

An evidence-based approach to **tackling in-work poverty**

Cardiff University research suggests that the number of workers in a household is the primary determinant of in-work poverty, not low pay.

More than half (60%) of people living in poverty in the UK live in a household where someone is in work, the highest figure recorded since the Households Below Average Income survey began in 1994, according to a Cardiff University report.

Research by Dr Rod Hick and Dr Alba Lanau from Cardiff University's School of Social Sciences found that the risk of poverty for adults living in working households rose

by more than a quarter during the period 2004/5 to 2014/15. Funded by the Nuffield Foundation, it also found that the number of workers in a household, and not low pay, is the primary determinant of in-work poverty.

"Considerable discussion has focussed on increasing the minimum wage to help reduce poverty, however our report finds that less than half of adults experiencing in-work poverty have a low paid worker in their household, and most low paid workers live in non-poor households," says Dr Rod Hick, who led the study.

"Low pay is one of the reasons why in-work poverty occurs, but it's not the only reason, and it is a secondary factor behind the amount of work conducted by household members.

“Tackling in-work poverty requires re-thinking our approach: it's about improving the circumstances of the whole household, not just those of an individual worker, and promoting employment is key.”

The research examined the effectiveness of tax credits in reducing in-work poverty over the past decade. While it shows that tax credits have proven effective in reducing in-work poverty for families who received them, tax credits are received by less than half of working poor households, through a combination of design and low take-up. In particular, working poor families without children have very low rates of tax credit receipt.

Additionally, the rise in in-work poverty has been concentrated amongst households in the private rented sector and amongst social housing tenants, suggesting that housing costs are becoming an increasingly important factor in determining poverty rates amongst working families.

Dr Hick adds:

“If policy does not tackle rising housing costs directly, then it seems likely that these will eat up gains made elsewhere, such as the planned increases in the minimum wage.”

To help tackle the problem, the report makes a series of recommendations, including supporting families with children to be able to take up additional paid employment through ensuring affordable childcare is available; reversing cuts to tax credits; and tackling high housing costs experienced by families, especially in the private rented sector.

Dr Rod Hick is Senior Lecturer in Social Policy at Cardiff University's School of Social Sciences.

Dr Rod Hick will discuss the findings of the research at the Cardiff University fringe event: *"Tackling in work-poverty - what does the evidence say?"* on Monday 25th September, 12:45pm, in Hall 7 Trent, Hilton Brighton Metropole. He will be joined by Shadow Employment Minister Margaret Greenwood MP, and the Guardian's Abi Wilkinson.

