Objectives:

- Describe economic well-being of women across different ethnic groups
- Discuss the link between women’s and children’s economic well-being
- Compare poverty rates
Data

- **Family Resources Survey (FRS)**
  - Continuous household survey
  - Repeated cross-sectional survey with the financial year as reference period
  - UK population living in private households
  - Target annual sample size of 29,000 households

- **Households Below Average Income** (dataset containing variables derived from the FRS)

- **This sample:**
  - Pooled, 2003/04 to 2007/08
  - without Northern Ireland
## Sample

<table>
<thead>
<tr>
<th></th>
<th>All Adults</th>
<th>Female/Male ratio</th>
<th>Children</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(% of total)</td>
<td></td>
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</tr>
<tr>
<td>White British</td>
<td>196542</td>
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<td>58550</td>
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<tr>
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<td>69142</td>
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</tbody>
</table>
### Sample

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>All Adults (% of total)</th>
<th>Sex ratio</th>
<th>Children (% of adults)</th>
</tr>
</thead>
<tbody>
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</table>
Children live primarily with their mothers/women
Number of children per household

![Bar chart showing the number of children per household by ethnicity.]

- White British: 1.5
- Indian: 2
- Pakistani: 2.5
- Bangladeshi: 0
- Chinese: 1
- Black-Caribbean: 1.5
- Black-African: 2
Different income measures

- **Individual income**: Net (of taxes) individual income that includes tax credits received as benefits

- **Household income**: Net (of taxes) total household income equivalised by the OECD equivalence scale, before housing costs
  - Income pooling & Income sharing

- **Material deprivation** (only for families with children): prevalence weighted deprivation scores
Different methods of summarising

- **Mean income**: Average income

- **Median income**: Income below which 50% of the sample’s income lies

- **Poverty threshold (yearly)**: 60% of the median of equivalised household incomes of the population for that year
## Average individual and household incomes

**CN**

**High mean individual incomes**

**Gain from income pooling**

<table>
<thead>
<tr>
<th>Men</th>
<th>Household equivalent income (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>White British</td>
<td>300</td>
</tr>
<tr>
<td>Chinese</td>
<td>280</td>
</tr>
<tr>
<td>Indian</td>
<td>350</td>
</tr>
<tr>
<td>Black-African</td>
<td>320</td>
</tr>
<tr>
<td>Black-Caribbean</td>
<td>260</td>
</tr>
<tr>
<td>Pakistani</td>
<td>230</td>
</tr>
<tr>
<td>Bangladeshi</td>
<td>190</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Women</th>
<th>Individual income (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chinese</td>
<td>250</td>
</tr>
<tr>
<td>Black-Caribbean</td>
<td>200</td>
</tr>
<tr>
<td>Black-African</td>
<td>180</td>
</tr>
<tr>
<td>White British</td>
<td>150</td>
</tr>
<tr>
<td>Indian</td>
<td>120</td>
</tr>
<tr>
<td>Pakistani</td>
<td>100</td>
</tr>
<tr>
<td>Bangladeshi</td>
<td>80</td>
</tr>
</tbody>
</table>

The graph illustrates the average individual and household incomes for various ethnic groups, highlighting the gain from income pooling. The Chinese group shows the highest gain, with a significant increase in household equivalent income compared to individual income.
Average individual and household incomes

WB & IN women

Low mean individual incomes

Gain from income pooling
Average individual and household incomes

BA & PK

Low mean individual incomes

Gain from income pooling BUT…

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Average individual and household incomes

BC & BA
High mean individual incomes
Hardly gain from income pooling
Average individual and household incomes: for men & women with dependant children

BC & BA
High mean individual incomes

Lose from income pooling
Gains from income pooling and income sharing

Comparing women’s individual and household incomes:

- **Black Caribbean and Black African women**
  - high mean individual incomes
  - hardly gain from income pooling
  - Women with dependent children LOSE from pooling

- **Chinese women:**
  - high average individual incomes
  - gain from income pooling

- **White British and Indian women:**
  - low average individual incomes
  - gain from income pooling

- **Bangladeshi & Pakistani women:**
  - low average individual incomes
  - gain from income pooling BUT…

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Men on an average have higher individual incomes than women in the same ethnic groups
Women with dependent children

- Men and women with children have higher individual incomes (except Bangladeshi and Pakistani women).
- But lower household incomes on average than those without (except Chinese women).
- Women with children are more likely to be poor than women without children.
- They are more likely to be younger.
Family composition of women by ethnic groups

White British
Indian
Pakistani
Bangladeshi
Chinese
Black-Caribbean
Black-African

Percent (%)

- single, no children
- single, with children
- one or more adults, no children
- one or more adults, and children
Family composition of women with dependent children by ethnic groups
Ethnic composition of spouse/partners

Proportion of women in couples

- Partner of same ethnic group
- White British partner
Median individual and household incomes

Rank of Chinese women w.r.t. median individual income is lower

Rank of Indian and Black African women w.r.t. median HH equiv income is lower
Women’s individual income by ethnic groups
Proportion of women employed, by ethnic group

Women with dependant children  All women

Percent (%)

Percent (%)

White British  Indian  Pakistani  Bangladeshi  Chinese  Black-Caribbean  Black-African

White British  Indian  Pakistani  Bangladeshi  Chinese  Black-Caribbean  Black-African
Proportion of women employed, by ethnic group

**Women with dependant children**

- **White British Men:** 87.2%

**All women**

- **White British Men:** 66.6%

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Women’s household income by ethnic groups

- White British
- Indian
- Pakistani
- Bangladeshi
- Chinese
- Black Caribbean
- Black African

£ per week
Individual Income gaps for women of different ethnic groups vis-à-vis White British Men

- White British women
- Indian women
- Pakistani women
- Bangladeshi women
- Chinese women
- Black Caribbean women
- Black African women

All income gaps are negative and significantly different from zero.

95% confidence interval  Mean gap
Household Income and % Poor

- Black African W
- Black Caribbean W
- Chinese W
- Bangladeshi W
- Pakistani W
- Indian W
- White British W
- White British M

Mean income (£ pw)

Household Income

% poor

0 10 20 30 40 50

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Household Income and % Poor

- Black African W
- Black Caribbean W
- Chinese W
- Bangladeshi W
- Pakistani W
- Indian W
- White British W
- White British M

Mean income (£ pw) vs % poor

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Household Income and % Poor

- Black African W
- Black Caribbean W
- Chinese W
- Bangladeshi W
- Pakistani W
- Indian W
- White British W
- White British M

Mean income (£ pw)

Household Income

% poor

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Household Income and % Poor

Women with dependent children

All Women

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# Poverty Rates

<table>
<thead>
<tr>
<th>Ethnicity</th>
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<th>Men</th>
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<td>13.3</td>
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Source: Family Resources Survey and Households Below Average Income 2003/4-2007/8

Child poverty rates are higher than that of women or men in the same ethnic group.
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Women’s poverty rates are almost always higher than that of men the same ethnic group.
Income composition
Individual income composition

Women

White British
Indian
Pakistani
Bangladeshi
Chinese
Black-Caribbean
Black-African

Percent share

Earnings  Self-employment  Pension income  Benefits  Tax credits as benefits  Other income

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Overall women in all non-white groups are more likely to be younger: more than 75% are 54 years or less while only 59% of white women are 55 or less.
Age composition of women with dependent children by ethnic groups

As expected women with dependent children are relatively younger: around 80% are 44 years or less
Age-income profiles

- Very little variation in income gaps between ethnic groups for different age groups
- Except at very young or very old ages
Women’s income composition

Individual Income

- **Earnings**
  - important source for all, 50-60%
  - except for Bangladeshi & Pakistani women, 30-40% & 25-30% for women with dependent children

- **Non-pension benefits and tax credits**
  - Important for Bangladeshi & Pakistani women, 45-50%
  - Relatively important for Caribbean and Black African women, 20-25%
  - Important for Pakistani & Bangladeshi women with dependent children, 10% higher
Women’s income composition

Individual Income
- Pension
  - Important for White British women, 20%
- Other income and self-employment income
  - Important source for Chinese women

Household Income
- Labour income more important, and
- Non-pension benefits & tax credits less important
# Individual income inequalities by ethnic group

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Mean logarithmic deviation</th>
<th>Gini</th>
<th>Mean logarithmic deviation</th>
<th>Gini</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With Dependent Children</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>All</td>
<td>0.45</td>
<td>0.42</td>
<td>0.49</td>
<td>0.43</td>
</tr>
<tr>
<td>Pakistani</td>
<td>0.88</td>
<td>0.51</td>
<td>0.79</td>
<td>0.50</td>
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<tr>
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<td>0.58</td>
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<tr>
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<td>0.47</td>
<td>0.70</td>
<td>0.46</td>
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<tr>
<td>Indian</td>
<td>0.73</td>
<td>0.47</td>
<td>0.72</td>
<td>0.49</td>
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<tr>
<td>Black African</td>
<td>0.64</td>
<td>0.43</td>
<td>0.62</td>
<td>0.41</td>
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<tr>
<td>Black Caribbean</td>
<td>0.44</td>
<td>0.38</td>
<td>0.47</td>
<td>0.37</td>
</tr>
<tr>
<td>White British</td>
<td>0.41</td>
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<td>0.44</td>
<td>0.42</td>
</tr>
</tbody>
</table>

Inequality
Contribution of different income sources to income inequality

- Labour income
  - most important contributing factor, more so for men
  - Self-employment disproportionately higher
  - More so for women with dependent children, less so for men with dependent children

- Non-pension benefit income & tax credits
  - reduces income inequality a little, 2%
Distribution of deprivation scores of women with children by ethnic groups

![Bar chart showing distribution of deprivation scores by ethnic group](image)
Distribution of deprivation scores of women with children by ethnic groups
Distribution of deprivation scores of children by ethnic groups

Nearly half of Bangladeshi children have incomes < 70% of Median AND deprivation scores >25

All children: 16-17%
To conclude

- Diversity of women’s income within and between ethnic groups
- But a substantial proportion of women are poor across different ethnic groups to varying degree
- Women’s poverty is very closely related to poverty of children as most children live with at least one woman guardian
To conclude

- Poverty is determined not just by women’s wages, or even their total income
- Who they live with matters: income pooling (sharing rule) and family size
- Different patterns of women’s own income and income pooling across groups
- We need to measure economic well-being directly
To conclude

- Bangladeshi & Pakistani women: low own income, low income of spouses
- Black Caribbean and African women: high own income, relatively lower income of spouses/partner, single mothers
- Indian and Chinese women: gain from income pooling on average, but high within group income inequality
Thank You!