

Association of Low Pay with Poverty

We are primarily concerned in this chapter with the way in which low earnings adds to the wider picture of economic and social deprivation. In Table IX we have some evidence from the 1968 Family Expenditure Survey, that the very poor families have a much smaller proportion of their income made up from wages or salaries than the moderately well off. We can see that this proportion starts to decrease again when we look at the very richest households. It is not possible to conclude that this means an increase in lower wages will not effect the position of the poor appreciably, however. A large number of those on very low household incomes will in fact be pensioners who are earning a little extra in part-time jobs. Once we get over £15/week for total household income ~~that~~ the proportion of that income which is earnings rises to over 50%. Thus we may assume that wages or salaries do play a large role in the ~~earnings~~ household income of families with full-time workers, they are in fact the main source of income for even the poorest of such families.

Table VIII shows us, however, that to be a low wage earner does not necessarily mean that you live in a poor household. If we look at the first table for male householders we can see that only 3.2% of these men are earning below 60% of the mean earnings for full-time male and female employees. We have need of a joint mean for men and women in order to make a direct comparison with female head of households of whom there are considerably fewer but who nevertheless are much more likely to be earning under 60% of the joint mean (i.e. 44.3%). We also see that having a female head of household is also likely to ~~correlate~~ be related with an overall low household disposable income, 25.7% of such households being on the verge

some table of earnings distributions x sex x proportion of income that is made up by earnings. Will do after Xmas holidays.

103

61
26
13
3
2
2

107
1

mom LHL	12	31
♂ LHL	14	31
male in-LHL	2	13
female in-LHL	26	251

Low Pay and Poverty (continued)

or actually in poverty, while 16.6% of households with male heads are in such a position. It is also obvious from table B of VIII that the low pay of women is directly related to this lower household income because none of the female-headed poor families have head of household earnings over 100% of the mean, whereas this is not the case for male head households of which 107 out of the 163 in or on the verge of poverty are earning over 100% of the mean. The suggestion is that a man may not be low paid but can still be in poverty while this is much less likely for a female head household (We may suggest that one reason for this is the smaller size of female head households).

If we look at the situation for non-householders both male and female, more of the highly paid employees are in poverty-stricken households, but also considerably fewer of the low paid are in such households either. Obviously we would expect this to be the case as presumably the household is not depending on the non-householder's earnings for a decent standard of living. But it does complicate the situation of low pay and poverty.

We can summarise the situation as follows:-

1. If you are low earner (i.e. less than 60% of mean) you are fairly likely to be in a poverty stricken household no matter what your sex if you are the ^{chief} householder.
2. If you are a ^{head of household} male earning an average wage there is still some possibility of your household being affected by poverty, this is not so for female heads.
3. If you are not head of household and you earn low wages then the chances of your living in a poor household are considerably reduced no matter what your sex. Females are much more likely not to be heads than men which reduces the relation ~~the~~ between females low wages and poverty.

If we look at the head of households ~~among~~ with less than 100% S.B. + HC then 12 out of 33 are low paid. The number of low paid among heads of households with 100-139% S.B. + HC is proportionately much less i.e. 14 out of 148. Which is due to the propensity of male heads to be on the verge of poverty even when earning average wages.

Among the non-householders low pay is obviously even less associated with directly with poverty.

We can conclude from all this that low wages certainly do contribute to poverty but that to increase all such wages, say by a minimum wage, would not solve the problem of all full-time earners in households on the verge of, or actually in poverty. In particular it will not help those households who have a full-time male employee as their head who is earning an average wage, yet is still on the verge of poverty. This is worth bearing in mind when simplistic solutions to poverty, such as a general increase in low wages are proposed.

~~Nevertheless it is worth considering~~

The protection from deprivation which is afforded to some low paid females by general household income is demonstrated in Table X which x-tabulates earnings (average weekly as % separate means for men and women) with style of living score. For both men and women earnings are ~~very~~ associated with style of living in the expected direction but if we look at the low paid men we can see that a larger proportion of these are suffering social deprivation than are the low-paid women (34.6% of men above 3 as compared with 51.0% of low paid women). If we had used a combined mean for men and women for a base to measure earnings this trend would show up even more strongly (tables available if needed).

