

Poverty and Wealth in the Bournemouth, Poole and Christchurch Conurbation, 1980 - 2000

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Introduction

A recently published report – *Poverty, wealth and place in Britain, 1968 to 2005*¹ examines the changing pattern of poverty and wealth in Britain over several decades.

The authors conclude that :

Over the past 15 years, more households have become poor, but fewer are very poor. Areas already wealthy have tended to become disproportionately wealthier, and we are seeing some evidence of increasing polarisation. In particular there are now areas in some of our cities where over half of all households are breadline poor.

Using data available to the authors of this report, and using their definitions of poverty and wealth, we present here a snapshot of the situation between 1980 - 2000 as it pertains to the Bournemouth, Poole and Christchurch conurbation and make comparisons with the national picture. (The authors also had access to data supplied by Barclays Bank, used to estimate individual incomes for the later years in their study. Unfortunately, this data is not available to us.)

We shall refer to *Poverty, wealth and place in Britain* below as “the main report”

This report is necessarily brief. For full definitions and notes on methodology see the main report.

Main findings

The increase in the numbers living in (breadline) poverty reported below is, perhaps, of concern not only because of the obvious immediate effects of living in poverty but also because being poor is a very strong statistical predictor of other negative outcomes.

There is evidence of increasing and continuing economic polarisation within the Bournemouth, Poole and Christchurch conurbation, particularly within Poole.

¹ Dorling, D., Rigby, J., Wheeler, B., Ballas, D., Thomas, B., Fahmy, E., Gordon, D. and Lupton, R. (2007) *Poverty, wealth and place in Britain, 1968 to 2005*, Joseph Rowntree Foundation. See also [Spatial and Social Inequalities website](#) for further useful information and datasets.

Wealth classifications

In this study, all households are divided into three broad mutually exclusive categories:

- (1) Breadline Poor
- (2) Asset Wealthy
- (3) Neither Breadline Poor nor Asset Wealthy

In addition, we refer to

- (4) Core Poor
- (5) Exclusive Wealthy,

which are assumed to be subsets of Breadline Poor and Asset Wealthy respectively.

Brief descriptions of these categories are as follows:

Breadline Poor. Households under the relative poverty line, as determined by the Breadline Poverty Index. In brief, the resource level of such households is so low as to exclude them from participating in the norms of society.

Asset Wealthy. Households such that their net housing equity plus other assets exceeds the inheritance tax threshold. (See Appendix 1:Methods, of the main report below for further details of the methodology employed.)

Core Poor. Such households are “income poor, materially deprived and subjectively poor”. For example, one such household would (by definition) have an income less than 70% of equivalised median income, be materially deprived in at least one respect (e.g. they might buy clothes from charity shops) and the occupants must genuinely believe that they are living in poverty. Few would dispute that the Core Poor are genuinely poor.

Exclusive Wealthy. If the poor are such that their situation prevents them from participating fully in society, the Exclusive Wealthy have a level of resource which enables them to exclude themselves, should they so wish, from participating in the “norms” of society. So, such households are more likely to use private health and education, have second homes, and so on. Few would dispute that such households are wealthy. K-means cluster analysis is used to identify a “rich” cluster and the exclusive wealthy have incomes and expenditures above the medians for this cluster.

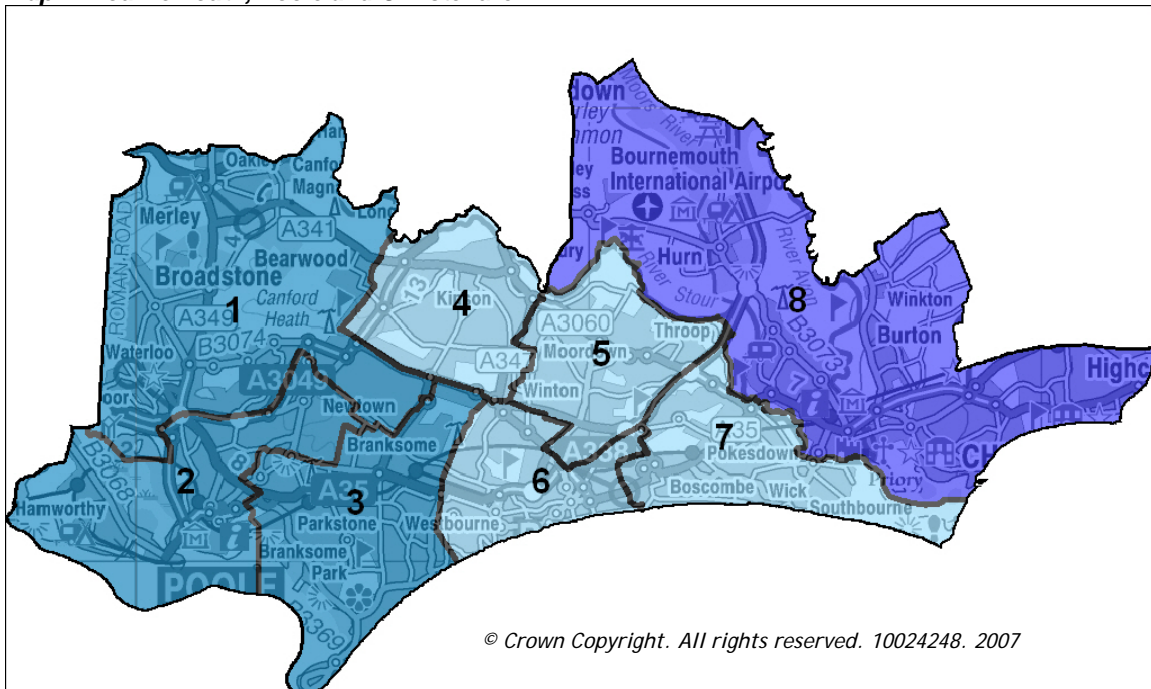
We shall sometimes refer to the Breadline Poor and Asset Wealthy as simply Poor and Wealthy, respectively.

Tracts

The data are available at *tract* level, where a tract is roughly half of a parliamentary constituency. Our area of interest here is the Bournemouth, Poole and Christchurch conurbation (BPC) and *Map 1* below shows the eight tracts giving best fit to our region of interest. Poole is tracts 1-3, Bournemouth tracts 4-7 and Christchurch tract 8. BPC is tracts 1-8.

We examine the situation with respect to (i) Bournemouth (ii) Poole and (iii) BPC as a whole. (We do not consider Christchurch separately because of its relatively low population size.) We also make national comparisons.

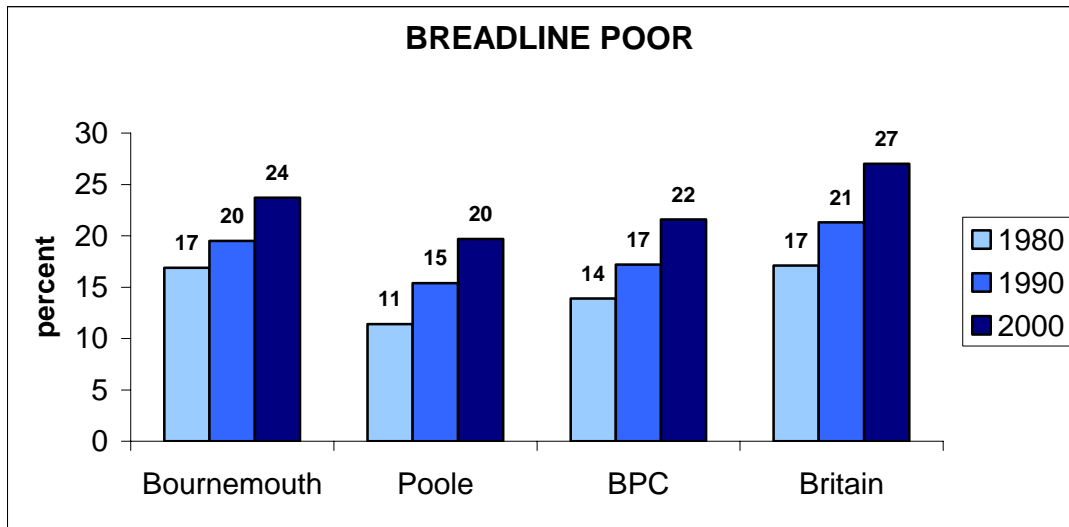
Map 1. Bournemouth, Poole and Christchurch



Breadline Poor

The most striking thing is the steady increase over the period in the proportion of those households classified as Breadline Poor. This is illustrated in *Figure 1* below.

Figure 1. Percentage of households that are breadline poor, 1990-2000



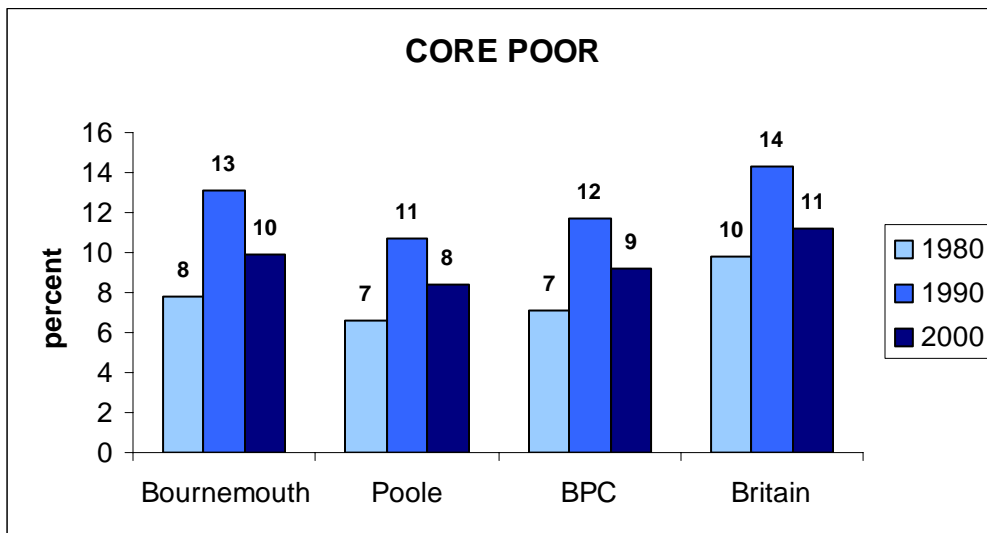
Poole had a consistently smaller proportion of its households in poverty than either Bournemouth or BPC. However if we define *poverty growth* over the period as the ratio of the proportion of households in poverty in 2000 to the proportion in poverty in 1980, then Poole shows the fastest growth, with a ratio of 1.72. The corresponding ratios for Bournemouth, BPC and Britain are 1.40, 1.55 and 1.58 respectively. A 58% increase in the national proportion of poor households is of interest.

Core Poor

For each of our four geographical areas of interest, the level of core poverty increased between 1980 and 1990, fell in the next decade, but was then still above 1980 levels. The fall is probably due to the introduction of measures such as the Minimum Wage, Working Families and Pension Tax Credits and others. Poole had consistently less of its population, in proportional terms, in core poverty than the other areas.

In 2000, more than 10% of households were very poor in Britain and 10% of all households in Bournemouth were also very poor. See *Figure 2* below.

Figure 2. Percentage of households that are core poor, 1990-2000



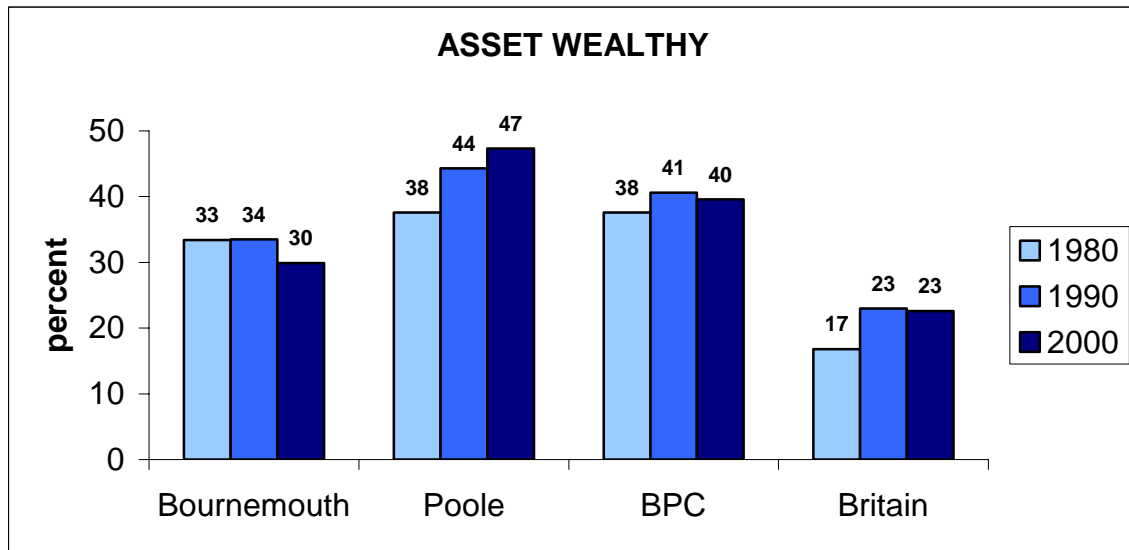
In 2000, the proportion of all (breadline) poor households who were core poor was around 42% for each of our areas of interest.

Asset Wealthy

If poverty has received much attention lately its counterpart - wealth - may arguably have been neglected. A proper study of the changing structure of society surely requires a proper investigation of this issue. So, it is to be welcomed that the main report attempts to do this.

Most tracts showed an increase in asset wealthy households between 1980-1990 followed by a decline in the following decade. Each of the areas of Poole, Bournemouth and BPC has been consistently wealthier than Britain as a whole, as shown in *Figure 3* below. Poole differs from the general picture in that the proportion of households classified as asset wealthy increased over both the periods of 1980-990 and 1990 –2000. Indeed, 47% of households in Poole were asset wealthy in 2000 compared with only 23% for Britain as a whole. This is probably due to relatively high house values.

Figure 3. Percentage of households that are wealthy



Exclusive Wealthy

"We are intensely relaxed about people getting filthy rich." Peter Mandelson².

In recent years there has been a marked increase in the numbers who may be described as Exclusive Wealthy. Typically, they use private health and education, have second homes, domestic staff, luxury cars and so on.

Reporting on the latest compilation of its Rich List, the Sunday Times' Richard Beresford wrote that³:

"Wealthy people in Britain have never had it so good. Nervous stock markets and fears that the property boom has peaked have barely registered in the ranks of The Sunday Times Rich List... The past decade of Labour government under Tony Blair has proved a golden age for the rich, rarely seen in modern British history."

Beresford's observations apply, of course, to more than the 1,000 individuals who qualify for the list.

The growth in the numbers are Exclusive Wealthy can also be observed locally, especially in Poole. See *Table 1* below. (The growth factor is the ratio of the 2000 and 1990 percentages.)

² *Financial Times*, October 23, 1998. By "we" he meant New Labour.

³ *Sunday Times*, April 29, 2007

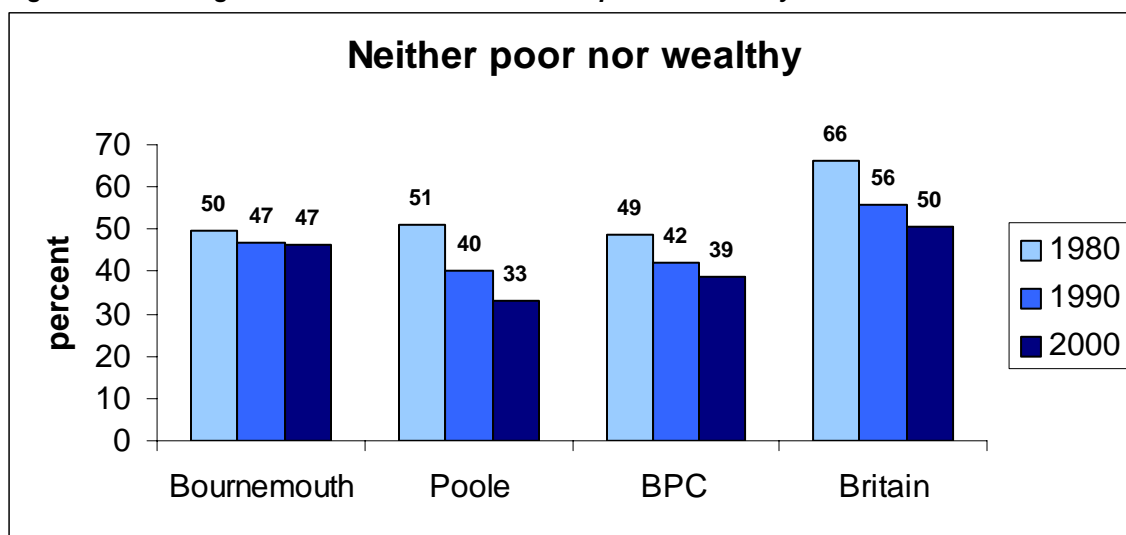
Table 1. Growth in Exclusive Wealthy Households

Area	Exclusive Wealthy, 1990 (percent)	Exclusive Wealthy, 2000 (percent)	Growth factor
Poole	1.3	8.9	6.8
Bournemouth	0.7	1.8	2.6
BPC	2.7	5.7	2.1
Britain	3.5	5.6	1.6

Neither (breadline) poor nor (asset) wealthy

We now examine those who are neither poor nor wealthy. In 1980, two out of three households nationally were in this category, but this has dropped to one in two, as the numbers who are wealthy and the numbers who are poor both increase. In Poole *only one in three* households now occupy this “middle ground”. See *Figure 4* below.

Figure 4. Percentage of households that are neither poor nor wealthy



The situation since 2000

In investigating the situation post 2000, Dorling and his colleagues had access to data provided by a subsidiary of Barclays Bank which estimates the income of

the bank's customers. There are, of course, limitations to this, but the data suggest that those constituencies with the largest mean income levels saw disproportionately high increases in income between 2003-5 and that many on modest incomes saw decreases.

This, and other evidence, suggests that the trends in economic polarisation observed above are likely to have been maintained.