

CabinetOffice  
Social Exclusion Task Force

## Social Exclusion: why still a problem

- Shifting the curve
- Nature of the improvements
- Who is left behind
- What are we doing

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Since 1997/8 families in the bottom fifth of the population have seen their incomes grow faster than those at the top

### Average annual percentage income growth 1997/98-2004/05

Quintile	Average annual percentage income growth
Bottom 20%	2.6
2nd Quintile	2.7
3rd Quintile	2.3
4th Quintile	2.0
Top 20%	2.1

Source: DWP, Households Below Average Income 2004/05. Security or title - use View/Header and Footer to edit this area. 2

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## UK tax and benefit support for children, 1975-2003

2005: Can Child Poverty be Abolished? Promises and Policies in the UK. Sub-editor: ASPC Sydney 20th July 2005. Security or title - use View/Header and Footer to edit this area. 3

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There has been faster income growth for poorer families since 1997 – particularly in contrast to the period 1979-97

### Average annual income growth by percentile of the income distribution

Source: Institute for Fiscal Studies Date Security or title - use View/Header and Footer to edit this area. 4

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## Improvements in key areas


- Employment
  - 2.5 million more in jobs now than 10 years ago
  - Increase of 317,000 of lone parents in work
- Education
  - Double investment in spending per child
  - Number of young people leaving school with no qualifications has halved
  - Numeracy and literacy strategies shifted the curve
- Health
  - Greatly improved survival rates for heart disease, cancer
  - Reduction in smoking, all adults now 24%, but routine and manual classes, 31%, since 1997 3% overall, in r and m, 2 % reduction

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## Childhood disadvantage predicts adult exclusion


Source: HMT/DfES Policy Review of Children and Young People: A Discussion Paper, based on commissioned analysis by Feinstein (2006). Security or title - use View/Header and Footer to edit this area. 6



## Childhood disadvantage costs child and society

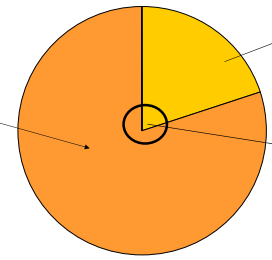
Costs to child	Costs to society
<p>Exposure to parent-based risk factors can be devastating for children's life chances:</p> <ul style="list-style-type: none"> <li>Children from the 5% most disadvantaged households are more than 100 times more likely to have multiple problems at age 30 than those from the top 50% of households</li> <li>60% of boys whose fathers go to prison are eventually convicted themselves</li> <li>61% of children in workless households live in poverty</li> <li>60% of children in the lowest reading attainment group at age 10 had parents with low literacy scores</li> <li>Children who experience parental conflict and domestic violence are more likely to be delinquent and to commit violence and property offences</li> </ul>	<p>The negative consequences of exclusion inflict huge costs on the economy and society:</p> <ul style="list-style-type: none"> <li>Antisocial behaviour costs the public £3.4bn a year</li> <li>Annual cost of school exclusion is estimated at £406m</li> <li>The additional costs of being not in education, employment or training at age 16-18 have been estimated at around £8.1 billion in terms of public finance costs</li> <li>We could save £300m over three years if care leavers had the same rates of going into education, employment and training as their peers</li> <li>If one in ten young offenders received effective early intervention it would save in excess of £100m a year</li> </ul>

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successes in improving outcomes for poor families, have left a smaller and much more complex group behind

General population (80%)




**Bottom 20%, perhaps living in poverty but:**

- working, coping poor
- resilient families
- students
- achieving children

**Deep and persistent exclusion c.2-3% with multiple problems:**

- those receiving care from specialist mental health services (1.1m)
- Problem drug users (280,000)
- lack functional numeracy (7m), lack functional literacy (5m)
- young offenders (95,000)
- NEET 16-18 yrs (220,000)
- children in care (60,000)


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## Not just poverty

- Those receiving care from specialist mental health services (1.1m)
- Problem drug users (280,000)
- Young offenders (95,000)
- Young people not in education employment or training (220,000)
- Children in care (60,000)
- Lack of functional numeracy (7m) and literacy (5m)

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## What we are doing: turning the plan into Action

- Health led parenting pilots
- Adults in deep exclusion (ACE)
- Multi systemic therapy
- Downstream costs work
- Families at Risk Review
- Fine grained performance management systems
- Joining up around the adults most at risk of on-going and deep exclusion: ex-offenders, young adults leaving care, young adults with severe learning difficulties, adults using acute mental health services, victims of domestic violence

**What is success: a place to live, on the path to employment**

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