

CHILDREN AND YOUNG PEOPLE OVERVIEW & SCRUTINY PANEL

16 June 2011



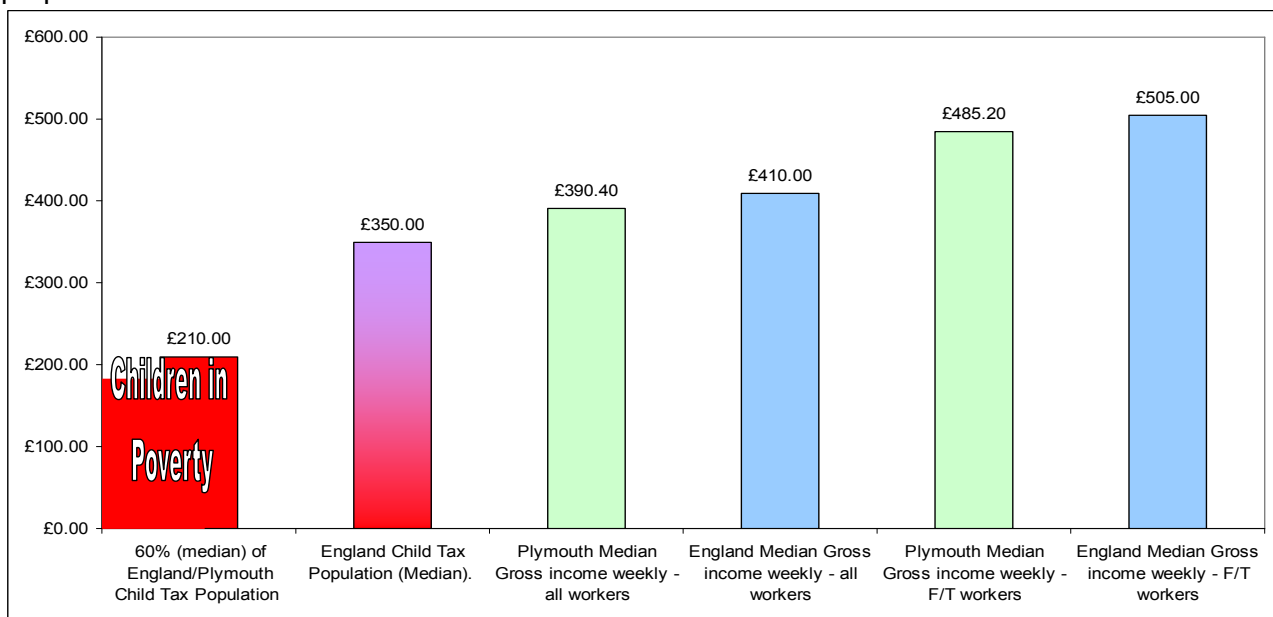
PLYMOUTH
CITY COUNCIL

Resolution: 240311 91(2)

Median income for Plymouth families living in poverty

The amount of money a family has to have coming into the house to be considered living in poverty is £210.00 per week. This figure is calculated and reported by the National Child Poverty Unit (CPU). The calculation is one which can only be applied nationally as CPU source data can not be reported at a 'local' level because of the way it is collected. This means that the Plymouth median income is the same as every other Local Authority across the Country.

All families with an equivalised (see footnote) income of less than £210.00 a week are classified as living in poverty, this is a very low income, especially when we compare it to other weekly incomes across the City/Country. The graph below provides details of gross median income for both Plymouth and England for all workers and Full time workers which can be used for comparison purposes.



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Footnote: Income Equivalisation

Income equivalisation takes into account variations in the size and composition of the families in which children live. This reflects the common sense notion that, in order to enjoy a comparable standard of living, a family with say three children will need a higher income than a single person living alone. Consider a single person, a couple with no children, and a couple with two children aged fourteen and ten, all having unadjusted weekly family incomes of £200 before Housing costs (BHC). The process of equivalisation, gives an equivalised income of £299 to the single person, £200 to the couple with no children, but only £131 to the couple with children.

The threshold was not applied to children in families in receipt of out of work means-tested benefits as the necessary income information is not available. Children living in these families are included because they are known to have a high risk of low income poverty and are often used as a proxy measure for income deprivation.