

Chapter 1: Risk: Workless Households

Key Findings

- 31% of households with children are workless; more than double the national rate of 14%
- Children living in a household where no one works accounts for 77.8% of child poverty in Hackney; 11.4% live in working households and for the remaining 10.8% the work status of the family is unknown.
- Child poverty where at least one parent is working is concentrated in the north of the borough; workless child poverty is more concentrated in the east and southern wards.

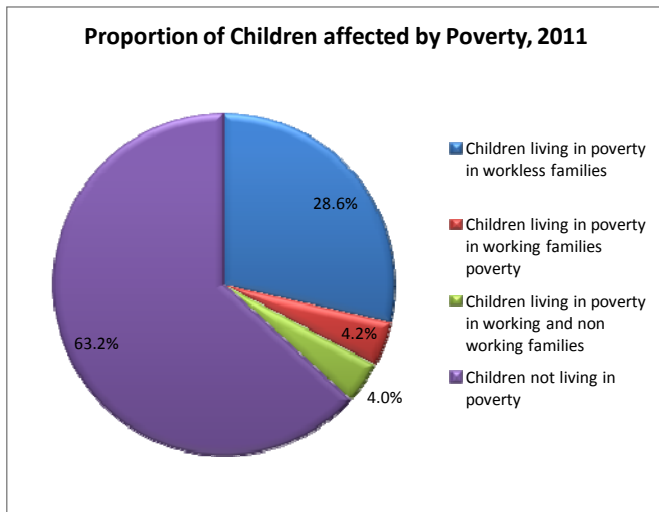
Workless poverty

Despite stagnation in the levels of working poverty between 2010 and 2011, for 4% of children in Hackney a working family income is not enough to stay out of poverty. However, the most prolific type of poverty in Hackney, and across England and London, exists in households that do not work. On this basis, it is arguable that work remains the most sustainable route out poverty with this section demonstrating how children in workless households are seven times more likely to be in poverty than those in working families. (Further discussion on worklessness can be found in the following section on risk and family type and in the impacts and drivers chapter on parents and employment.)

Child poverty by in- work and out-of-work households

Children in workless households are more at risk of poverty than working households in Hackney. Of the total number of children in Hackney, approximately 28.6% live in poverty in workless homes where either income support/job seekers allowance is claimed; approximately 4.2% of children live in homes classed as being in in-work poverty where working tax credits (WTC) and child tax credits (CTC) are claimed and household income is less than 60% of the national median income; and a further 4% live in homes that may or may not be in work, where just CTC is claimed and income is less than 60% of the national median income.

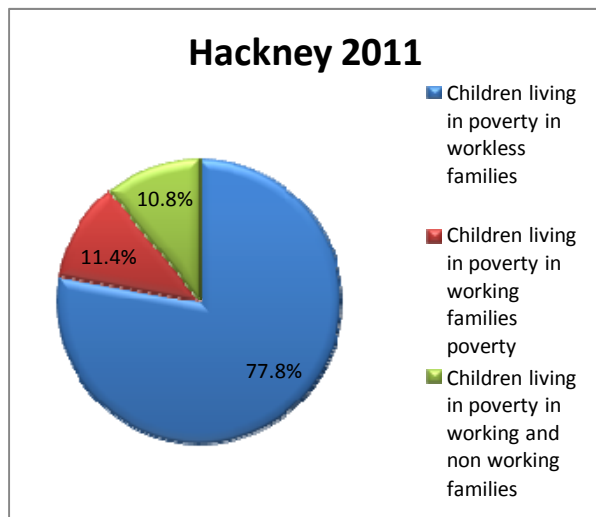
Children in Hackney affected by Poverty

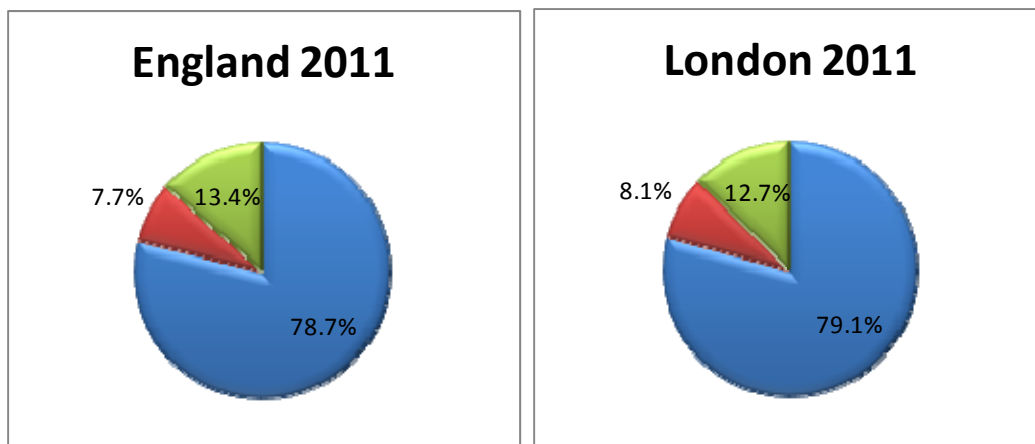


HMRC: 2011

Of the total number of children in poverty in Hackney, 77.8% live in workless households, 11.4% live in working households and for 10.8% the work status of their family home is unknown. Despite having a higher rate of child poverty than London and England as a whole, the working and workless aspects of child poverty in Hackney are reflective of regional and national patterns, with a higher rate of poverty amongst working households.

Child Poverty – working households, workless households and unknown households

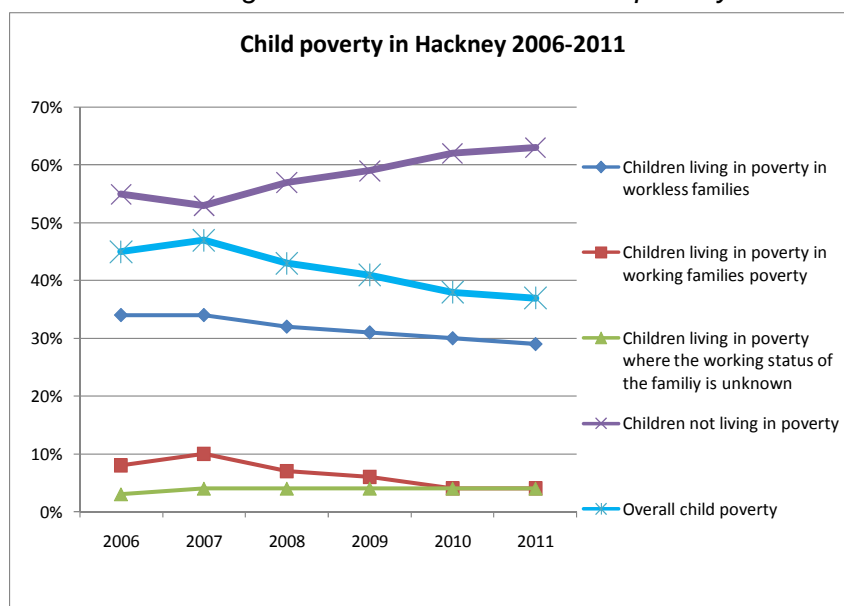




HMRC child poverty data 2011

Despite this, the graph below, depicts the change in the components of child poverty in Hackney over time and shows that working poverty affected 10% of children in Hackney in 2007 reducing year on year to 4% in 2010, more than halving the proportion of children affected. However, this figure stagnated into 2011. The workless poverty rate also reduced over this period from 34% down to 29%.

2006-2011: working and workless households in poverty



Spatial analysis of in- work poverty and out-of- work poverty

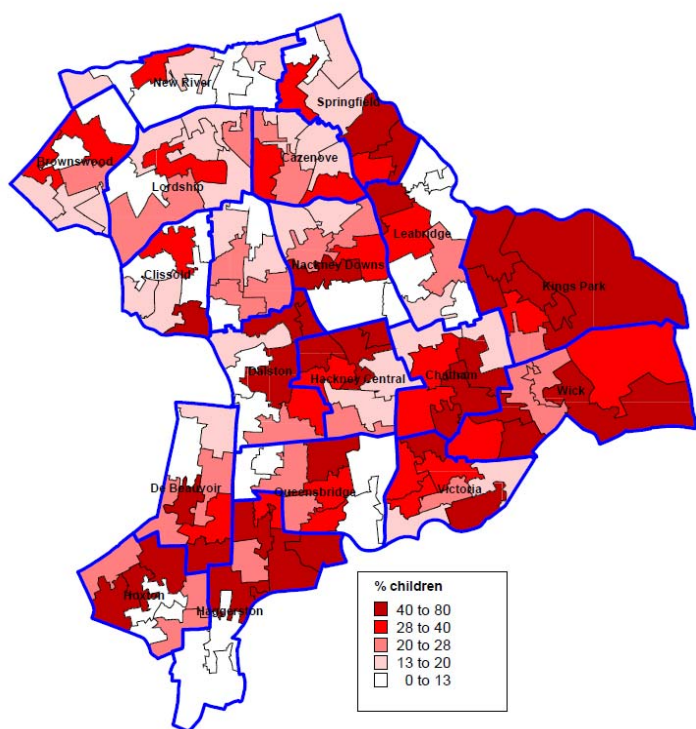
The figure below depicts that child poverty in workless households is concentrated in wards in the south east of the borough, with particularly high

rates in Wick, Kings Park and Chatham. In the most highly affected areas, up to 80% of children live in poverty in workless households.

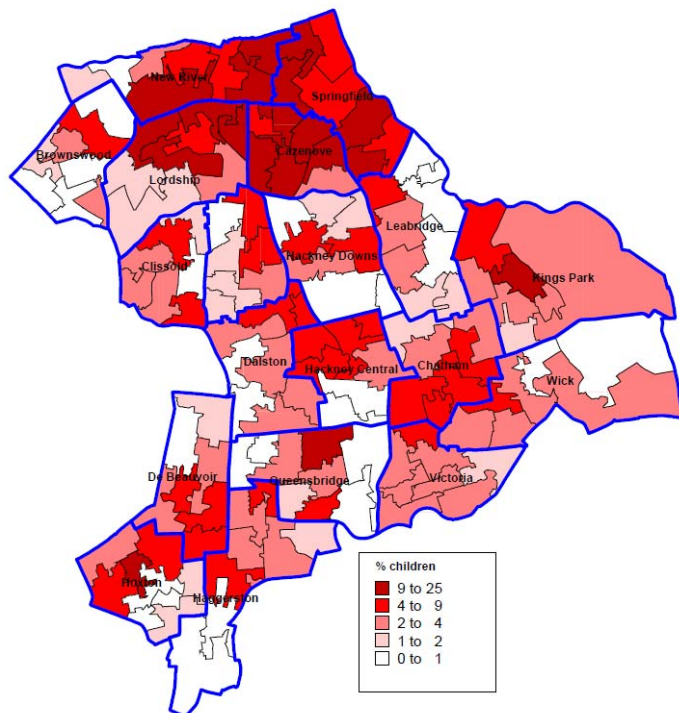
Children living in poverty in workless households account for the majority (77.8%) of child poverty in Hackney so it follows that the areas with concentrated pockets of workless child poverty depicted in figure X reflect those where child poverty is more concentrated generally (see maps in Child Poverty chapter).

Despite working poverty affecting just 4% of children in Hackney, significant pockets exist within the borough, with particular concentration across in the north of the borough. North Hackney has relatively low levels of child poverty overall, however, in New River, Springfield, Cazenove and Lordship wards, up to 25% of children live in poverty where at least one member of the household works. With high fertility rates in the north of Hackney, reflected in the high proportions of 0-4 year olds, it is likely that child poverty in this area of the borough affects younger children in working families.

*Children living in poverty in **out-of-work** households*



Children living in poverty in **working** households



Source: HMRC poverty data 2007-2011