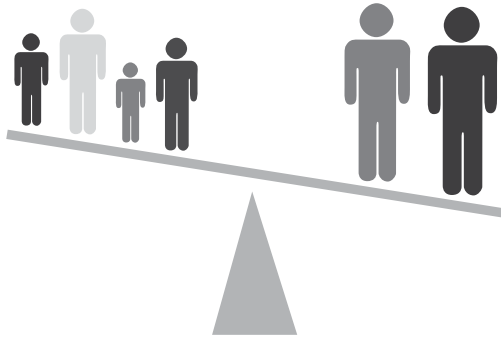


**FOCUS ON Social Inequalities**



**Focus on Social Inequalities describes the different experiences of social groups in the UK today in six key areas: education, work, income, living standards, health, and participation. It looks at the ‘advantaged’ as well as the ‘disadvantaged’ and explores the relative differences between them.**

People in the United Kingdom are better off than in the past across a range of measures but the benefits are not spread equally. Household income and educational attainment have improved overall but the gaps remain large. However, employment rates for most key groups that have been disadvantaged in the labour market have improved recently and at a greater rate than for the population overall. Nevertheless, a significant minority of people are affected by a lack of material resources and the inequality in the health of the population has widened.

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# Education, Training & Skills

## Exam results differ by social status

Parental and family circumstances impact upon GCSE attainment. In 2002, 77 per cent of children in year 11 in England and Wales with parents in higher professional occupations gained five or more A\* to C grade GCSEs. This was more than double the proportion for children with parents in routine occupations (32 per cent).

The gap in GCSE attainment levels by parental socio-economic group increased in the 1990s. In 1992, 60 per cent of children with parents in managerial or professional occupations attained five or more GCSEs grade A\* to C. This was 44 percentage points more than the proportion for children with parents in unskilled manual occupations. In 1998 this gap rose to 49 percentage points. By 2002 the gap between children with parents in higher professional occupations (broadly equivalent to managerial/professional occupations) and those with parents in routine occupations (broadly equivalent to unskilled manual occupations) had fallen back to 45 percentage points.

Like attainment at school, participation in further or higher education is strongly influenced by people's social and economic background. In 2002, 87 per cent of 16 year olds with parents in higher professional occupations were in full-time education. This compares with 60 per cent of those with parents in routine occupations, and 58 per cent with parents in lower supervisory occupations. However, once people's prior attainment is taken into account the impact of social background decreases significantly.

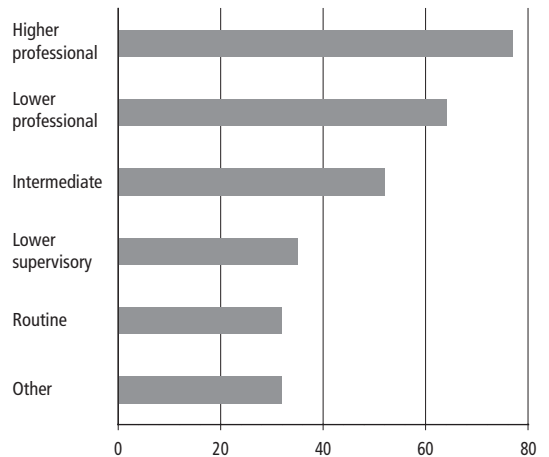
There is a clear relationship between higher qualifications and higher earnings, and the earnings premium for possessing a degree is particularly high. The average gross weekly income of full-time employees in the UK with a degree was £632 in spring 2003. This was more than double the weekly income of £298 for those with no qualifications.

The likelihood of being employed is also higher for those with higher qualifications. In spring 2003, 88 per cent of working age adults with a degree were in full-time employment compared with 50 per cent of those with no qualifications. Education is also key in explaining the inequality gaps between advantaged and disadvantaged groups in terms of health, living standards and social participation.

### Attainment of five or more GCSE grades A\* to C: by parental NS-SEC, 2002

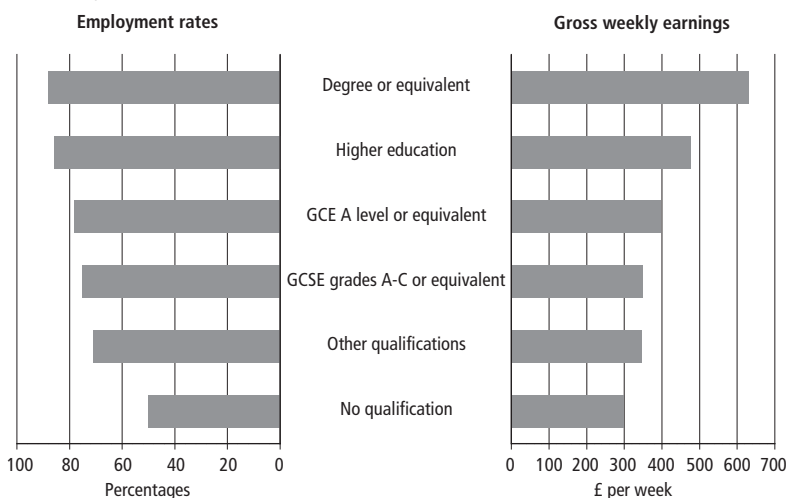
England & Wales

Percentages



### Employment rates and gross weekly earnings for full-time employees of working age: by highest qualification, spring 2003

United Kingdom



#### Sources:

Youth Cohort Study, Department for Education and Skills  
Labour Force Survey, Office for National Statistics

#### Notes:

Parental NS-SEC represents the household NS-SEC. This was developed by assigning the NS-SEC of whichever parent had the highest order NS-SEC using the given order of categories, when both were provided and a discrepancy arose.  
Working-age adults are males aged 16 to 64 and females aged 16 to 59. The income and employment rate data include only full-time employees based upon respondents' self assessment. Respondents with hourly pay greater than £100 or those who did not report an hourly wage are excluded. Excludes those who did not know their highest qualification level.

# Work

## Employment grows for the disadvantaged

Between spring 1999 and spring 2003 there was gradual growth in employment rates among the key disadvantaged groups in the UK. This growth was generally greater than that for the total working-age population. The increase was very small for people without formal qualifications. This group also experienced an increase in economic inactivity.

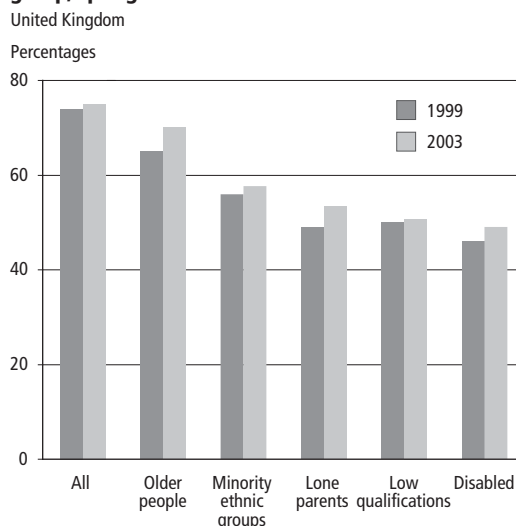
Labour market experiences also differ by gender. The male working-age employment rate declined from over 90 per cent in the early 1970s to just below 80 per cent in 2003. For women, participation in employment increased from 56 per cent to just under 70 per cent over the same period. Children affect the economic activity of women more than that of men. In 2003, 48 per cent of women with a child under two were in employment compared with 90 per cent of men with children of this age.

The working-age unemployment rates of those facing some disadvantage are historically higher than in the general working-age population. Minority ethnic groups, lone parents, and people without formal qualifications had an unemployment rate of about 10 per cent in 2003. This was roughly twice the rate for the total working-age population. Among the 7 million people of working age who had a disability, the unemployment rate was 8 per cent.

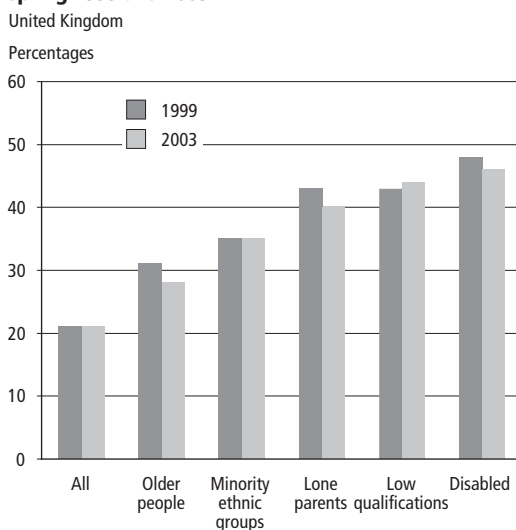
Disadvantaged groups, particularly the disabled, are more likely to be inactive than the general working-age population, and the likelihood of inactivity increases with more disadvantages. Across the population as a whole, inactivity rates did not drop substantially between 1999 and 2003 as employment rates increased slightly. However, for lone parents the inactivity rate declined by 3 percentage points. People with low qualifications experienced an increase of 1 percentage point.

Reasons for inactivity vary by sex and age. Men have been hardest hit by a decline in demand for low-skilled workers, and are also most likely to be inactive due to long-term sickness or disability. Older men are also more likely than older women to take early retirement. Women are more likely to be inactive for family reasons, and form the bulk of lone parents.

**Working-age employment rates: by disadvantaged group, spring 1999 and 2003**



**Working-age inactivity rates: by disadvantaged group, spring 1999 and 2003**



**Definition of terms:**

**In employment** – employees, self-employed and participants in government training schemes and people doing unpaid family work.

**Unemployed** – the measure based on the International Labour Organisation (ILO) guidelines which counts as unemployed those who are without a job, are available to start work in the next two weeks, who want a job and have been seeking a job in the last four weeks or are waiting to start a job already obtained.

**Economically active (labour force)** – those in employment plus ILO unemployed.

**Economically inactive** – people who are neither in employment or unemployment. This includes those looking after a home or retired or permanently unable to work.

**Source:**

HM Treasury and Department for Work & Pensions (2003). *Full employment in every region*. The Stationery Office

**Notes:**

Working-age adults are males aged 16 to 64 and females aged 16 to 59. Older people: those aged 50 to 64 for men and 50 to 59 for women. Low qualifications: no formal qualifications.

# Income

## Gaps in income and wealth remain large

The extent of inequality in the income distribution has changed considerably over the last three decades. However, between 1994/95 and 2002/03 the income distribution was broadly stable. Disposable income (adjusted for inflation) grew by over a fifth for both those on incomes at the top of the distribution (90th percentile) and those at the lower end (10th percentile).

Between 1979 and 1983 inequality gradually decreased, but this was more than reversed in the 1980s. Between 1981 and 1989 disposable income in real terms grew by 38 per cent for those at the 90th percentile. This was more than five times the rate of growth of 7 per cent for those at the 10th percentile. During the economic downturn of the first half of the 1990s there was little real growth anywhere in the income distribution.

The distribution of wealth is even more unequal than that of income. Half the population of the UK owned just 5 per cent of the wealth in 2001. This compares with 8 per cent in 1976. However, wealth became more evenly distributed over the 20th century as a whole. It is estimated that the richest 1 per cent held around 70 per cent of the UK's wealth in 1911, compared with 23 per cent in 2001.

Some people may have to borrow money and can get into debt. In October 2003 about a third of adults had some form of unsecured debt (through personal loans, overdrafts and credit cards) over and above that which they expected to pay off at the end of the month. This proportion was highest (54 per cent) among 25 to 34 year olds. The average amount owed by all debtors was £3,500, but 13 per cent owed £10,000 or more.

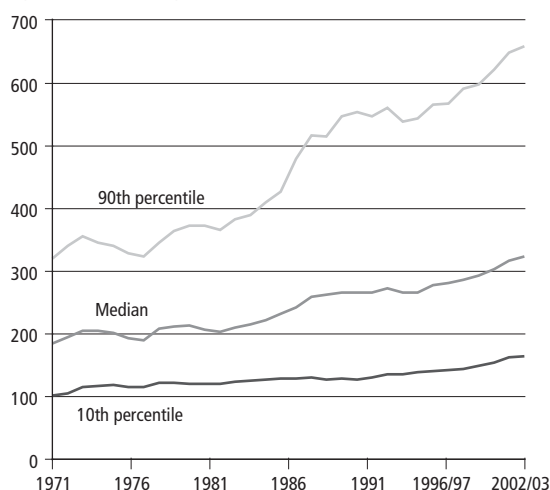
One definition of low income is where a household is below 60 per cent of median disposable income. In 2002/03, 17 per cent of the population lived in households with income below this level (£194 per week). This compares with a peak of 21 per cent in 1991/92. Working-age adults were generally at lower risk than the population as a whole of being on a low income, though those living in workless households were at much greater risk.

Children were also at greater risk of living in low income households than the population as a whole. In 2002/03 around one in five children (2.6 million) were living in low-income households (measured before deduction of housing costs). A similar proportion of pensioners were living in low income households in 2002/03, though this had fallen from one in three in 1990/91.

### Distribution of real household disposable income

United Kingdom/Great Britain

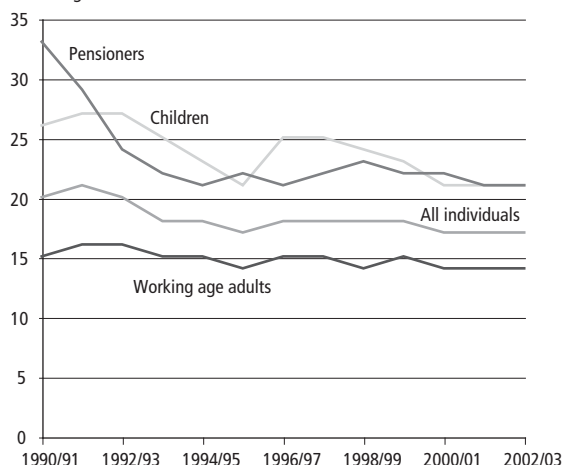
£ per week at 2002/03 prices



### People living in households with income below 60 per cent of the median

United Kingdom/Great Britain

Percentages



#### Sources:

Institute for Fiscal Studies (1971 to 1993/94) sourced from Family Expenditure Survey (covers United Kingdom)  
Households Below Average Income series, Department for Work & Pensions (1994/95 to 2002/03) sourced from Family Resources Survey (covers Great Britain)

#### Notes:

The source of data changed in 1994/95 from FES to FRS. The definition of income changed slightly and geographic coverage changed from United Kingdom to Great Britain.

The income data in the distribution of the income chart are adjusted to 2002/03 prices using the Retail Prices Index less local taxes and are before the deduction of housing costs.

Ten per cent of individuals live in households with income above the 90th percentile, and 10 per cent below the 10th percentile. The closer the 90th and the 10th percentiles are to the median, the greater the equality in the distribution.

# Living Standards

## People on low income less likely to have PCs

Access to consumer goods and services is one indicator of people's living standards. For those goods that only became available in the last decade or so there is a strong link with household income. In 2001/02, 86 per cent of households in Great Britain in the highest income group (weekly disposable income of £1,000 or more) had access to a home computer. This was almost six times the proportion of 15 per cent for households in the lowest income group (£100 to £200 per week). The gap was even wider for Internet connections. The proportion for the higher income group (79 per cent) was almost eight times greater than that for the lower income group (10 per cent).

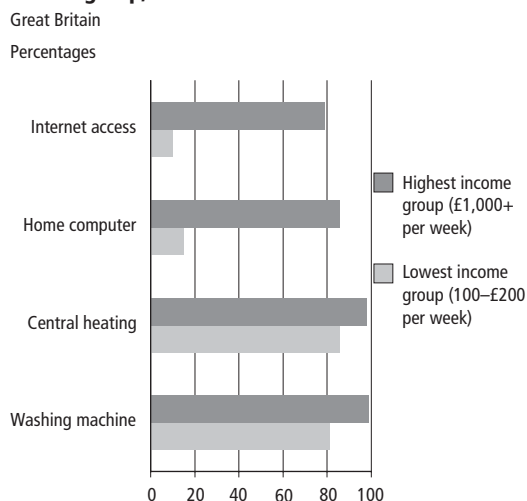
More established goods such as washing machines and central heating, once regarded as luxuries, are now more common across all income groups and household types. However, they are still less likely to be found in lower than in higher income households.

On average, 91 per cent of households had central heating in their homes in 2001/02. However, single pensioner households are the least likely to have central heating, despite being one of the groups most vulnerable to the effects of cold indoor temperatures.

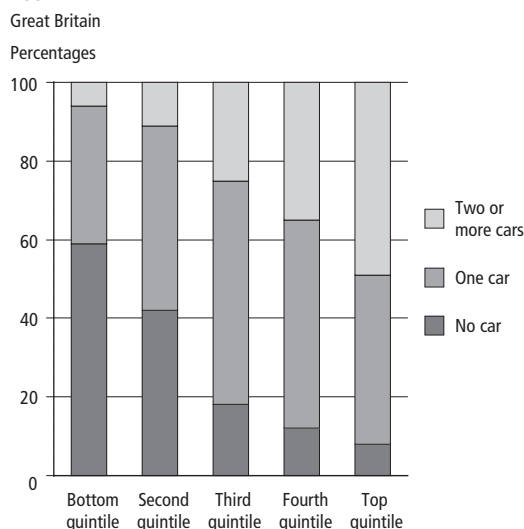
Car ownership is closely related to income, as well as to sex, age, stage of lifecycle and location. In 2002, 59 per cent of households in the lowest income quintile did not have access to a car. This was around seven times the proportion in the top quintile group (8 per cent). High proportions of households without access to a car were found among single pensioners (69 per cent), student households (44 per cent) and lone parents (43 per cent).

For many people, lack of access to a car can cause difficulties in getting to the shops or health services. In 2000/01, 11 per cent of households without access to a car said they had difficulty in accessing their GP. This compares with 4 per cent who had access to a car.

**Access to selected consumer goods and services: by highest and lowest total weekly household disposable income group, 2001/02**



**Household car ownership: by income quintile group, 2002**



**Sources:**

Family Resources Survey, Department for Work & Pensions  
National Travel Survey, Department for Transport

**Notes:**

Equivalent disposable income: income adjusted for household size and composition by means of equivalence scales.  
Quintile groups: units are ranked by a given income measure and then divided into five groups of equal size.

# Health

## Manual workers die earlier than others

The health of the population improved steadily over the last century. However, there is still a strong relationship between how long people live and the nature of their jobs.

For the period 1997–99, life expectancy at birth in England and Wales for males in the professional group was 7.4 years more than that for those in the unskilled manual groups. The gap between the social classes was smaller for women than for men, at 5.7 years.

Regional differences in expectation of life are also notable. There was a 10-year difference in male life expectancy at birth in 1999–2001 between the local authority with the lowest level (Glasgow City at 69 years) and the highest level (North Dorset at 79 years).

Social class differences in mortality vary by cause of death. Key disease groups showing a difference are ischaemic heart disease, cerebrovascular disease, respiratory diseases and lung cancer. Between 1986 and 1999 partly skilled and unskilled workers were 5.5 more times more likely than managerial, technical and professional workers to die from respiratory diseases.

Infant mortality is a key indicator of the nation's health. The infant mortality rate fell substantially over the twentieth century in response to improved living conditions, availability of healthcare and other factors. Despite this, differentials still exist by father's socio-economic status, birthweight, marital status of parents and mother's country of birth. For babies registered by both parents, the infant mortality rate is highest for babies with fathers in semi-routine and routine occupations. Moreover, the decrease of 5 per cent in the infant mortality rate for this group between 1994 and 2002 was far smaller than the 16 per cent fall in the overall infant mortality rate.

Another indicator of health for social groups is self-reported poor health. On an age-standardised basis, reporting of poor health was highest by far among the long-term unemployed and never-worked group (19 per cent for men and 20 per cent for women) and lowest among those in the professional and managerial occupations (4 per cent and 5 per cent respectively).

Patterns of limiting long-term illness are similar to those of self-reported poor health. Among men, age-standardised rates were five times higher for those who were long-term unemployed or had never worked (43 per cent) than those in the professional and managerial group (9 per cent). The difference for women was slightly smaller, at 36 per cent and 10 per cent respectively.

There are also differences in health between the ethnic groups. In April 2001 Pakistani and Bangladeshi men and women in England and Wales reported the highest rates of both poor health and limiting long-term illness, while Chinese men and women reported the lowest rates.

**Life expectancy at birth: by social class and sex, 1997–99**

England & Wales

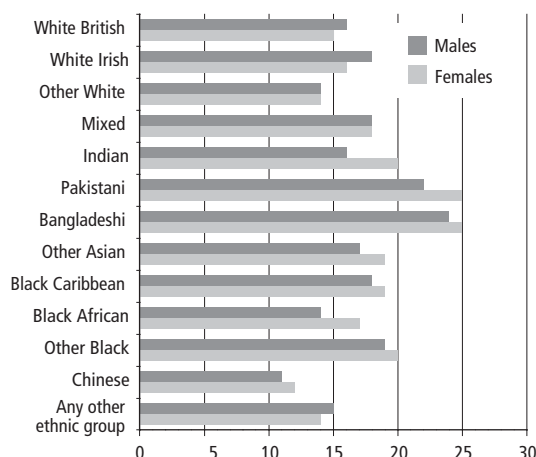
Years



**Age-standardised limiting long-term illness: by ethnic group and sex, April 2001**

England & Wales

Percentages



**Sources;**

Longitudinal Study, Office for National Statistics  
 Census 2001, Office for National Statistics

**Notes:**

Poor health is defined as 'not good' health in the last 12 months. Age-standardised poor health and limiting long-term illness data are for people aged 16 to 74.

# Participation

## More volunteers from higher income homes

People in higher income households are more likely than others to volunteer. In 2001, 57 per cent of adults in England and Wales with gross annual household incomes of £75,000 or more had volunteered formally (such as raising or handling money for a charity or being a member of a committee) in the previous 12 months. They were almost twice as likely to have done so than those living in households with an annual income under £10,000 (29 per cent).

As well as having high household incomes, volunteers also tend to have higher academic qualifications, be in higher socio-economic groups and be in employment. Among people with a degree or postgraduate qualification, 79 per cent had volunteered informally and 57 per cent had volunteered formally in the previous 12 months. For people with no qualifications the corresponding proportions were 52 per cent and 23 per cent.

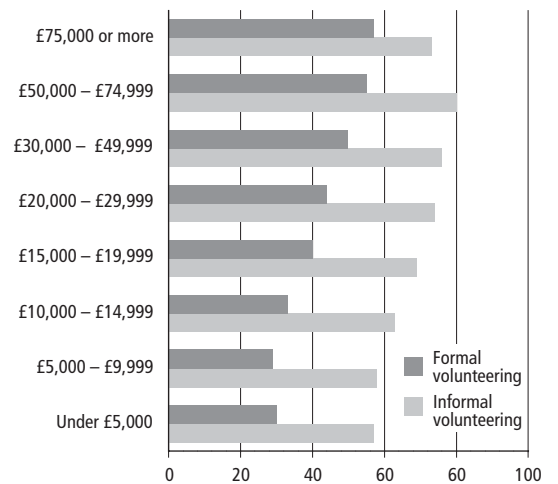
Another form of social participation, voting at elections, seems also to depend on socio-economic characteristics. For example, young people aged between 18 and 24 were some of the least likely people to vote. In 2001, 39 per cent of people aged 18 to 24 voted in the general election compared with 70 per cent of those aged 65.

Voter turnout in the 2001 general election also varied by employment status. For those in work, the proportion who voted was slightly higher for self-employed people (71 per cent) than for employed people (66 per cent). Unemployed people were the least likely to vote - 48 per cent did so in 2001.

**Volunteering: by annual gross household income, 2001**

England & Wales

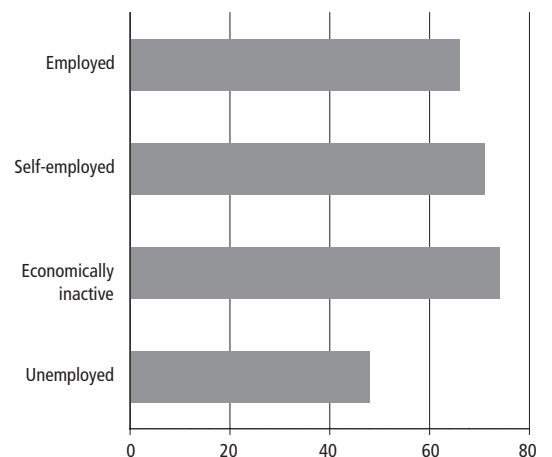
Percentages



**Percentage of people who voted in the 2001 general election: by employment status**

Great Britain

Percentages



**Sources:**

Citizenship Survey, Home Office  
 British Household Panel Survey, Institute for Social and Economic Research

**Notes:**

Household income is defined as annual gross household income. The data on volunteering are derived from the Home Office Citizenship Survey 2001. Adults over 16 were asked whether they have volunteered formally or informally at least once in the previous 12 months.

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**Contact details:**

Content: Penny Babb  
020 7533 6122  
General series: Hayley Butcher  
020 7533 5882

Office for National Statistics  
1 Drummond Gate  
London SW1V 2QQ

Telephone: 0845 601 3034

[www.statistics.gov.uk](http://www.statistics.gov.uk)

