

Summary on a Page: May 2010

State of the nation report: poverty, worklessness and welfare dependency in the UK

What is it?

The state of the nation report is an assessment of poverty in the UK in 2010. It will be used by the new government to inform policy decisions aimed at tackling poverty and improving life chances.

What does it say?

The report includes a range of poverty and deprivation indicators, including income poverty, indebtedness, unemployment, welfare dependency and educational and health inequalities. These measurements show that despite increased expenditure, poverty and inequality remain a serious problem across the UK. The document presents key statistics to illustrate the current situation.

Severe poverty has increased since 2004 and almost one in ten people live in persistent poverty. Risk of poverty is unevenly spread in terms of region, ethnicity, household structure and disability status. Income inequality is growing in the UK and wealth inequality is even more pronounced. The bottom third of the wealth distribution owns just 3% of total wealth in the UK.

Over a quarter of working-age adults do not work. The UK has one of the highest rates of workless households and one of the highest rates of children living in workless households in the EU. Over 2.5 million people are unemployed. Certain groups are particularly likely to be out of work, e.g. over a third of Black African households and over half of disabled people are not in work. Workless households are more likely to experience poverty than households where at least one adult works and children living in couple households where no adult works have over a 64% chance of living in poverty, compared to a 1% chance for those living in a household with two adults in full-time work.

At least 12 million working-age households receive benefits each week and around 2.6 million people have spent at five years on out of-work benefit. The poorest 20% of households receive on average 58% of their income from the state.

The health gap between rich and poor remains wide and health inequalities are higher than in the 1970s. The gap in educational attainment between children from wealthy and deprived backgrounds remains high, a child eligible for free school meals is half as likely to achieve five or more A*-C GCSEs as a child from a wealthier background. Additionally, many people in the UK are held back due to lack of skills and around 10% of the working-age population have no qualifications.

Loneliness is a serious problem, especially for older people. Half of people aged 75 and over are living alone and 45% of older people consider television their main form of company.


Poor-quality housing and the growing waiting list for social housing is a significant problem and has a direct impact on economic, health and social outcomes.

Low-income households are concentrated in inner-city and isolated rural areas; around 40% of people on out-of-work benefits live in the 20% most deprived neighbourhoods; worklessness rates among those in social housing is more than double that of the general population; and indicators of educational disadvantage, such as absence rates, are higher in the most deprived areas.

Any implications?

Whilst the report comes across as very 'doom and gloom' some of the statistics it presents may be useful to VCS organisations, particularly those working with targeted groups, such as people with disabilities, young people, older people and people from ethnic minorities, as using as evidence to make a case for support in funding bids.

Key links:

 Read the full programme: [State of the Nation Report](#)