

# poverty in suburbia: a smith institute study into the growth of poverty in the suburbs of England and Wales

By Paul Hunter





### **The Smith Institute**

The Smith Institute is an independent think tank which provides a high-level forum for thought leadership and debate on public policy and politics. It seeks to engage politicians, senior decision makers, practitioners, academia, opinion formers and commentators on promoting policies for a fairer society.



### **Barrow Cadbury Fund**

The Barrow Cadbury Fund is a Company Limited by Guarantee, set-up by its founders Barrow Cadbury and Geraldine Southall to allow greater flexibility in the couple's giving. The Fund is non charitable and aims to further its mission of bringing about socially just change.

# poverty in suburbia:

a smith institute study  
into the growth of  
poverty in the suburbs  
of England and Wales

By Paul Hunter

The Smith Institute would like to thank the Barrow Cadbury Fund for supporting the project. The Institute would also like to thank those who offered their comments on the report.

Published by The Smith Institute

This report represents the views of the authors and not those of the Smith Institute.

© The Smith Institute April 2014

## Contents

Executive summary	4
Introduction	8
Defining the suburbs	12
Poverty in England and Wales	20
Poverty in suburbia: a national perspective	26
Suburban poverty in eight cities	36
Conclusion and future trends	56
Appendices	62

# Executive summary

## Executive summary

### Headline findings

Poverty is prevalent in many suburbs; in some city suburbs it is increasing and worryingly high. The report shows that most people in poverty live in suburban areas. There are approximately 6.8 million people in poverty in the suburbs of England and Wales – or put another way, 57% of those in poverty live in the suburbs. Moreover, between 2001 and 2011 the number of suburban areas with above-average levels of poverty rose by 34%.

Poverty has not disappeared from the centres of our cities or from rural areas. In some cases it may have been displaced. However, the evidence in this report clearly shows poverty in Britain today is not just a problem for our inner cities. Most people in poverty live in suburban neighbourhoods, and there are more suburbs with high concentrations of poverty than there were a decade earlier. Moreover, in many major cities there is a narrowing gap in concentrations of poverty between urban cores and suburbs.

### Mapping poverty in suburbia

The evidence presented in the report is based around the creation of a set of unique maps, which have been developed using mainly 2001–11 census data and a methodology for categorising distinct suburban areas. Suburban areas are identified by typology (having a lower incidence of flats and terraced housing) and population density (to ensure more rural places are excluded). In total 59% of the population in the report are categorised as living in suburbia.

A range of indicators are deployed to understand what types of poverty might be most common in suburbs. In addition, a weighted combination of the indicators is used to show an overall picture of change. This information is used to draw maps of poverty in suburbia.

The maps perhaps represent the first attempt to illustrate the spatial features of poverty in suburbia, with particularly reference to eight major cities in England.

### Changing poverty rates in suburbia

Over the period 2001–11 there was a substantial rise in the number of suburban areas with above-average concentrations of poverty. The number of suburban areas in the fourth quintile (those with above-average levels of poverty) rose by 90% between 2001 and 2011.

### Types of poverty in suburbia

The report analyses which groups are most at risk of poverty and their concentrations in suburbia. Among the key findings are:

- **Lone parenthood:** Being a lone parent carries with it a high chance of being in poverty. Suburbs are home to more lone parents than the rest of the country and have a higher proportion of lone parents per head.
- **Overcrowding:** Living in an overcrowded home is a sign

of unmet housing need and therefore an indication of poverty. By 2011 over half of those in overcrowded homes lived in suburbia.

- **Unemployment:** In the decade to 2011 suburbia experienced a 25% increase in unemployed households – compared with a 9% increase in the rest of the country.
- **Workless (other):**<sup>1</sup> Being unable to work can often be a sign of poverty. The number of people who were workless (other) dropped significantly over the period, but this fall was less pronounced in suburbia, so that by 2011 a similar proportion per head of workless (other) people were living in the suburbs as in the rest of the country.
- **In-work poverty:** Part-time working is more associated with poverty than is full-time employment. Suburbia has a slightly higher concentration of part-time workers.
- **Housing tenure:** The 2000s witnessed rapid growth of the private rented sector, where poverty rates are high. This tenure shift was most evident in proportional terms in the suburbs. While renting (both social and private) is still most associated with the inner cities, renting overall has risen most rapidly in suburban areas.
- **Pension credit:** Around 60% of those claiming pension credit live in the suburbs, suggesting that poverty among older people is slightly more concentrated in suburban rather than non-suburban areas (be they urban or rural).
- **Disability:** The number of people with a disability was higher in suburban areas, and per head was higher than the rest of the country.
- **Car ownership:** During the 2000s proportionally fewer people did not own a car in the suburbs.

The indicators show that changes in the incidence of poverty among certain particular groups will have a greater impact on poverty in suburbia than in other areas. Indeed, measures to reduce poverty among older people and children may have inadvertently reduced poverty in suburbia relatively more than in other areas. Yet despite these interventions, disparities in poverty rates between suburban and non-suburban areas within the cities examined appear to be narrowing.

### Poverty since the recession

The report analyses means-tested benefits to show how poverty might have changed since the recession (covering the period 2008–13). For all four benefits examined in the report (pension credit, job seeker's allowance, income support and disability living allowance), rates increased more per head (or decreased less) in the suburbs. Moreover, for all four benefits the prevalence per head of population is now greater in the suburbs than in the rest of the country.

### Poverty in eight English cities

Data maps of eight major cities in England show that the gap

<sup>1</sup> Data on those not working are split into three categories: those who are economically inactive and seeking work; those over retirement age; and the "workless (other)" category, which includes students, carers and those unable to work because of a disability or ill health. For a more accurate risk profile of being in poverty, students are excluded in the figures used in the report.

in concentrations of poverty between suburban and other neighbourhoods has narrowed. This narrowing was most noticeable in London (by 4 percentage points), Manchester (3 percentage points) and Newcastle (3 percentage points). Changes in worklessness, unemployment and housing tenure played a large part in the narrowing, whereas car ownership and overcrowding pulled the results in the other direction. In spatial terms within the cities, poverty appeared to worsen most in suburban areas furthest away from the city centre.

### **Future trends and the policy response**

Suburbs have largely been overlooked by researchers; there is, for example, no one official category of suburbia in the national statistics. To track poverty and other socioeconomic indicators, more research needs to be carried out into suburbs. There is similarly a need for a much greater policy focus on poverty in suburbia. This applies to local and central government as well as to voluntary and third-sector organisations seeking to combat poverty.

It appears likely that higher housing costs in urban centres, combined with the effects of welfare reforms, will further increase overcrowding in inner cities, driving low-income households out to relatively cheaper suburbs. If this happens, there could be an increase in poverty rates in suburbia.

Future welfare reforms could have a disproportionate impact on suburbs. For example, with child poverty set to increase, the

higher concentrations of lone-parent households in suburbia mean that benefit changes could have greater implications for suburban poverty. Meanwhile access to jobs and services in suburbs is often a problem for those with disabilities, older people, and those without access to a car.

### **A suburban renaissance**

The report calls for a "suburban renaissance" to improve the suburban fabric, including sensitive increases in density (to enable cheaper, more reliable transport), greater access to shops and services, and investment in the public realm.

With more lone parents living in suburbs, better access to childcare for working parents could be an important way of countering the rise of poverty in suburbs.

Providing services and better access to work for the growing number of disabled people in suburbia is challenging, especially in places with poor (and expensive) public transport. Local government (with extra resources from Whitehall) could do more in providing care to help people return to or stay in work.

Policy makers need to understand fully the impact of welfare reforms on poorer suburban economies, especially for vulnerable groups. A comprehensive review of the appropriateness and relative cost-effectiveness of the anti-poverty infrastructure in suburbia is long overdue.





# 1. Introduction

## Introduction

For many observers, a study on poverty in suburbia may seem a contradiction in terms. Suburbs are conventionally seen as places where wealthier people live; places of relative affluence where families relocate to escape deprived and overcrowded city and town centres. According to Sarah Gaventa, writing in a previous Smith Institute report on *Housing and Growth in Suburbia*, "historically, suburbs have been the place to bring up children; indeed, demographic analysis of the suburbs has shown that this is still very much the case. In large part this is a result of the urban renaissance: the regeneration and densification of our urban centres has generally failed to provide adequately for children, families and older people."<sup>2</sup>

It is something of a curiosity that the very places where most people live receive such little attention. The world of suburbia, long looked down upon, has too often *only* been seen as a place of materialism, consumption and conformity. This common view can often lead to suburbs being pigeonholed as relatively prosperous places in need of little attention from policy makers or anti-poverty campaigners.

Perhaps because of its ambiguous nature, suburbia is ignored by much of the academic community. Traditional studies by economic geographers and social scientists mostly focus on poverty (and deprivation) through a regional, city or rural lens. Yet, as the report shows, poverty is very much a part of our suburbs.

This is not to suggest that poverty is more concentrated in suburbia than in inner-city areas, rather that it has been consistently overlooked: so much so that there is little specific data to work from and no benchmark studies or comprehensive or comparative information. Nevertheless, the data on poverty and place that is available does enable maps to be constructed on poverty in suburbia.

The maps pulled together for this report demonstrate that there are distinct differences in the levels of risk factors between suburbs and urban centres. This presents policy makers and anti-poverty practitioners and campaigners with a different set of challenges.

There has been some international research on the "suburbanisation of poverty". In America, for instance, there has recently been growing interest in how the suburbs there have become poorer. As *The Economist* magazine commented in July 2013, it is "the suburbs where you will find America's biggest and fastest-growing poor population". Detailed evidence of this has been well documented by Elizabeth Kneebone and Alan Berube of the Brookings Institution in their report *Confronting Suburban Poverty*. To some this might seem to be a case of American exceptionalism, with its different history of city formation and urban planning. However, there are enough similarities between the suburbs in the USA and those in the UK to appreciate common features and trends.

For at least the last 30 years, the central plank of spatial policy making in the UK has been urban renewal, in particular regeneration of the inner cities – arguably at the expense of suburbs. This lack of policy attention was typified by the 1977 white paper on inner cities, which in effect closed down the New Towns programme and switched investment to the inner cities. There has been some data collection on the narrowing gap in poverty rates between inner and outer London. Beyond this, however, little evidence has been compiled about poverty in the suburbs of other major cities.

This report seeks to redress the information deficit on poverty in suburbia. It sets out to assess and understand poverty by suburban place; examines the prevalence of poverty in the outer rings of England's major conurbations; evaluates how poverty in suburbia might have changed over the last decade; and considers how it might change in the future.

The first difficulty encountered in undertaking a survey of poverty in suburbia is defining what we mean by "suburbia". According to Professor Sir Peter Hall, "suburbia tends to be defined in terms of what it is not".<sup>3</sup> This view is in part predicated on the fact that the English suburbs, unlike those in the USA, are not easy to define using official census or government statistics. What we do know is that they differ from urban centres; they have lower populations and housing density than inner cities. Beyond that typology, their features also relate to location: situated on the edges of cities and towns, part of but separate from the city centre, they are primarily residential yet with some of the benefits of city/town living that rural life cannot offer.

The means of identifying suburbia employed in this report is to consider both typology and population density. Using the lowest areas for which official data is available ("lower super output areas" or LSOAs), it defines suburbs as having proportionately low numbers of flats and terraced housing. This allows us to negate city-centre areas, something that population density fails to do in the more commercial areas of our cities. It also identifies suburbia as having population density above a certain level, so that rural areas are not included as suburbs.

This approach may overcome the difficulty of identifying and categorising suburbia, but tracking poverty at a very local level is perhaps even harder. There is no official data on poverty which goes below the regions (with the exception of subregional data quoted above on inner and outer London). Census questions do not ask about income, because of understandable sensitivities. Meanwhile official data on poverty (based on the Family Resources Survey) is survey based, and thus results cannot be broken down below a certain geographic scale.

The report therefore uses a mix of indicators. These include a range of family types, means-tested benefits, housing tenure and quality, and types of economic activity/inactivity. While these indicators may provide a snapshot of the risk of poverty,

<sup>2</sup> Gaventa, S "Keep Alive Our Lost Elysium – the Importance of the Suburban Public Realm" in Hackett, P (ed) *Housing and Growth in Suburbia* (Smith Institute, 2009)

<sup>3</sup> Hall, P, introduction to Hackett, op cit

on their own they can be misleading. To overcome this problem, a weighted combination of the indicators is used to identify poverty by place. This allows poverty to be mapped by suburb so that we can see how it might have changed over the last census decade to 2011.

As the indicators used are drawn largely from censuses, the report primarily covers the period 2001-11. This means that the effect on poverty rates of the recent changes to welfare provision cannot be comprehensively observed. However, the picture of poverty produced allows us to view which parts of our cities are poorest and which have become poorer; the extent to which poverty exists and has crept into the suburbs; whether it is becoming more concentrated in suburbs; how it has changed over time; and how suburbs compare with inner cities.

Where feasible and relevant we have included some data analysis to 2013. This data is helpful, not least because it does not seem to contradict the underlying trends or the distinguishing features of poverty in suburbia that the census data shows.

The report is split into four sections. The first gives a brief background on suburbia and how it has been identified. The second looks at poverty over the period, identifies some of the main changes (falls in child and pensioner poverty, and increases in childless, working-age households and in-work poverty), and how we identify poverty at a very local level. The third section presents the findings of the report at a national level. The fourth section maps the trends in eight of England's largest cities. The final, concluding chapter outlines some of the

risk factors and drivers of poverty in suburbia into the future and hints at some of the policy implications and solutions.

The maps we have compiled produce some interesting results. Just as some cities and regions have fared better, so have some suburbs. As the following chapters explain, poverty is certainly prevalent in suburbia, and worryingly high in some suburbs. While there appears to be a slight rise in poverty overall across the country (perhaps too small to draw any sweeping conclusions), the data suggests that some city suburbs have experienced rising levels of poverty.

What is clear from the mapping and analysis is that no two suburbs are the same. While there are differences between inner-city poverty and suburban poverty, there are also differences between how poverty manifests in different suburbs.<sup>4</sup> Indeed, to better understand the problem of poverty in suburbia there is a need for much more detailed work on how poverty affects suburban neighbourhoods, going beyond what can be learned from published statistics. There is a case for a much better understanding of how education, healthcare, social housing and other public services are performing in suburbia, as well as the spatial impact of social security policies, and how the suburban social infrastructure connects to economic development and town planning.

Overall, what we hope this report shows is that poverty is not just a problem for our inner cities. It is also prevalent in our suburbs and presents suburbia with its own particular set of challenges.

<sup>4</sup> Indeed, the gap between affluence and poverty within places is often more extreme than the variation in averages between places.



# Defining the suburbs

## Defining the suburbs

Analysing poverty by place has a long tradition – it is well over 100 years since the pioneering work of Charles Booth's poverty maps. Yet despite the tradition of examining poverty in terms of regions, cities and rural areas, the suburbs have been largely overlooked. In the main, suburbs have been thought of as prosperous places and so poverty there has been either ignored or bundled into city poverty.

This section of the report aims to explore what we mean by suburbia and sets out how it is identified for the purposes of analysing poverty in suburbs in the following sections. The section also briefly examines the changing nature of suburbs with reference to population changes over the 2001-11 period.

### *The suburban idyll*

The history of the suburbs seems to reinforce the notion of suburbia being home to wealthier citizens. The early London suburbs of Clapham and Regent's Park were places where only wealthier people could afford to live. Predating public transport, these places housed those with the means of running private carriages, though Clapham also benefited from one of the first bus services. While the later emergence of public transport increased the number of those who could live away from where they worked, suburbs remained too expensive for many, and attracted the "respectable" or perhaps more accurately the upper working class (who today would probably be part of the middle classes). In many cases public transport in the pre-war period only extended a short distance, and to places which we might not today claim to be suburban.<sup>5</sup> During the inter-war period – particularly the 1930s, when the UK experienced its greatest house-building boom – the new semis benefited from the development of arterial roads, the extensions of underground train lines out above ground (metroland), and the availability of mortgages from the growth of building societies.

In the post-war period it was also those affected by the Blitz who took advantage of mass house building in suburbs surrounding the cities. These people took the opportunity to move out of polluted, war-damaged city centres. Although working-class, they were by no means the poorest.<sup>6</sup> As the social and urban historian Dr Mark Clapson has explained: "The largest of this migration was voluntary... The majority of people who moved were working class couples with children, or couples who were just about to have them... Within the working classes this voluntarism was most strongly located [among] the younger and relatively wealthier."<sup>7</sup> In London and a few other cities, this was greatly helped by the building of new towns, which provided both jobs and homes.

Many poorer citizens in the 1960s and 1970s lived in inner-city housing estates, characterised by tower blocks (Le Corbusier's "cities in the skies") and embodying what the political economist

John Vaizey called the "cult of gigantism". Of course there was also the addition of out-of-town council estates, such as in Barking, for blue-collar workers who worked in local factories. While many of the inter-war estates comprised houses, a growing number were built of flats and had much in common with inner-city estates, except for their locality. In the definition presented below, they would not be categorised as suburban: not because of their locality but because of the architectural form associated with the suburbs.

This history of the suburbs suggests people are right to see them as wealthier places. This has not come without snobbishness about suburbia. In a famous passage in George Orwell's *Coming Up for Air*, the narrator muses: "When you've the time to look about you, and when you happen to be in the right mood, it's a thing that makes you laugh inside to walk down these streets in the inner-outer suburbs and to think of the lives that go on there. Because, after all, what is a road like Ellesmere Road? Just a prison with the cells all in a row, a line of semi-detached torture-chambers..."<sup>8</sup> While suburbia has not always been looked upon warmly by urbanists, the late Jane Jacobs, urban writer and activist, suggested: "Suburbs are perfectly valid places to live, but they are inherently parasitic, economically and socially."<sup>9</sup>

Snobbery about the suburbs is not just the sentiment of the metropolitan middle classes. Perhaps the most damning assessment of suburbia came from the solidly working-class Nye Bevan, who described suburbia as "an aesthetic monstrosity, an ethical crime, an economic nightmare and a physical treadmill."<sup>10</sup> These assumptions are summed up neatly by Rupa Huq in her recent book *On the Edge: The Contested Cultures of English Suburbia after 7/7*. As her list below shows, the suburban and the urban are associated with diametrically opposed characteristics:<sup>11</sup>

Suburban	Urban
White	Ethnic mix
Quiet	Noise
Space	Built-up environment
Aspiration/affluence	Multiple deprivation, decay
Choice	Constraint
Uniformity	Difference
Homogeneity	Quirky
Conformist	Bohemian
Boredom	Excitement
Fuddy-duddy	Youth
Privatised space	Community

Despite the condescension, there are numerous studies showing that suburbs are for many people the place of choice. Polling for

5 Rudlin, D, Falk, N, Dodd, N and Jarvis, S *A City of Villages: Promoting a Sustainable Future for London's Suburbs* (GLA, 2002)

6 See: Clapson, M *Suburban Century: Social Change and Urban Growth in England and the USA* (Berg, 2003)

7 Quoted in: Kynaston, D *Family Britain: 1951-1957* (Bloomsbury Publishing, 2009)

8 Orwell, G *The Complete Novels of George Orwell* (Penguin, 1983)

9 Quoted in: Bennett, J "Towards a Suburban Renaissance" in Hackett, op cit

10 Quoted in: Kynaston, op cit

11 Huq, R *On the Edge: The Contested Cultures of English Suburbia* (Lawrence & Wishart, 2013)

the Commission on Architecture & the Built Environment (CABE) showed that the most desired house types were bungalow (30%), village house (29%), Victorian terrace (16%) and the modern semi (14%).<sup>12</sup> Movement to the suburbs is still driven by environmental and design preferences for low-density housing as well as an aversion to living in flats where you can hear your neighbours, and where streets are seen as unsafe.<sup>13</sup> Similarly, surveys show that people are content with suburban life and generally averse to city living.<sup>14</sup>

By all accounts, suburbia is still an attractive option for the majority, compared with the inner cities. Indeed, the experience of the flight from the cities since the post-war period was driven by choice. The New Towns,<sup>15</sup> designed to relieve overcrowding and slum housing, for example, proved especially popular with young families. For many in the inner cities, the New Towns beyond the green belt represented modern living and a chance for a better life.

While some of these stereotypes or assumptions may hold true in general, it is also important to see particular suburban areas as having their own communities, cultures and particular sets of issues. Prejudices about suburban living often mask the true nature of the suburbs – be it in terms of poverty or ethnicity.

#### *What is suburbia?*

Some of the broader definitions of suburbia make it home to the overwhelming majority of people. If this is the case then, as Professor Sir Peter Hall states, it "becomes almost an unhelpful category, like 'human'".<sup>16</sup> But however amorphous it might be, suburbia connotes something about architectural form, space and density, and distance from a city or town centre; something that is different from both the urban and the countryside.

Suburbia, of course, like every other concept is contested. A loose description would be that it is a development on the edge of an urban area that is dependent on that area for its existence. The suburb is therefore defined by its locality, on the edge of but still part of a city or town. Rather than a "parasitic" relationship it implies an interdependent relationship. Residents commute into the centre for work and are therefore reliant on the success of the city, just as the city is reliant on the workforce living outside the centre. But more than that, suburbs are places and communities in their own right. Some may have industry within them, and successful suburbs are arguably more than dormitory outposts, hosting local economies and community infrastructure (shops, restaurants, pubs, schools, churches and community centres).

While this loose definition is instructive, it misses what we often understand and visualise when using the word "suburbia". An

image of a row of semi-detached houses is something most people would think of when suburbia is mentioned. This idea of the architectural form and residential density (which are of course linked) adds a further layer to our understanding of the suburban.

Such a definition in general terms does not identify suburbia systematically, however. To look at England and Wales as a whole requires a means of identifying suburbia without making individual calls about specific areas (which would change from person to person). Indeed, this report uses data on "lower super output areas" (LSOAs), of which there are around 35,000. To identify each of these as suburban or non-suburban on an individual basis would be extremely time consuming and would not allow for a systematic and consistent definition of the suburbs. Instead, the report uses a proxy measure.

As a proxy for suburbia, the Homes & Communities Agency suggests using residential density as an indicator. It adopts a geo-demographic cluster analysis to create a spatial proxy to measure what is suburbia. The proxy measure is 10-40 dwellings per hectare, which enables categorisation of suburban LSOAs.<sup>17</sup> Other studies use similar methods, based on either population or housing density, to categorise suburban areas.<sup>18</sup> Although it is a useful starting point, using dwellings per hectare could be misleading. For example, very urban business districts can fall into this category, having a similar number of dwellings per hectare because most of the buildings are used for commercial purposes. So for instance, parts of the City of London would be categorised as suburban!<sup>19</sup>

To overcome such problems, the report relies on a measure that combines architectural form and density. As described above, suburbia is thought of as having high levels of semi-detached or detached housing and not being either densely populated or so sparsely populated as to be rural. The measure adopted therefore uses both approaches and identifies suburbia by what it is not:

- Areas where less than 20% of households live in semi-detached or detached housing are not classed as suburban (these areas are urban).
- Areas where the population per hectare is less than 10 people are also not classed as suburban (these areas are rural).
- What remains is categorised as suburban.

No measure for categorising suburbia is going to be perfect, but this approach does get round some of the problems identified and allows for nationwide comparisons. Using this method, a map of suburbia (below) can be drawn.

<sup>12</sup> CABE, 2002, quoted in: Hall, P "The Land Fetish: Densities and London Planning" in Kochan, B (ed) *London Bigger and Better?* (LSE, 2006)

<sup>13</sup> Champion et al, 1998, quoted in: Hall, op cit

<sup>14</sup> Hedges & Clemens, 1994, quoted in: Hall, op cit

<sup>15</sup> The New Towns Act of 1949 designated developments in Basildon, Bracknell, Corby, Crawley, Harlow, Hatfield, Hemel Hempstead, Newton Aycliffe, Peterlee, Stevenage and Welwyn Garden City.

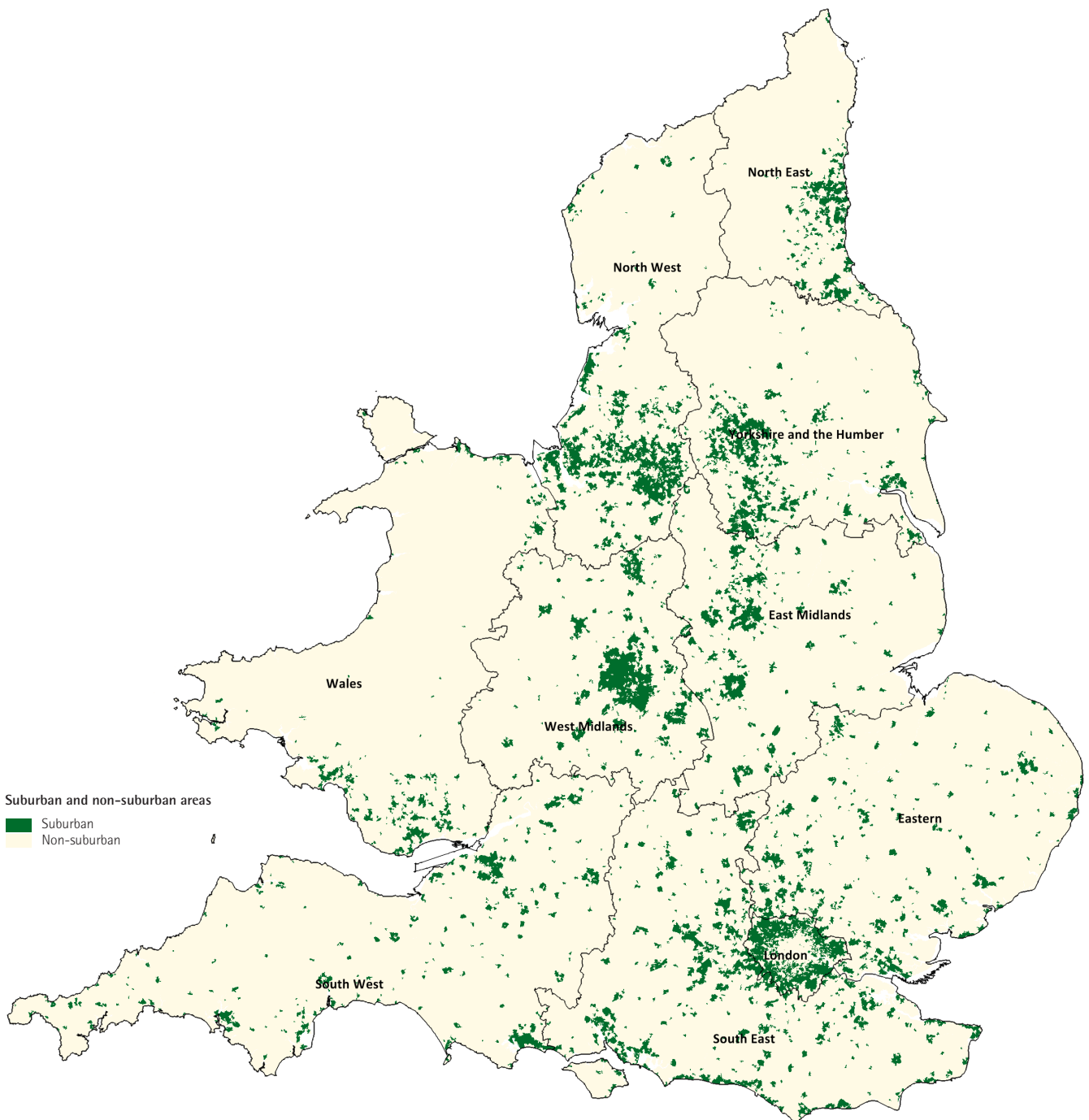
<sup>16</sup> Hall, op cit

<sup>17</sup> Bennett, J "Towards a Suburban Renaissance" in Hackett, op cit

<sup>18</sup> See, for example: Nathan, M "Fixing Broken Suburbs – Regenerating Deprived Suburban Neighbourhoods" in Hackett, op cit

<sup>19</sup> So too would inner-city parks

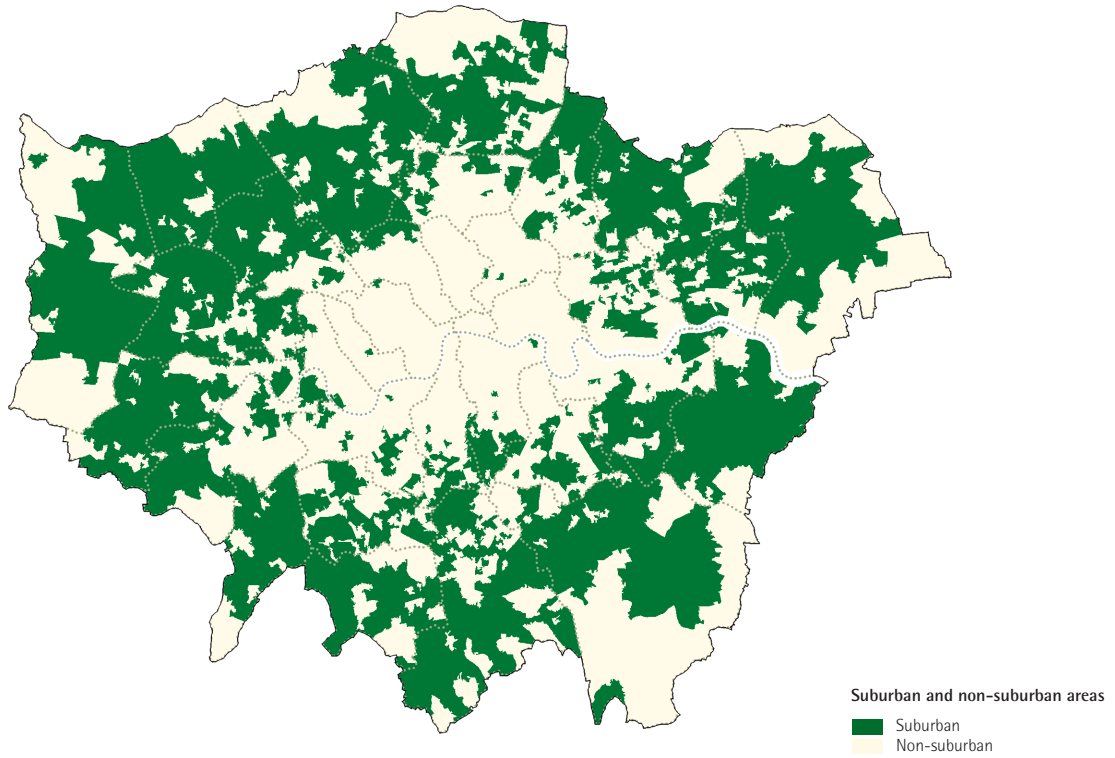
### Map of suburbia in England and Wales



Source: Author's analysis based on data from Office for National Statistics, 2011 census and 2001 census



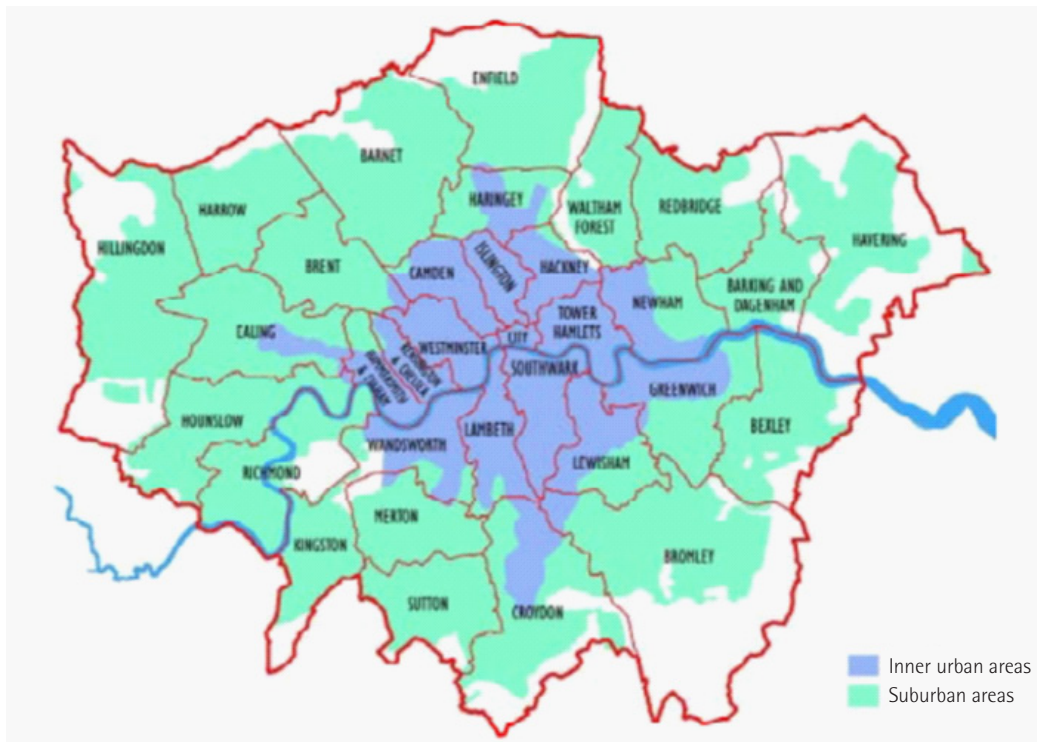
Map of London suburbs



Source: Author's analysis based on data from Office for National Statistics, 2011 census and 2001 census

This corresponds fairly well with an earlier study of London produced by URBED:

URBED map of London suburbs



Source: Rudlin, D, Falk, N, Dodd, N and Jarvis, S *A City of Villages: Promoting a Sustainable Future for London's Suburbs* (GLA, 2002)

As the above map of London shows, the proxy measure captures suburban areas, producing a ring around the city centre and stopping before reaching more rural places. These figures are based on 2011 census data. The 2001 poverty indicators, meanwhile, are placed using the same areas to allow for comparisons between the same places.

#### *Location of the suburbs*

Given the varied range of places covered by this categorisation of suburbs, some of the results are also broken down by the type of place they are in. The Office for National Statistics and the Department for Environment, Food & Rural Affairs categorise each local authority into six groups. Using these definitions, suburbs are compared with the national picture: for example, when examining changes in the proportion of lone parents, assessing whether the change is concentrated in suburban parts of major urban areas or more rural suburbs. These groups are outlined in the box below.<sup>20</sup>

#### **Six urban and rural categories**

- **Major urban:** districts with either 100,000 people, or 50% of their population in urban areas with a population of more than 750,000.
- **Large urban:** districts with either 50,000 people, or 50% of their population in one of 17 urban areas with a population between 250,000 and 750,000.
- **Other urban:** districts with fewer than 37,000 people, or less than 26% of their population in rural settlements and larger market towns.
- **Significant rural:** districts with more than 37,000 people, or more than 26% of their population in rural settlements and larger market towns.
- **Rural-50:** districts with at least 50% but less than 80% of their population in rural settlements and larger market towns.
- **Rural-80:** districts with at least 80% of their population in rural settlements and larger market towns.

The mapping used not only tracks poverty in the suburbs across England and Wales but also examines how suburbs in particular cities are faring. The report looks at eight major cities and, with the exception of London, includes neighbouring localities:

- London;
- Birmingham (Dudley, Sandwell, Wolverhampton, Walsall, Solihull);
- Manchester (Bury, Salford, Trafford, Stockport, Tameside, Oldham, Rochdale);
- Liverpool (Sefton, Knowsley, Wirral);
- Leeds (Bradford, Calderdale, Kirklees, Wakefield);
- Sheffield (Rotherham);
- Bristol (South Gloucestershire, North Somerset); and
- Newcastle (South Tyneside, Gateshead, North Tyneside, Sunderland).

<sup>20</sup> <http://www.ons.gov.uk/ons/guide-method/geography/products/area-classifications/rural-urban-definition-and-la/rural-urban-local-authority--la--classification--england-/index.html>

These have been chosen due to their size and spread across the country, although it should be noted they do not cover every region of England.

The report compares and contrasts the results for the suburbs with the rest of the country or “non-suburban” areas (see appendix two for more details).<sup>21</sup> This category includes both urban and rural areas; however, when comparing the individual cities, comparisons are largely between urban and suburban neighbourhoods. Moreover, using the six urban/rural categories also allows for comparisons between suburbs and urban cores and more rural localities.

#### **The changing suburbs**

It is worth setting out briefly the changing demographic nature of the country, and in particular for the suburbs. Population change helps us to assess the relative changes in poverty by place. For example, if population is growing more slowly in the suburbs, then the same absolute increase in poverty in suburbs as in non-suburbs would result in a higher proportional increase in the suburbs.

It is difficult to understand from the data whether a place is successful (economically or socially) by population levels alone, although these might help. For instance, it might not be a highly desirable place to live but could be the only place people can find (or afford) a home. However, population change can often be telling in terms of economic growth and availability of work.

As a whole, over the 10-year period England and Wales saw a rapid population growth with an additional 4 million people. In percentage terms the population increased by almost 8%. As the table shows, using the definition of suburbia outlined above most people live in the suburbs – around 60% of the population. That figure dropped slightly over the period but remained around the 60% mark. As the figures show, while the suburbs saw population growth of 5% the increase was over double this in non-suburban areas (11%).

#### **Population change in the suburbs, 2001–11**

('000)	Suburbs	England & Wales	Non-suburbs
Population, 2001	30,904	51,1087	20,204
Population, 2011	32,561	55,071	22,510
Population growth	1,657	3,963	2,306
Population growth (%)	5%	8%	11%

Source: Author's analysis based on data from Office for National Statistics, 2011 census and 2001 census

<sup>21</sup> Non-suburbs also include 4% of suburban LSOAs for which there is not comparative data between 2001 and 2011.

The growth in households followed a similar pattern, although a slightly lower overall proportion of all households live in suburbs – around 58%, suggesting that the number of people per household is higher in non-suburban areas.

#### Household change in the suburbs, 2001-11

('000)	Suburbs	England & Wales	Non-suburbs
Number of households, 2001	12,723	21,660	8,938
Number of households, 2011	13,430	23,366	9,936
Household growth	708	1,706	998
Household growth (%)	6%	8%	11%

Source: Author's analysis based on data from Office for National Statistics, 2011 census and 2001 census

Breaking down the results by urban/rural local authorities shows an even more dramatic picture of change, with urban areas seeing the biggest population increases. While suburbs in the most urban local authorities experienced a 7% increase, other areas within those local authorities experienced a 16% increase. This shows the growing pull of cities, which (among other things) might go some way towards explaining the extreme pressures on inner-city housing.



# Poverty in England and Wales

## Poverty in England and Wales

### Summary

- Poverty rates (after housing costs) over the period remained the same, at 22%.
- Poverty rates among children and older people were reduced substantially.
- Poverty among households of working age without children rose over the period, as did poverty in households where at least one member was working.
- Poverty differed by region, with London having the biggest rise in poverty levels and the highest proportion of people in poverty.
- There is no official data on poverty rates at a small spatial level to enable comparisons between suburban areas and the rest of the country. To overcome this, census data, which contains indicators of poverty, is used to make comparisons.
- These indicators cover a range of risk factors and include: housing tenure, work status, household formation, disability, and entitlement to means-tested benefits.

Understanding poverty in suburbia over this period has to be set against the backdrop of the changes that Britain as a whole has experienced. While the economic landscape has radically changed over the period, poverty rates have remained fairly constant. As the Institute for Fiscal Studies concluded in its annual commentary on living standards and poverty:

*Back in 2002, this showed a picture of robust year-on-year growth in living standards and falling levels of poverty, although inequality was continuing to creep up. Ten years on, the latest report for 2012 covers data up to and including 2010–11. The picture is strikingly different. In the aftermath of the recession, average incomes have fallen by near-record amounts. Inequality has fallen back to levels last seen in the mid-1990s. Relative poverty continues to fall, but only because the poverty line is also falling: the poor have undoubtedly been getting worse off in absolute terms, on average.<sup>22</sup>*

The characteristics of those in poverty have also changed, reflecting in part the policy focus of government and changes in the labour market. This chapter picks up these themes to outline briefly some of the continuities and changes in poverty in the UK over the last decade (from rising in-work poverty to declining pensioner poverty). This analysis is then used to inform the understanding of how poverty has changed in the suburbs.

### Headline levels of poverty

Poverty in the UK remains high both by comparison with some of our European neighbours and compared with the Britain of the 1960s and 1970s (when poverty was under 15%<sup>23</sup>). Poverty remained stubbornly high over the period 2001–11, despite concerted efforts (not without some success) to combat it.

In 2001 some 11.5 million people in England and Wales lived in households with an income (after housing costs) below 60% of the median (the standard poverty measure). By 2011 that figure had risen slightly to just under 12 million – equivalent to 22% of the population, as it was in 2001.<sup>24</sup> Nevertheless, this represented a fall from a UK peak of 25% in 1997.

Within the overall figures there were changes. Poverty among children was reduced in the period 2001–11: In 2001 there were 4.1 million children in poverty in England and Wales; by 2011 that had fallen to 3.6 million. As a percentage it dropped from 31% to 27%. For older people, the drop in poverty was far more dramatic, falling from 26% (2.7 million) to 14% (1.7 million). Those in work without children did not fare as well, with poverty rising from 19% (6.6 million) to 21% (7.8 million). This was largely a result of increased benefits targeted at pensioners and children, and may also reflect stagnating wage growth among low to middle earners.

### Rising housing costs

Below the headline figures, we have seen rising costs of housing pushing some into poverty. Poverty after housing costs is arguably a better measure, not least because it reflects the interaction between benefits and incomes. Housing benefit is designed to cover the cost of the housing that the recipient is renting. If someone's rent increases and with it their housing benefit, that extra money could push their household income above the poverty threshold, even if they do not ever see the benefit of the cash. Equally, rises in housing costs impact on people's disposable income regardless of benefits, leaving poorer people in some areas worse off. This affects particular regions (those that have high housing demand) more than others. London, for example, jumps from being the region with middling levels of poverty before housing costs to being the highest after housing costs.

Over the period, median yearly earnings to median house prices in England rose from 4.47% in 2001 to 6.69% in 2011 (and the ratio for lower-quartile earnings to lower-quartile house prices was similar in both years). The private rented sector rapidly expanded. Increasing numbers of younger people on middling incomes were excluded from homeownership (through high house prices and falling wages),<sup>25</sup> while poorer households struggled to find social rented accommodation. In the private rented sector in 2011, the average monthly cost of a two-bedroom home was £605 (and almost double that in London). In the social rented sector, housing association rents rose from £54 a week to £78 a week (a rise of almost 50%), and local authority rents went up by a similar proportion, albeit from a slightly lower base.

The rising cost of housing is reflected in poverty rates. In 2001 some 18% of the population were in poverty before housing costs; this figure declined to 16% by 2011. However, the rate of poverty after housing costs remained similar over the period.

<sup>22</sup> IFS *Living Standards, Poverty and Inequality in the UK: 2012* (2012)

<sup>23</sup> Coats, D *From the Poor Law to Welfare to Work: What Have We Learned from a Century of Anti-poverty Policies?* (Smith Institute, 2012)

<sup>24</sup> DWP *Households Below Average Income 2011/12* (2013)

<sup>25</sup> See, for example: Heywood, A *The End of the Affair: Implications of Declining Home Ownership* (Smith Institute, 2011)

*In-work poverty*

Another important change that happened over the period was the rise in in-work poverty. The figures are quite striking. The proportion of those in poverty living in a household where at least one member worked was 38%. By 2011 that figure had jumped to 52%. While the risk of being in poverty remained much higher for those out of work, there was a noticeable decrease of 10 percentage points between 2001 and 2011.

*Poverty by region*

The percentage of people in poverty was highest in London, at 28%. The region with the lowest rates of poverty was the South East (17%), followed by Scotland and the East of England (18%). However, it should be noted that London is not just a region but also a mega-city, and major cities elsewhere in the country have similar levels of poverty to London.

London with its high concentration of poverty (and the fact that it is the second-largest region, behind the South East) is the place with the largest absolute numbers of people in poverty – being home to 15% of people in poverty; it is followed by the North West, the South East and then the West Midlands.

Over the last decade there have been some noticeable changes in some regions. For example, the risk of being in poverty in Scotland dropped 3 percentage points; and Wales also saw the incidence of poverty fall, by 2 percentage points. London experienced the biggest change in the other direction, with poverty increasing by 3 percentage points. In total numbers (as a result of population shifts and changes in poverty rates), London saw a big increase in poverty. There were also significant absolute rises in the West Midlands and the Eastern Region. Some regions, meanwhile, experienced an absolute drop; these included the North East, Scotland, the North West and Wales.

**Poverty by economic activity of household, 2001–11**

(%)	2001				2011			
	Composition of those in poverty (totals 100%)	Percent of all individuals	Percent of individuals in each category who are in poverty	All individuals	Composition of those in poverty (totals 100%)	Percent of all individuals	Percent of individuals in each category who are in poverty	All individuals
In work	38	68	13	39m	52	71	15	43.5m
Not in work	62	31	45	17.9m	48	29	35	18.1m

Source: Author's analysis of data from DWP *Households Below Average Income*

**Poverty in the regions, 2001–11**

(%)	2001				2011			
	Percent of all those in poverty who live there	Percent of all individuals who live there	Percent of individuals living there who are in poverty	All individuals living there	Percent of all those in poverty who live there	Percent of all individuals who live there	Percent of individuals living there who are in poverty	All individuals living there
England	86	86	22	49.1m	85	84	22	51.3m
North East	5	5	23	2.7m	5	4	22	2.6m
North West	13	12	23	7.1m	12	11	23	6.8m
Yorkshire & Humber	9	9	24	4.9m	9	9	23	5.2m
East Midlands	8	7	22	4.3m	7	7	21	4.4m
West Midlands	9	9	23	5.1m	10	9	24	5.4m
Eastern	7	9	18	5.1m	8	9	18	5.7m
London	15	13	25	7.6m	15	13	28	7.7m
South East	11	14	18	7.8m	11	14	17	8.4m
South West	8	8	21	4.5m	8	8	20	5.2m
Scotland	9	9	21	5.0m	5	5	18	5.1m
Wales	5	5	25	2.9m	7	8	23	3m
Northern Ireland					3	3	22	1.8m
All individuals (m)	12.5	57	22	57m	13	61.6	21	61.6m

Source: DWP *Households Below Average Income*

### Gender, ethnicity and poverty

In 2011, the risk of being in poverty was greater for women (20%) than for men (19%). While this gap seems small, there were around half a million more women in poverty than men. This is partly because of the larger size of the female adult population (by over 1 million).

The larger number of women compared with men is in part due to their greater life expectancy. Looking at gender by family type, single male pensioners make up 1% of the UK's poor, whereas single female pensioners account for 4%. It is also worth noting that, while it might be fair to assume most lone parents in poverty are women, single males make up 15% of all those in poverty whereas single women form 9%. However, the risk of poverty is fairly similar for both single men and single women.

The risk of being in poverty is greater among black and minority ethnic groups than among white Britons. Over half of Pakistani and Bangladeshi Britons are in poverty. British Indians are the least likely to be in poverty of the ethnic-minority groupings listed in the *Households Below Average Income* reports, although still 28% are in poverty – above the national average of 21%. There was, however, a marked improvement over the census period in the incidence of poverty among ethnic minorities generally.<sup>26</sup>

### Conclusion

Overall rates of poverty after housing costs remained the same in 2011 as they were in 2001. They also remained relatively high compared with the 1970s, and against other OECD countries. There were noticeable advances in reducing poverty among certain groups, especially children and older people. However, for increasing numbers of people work was not a route out of poverty.

Pertinent to an analysis of poverty in the suburbs is the fact that while the incidence of poverty remained the same over the period, some regions fared better than others. In other words, while overall rates remained the same there were changes spatially.

### Mapping poverty

Tracking and measuring poverty by place is a difficult task. Official measures of poverty, largely conducted by the DWP and reported in its *Households Below Average Income* (HBAI), are undertaken

using survey results that are then extrapolated to give figures for the country as a whole. This means the data is too narrow to present the information for areas smaller than the regions. In order to overcome the lack of data at a small scale, the report uses a combined and weighted set of proxies (see appendix for further details). These proxies are available in census data and are chosen to cover different groups at risk of poverty. The set of indicators used are shown in the table below.

### Weightings for combined indicators of poverty

	2001	2011
Overcrowding	0.55	0.55
Lone parenthood	0.4	0.33
Unemployment	1.8	1.776
Social housing	0.35	0.33
Private renting	0.1	0.095
Part-time working	0.3	0.38
Workless (other)	0.4	0.34
Income support/ pension credit	0.9	0.74
Not owning a car	0.17	0.17
Limiting disability	0.055	0.044
Self-employment	0.2	0.21

These are matched with regional poverty rates. And with the risks of being in poverty changing over time, the weightings are altered. Using this method a map of poverty in the UK can be drawn (see map on the opposite page).

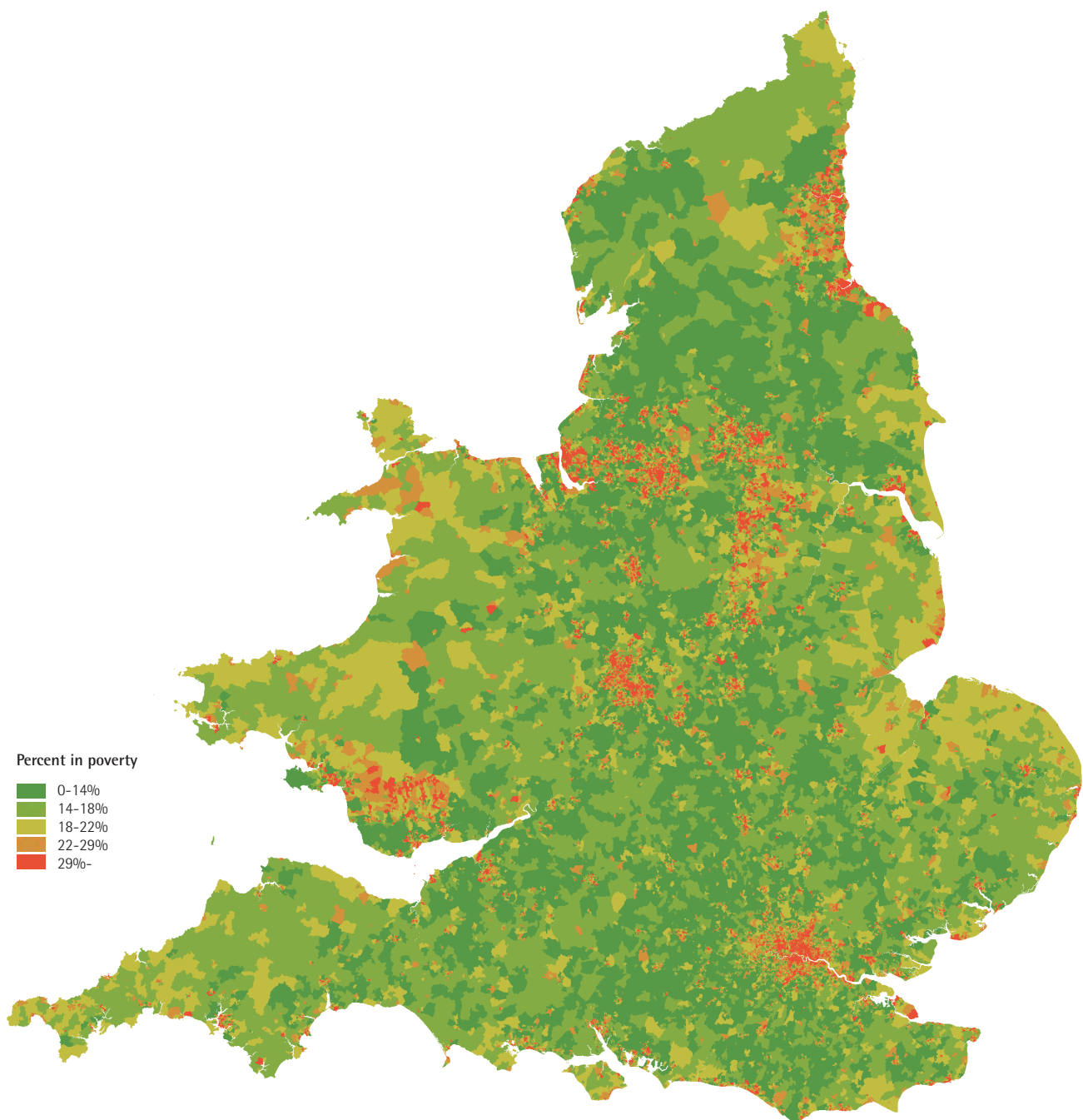
This method therefore allows us to capture a picture of poverty in England and Wales which closely matches the government's one-off estimate of income poverty by place in 2008 (as shown on page 24). Most importantly, it allows for an assessment of poverty levels in suburbia (and over time).

The following sections look in more detail at how poverty has changed in suburbia and how the suburbs have fared according to the different indicators.

<sup>26</sup> In 2001, 68% of British Pakistanis and Bangladeshis were in poverty. This fell to just over half by 2011.



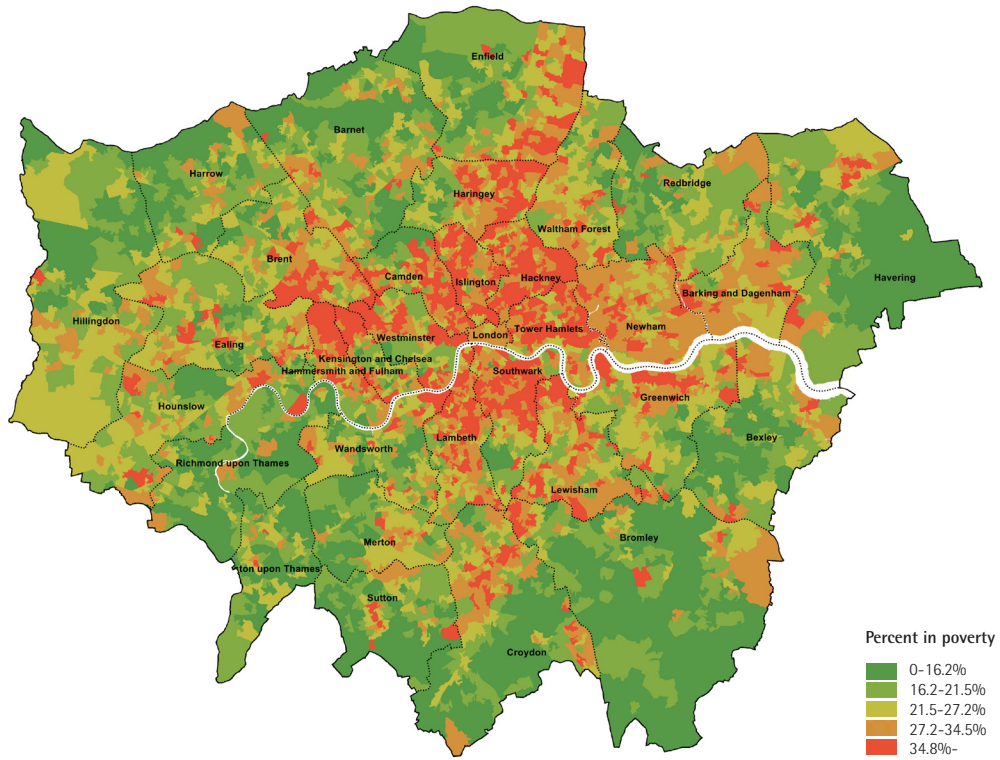
## Map of poverty in England and Wales by LSOA, 2011



Source: Author's analysis based on data from Office for National Statistics, 2011 census and DWP data

**Poverty in London, 2011**

*Percentage of households below 60% of median income after housing costs*

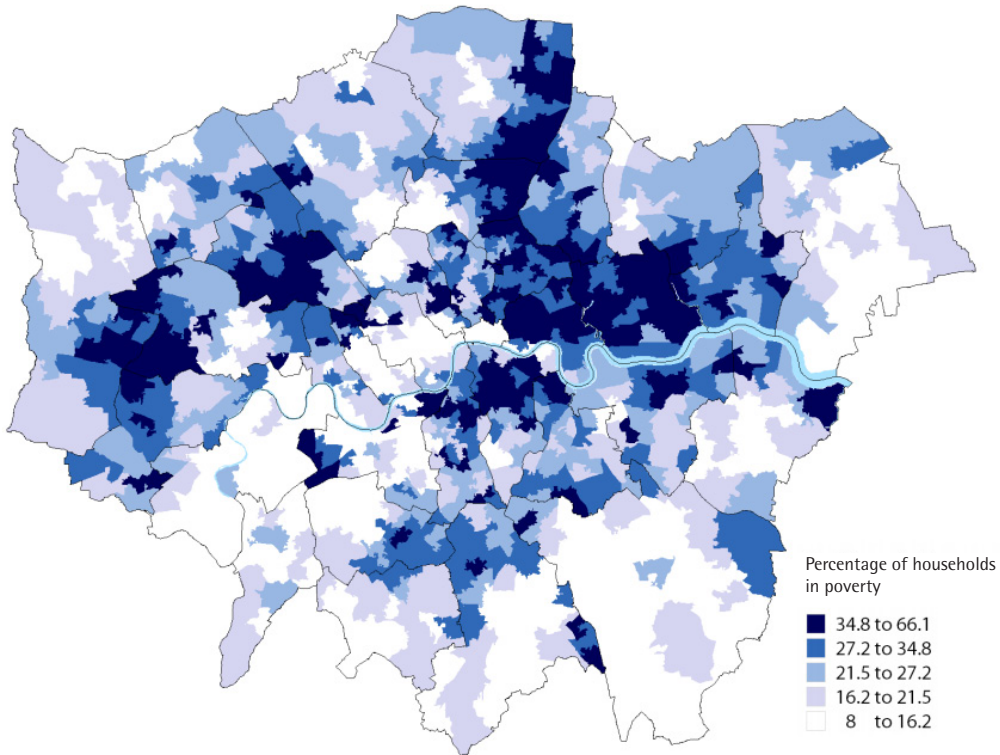


Source: Author's analysis based on data from Office for National Statistics, 2011 census and 2001 census, and DWP data

Note: In order to provide an accurate comparison with the following map, this map has different bandings from those presented later in the report.

**Percentage of households in poverty by MSOA, 2007/08**

*Percentage of households below 60% of median income after housing costs, by medium super output area*



Source: Leeser, R *Poverty: The Hidden City* (GLA Intelligence Unit, 2011)

# Poverty in suburbia: a national perspective

## Poverty in suburbia: a national perspective

### Summary

- Most people in poverty live in suburban neighbourhoods.
- The number of suburban areas with above-average levels of poverty rose by 34% between 2001 and 2011.
- For particular indicators, suburbs have higher-than-average concentrations (lone parents; part-time workers; people with a disability; pension credit recipients).
- Non-suburbs, on the other hand, (particularly urban areas) have higher levels of: overcrowding; private renting; lack of access to a car; self-employment.
- Government policies to reduce poverty among children and older people are likely to have tempered the growth of poverty in suburbs more than in other areas.
- While poverty indicators are slightly higher for suburbs in more urban than more rural local authorities, the disparities are not as wide as those between (non-suburban) rural and urban neighbourhoods.
- The proportion of people claiming job seeker's allowance rose by more than 80% in suburban areas between 2001 and 2011.
- The rates of pension credit, job seeker's allowance, income support and disability living allowance increased more per head (or decreased less) in the suburbs. Moreover, for all four benefits, the prevalence per head of population is now greater in the suburbs than in the rest of the country.

As we have seen, poverty in England and Wales has been changing in form over the period 2001-11. However, official data does not locate poverty at a local level and tells us little about how it might have changed in the suburbs.

This section of the report uses the method outlined in previous chapters to assess the extent of poverty in suburbia and whether incidences of poverty have worsened at the edges of cities and towns. It first explores the individual indicators to assess which groups of people in poverty are more prevalent in suburban than in non-suburban areas, and which are likely to have fared worse over the last decade. The second part examines the distribution of poverty in suburbia; the final section looks briefly at the impact of the recession on the suburbs since 2011.

### Indicators of poverty

#### *Child poverty*

Child poverty has long been a target for anti-poverty campaigners. Whatever the arguments surrounding the so-called "undeserving poor", few would argue that children should be poor. Indeed, both the Coalition and the previous government have pledged to eradicate child poverty over the medium term. By looking at incidences of lone parenthood, we can see this risk factor is very much present in the suburbs and is growing.

There is a long-established relationship between being in poverty and living in a lone-parent household. Nationally, by 2011 some half a million fewer children were in poverty than in 2001. Much of the decline seems to have come from reducing the incidence

of poverty among lone parents. Around 50% of children living in lone-parent households were in poverty after housing costs in 2001; this fell to just over 40% by 2011. For couples with children the proportion in poverty dropped slightly, to just under 20%.<sup>27</sup> Despite the reduction in poverty among lone parents, being a lone parent remains a good indicator of poverty.

At the 2011 census there were more lone parents with dependent children in suburbia than in the rest of the country. Of the 1.67 million lone-parent households with dependent children, 61% were to be found in suburbs. Given that just under 60% of the population live in suburban areas, this suggests that the concentration of lone-parent households is marginally higher in suburban areas.

There has also been a rise in the numbers of lone parents in suburban areas over the 2001-11 period, with a 12.7% increase versus a 7.9% increase in the rest of the country. However, the proportion of all lone-parent households living in the suburbs has remained fairly static over the period, reflecting population change. In other words, the number of people living in the suburbs has not increased as rapidly as in other neighbourhoods. Thus while the concentration of lone parents within suburbs has increased, the proportion of lone parents in the country that live in suburbs has remained the same. In 2011 the concentration of lone parents living in suburbs was similar to that in urban local authorities, and slightly higher than in more rural areas.

Thus the data shows that suburbs have marginally higher levels of lone-parent households than the rest of country, both per head and in absolute numbers.

#### *Overcrowding*

Having too few rooms is a sign of unmet housing need and therefore an indication of a low income. The Department for Communities & Local Government's English Housing Survey provides details about housing needs and also levels of poverty.<sup>28</sup> Although overcrowding is associated with the inner cities, levels have been rising in the suburbs. The impact of overcrowding on urban neighbourhoods could mean that those in poverty (and therefore poverty rates) are pushed outwards.

In 2011, some 6% of households in poverty lived in overcrowded homes, three times greater than among those above the poverty line.<sup>29</sup> Around 53% of overcrowded households were located outside the suburbs, and almost 11% of all households lived in

<sup>27</sup> This shows the difficulty in drawing simple conclusions from a rise in an indicator of poverty. While lone parenthood has increased, child poverty has decreased. However, it would still be fair to say that a significant increase in lone-parent households suggests that poverty in an area is likely to have worsened.

<sup>28</sup> This uses the bedroom standard, which is slightly different from the rooms standard (the former measure cannot be used as the 2001 census does not provide this data).

<sup>29</sup> As most people are not in poverty, the data suggests that most people in overcrowded homes are not either. Of those in overcrowded homes, approximately 35% were in poverty. There are also large regional differences in the bedroom standard. For example, 8.4% of households in London are overcrowded whereas 1.7% of households in the North East are. Therefore using occupancy rating as an indicator allows an overall measure to take into account the additional financial pressures of meeting housing costs in high-demand areas, such as London.

overcrowded properties (as opposed to 7% of households in the suburbs).

Despite the concentration of overcrowding in inner cities (see the following section for a more detailed exploration), suburbia has witnessed a rise in overcrowded homes. Between 2001 and 2011 an extra 188,000 suburban households were living in homes with too few rooms – an increase of almost two-fifths. While slightly more people live in overcrowded homes in the rest of the country, nevertheless some 930,000 households live in overcrowded homes in suburbs.

The data shows that overcrowding is an issue for those living in suburbs, and is growing as a problem.

### *Unemployment*

Unemployment significantly increases the chances of being in poverty. In 2011, some 74% of households in which all adults were unemployed were in poverty.<sup>30</sup> As a proportion of those in poverty, individuals living in such households accounted for 12%, while making up just 3% of the population. In 2001, the figures were similar. Some 77% of households in which all adults were unemployed were in poverty. This accounted for 11% of all those in poverty.

The rise in the number of household reference persons (this means the person in a household likely to have the highest income) who were unemployed has most affected those in the suburbs. In 2001 the gap between suburbs and the rest of the country was not that great – 55% of unemployed HRP were found in suburbs. By 2011 the gap had widened slightly, with 56% of unemployed HRPs living in the suburbs. Over the period the growth of unemployed HRPs was 25% in suburban areas, compared with 9% for the rest of England and Wales.

The ratio of unemployed people to economically active people was lower in suburban areas than in the rest of the country in both 2001 and 2011 (reflecting much higher rates in urban areas).

However, the gap in levels of unemployed HRPs per head between suburbia and the rest of the country has narrowed to such an extent as not to be noticeable by 2011.

### *Workless (other) households*

Data on households in poverty whose members are not in work are split into three categories: those who are economically inactive and seeking work; those over retirement age; and the “workless (other)” category, which includes students, carers and those unable to work because of a disability or ill health.

This last category is a fairly good guide to poverty and covers around a quarter of those in poverty. In 2001 around 63% of those in the “workless (other)” category were in poverty – covering around 32% of all those in poverty. By 2011 the risk and coverage had dropped to 55% and 23% respectively.<sup>31</sup>

<sup>30</sup> These figures refer to those who are economically active but unemployed, and thus ignores older people, carers etc.

<sup>31</sup> To increase the risk profile of being in poverty, students are excluded in the figures used.

The number of people who were workless declined over the period in England and Wales by around 1.3 million. Around 58% of those who were categorised as “workless (other)” lived in the suburbs, and this figure was fairly similar in 2001 and 2011. However, due to population change the proportion of workless (other) people per head dropped more dramatically in the rest of England and Wales – from 11.2% in 2001 to 7.8% in 2011 – than it did in the suburbs. In suburban areas there was also a lower proportion of people who were “workless (other)” in 2011 than in 2001. But the per-head fall in this category was not as steep as in the rest of the country, and by 2011 a similar proportion as in non-suburban areas (7.8%) were “workless (other)”.

This suggests that while poverty due to being workless (other) might have declined steeply, it did so most in the rest of the country, outside suburbia. By 2011 people in suburban areas were just as likely as their inner-city counterparts to suffer from poverty associated with, say, being a carer or having a disability.

### *In-work poverty*

Part-time work has long been associated with low pay and poverty. Furthermore, those who are self-employed are also at greater risk of being in poverty than are full-time employees. While perhaps not a perfect measure of poverty, these factors do enable us to see how poverty might have changed over a period that saw a dramatic rise of in-work poverty.

As the overall figures on in-work poverty suggest, the risk of being in poverty for those either in part-time work or self-employed increased over the period. Around 15% of those living in a household where one member worked part-time were in poverty in 2001. By 2011 that had increased to 18%, and members of such households accounted for around 20% of those in poverty. For households with someone who was self-employed, around 22% were in poverty in 2001, rising to 23% and covering 11% of those in poverty by 2011.<sup>32</sup>

The number of people who were self-employed increased by 1 million over the period, reaching 3 million by 2011. Self-employment accounted for a smaller proportion of people in the suburbs than elsewhere, in both 2001 and 2011. Marginally more of the 1 million increase occurred in the suburbs, but the higher number of people living in suburbs meant that the gap in the proportion of people in self-employment actually widened over the period. Nevertheless, the overall proportion of people in self-employment in the suburbs remained at around 52%.

There was also an increase in the number of people working part-time, by 1.2 million, over the period. Both suburban and other areas saw equal rises in the concentrations of part-time working, of around 1.5 percentage points. However, due to different starting points and population changes, whereas 62% of those working part-time lived in the suburbs in 2001, a decade later it was 60%. Nevertheless, with 59% of the population living in the suburbs, part-time working was still slightly more associated with the suburbs than the rest of the country.

<sup>32</sup> To increase the accuracy of the self-employed measure, the data from the census excludes those who had employees.

The risk of in-work poverty due to part-time working could be just as high in suburbs as in the rest of the country; however, there are relatively lower rates of self-employment in suburbs (especially in more rural areas).

#### *Housing tenure*

There is a strong relationship between poverty and housing tenure. Homeownership remains the tenure of choice for most people in the UK who can afford to buy. However, it is one of the prevailing myths that poverty is to be found only among those renting, with the number of homeowners in poverty outstripping those who are renting. In 2011 owner-occupiers accounted for 38% of individuals living in poverty, social renters 32% and private renters 30%. However, the *risk* of poverty is highest among those renting. Around 43% of social renters were in poverty, 37% of those in the private rented sector (PRS) and just 12% of owner-occupiers.

Over the period, in the suburbs there was a more dramatic rise in households renting privately – with a 68% rise (versus 50% nationally) and a proportionate rise in the number renting from a social landlord. Renting was more prevalent per head in non-suburban areas, especially private renting (and especially in urban areas). In absolute numbers, however, more renters lived in suburban areas. Furthermore, the proportion of people renting rose at a faster pace in suburbia.

#### *Pension credit and income support*

Over the period, pensioner poverty dropped from 26% to 14%. Despite the growing number of pensioners, overall numbers in poverty have dropped from 2.7 to 1.7 million older people. Of those pensioners in poverty in 2011, some 20% were in receipt of pension credit, and many of those claiming this benefit lived in suburban areas.

Pension credit is a means-tested benefit that supplements the income of pensioners on low incomes. The benefit was previously part of income support, and so for 2001 the figures relate to income support for those over 60. While there are slight differences, using the guarantee element of pension credit it is a fairly accurate match for income support and allows like-for-like comparisons over the period. The pension credit guarantee element also allows a more accurate measure of the risk of poverty than pension credit more widely.<sup>33</sup>

In both 2001 and 2011 around 60% of those aged over 60 and claiming income support/pension credit guarantee element lived in suburbia. The number per head was slightly greater in non-suburbs in 2001, but the position had reversed by 2011.

This could suggest that pensioner poverty is more likely to be

<sup>33</sup> A degree of caution must be applied when drawing conclusions from using income support for the over-60s and pension credit, which largely covers those who would have previously claimed income support. As the figures show, there is a rise in the numbers claiming income support/pension credit over the period, and yet we know that poverty among older people has dramatically declined. This is not in itself contradictory. This pattern could be because of greater awareness of the benefit and therefore more people claiming. Moreover, leaving aside issues of eligibility and take-up, the benefit (and/or others) could have become more generous and therefore lifted more people out of poverty.

found in suburbia. In fact, in absolute terms the number of older people in receipt of pension credit has increased more in the suburbs. Moreover, concentration has become greater and is higher than for the rest of the country (and than in urban areas).

#### *Disability*

Having a limiting disability not only affects a person's quality of life but can also cause poverty. In addition, as numerous studies have shown, the risk of suffering from a long-term health condition is higher among those on low incomes. Looking at the indicator by place shows that the concentration of those identifying themselves as having a disability is higher in suburban areas.

There has, however, been a reduction in the proportion of people with limiting illness who are in poverty, dropping from around 30% in 2001 to 23% in 2011 – this is partly due to the reduction of poverty among older people. As a result, those living in households in which one member or more has a limiting disability now account for a much lower proportion of those in poverty, down from around 40% in 2001 to 21% in 2011.

The number of people with a disability grew by around half a million over the period, with slightly more than half of this increase being in suburban areas. Around 18.5% of people in the suburbs identified themselves as having some form of disability in both 2001 and 2011. While there was an absolute increase in the rest of the country, as a proportion of the population there was a slight decrease from 17.9% to 17.1%. In addition, the proportion of those with a disability was higher in suburbs than in the rest of the country (whether those non-suburbs were located in urban or rural local authority areas).

The data shows that more people with a disability live in suburbia than in non-suburban areas. Moreover, the concentration of people with a disability is higher in suburban areas, and the gap widened over the 2001-11 period.

This means that poverty for those with a disability could possibly be more acute in suburban areas than in the rest of the country.

#### *Car ownership*

Having access to a car is often a result of not having the finances to afford the cost of running one. There is little evidence on the risk of being in poverty and not owning a car for 2001. However, the 2011 data on households below average income does contain information on access to transport for older people, and the main reason given for not having access to a car was not having enough money.

While the number of households not having access to a car rose marginally during the period, by 180,000, there was an absolute decline in the suburbs. In 2001 around 57% of those who did not own a car lived in the suburbs. By 2011 that figure had dropped to 54%. While the proportion of households not owning a car fell around 0.9 percentage points in the suburbs over the period, it rose about 1.6 points for the rest of the country. Most of this rise was concentrated in major urban local authorities, which saw a 20% increase in households without a car in their non-suburban areas.

Not having access to a car is more prevalent in non-suburbs. While there has been a proportional drop in suburbia, still around one in 10 households in the suburbs do not have a car.

*Overall levels and changes in indicators*

The indicators suggest that poverty is very much a part of suburbia. They also suggest that particular issues affect suburbs more, and in some places poverty levels have risen. The following graphs show how particular indicators have changed over time. They point to a significant rise in private renting, part-time work and self-employment in suburban areas, whereas there were falls in the number of those who were workless (other) and in households not owning a car.

The graphs below show indicators as a proportion per head for suburbs and non-suburbs. They show that suburbs have higher rates of:

- lone parents;
- part-time workers;

- people with a disability; and
- pension credit recipients.

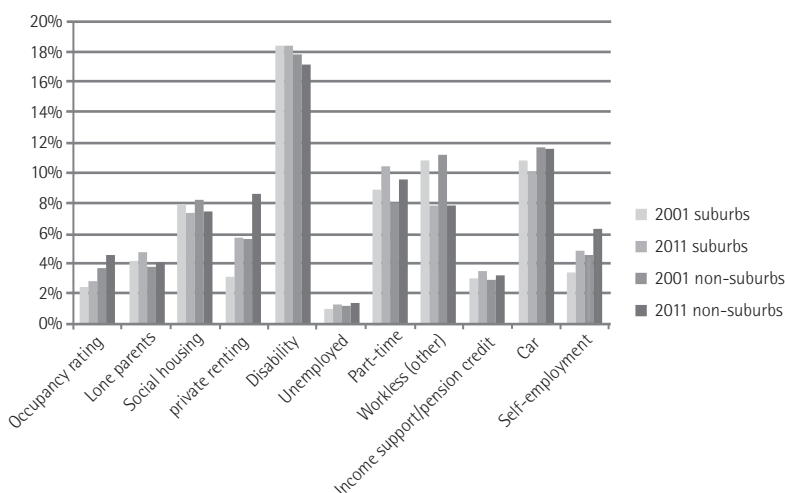
Non-suburbs, on the other hand, have higher levels of:

- overcrowding;
- private renting;
- no access to a car; and
- self-employment.

The other key indicators have fairly similar rates in suburban and non-suburban areas. This suggests that particular issues around lone parents and pensioner poverty are more likely to have an impact on suburban areas.

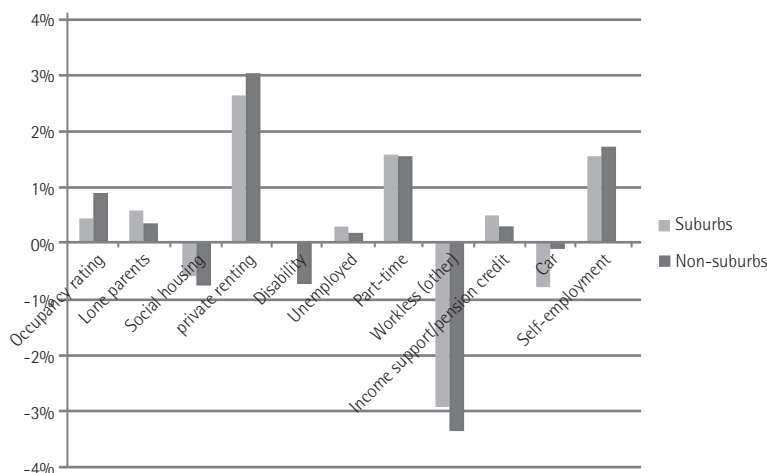
Poverty concerns around the labour market seem to be fairly equally spread across the different types of area, with more part-time working in suburbs and more self-employment in non-suburban areas. However, housing-related issues are more acute in non-suburban areas.

**Indicators per head, 2001 and 2011**



Source: Author's analysis based on data from Office for National Statistics, 2011 census and 2001 census, and DWP data

**Percentage point change in indicators, 2001-11**



Source: Author's analysis based on data from Office for National Statistics, 2011 census and 2001 census, and DWP data

The graph below shows the percentage change per head of the various indicators. For non-suburban areas, overcrowding increased proportionally more, reflecting the acute shortage of housing in inner-city areas – especially in London. Non-suburbs also experienced a proportionally larger growth in part-time working.

However, for the other nine indicators the suburbs fared worse than (or not as well as) the non-suburban areas. The marked increase in private renting and unemployment was most pronounced in the suburbs, and the number of people claiming pension credit also rose at a much faster rate there too. Both those who were workless and the proportion of social renters fell in suburbs and non-suburbs alike, but more rapidly in the non-suburbs.

It is worth noting that while most indicators of poverty are rising in the suburbs, suggesting poverty is moving outwards to suburbia, some of these indicators have seen the risk of poverty associated with them fall – thereby reducing their effect on overall poverty rates. This is particularly the case for indicators associated with child and pensioner poverty. It could be argued

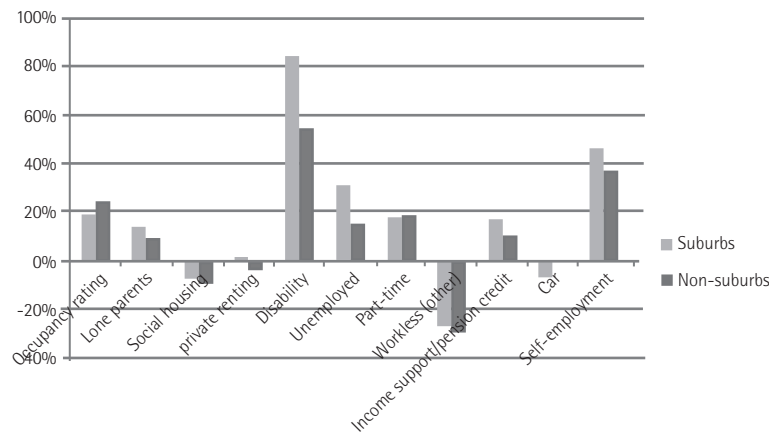
that combating these forms of poverty has (perhaps inadvertently) helped suburbs relatively more than non-suburban areas.

*Suburbs in-situ*

These indicators paint a picture for suburbs across the country but do not differentiate between types of suburb: those at the edges of major cities and those in more rural locations. Using the ONS/DEFRA categorisation of local authorities (1 being the most urban and 6 being the most rural), the potential differences in the prevalence of a particular indicator due to where a suburb is located can be observed (for instance, are high levels of overcrowding associated with suburbs in more urban parts of the country?).

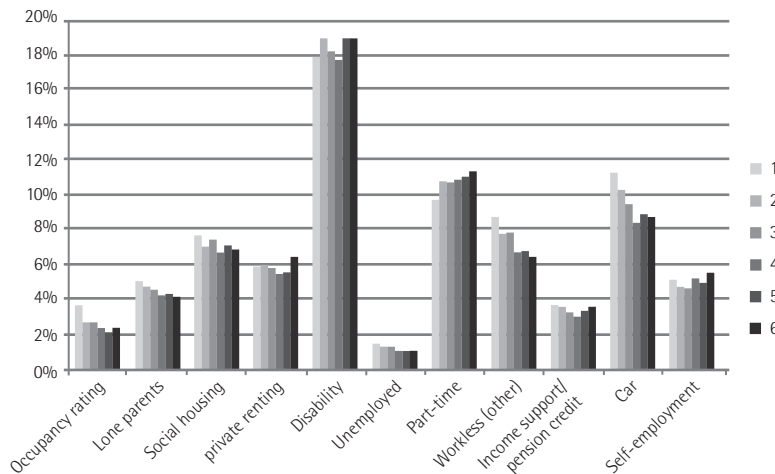
What the data shows is that levels of the indicators are fairly similar in suburbs across all six rural/urban categories. However, there is a noticeable (if slight) upward trend in the level of poverty indicators in a suburb according to how urban is its local authority area. For example, there are a higher proportion of lone parents in suburbs located within more urban local authorities. The exceptions are disability and part-time working, which are slightly more associated with less urban environments.

Percentage change in indicators, 2001-11



Source: Author's analysis based on data from Office for National Statistics, 2001 census and 2011 census, and DWP data

Indicators per head in suburbs by urban/rural categories, 2011



Source: Author's analysis based on data from Office for National Statistics, 2011 census and DWP data



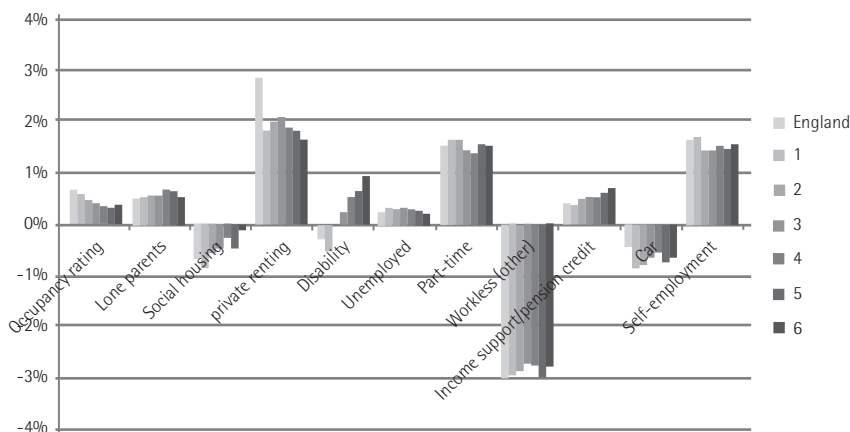
Observing the changes over the 2001-11 period shows that suburbs within more urban local authorities have experienced bigger rises in the proportion of overcrowding, greater private renting and higher self-employment. However, suburban incidence of disability has fallen in more urban local authority areas but risen in more rural areas. Furthermore, social housing has declined most in more urban suburbs.

cities and is spreading to the outer-urban zones of our major cities and towns. What is also clear from this graph is the relative stability in the indicator between rural and urban suburbs (especially when compared with non-suburban areas).

Given the assertion (especially in London) that rising housing costs are pushing poorer households to the suburbs, we can observe the potential impact through the lens of overcrowding. The graph below shows the change over the decade and highlights the extent to which overcrowding is a growing problem for inner

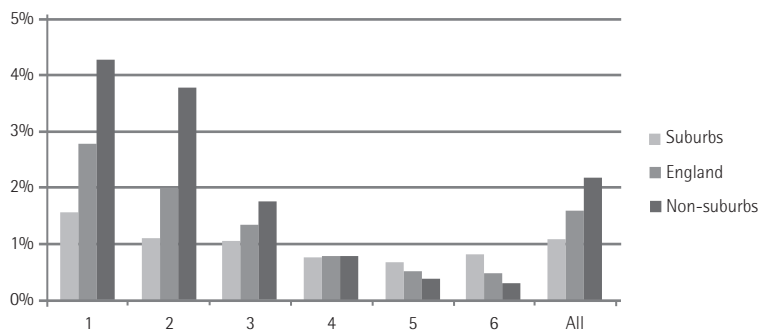
The graph below on private renting shows overall levels (rather than change). In the round, suburbs are relatively similar to each other on this indicator, whether situated in urban or rural areas, whereas the country as a whole appears to have a much bigger urban/rural divide. In short, while the indicators suggest that poorer suburbs are most likely to be found at the edge of major cities, the gap is not that wide between urban and rural suburbs (especially compared with the gap between the most urban and rural authorities).

Percentage point change of indicators in suburbs by urban/rural categories, 2001-11



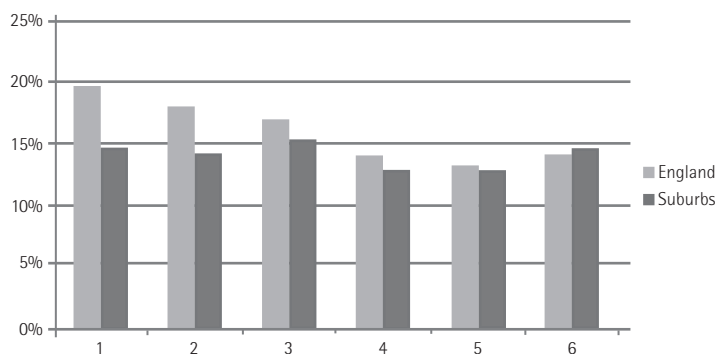
Source: Author's analysis based on data from Office for National Statistics, 2011 census and 2001 census, and DWP data

Percentage point change in overcrowding in suburbs and non-suburbs by urban/rural categories, 2001-11



Source: Author's analysis based on data from Office for National Statistics, 2011 census and 2001 census, and DWP data

Proportion of households renting privately, in suburbs and in all of England, by urban/rural categories, 2011



Source: Author's analysis based on data from Office for National Statistics, 2011 census and DWP data

### Distribution of poverty in suburbia

While these individual indicators are useful to understand the changing nature of poverty in the suburbs compared with the rest of the country, they do not give a complete picture of change. As the maps of poverty in the previous section show, the prevalence of poverty is most acute in city centres but poverty is also common in suburbs.

The underlying data for both 2001 and 2011 show a large number of people in poverty living in suburbia. But how has poverty in suburbia changed, and which groups are most affected? Using the combined and weighted indicators outlined above, we are able to assess the extent of poverty in suburbia, rather than look at single indicators, and thereby to assess the picture of change.

The results show that the number of people in poverty in English and Welsh suburbs was higher than in non-suburbs in 2001. There were approximately 6.5 million people in poverty in the suburbs in 2001, compared with around 4.7 million in non-suburbs – or put another way, 58% of those in poverty lived in suburbs. In some senses this dispels the myth that poverty is only a problem for inner cities or indeed even that it is *mainly* a problem for our inner cities. Moreover, it throws up some interesting implications, not only about how we view suburbs but also about how we can take a more place-based approach to combating poverty.

However, because most people live in the suburbs, the relative number of people in poverty as a proportion of the population was lower in suburbia. In 2001 some 20.9% of those living in suburbs were in poverty, compared with 22.4% in non-suburban areas. By 2011 the picture had altered slightly to reveal a nuanced and marginal picture of change. The estimated number of people

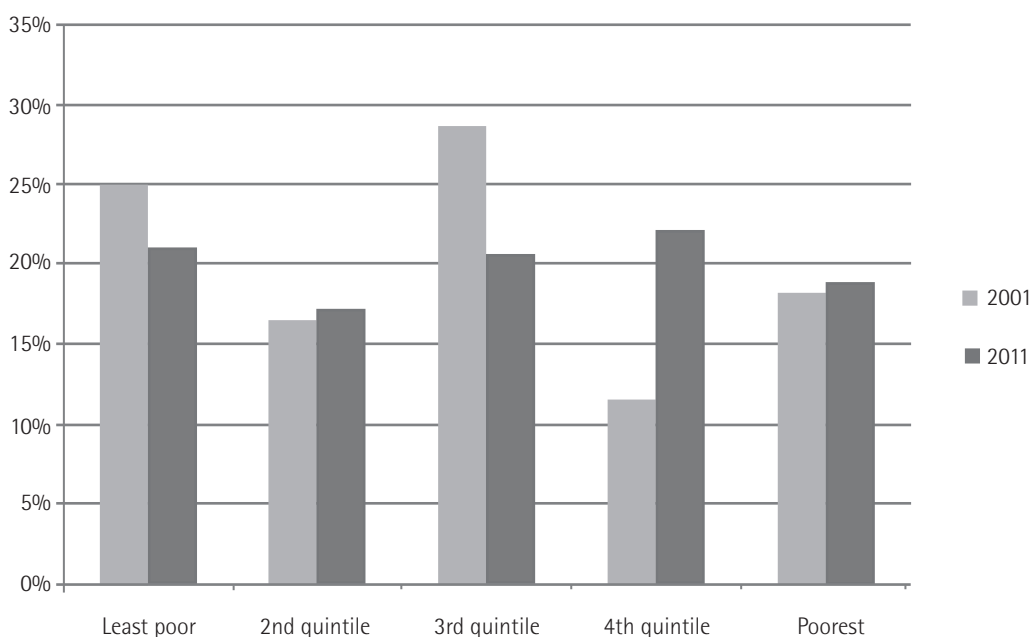
in poverty in the suburbs has increased to 6.8 million. But as a proportion of all those in poverty, there was a slight reduction – 58% of all people in poverty lived in the suburbs in 2001, falling to 57% a decade later.

However, this change in part reflects population shifts, with urban centres increasing in size at a faster rate. This meant that the prevalence of poverty per head increased marginally for suburbs across the country, and dropped very slightly in non-suburban areas. Consequently the gap between suburban and non-suburban incidences of poverty narrowed slightly over the period. However, given the small size of the change, it is difficult to make judgments with much certainty.

Analysing the distribution of poverty rates by lower super output areas (LSOAs) allows a more detailed understanding of the composition and change of poverty in suburbia. Of the total 20,532 suburban areas, 11,678 (57%) saw an increase in the proportion of people in poverty. Of those, 223 (1%) saw a more than 1% increase in their poverty rate. Splitting all English and Welsh LSOAs into quintiles shows that 4,317 suburban LSOAs were within the least poor quintile (21%), 3,535 (17%) were in the second, 4,253 (21%) in the third and 4,536 (22%) in the fourth quintile, while 3,891 (19%) were in the poorest areas.

The LSOA data suggests there is a fairly even spread of poverty across suburban areas. The notable difference between 2001 and 2011 is that there are far fewer within the least poor and middle categories, and far more within the fourth quintile. Indeed, the number of suburban areas in the fourth quintile (those with above-average levels of poverty, but not the very poorest) rose by 90%. In short, far more suburban areas had above-average levels of poverty in 2011 than did in 2001.

Quintile distribution of suburban LSOAs in England and Wales, 2001 and 2011



Note: this graph shows how suburbs are distributed by poverty. For example, 25% of suburban LSOAs are least poor in 2001. All bars therefore total 100%.  
Source: Author's analysis based on data from Office for National Statistics, 2011 census and 2001 census, and DWP data

Because 59% of LSOAs are suburban, an even distribution of suburbs across the quintiles would mean that within each quintile 59% would be suburban. What the data shows is that the proportion of suburbs in the least poor and the middle quintile has fallen from being above what an even distribution would suggest to being in line with the national data. The fourth quintile, however, has increased to being above average.

Overall, this suggests that there has been a reduction in the number of suburban areas that are least poor and an increase in the number of suburban areas that are among the poorest. Therefore while poverty in suburbia overall may be fairly static, there have been noticeable rises in some areas that although not the poorest in the country have higher-than-average poverty levels (between 22% and 29% of people in poverty). Indeed, the number of suburban areas with above-average levels of poverty (the fourth and fifth quintiles) rose by 34% over the period.

### Changes since 2011

While the preceding chapters have examined changes over a decade, they do not tell us how suburbs have coped since the recession. It is worth briefly examining how poverty might have changed spatially with reference to particular means-tested benefits.

Means-tested benefits are fairly accurate indicators of poverty. However, they do not cover all those in poverty. For example,

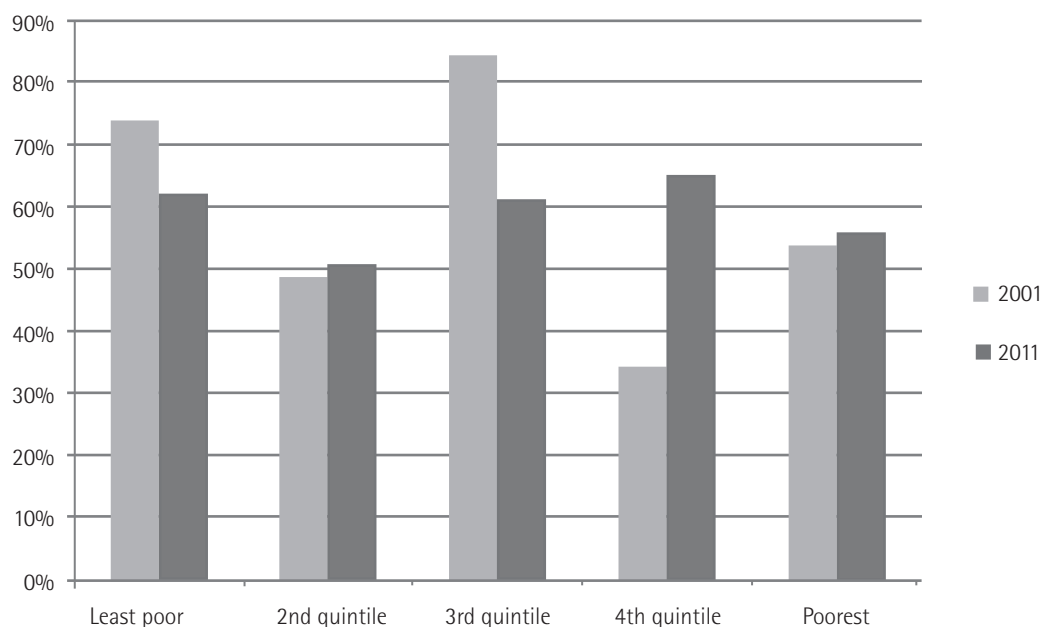
around two-thirds of pensioners in poverty do not claim benefits examined in the *Households Below Average Income* reports. Nevertheless, analysis of pension credit (guarantee element), jobseeker's allowance, disability living allowance, and income support does offer an insight into the post-2011 period which is not captured by census information.

As the table below shows, suburbs fared less well across all these means-tested benefit indicators. There was almost an 85% increase in the level of people claiming jobseeker's allowance in the suburbs, against 74% in non-suburban areas. Those claiming income support diminished across the period but did so at a higher rate in non-suburbs. Disability living allowance claimants grew in number over the period, but at a higher rate in suburbs than in non-suburbs. And those claiming pension credit (guarantee element) became fewer, although the drop per head was slightly greater in the rest of the country.

Although these figures are based on a narrow set of benefits and could miss other changes, such as in-work poverty and pensioner poverty among those not claiming benefits, they do suggest that poverty appears to have worsened in suburbs since the recession.

Not only do these measures indicate that poverty is worsening in the suburbs, they also show that by 2013 all four indicators of poverty had become more prevalent in suburbs than in the rest of the country.

Suburban LSOAs make-up of quintiles in England and Wales, 2001 and 2011



Note: This graph shows what proportion of suburban LSOAs form each quintile. For example, suburban LSOAs formed 60% of all areas in the third quintile in 2011.

Source: Author's analysis based on data from Office for National Statistics, 2011 census and 2001 census, and DWP data

## Claimant counts by area, 2008-13

	('000)	Job seeker's allowance	Income support	Disability living allowance	Pension credit
Suburbs	Total claimants, 2008	421	1,102	1,625	1,149
	Total claimants, 2013	803	599	1,822	1,040
	Absolute difference	382	-502	197	-109
	Percent of population, 2008	1.3%	3.5%	5.1%	3.6%
	Percent of population, 2013	2.5%	1.8%	5.6%	3.2%
	Percentage point change	1.1	-1.6	0.5	-0.4
	Percentage difference	85.3%	-47.2%	8.8%	-12.2%
Non-suburbs	Total claimants, 2008	311	790	1,017	761
	Total claimants, 2013	568	404	1,149	697
	Absolute difference	257	-386	132	-64
	Percent of population, 2008	1.4%	3.5%	4.5%	3.4%
	Percent of population, 2013	2.4%	1.7%	4.8%	2.9%
	Percentage point change	1.0	-1.8	0.3	-0.4
	Percentage difference	73.9%	-51.3%	7.5%	-12.9%
	Suburban claimants as a proportion of total, 2013	58.6%	59.7%	61.3%	59.9%

Source: Author's analysis of DWP data

# Suburban poverty in eight cities

## Suburban poverty in eight cities

### Summary

- Poverty is prevalent in suburbs of major cities, and in certain places in suburbia it has worsened significantly.
- There has been a marked narrowing in poverty rates between suburbs and inner-city areas in London, Manchester and Newcastle.
- Increased rates have often been in suburbs furthest from the city centre.
- There were differences between the cities: Birmingham, for instance, experienced above-average increases in self-employment while Liverpool experienced above-average rises in part-time working.
- Overall, however, changes in worklessness, unemployment and housing tenure played a large part in the narrowing of poverty rates, whereas car ownership and overcrowding pulled the results in the other direction.
- Since the recession the rate of increase across a range of mean-tested benefits tended to be higher in these eight major cities than for the rest of the country.

In previous chapters, poverty was examined with regard to the suburbs in general. The results showed that a majority of suburban areas had experienced a rise in poverty over the period 2001-11, although overall suburban poverty rates were relatively unchanged and reflected the national trend. This part of the report examines how suburbs are faring in eight of England's major cities.

For each city, a detailed map depicts levels of poverty in 2011 and how poverty has changed in its suburbs. This enables us to see which parts of the suburbs around the cities have experienced a rise in poverty, and where they are located in relation to the city centre as well as to the inner-city areas with historically higher levels of poverty.

There is also, for each city, a description of which indicators have had the biggest effect on poverty levels. We have not provided detailed descriptions of each indicator, only those that are out of trend with the national picture.

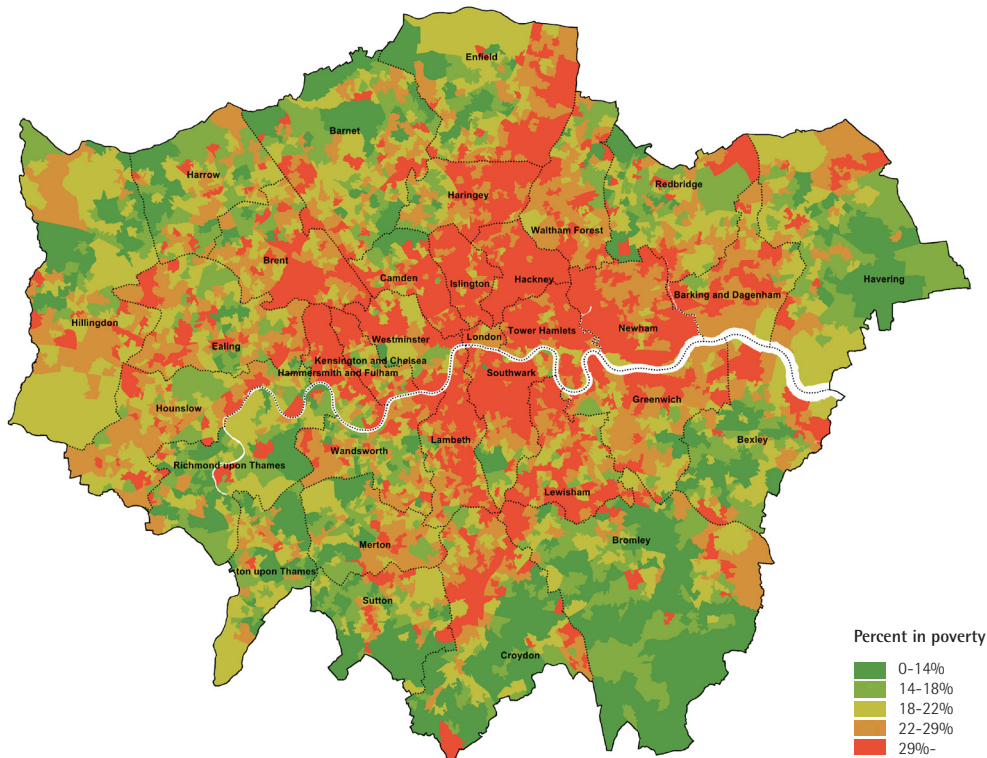
### London

London is the country's economic powerhouse. Yet despite economic growth it continues to experience high and rising levels of poverty.

Over the decade to 2011 London's population rose by 14%, to more than 8 million people. It grew fastest in non-suburban areas (at a rate of 17.6%) but still rose by 380,000 in suburban London. Growth in the number of households was less rapid, with increases of 8.2% across the capital and half that in the suburbs.

Over the period 2001-11 London experienced a rise in poverty rates. This overall increase was, however, unevenly spread across the 32 boroughs, rising in suburban areas but falling in non-suburban areas. Our analysis shows that poverty rose by 1 percentage point in London's suburbs and fell by 3 percentage points in non-

**Poverty in London, 2011**  
*Percentage of population in poverty*



Source: Author's analysis based on data from Office for National Statistics, 2011 census and DWP data

suburbs. As a result, the gap between poverty rates in the suburbs and non-suburbs narrowed by more than 4 percentage points.

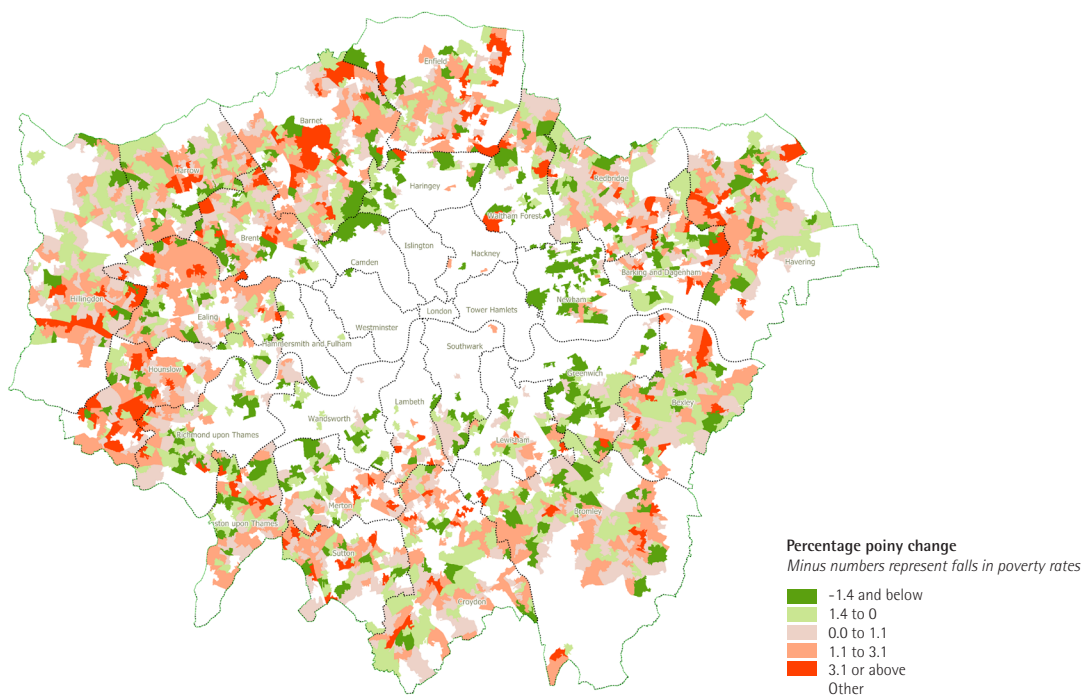
The two maps below show poverty levels across the capital during the period, and then how poverty has changed since 2011 in the suburban areas. The first map shows that poverty is highest in inner London and runs north-, south- and eastwards out of the centre. As the second map shows, however, the growth in poverty is spread across an outer ring of suburbia all around the capital. Although there were notable improvements in suburban areas of Newham, parts of Brent and Ealing saw large rises in poverty rates.

The graph below shows how London's suburban areas are distributed by prevalence of poverty. For example, 20% of

suburban LSOAs were least poor in 2001 (and all bars therefore total 100%). Much like the national picture, there was a rise in the number of London LSOAs in the fourth quintile (above-average poverty), with a corresponding drop in the number of LSOAs that were least poor.

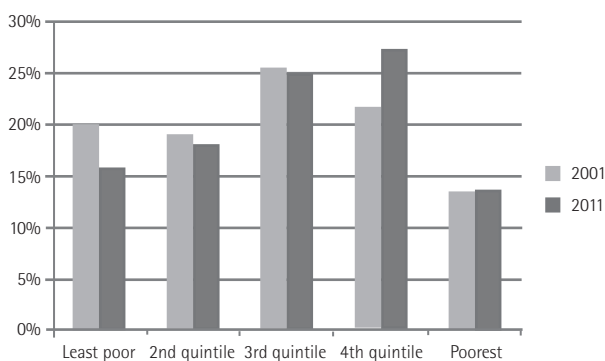
The graph below shows the proportion of each poverty quintile comprised by suburban areas. For example, suburban LSOAs formed 60% of all areas in the third quintile (those with middling levels of poverty) in 2001. The graph demonstrates that the number of areas with slightly above-average poverty (those in the fourth quintile) is higher than might be expected (given that suburbs form only 47% of London's LSOAs) and has increased over the census period. Moreover, suburbs have lower than expected numbers of LSOAs at either extreme of poverty/wealth.

Percentage point change in poverty rates in suburban London, 2001-11



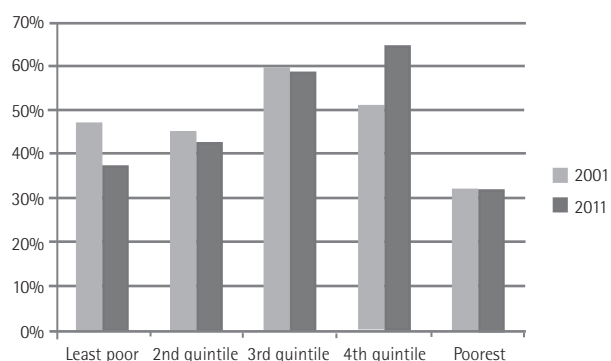
Source: Author's analysis based on data from Office for National Statistics, 2011 census and DWP data

Quintile distribution of suburban LSOAs in London, 2001 and 2011



Source: Author's analysis based on data from Office for National Statistics, 2011 census and 2001 census, and DWP data

Suburban LSOAs' make-up of quintiles in London, 2001 and 2011



Source: Author's analysis based on data from Office for National Statistics, 2011 census and 2001 census, and DWP data

**Birmingham**

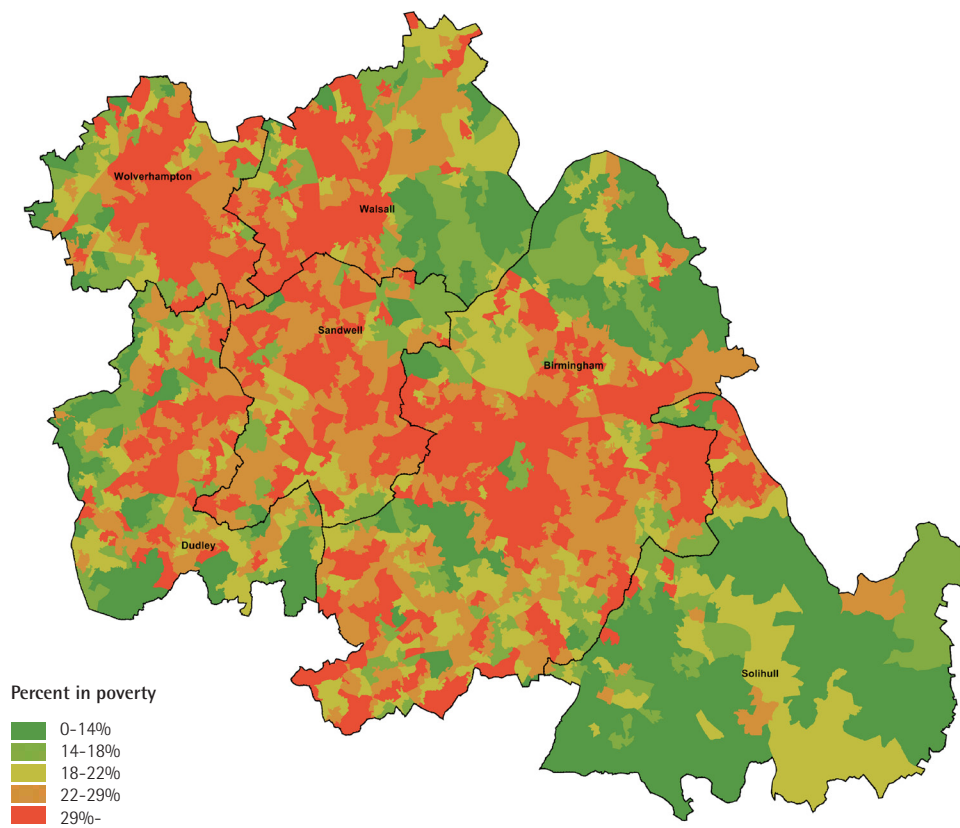
Over the period, Birmingham experienced a 10% increase in the size of its population. This growth was concentrated in non-suburban areas; nevertheless, the suburbs grew by over 6%.

Between 2001 and 2011 poverty in Birmingham decreased by more than 1 percentage point to 26.6%. Poverty fell most in non-suburban areas, although the inner-city areas continued to have higher rates of poverty – 23.5% versus 25.3% in the suburbs. There was a 1.2 percentage point fall in the suburbs and a 2.6 percentage point fall in non-suburbs, which resulted in a slight narrowing in poverty rates between suburbs and non-suburbs. Including the neighbouring local authorities, the change was much less pronounced; poverty fell by 0.5 percentage points in the suburbs and 0.9 percentage points in non-suburbs.

As the first map shows, poverty is highest in inner-city Birmingham with a noticeable exception at the very centre. Poverty moves out from the centre to the east of the city (within the local authority's borders). In the surrounding districts, the wealthier Solihull has much lower levels of poverty. However, high levels of poverty spread west from Birmingham into Sandwell, and then into Walsall, Wolverhampton and Dudley.

Perhaps most notably, the areas bordering Birmingham in Solihull have seen significant rises in poverty levels. However, it is worth remembering that overall levels of poverty in these areas remain low. In Birmingham the areas immediately around the city centre have seen falls in the level of poverty, with a similar picture in Sandwell. Rises in poverty were spread across the wider city region, with an observable outer ring of increased poverty rates around Birmingham.

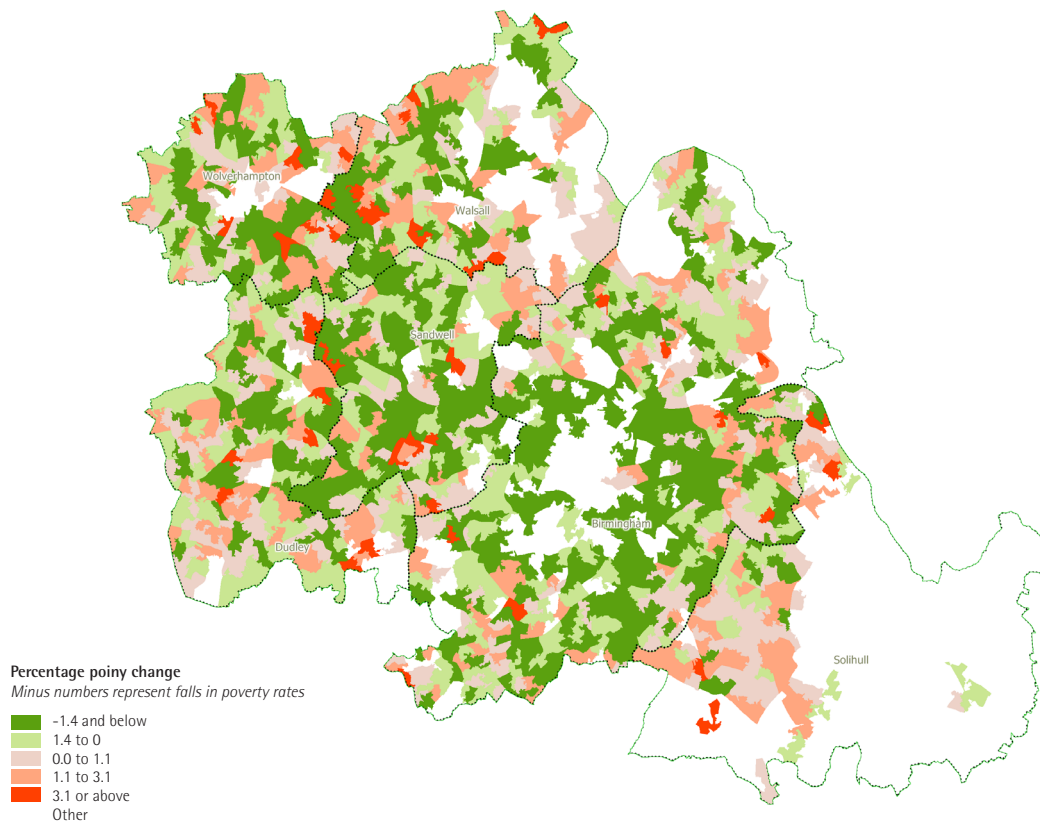
**Poverty in Birmingham, 2011**  
*Percentage of population in poverty*



Source: Author's analysis based on data from Office for National Statistics, 2011 census and DWP data



## Percentage point change in poverty rates in suburban Birmingham, 2001-11



Source: Author's analysis based on data from Office for National Statistics, 2011 census and DWP data

**Manchester**

Manchester's population over the period grew by 100,000. As with the other cities examined, the biggest rise was in non-suburban areas – which house a minority of the city's inhabitants.

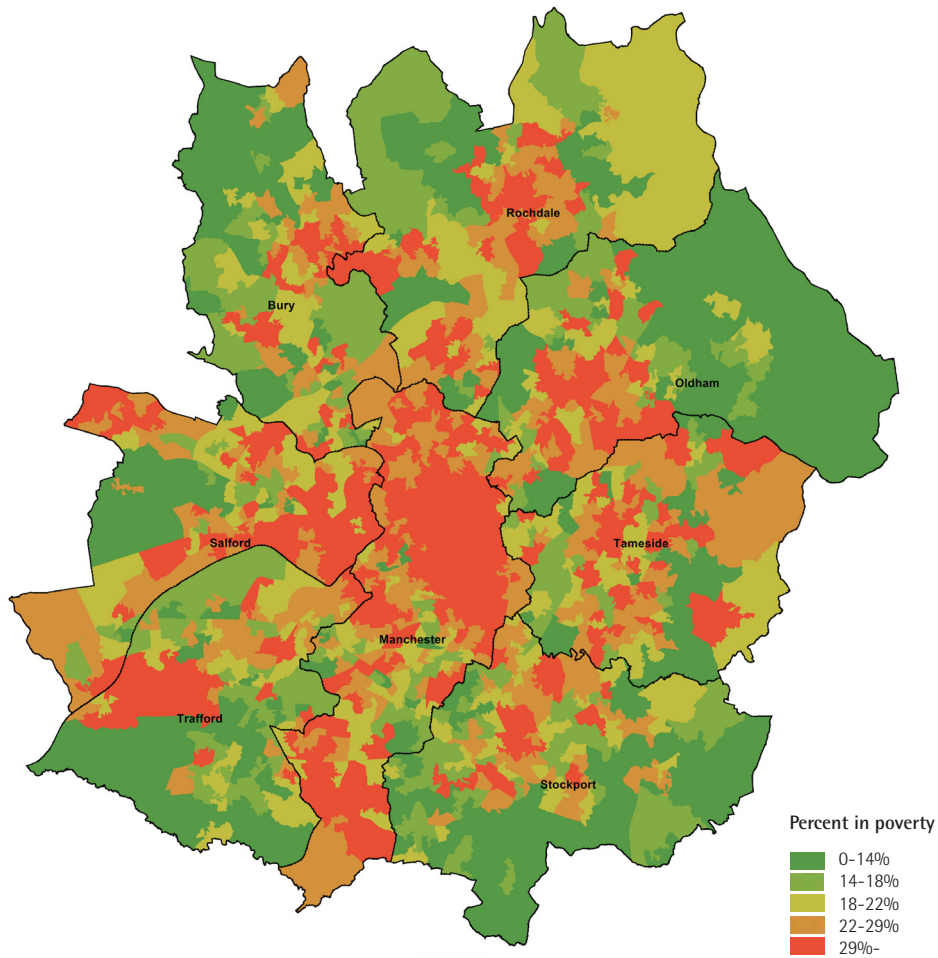
Over the period poverty in Manchester decreased by almost 4 percentage points to 29.2%. This was the biggest decrease in poverty among all the cities examined. Both suburbs and non-suburbs saw a decrease. However, poverty fell faster in non-suburbs – indeed, the narrowing of the poverty rate gap between suburbs and non-suburbs was greater than in any of the other cities except London. Over the period, poverty fell by 3.2% in the suburbs and 6.1% in non-suburban areas. By 2011 there was almost no difference in the poverty rate between suburban and non-suburban areas. In the neighbouring areas (including

Manchester) poverty fell only slightly (by 0.4 percentage points) in the suburbs and by 3.6 percentage points in the non-suburbs. This resulted in an even more marked narrowing of the gap in poverty rates – 3.2 percentage points.

As the first map shows, poverty is highest in inner-city Manchester, and high levels are witnessed across most of the local authority – it spreads out to Salford and is also high in the centres of Oldham, Rochdale and Bury. Areas with lower levels of poverty are found on the outskirts of the authorities furthest away from Manchester's centre.

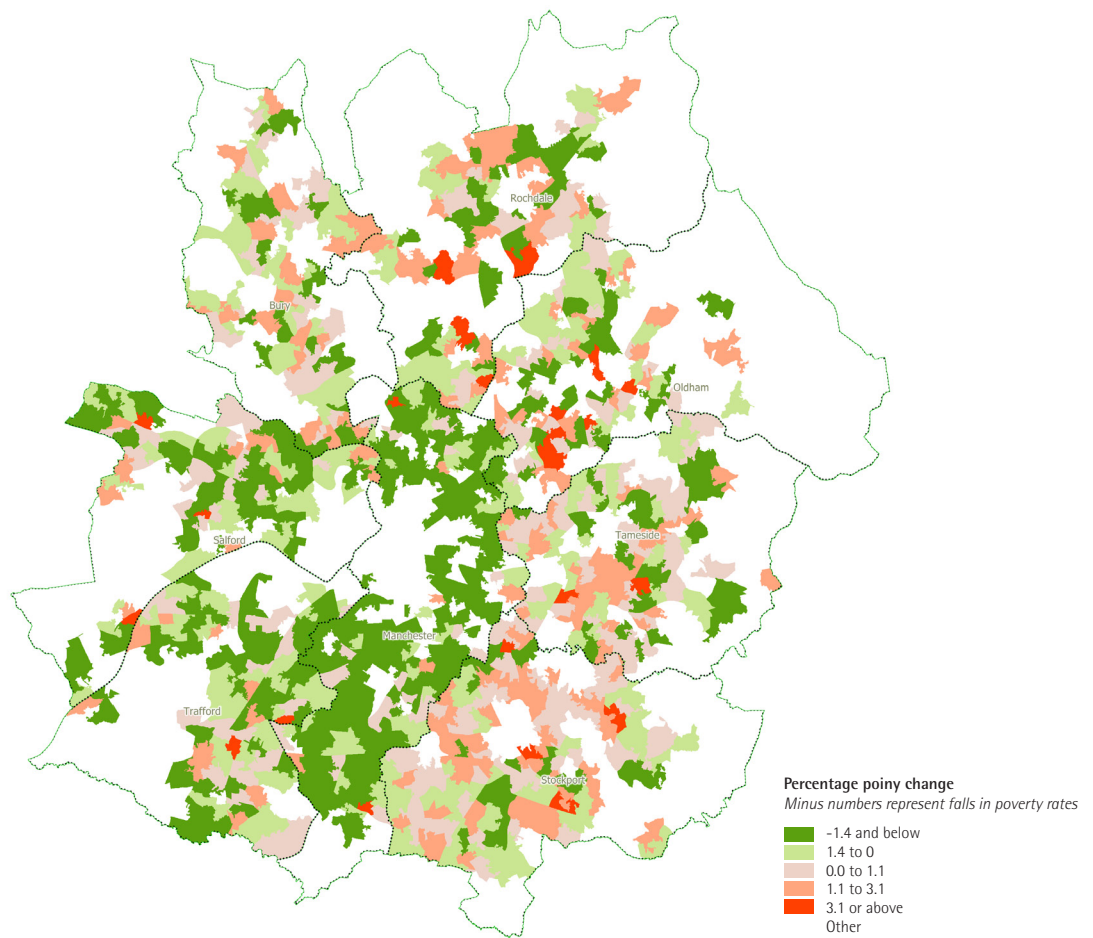
Increases were noticeable to the east of Manchester in neighbouring suburbs, in particular into Tameside and to the south-east in the areas surrounding Stockport's centre.

**Poverty in Manchester, 2011**  
*Percentage of population in poverty*



Source: Author's analysis based on data from Office for National Statistics, 2011 census and DWP data

## Percentage point change in poverty rates in suburban Manchester, 2001–11



Source: Author's analysis based on data from Office for National Statistics, 2011 census and 2001 census, and DWP data

**Liverpool**

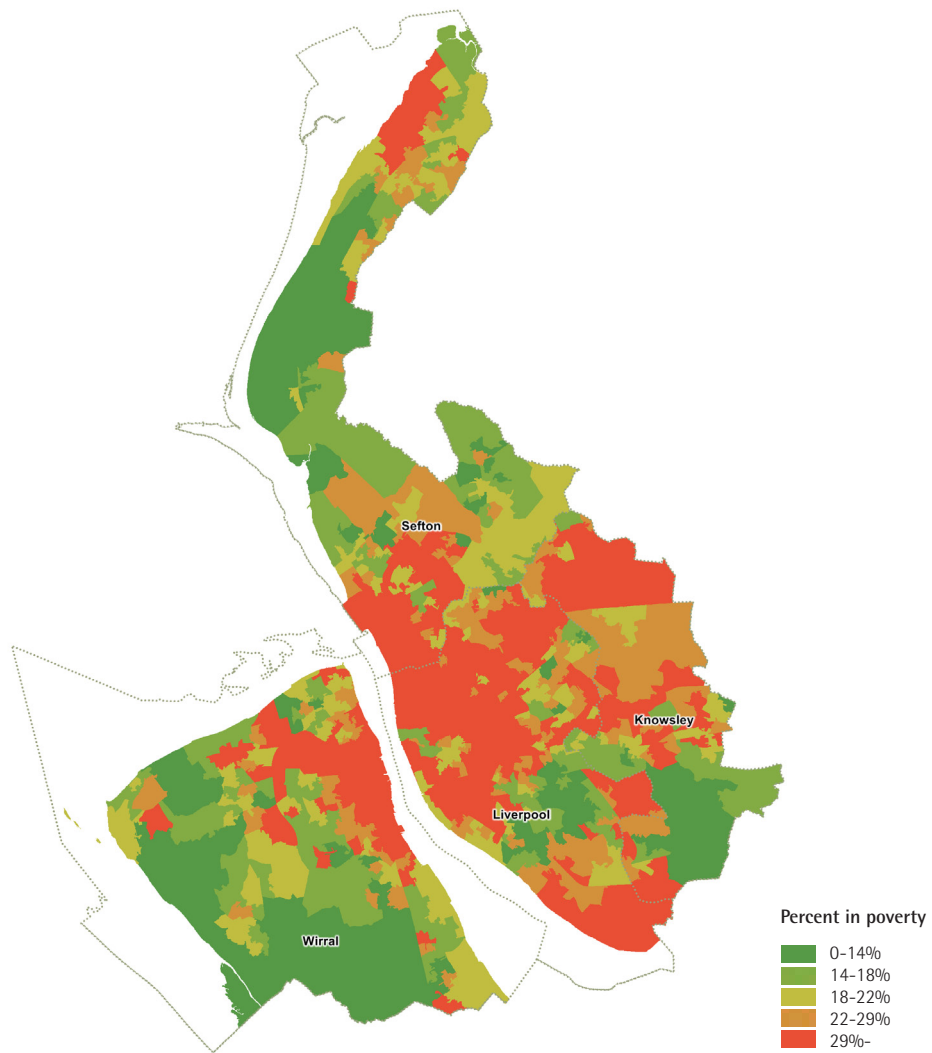
Liverpool's population grew over the period, but not as much as that of other core cities. The population grew by 6% across the city as a whole and by 3% in suburban areas. Overall, Liverpool had 27,000 more inhabitants in 2011 than in 2001. In Liverpool and surrounding areas, the population rose by just 1.5% overall, and fell in the suburbs.

Liverpool saw a slight decrease in poverty rates from 29.2% to 28% over the period. Suburbs had a lower rate of poverty (29%) than non-suburbs (34.4%). The decline in poverty rates was fairly

evenly spread between suburban and non-suburban areas. Suburbs experienced a drop in poverty of 1.6 percentage points, whereas non-suburbs had a 2 percentage point drop. The gap between suburbs and non-suburbs was thus reduced by only 0.35 percentage points. Including neighbouring local authorities gives a similar picture, although the narrowing of the gap is then slightly less, at 0.2 points.

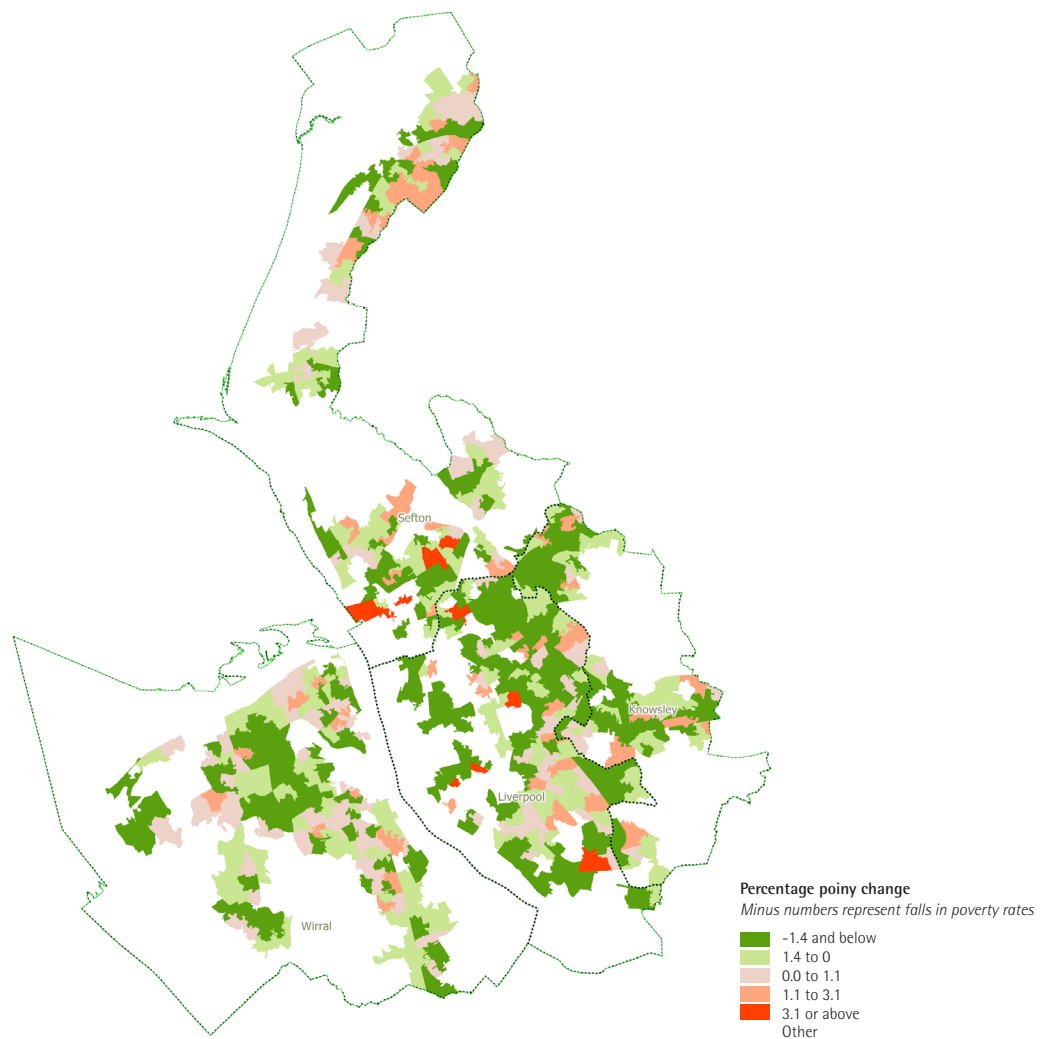
As the first map shows, poverty is highest in inner-city Liverpool and covers most of the local authority. It spreads out to the east into Knowsley and north into the south of Sefton.

**Poverty in Liverpool, 2011**  
*Percentage of population in poverty*



Source: Author's analysis based on data from Office for National Statistics, 2011 census and DWP data

## Percentage point change in poverty rates in suburban Liverpool, 2001-11



Source: Author's analysis based on data from Office for National Statistics, 2011 census and 2001 census, and DWP data

**Sheffield**

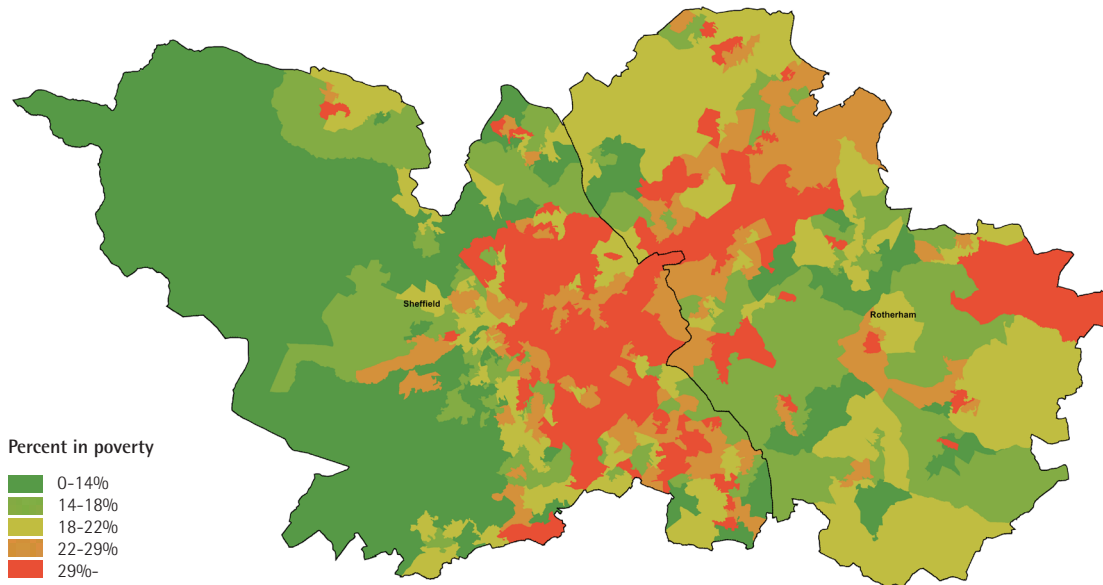
Sheffield's population grew over the period by 8%, most of which increase was in non-suburban areas.

Over the period poverty in Sheffield decreased by 1.7 percentage points to 23.9%. This drop was largest in non-suburban areas, with a fall of 3.5 percentage points. As a result, the gap between suburbs and non-suburbs was reduced by 2.2 percentage points.

There was also a narrowing of the gap (by 1 percentage point) when taking into account neighbouring local authorities.

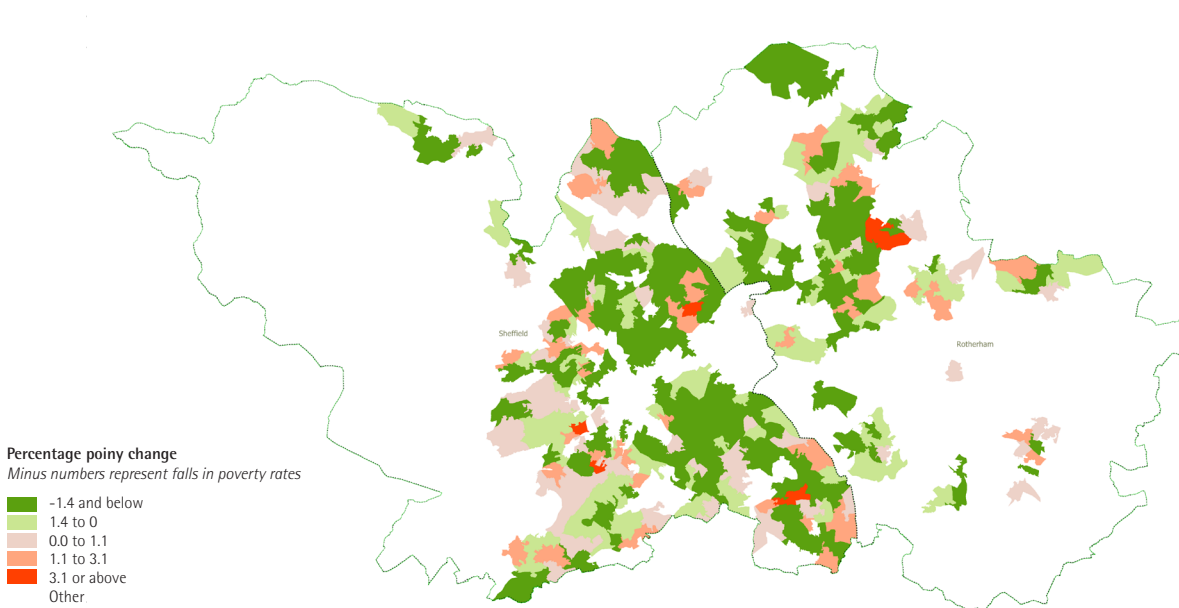
Poverty in Sheffield is located in the east of the local authority area and heads north-east into Rotherham. Over the period there appears to be a relative worsening at the edge of suburbs, with those close to the centre experiencing improvements.

**Poverty in Sheffield, 2011**  
*Percentage of population in poverty*



Source: Author's analysis based on data from Office for National Statistics, 2011 census and DWP data

**Percentage point change in poverty rates in suburban Sheffield, 2001-11**



Source: Author's analysis based on data from Office for National Statistics, 2011 census and 2001 census, and DWP data

## Newcastle

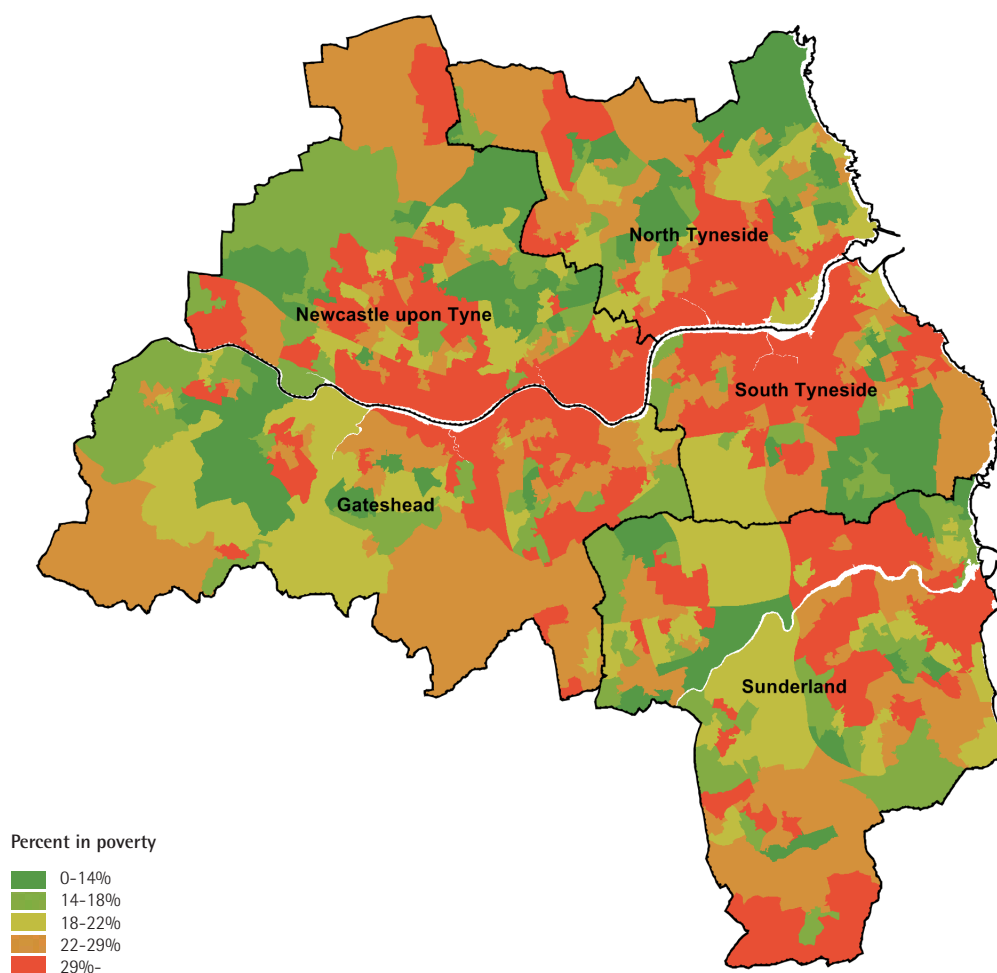
Newcastle experienced a rise in its population of around 5%, with the population of its suburbs growing at a slower pace.

Over the period poverty in Newcastle fell by more than in all the other areas except Manchester. Despite this decrease, of 3.2 percentage points, poverty remained high at 25.7%. The fall was greater in non-suburban areas, where poverty decreased by 5.2 percentage points (to 28.6%), whereas in the suburbs the poverty rate dropped 2.5 percentage points (to 24.1%). This resulted in a narrowing in rates of 3.2 percentage points (to 4.5 percentage

points). This change was less noticeable when taking into consideration the surrounding areas, with a narrowing of 0.8 percentage points, but as with other city areas the gap was less pronounced (2.9 percentage points).

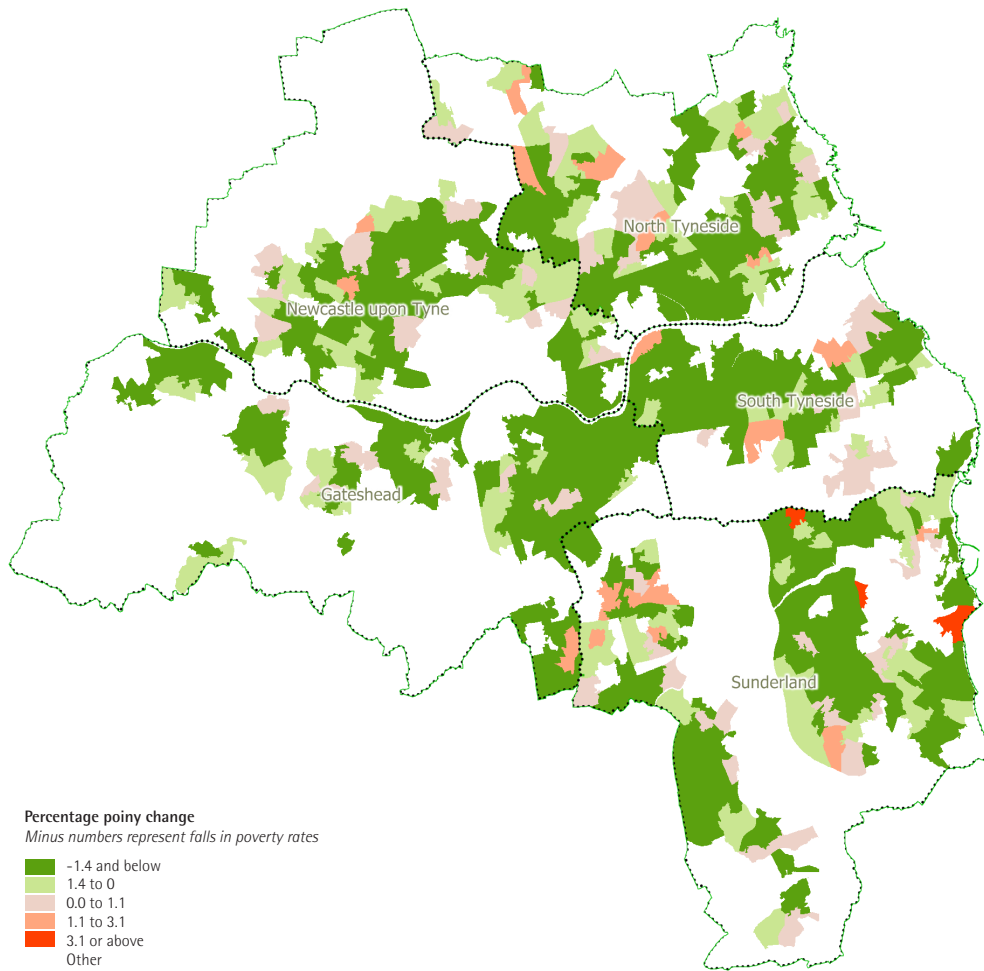
Poverty in Newcastle and the surrounding districts is still relatively high, and spread across the five local authorities. There are particularly high rates running directly either side of the Tyne, and for Sunderland next to the Wear. The suburbs closest to the strip next to the river appear to have improved over the period, with those set back slightly not faring as well.

**Poverty in Newcastle, 2011**  
*Percentage of population in poverty*



Source: Author's analysis based on data from Office for National Statistics, 2011 census and DWP data

Percentage point change in poverty rates in suburban Newcastle, 2001-11



Source: Author's analysis based on data from Office for National Statistics, 2011 census and 2001 census, and DWP data



## Bristol

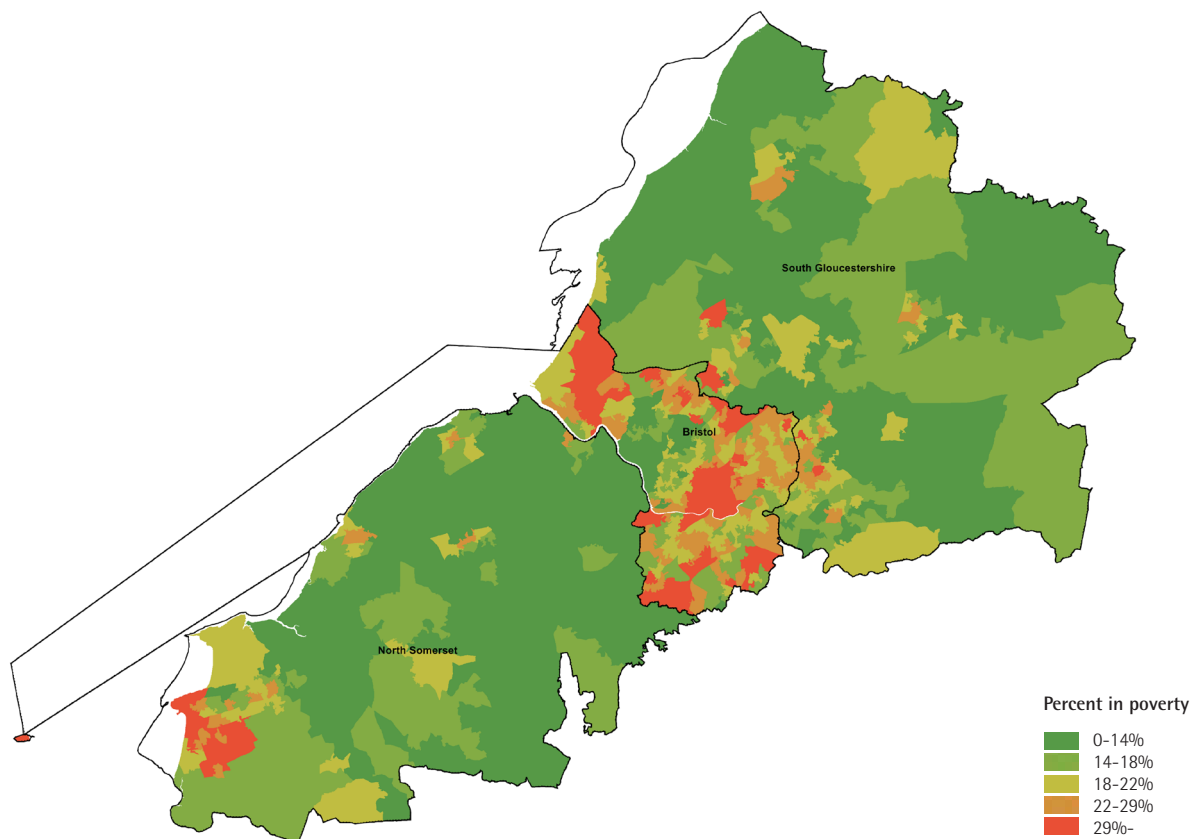
Bristol experienced a large rise of 11% in its population, mainly driven by increases outside the suburbs. While the suburbs grew by 5%, the non-suburbs grew by 22%. This was replicated in areas surrounding Bristol, with bigger increases in the non-suburbs.

Bristol was the only provincial city (apart from Leeds) to experience a rise in poverty, which grew from 22.3% to 23.7%. In addition, poverty rose at a faster rate in non-suburban areas, resulting in a widening of the poverty gap between suburban and

non-suburban areas. Overall, poverty rose in the suburbs from 21% to 22%. Including the surrounding areas, poverty rose at a slower pace, with the poverty gap increasing but only very marginally.

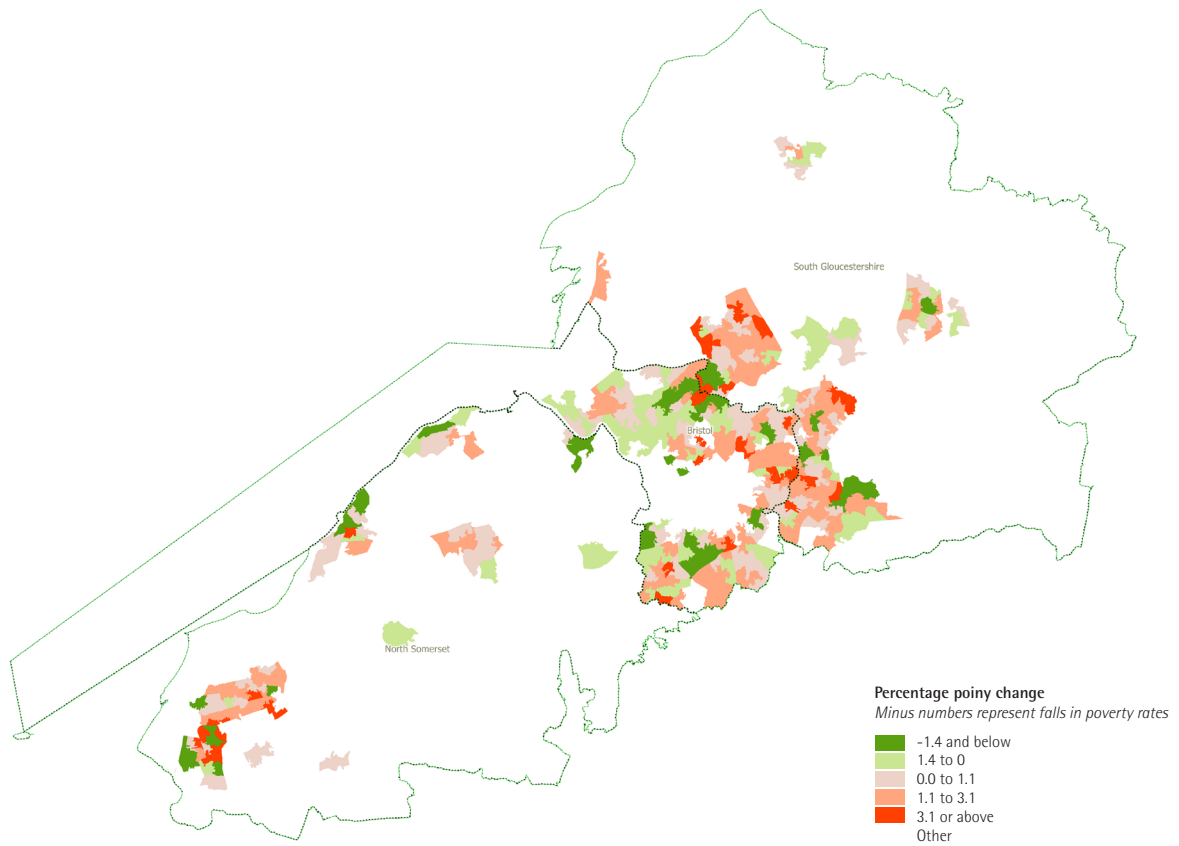
Poverty in Bristol is highest at the centre, but is also noticeably high at the northern and southern edges of the local authority – with a doughnut ring of less-poor areas in between. The other two local authorities examined – North Somerset and South Gloucestershire – have very low levels of poverty.

**Poverty in Bristol, 2011**  
Percentage of population in poverty



Source: Author's analysis based on data from Office for National Statistics, 2011 census and DWP data

### Percentage point change in poverty rates in suburban Bristol, 2001-11



Source: Author's analysis based on data from Office for National Statistics, 2011 census and 2001 census, and DWP data

## Leeds

Leeds grew by 36,000 people (or 5%) over the period 2001-11. Most of this growth was driven by increases in the non-suburbs, which also experienced higher proportional growth. There was larger growth in Greater Leeds, but again bigger increases proportionally in the non-suburbs.

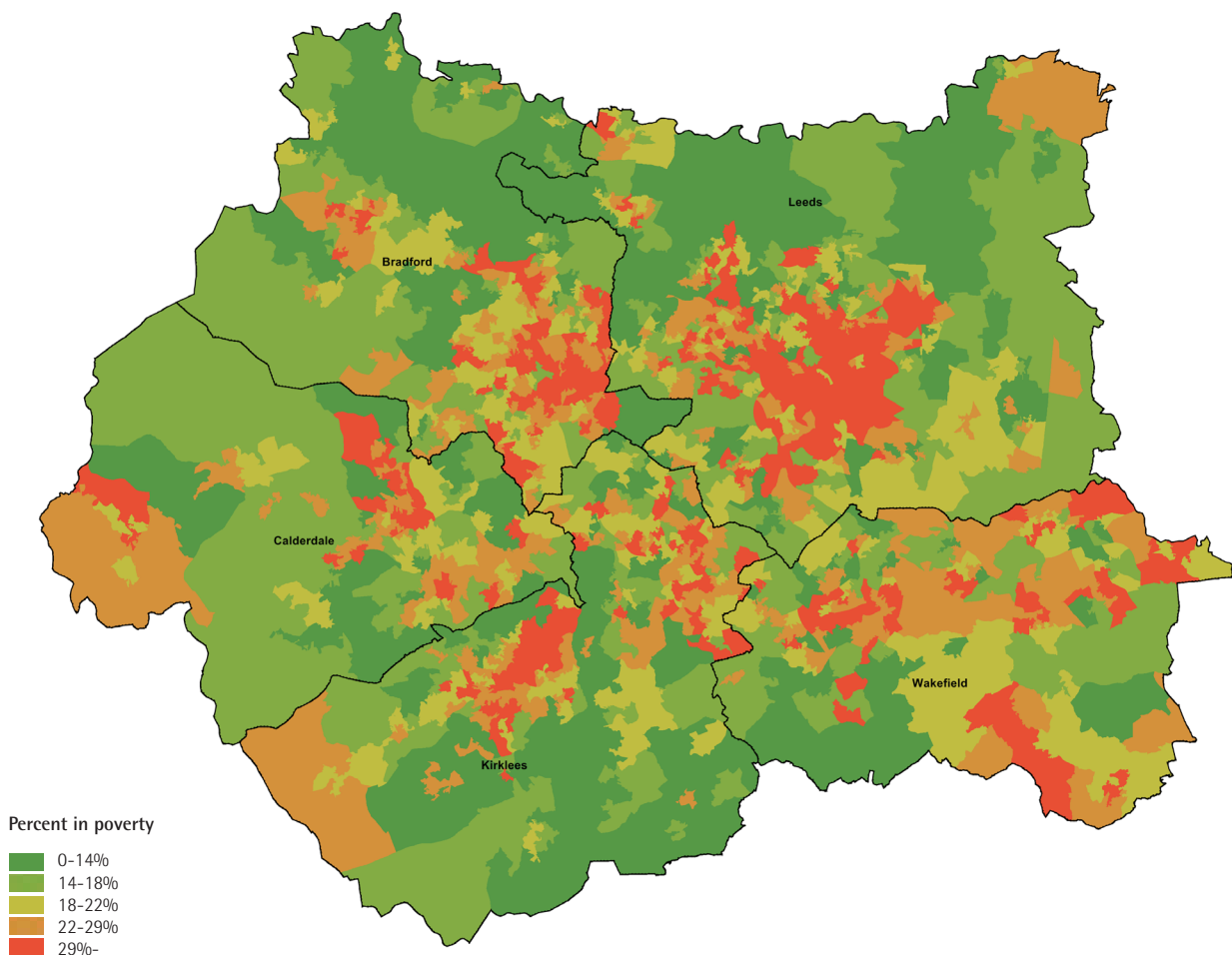
Over the period poverty grew in Leeds by more than half a percentage point to 23%. This growth was mostly due to rises in non-suburban areas. Leeds' suburbs experienced a slight drop per head to 22.3%, whereas the poverty rate in non-suburban areas grew by 2 percentage points. Including the surrounding

authorities too, poverty dropped marginally in suburbs but at a much faster rate in non-suburban areas (down 2.8 points). Due to this fall, by the end of the period there was little difference in rates of poverty between suburban and non-suburban areas.

Leeds, like other core cities, has high levels of poverty in the centre. However, poverty does not spread outwards to other areas in the same way as it does in the other cities examined in this report. Poverty in the other local authorities is contained within their separate city or town centres. This produces different patterns of change – Leeds has higher rises in areas furthest from the centre, while this is less true in nearby Bradford.

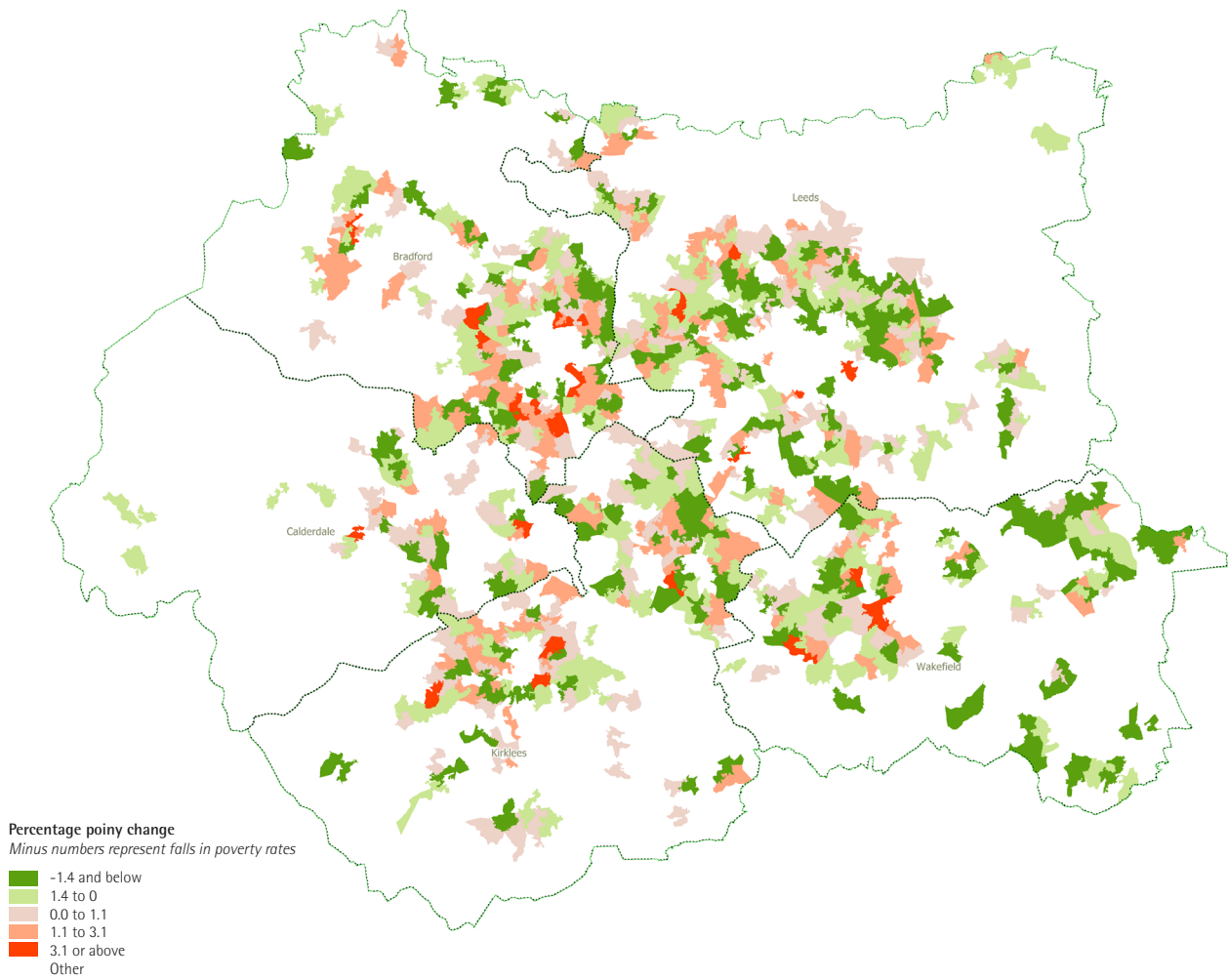
### Poverty in Leeds, 2011

*Percentage of population in poverty*



Source: Author's analysis based on data from Office for National Statistics, 2011 census and DWP data

### Percentage point change in poverty rates in suburban Leeds, 2001-11



Source: Author's analysis based on data from Office for National Statistics, 2011 census and 2001 census, and DWP data

### What caused the changes?

Looking across the eight cities, there is a wide variation in changes between their suburban and non-suburban areas. The table below compares the percentage change by indicator and per head, and subtracts the non-suburban score from the suburban. A positive number indicates that suburbs are becoming poorer at a faster rate than non-suburbs or not improving as fast as non-suburbs. A negative number implies the opposite.

The table shows the change is much more noticeable in the eight cities than nationwide. This suggests that change is most pronounced in England's major cities and their surrounding suburban areas than for the country as a whole. Comparing each of the eight cities with the others in terms of poverty indicators shows that:

- **Birmingham** suburbs experienced above-average rises in social housing, self-employment and those in the category of workless (other).
- **Birmingham +** suburbs saw larger-than-average increases in workless (other) individuals, pension credit claimants and lone parenthood.
- **Manchester** suburbs saw above-average rises across a wider range of indicators than most cities, most noticeably in self-employment, part-time working, pension credit claimants and those renting from a social landlord.
- **Manchester +** suburbs experienced above-average rises in pension credit recipients and self-employment. Liverpool suburbs saw above-average rises in part-time working, workless (other) individuals and self-employment.
- **Liverpool +** suburbs followed a similar trend to Liverpool but less pronounced.
- **Sheffield** suburbs experienced above-average rises in self-employment, unemployment, social renting, those with a disability and lone parents.
- **Sheffield +** suburbs saw higher rises in self-employment and unemployment.
- **Leeds** suburbs saw above-average changes in pension credit and in self-employment.
- **Leeds +** suburbs experienced a marked change in part-time working, workless (other) and self-employment.
- **Newcastle** suburbs showed an above-average increase in self-employment, pension credit claimants and lone parents.
- **Newcastle +** suburbs experienced a much smaller level of change, with the highest rises in self-employment and workless (other) individuals.
- **Bristol** suburbs saw above-average rises in disability, lone parents, pension credit claimants and unemployment.
- **Bristol +** suburbs experienced above-average change in private renting and unemployment.
- **London** suburbs saw above-average rises in social housing, workless (other) and unemployment.

**Narrowing in poverty indicators between suburbs and non-suburbs, 2001-11**  
*Percentage point change per head (positive numbers denote suburbs becoming relatively worse)*

	Part-time	Work-less	Dis-abled	Lone parent	Over-crowded	Private renting	Social housing	Pension credit	Un-employed	No car	Self-employed
England Et Wales	-1%	3%	4%	5%	-6%	30%	2%	7%	16%	-6%	9%
London	0%	18%	10%	10%	-4%	2%	39%	11%	30%	-14%	14%
Birmingham	3%	27%	15%	20%	-58%	8%	29%	18%	-11%	9%	24%
Birmingham +	3%	20%	11%	16%	-53%	21%	16%	18%	-18%	3%	18%
Manchester	17%	24%	21%	14%	-53%	-26%	30%	32%	27%	1%	34%
Manchester +	5%	19%	12%	12%	-59%	-13%	14%	88%	11%	-4%	17%
Liverpool	15%	26%	13%	18%	-78%	-24%	5%	16%	5%	-8%	32%
Liverpool +	10%	26%	10%	16%	-73%	-19%	5%	15%	-3%	-9%	25%
Sheffield	11%	24%	22%	24%	-160%	-14%	39%	30%	42%	8%	27%
Sheffield +	9%	20%	14%	16%	-127%	4%	21%	20%	27%	4%	25%
Leeds	3%	10%	7%	10%	-174%	21%	7%	18%	-2%	-4%	15%
Leeds +	46%	65%	4%	6%	-67%	27%	2%	11%	15%	-4%	14%
Newcastle	12%	23%	15%	21%	-53%	-2%	14%	27%	24%	5%	29%
Newcastle +	8%	22%	8%	13%	-33%	14%	5%	15%	7%	0%	22%
Bristol	1%	9%	13%	13%	-71%	16%	0%	24%	26%	-15%	15%
Bristol +	1%	13%	11%	9%	-47%	35%	0%	22%	25%	-8%	11%

Source: Author's analysis based on data from Office for National Statistics, 2011 census and 2001 census, and DWP data  
 Note: + means including local authorities immediately surrounding the city, see page 16 for full details

The maps also suggest that the inner suburbs in these cities may have fared better, while the outer suburban ring experienced higher increases in the rate of poverty. The causes of these changes varied widely between places, as did the relative shift of poverty to suburbs.

The following graph summarises the shift in poverty between suburban and non-suburban areas for the eight cities during the period 2001-11 (negative numbers indicate a narrowing of the poverty rate between suburban and non-suburban areas).

**The eight cities since 2008**

Looking at the four means-tested benefits explored in the previous section also adds to our understanding of change since the onset of the recession. The eight urban areas tended to have a higher starting point than suburbs in general, and in most cases higher than non-suburban areas. Furthermore, the rate of increase for the suburbs in these cities was usually higher than the non-suburban average. There was some variation in the starting point for the various benefits, notably the Manchester and Liverpool suburbs having higher rates than other areas. The following can be observed across the indicators:

- **Income support:** There was a drop in income support across all areas examined in this report averaging around 50%, which was in line with suburbs across the country.

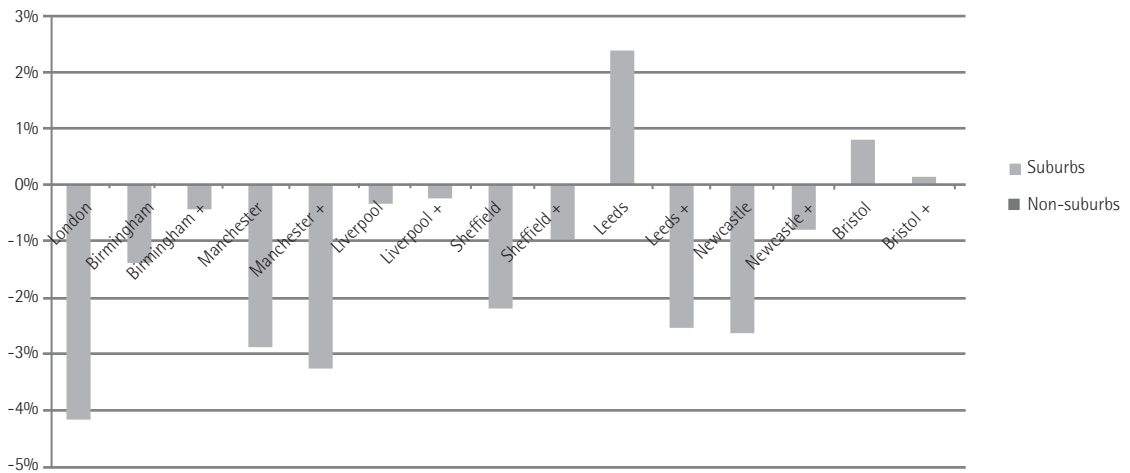
- **Jobseeker’s allowance:** The increase in the proportion of people claiming varied widely, with Manchester, Sheffield, Leeds and Bristol seeing far higher rises, but less noticeable changes in Liverpool and Birmingham, which already had high rates.
- **Disability living allowance:** Rises were below the national suburban average in all but Leeds and Bristol.
- **Pension credit:** Birmingham, Sheffield, Leeds and Bristol saw above-average increases against the suburb average.

**Summary**

In summary, suburbs in the eight cities examined produce a mixed picture. Poverty levels remained higher than national suburban averages, and there was a noticeable worsening in the positions relative to the national average in the suburban areas of Sheffield, Leeds and Bristol. Compared with the non-suburban average, the four major cities of Liverpool, Birmingham, Manchester and London saw their relative position improved.

This chapter has shown that particular types of poverty and particular poverty-related issues are more common in suburbs, not least lone-parent households and older people. However, as the data shows, there are large variations across the indicators in the different cities. This implies that a one-size-fits-all approach to poverty in suburbia would miss the varied experience of different suburbs, not only across the country but also within cities.

**Narrowing in poverty rates between suburbs and non-suburbs, 2001-11**  
*Percentage point change (minus denotes a narrowing in gap between suburbs and urban areas)*



Source: Author’s analysis based on data from Office for National Statistics, 2011 census and 2001 census, and DWP data

## Percentage change in benefit claimants, 2001-11

	Suburbs	Birmingham	Birmingham +	Manchester	Manchester +	Liverpool	Liverpool +	Sheffield	Sheffield +	Leeds	Leeds +	Newcastle	Newcastle +	Bristol	Bristol +	London	Non-suburbs
2008 JSA	1.3%	2.9%	2.4%	2.1%	1.5%	2.8%	2.3%	1.4%	1.4%	1.5%	1.5%	1.8%	1.8%	1.0%	0.8%	1.2%	1.4%
2013 JSA	2.5%	4.3%	3.9%	3.9%	2.9%	3.7%	3.3%	3.0%	3.1%	3.1%	3.2%	3.2%	3.2%	2.4%	2.0%	2.1%	2.4%
2008 IS	3.5%	5.2%	4.4%	7.1%	4.4%	6.7%	5.7%	3.7%	3.8%	3.3%	3.7%	4.7%	4.2%	4.2%	3.3%	3.5%	3.5%
2013 IS	1.8%	2.7%	2.4%	3.3%	2.2%	3.2%	2.8%	2.0%	2.1%	1.9%	2.0%	2.5%	2.2%	2.4%	1.8%	1.7%	1.7%
2008 DLA	5.1%	5.9%	5.8%	6.9%	6.1%	9.5%	8.7%	5.8%	6.4%	4.8%	5.6%	6.0%	6.3%	5.0%	4.5%	3.5%	4.5%
2013 DLA	5.6%	6.3%	6.2%	7.4%	6.5%	9.6%	8.9%	6.2%	6.8%	5.4%	6.0%	6.6%	6.8%	5.9%	5.2%	3.8%	4.8%
2008 PC	3.6%	4.8%	4.8%	4.8%	4.0%	5.9%	5.4%	4.4%	4.4%	3.6%	3.8%	4.5%	4.8%	3.5%	3.2%	2.9%	3.4%
2013 PC	3.2%	4.0%	4.0%	4.2%	3.5%	5.2%	4.9%	3.7%	3.7%	3.3%	3.3%	3.9%	4.2%	3.1%	2.9%	2.5%	2.9%
JSA	1.1%	1.4%	1.5%	1.8%	1.4%	0.9%	1.0%	1.6%	1.7%	1.6%	1.7%	1.4%	1.4%	1.4%	1.2%	0.9%	1.0%
IS	-1.6%	-2.5%	-2.1%	-3.8%	-2.2%	-3.5%	-2.9%	-1.7%	-1.8%	-1.4%	-1.7%	-2.2%	-2.0%	-1.8%	-1.4%	-1.8%	-1.8%
DLA	0.5%	0.4%	0.4%	0.4%	0.4%	0.1%	0.2%	0.5%	0.4%	0.6%	0.4%	0.6%	0.6%	0.9%	0.8%	0.3%	0.3%
PC	-0.4%	-0.8%	-0.7%	-0.6%	-0.5%	-0.7%	-0.6%	-0.7%	-0.7%	-0.4%	-0.5%	-0.6%	-0.6%	-0.4%	-0.3%	-0.3%	-0.4%
JSA	85.3%	46.3%	61.2%	85.3%	98.0%	31.8%	44.5%	117.5%	120.0%	109.6%	112.8%	80.8%	76.9%	145.0%	144.4%	76.3%	73.9%
IS	-47.2%	-47.5%	-47.1%	-54.0%	-50.4%	-52.3%	-50.7%	-46.1%	-45.8%	-43.0%	-45.2%	-47.1%	-47.5%	-43.9%	-44.2%	-51.8%	-51.3%
DLA	8.8%	6.3%	6.9%	6.2%	6.3%	0.9%	2.6%	8.5%	6.9%	12.6%	7.4%	10.0%	8.7%	17.9%	17.1%	8.3%	7.5%
PC	-12.2%	-16.3%	-15.5%	-12.5%	-13.2%	-11.9%	-10.1%	-16.5%	-15.4%	-10.3%	-13.1%	-13.6%	-13.3%	-10.6%	-10.4%	-11.3%	-12.9%

Source: Author's analysis based on data from Office for National Statistics, 2011 census and 2001 census, and DWP data





# Conclusion and future trends

## Conclusion and future trends

### Summary

- Around 6.8 million people in suburban areas were in poverty in 2011. With changes to the housing market, falling real wages and welfare reforms, this figure could now be over 7 million.
- Poverty in the suburbs could become worse. Ever-higher housing costs and welfare reforms could make inner cities unaffordable for some on low incomes and could push them out to the (cheaper) suburbs.
- Moreover, welfare reforms could disproportionately impact on some at-risk groups who already live largely in suburbs.
- Suburbs often face a different set of challenges from urban and rural areas. However, differences between suburban places mean place-based approaches are necessary.
- Poor public transport is often a barrier to accessing jobs and services in suburbs.
- Ensuring poorer households are not isolated in suburbs will be a key challenge for both local housing and planning policies, as well as to public-sector and voluntary organisations providing much-needed support.
- There is a compelling case for a suburban renaissance, including much-needed investment in the physical and social infrastructure of poorer parts of suburbia.
- Most people in poverty live in suburban areas, yet there remains a lack of information about how suburbs are performing.

Most people in England and Wales live in suburbia. While suburbs have traditionally been seen as places of relative wealth and comfort, the findings in this report suggest that this stereotype misses the large numbers of people in poverty living on the edge of many of our towns and cities. Indeed, in absolute numbers most people in poverty live in the suburbs. In this sense, poverty is becoming much more of a problem for our suburbs.

The report estimates that in 2011 around 6.8 million people in neighbourhoods we define as suburban were in poverty (or 57% of all those in poverty). With increased popularity of cities (evidenced by population changes), higher private rents and lack of new urban public housing, higher levels of in-work poverty and welfare reforms, it is not unreasonable to think that more than 7 million people may suffer poverty in suburbia.

While the concentration of poverty and deprivation is not as high as in urban areas, the picture is changing. Over the decade 2001–11, there was a big rise in the number of small suburban areas with above-average levels of poverty. The number of suburban areas that had above-average levels of poverty (but were not within the poorest 20% of areas) rose by 90%.

The data maps shows that the gap in concentrations of poverty is narrowing between urban cores and suburbs in some of our major cities. Increasing numbers of suburban neighbourhoods have high levels of poverty, bringing major challenges in how we support those on low incomes. As the report observes, there are unanswered questions about how fit for purpose is the social

and welfare anti-poverty infrastructure in suburbia, especially in places where poverty is a relatively new phenomenon.

Despite the anecdotal evidence of poverty in suburbia, successive governments have often focused their neighbourhood renewal programmes exclusively on inner cities. Consequently, there is something of an information gap on how the suburbs have fared. The lack of research and data on the suburbs themselves is further complicated by the fact that there is no fixed and official definition of suburbia. We hope that by undertaking this research we have helped bridge that information gap, and by doing so at least pushed the issue of poverty in suburbia a little higher up the political and policy agenda. One major step forward in this regard would be for the Office for National Statistics and the DCLG to gather and publish regular details on how suburbs compare, and how they are coping and performing.

### *Policy solutions*

Although a better understanding of poverty in suburbia is a necessity, so too are policy solutions. With more suburban areas having above-average levels of poverty in 2011 than in 2001, there is a need to review existing policies and programmes and consider what new interventions might be better suited to poorer suburbs. This could include strengthening support networks provided by the state and the voluntary or third sector. One of the challenges is that the lower population density of suburbs means resources are likely to be more thinly spread.

Furthermore, poverty in suburbia may be much harder to detect and thereby prevent. Traditional housing estates may well have higher concentrations of poverty, but poverty could arguably go more easily undetected when hidden behind the door of a semi-detached house. Poverty is of course a problem wherever it is located. The causes of poverty may well be spatially blind, but policy responses will need to be tailored to take into account the different characteristics of different suburbs.

As the report highlights, particular household types are more common in the suburbs, and some groups at risk of poverty are prevalent in suburban areas. The findings suggest that there are a higher proportion of lone parents, older people (and older people claiming pension credit) and people with a disability in the suburbs. Household types and other poverty indicators differ between suburban places too, with suburbs in more urban areas for instance having higher levels of overcrowding. Indeed, different cities and towns each have their own particular labour market, transport and housing challenges. However, the report demonstrates that these differences are not as great across suburbs generally as the divide between rural and urban areas, and suburban issues around access to jobs, availability of public transport and provision of housing are not the same as those in inner cities.

The following section picks up on some of the broad policy themes that might affect suburbs in general. It makes some policy observations but is not intended as a prescriptive programme or comprehensive set of solutions.

## Housing

There are potentially two major causes of rising levels of poverty in some suburban areas: first, that those living in suburbs are becoming poorer; and second, that poorer people are moving to the suburbs. The second of these is in large part related to the way that rising housing costs in inner-city areas are driving people out to suburban areas in search of cheaper accommodation.

The report has shown that renting has increased at a faster pace in suburbs over the past 10 years than it has in non-suburban areas. Without a sustained increase in affordable housing provision, it seems unlikely that housing costs in high-demand areas will fall – indeed evidence shows lower-quartile rents in inner London becoming relatively more expensive compared with outer London.<sup>34</sup> A consequence of this for low-income households will be rising levels of overcrowding, squeezed budgets, more acute poverty and more people leaving the inner cities (with further impacts on urban suburbs). Most commentators in the housing market also forecast further expansion of the private rented sector beyond London and the inner-city areas.

These trends suggest that increasing numbers of people on lower incomes may have to move out of city centres to afford their rent. This is likely to be accelerated following changes to local housing allowance and reductions in social housing grant. Moreover, the welfare cap means that many larger families on lower incomes will find it impossible to live in high-demand housing areas. A recent study by the Cambridge Centre for Housing & Planning Research estimated that there would be a disproportionate increase in inner-city areas in London that would be unaffordable by 2016.<sup>35</sup>

Despite these changes, the impact of housing pressures should not be overstated. Those already in social housing are unlikely to move (as their rents are lower than in the private sector); those able to stay will possibly do so. Given the high concentration of social housing in inner-city areas, a sudden, wholesale movement of poorer households to the suburbs seems unlikely.

This pattern of change in renting may continue into the future, but what about poverty among homeowners in the suburbs? It seems unlikely that poorer people will be able to access homeownership in the future, resulting in higher levels of private renting. However, current homeowners could face financial problems as interest rates increase<sup>36</sup> and as interest-only mortgages are

34 For London the data between 2011 and 2013 shows that lower-quartile rents (which poor households are more likely to pay) in inner London experienced rises of 14% (£169 per month), compared with 11% (£100) in outer London. Moreover, in absolute terms the gap in rents between inner and outer London increased from £320 to £389 – in short, inner London was becoming even more expensive.

35 The study found that only 20% of inner London neighbourhoods would be affordable to those on low incomes by 2016 (down from 67%), whereas 44% would be affordable in outer London (down from 79%). Outer London will therefore have a much higher proportion of affordable neighbourhoods by 2016. While this trend is less extreme in other parts of the country, it does seem likely that in the future there will be proportionately more low-income people renting in suburban areas.

36 Worryingly, the Bank of England has stated: "A rise in interest rates, without a strengthening in income, could significantly increase borrower distress and losses to banks. One indication is that households accounting for 9% of mortgage debt would need to take some kind of action – such as cut essential spending, earn more income (for example, by working longer hours), or change mortgage – in order to afford their debt payments if interest rates were to rise by just 1 percentage point. This would rise to 20% of mortgage debt if interest rates were to rise by 2 percentage points" – Bank of England *Financial Stability Report*, June 2013, No.33

converted to capital-repayment mortgages (a big wave of such mortgages will mature in 2017).<sup>37</sup> It is unknown whether this is likely to affect suburban areas more than others, but the large numbers of homeowners living in suburbs suggests that this could be the case. Moreover, those in inner-city areas are less likely to be in negative equity (given the resilience in prices), so will be in a financially more secure position. In addition, housing requires constant investment, and for many poorer homeowners improvements and adaptations are beyond their means.

These changes have serious policy implications. If relatively low-income people move to suburbs, then more appropriate low-cost housing will be required. This could mean that new provision of social housing (and low-cost housing more generally) is required at a faster rate in suburbs than in non-suburban areas. This might be happening already, given how social housing is currently funded, with receipts from planning gain and limited housing grant being used for cheaper development in places where land values are lower (such as suburbs). However, repeating the mistakes of mono-tenure developments which blighted urban (and suburban) areas in the post-war period should clearly be avoided. Mixed communities should arguably be as much a part of the suburbs as of the inner cities. Connecting suburban housing to employment and increasing business investment in suburbia will be key components of any suburban renaissance. Moreover, if social and low-cost private housing is placed apart from wealthier homes and public transport, then the situation could become worse for those living in poverty in the suburbs.

An ageing suburban housing stock also creates some major challenges, especially given the much higher levels of homeownership in suburbia. With large numbers of private stock needing to be retro-fitted to improve energy efficiency, new and continued partnerships between homeowners and energy companies will be required (not least because average house sizes are larger in the suburbs, meaning that the cost to heat an average home is greater). Exploring how the state can enable poorer, older homeowners to release and use their housing equity for repairs and maintenance could also be part of the solution.<sup>38</sup>

More generally, improving the suburban fabric should be part of any suburban renaissance. Planning, development and regeneration could all play their part (not least because too often the public realm in suburban areas has lacked investment).<sup>39</sup> The suburbs will also need to be fully considered in the development of city regions and "city deals".

## Child poverty

Children living in lone-parent households are at a higher risk of being in poverty than those in two-parent families. As the report shows, more lone parents are found in suburbs than in other areas. Indeed, over the period there was a growth in the total number of lone-parent families, which was experienced most in the suburbs. Single-parent families are also set to increase over the coming decade. By 2021 the DCLG forecasts that there will be

37 FCA *Mortgage Market Review* (2013)

38 For more details, see: Hackett, P and Hunter, P *Selling Off the Family Silver* (Hanover, 2013)

39 See: Falk, N "Sustainable Suburbs – Learning from Europe" in Hackett, op cit

an additional 400,000 lone-parent households in England. If the spatial trend continues, then suburbia will be affected relatively more. Moreover, the impact of welfare reforms is forecast to reverse the progress made on reducing child poverty over the last 15 years.<sup>40</sup> This negative trend may be more pronounced in suburbia.

If lone-parent households are at greater risk of poverty and more of them live in suburbs, then policies that combat child poverty will benefit suburbs more – particularly the poorest areas. As the data shows, those out of work are most at risk of being in poverty. Supporting lone parents back into work through better childcare could be a way of ensuring that fewer children face growing up in poverty. Moreover, access to local jobs would help, given the difficulty that single parents face if commuting long distances to work. Clearly, any changes to welfare that reverse the negative impacts on poorer households with children would benefit poorer suburban areas.

#### *Older people*

While inner cities tend to have younger populations, suburbs have a relatively greater number of older people. Poverty rates among older people have fallen over the last decade, and recent welfare reforms have largely left pensioner benefits intact.

If there is an increased incidence of poverty among older people, however, it could well be a result of declining levels of homeownership – meaning more older people having to pay private rents.<sup>41</sup> There are also an increasing number of retired people who have not paid off their mortgages, and this is set to increase by the end of the decade. As a consequence, many may either have to exit homeownership (mortgages are often unavailable to those over 75) or struggle to meet mortgage repayments.<sup>42</sup> Not only could this push more older people into poverty, but also those in more affluent areas might need to move to a cheaper area in order to find more affordable accommodation – for homeowners, such a move might be driven by a need to release housing equity. Their likely destination would be poorer suburbs. If austerity measures start to seriously target benefits to less wealthy older people, these trends could be exacerbated.

Even if the risk of poverty among pensioners remains static into the future, the overall numbers of pensioners in poverty would rise. The number of households with people aged 65 or over is set to increase by 1.2 million or 20% by 2021.<sup>43</sup> This could mean rising absolute numbers of older people in poverty in suburbia. This will inevitably place extra pressure on already stretched local authority budgets.

If poverty among older people in suburbs does rise, then support

40 Although not just for lone-parent child poverty, the IFS has forecasted the impact of reforms on child poverty. The picture is bleak, with increases resulting in a return to levels similar to those in the late 1990s.

41 Over the last decade the proportion of those aged 45–64 who rented privately rose from 5% to 10% (English Housing Survey and Survey of English Housing).

42 At present around 52% of those claiming support for mortgage interest are retired, and over the decade approximately £2.4 billion of mortgage debt will mature for those over 65 who do not have a plan for repayment. See: Haggart, K "Debt and Equity Release" in German, M (ed) *Making the Most of Equity Release* (Smith Institute, 2012)

43 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/190229/Stats\\_Release\\_2011FINALDRAFTv3.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/190229/Stats_Release_2011FINALDRAFTv3.pdf)

networks for those in poverty will need to improve. This would include public services and support from the voluntary sector. However, at present anecdotal evidence suggests local government cuts are falling disproportionately on the voluntary sector, which may leave those most reliant on them more isolated. This means that accessing shops and services is likely to become even harder in suburban areas, because they are spatially more spread out and people there are more reliant on the car.

There are big challenges about how we adapt to an ageing society, including around integrating health and social care and greater investment in prevention. These apply across the country but are particularly pertinent to suburban areas with their high concentrations of older residents.

#### *Disability*

Among the biggest losers from austerity measures have been disabled people.<sup>44</sup> The cuts not only impact on cash transfers (over and above general changes, disabled people could be affected by changes to incapacity benefit, abolition of the independent living fund, and changes from disability living allowance to personal independent payment) but also access to care.<sup>45</sup> This has consequences not only for the life quality of those with a disability but also for their potential to enter and remain active in the labour market. These changes could mean a proportionately larger increase in poverty rates in the suburbs, where the numbers of disabled people (and disability living allowance claimants) are higher.

Reversing some of the welfare reforms could help reduce poverty among those with a disability living in the suburbs. Ensuring accessible transport in suburbia could also help people with a disability to enter the labour market.

#### *Jobs and growth*

Over the period 2001–11 unemployment rose more rapidly in suburban areas. It is difficult to know whether this is a long-term trend or a cyclical one affected by the nature of the recession. During the same period those who were workless (other) reduced in number more dramatically in the non-suburbs. The numbers of self-employed moved in the opposite direction, with a bigger rise in non-suburbs. While being on a wage below the living wage is not an indicator of poverty as such, and the data is only available for inner/outer London, the numbers of those on such wages increased more dramatically in outer than inner London. In both 2005 (the first year the London living wage was set) and 2012 outer London had 63% of those paid below the London living wage, but the proportion of sub-living-wage employees was higher in outer London and has increased most there over the period.<sup>46</sup>

Related to the labour market is the performance of local economies. While individual welfare reforms affect particular

44 In total 3.7 million people will lose £28 billion by 2018 as a result of the welfare changes.

45 A coalition of disabled charities has estimated that 105,000 working-age disabled people are set to miss out on care and support as a result of cuts to local authority budgets. Their survey showed that a third of disabled adults thought they would be unable to work, volunteer or train after losing support services.

46 Author's calculations based on Annual Survey of Hours and Earnings data

groups, the overall impact on places may have serious implications for some suburbs. According to Christina Beatty and Steve Fothergill at Sheffield Hallam University, outer London boroughs such as Brent, Haringey, Enfield and Ealing feature among the 20 local authorities worst affected by the welfare reforms – that is, the places with the greatest loss per head in welfare.<sup>47</sup> Greater numbers of lower-income households are likely to constrain local economic activity and reduce the number of local jobs.

Those seeking work in suburbia may face additional difficulties accessing the labour market compared with job seekers in inner cities. A primary problem is being physically able to attend job interviews. The poor transport networks or expensive public transport in some suburbs may mean those in poverty struggle to find employment. Moreover, when they do find work it could be expensive and time-consuming to commute.

Transport could also be a growing factor in increasing the cost of living for those in work living in suburbs. Those in less urban areas are less likely to use public transport; and whereas bus fares have risen by 30%<sup>48</sup> between 2001 and 2013, petrol prices have risen by 70%.<sup>49</sup> This obviously has a disproportionate effect on low-income households in suburbia who are reliant on the car because bus services are too infrequent and unreliable (often the case in areas in the outer suburbs).

### *Conclusion*

For too long, suburbs – and in particular poverty in suburbia – has been overlooked. The findings in the report show that this should no longer be the case. The number of suburban areas with above-

average levels of poverty looks set to continue rising, as inner cities and town centres continue to be popular places for wealthier people to live and work.

The image of suburbia as a place of relative affluence may continue to hold true in particular parts of the country, yet it is increasingly inaccurate. Among other things, scarcity of land for low-cost housing in inner cities, along with welfare reforms, appear<sup>50</sup> in some places to be pushing poverty out from the city centres towards the suburbs. In addition, household composition suggests that suburbs could become poorer, with rising numbers of lone parents and less-wealthy older people living in suburban areas.

These trends are likely to test public services in suburban areas and demand new, "localist" policy responses. Before this happens, a shift is needed in the way we view both suburbia and how city centres connect to their suburbs.

Suburbs may not be looked upon with great affection by some, yet they remain places where people want to live. It is important to ensure that what attracted people to suburbia in the first place is not eroded. This is not to say suburbs should be only for the relatively wealthy, but rather that particular suburbs most in need of support should not be overlooked. This requires not only renewal and investment in the built environment but also greater understanding and focus on other aspects of suburbia, not least the resilience of their local economies and social infrastructure. In short, we need to reimagine how we view suburbia and rethink how we support poorer suburbs. Failure to do so risks overlooking the majority of people in poverty.

47 Beatty, C and Fothergill, S *Hitting the Poorest Places Hardest: The Local and Regional Impact of Welfare Reform* (Sheffield Hallam University, 2013)

48 Department for Transport, Table BUS0405

49 AA *Fuel Price Report*, January 2001 and October 2013

50 Indeed, many of the welfare reforms implicitly are in favour of it. David Cameron has justified reforms on the grounds that those on middle incomes are not in favour of "working hard to give benefits so people can live in homes they couldn't even dream of".



# Appendices

## Appendix 1: Understanding poverty by place – the methodological challenge

Tracking and measuring poverty by place is a difficult task. Official measures of poverty, largely conducted by the DWP and reported in its *Households Below Average Income* (HBAI) publications, are undertaken using survey results that are then extrapolated to give figures for the country. The data is therefore too narrow to present the information for areas smaller than the regions. The way suburbia is categorised in this report means that data is required at LSOA level. As mentioned in the report, census questions also do not ask about income.

One means of tracking poverty could be to use information from the Index of Multiple Deprivation (IMD). The government since the 2000s has used this to compile data on deprivation at LSOA level. However, there are several problems using this data for the task of identifying and tracking poverty in the suburbs. As the name suggests, the IMD is an indicator of deprivation rather than poverty per se. The measure was originally used for resource allocation, and as such is tailored to identifying the most deprived communities in order to allocate funding or, more recently, to set local priorities. It is also ordinal, which means that small increases could result in big changes in ranking – because some communities' scores might be bunched together, especially in the middle of the distribution. Having just a handful more people out of work could result in an area rising rapidly in the IMD table without the area declining very much.

The challenge is therefore to find ways of measuring poverty at the lowest possible level, not least because (as has been demonstrated) the "scaling" effects mean that using larger areas masks differences in deprivation within the larger unit.<sup>51</sup> Bearing this in mind, the method adopted in this report is twofold, with both aspects using indicators to examine the changes. The first looks at the individual indicators associated with poverty. However, while indicators are useful in understanding the changes, they do not in themselves give a picture of overall change. As the geographer Danny Dorling notes, "more simplistic, individually focused indicators of poverty can be more headline grabbing but are not good measures of poverty or the impacts of social policy".<sup>52</sup> Therefore a second approach is adopted that bundles together and weights some indicators to create an estimate of poverty rates. These indicators have to be available at LSOA level in 2001 and 2011 in order to be matched to areas categorised as suburban.

This report uses both information from the census and data from the DWP on means-tested benefits. It also draws on approaches employed in two studies: *Small-area Measures of Income Poverty*<sup>53</sup> and *Poverty and Wealth and Place in Britain, 1968 to 2005*.<sup>54</sup> The first assesses an indicator's coverage, validity and stability. Coverage refers to the number of people in poverty who have a particular characteristic – for example, how many households or people in poverty are in receipt of job seeker's

allowance. Validity means how many who have a particular characteristic are in poverty – for example, the number of households in overcrowded housing who are poor. And stability means whether the definition or eligibility has changed over time – for example, whether eligibility for receiving income support has changed or if what we mean by overcrowding has altered. Much of the data on the validity and coverage of the indicators used in this report is available in the government's HBAI reports.

The *Small-area Measures of Income Poverty* study uses means-tested benefits for which figures are available at LSOA level. It has the advantage of tracking poverty on a yearly basis to assess the impact of policy and economic changes. As the study makes clear, however, it does ignore particular groups, not least those in work. Moreover, some of the datasets used, such as employment and support allowance, were not available in 2001.

The second study, *Poverty and Wealth and Place in Britain, 1968 to 2005*, uses a range of indicators to assess poverty at a lower level. This is then compared against a study of poverty to see which characteristics best match poverty rates by place. The indicators and weightings used are:

- overcrowded households;
- households renting socially;
- lone-parent households;
- households with an unemployed household reference person (HRP);
- households with no car;
- households renting privately;
- households with a member who has a limiting long-term illness
- households with no central heating or without sole use of amenities; and
- households with HRP in a low social class (ONS socioeconomic classification 6, 7 or 8).<sup>55</sup>

Given the changing nature of poverty as outlined above (in particular regarding in-work poverty), and to capture poverty among older people, this range of indicators is supplemented. The following indicators therefore are also used to capture the range of household types and economic activity/inactivity:

- lone parenthood;
- tenure;
- overcrowding;
- workless other households (unemployed HRP);
- pension credit (the guarantee element);
- disability;
- car ownership;
- part-time work; and
- self-employment.

The official data presents information on poverty by household, but the unit used is individuals. In other words, X% of *people* in poverty live in *households* where no one is working. The combined indicator method adopted here therefore aims to measure the

51 Fenton, A *Small-area Measures of Income Poverty and Poverty* (LSE, 2013)

52 Dorling, D et al *Poverty and Wealth and Place in Britain, 1968 to 2005* (URF University of Sheffield, 2007)

53 Fenton, op cit

54 Dorling, op cit



number and proportion of *people* in poverty and compares the results with regional data over time.

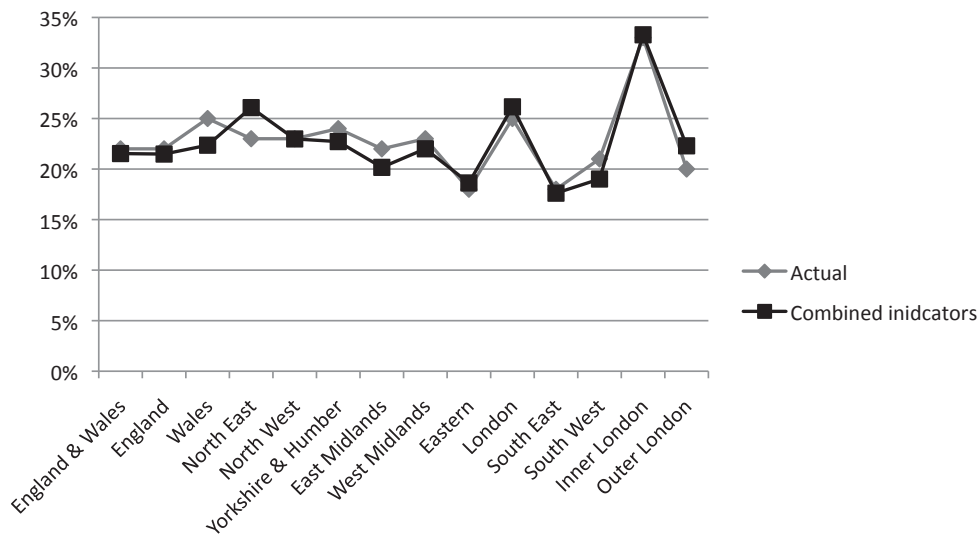
The indicators listed above are a combination of household and individual characteristics. Where possible, data by household or household representative person is used. However, this is not always possible because of the lack of data. For example, data on self-employment and part-time working in the 2001 census is available only by individual.

These combined indicators were weighted to best fit overall poverty levels by region in 2001, and in the case of London, for inner and outer London. These regions are different in nature so are characterised by different types and causes of poverty. Some regions are more rural or urban than others, while some have higher levels of economic prosperity. The following graphs show the close match attained using combined weighted indicators of poverty.

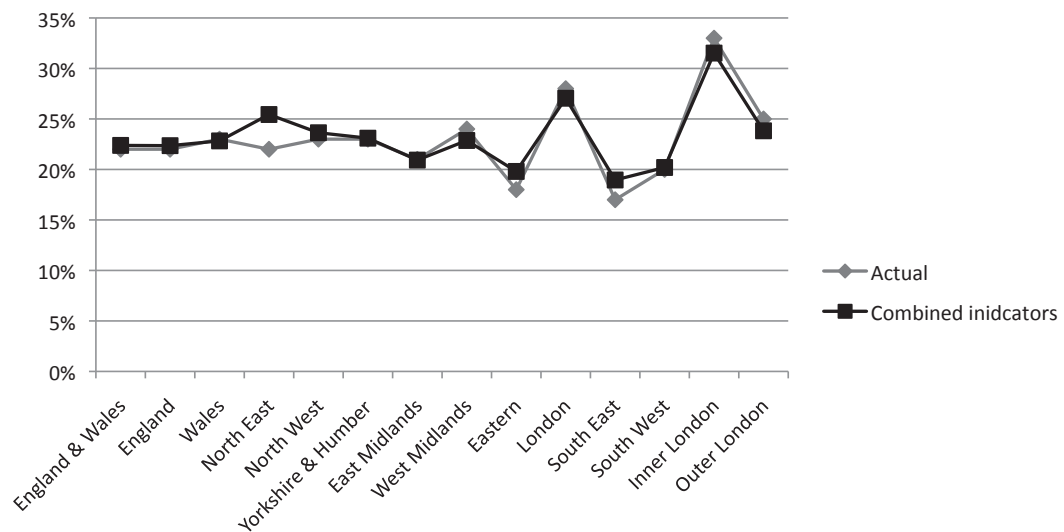
As the above section has shown, the risk of being in poverty has changed for particular groups. To incorporate the changing risk profile of poverty, weightings are (slightly) adjusted. This has been done using official data and reducing or increasing 2001 weightings accordingly. So for example, the risk of being in poverty for a lone-parent household dropped from 54% in 2001 to 43% in 2011, and therefore the weighting in 2011 is 80% of the 2001 figure. The weightings and risk of poverty for the indicators are presented in the table below.

Using regional data might not be the best guide to poverty in much smaller areas. However, in 2008 the government used data on incomes based in part on benefits to create a map of poverty in the UK. Comparing the results from this map to 2011 data shows a close match between those findings (based on medium super output areas) and the results using the method adopted in this report (based on lower super output areas). See page 24 for the maps.

Poverty rates, 2001



Poverty rates, 2001



**Weightings for combined indicators of poverty**

	2001	2011
Overcrowding	0.55	0.55
Lone parenthood	0.4	0.33
Unemployment	1.8	1.776
Social housing	0.35	0.33
Private renting	0.1	0.095
Part-time working	0.3	0.38
Workless (other)	0.4	0.34
Income support/ pension credit	0.9	0.74
Not owning a car	0.17	0.17
Limiting disability	0.055	0.044
Self-employed	0.2	0.21

## Appendix 2: Non-suburbs and datasets

The identifies suburbs at an LSOA level, which splits the country into areas of around 1,000 to 3,000 people. Given the rapidly shifting demographic nature of some places, LSOAs change. Consequently, there is no comparative data for some places between 2001 and 2011. This is largely the case in urban areas, which are most likely to experience rapid changes in population. For this reason, it is difficult to assess poverty just in urban centres. The report therefore just compares suburbs with the rest of the country, which is referred to as "non-suburbs". The "non-suburbs" category includes both urban and rural areas as well as the small number of suburbs for which there is no comparative data (around 4% of those classified as suburban).

This suburban/non-suburban divide enables a comparison

between places by subtracting data from suburbs in a particular locality from the location's overall data for which statistics are available. So for example, information from Birmingham suburbs can be subtracted from Birmingham's data to give the non-suburban total, be it population or a particular indicator of poverty.

The particular eight city areas examined in section three are based on data for local authorities rather than travel-to-work areas or "urban units". Although not ideal, this does enable comparisons because information is available at a local authority level for both 2001 and 2011. It is noteworthy that, given the nature of many of the metropolitan authorities examined, the divide between suburbs and non-suburbs is largely between suburban and urban.

### **The Smith Institute**

The Smith Institute is an independent think tank which provides a high-level forum for thought leadership and debate on public policy and politics. It seeks to engage politicians, senior decision makers, practitioners, academia, opinion formers and commentators on promoting policies for a fairer society.

If you would like to know more about the Smith Institute please write to:

The Smith Institute  
Somerset House  
South Wing  
Strand  
London  
WC2R 1LA

Telephone +44 (0)20 7845 5845  
Email [info@smith-institute.org.uk](mailto:info@smith-institute.org.uk)  
Website [www.smith-institute.org.uk](http://www.smith-institute.org.uk)