historically higher than for the general working-age population. Minority ethnic groups, lone parents, and people with no qualifications had an unemployment rate of at least 10 per cent in 2003. This was around twice the overall unemployment rate of 5 per cent.

These disadvantaged groups were also more likely than the working-age population overall to be economically inactive – those who are neither working nor seeking work, or are not available to work. The most common reasons for not being in the labour market are long-term sickness and looking after family members. Rates of inactivity are substantially higher than unemployment rates. Rising employment has not been accompanied by a substantial fall in inactivity for most of the disadvantaged groups. However for lone parents, who tend to be women, economic inactivity and unemployment have both fallen and more lone parents are now working.

Educational inequalities

For those in employment or looking for work, education attainment plays a major role in determining their earning potential. The higher the level of qualification achieved, the greater the likelihood that an individual will be in employment. Nearly nine out of ten of those with a degree were in work in spring 2003, compared with half of those with no qualifications (Figure 6). Furthermore, the average gross weekly income of those with a degree was more than double the weekly income of those with no qualifications, £632 compared with £298 (Figure 7).

Figure 6
Employment rate by highest qualification,^{1,2} spring 2003
United Kingdom

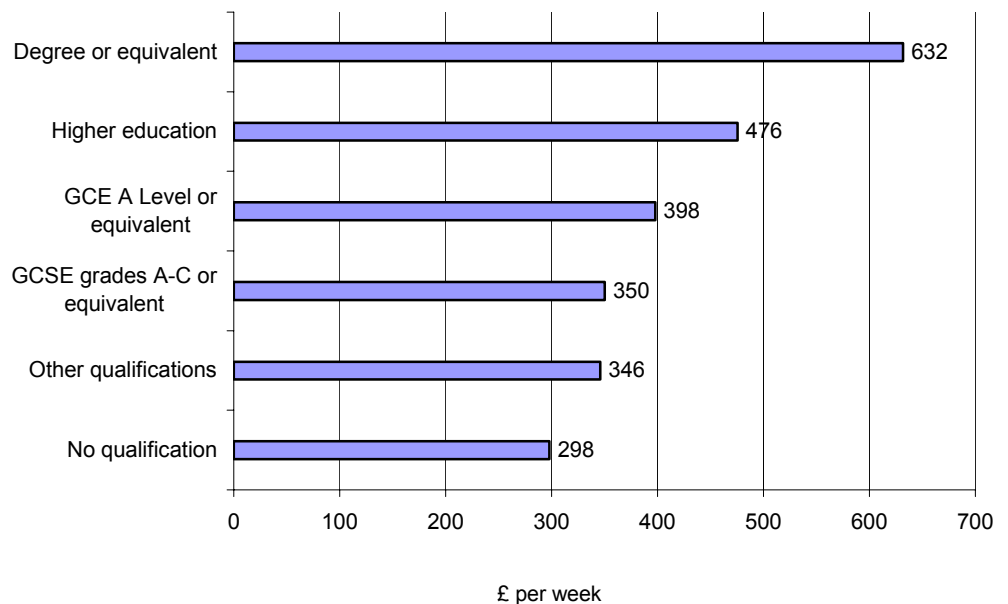


1 Males aged 16 to 64, females aged 16 to 59. Full-time employees only based upon respondents self assessment.

2 Excludes those who did not know their highest qualification level.

Source: Labour Force Survey, Office for National Statistics

Figure 7
Gross weekly earnings by highest qualification,^{1,2} spring 2003
United Kingdom



1 Males aged 16 to 64, females aged 16 to 59. Full-time employees only based upon respondents self assessment. Respondents who did not report an hourly wage or who reported hourly pay greater than £100 are excluded.

2 Excludes those who did not know their highest qualification level.

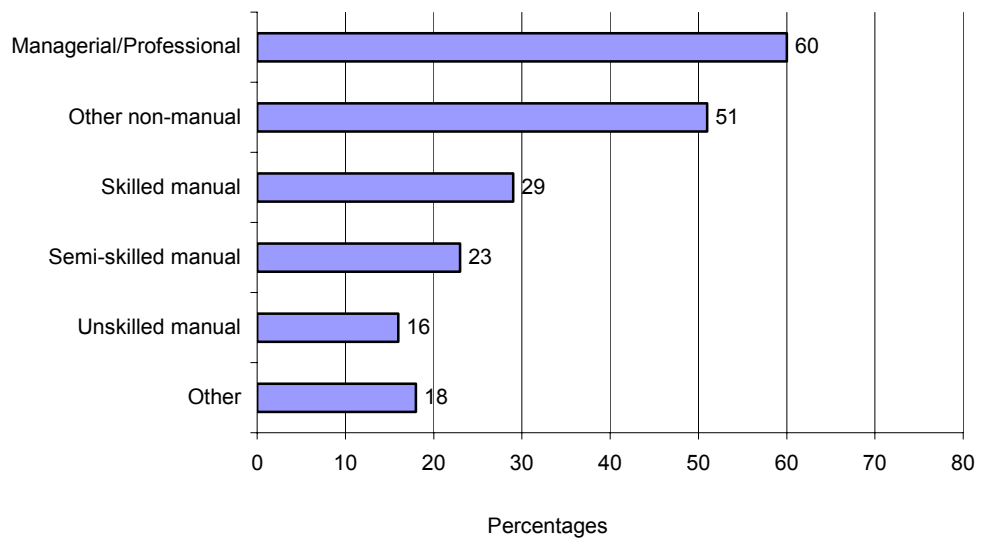
Source: Labour Force Survey, Office for National Statistics

Participation in higher education and attainment at GCSE level are strongly influenced by people’s social and economic background. Nearly nine out of ten 16 year olds from higher professional occupational backgrounds were in full-time education in 2002 compared with around six out of ten of those with parents in routine or lower supervisory occupations. However, there is a smaller difference in educational attainment between the social groups among young people who succeed in their early years.

Figure 8
Attainment of five or more GCSEs (A*–C) by social class/NS-SEC, 1992 and 2002
England and Wales

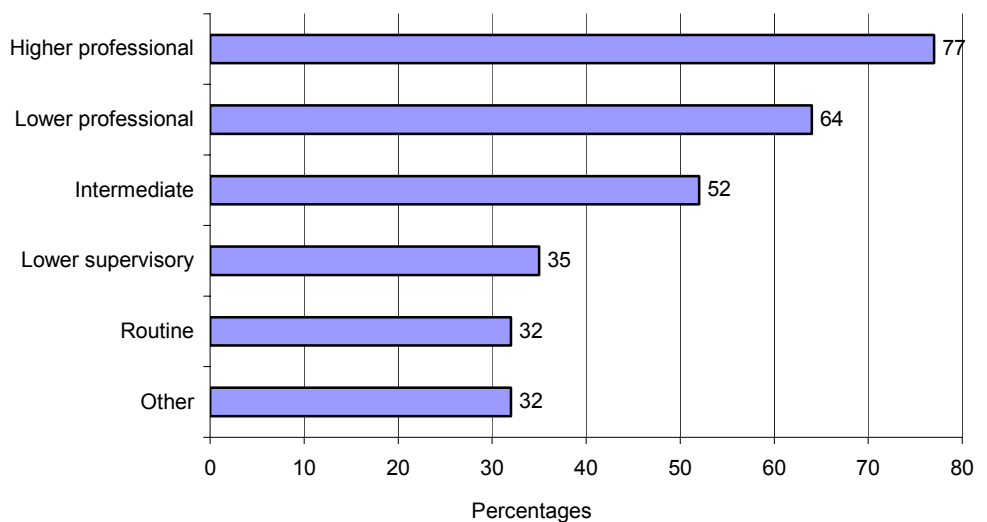
1992

Parental social class



2002

Parental NS-SEC



Source: Youth Cohort Study, Department for Education and Skills

Consequently young people's experiences at school and their attainment at GCSE level are strong determinants of their future success in both education and employment (Figure 8). The gap in GCSE attainment levels by parental socio-economic status widened in the 1990s. In 1992 the gap was 44 percentage points – just 16 per cent of pupils from an unskilled manual background achieved good GCSE results (five or more GCSEs A*C grades) compared with 60 per cent of pupils from a professional background. By 1998 this gap had widened to 49 percentage points, a result of the smaller improvement in attainment by pupils from an unskilled manual background. However, by 2002 the gap in educational attainment had narrowed and returned to the 1992 level, and the improvement in results for pupils from unskilled manual or routine backgrounds began to accelerate. But despite these rises, three quarters of pupils from a higher professional background achieved good GCSEs in 2002 compared with just a third of those from a routine background.

The profile of children who are most likely to be low educational achievers in England is

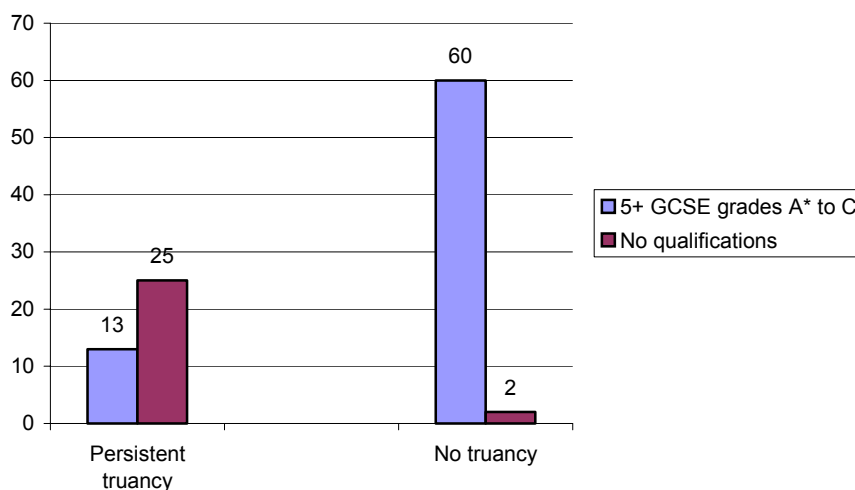
- Male
- from a low socio-economic background
- with parents who have low or no qualifications
- living in a single-parent household
- having many siblings
- attending a state school rather than an independent school, and
- attending a school with a high rate of free-school meal eligibility.

Pupils with highly educated parents tend to achieve higher grades than other pupils. In 2002, seven out of ten pupils in England and Wales with a parent with a degree-level qualification achieved at least five higher grade GCSEs compared with four out ten pupils with parents who had not gained an A level. Part of this gap in attainment is explained by parents getting involved in learning activities with their child. Parents with no qualifications are three times less likely to have done any learning activities over the previous year with their child than parents with a degree.

A child's behaviour also has an impact on his or her achievements. The Department for Education and Skills has estimated that 50,000 pupils play truant each day. Truants tend to be older pupils, from poor backgrounds, with parents in low skilled jobs, living in local authority housing. In 2002 pupils in England and Wales who were persistent truants in year 11 were over four and half times less likely to gain good GCSEs than those who did not play truant: 13 per cent compared with 60 per cent (Figure 9). Furthermore, a quarter of persistent truants gained no qualifications compared with 2 per cent of non-truants. Those who miss school are less likely to continue full-time education after compulsory schooling

ends and more likely to be out of work at age 18 than pupils who regularly attend. Missing school is also linked with crime and homelessness. An Audit Commission survey of young offenders found that 42 per cent had been excluded from school and 23 per cent had truanted significantly.

Figure 9
Educational attainment¹ in year 11 by truancy, 2002
England and Wales
 Percentages



¹ GCSE and GNVQ qualifications.

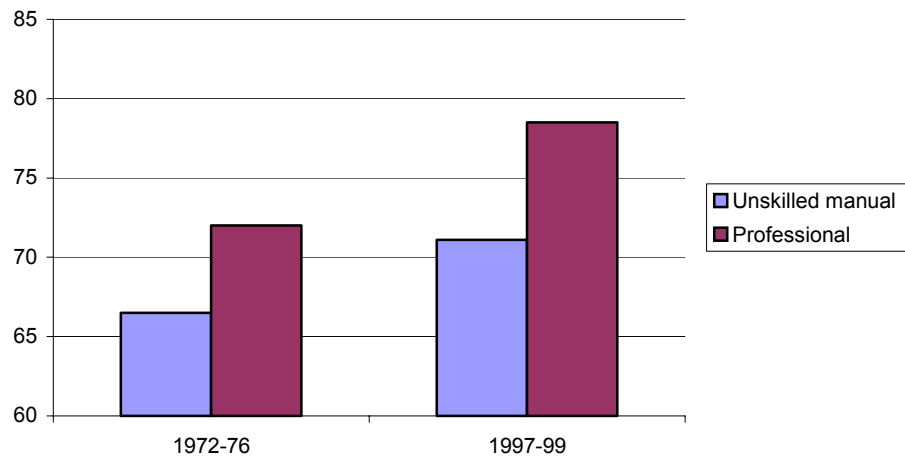
Source: Youth Cohort Study, Department for Education and Skills

Health inequalities

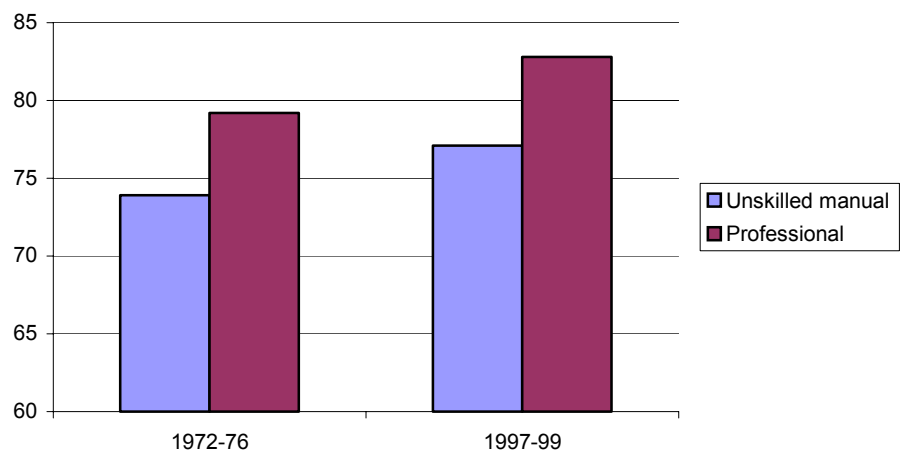
Alongside the increases in income, employment and educational attainment that have occurred overall in the United Kingdom, there has been a long-term increase in the health of the population. However, as with the other aspects of inequalities, the improvements have not occurred equally for all.

There is still a strong relationship between how long people live and their social background. The gap in life expectancy at birth had widened between those in the professional group and the unskilled manual group over the past 30 years. While this gap had increased slightly for women, from 5.3 years to 5.7 years, for men it had widened by nearly two years to reach around 7.5 years at the end of the 1990s (Figure 10).

Figure 10
Life expectancy at birth, 1972–76 and 1997–99
England and Wales
Males
 Years old



Females
 Years old



Source: Longitudinal Study, Office for National Statistics

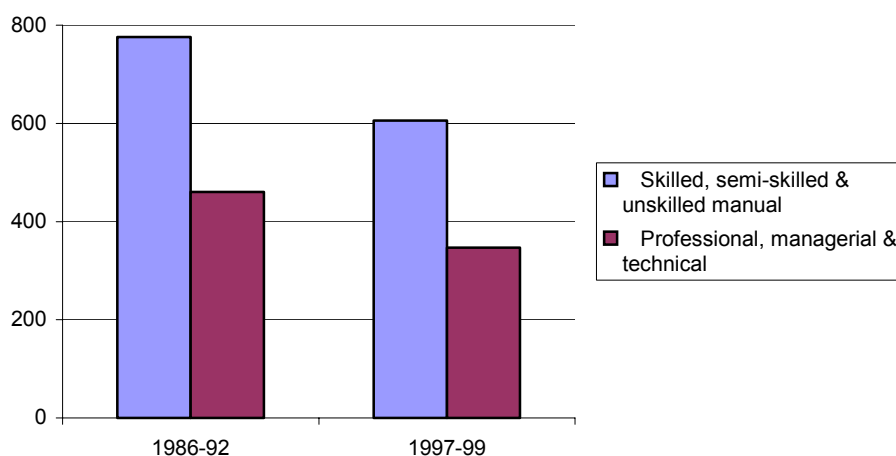
However this picture does mask improvements in life expectancy for each of the groups. Indeed over the 1990s, the gap between the most advantaged and most disadvantaged actually narrowed. This was most likely due to the relatively greater improvements in mortality at younger ages for those from an unskilled manual background.

The rates of premature death have fallen for all social classes over the past 30 years. However, the gap has widened relatively for men and the improvements were greater for men at the professional and managerial end of the spectrum (Figure 11).

Figure 11
Death rates, ages 35 to 64, England and Wales

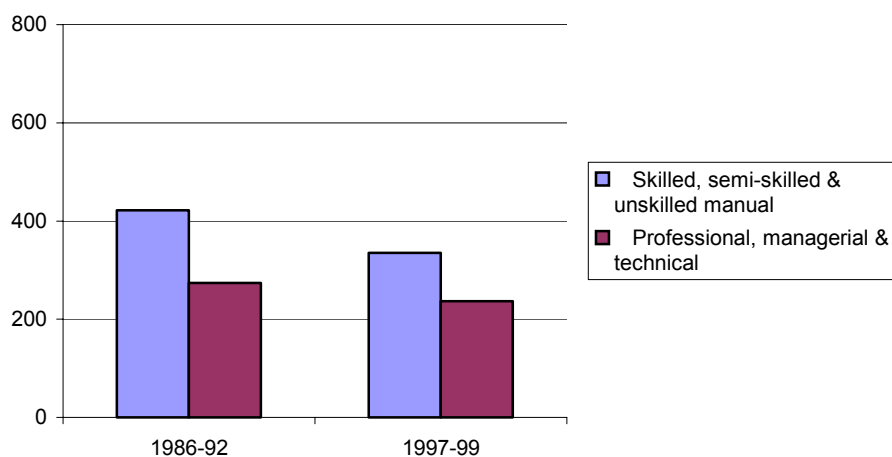
Males

Rates per 100,000 males



Females

Rates per 100,000 females



Source: Longitudinal Study, Office for National Statistics

Between 1986 and 1992 the death rate for men in the skilled and unskilled manual groups was 69 per cent greater than the rate for professional and managerial men. While between 1997 and 1999 the rate for these manual groups was 75 per cent greater than for the professionals. In contrast, the improvements in the death rates for women were greater for the skilled and unskilled manual groups than for professional and managerial women, so that the percentage difference in the rates was smaller by the end of the 1990s (41 per cent between 1997 and 1999 compared with 54 per cent between 1986 and 1992).

Certain diseases show particularly pronounced differences among people from different socio-economic backgrounds. The greatest is seen for respiratory diseases. Men in partly-skilled and unskilled occupations were five and a half times more likely than professionals and managers to die from respiratory diseases across the period 1986 to 1999.

Furthermore, while overall levels of ischaemic heart diseases (such as heart attacks) declined for all social groups, the fall was smallest for manual workers.

Smoking is believed to be the major cause of the higher death rates in the manual group compared with those in the non-manual group. Around a third of people living in a routine or manual household were current smokers. This proportion has changed little over the past five years and compares with less than a fifth (19 per cent) of people in managerial or professional households.

Another indicator of health for social groups is self-reported poor health. After taking into account the effect of age on the differences, the reporting of poor health at the 2001 Census was highest by far among the long-term unemployed and never-worked group, at around 20 per cent. It was lowest among those in professional and managerial occupations, at around 5 per cent.

Over the last 30 years there has been a range of improvements in various aspects of the lives of people in the United Kingdom – from the money earned and success at school, to the degree of well being. But the benefits have not been distributed equally, with some showing greater gains than others.

ⁱ Babb P, Haezwindt P & Martin J. (eds) (2004) *Focus on Social Inequalities*. 2004 edition. The Stationery Office: London.

ⁱⁱ Equivalisation scales take account of the number and ages of people living in the household when looking at household income. The scales conventionally take a married couple as the reference point with an equivalence value of one. Children and any additional adults are each given an equivalisation score. A single person household has a lower value than the reference point. An overall equivalence value for each household is found by adding up the equivalence values for each person in the household. The equivalised household income is then calculated by dividing the household's actual income by its equivalence value. The ONS uses McClements equivalence scales when analysing income distribution.