



Official Statistics

# Development of a new measure of poverty: statistical notice

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## Introduction

The Department for Work and Pensions (DWP) publishes [Households Below Average Income \(HBAI\)](#) National Statistics annually.

These statistics estimate the number and percentage of people living in low income households in the UK. It meets DWP's statutory obligation to publish a measure of relative and absolute low income, and low income and material deprivation for children under section 4 of the [Welfare Reform and Work Act 2016](#).

## Social Metrics Commission

In September 2018, the Social Metrics Commission (SMC) published the '[A New Measure of Poverty in the UK](#)' report in which they proposed a new method for measuring poverty.

The SMC is an independent commission that was formed with the aim of developing a new approach to poverty measurement that both better reflects the nature and experiences of poverty that different families in the UK have and that can be used to build a consensus around poverty measurement and action in the UK.

The SMC report concluded that their new metric accounts for the negative impact on people's weekly income of inescapable costs such as childcare and the impact that disability has on people's needs; and includes the positive impacts of being able to access liquid assets such as savings, to alleviate immediate poverty. The commission's metric also included groups of people previously omitted from poverty statistics, like those living on the streets and those just above the low income threshold but in overcrowded housing.

This SMC metric was also positioned within a wider framework, with the aim of seeing a more detailed picture of exactly who is poor, and the range of factors that can detrimentally impact on their lives, their experience of poverty and their future chances of remaining in, or entering poverty.

## **New experimental statistics**

DWP has completed an initial evaluation of the SMC work and have concluded that this new approach could form the basis of a new measure of poverty that would improve the information and evidence on poverty provided by Government to the public.

Given this, DWP will publish experimental statistics in the second half of 2020 that will take the current SMC measure as a starting point and assess whether and how this can be developed and improved further to increase the value of these statistics to the public. This assessment will include the wider measurement framework covering the depth, persistence and lived experience of poverty.

The experimental statistics will be produced and released following guidelines by the UK Statistics Authority [Code of Practice for Statistics](#) that sets out a framework to ensure that the statistics are of:

- public value
- high quality
- released in an open and transparent manner that is pre-announced and promotes trust

The statistics will be developed by the department with input from a wide range of users, including other government departments and external stakeholders, and the SMC themselves.

These experimental statistics will be published in the second half of 2020, after and in addition to DWP HBAI statistics. We remain committed to publishing HBAI in line with our statutory duties.

# Feedback

At this stage the department is keen to receive feedback from users on what they would like to see included in the new report and what their priorities would be. This feedback can be considered as we develop the new publication.

E-mail your feedback to: [team.povertystats@dwp.gsi.gov.uk](mailto:team.povertystats@dwp.gsi.gov.uk).

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