

# Record levels of in-work poverty revealed

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More than half (60 percent) of people living in poverty in the UK live in a household where someone is in work, the highest figure recorded, according to a new Cardiff University report.

The [report](#) by Dr Rod Hick and Dr Alba Lanau from Cardiff University's School of Social Sciences, funded by the Nuffield Foundation, shines a new light on the growing problem of in-work poverty in the UK.

It finds that that the risk of poverty for adults living in working households rose by more than a quarter (26.5 percent), from 12.4

percent to 15.7 percent, during the ten year period 2004/5 to 2014/15.

The research finds that the number of workers in a household, and not low pay, is the primary determinant of in-work poverty.

"There has been a lot of discussion recently about how increasing the minimum wage can help to reduce poverty," according to Dr Rod Hick, School of Social Sciences, who led the research.

"However, what our report finds is that less than half of adults experiencing in-work poverty have a low paid worker in their household, and most low paid workers live in non-poor households..."

"Tackling in-work poverty requires re-thinking our approach: it's about improving the circumstances of the whole household, not just those of an individual worker, and promoting employment is key," he added.

One important support for low income working families has been tax credits, which have been the subject of considerable political debate in recent years.

The research examined the effectiveness of tax credits in reducing in-work poverty over the past decade.

Dr Hick said: "Our research shows that tax credits have proven quite highly effective in reducing in-work poverty – for families who received them. However, tax credits are received by less than half of working poor households, through a combination of design and low take-up. In particular, working poor families without children have very low rates of [tax credit](#) receipt."

The report also finds that the rise in in-work poverty has been concentrated amongst households in the private rented sector and

amongst social housing tenants.

Dr Hick adds: "Our research finds that housing costs are becoming an increasingly important factor in determining [poverty](#) rates amongst working families.

"If policy does not do more to tackle rising housing costs directly, then it seems likely that these will eat up gains made elsewhere – for example, in terms of the planned increases in the [minimum wage](#)."

To help tackle the problem the report makes a series of recommendations.

The report recommends supporting families with children to be able to take up additional paid employment through ensuring childcare is available and affordable; reversing cuts to tax credits to ensure that low income working families are supported; and tackling the high [housing costs](#) experienced by families, especially in the private rented sector.

**More information:** [www.cardiff.ac.uk/\\_data/asset...overty-in-the-UK.pdf](http://www.cardiff.ac.uk/_data/asset...overty-in-the-UK.pdf)

Provided by Cardiff University

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