



Understanding  
Society

# INSIGHTS

2014 FINDINGS FROM THE LARGEST LONGITUDINAL STUDY OF UK HOUSEHOLDS

*What tasks do you do in your job?*

*How many of your friends have a similar education as you?*

*How well are you managing financially these days?*

*How important is being British to you?*

*Do you ever use any type of childcare for your child(ren)?*

*Have you ever lived with someone without being married?*

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ECONOMIC  
& SOCIAL  
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COUNCIL

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# With thanks to:

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Full research papers can be found via the online version of *Insights 2014* at [www.understandingsociety.ac.uk/insights2014](http://www.understandingsociety.ac.uk/insights2014)

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## Preface

By Professor Patricia Broadfoot, Chair of Understanding Society's Governing Board

**How is the modern UK changing? What pressures are impacting most on family life in the UK today? What effect has the recession had on family finances? These are just a few of the questions addressed in *Insights 2014* highlighting the findings from the Economic and Social Research Council's flagship study: Understanding Society – the UK Household Longitudinal Study (UKHLS).**

Since its inception in 2008, Understanding Society has been collecting data year on year from the members of nearly 40,000 households across the UK. The survey is the largest of its kind in the world, offering the possibility of uniquely rich insights into family life, relationships between the different members of a household and the way in which life in the UK today is impacting on people at different stages in their lives.

*Insights 2014* focusses particularly on three areas of pressing contemporary concern. The first of these is the impact of the recent recession on poverty and social mobility. In a context of severely squeezed public spending, Understanding Society data provide important new insights into the patterns underpinning the distribution of poverty in our society and the differential impact on unemployment and social mobility in more and less affluent areas.

In a direct challenge to widespread assumptions, the data suggest that many middle-income households have been able to 'ride the storm' of the recession while people in poorer neighbourhoods have been particularly hit by the impact of economic insecurity, leading to lower educational aspirations and, in many cases the long term 'scarring' created by unemployment.

Understanding Society includes an additional 'ethnic minority boost' sample in order to allow robust analyses of the differences between and within ethnic groups. As a result, it is able to reveal some surprising new insights into the lives of people from a range of different ethnic backgrounds in the UK today. Among the new findings is the likely significance of the new data that suggest that the five largest Black and Minority Ethnic (BME) communities could potentially double from eight million people or 14% of the population to between 20-30% by 2050.

Living in the diverse households across the UK that form the basis for Understanding Society study are nearly 100,000 individuals, ranging from babies to grandparents. The longitudinal design of the survey is particularly valuable in making it possible to track significant changes in the patterns of family life over time. A startling finding, for example, is the increasingly significant role of grandparents in providing childcare, given that over 80% of parents are now at work with half of all mothers relying on grandparents to provide childcare when they return to work after maternity leave.

As a result, grandparents are now contributing some £7.3 billion a year to the economy, up from £3.9 billion in 2004.

These are just a small selection of the significant new insights that Understanding Society is revealing about key changes taking place within our society. *Insights 2014* will be of interest to anyone wanting to learn more about how people's behaviour is changing over time in the UK and what this may mean for society in general and for policy-makers in particular. Yet the analyses presented here are still only a taste of what will be possible in the future as more waves of the study become available for analysis and new types of data make it possible to answer even more questions about life in UK today.

**Patricia Broadfoot CBE**  
University of Bristol



## Introduction

By Nick Buck, Director of Understanding Society

**This is the third summary of findings from Understanding Society, based on data up to the third wave. The aim of this publication is to share publicly some of the research findings emerging from this world-leading study.**

*Insights 2014* reflects how the study has matured and is starting to address the sort of questions which only longitudinal data can really answer. This was the principal reason for creating the study. We interview the same set of individuals in households each year and this helps to explore how individual and family lives change over time. Uniquely, it can help us understand what factors are associated with movements in and out of states, such as poverty, and how these impact on people's lives in the longer term. This potential has been demonstrated by 18 years of data and research from the British Household Panel Survey (BHPS), which is incorporated into Understanding Society. We are now starting to see the equivalent promise of the new study being realised, with its much larger

sample size and richer range of content attuned to some of the key issues facing society in the 21st century.

In addition to research articles, commentators discuss the key findings and their potential implications. *Insights 2014* intends to inform public debate on key issues facing UK society and to appeal to the widest possible audience, beyond academics and researchers.

Understanding Society builds on work carried out by the Institute of Social and Economic Research (ISER) at the University of Essex on the BHPS. This work started in 1989 and we are therefore celebrating the 25th anniversary of ISER. The successful establishment of Understanding Society is one of our proudest achievements over this period and it depends on the many years of earlier work and the wealth of expertise and experience we have built up within the team.

This publication reflects the work of our fieldwork partners, the large team involved in designing and undertaking the study, those who process the

substantial and complex body of data and finally, the researchers who use it. Above all, we must thank the study participants who contribute their time to answering all our questions.

Given the scale and promise of Understanding Society, this short publication only highlights a small proportion of the research emerging from the study. We hope researchers are motivated to build on this body of findings which answer important societal questions. As the devolution debate progresses, we also want to encourage future research that provides a richer picture of social change in the regions across England, Scotland, Wales and Northern Ireland. Equally we'd like these findings to inspire readers to learn more about how society is changing.

**Nick Buck, Director of Understanding Society**

Find out more about how the study works in the 'About the study' section on pages 44 to 47.

# INSIGHTS TO INFORM A NATIONAL CONVERSATION



Intelligent, well-judged government measures that address the welfare of the country rely on large-scale, longitudinal household studies says **Ivor Crewe**

**Where is the public interest in investing substantial tax-funded resources in exceptionally large-scale national surveys of ordinary people's everyday lives? And then of repeating such surveys, with largely the same questions asked of largely the same people, year after year for a quarter of a century, and with plans to continue doing so over the coming decades?**

The answer is straightforward: a longitudinal household survey is essential for an informed national conversation about public policy and for intelligent, well-judged government measures to address the welfare of the country. Only surveys on the scale of Understanding Society can map the 'condition of the people' in fine enough grain to depict differences between the many small but distinct sub-communities and categories of experience that mark an increasingly heterogeneous society. And only longitudinal surveys that return to re-interview the same people and households can trace the individual pathways of change that in aggregate constitute the nationwide changes that come to the attention of policy makers and the media.



## THE IMPACT OF EXTERNAL 'SHOCKS' IS RARELY AS DRAMATIC AS MEDIA COMMENTARY CLAIMS.

Governments respond to what they perceive to be the problems of change with what they hope to be solutions. But they frequently get it wrong. Most policy decisions are taken in a fog of partial information, misinformation and prejudice both about the true nature of the problem that needs to be resolved and the likely impact of the proposed interventions. The years since 1990 have been littered with policy failures rooted in a misunderstanding of ordinary households: the poll tax, the Child Support Agency, the mis-selling of pensions, tax credits and debits and, more recently, Universal Credit (probably) and the 'bedroom tax' (probably) all come to mind. These blunders most probably would have been avoided or minimised had there been a greater grasp, at the time, of the available fruits of social science research.

Ministers and senior officials make policy mistakes for many reasons. Sometimes ideological conviction pre-empts the search for evidence. The hike in tuition fees to £9,000 in the belief that this would create a university marketplace at which student consumers would shop for the best value is an example. Sometimes politicians make simplistic assumptions about other people's lives. The 'bedroom tax' (in reality a cut in benefit) was predicated on the mistaken belief that recipients on housing benefit with one more bedroom than the household size appeared to warrant had no need for it and could easily move elsewhere; the messy reality was that in many cases the particular household circumstances did warrant the extra room (eg, care for a disabled member) and the only smaller property available would be more expensive. An example in the opposite political direction is the Labour Government's under-estimate of the popular resentment against immigration from Eastern Europe, on the assumption that it was racist, illustrated by Gordon Brown's reference to a voter who raised the issue as "that bigoted woman" in an unguarded moment in the 2010 election campaign. Evidence of the pressure placed on housing and



## THE EXTRAORDINARILY RICH DATA OFFERS AN ANTIDOTE TO MISCONCEPTIONS ABOUT WHAT HAS CHANGED IN UK SOCIETY AND WHY.

schools in some local communities by the unexpectedly large number of immigrants was plentiful. A common feature of these mistakes is the cultural disconnect between the policy-making classes and the policy-receiving classes.

The extraordinarily rich and accumulating store of data on the dynamics of UK households offers an antidote to misconceptions about what has changed in UK society and why. There are numerous examples in the chapters that follow. The Thatcher and Major governments were deeply concerned about a substantial permanent underclass of the poor, largely dependent on benefits, who bequeathed their poverty down the generations. It was true that the size of this class appeared to be constant from one year to the next, but by following the same individuals over time the BHPS showed that large numbers dipped in and out of poverty from one year to the next, depending on whether they found or lost a job, received or lost benefits, found or lost a partner. Previous analyses had confused the 'stock' of poverty with the 'flow'. The same phenomenon has occurred during this recession. The permanent underclass is much smaller than commonly thought.

Similarly the 'squeezed middle' of 'ordinary hard working families', the heroes of politicians on the stump, turn out not to have been squeezed, but to have been riding an upward escalator. Middle-income households going in to the Great Recession were generally better off, not worse off, on coming out of it; while those coming out of the recession generally had lower, not higher earnings four years earlier.

Surveying all of the insights gained from the Understanding Society surveys, what general conclusions can be drawn by policy makers? Firstly, the impact of external 'shocks' is rarely as dramatic as media commentary claims. The recession, the austerity measures, the cuts in public sector employment, the tripling of university tuition fees and the mortgage drought have undoubtedly had an impact but not as much or as rapidly or as enduringly as widely predicted. Secondly, households are more resilient and adaptable than often assumed. They can call upon a variety of stratagems to cope with adversity. The middle income households that avoided a squeeze as real salaries fell did so by shopping more carefully, entering the part-time labour market, using grandparents for child care and postponing a house move. Thirdly, societies consist of inter-connected moving parts. Change in one part triggers changes in others in a long chain that ends in unforeseen consequences. For example, the combination of rising numbers of university leavers, a recession-hit graduate employment market and rising housing costs have produced a 'boomerang' generation (a slightly misleading term) of young adults living in the parental home.

As the Understanding Society programme moves into its 25th year and beyond, opportunities will open up to track the very long-term consequences of major events in people's lives, including their childhood and youth. There is growing evidence that the life chances of adults in education, employment and income,

as well as their future physical and mental health, are significantly influenced by early childhood and young adulthood experience but the precise mechanisms of this long-term effect remain to be traced. There remains much to know about the persisting consequences of, for example, poor parenting, bullying at school, household instability, and extended periods of unemployment or illness in early adulthood not only for the individuals in question but for wider society. There remains equally much to learn about the effectiveness of different interventions to compensate for these handicaps. Only the careful analysis of the trove of data from a continuous series of large household panel surveys can provide reliable answers. They have the potential to be an enormously valuable return on the investment in the BHPS and Understanding Society.

**Professor Sir Ivor Crewe is the Master of University College, Oxford and President Elect of the Academy of Social Sciences. He was previously Vice-Chancellor of the University of Essex and Professor in the Department of Government.**



# Quarter Pounder™ Deluxe with Bacon



Quarter Pounder De



AGE 14 & OVER





# CHAPTER 1: LIVING IN RECESSION

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# BEYOND HEARSAY: THE TRUE STORY OF RECESSION



**Mark Easton** reflects on how social science has a crucial role to play in assessing how recession has changed the UK

**Our national conversation is shaped by the daily news media. However, news editors tend to reflect the interests, anxieties and prejudices of their readers, listeners or viewers. The concerns of those less likely to consume daily news are less likely to feature. Consequently, our national conversation – the narrative which underpins the democratic process – has a built-in bias towards middle class apprehension and away from the challenges facing the poorest and most vulnerable in our society.**

The myth of the ‘squeezed middle’ is a classic example of how this bias translates into our shared understanding of society. It plays into the popular assumption that ordinary ‘hard-working families’ have unfairly taken the biggest hit during the years of austerity. It should come as no surprise that ‘hard-working families’ has become a catchphrase for politicians of all stripes.

And yet, at regular intervals during the economic downturn, HM Treasury has published helpful graphs showing how changes to tax and welfare have largely protected the household incomes of those from the fourth to ninth net income deciles. The biggest losers have been the top decile (who are most



**SOCIAL SCIENCE HAS A CRUCIAL ROLE TO PLAY IN ACHIEVING A MORE TEXTURED AND HONEST TONE TO OUR NATIONAL CONVERSATION. IT IS AT ITS BEST WHEN IT FASHIONS CLARITY FROM COMPLEXITY, EXPOSING LAZY ASSUMPTIONS ON THE WAY.**

resilient to such change) and the bottom three deciles (who are most vulnerable). Not so much the squeezed middle, then, as the squashed bottom.

Nida Broughton’s SMF report ‘Riders on the Storm’ was also a challenge to the received wisdom of the squeezed middle, its findings based on the experience of real families rather than a simplistic use of statistical averages. This strikes me as an excellent use of longitudinal data and a powerful reminder of the importance of social science operating alongside economic

measures. What happened to real people, the changes they made to their behaviour and lifestyle – these are of vital importance in understanding the last recession and considering sensible policies for dealing with the next.

It is notable that the Daily Mail, a newspaper with a focus upon the concerns of the ‘hardworking families’ of UK, should headline its story on the report “How middle classes beat the downturn: Mum went back to work, granny looked after the children and we shopped in budget supermarkets”. Social scientists looking for evidence of reaching the wider public with their research could do worse than use this as an exemplar of what is possible in terms of media coverage.

Social science has a crucial role to play in achieving a more textured and honest tone to our national conversation. It is at its best when it fashions clarity from complexity, exposing lazy assumptions on the way.

Research on the ‘boomerang generation’ reveals the risk of jumping to conclusions. The media narrative around the increase in young adults living with their parents is that these must be twenty-somethings boomeranging back to mum and dad after being blasted by



## IN ASSESSING HOW RECESSION CHANGED THE UK, WE NEED TO DIVE DOWN INTO THE UNEXPLORED CORNERS, THE BACKWATERS AND BYWAYS OF NATIONAL LIFE THAT WE MIGHT NOT NOTICE SITTING ON SOME CLOUD IN THE UPPER ATMOSPHERE.

the bitter winds of recession. Looking at real people's experience from the British Household Panel Survey (BHPS), however, suggests this phenomenon may be better explained by increases in further education participation by both young men and women, and the consequences of relationship breakdown, particularly for non-residential fathers unable to access social housing. The lessons for policy-makers are not the ones suggested by the daily news.

The impact of welfare reform is another area where popular assumptions and ideological grandstanding can obscure public understanding of what is actually happening. It is not straightforward – it never is. Different groups with different priorities and challenges will have responded in different ways to the combined impact of changes to benefits and recession.

Democratic politics is ultimately about achieving desired behavioural change and, therefore, it is important that politicians look beyond the headline statistic to identify those groups that still struggle to escape poverty and the strategies that have helped others make the transition.

Nick Buck and Paul Fisher's analysis of post-recession poverty triggers, suggests that poor couples with children, the largest of the poor groups, have seen the prevalence of poverty increase while overall poverty rates have slightly fallen. But critically, the research goes beyond that revelation to examine the detail of how and why people move in and out of poverty – not least the importance of a welfare safety-net and paid work.

We are witnessing higher employment rates and lower unemployment rates than many had forecast, and we don't fully know why. It could be that people

are responding to the downturn, the squeeze on benefits and further imminent welfare reform by reassessing their involvement within the labour market. The Work Programme, the introduction of tougher welfare sanctions and the support of agencies such as housing associations may be encouraging people into the jobs market.

Here again, Understanding Society's longitudinal data can help explain what is going on. It is essential that policy-makers and manifesto writers have a coherent evidence base around occupational and industrial mobility, the role of education and training, and the impact of unemployment on the resilience of working-age adults to economic shocks.

We know the devastating effect joblessness can have on people's overall well-being, notably men. Alberto Tumino's research is a timely reflection on the deep scars unemployment can leave on people – particularly during periods of recession. But it is also a reminder of the ultimate goal of social policy and, arguably, social science – reducing unhappiness and increasing what David Cameron has called the General Well-being (GWB) of the population.

There is the constant risk that we misunderstand how policy affects behaviour, allowing crude saloon

bar analysis to suggest populist and simplistic solutions that lead us in the wrong direction. As the UK emerges from the recession, this is a key moment for social scientists to help government understand what happened to whom and why.

My journalistic mantra could be summed up as 'everything is more complicated than anyone can imagine'. It doesn't make me very popular with news editors sometimes: simple headlines are their bread and butter. But there are no easy answers or magic bullets, however tempting it is to imagine so. We need social scientists to keep reminding us of this to ensure our national conversation is informed enough to appreciate nuance.

Researchers must muddy the waters before they can provide clarity. There is such variation upon these islands: economic, ethnic, demographic, geographic, and a whole range of other -ics too. Daily life in Newham is quite different from daily life in Newbury or Newcastle or Newton Abbot or Newtonards in Northern Ireland. In assessing how recession changed the UK, we need to dive down into the unexplored corners, the backwaters and byways of national life that we might not notice sitting on some cloud in the upper atmosphere.

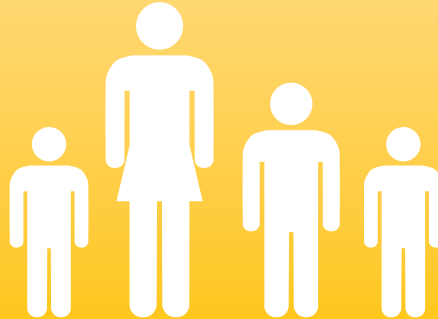
The answers are there. I once described myself as a 'cohortolic' – someone who spends too much time imbibing the details of longitudinal studies. The UK is almost uniquely blessed in having such a range of longitudinal studies over such a long period, invaluable sources for policy-makers looking to shape a better future. The true story of recession is in there. We just need good people to find it and tell it.

**Mark Easton is Home Editor for BBC News**

# LIVING IN RECESSION IN BRIEF

## POST-RECESSION POVERTY TRIGGERS page 12

Lone parents are more likely to experience poverty than couples with no children.



Across 2010 to 2012 poverty rates fell for most groups except couples with children.

## HOUSEHOLDS IN THE MIDDLE: SURVIVORS OF THE SQUEEZE page 14

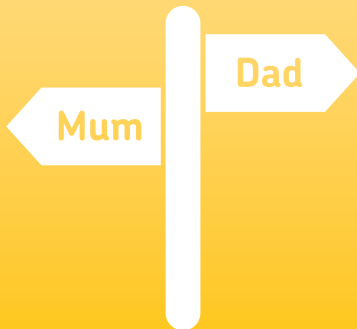
Over  
1 in 10

of middle income households in 2011-12 reported being behind on rent or mortgage at least once in the past year.



The middle 20% of working age households in 2011-12 had on average the same income in real terms as four years before in 2007-08. In other words, even in the teeth of the greatest recession in a century, their income wasn't squeezed, though it did stop increasing.

## SOCIAL MOBILITY STALLED FOR A GENERATION page 16



School's  
out

increased unemployment rates reduce educational aspirations among 11-15 year-olds with less educated parents.

11%

When youth unemployment increases by 10%, children living in households where at least one parent has a degree are 11% more likely to think school means a great deal to them.

## MECHANICS BEHIND THE BOOMERANG GENERATION page 18

18%

of men aged 25-34 stay in their parental home compared with 10% women.

home sweet  
home

Unemployed men and women are significantly more likely to remain living with their parents as compared to those working full time.

welcome  
back



Changes in family size have a significant impact on entries into poverty.



14%

A new child accounts for 14% of poverty entries.



How did middle income households weather the recession?

They spent less on food, used free child care and were helped by low interest rates.



-25%

There is up to a 25 percentage point reduction in the probability of wanting to go to university among children with low educated parents relative to children with high educated parents.

DOES UNEMPLOYMENT SCAR MORE IN TOUGH TIMES?  
page 17

8%

Those who experience unemployment are nearly 8% more likely to be unemployed one year later than those were employed.



The scarring effect is higher when unemployment is higher.

60%

of men and over 40% of women who become unemployed on leaving full time education are likely to return home.



90%

of young men and women in stable employment are unlikely to return home.



## Post-recession poverty triggers

Research by **Nick Buck** and **Paul Fisher** from the Institute for Social and Economic Research at the University of Essex

**At first glance, poverty appears to have remained stable during the most recent recession but a closer look indicates significant changes for certain groups.**

Since the end of the last financial crisis in 2009, cross-sectional surveys such as the Department for Work and Pension's Family Resources Survey suggest that fewer households have fallen into poverty. Yet some groups have suffered more than others. Analysis of household income over time, using household panel surveys such as Understanding Society can reveal which groups are more susceptible to poverty and why. In particular, analysis of household income dynamics can point to which triggers have more impact on whether families and individuals fall into poverty or escape it.



**THE POVERTY RATE FOR SINGLE ADULTS WITHOUT CHILDREN FELL BY 5%. THE EXCEPTION IS FOR COUPLES WITH CHILDREN WHO ACTUALLY SAW HIGHER POVERTY RATES.**

To illustrate its potential in terms of undertaking poverty analysis longitudinally, Nick Buck and Paul Fisher used Understanding Society to compare individuals who were in poverty in 2010-11 and 2011-12 to help shed light on the reasons behind

exits and entrances to poverty. Nearly half (48%) of households in poverty during 2010-11 exited poverty by the following year. On the other hand, only around 9% of those not in poverty during 2010-11 entered poverty by the following year. The exit rate is much higher than the entry rate because the proportion of the population who start in poverty is much lower. The actual numbers of individuals making entries and exits are broadly comparable.

Lone parents are more likely to experience poverty than couples with no children, in fact across the two years we see poverty rates fall for most other groups. For example, the poverty rate for single adults without children fell by 5%. The exception is for couples with children who actually saw higher poverty rates in the second period



## INCOME AND EMPLOYMENT ARE CLEARLY THE MOST IMPORTANT CONTRIBUTING FACTORS TO EXITS FROM POVERTY, BUT THERE IS A TENSION BETWEEN THESE.

### Household income =

The sum of earnings from a main job, second job or self-employment – also described as ‘the current net income after taxes, deductions and national insurance contributions’

+

Any income from savings and investments; income from state benefits; and other income sources that included, for example, family transfers and educational grants.

### Poverty is defined as:

‘Those living in a household with an income, adjusted for household size and consumption needs, 60% below the average from each year’s survey. Data from year 1 (2010-11) and year 2 (2011-12) of the survey were analysed, and correspond to the period immediately following the financial crisis in 2008-09.

– the rate increased by two percentage points to 13%. This is notable given that couples with children form the largest share of the poor population (9.7%).

To better understand the dynamics of poverty during this period, particularly of couples with children, the analysis looks at trigger events connected to moves in and out of poverty.

Exits from poverty: Employment events and income events (ie, those factors affected most by the economy) appear to be more important than demographic events. Several factors may be combined. When the number of workers within a household increases, this contributes to 36% of exits and a rise in state benefits

income helps 37% of households exit poverty, increased earnings contributes to 66% of exits.

Entries into poverty: Falls in benefits income and income from work account for the largest share of poverty entries. This is in contrast to a fall in the number of workers, which although a less common event is more strongly associated with a fall into poverty when it does occur.

Changes in family size seem to have a more significant impact on poverty entry rather than exits. Increases and decreases in household size account for 14% and 9% of entries but only 11% and 4% of exits. The entry of a child, furthermore, accounts for 14% of poverty entries. 20% of those becoming a lone parent enter poverty but this is lower than in previous years, confirming a downward trend in the negative effect associated with lone parenthood, and this only accounts for 3% of poverty entries.

For many household types, poverty rates have slightly fallen in the post crisis period, but for couples with children, the largest of the poor groups, the prevalence of poverty has increased. Falls and rises in benefit income and labour income are associated with substantial shares of poverty entries and exits over the period.

This research demonstrates how social scientists are attempting to understand poverty dynamics among British households after a period of economic contraction. Income and employment are clearly the most important contributing factors to exits from employment, but there

is a tension between these. One approach to decreasing poverty would be to increase income via benefits, the other (in line with the coalition’s policy) is to increase income via employment by reducing benefits and eligibility ie, compelling those who are in poverty back into work. Time – and future years of data – will tell which of these approaches works.

### Poverty triggers

Poverty is affected by both the income and needs of all household members, where needs will be related to household size. A number of different sorts of events can lead to moves in and out of poverty. There are three main types of trigger events:

**Employment events** – if a household member moves into or out of work this will change income levels and may lead to poverty entry or exit.

**Income events** – changes in how much a household member is earning (eg, pay cut/rise) or a change in welfare benefits received may both act as triggers.

**Demographic events** – such as a new child, which will increase the need to spend more money on food and other consumables, a separation or becoming a lone parent or two families moving in together may all act as triggers. This effect will be stronger if the person arriving or leaving is working (ie, a demographic trigger may be combined with an employment event trigger).

**Data:** Understanding Society waves 2 & 3



## Households in the middle: survivors of the squeeze

Research by Nida Broughton, Onyinye Ezeyi and Claudia Hupkau from the Social Market Foundation

### **A report titled *Riders on the Storm* looks at the reality of middle income households coming out of the downturn.**

In the years following the financial crisis, workers have seen stagnation in wages combined with rises in the cost of living. Accordingly, there has been much political focus on the difficulties currently faced by the so-called “squeezed-middle” – those who earn much less than the most well-off in society, but who do not qualify for a significant amount of state help in the form of benefits. However, research by the Social Market Foundation (SMF) finds that, in fact, the squeeze on living standards for these households has been exaggerated.

Previous analysis of households on middle incomes has tended to focus on ‘snapshots’ – comparing those that were in the middle going into the downturn against those that were in the middle coming out of it. This research was able to follow the income and spending patterns of actual working households over time, focusing on those in the middle fifth of the income distribution.

The analysis showed that middle income households today are not the same households that were in the middle going into the downturn. Of those that were in the middle in 2007-08, many had gone on to move up the income scale. And, of the households in the middle in 2011-12, only two-fifths were previously in the middle in 2007-08. Some had fallen down from the top of the income scale, but one

in ten had moved up into the middle from the bottom fifth of the distribution, and one in five had moved up from the second to bottom quintile. In other words, substantial income mobility continued even through the Great Recession of 2008-09.

Overall, this combination of climbers and fallers meant that those “in the middle” by 2011-12 had seen their average real income remain roughly the same since 2007-08, in contrast to much of the political debate emphasising the “squeeze”. The households in the middle coming out of the downturn were, in fact, precisely those that weathered the recession relatively well. So how did households in the middle manage to maintain their living standards? The answer lies both in employment and management of living costs.





**MIDDLE INCOME HOUSEHOLDS HAVE SHOWN REMARKABLE RESILIENCE SO FAR, DEMONSTRATING THAT UNDER THE RIGHT CIRCUMSTANCES, AND WITH THE RIGHT INFORMATION TO HAND THEY CAN MANAGE THEIR FINANCES AND COPE WITH BEING UNDER PRESSURE.**

Having a second earner is crucial to maintaining a position at the middle or higher end of the income scale. Households in the middle today are more likely to have two earners rather than one compared to 2007-08. Those that climbed up the income scale often saw an additional person in the household going out to work. In contrast, many households that were middle income in 2007-08 who lost a second earner fell down the income scale.

They also managed spending on food – either switching to cheaper items or buying less – to avoid the 25% increase in food prices over the period. Those in the middle who used free childcare used more of it, relying on the generosity of grandparents (see page 40 to read Grandma and Grandpa the heroes of modern UK childcare). But they were also helped by low interest rates, which kept housing costs down among the large number of home owners in this group. Over half of these households own a home with a mortgage, and 15% own outright.

In fact, for many middle income households, the squeeze may be yet to come when record low interest rates go up again, resulting in higher mortgage repayments. Even during this period of low interest rates, over one in ten of middle income households in 2011-12 reported being behind on rent or mortgage payments at least once in the past year. Households with children were under even more pressure than those without children.

With competing pressures on public spending, there is less scope for more state help for the middle. But this does not mean that nothing can be done. One area of policy where these

households can be helped to do more with less is in consumer markets. Middle income households have shown remarkable resilience so far, demonstrating that under the right circumstances, and with the right information to hand they can manage their finances and cope with being under pressure. By equipping consumers to negotiate markets where it is currently harder to secure better value for money, middle income households can be helped to build on their resilience thus far, and better manage their finances in the future.

**Data:** BHPS 2007-08 and Understanding Society wave 3

# Social mobility stalled for a generation

Research by Tina Rampino from the Institute for Social and Economic Research at the University of Essex

**During times of high unemployment, teenagers' plans to continue with their education are shaped by their parents' educational attainment rather than income or job status.**

Plenty of 11- to 15-year-olds hold positive educational attitudes and aspirations. These views depend on numerous factors such as household background, gender, previous academic attainment as well as perceived external opportunities.

Tina Rampino's research investigates the educational aspirations and attitudes of over 14,000 11- to 15-year-olds and how these vary with the local youth unemployment rate. It challenges the concept that children's educational attitudes and aspirations move in the opposite direction to the economic cycle, that is to say that they will be more



**PROMOTING POSITIVE ATTITUDES AND ASPIRATIONS TOWARDS EDUCATION AMONG CHILDREN FROM LESS ADVANTAGED BACKGROUNDS CAN POTENTIALLY RAISE THEIR EDUCATIONAL ATTAINMENT AND HAVE POSITIVE LONG-TERM EFFECTS IN TERMS OF SOCIAL MOBILITY.**

interested in pursuing education when unemployment is higher. It suggests that during periods of economic downturn, children from advantaged backgrounds with more educated parents who hold positive attitudes towards education do indeed improve their educational attitudes and aspirations. Unfortunately, the opposite is true for peers whose parents are less educated or do not value education highly.

Children who agree that 'doing well at school means a great deal to them' are considered to have positive educational attitudes. Similarly, if they think that GCSEs are very important, or report they plan to stay in education after 16 or go to university, these are positive attitudes.

When the economy is weak and there are fewer jobs for young people, staying in education makes more sense and overall the data reflects this. When youth unemployment rises 10 percentage points from 10% to 20%, (like it did during the Great Recession in 2008-09), children who report that 'doing well at school means a great deal to them' increases from 61% to 67%; children report that 'taking their GCSE exams is very important to them' rises from 81% to 86%.

However, the educational attitudes of teens during periods of increased youth unemployment depends on their parents' qualifications and attitudes. This suggests that recession carries the risk of increased inequalities in educational achievement.

When youth unemployment increases by 10 percentage points, children in

households where at least one parent has a degree are 11% more likely to report that doing well at school means a great deal to them. Children in households where none of their parents have GCSE qualifications are only 3% more likely to report such positive attitudes. A similar pattern emerges when analysing the likelihood of children reporting that GCSEs are very important. A 10 percentage point increase in youth unemployment led to 8% more children with at least one parent who holds a university degree to report that GCSEs are very important. This figure drops to only 4% for children whose parents do not hold GCSE.

So children whose parents display positive educational attitudes do have counter-cyclical aspirations – they strengthen when the economy weakens. Children from families where parents do not hold positive educational attitudes have pro-cyclical attitudes and aspirations – they weaken as the economy weakens.

In recent years the policy debate in the UK has emphasised that young people's aspirations and attitudes are key to improving their educational attainment. Promoting positive attitudes and aspirations towards education among children from less advantaged backgrounds can potentially raise their educational attainment and have positive long-term effects in terms of social mobility. To avoid the opposite happening, policy makers should promote policies aimed at preserving positive educational attitudes and aspirations of children and parents living in less advantaged neighbours during periods of economic downturn.

**Data:** BHPS, Understanding Society and the UK Labour Force Survey (LFS) from 1994 to 2010

# Does unemployment scar more in tough times?

Research by **Alberto Tumino** from the Institute for Social and Economic Research at the University of Essex

**New evidence about the ‘scarring’ effects of unemployment highlights the importance of helping people get back into work, particularly during periods of recession.**

Being out of work reduces employment prospects and leaves an individual ‘scarred’. The effect can get worse as the unemployment rate increases.

These new insights highlight the perils associated with the current economic climate and the importance of policies that address the needs of unemployed people and provide extra support to help them back into work.

Research by Alberto Tumino analyses how unemployment has scarred British workers over the last two decades.

The research takes a longer-term view by assessing how the scarring effect has changed from the end of the early 90s recession through the period of high and stable employment during the early 2000s, up until the most recent period of economic downturn known as the Great Recession in 2008-09 which affected the global economy.

Despite early signs of economic recovery and improvements in labour market conditions, indications show that unemployment is still a reality for many people and many who lost their job during the last recession.

Previous research has investigated how the experience of being unemployed reduces future employment prospects – a phenomenon known as the ‘scarring effect of unemployment’. This scarring is thought to be a result of two things: Firstly, there is the detrimental effect of being out of work on a person’s stock



**DESPITE EARLY SIGNS OF ECONOMIC RECOVERY AND IMPROVEMENTS IN LABOUR MARKET CONDITIONS, UNEMPLOYMENT IS STILL A REALITY FOR MANY PEOPLE WHO LOST THEIR JOB DURING THE LAST RECESSION.**

of skills, knowledge, and experience (skills that are not being used tend to deteriorate). Secondly, since employers may be less certain or confident about the quality of those applying for a new job, they may use unemployment status to discriminate between better/more productive workers and worse/less productive ones. In both cases, involuntary unemployment experiences are likely to affect both the future employability of the individual and the quality of future jobs.

What is unclear is how the scarring effect changes over the business cycle, through different periods of economic growth or instability. On the one hand, the stigma of unemployment may be lower if many other people are also unemployed – unemployment becomes more normalised and acceptable. On the other hand, a tougher and more competitive job market may make it more difficult to find a new job once unemployed. Equally, during a recession the unemployed are more willing to take worse jobs that do not necessarily suit their skills and which ultimately may just lead back into unemployment.

Taking into account what the data tells us about the individual’s chances

of being scarred, the research concludes that unemployment has had a substantial scarring effect during the Great Recession.

In particular, those who experienced unemployment were nearly 8% more likely to be unemployed one year later than those who were employed. Findings indicate that the scarring effect is higher when unemployment is higher – similarly the pattern repeats itself in the other two recession periods in 1992-93 and 2000-01.

These new insights reinforce the importance of interventions aimed at reducing unemployment in the short term and at re-training those who experience unemployment in order to boost their future re-employability in more dynamic sectors of the economy. Especially in periods of tough labour market conditions, quickly implemented policies aimed at preserving employment, as well as the possibility of turning unemployment spells into an opportunity to learn new skills, would not only tackle the immediate distress associated with unemployment, but also reduce it in the longer term.

**Data:** BHPS and Understanding Society wave 3.



## Mechanics behind the boomerang generation

Research by Ann Berrington, Juliet Stone, Peter Tammes, Steve Roberts and Jane Falkingham

**Young people are flying the nest much later than they used to or 'boomerang' back to mum and/or dad more often. Leaving the parental home continues to be an important milestone on the journey to adulthood, even if it is not necessarily linked to financial independence. There has been an increase in the number of young adults in their twenties and early thirties living with at least one parent, particularly during the period of the economic recession. Media attention has focused on those who return to the parental home following an initial departure – a so called 'boomerang generation' – fuelled by high housing costs, economic uncertainty and increased student debt.**

Researchers from the University of Southampton and the University of Kent used Understanding Society to examine how different indicators of economic precariousness such as low income, part-time working, temporary contracts, and unemployment are connected to whether young people are more likely to live with their parents.

Looking at the proportions who remain living in the parental home at ages 25-34 we see that they are higher for men (18%) than for women (10%). Unemployed men and women in this age group are significantly more likely to remain living with their parents compared to those working full time. Part time working among men, and temporary contracts for both men and women are far more common among

those aged 18-24 than for those aged 25-34. For men, part time work is also associated with remaining in the parental home, although the difference is not statistically significant. Men working on temporary contracts were not more likely to stay at home, whilst for women in their late twenties and early thirties, having a temporary contract was associated with staying with mum and dad.

Since women are likely to reduce their work hours or to leave the labour force upon motherhood it is not surprising that women working part time and those undertaking family care were the most likely to have already left home.

The chance of returning home after an initial departure depends on the original reason for leaving, with those leaving to



## WHAT DOES THE FUTURE HOLD FOR THOSE PARENTS WHO SUPPORT THEIR ADULT CHILDREN – SOMETIMES INTO THEIR THIRTIES AND EVEN FORTIES? ARE THEY PREPARED FOR SUCH A SITUATION AND HOW IT MAY AFFECT THEIR RETIREMENT OR HOUSING PLANS?



The evidence points to an increased participation in higher education and the broader context of greater economic insecurity as key reasons behind more co-residence with parents. For more disadvantaged young adults and those who do not go into higher education, leaving home has been delayed, whilst for those who do leave at an early age, for example to undertake higher education, returns to the parental home are now more likely.

What does the future hold for those parents who support their adult children – sometimes into their thirties and even forties? Are they prepared for such a situation and how it may affect their retirement and/or housing plans? It will be interesting to see how the trend unfolds as economic changes occur over years to come. Families and policy makers need to be alert to the boomerang tendency, particularly if parents begin to dig too deep into their retirement savings.

**The researchers are from the Centre for Population Change, University of Southampton and Steve Roberts from the University of Kent.**

**Data:** BHPS 1991-2008 and Understanding Society waves 1 & 2.

form a family being less likely to return home. As people start families later, fewer are leaving for this reason and more are leaving for education and employment. Hence returning home is becoming more common. This change is more evident for women, in part because they start their families earlier than men, and in part due to more females entering Higher Education. These longer term changes in the patterns of returning home have accelerated recently due to increased economic insecurity, higher levels of student debt and lack of affordable housing.

Returning home is associated with turning points in individuals' lives that increase the need for intergenerational support, such as leaving full-time education, becoming unemployed,

and relationship breakdowns. With the labour market becoming more unpredictable, there are no guarantees of employment for graduates, so for many graduates it has become common place to return home.

Men are more likely to return home than women and the chances of returning decrease rapidly with age. For men and women in their early twenties the probability of returning home is highest where there is a change in economic activity status, and is particularly high for those who become unemployed having left full time education: only 10% of young men and women in stable employment are likely to return home compared to over 60% of men and over 40% of women who become unemployed following leaving full time education.

# CHAPTER 2: A DIVERSE UK

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# FACING UP TO ETHNIC PLURALISM



Ethnic diversity is here to stay says **Shamit Sagar**. It is no longer a fringe matter that only affects major cities.

**Snapshot surveys don't reveal gradual patterns of disadvantage and alienation. Public attitudes that change slowly are usually reported too late in the day, which makes it hard to for government to identify when and how to intervene. The longitudinal lens is much better at bringing these patterns into focus. It is a refined and penetrating research and policy tool.**

The research featured in this chapter highlights how it is possible to unpack the complexity of how everyday lives are changing. It illuminates the consequences of the UK's ethnic diversity in three ways.

Firstly, ethnic minorities cannot be treated as one and the same group. Theories about the homogeneity of the ethnic minority population are redundant and out of date.

Policy Exchange's work exposes the differences within and across minority groups. It suggests that large segments of the traditional ethnic minority population seem to have more in common with parts of the white majority.

Their report is especially significant as it is the first time a centre-right group has engaged with these issues in such depth. It also spells out the consequences for electoral competition: parties who now struggle to gather winning majorities as party loyalties decline, must campaign to attract support from across society.

Second, the old picture that white and ethnic minorities in the UK are diverging is also challenged. Eric Kaufmann's research shows that so-called 'White flight' has little to do with discriminatory attitudes. Many whites on the move are in fact making lifestyle choices, similar to minorities leaving areas of minority concentration. Close ethnic ties slows this down for minorities but not for whites, although that is perhaps a



**WILL ETHNICITY CONTINUE TO BE A MARKER OF WHO SUCCEEDS IN THE FUTURE AND WHO DOES NOT?**

comment on how far white people think of themselves as part of a single ethnic group to begin with.

The old picture also saw ethnicity as a byword for disadvantage. Yaojin Li and Anthony Heath show a more complicated picture. So long as migrants and minorities make it onto the first step of holding a job, then career paths all the way up to higher professional and managerial occupations remain relatively open.

Lucinda Platt alerts us to minorities' often-fragile position in job markets.

Most pertinent at the moment, is the risk that black and brown people are the last to benefit from a rise in labour demand and the first to be let go during a downturn. This pattern has been seen in previous economic cycles and will be important to track. This job fragility also undermines the immigrant dream that no matter the hurdles and setbacks of today, it is possible to build a better life for your children and grandchildren.

Lastly, will ethnicity continue to be a marker of who succeeds in the future and who does not? Ethnic minority groups are more likely than their white counterparts to go to university. It might be best explained as a second or later generation strategy to overcome labour marker disadvantage. Will we see the strategy succeed? And what happens to those left behind?

The myth that ethnicity connects disparate immigrant groups is no longer acceptable. Many now occupy starkly different positions in education, housing and employment. Understanding this reality is important for efforts to improve social integration, cohesion, a shared outlook and identity. The evidence to help describe and navigate our nation's diversity is available here to inform policy and make wise decisions in response.

**Shamit Sagar is Director of Understanding Society's Policy Unit. Read his Final Word on page 48.**

# EFFECTS OF DIVERSITY IN BRIEF

## ETHNIC MINORITY INEQUALITIES IN THE JOB MARKET page 24

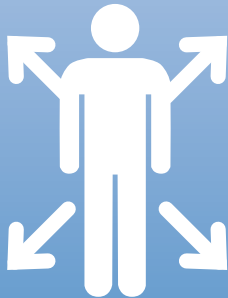


# double

Almost all minority groups, except the Indian community, have unemployment rates double the national average.



## DEMYSTIFYING 'WHITE FLIGHT' IN ENGLAND page 26



White British people who move to diverse areas move further away from their mothers whilst ethnic minorities move closer.

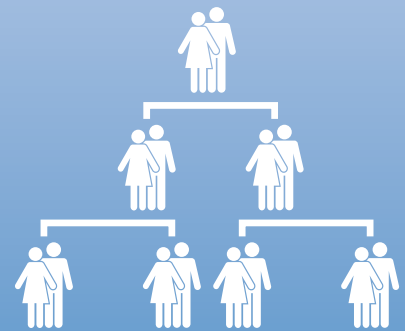
# 1.6m

Between 2001-2011 London gained 1.6 million people from other ethnic origins.

## INHERITING SUCCESS page 28

With the exception of Indians and Chinese, other ethnic minority men, and Pakistani/Bangladeshi women have employment rates six to ten percentage points lower than those of Whites.

Ethnic minorities continue to have disadvantages even in the 3rd generation in employment, but for those fortunate enough in crossing the first hurdle, there are no obvious disadvantages for the 2nd and 3rd generations in gaining access to salaried work.



## PORTRAIT OF A MODERN UK page 29

All ethnic minority communities - regardless of age and social class - strongly support the Labour Party, but Indians are up to four times more likely to identify with the Conservatives.



# further education

All ethnic minority groups have higher proportions of students staying on in formal education, especially university, at 16 and 18 than the White population.



Although all ethnic minority communities have higher levels of unemployment and low level of full time workers than the White British, Indians cluster in the highest skilled professions.



1 in 5

More than one in five Black African men who had been employed in 2009/10 had become unemployed over the following two years.

Minorities who are less religious were more likely to move to a whiter area than minorities who attended religious ceremonies regularly.

7x

Ethnic minorities are seven times more likely to live in an urban area than someone who is White.



Black African, Pakistani and Bangladeshi men are seven to nine percentage points less likely to achieve a higher class 'professional' or 'managerial' position



nearly a third

of the UK's population by 2050 will be made up of people from ethnic minority backgrounds.

200%

Five largest distinct Black and ethnic minority groups could potentially double from 8 million people or 14% of the population to between 20-30% by the middle of the century.



## Ethnic minority inequalities in the job market

Research by **Lucinda Platt** from London School of Economics

**Is it that certain groups have difficulty getting jobs? Or is it that they face greater challenges in keeping jobs? The answer may be different for different groups in the population.**

At a time when the UK is emerging from recession, assessing the chances of not only moving into work but also of remaining in work are especially salient. New evidence looks at the different chances of becoming unemployed from one year to the next for the UK's ethnic minority groups. It also explores the likelihood of getting back into work following a period of unemployment.

The research looks at the different patterns of labour market participation among men of prime working age (aged 24-59). It focuses on men, as most

men expect to be employed over these ages, and their working patterns are less influenced by family and life stage.

Until now, analysis of ethnic minorities' labour market disadvantage has only been able to capture individuals' unemployment and employment rates at a point in time. Understanding whether unemployment rates are higher because people from some groups stay unemployed for longer or because they are more at risk of becoming unemployed in any year is much more helpful in addressing inequalities or forming solutions. Is it that certain groups have difficulty getting jobs? Or is it that they face greater challenges in retaining jobs? The answer to such questions leads to different policy conclusions. Moreover, the

answer may be different for different groups in the population.

Do those who manage to stay in or regain a job achieve a level of pay that keeps them financially secure? While employment is the best route to avoiding poverty, being in work does not guarantee that an individual or her household will thereby avoid low income. Being in or out of work does not give us the full picture of differences in labour market vulnerability unless we can also assess whether continuous work brings equivalent rewards.

Looking at the movements between employment and non-employment over the first two years, overall 79% of men aged 24-59 were employed over the two-year period, and 14% were continuously unemployed. 4% moved

from employment into non-employment and another 4% moved into employment from being out of the labour market.

Not only were there considerable differences in the continuously employed and continuously out of work over just this two year period, there were also some groups that were much more likely to face movements between employment and non-employment, particularly Black African and Caribbean men.

Analysing those who were employed when first surveyed revealed that by the second year, 4% had ceased to be employed by the second wave, and another 4% had exited work by the following year. That means that overall 8% of those employed in 2009/10 could expect to experience unemployment over the two year period to 2011/12. However, these risks of losing work were dramatically different across ethnic groups. Over this same period, 16% of Caribbean men and 22% (or more than one in five) Black African men who had been employed in 2009/10 had become unemployed over the following two years. These groups also had higher chances of re-employment, suggesting substantial volatility in their labour market position. For other minority groups, however, the risks of unemployment were little different from those of the White UK majority while for White Other men they were lower.

So far this suggests greater labour market vulnerability for Black African and Black Caribbean men compared to the White majority, but far fewer fluctuations for other groups. But of those who were continuously employed, 15% nevertheless fell into the 'low income' group.



### SO FAR THIS SUGGEST GREATER LABOUR MARKET VULNERABILITY FOR BLACK AFRICAN AND BLACK CARIBBEAN MEN COMPARED TO THE WHITE MAJORITY, BUT FAR FEWER FLUCTUATIONS FOR OTHER GROUPS

Indian, White UK and White Other groups have rates of low incomes that are comparable to the overall average – approximately 14%, given continuous employment. These are also the groups that are most likely to be continuously employed.

The rate of low income for Caribbean and Black African men is much higher at 23% and 30% respectively. For Black

African men it is around double the overall average. But Pakistan men have yet higher rates of low income when continuously employed – nearly three times the average at 44%.

The issues facing different ethnic groups in terms of labour market inequalities therefore differ. The triggers and causes of these differences in labour market change and continuity are complex. But these patterns provide important starting points to address ethnic labour market inequalities. First, there is a need to pay attention to job retention: this is likely to be particularly pertinent for Black Caribbean and Black African men. Second, it is important to recognise that even continuous employment does not ensure that all groups are equally likely to avoid low income. Hence there is the need to consider pay levels in stable as well as in less stable jobs, and this is likely to be particularly relevant to Pakistani and Bangladeshi men.



## Demystifying ‘White flight’

Research by Eric Kaufmann and Gareth Harris, from Birkbeck College at the University of London

**Do White Brits really move to whiter areas? The results of the 2011 census show that in urban England and Wales, Local Authorities and wards which gained the largest number of ethnic minorities over the period 2001–11 tended to lose most White British residents.**

London, for instance, lost 620,000 White British between 2001 and 2011 while gaining 1.6 million people from other ethnic origins. In less built-up areas such as the wider South East, displacement was less evident, but wards with the largest share of ethnic minorities in 2001 experienced significantly greater White British decline over the 2001–11 period.

One obvious explanation is ‘White flight’ theory. This suggests that when White people experience levels of diversity beyond their comfort level, they leave or avoid diverse places. Another potential explanation is that White residents are more affluent and mobile than ethnic minorities, and thus better able to escape deprived urban wards.

Eric Kaufmann and Gareth Harris have used, Understanding Society to explore which theory is better supported. Their research reveals that given two movers from the same ward, one White British, the other ethnic minority, the White British person tends to move to a ‘whiter’ area (ie, with a lower proportion of ethnic minorities) than the ethnic minority individual. This holds

regardless of age, education, income, housing, children and marital status as well as how crowded, deprived or transient the population is in the old and new area. This suggests the ‘more affluent and mobile’ view is not accurate and doesn’t really explain why White flight happens ethnic differences occur.

When White British and minorities who live in less diverse wards move, there is virtually no difference between White British destinations and those of ethnic minorities. In one that is made up of 50% minorities, yet when they leave White British movers tend to go to places that are 10% points ‘whiter’ in ethnic composition.

If White flight is occurring, it would be expected that Whites with conservative

attitudes, or those opposed to diversity, would leave diverse areas while tolerant Whites would remain or enter. In fact, analysis of respondents' voting behaviour reveals that white Tory voters are no more likely to leave for a whiter ward than Liberal or Labour voters. White and minority movers may differ in destination, but those who like and dislike diversity and immigration differ very little in their destination choices.

What then explains the gap between the destinations of White British and minority movers? Perhaps it is caused by ethnic attitudes and attachment to own ethnic groups? Another possibility raised by Nobel Prize-winning Economist Thomas Schelling in 1978 was that networks or services such as places of worship, food shops or community centres drive patterns relating to ethnicity, rather than ethnic attitudes.

Minorities who are less religious were more likely to move to a white area than minorities who attended religious services regularly, regardless of religious affiliation, their age and other factors. This probably reflects the fact that minority places of worship are more difficult to access outside minority-rich areas and therefore this factor may limit where more religious minorities move to. Secondly, minorities whose ethnic identity is important to them are significantly less likely to move to a whiter area than less ethnically-attached minorities.

Other factors, such as friendship and family networks also feature as a significant motivation. For example, White British respondents who move to more diverse communities are more likely to have friends of a different ethnicity than those who moved to whiter areas. This friendship pattern is much stronger for White British than minorities. Also, White British who move to diverse areas move further from their mothers while minorities move closer.



**GIVEN TWO MOVERS FROM THE SAME WARD, ONE WHITE BRITISH THE OTHER ETHNIC MINORITY, THE WHITE BRITISH PERSON TENDS TO MOVE TO A 'WHITER' AREA.**

**Data:** BHPS 1991–2008 and Understanding Society waves 1 to 3.

# Inheriting success

Research by Yaojun Li and Anthony Heath, from the Cathie Marsh Institute for Social Research (CMIST) at Manchester University

**Families migrate to improve their chances of a better life, better jobs and a better future for their children. But how do minority ethnic families coming to the UK fare? And is there a level playing field for their children, grandchildren and great grandchildren to succeed in the work place? The concern for society and policy makers in dealing with this change over time is to ensure social equality and maintain a fair society.**

How difficult is it for ethnic minorities to find a job and move up the career ladder? Do their family positions help them as effectively as for whites? Do they experience generational progress or suffer continual disadvantages?

First generation immigrants tend to suffer in the labour market because their social capital is interrupted in the migration process, their human capital (education) is sometimes not acknowledged by prospective employers, and they do not have much economic capital as they tend to come from developing countries. They usually do not receive a highly welcoming reception, especially for those from poor developing countries. They suffer discrimination of one kind or another, in getting a job, housing, education.



## FIRST GENERATION IMMIGRANTS TEND TO SUFFER IN THE LABOUR MARKET BECAUSE THEIR SOCIAL CAPITAL IS INTERRUPTED IN THE MIGRATION PROCESS

It's important to consider that immigrants are not a random sample from the populations of their origin countries. Most tend to be 'positively selected', with great aspirations and tenacity for themselves and their children. While the second generation may continue to suffer from suppressed parental class, the third generation could be expected to achieve occupational parity with the majority population even though some groups may still experience higher rates of worklessness. But there are significant differences between different ethnic groups with some, particularly Caribbean and Black African or

Pakistani and Bangladeshi groups, continuing to face disadvantages.

Family class plays a very important role, especially on people's occupational position, but ethnicity has a marked effect on men's employment. With the exception of Indians and Chinese, other ethnic minority men, and Pakistani/Bangladeshi women, have employment rates being six to ten percentage points lower than those of whites.

Black African, Pakistani and Bangladeshi men are far behind (seven to nine percentage points lower) in terms of achieving a higher class 'professional' or 'managerial' position even when they do overcome the first hurdle and secure a job.

Those from minority ethnic groups continue to face disadvantages even in the third generation in employment, but for those fortunate enough in crossing the first hurdle and secure a job, there are no obvious disadvantages for the second and the third generations in securing 'professional' roles.

It is clear that family class and ethnicity matter, but signs of occupational progress over generations are emerging. Nonetheless, helping some ethnic minorities across the generations to find employment remains a challenge.

**Data:** Understanding Society waves 1 to 3 and BHPS.

# Portrait of a Modern UK

Research by **Saratha Rajeswaran** and **Rishi Sunak** from Policy Exchange

**Research by Policy Exchange looks at the five largest minority groups in the United Kingdom: Indian, Pakistani, Bangladeshi, Black African and Black Caribbean. It reveals the diversity of the minority ethnic population and the challenges of that diversity for policy makers and politicians.**

Over the past decade, the UK's White British population has remained roughly the same while the minority population has almost doubled. Black Africans and Bangladeshis are the fastest growing minority communities with ethnic minorities representing 25% of people under the age of ten.

Household size, the propensity to go into further education and voting behaviour are different for each ethnic group and this has consequences for Government. For example, the Indian community is the most dispersed, Bangladeshis the least. The Pakistani community is predominantly based in towns in the North and the Midlands, while over half of all the black community lives in London.

While most ethnic minority groups live in large households (bigger than households of the white population), this is not true for Black Caribbeans. Pakistani and Bangladeshi households are the biggest, containing four or more people.

Although all minority groups have higher levels of unemployment and low level of full time workers than the white community, Indians cluster in the highest skilled professions. Almost all minority groups, except the Indian community, have unemployment rates double the national average. On the other hand, all minority groups have higher proportions of students attending Sixth Form and then staying in some form of education post A-levels (especially university) than the White British population.



**FROM EDUCATION TO EMPLOYMENT, HOUSING TO TRUST IN THE POLICE, POLITICIANS FROM ALL PARTIES MUST UNDERSTAND THE DIFFERENT ISSUES AFFECTING INDIVIDUAL COMMUNITIES.**

Regardless of age and social class, voters in BME communities overwhelmingly identify with and vote for the Labour Party, but Indians are up to four times more likely to identify with

the Conservatives rather than Labour compared to other minority groups.

When asked how they rank the importance of being British, between 55-65% of participants within each main ethnic group demonstrated a strong commitment to being British – more strongly than 54% of white British participants.

Clearly, there is no single 'ethnic minority' community but these groups will continue to become an ever more significant part of the UK's voting population. How quickly and forcefully politicians can respond to the differing needs of minorities may influence who is successful in the next election, but more importantly, whoever wins will need to rely on evidence to stay attuned to Britain's ever changing composition, its nuances and needs.







# CHAPTER 3: FAMILY TIES & SOCIAL CONNECTIONS

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# CONSERVATIVE CREATURES AT HEART



Research describes unstable families and lifestyles but it also suggests we value them more says **David Goodhart**

**The popular view that we are increasingly becoming lone wolves is challenged by this area of research. Solidarity, family bonds and companionship still matter most to us it seems.**

The picture that emerges from the research in this chapter on family and social life is a surprisingly optimistic one. It also challenges in certain important respects the dominant liberal idea of how people want to live: individualistic, autonomous, mobile. People, it turns out, are rather conservative creatures who mix with people much like themselves, still live in extended families and do not want to end up on their own.

Indeed, the underlying assumption of much of this research – perhaps rather oddly for a discipline that has traditionally been associated with the political left – is that change is loss. Of course the family has been subject to a huge amount of change in the last two or three generations: fewer children, easier divorce, financial autonomy and mass workforce participation for women. As Nick Buck says in his analysis of household change: “Households are not [therefore] particularly stable entities.”



**THE EXTENDED FAMILY IS ALIVE AND WELL AND THE UK IS A MUCH LESS MOBILE SOCIETY THAN WE NORMALLY IMAGINE.**

And yet people seem to be busy trying to protect themselves from some of the fall-out from this instability.

Most obviously people do not want to end up on their own, and if they do they invariably suffer reduced psychological well-being compared with those who are not on their own as the work of the Southampton researchers in “Being Lucky in Love Can Matter in Later Life” shows. This is not a surprising finding and it rather lacked a counter-factual. What we want to know is are the people who have stuck at not very happy relationships in a better place than those facing loneliness? There can be worse things than loneliness.

The most interesting and in some ways counter-intuitive work in this collection

is that on grandparents. The fact that almost half of mothers rely on grandparents when they return to work after maternity leave, and the number is rising along with the length of the grandparent ‘shift’, suggests several things. First, the extended family is alive and well and the UK is a much less mobile society than we normally imagine. Grandparents cannot look after children if they live the other side of the country. And although it is possible that some grandparents move to be close to their grandchildren the data on the role of grandparents appears to confirm the striking fact (from an earlier Understanding Society report) that 60% of adults live within 20 miles of where they lived when they were 14.

Second, people prefer informal or family-based care to institutionalised childcare. The policy drive to encourage as many women as possible, including single mothers, to leave their children with strangers and return to the labour market as soon as possible after birth has long been criticised by conservative analysts as running counter to the revealed preferences of most mothers. Most mothers continue to put family before work when children are young though usually want, or need, to

continue with some form of employment. And if you cannot look after the child yourself then family-based care with grandparents seems to be the next best thing.

One should, however, be careful not to exaggerate the grandparent role or, indeed, to see it is an alternative to institutional childcare. When only about one fifth of grandparents are doing more than 10 hours of childcare a week most grandparent care is likely to be only a supplement to other forms of childcare even for someone in a very part-time job working, say, 16 hours a week. (Grandparent care also appears to be remarkably sensitive to household income, the number of grandparent childcare hours rising by an almost unbelievable 35% between the recession years 2009-10 and 2010-11.)

On the bigger picture of family change and general social division and fragmentation the picture is one of greater continuity than is often assumed. In the case of family change it would be useful, though perhaps difficult, to distinguish more between what one might call “natural” family events – partnership formation, childbirth, children leaving home, death – and those that are the result of more recent social change, above all the ease with which partnerships can break and re-form.

One figure in the family change data caught my eye and that was the significantly lower risk of a child being separated from a parent the higher up the income scale you travel (couple separation is 1.7% a year in the highest income quartile and 2.8% in the lowest). In some ways this might seem counter-intuitive; for affluent two-earner



## UK HAS ONE OF THE MOST INDIVIDUALISTIC AND LEAST FAMILY FRIENDLY TAX/BENEFIT REGIMES IN THE DEVELOPED WORLD.

households it is surely financially easier to separate. Yet fewer of them do.

Is this because the lower down the income scale you go the more relationship tension is produced by arguments over money? And is this not a good reason for finding ways to reward partnership more in the tax and benefit system? UK has one of the most individualistic and least family friendly tax/benefit regimes in the developed world. Single earner couples are heavily penalized and there is no option of income splitting (in which the incomes of both partners are aggregated and then split in two to allow families to fully benefit from tax allowances) as happens in various ways in several other European countries.

The social distance data presented a reassuringly “steady as she goes” picture. The big step change in inequality in the 1980s has not worsened and has not produced the social fragmentation that many predicted. But scratch beneath the surface and there are some worrying trends. In the area that I know most about – ethnic minority integration and segregation – there is evidence of both gradual absorption/convergence and of continuing and even growing distance. Evidence of the growth in mixed households and partnerships is partly offset by evidence of parallel lives in

certain parts of the country – especially the northern milltowns – and the data from the 2011 census collected by Eric Kaufmann finding that 45% of ethnic minority Britons live in wards where less than half of the population is White British (up from just 25% in 2001).

As might be expected young people tend to be more at ease with social and ethnic heterogeneity. But there is a slight increase in polarization by education level which might indicate a growing divide between graduates and non-graduates with the top third of school leavers headed to university but a significant majority headed for lower status employment, made more so by the very expansion of higher education.

To conclude, people tend to find what they want in the data. I am no exception. I note that people are less mobile than is commonly believed, see themselves as parts of family units not just as individuals and want to keep childcare within the gift economy of the extended family as far as possible. This all confirms the general intuition that people tend towards socially conservative post liberal, rather than liberal, worldviews and lifestyles.

**David Goodhart is Chair of the Demos Advisory Group**

# FAMILY AND SOCIAL CONNECTIONS IN BRIEF

## MAPPING FAMILY CHANGE page 36

# 15.6%

of individuals experienced some sort of house composition change between years 2011-12 and 2012-13.



Those aged 16-24 experience the highest rates of change, typically including leaving home, partnership formation/separation and living in households with unrelated adults

## BEING LUCKY IN LOVE CAN MATTER IN LATER LIFE page 38



# 14%

of men who live with somebody are 'dissatisfied' compared to 19% of women who live with somebody.

# over a quarter

of men and women living alone in late mid-life do not own a house.

## GRANDMA & GRANDPA – THE UNSUNG HEROES OF MODERN UK CHILDCARE page 40

# 1 in 4

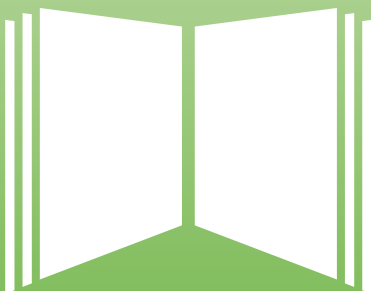
working families depend on grandparents for childcare.



# 200%

the value of grandparental childcare is almost double its value in 2004 in cash terms.

## THE UK'S SOCIAL FABRIC IS TOUGHER THAN YOU THINK page 42



In 14% of two-person households the residents read different newspapers. At least two different newspapers are in 29% of three-person households.



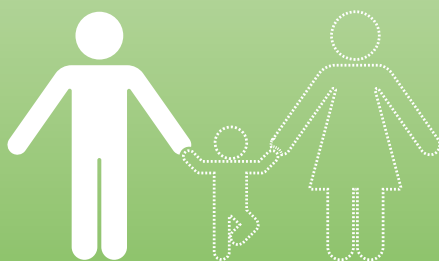


Our family and social class background remain the primary influences upon lifestyle connections.



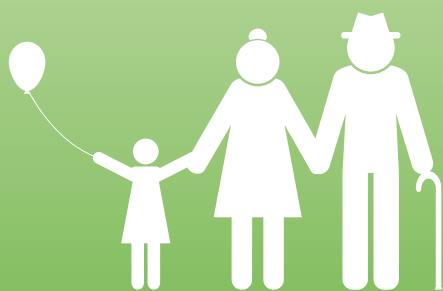
24%

of 55 to 64 year old men living alone have never had a partner or children.



30%

of women living alone feel 'dissatisfied' compared to 24% of men.



63%

of all grandparents with a grandchild under 16 look after their grandchildren.

£7.3bn

the estimated value of childcare provided by Grandparents.

There is little evidence that people who live together share the same values and attitudes.



There is little evidence of any great change in the social distance throughout the 20th and into the 21st century.



## Mapping family change – how families evolve

Research by Nick Buck, Director of Understanding Society

**Births, deaths, divorces, new relationships and seeing children grow up are milestones which impact on our health, happiness and financial stability. Family change raises important questions for wider policy: how family break-ups impact on the welfare of individuals involved including children, the possible increase in adults living alone or how easily young people leave the parental home and establish independent living.**

Left unmapped or misunderstood, these issues have the propensity to damage lives and families – depression and loneliness often go hand in hand, children caught in bad divorces suffer into adulthood and a generation frustrated with the lack of affordable housing can impact on their parent's long-term financial plans.

To get a sense of what the early Understanding Society data from 2009 to 2012 can tell us, Nick Buck, compared how household composition has changed over this period. He analysed whether each individual still lives in the same household as everyone they were living with in the first year or whether they have been joined by anyone new. Types of household change such as new partnerships or separations were also considered.

Starting with change at the individual level, just over 15% of individuals experienced some sort of house composition change between 2009-10 and 2010-11 and 15.6% between 2010-11 and 2011-12. Because change happens between these two periods, evidence from the early years of the BHPS is used to

suggest that over a period of four years around 45% of individual experienced some sort of household or family change. Households are not therefore particularly stable entities. Comparing new Understanding Society data with older BHPS data suggests slightly higher change in that continuing period (16.8% of individuals experienced change). Change over time in these rates need further investigation, but one factor may be that the housing market has put the brakes on residential mobility in the period 2009-2012 – when the latest data was captured.

Change rates also vary by age and household. For example, children under 16 experience a similar amount of change to the overall rate of 15%. The sort of changes involved are the arrival of new siblings, the departure of older

siblings, the departure of a natural or step parent, or for those in single parent family, the arrival of a new step-parent.

Those in aged 16-24 experience the highest rates of change, typically including leaving home, forming partnerships, and separating from partners and some of the high rates of change involved in living in households with unrelated adults. A small proportion of the change in this group will also follow from child birth. Similar events account for the rather high rate of household change in the 25-34 age group, though in different proportions and with more change associated with child birth.

The 35-45 age group sees a much lower rate of change with families largely established, though with still some child birth and partner separation. There is a slight increase in the next age group as adult children start to leave, and return to the parental home. After 55 rates of household change start to decline, reaching very low levels amongst those over 65, and here widowhood is the most important factor.

We see similar patterns across the life course and associated with key phases of people's lives, for example, people in pensioner households typically experience much lower levels of household change whereas households including young adults experience the highest rates of change. Single-person non-pensioner households, mainly composed of younger people experience below average rates of change, mainly because by definition they have no co-habiting partners to separate from and therefore don't experience this



## JUST OVER 2% OF PEOPLE IN COUPLES ARE LIKELY TO EXPERIENCE A SEPARATION OVER THE COURSE OF A YEAR, AND 0.5% TO EXPERIENCE THE DEATH OF THEIR PARTNER.

change. Amongst households consisting of parents and children, lone parent households experience rather higher rates of change, largely because of new partnership formations.

Just over 2% of people in couples are likely to experience a separation over the course of a year, and 0.5% to experience the death of their partner. A comparison with initial household income suggests that the rate of couple separation varies between 2.8% amongst those who earn the least (the lowest income quartile) and 1.7% amongst those who earn the most (the highest income quartile).

The likelihood of single people forming a new relationship is around 3.4%-3.6%. These rates are much higher amongst those in the highest income quartile compared to those in lowest income quartile – in fact nearly double (4.9% for high earners vs 2.45% for low earners).

Around 15% of young adults living with their parents leave home within a year

and 17% of parents with a child aged over 16 experience at least one child leaving within a year. This is strongly related to household income with 13% of young adults leaving home from lower income households compared with 20% from higher income. It is not straightforward to define those at risk of having a child return to the parental home but the comparison of frequencies with the number leaving suggests that on average the rate of returning is around a third of the rate of leaving. Finally, around 2.4% of children aged under 16 experience the departure of a parent over the course of a year. As with partnership separation, this is associated with household income, with around 1.2% of those in the highest income quartile experiencing separation from a parent, with higher rates in all other income quartiles, including 2.6% in the lowest quartile.

All the processes of household and family change will have some effect, for better or worse on the welfare and well-being of the individuals involved. They are also affected by the social and economic circumstances in which individuals and families find themselves. By documenting family change over time using household panels such as Understanding Society, there is incredible scope for researchers to discover how different changes impact on individuals and identify how we can build a society that helps families and individuals remain more stable, connected and happier overall.

**Data:** BHPS 1991-1995 and Understanding Society waves 1 to 3.



## Being lucky in love can matter in later life

Research by **Dieter Demey, Ann Berrington, Maria Evandrou and Jane Falkingham** at the Economic and Social Research Council's (ESRC's) Centre for Population Change at the University of Southampton

### **Researchers have found that the relationship history of people living alone in mid-life matters for their psychological well-being**

Increasing numbers of people in the UK are living alone in mid-life – the period between when people stop having children up to when they retire. Rising levels of loneliness and isolation are a concern for the health and social care system as the baby boomers of the 40s and 60s begin to swell the pensioner population. This generation has witnessed profound changes in family life. Higher separation and divorce rates mean that many will have complex and diverse partnership trajectories and family networks.

There has been considerable interest in previous research about the

connection between marital (or partnership) status and psychological well-being. These studies have generally found that the well-being of those living without a partner is lower than of those living with a partner. Evidence also suggests that psychological well-being worsens just after a relationship ends and that the more break ups we experience, the less happy we are. However, not many studies have looked at both the short-term and long-term implications of a partnership break-up for psychological well-being.

The research investigates how the time since the most recent break-up and the numbers of break-ups affect the psychological well-being of 50- to 64-year-olds who are living alone at

the time of the survey. The majority had previously been in a co-residential partnership (75% of men and 88% of women). It looked at two well-being indicators – one measuring life satisfaction and the other 'psychological distress'. These are described as unpleasant feelings that can affect how one copes in daily life.

The research reveals that the psychological well-being of those who are living alone is lower than of those who are not living alone. No significant differences in well-being were found between those who had or hadn't lived with a partner.

Researchers also analysed information about individuals who were living alone and had experienced at least one partnership break-up. They found





that both the time which has passed since the break-up and the number of break-ups affect psychological distress. This suggests that a partnership break-up has a short-term negative effect on psychological well-being and that there might also be a longer-term negative effect of experiencing more than one partnership break-up.

Psychological distress in the first year after the break-up is worse for women than for men. One possible explanation is that for women the financial effect of a partnership break-up is stronger than for men. Ultimately break-ups affect men and women in different ways. Partnership history and psychological well-being are also affected in different ways by relationship break downs.

At the moment, data only reveals the levels of well-being after the break-up



**PSYCHOLOGICAL DISTRESS IN THE FIRST YEAR AFTER THE BREAK-UP IS WORSE FOR WOMEN THAN FOR MEN. ONE POSSIBLE EXPLANATION IS THAT FOR WOMEN THE FINANCIAL EFFECT OF A PARTNERSHIP BREAK-UP IS STRONGER THAN FOR MEN.**

but as more waves of Understanding Society become available it will be possible to investigate how well-being changes before, during and after a partnership dissolution. This will make it possible to look at how well people bounce back from break-ups, how soon well-being returns to similar levels observed before a partnership break-up and also whether this is

similar or not for different aspects of psychological well-being.

An important policy implication of these results is that the demand for care by those who are living alone and have experienced a partnership break-up is likely to rise in the future as this generation enters old age.

**Data:** Understanding Society wave 1.



## Grandma & Grandpa – the unsung heroes of modern UK childcare

Research by Age UK Chief Economist **José Iparraguirre** and **Sarah Wellard**, Director of Policy, Research and Communications at Grandparents Plus

**More mothers are returning to work and childcare costs are soaring. With over 80% of parents at work, grandparents are increasingly providing informal childcare.**

Charities Age UK and Grandparents Plus say the informal childcare provided by grandparents is now worth £7.3 billion a year, up from £3.9 billion in 2004.

The research uses the first two years of Understanding Society and the 2011 Census to show that both the number of children looked after by grandparents and the length of time that grandparents spend on childcare are rising.

The childcare usage data showed that 14.3% of children aged 0-14 receive informal childcare from their grandparents. Moreover, between 2009-10 and 2010-11 the number went up from 1.3 million to 1.6 million. The total number of child-hours of childcare provided by grandparents over the year also rose from 1.3 billion to 1.7 billion, a 35% increase.

Other influencing factors affecting levels of childcare were also investigated, for example whether the household was considered 'in poverty', the number of children in the household and the marital status of the parents.

The picture that emerges shows that there are fewer children living in poverty than in previous periods but more children in poorer families relying on grandparents for childcare. Both in 2009-10 and 2010-11, more children who receive care from their grandparents lived in one- and two-child households compared to those receiving care from other sources than their parents or guardians. These levels went up for every household, regardless of size: for example, almost 46% of children in one-child households received care from their grandparents in 2010-11 compared to 38.7% in 2009-10.



THERE ARE FEWER CHILDREN LIVING IN POVERTY THAN IN PREVIOUS PERIODS BUT MORE CHILDREN IN POORER FAMILIES RELYING ON GRANDPARENTS FOR CHILDCARE.

When the research explored the marital status of parents or guardians and their poverty situation, it found that the 76% of the parents of children who live in poverty and receive care from their grandparents are single - or divorced, separated or widowed. A greater proportion (80%) of parents whose children receive informal care from the grandparents are in employment. However, a greater proportion of parents in poverty whose children receive grandparental care are inactive or unemployed.

Regardless of parents' economic status, the proportion of children receiving grandparental childcare changed significantly over both years. For example, in 2009-10 35% of children whose parents

(or guardians) were in paid employment received informal care from their grandparents. This proportion went up to 43% in 2010-11.

Apart from pinning a back-of-the-envelope cost on informal childcare from grandparents, this research begins to present suggestions and possible associated household characteristics that lie behind the trend. Future research will investigate the forces that are driving informal childcare in general and more specifically childcare from grandparents and how these trends are changing over time and across regions.

Grandparents are such an important part of many children's lives and are,

it would seem, playing an increasing role in providing an affordable way for parents to continue working. As the state pension age rises, it may become increasingly difficult for grandparents to continue providing such invaluable support. Flexible working arrangements and awareness raising amongst employers may go some way to return a favour and support those who are throwing families a life line when they need it most.

**Data:** Understanding Society waves 1 & 2, 2011 Census and Professional Association for Childcare and Early Years (PACEY) Membership Survey 2012 (formerly, the National Childminding Association)



## The UK's social fabric is tougher than you think

Research by Paul Lambert, Dave Griffiths, Vernon Gayle and Mark Tranmer at Stirling University

**Are we really growing further apart or is our 'social distance' quite stable? Whilst there are lots of different trends in social inequality that can be studied, trends in social distance might be the most important trends of all. Our day-to-day interpersonal relationships heavily influence our actions, preferences and behaviour. An individual's choices and actions ultimately lead to the cumulative effect on our larger social structure.**

'Social distance' refers to how regularly people interact with others. For example, if it is very rare for people of Chinese ethnic identity to have friends who are Pakistani, then there is a high social distance between those two groups. Alternatively, if it is very common for people who are 'vehicle mechanics' to have friends who are

'electrical fitters', then those two groups are socially close. So social structures can be revealed by analysing social ties and what connects us to people.

A project at Stirling University is looking at 'social distance' patterns as a way of exploring inequalities. It has found that long-term trends in social distances appear to be fairly stable, despite the common portrayals of a 'broken society', declining community spirit and people generally having fewer social connections.

Social distance between people can be measured in terms of a wide range of social categories. Traditional approaches measure educational level, occupation or ethnicity. Large scale contemporary social surveys such as Understanding Society permit a more extended range of measures, including measures of

leisure and consumption, by linking together details from both current and previous household sharers.

It has been suggested that other lifestyle factors, such as leisure preferences and cultural and spiritual preferences are new markers of important fissures that might be opening up in contemporary societies and displacing traditional divisions. One example from Stirling is their analysis of Scottish newspaper readership within households.

Across all households with two or more respondents, 91% live with at least one other who shares their newspaper preference. However, when looking solely at those who read a newspaper, 48% live with someone who reads the same paper. The highest levels of those who read the same paper were for the Herald



## YOUNGER GENERATIONS ARE LESS GOVERNED BY THEIR BACKGROUND, WHICH SUPPORTS THE IDEA THAT THE UK IS MOVING TOWARDS A MORE INTEGRATED AND EQUAL SOCIETY.

Whilst instinctively it might sound like those who live together have a similar taste in newspapers, there is little evidence of this. There are many cases where people, and partners, living together identify with different papers and mapping these, can identify important social trends. Given the widely differing social outlooks portrayed by newspapers, studying these patterns enable us to see whether people's social connections exposes themselves to people who share their values and attitudes or provides diversity of opinions and arguments.

Such analysis of families and relationships in terms of these sorts of measures, seem to contradict the story of widening social divisions. Firstly, our family and social 'class' background remain the primary influences upon lifestyle connections. Secondly, patterns of social connections between lifestyle groups seem to show more diversity amongst the younger generations rather than older groups. Lifestyle choices appear strongly linked to our class and social background including our education or occupational position. However, younger generations are less likely to conform to this strict pattern and are less governed by their background, which supports the idea that the UK is moving towards a more integrated and equal society, rather than one that is increasingly divided.

There is surprisingly little evidence of any great change in the social distance

between categories throughout the 20th and into the 21st century. In fact patterns of social distance defined by occupation, and by categories of ethnic and religious identity, also show little change. Patterns of social interactions between groups defined by their educational levels do tend to show slightly increasing polarisation, since people born more recently are somewhat more likely to have friends and family with similar educational levels to them than in the past. This is offset against the narrowing social gap between those having a degree level qualification and, say, having only school-level qualifications, which was greater in previous generations.

Looking at social distance from a range of perspective, therefore suggests social stability, with some evidence of decreasing social segregation over time. This evidence does not support the idea that the UK is 'pulling apart', and disagrees with claims that widening social inequality is creating an 'us and them' society.

Doomsayers may have some apologies to make, however there's still a need to be on-guard to ensure younger generations are protected from lurking inequalities within the education system for example. Further research on this subject can help us monitor such issues, remain reassured in the case of 'social stability' and encourage more optimism about the society we live in.

**Data:** Understanding Society wave 3



## PATTERNS OF SOCIAL CONNECTIONS BETWEEN LIFESTYLE GROUPS SEEM TO SHOW MORE DIVERSITY AMONGST THE YOUNGER GENERATIONS RATHER THAN OLDER GROUPS.

(63%), Telegraph (56%), and Daily Record (55%). The lowest is for the Financial Times (16%).

Identifying as reading a specific newspaper doesn't necessarily mean you live with others with the same identity. In 14% of two-person households the residents read different newspapers. At least two different papers are read in 29% of three-person households, 35% of four person households and 48% of homes with five or more people.

# ABOUT THE STUDY

## In numbers

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Understanding Society is studies 21st century UK life and how it is changing. It captures information about the social and economic circumstances, attitudes and behaviours and health of people living in thousands of households.

# 100,000+ people

Approx. 100,000 individuals are involved with the study.  
This figure includes the adults and 10-15 year olds.

# 40,000 households

The survey has a large sample size of 40,000 households throughout England, Scotland, Wales and Northern Ireland.

# 5,040 postal codes

There are 2,640 postcodes in England, Scotland and Wales and 2,400 addresses from Northern Ireland registered.

## What is longitudinal?

**Our society is under constant change, through technological innovations, financial and economic crises, environmental upheavals and globalisation. Longitudinal studies are our best tool to understand how we are affected by these changes.**

Most surveys ask a set of people some questions, and then after some time they ask a different set of people the same questions. An example of these surveys are the political opinion polls often reported in the media. The information we get from these is what proportion of the population of voters favour one party or another. Comparing two of these surveys we can see how the population has changed across the two time points – one party may have increased their support by one or two percentage points.

Longitudinal surveys are different. One set of people are asked the questions, and then after some time, the same people are asked those questions again. This allows us to look at individual level of change, not just change in the population. We may find that whilst overall one party has increased their support by a couple of percentage points, this actually masks a lot of ‘churn’ as individuals shift their support from one party to another, from preferring a party to undecided, or from undecided to a particular party.

Only by asking the same people at different points in time can we see how things are really changing, or staying the same. This can profoundly affect

how we think about important issues. For example, in the early-1990s it appeared that there was a portion of the population who were persistently in poverty. The poor, it seemed, are always poor. Using a longitudinal survey – in this case, the British Household Panel Survey (BHPS), the forerunner



**GOING BACK EACH YEAR, TALKING TO THE SAME PEOPLE, WE GET A PICTURE OF HOW THEIR LIVES ARE EVOLVING AND HOW THEY ARE EXPERIENCING THE CHANGING CIRCUMSTANCES OF OUR SOCIETY. AS WE TALK TO PEOPLE OVER LONGER PERIODS OF TIME, WE GET A ‘FILM STRIP’ OF THEIR LIVES, RATHER THAN A SINGLE SNAPSHOT**

to Understanding Society – researchers found that in actual fact there was a dynamic picture of change. Some families would be exiting poverty, as other households entered poverty. Half of those in poverty in one year were not found to be in poverty the next year.

The group of households who were persistently poor was much smaller than had previously been thought. Poverty was something which could be escaped, but it was also something that affected more people at one time or another.

Another strength of the longitudinal design is that it shows how events and actions at one point in time can affect outcomes later in life. If we only interview people once, we cannot tell whether, for example, their ill health caused them to lose their job or whether losing their job led to their poor health. We can only say that ill health and unemployment are associated with each other. By talking to the same people every year, researchers can observe which event happened first, and so can draw out the causal relationship between ill health and unemployment. This example can be extended to a wide range of other areas; how health affects educational attainment, or how education affects employment prospects.

We are all products of our past experiences. Longitudinal surveys allow researchers and research users to see how those experiences have impacted on our outcomes today and in the future.



## Who is it for?

**Understanding Society is used to produce top quality research, which informs, influences and checks the success of social, economic and health policy and practice in the UK and abroad.**

In particular, the study is used by:

**Researchers and analysts:** Whether it's looking at the impacts of recession or analysing the effect of a new policy, the size and scope of the survey enables researchers to draw more accurate conclusions about the UK.

**Policy makers and politicians:** The data and subsequent research are used to better inform politicians and civil servants. More knowledgeable policy makers are better equipped to make the right decisions on behalf of all of us.

**Pressure groups and commentators:** Pressure groups, independent policy analysts, journalists, voluntary, community and commercial organisations can use the data to lobby and report on hard evidence.

**The general public:** In the long run, society will benefit from social and economic policies that are based on high-quality research.

## Features of the study

The science behind the study is vast and complex. It has taken experts years to hone the way the study can best work. Understanding Society builds on its predecessor, the British Household Panel Survey by including additional features that make the study even more powerful and unique.

Our health is affected by the world around us. Where we live, how much money we have, how stressful our lives are or that how we develop as children both physically and at school will have lasting consequences for our health and lives as we age. What is less clear is how these external factors 'get under the skin' and change our biology in



**USED AS A PRACTICAL, EVIDENCE-BASED TOOL, THE STUDY CAN SUPPORT A LONG-TERM APPROACH TO TACKLING SOCIAL AND ECONOMIC PROBLEMS**

### **Biomarkers – drawing new links between experiences and biology**

Biomarkers are measures of our biological processes and include height and weight and more complex measures such as lung function, blood pressure, blood samples and DNA. They measure how well these different parts of the body function and help to investigate the causes of health problems.

ways that affect our health. The relationships also happen the other way round, our health affects our ability to engage in all other aspects of our lives – family, school, work, play. But at a more fundamental biological level our genes may also influence our lives.

To understand our social and economic circumstances interact with our health throughout our lives,





Understanding Society included a nurse interview with adults in the study to measure 'biomarkers'.

Including biomarkers in Understanding Society has created new research avenues for us to better understand how our social environment and our biology interact; the findings from this research will help inform policy to improve the population's health.

### **The Ethnic Minority Boost Sample (EMBS)**

Each year since 2009, Understanding Society has collected information on the same 15,000-plus individuals with ethnic minority backgrounds. The EMBS includes five ethnic minority groups:

Bangladeshi, Black African, Caribbean, Indian or Pakistani.

With Understanding Society now in its sixth year, the EMBS provides an extraordinary resource on how ethnic minorities' lives change over time. There have already been interesting results which challenge misconceptions about identity and provide a detailed account of occupational changes of different ethnic groups. The research summarised in chapter two is a small example of such results.

### **The Policy Unit – championing evidence to influence policy**

The Policy Unit's overall aim is to champion Understanding Society

as a reliable and unique evidence source for informed policy debate. It works to communicate to policy users the strengths and potential of longitudinal research findings and the opportunities for unpacking the complexities of how change takes place.

Unit was set up in early 2014 to mine the ever-expanding body of Understanding Society related research and ensure it is fully exploited. It collaborates with external partners in Government, think tanks, commerce and the third sector to carry out joint research projects and ensure existing research is promoted. It is also leading a new research support service aimed at helping Whitehall departments and the Scottish and Welsh devolved administrations to make use of the study.

Understanding Society's value to policy makers is substantial. If used as a practical, evidence-based tool, it can support a long-term approach to tackling social and economic problems.

### **Innovation Panel – a testing ground for social scientists**

Understanding Society's Innovation Panel (IP) is a unique resource for innovative longitudinal research. It is a test-bed for new data collection methods and developing new research areas.

The IP survey uses a sample of 1,500 households in Britain that have been interviewed every year since 2008. It creates a realistic testing ground for researchers and is designed in a similar way to the main Understanding Society panel survey. The key difference is that the IP is used for experiments and methodological tests. Researchers from around the world are encouraged to use the IP and an annual competition invites proposal for IP studies.

Using a longitudinal survey for experiments and methodological tests is quite unique and very valuable. The IP plays a key role in ensuring the future success of Understanding Society and has shaped many decisions about how to improve the survey design. The research is also highly relevant to other longitudinal surveys around the world.

## Final word

By Director of Understanding Society's Policy Unit, **Shamit Saggar**

**This edition of *Insights* shows the importance of longitudinal research to help us track how lots of things are changing at the same time.**

It is fairly straight-forward to say that as people get older their waist lines increase, and that this is particularly true for some of us more than others. So much is true and seemingly obvious. But it is more useful, if harder, to grasp how changes in our earnings, family situations, health, location and personal wellbeing are unavoidably mixed up in the moving picture of waistlines.

Rather than just accept that these things affect our lives, it is important to know why and at what rate or intensity. We should also aim to know whether outlier ripples and unusual findings signify big tsunami-like change that is on its way. By looking at the evidence year on year, a more comprehensive picture often emerges, surfacing new realities, describing nuances, and underscoring a real flavour of what change and continuity means for individuals and for households.

Simply saying that "things are more complicated than we imagine" carries a notable downside, namely that policymakers can be paralysed by so much analysis. As Mark Easton's commentary in Chapter 1 observes, there is a delicate balance between muddied waters and crystal clarity in research that can be helpful, timely, accessible, and that is used. The findings in this volume are especially good at starting to break down the big picture and at look beyond a single snapshot.

This research which scratches beneath the surface can be harnessed by decision-makers in powerful ways. The commentary in each chapter suggests how this research connects to the reality it could shape.

Where do we go from here? There are two main lessons to remember. Firstly, that those most and worst affected by the recent economic downturn are often different from the sweeping claims that we hear every day. The second is that resilience to economic turmoil is far from stable. Resilience traits

and patterns have themselves altered through the recession and will continue to do so. Public leaders' principal task is to develop interventions that accelerate resilience where it exists and equally, to build reliable defences where it does not.

Each subsequent edition of *Insights* will comprise new and different thematic coverage, and we will circle back to these initial themes periodically. We would be delighted to hear from future contributors who are using Understanding Society data.

I hope you enjoyed *Insights 2014*.



**Director of Understanding Society's Policy Unit and Professor of Public Policy, University of Essex**

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## Stay in touch

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*Does your health limit you a lot, a little or not at all?*

*Have you ever been turned down for a job in the UK?*

*What do you consider your national identity to be?*

*Did you do any paid work last week?*

*Do you have any biological children?*

*Which ethnic group(s) do your friends belong to?*

*Are you a supporter of any one party?*