

University academics calculate the cost of poverty

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£1 in every **£5** spent on
public services is linked to poverty



A total of **£69 billion** every year

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Credit: Heriot-Watt University

Professor Glen Bramley and colleagues at Heriot-Watt were key contributors to a new report from the Joseph Rowntree Foundation demonstrating that dealing with the effects of poverty costs the UK £78 billion a year, £1,200 for every person.

The report, ['Counting the Cost of UK Poverty'](#), written by academics

from Heriot-Watt and Loughborough universities, is the first research to illustrate how much poverty across all age groups [costs](#) the public purse. It finds that £69 billion, £1 in every £5 of all spending on public services, is needed because of the impact and cost poverty has on people's lives.

The total, £78 billion, also includes £9 billion in lost tax revenue and additional benefits spending resulting from dealing with the symptoms of poverty. . Experiencing poverty in childhood makes it more likely that a person will be out of work as an adult. The overall total is equivalent to 4 per cent of the UK's GDP.

The Heriot-Watt team, from the Institute for Social Policy, Housing, Environment and Real Estate (I-SPHERE) within the School of Energy, Geoscience, Infrastructure and Society (EGIS), undertook the main research on the additional cost of public services associated with poverty.

Glen Bramley, Professor of Urban Studies at Heriot-Watt, lead author of the report, said, "The £69bn extra cost of public services is our best estimate based on reviewing evidence on the patterns of service utilisation and spending across individuals, neighbourhoods and localities with different levels of poverty. We have taken account of the actual resource allocation mechanisms in use and applied statistical analysis techniques to allow for other factors which affect the amount of services used. These costs include the effects of both current poverty and past experiences of poverty, including other social problems which are closely inter-related with [poverty](#)."

Provided by Heriot-Watt University

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