



# Foreign-born people and poverty in the UK

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by Ceri Hughes and Peter Kenway

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What is the risk of poverty for foreign-born people in the UK? Drawing on analysis of the Family Resources Survey, this report highlights that foreign-born people are at a higher risk of poverty than UK-born people, across a range of characteristics.

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The report shows that, on average over the three-year period to 2013/14:

- there were 7.7 million foreign-born people living in the UK (12.3% of the total population);
- 2.5 million foreign-born people were in poverty (32% of all foreign-born people) – this contrasts with a poverty rate of 19% for UK-born people;
- most (73%) of the foreign-born population who were in poverty had lived in the UK for at least five years;
- the poverty rate for children with foreign-born parents was high, reaching 45% compared with 24% for the children of UK-born parents;
- most (70%) of the children in poverty who lived in foreign-born adult families were born in the UK.

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# Glossary

Child	An individual aged under 16, or an unmarried person aged between 16 and 19 who is in full-time education and is living with their parents.
Family	A single adult or cohabiting couple and any dependent children. This definition of a family is based on the concept of a 'benefit unit', which is used in the administration of benefits.
Foreign-born	Used to describe someone who was born outside the UK.
Foreign-born adult family	A family where all the resident adults were born abroad. It includes the UK-born children of couples and lone parents who were born abroad.
Household	One person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and a living room, sitting room or dining area. A household can consist of one or more families.
Material deprivation	The material deprivation rate describes the proportion of people whose living standards are severely affected by a lack of resources such that they cannot afford four or more of nine items, including mortgage or rent payments, a washing machine, a telephone or a colour television.
Migrant household	A household where all the resident adults are foreign-born.
Mixed-adult family	A family containing one foreign-born and one UK-born adult, plus any children. Since these families have a similar poverty risk to UK-born families overall, they are included in the UK-born adult family group unless otherwise stated.
Poverty	People are defined as living in poverty if their household income, after housing costs and adjusted for household size, is below 60% of the median.
UK-born	Used to describe someone who was born in the UK. A person may be UK-born but have strong family links to another country.
UK-born adult family	A family where at least one of the resident adults was born in the UK. In some instances, UK-born adult families are discussed alongside mixed-adult families (see above). Where separate figures are not given for mixed-adult families, this group is included in this broader category.

# Executive summary

Little is known about the experience of poverty among people who have moved to the United Kingdom (UK). This report seeks to address this gap, describing how poverty rates differ across a range of dimensions for people who live in the UK but who were born abroad. The research draws primarily on data from the Family Resources Survey. This is a large-scale, government-sponsored survey, which is used to derive the Households Below Average Income (HBAI) data series – the source of the government's official estimates of poverty in the UK. The estimates given in this report are three-year averages of data collected between 2011/12 and 2013/14.

The research highlights that migrants to the UK are at a greater risk of poverty than those born in the UK. It also shows that this is not a short-lived problem. Most of the foreign-born population who are in poverty have lived in the UK for at least five years. Meanwhile, children born to foreign-born parents face a much higher poverty risk than those born to UK-born parents. There is therefore a need to push current thinking beyond a narrow focus on migration flows to consider how best to support those migrants who have lived in the UK for many years – and their children – to access the opportunities available to others in the UK.

## Characteristics of foreign-born people and headline poverty estimates

On average over the three-year period to 2013/14, there were 7.7 million foreign-born people living in the UK, representing 12.3% of the total UK population.

Across the board, the risk of poverty was higher for people who had moved to the UK than for UK-born people. Overall, 2.5 million foreign-born people were in poverty, just under a third of all people who were born abroad (32%). This contrasts with a poverty rate of 19% for people born in the UK.

One reason why foreign-born people are disproportionately represented among those in poverty is that they are more likely to have characteristics that are associated with higher rates of poverty for UK-born people too. These include being more likely to rent privately than own their home, to be young adults and/or to live in a family where only one person in a couple is earning.

In the period under study, most (73%) of the foreign-born population who were in poverty had lived in the UK for at least five years.

## Foreign-born children and families in poverty

Of the 3.6 million children in poverty in the UK, 960,000 (26%) were living with two foreign-born parents and 260,000 children (7%) were living with one foreign-born and one UK-born parent.

The poverty rate for children with foreign-born parents was high, reaching 45% compared with 24% for the children of UK-born parents. Seventy per cent of children in poverty who lived in foreign-born families were born in the UK.

One factor behind the elevated poverty risk for children in foreign-born adult families is the higher incidence of only one person in a couple who is working. In foreign-born adult families, 42% of children in poverty lived in single-earner couple families compared with 29% of children in poverty in UK-born adult families. In addition, 45% of children in poverty in foreign-born adult families lived in the private rented sector compared with 29% of children in poverty in UK-born adult families.

The overall poverty rate for people in foreign-born adult families was 38%, double the rate for people in UK-born adult families and those in mixed-adult families. Mixed-adult families contain one UK-born adult and one adult who was born outside the UK. Nineteen per cent of people in either a UK-born adult family or a mixed-adult family were in poverty.

## Differences within the foreign-born population

People who had been in the UK for less than five years had a poverty rate of 37%. But the poverty rate did not change significantly even after people had spent five to nine years (35%), or even ten to 19 years (36%), in the UK.

For those who had lived in the UK for even longer, the poverty rate was lower but remained above the overall rate for the UK-born population. One quarter (25%) of people who had been in the UK for 20 or more years were in poverty, higher than the overall rate for the UK-born population (19%).

# 1 Introduction

We tend to have a superficial approach to thinking about the circumstances of people who migrate to the UK. The focus is often on counting how many people come in and out of the country – although the data is not always accurate (Office for National Statistics, 2012) – and much energy is expended in debating what impact new arrivals have on the population of the UK (see for example Devlin *et al.*, 2014).

Charities and campaigners highlight the circumstances of asylum seekers, and others who have come to the UK and who find themselves at risk of exploitation or without the resources that they need to support themselves. However, little analysis has been conducted on the overall levels of poverty experienced by the migrant population of the UK.

This report seeks to fill this gap, describing how poverty rates differ across a range of dimensions for people who live in the UK but who were born abroad. The report does not provide a comprehensive assessment of the drivers of the higher poverty rates for migrants, but it does begin to unpick some of the factors that are associated with poverty among the foreign-born population. The analysis draws on data from the Family Resources Survey. Throughout this report the estimates that are presented are three-year averages of data collected between 2011/12 and 2013/14.

The study finds that people who have come to the UK from other countries – the foreign-born population – are disproportionately younger adults in their 20s and 30s but that to focus exclusively on recent arrivals would be to miss some important parts of the overall picture of poverty among the foreign-born population. The majority of foreign-born people in poverty have lived in the UK for five years or more.

Two groups require particular attention. The first group are the children born to foreign-born parents, who face a poverty rate that is considerably higher than that for the children of UK-born parents. The second group are foreign-born people who have lived in the UK not just for a few years but for a decade or more. While prospects improve with time, it is only after someone has lived in the UK for 20 years or more that their risk of poverty begins to approach that of the UK-born population. The trends for current and future cohorts of migrants may differ from this again.

## Definitions

The analysis presented in this report draws on two broad concepts.

### Migrants

Given the loose usage of the term ‘migrant’ in public debate, and the limitations of the data that is available, finding the right way to define migrants is challenging. But guided by the data, migrants are considered in terms of the foreign-born population throughout this report. This is a common measure, and recommends itself due to its simplicity. However, it may not tally with some of the more popular conceptions of who counts as a migrant as it includes a large number of people who have lived in the UK for a decade or more, and who may have British citizenship, and excludes the UK-born children of people who were born abroad (Anderson and Blinder, 2015).

In a few instances, it also makes sense to present analysis at a family level. However, identifying the migrant status of a family raises a number of challenges. For example, some families contain both people who have been born abroad and people who have been born in the UK. In this report, the following distinctions are made:

- families where all the resident adults were born in the UK;
- families where all the resident adults were born abroad;
- mixed-adult families, where there is one UK-born resident adult and one foreign-born resident adult.

The children in the last two types of families may have been born in the UK, or in another country, depending on when their foreign-born parent(s) arrived in the UK.



## Poverty

There are many ways to define poverty and disadvantage. The main measure used in this report describes people as being in poverty if their household income, adjusted for household size and once housing costs have been taken into account, is below 60% of the contemporary UK median.

## Gaps in and limitations of the data

The Family Resources Survey collects information on the income and circumstances of individuals living in the UK. The survey is used to derive the Households Below Average Income (HBAI) data series, the source of the government's official estimates of poverty in the UK. This makes it a good data source for assessing the material living standards of the foreign-born population. However, there are gaps in coverage when it comes to this population.

As a survey of people in private households, it does not include those living in institutional or communal establishments such as hostels, halls of residence and bed and breakfasts. It therefore excludes asylum seekers living in a hostel or detention centre and foreign students who have no address in the UK other than their hall of residence. It also excludes homeless people.<sup>1</sup>

But it is not the case that all of these groups are entirely excluded from the survey. For example, many asylum seekers who have pending cases may be accommodated in flats or shared houses that would be sampled. With no information on the asylum status of respondents to the survey, it is not possible to assess this coverage. On the available data, the authors estimate that those who may be missing from the survey will only account for a small minority of the foreign-born population of the UK.<sup>2</sup> However, since these people are likely to be among the most disadvantaged, it means that the estimates of poverty among foreign-born people given in this report should be taken as conservative.<sup>3</sup>

Finally, there are also some gaps in the information available in the survey. For example, information on country of birth for children is missing, so this has to be modelled based on their age, where their parents are from and the length time they have spent in the UK. Since this modelling is done based on the country of birth of currently resident adults, the status of an adult who lives permanently in another household, whether in the UK or abroad, would not be taken into account.

It has also not been possible to disaggregate the analysis by the region of the country of birth, that is, whether within the European Union (EU) or outside the EU. Previous studies have indicated that levels of poverty are particularly high among migrants from outside the EU,<sup>4</sup> so this should be explored in future studies.

## Structure of the report

Chapter 2 looks at how many migrants there are in the UK.

Chapter 3 describes some of the characteristics of the foreign-born population and how they differ from those of the UK-born population. The aim of these chapters is to frame the analysis of poverty by country of birth that follows, and to consider whether there are factors that may not be adequately accounted for in the data analysis.

Chapter 4 discusses levels of poverty among the foreign-born population and how they compare to those of the UK-born population. It contains estimates of the number of foreign-born people in poverty, and how this varies for people of different ages, across tenures and for people with different family/work arrangements.

Chapter 5 highlights two groups that require further attention in order to understand poverty among the foreign-born population. It describes how the risk of poverty differs for children born to foreign-born parents and for children born to UK-born parents and how the risk of poverty varies with the length of time that people spend in the UK.

Chapter 6 draws the key points from the preceding analysis together.

## 2 The number of migrants in the UK

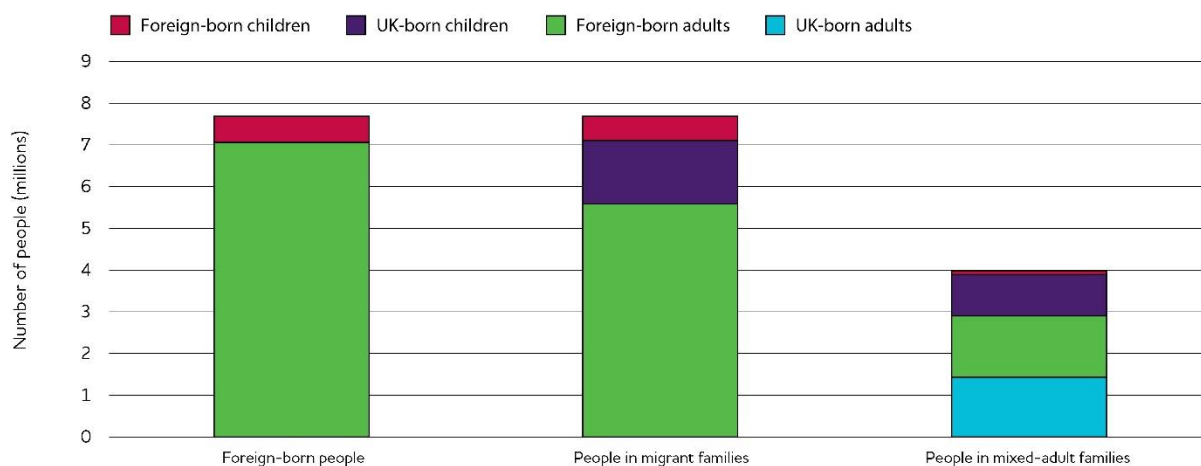
This chapter sets this discussion of poverty among migrants in context, describing how many people living in the UK were born elsewhere. The focus is on the foreign-born population but from the outset it should be noted that the UK-born population referred to in this analysis are not a homogenous group of people who necessarily have strong family links with the UK. For example, this group will include children born to foreign-born adults who have only recently migrated to the UK. For this reason, when the discussion turns to children, data on foreign-born children is presented alongside data on children born in the UK to foreign-born parents.

On average over the three-year period to 2013/14, there were estimated to be 7.7 million people living in the UK who had been born abroad, as shown in the first bar of Figure 1, accounting for 12.3% of the population of the UK.<sup>5</sup> The majority of the foreign-born population were adults (7.1 million), while 600,000 were children. As will be seen, compared with the UK-born population, there were relatively few children and older people in the foreign-born population.

Analysing the data at a family level, the second bar in Figure 1 shows that, on average, 7.7 million people were living in a migrant family where all the adults were born abroad. Of these, 1.5 million were UK-born children (73% of children in migrant families).

As shown in the third bar of Figure 1, a further four million people were living in a family where one adult was born abroad and the other was born in the UK, including 1.4 million UK-born adults and one million UK-born children.

**Figure 1: Number of foreign-born people and people in migrant families**



Note: Children are those aged under 16, or those aged under 19 in full-time education and living with their parents.

Source: New Policy Institute analysis of the Family Resources Survey, 2011/12 to 2013/14

The next chapter provides some background on the characteristics of the foreign-born population.

# 3 Characteristics of the foreign-born population

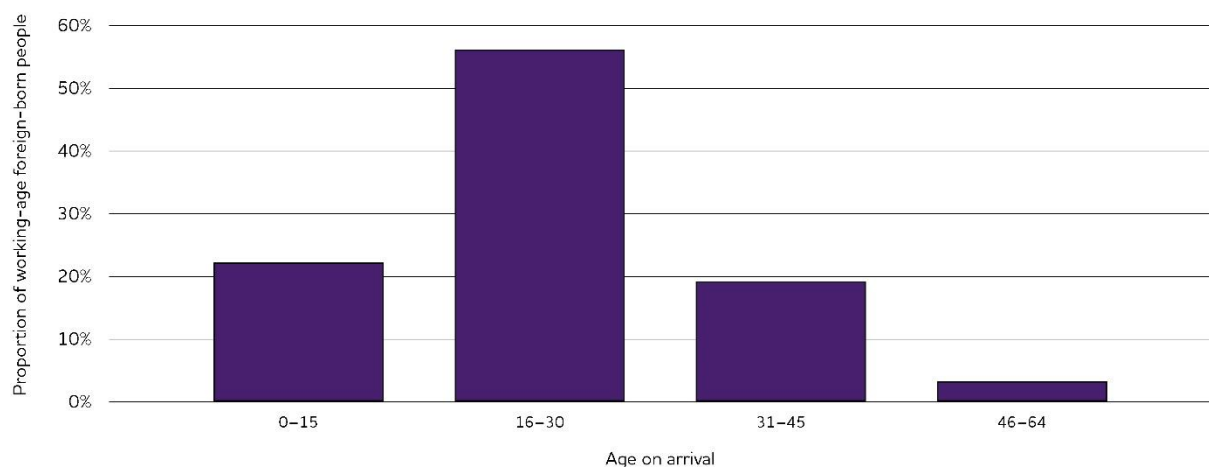
This chapter briefly describes some of the characteristics of the foreign-born population and, where relevant, how they compare to the UK-born population.

## Age on arrival in the UK

People tend to move to the UK when they are young adults; there are relatively few younger and older foreign-born people in the UK.

Figure 2 shows that, in the three years to 2013/14, more than half (56%) of the working-age foreign-born population who lived in the UK had arrived between the ages of 16 and 30. Meanwhile, another fifth of the population (22%) had arrived under the age of 16 and so they will have grown up in the UK to some extent and likely to have or be in the process of acquiring qualifications, or at least have some experience of the compulsory education system in the UK.

**Figure 2: Age distribution of working-age foreign-born people on arrival in the UK**



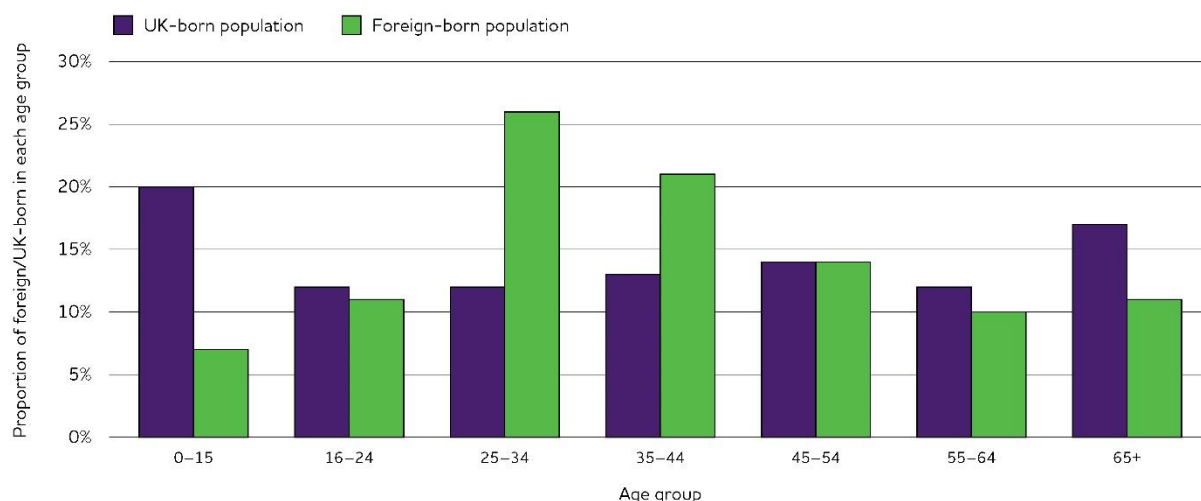
Note: Working age is defined as 16–64. The age of a migrant on arrival is calculated based on the year that they last arrived in the UK.

Source: New Policy Institute analysis of the Family Resources Survey, 2011/12 to 2013/14

In contrast to the UK-born population, the majority of the foreign-born population were working age. Figure 3 shows the proportion of the overall population that fell into each age category. Over half (58%) of the foreign-born population were aged between 16 and 44, whereas only 36% of the UK-born population were in this age range.

The distribution of the UK-born population contrasts directly with that of the foreign-born population. Almost half of the UK-born population (49%) were either aged under 16 or were 55+. Among the foreign-born population, over a quarter were aged between 25 and 34 years old, accounting for two million people (23% of all people in this age group).

**Figure 3: Age distribution of foreign- and UK-born populations**

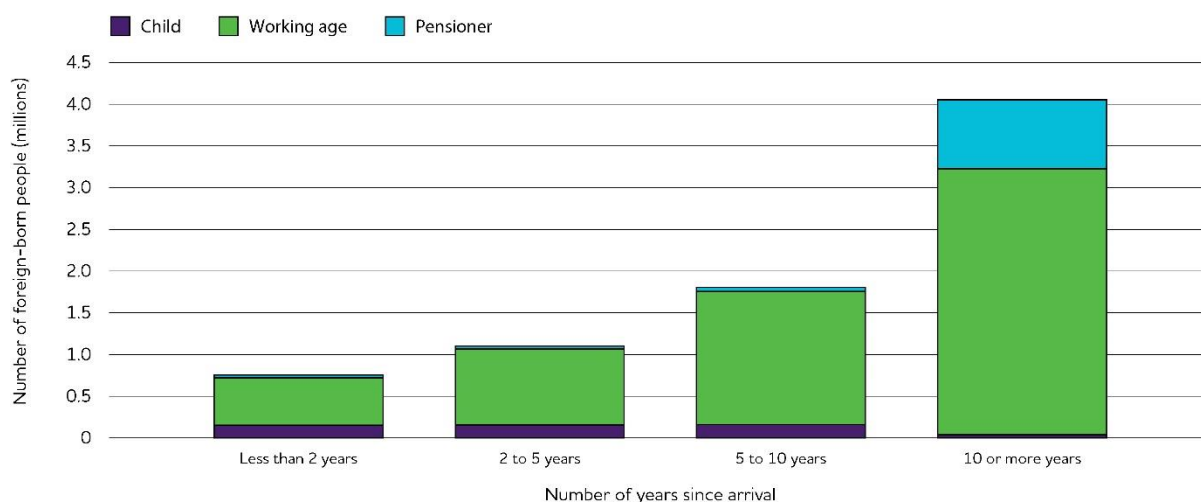


Source: New Policy Institute analysis of the Family Resources Survey, 2011/12 to 2013/14

## Length of time living in the UK

Figure 4 breaks down the foreign-born population by the number of years that they had lived in the UK for. On average over the three-year period to 2013/14, 4.1 million foreign-born people had been living in the UK for ten or more years (53% of the foreign-born population). Another 3.6 million people had arrived in the UK in the previous ten years. However, it is worth noting that the Family Resources Survey slightly underestimates the number of recent arrivals compared with the Census.<sup>6</sup>

**Figure 4: Number of foreign-born people by number of years since last arrived in the UK**



Note: Working-age people are aged 16–64 while pensioners are those aged 65 and over. The Family Resources Survey slightly underestimates the number of recent arrivals compared with the 2011 Census.

Source: New Policy Institute analysis of the Family Resources Survey, 2011/12 to 2013/14

Relatively few people move to the UK in older age. Most (95%) foreign-born people who were pensioners at the time they were surveyed had been in the UK for ten or more years (800,000 people).

The next chapter sets out estimates of the number of people in poverty in the UK according to their country of birth. It also describes some of the risk factors associated with higher poverty rates among the foreign-born population and measures of poverty and disadvantage that are used.

## 4 Poverty risk among the foreign-born population

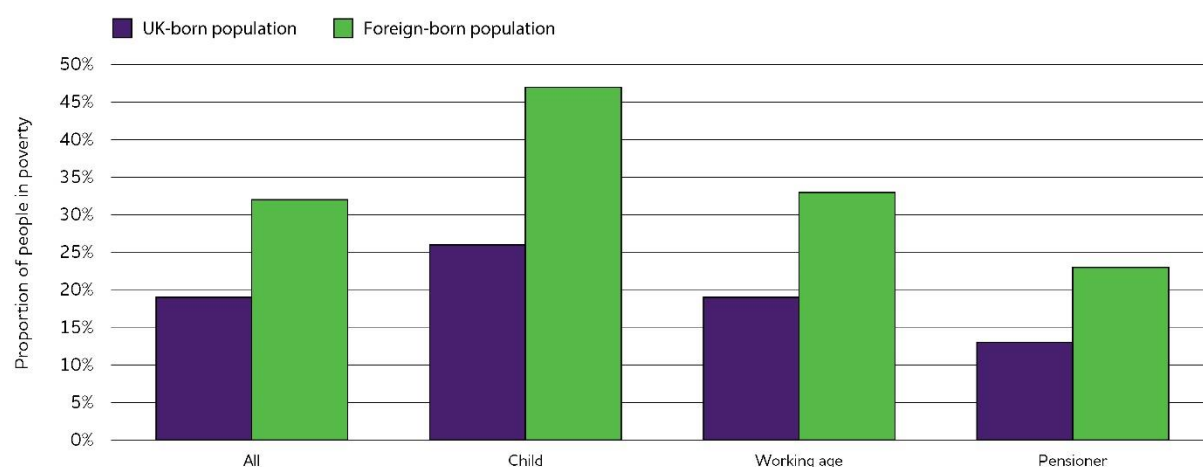
There are many ways to define poverty and low income. In this report, people are defined as living in poverty if their family income, adjusted for household size, is below 60% of the median. This is a standard and widely accepted measure. Poverty rates reported in this chapter are after housing costs have been taken into account.

### Headline poverty estimates

On average over the three-year period to 2013/14, 2.5 million of the 7.7 million foreign-born people living in the UK were in poverty, equivalent to 32% of the foreign-born population. The poverty rate for the UK-born population was lower at 19%.

Figure 5 shows that the risk of poverty among foreign-born adults who were born abroad reduces with age, just as it does among UK-born adults. However, in the period under study, the poverty rate for the foreign-born population was higher across all age groups. The gap between the poverty rates of the UK- and foreign-born populations was widest among children, where 47% of foreign-born children were in poverty compared with 26% of UK-born children. Child poverty rates are discussed in more detail later in the next chapter.

**Figure 5: Proportion of people in poverty by country of birth and age group**



Note: Working-age people are aged 16–64 while pensioners are those aged 65 and over.

Source: New Policy Institute analysis of the Family Resources Survey, 2011/12 to 2013/14

Among those of working age, 33% of foreign-born people were in poverty against 19% of UK-born people (a gap of 14 percentage points). Among older people, the difference in poverty rates was smaller: 23% compared with 13% (a gap of 10 percentage points).

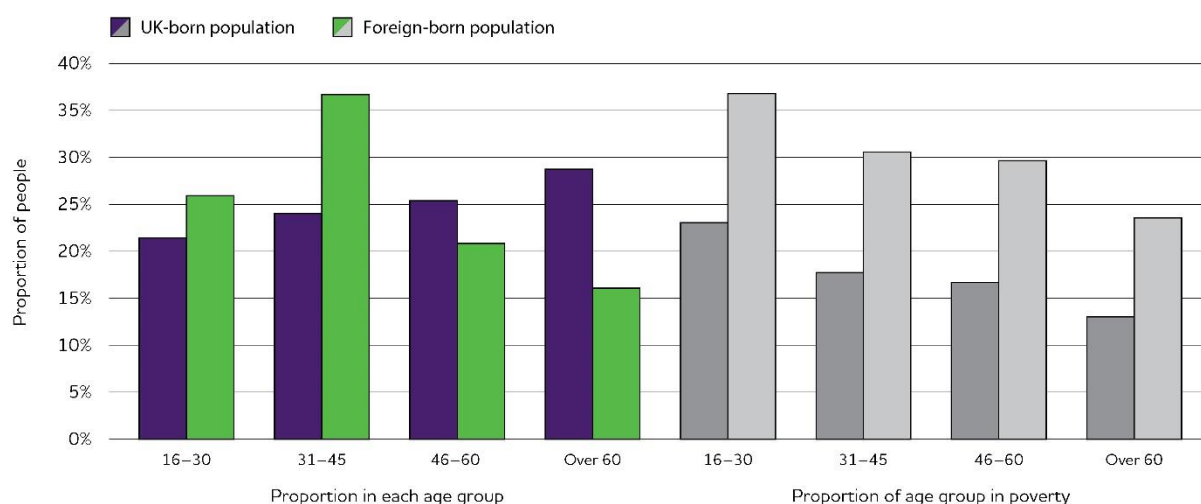
A key reason why foreign-born people are disproportionately represented among those in poverty is that they are more likely to have characteristics or be in circumstances that are associated with higher rates of poverty for UK-born people too. It is therefore important to understand these characteristics and circumstances. The next section discusses how the risk of poverty for foreign-born people varies across the adult population, according to family work arrangements and housing tenure.

# Key poverty risk factors for foreign-born people

## Age and poverty

Figure 6 shows the distribution of the UK- and foreign-born adult populations across different age groups and the poverty rate for each age group in the period under study. A large proportion of foreign-born adults were young and working age: 37% were aged between 31 and 45 compared with 24% of the UK-born population. Meanwhile, just 16% were aged over 60, compared with 29% of the UK-born population.

**Figure 6: Proportion of adults in poverty by age group**



Source: New Policy Institute analysis of the Family Resources Survey, 2011/12 to 2013/14

Of the UK-born adult population, 46% were aged between 16 and 45, while 63% of the foreign-born adult population were in this age bracket. This means that a greater proportion of the foreign-born population were in a higher poverty-risk group, in terms of age, than the UK-born population.

Those who faced the highest poverty risk were adults aged 16–30. Over a third (37%) of foreign-born adults in this age group were in poverty in the three years to 2013/14. The poverty rates were lower for those aged 31–45 (31% for foreign-born, 18% for UK-born people) and remained at a similar level for those aged 46–60 (30% and 17% respectively). Meanwhile, people aged over 60 had the lowest poverty rates (24% and 13% respectively).

## Work and poverty

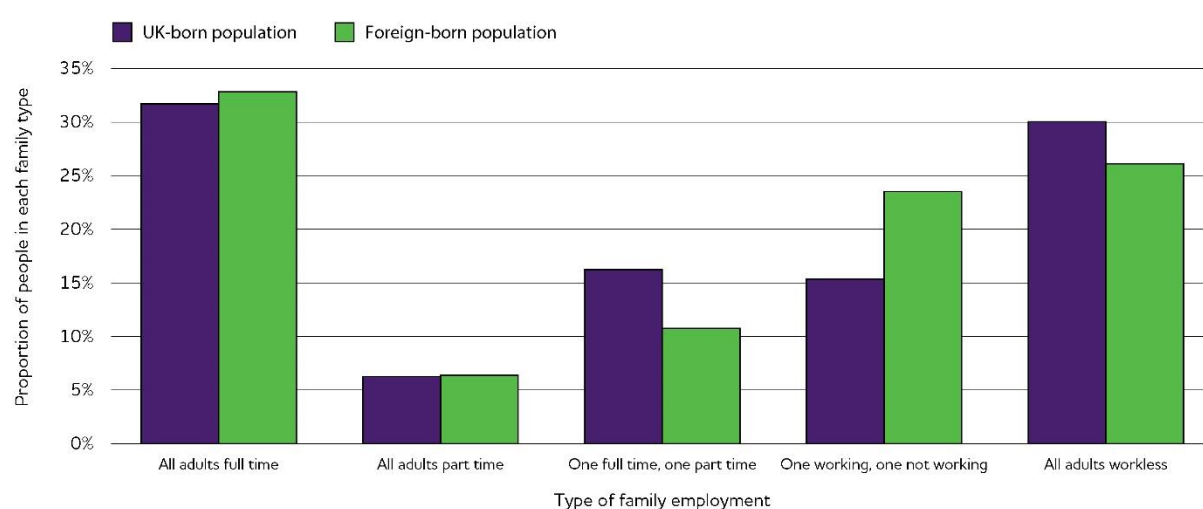
Since a large proportion of the foreign-born population are of working age, we would expect employment characteristics and participation at a family level to play an important role in shaping poverty risks for foreign-born people. However, the relationship between work and poverty risks is not straightforward. This subsection considers a few of the ways in which employment characteristics and poverty are linked for people in foreign-born adult families.

At an individual level, foreign-born workers are at greater risk of poverty than workers born in the UK. In the three years to 2013/14, 20% of foreign-born workers were in low-income households, double the proportion of UK-born workers (10%). Over the same period, like the UK-born population (62%), the majority of poor foreign-born workers (60%) were employed in lower-skilled occupations. While foreign-born workers are employed in a wide variety of jobs in the UK – and range from professionals working in the health service, through to people doing low-skilled factory work – a large share are working in low-paid sectors that are associated with higher poverty rates, such as elementary and processing jobs (see Cribb *et al.*, 2013; Rienzo, 2016). Small sample sizes prevent more detailed analysis for those in poverty by country of birth. However, it is possible to consider the links between employment participation at a family level and poverty risks.

The majority of foreign-born people live in families that contain at least one worker. However, the amount of work that is done at a family level – an important factor in determining living standards – differs between migrant and UK-adult families. In particular, a greater proportion of foreign-born people live in a family where only one of the adults in a couple is earning compared with UK-born people. People in these families face a high poverty rate relative to those in families where all the adults are in work. However, a smaller proportion of foreign-born people are in workless or retired families. Being in a workless household is associated with the highest poverty risk among people in working-age families.

Figure 7 shows that in the three years to 2013/14, most commonly, people in the UK were in families where all adults were in full-time work and that the proportion differed little between the UK- and foreign-born populations. There was also no difference in the proportion of people in families where all adults were in part-time work (both at 6%).

**Figure 7: Distribution of people across different types of family employment**



Note: Workless households include pensioner households.

Source: New Policy Institute analysis of the Family Resources Survey, 2011/12 to 2013/14

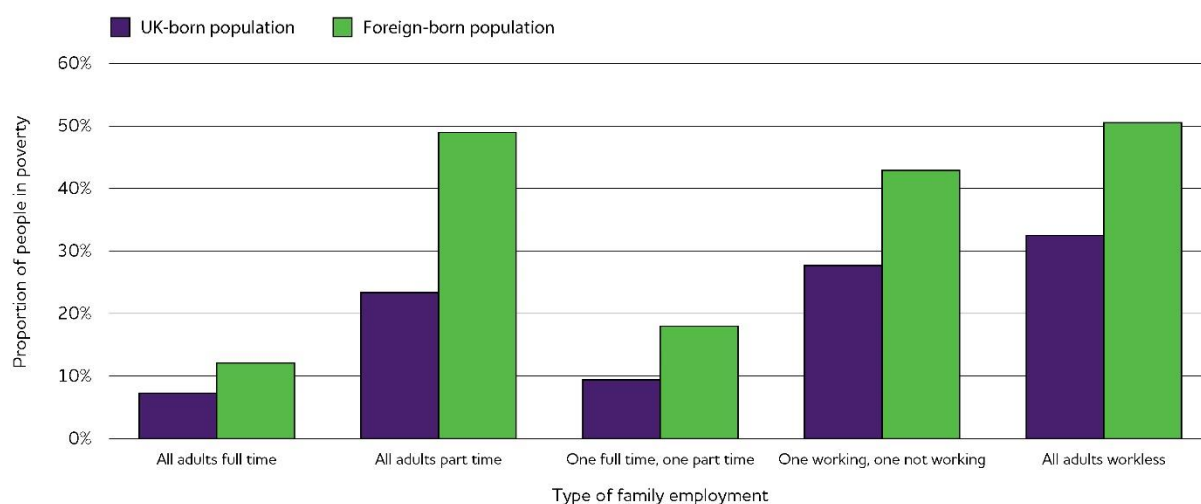
It was when it came to other ‘part-working’ arrangements that the UK- and foreign-born populations differed, with a much greater proportion of foreign-born than UK-born people in a family where only one adult in a couple was working. In part, this is likely to reflect differences in female labour market participation between different cultures. Women who are nationals of non-EU countries tend to have lower rates of economic activity. In particular, just 46% of women from South Asian countries were economically active in 2014 (Office for National Statistics, 2015). Many of these single-earner couple families contain children, as discussed in the next chapter.

In the three years to 2013/14, a quarter (24%) of foreign-born people lived in a family where one adult in a couple was in work and the other was not. UK-born people were far less likely to be living in this situation (15%), and more likely to be living in a family where one adult was working full time and the other was working part time (16% compared with just 11% of foreign-born people). Finally, a smaller proportion of foreign-born people were in workless families (26%) compared with UK-born people (30%).<sup>7</sup> Figure 8 shows how poverty risk varies between these different types of family employment.

Across all types of working family, foreign-born people have a higher poverty risk than UK-born people. In the three years to 2013/14, nearly half (49%) of foreign-born people in families where all adults were in part-time work were in poverty. The rate for UK-born people was much lower at 23%. Workless families had the highest poverty risk (51% and 33% respectively).



**Figure 8: Proportion of people in poverty by country of birth and family employment**



Note: Workless households include pensioner households.

Source: New Policy Institute analysis of the Family Resources Survey, 2011/12 to 2013/14

Among families where only one of the adults in a couple was earning, a large minority of foreign-born people were in poverty (43%). The rate for UK-born people in these families was much lower (28%). This shows the importance of work intensity at a family level in determining poverty risk. Apart from workless families, people in families where adults worked part time only, or where there was only one earner, had the highest poverty rates.

Unsurprisingly, poverty rates for people in families where all adults worked full time were low, but the rate for foreign-born people was higher than that for UK-born people: 12% compared with 7%. The proportions of people in poverty in families where one person was working full time and the other was working part time were higher: 18% among foreign-born people and 9% among UK-born people.

## Tenure

This subsection considers the relationship between tenure and poverty risk for the foreign-born population. The distribution of the foreign-born population across tenure types is an important factor in understanding the higher poverty rate that they experience. More than four million people in poverty in the UK live in the private rented sector (MacInnes, 2015, p. 108) and there are far more foreign-born than UK-born people living in this sector (with its higher poverty rate) and fewer living in a home that they own (where there is a lower poverty rate).

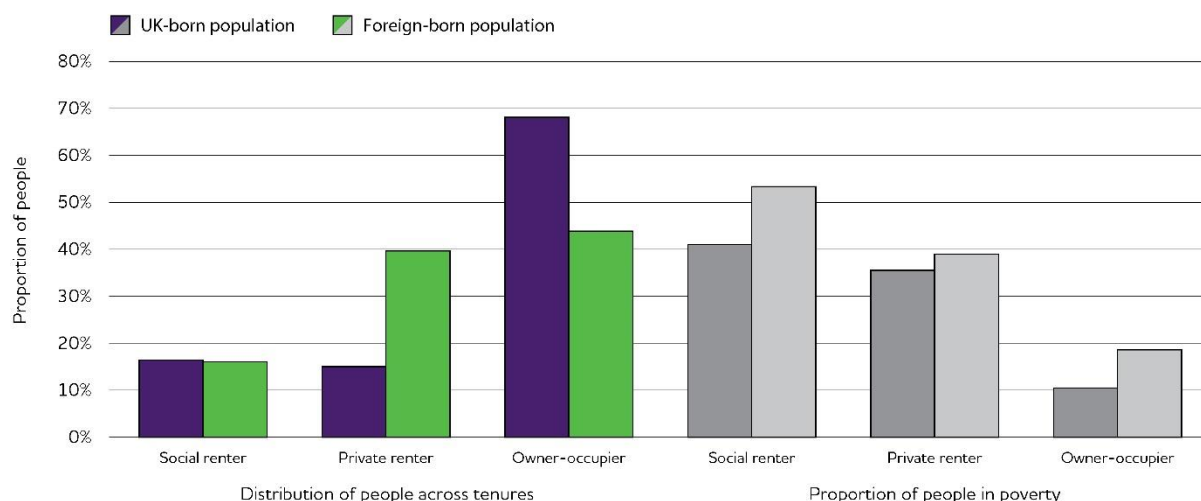
Figure 9 shows that, across all types of tenure, poverty rates for foreign-born people were higher than those for UK-born people, but the gap between the rates was wider in the social rented sector and among owner-occupiers. Poverty risks therefore vary less for people in private rented accommodation than in other tenures.

The social rented sector comprises people renting from their local authority or from a housing association. In the period under study, there were similar proportions of foreign- and UK-born people in social rented housing (17% and 16% respectively). The sector had the highest poverty rate across all tenures, with more than half (54%) of foreign-born people who lived in social rented housing also in poverty. UK-born people had a lower poverty rate (41%).

A much greater proportion of foreign-born people than UK-born people were living in the private rented sector (40% and 15% respectively). The majority of the UK-born population were living in a home that they owned or were buying (68%, versus 44% of foreign-born people), while foreign-born people were split more evenly between being in private rented accommodation and owning or buying their own home (40% and 44%).



**Figure 9: Tenure and poverty among people in working-age families**



Source: New Policy Institute analysis of the Family Resources Survey, 2011/12 to 2013/14

People living in a home that they owned or were buying had the lowest poverty rates of all the tenures, with 19% of foreign-born and 11% of UK-born people in this tenure being in poverty.

The gap in the poverty rates between foreign- and UK-born people across tenures gives an indication of the relative disadvantage experienced by the former. In the social rented sector, the poverty rate for foreign-born people was 12 percentage points higher than that for UK-born people. In the private rented sector, the gap was much smaller, at 3 percentage points. So while the private rented sector had the second highest poverty rates for people in both migrant and UK-born adult families, the difference in rates between the two populations was less pronounced. In this respect, there is an equality to the higher poverty risk that private renters face that is not present in the other tenures.

Private renting is an important factor in understanding the difference in poverty risks for UK- and foreign-born people. In the hypothetical situation in which people in migrant families had the same tenure distribution as people in other families, then we would expect the poverty rate for foreign-born people to decrease to 25%, halving the poverty rate gap between the foreign- and UK-born populations. It could therefore be said that half the difference between the 32% poverty rate for foreign-born people and the 19% poverty rate for UK-born people can be accounted for by the fact that foreign-born people are much more likely than UK-born people to live in the private rented sector (where the poverty rate is higher) and much less likely to be owner-occupiers (for whom the rate is lower).

The dominance of private renting among foreign-born people is driven in large part by recent migrants (Perry, 2012). The proportion of people living in the private rented sector reduces with the length of time spent living in the UK, falling to 29% among those who have been in the UK for five years or more, while home-ownership begins to increase, rising to 53%.

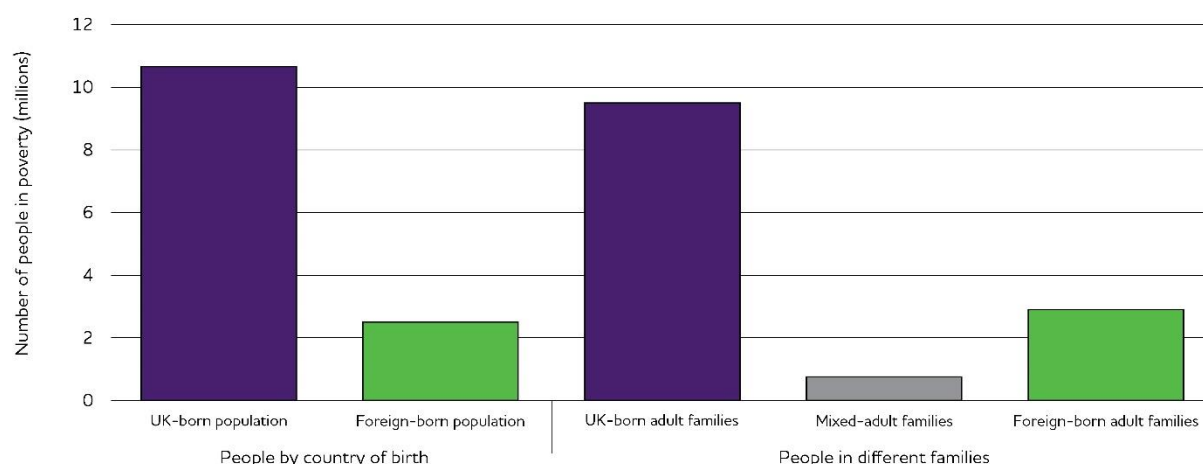
## Measures of poverty and disadvantage among the foreign-born population

Definitions matter when it comes to estimating poverty among the foreign-born population. The two Figures that follow show how estimates vary according to the way the migrant population is defined, and whether material deprivation is considered rather than income poverty. The analysis of the incidence of material deprivation shows that non-EU born migrants face higher levels of severe material deprivation<sup>8</sup> than both the UK- and EU-born populations. This reinforces the finding that foreign-born people are more at risk of disadvantage, but also suggests that there is a great deal of variation in the incidence of disadvantage within the migrant population.

Figure 10 shows the number of people in poverty, and the number of people in poverty living in different family types. As previously mentioned, the second measure, by family type, differs from the first because

foreign-born adult families will include their UK-born children whereas these children will be included in the overall UK-born poverty estimates.

**Figure 10: Number of people in poverty by country of birth and family status**



Source: New Policy Institute analysis of the Family Resources Survey, 2011/12 to 2013/14

On average over the three-year period to 2013/14, there were over 13 million people in poverty in the UK (21% of the population). Of these, 2.5 million were foreign-born and 10.7 million were UK-born.

Focusing on poverty at a family level, 2.9 million people were in poverty in families where all adults were born abroad and a further 800,000 people were in poverty in families where one adult was born abroad and one was born in the UK. It is worth noting that the number of people in poverty in UK-born adult families is lower than the overall number of UK-born people in poverty because many UK-born children live in foreign-born adult families, and some UK-born adults are in mixed-adult families.

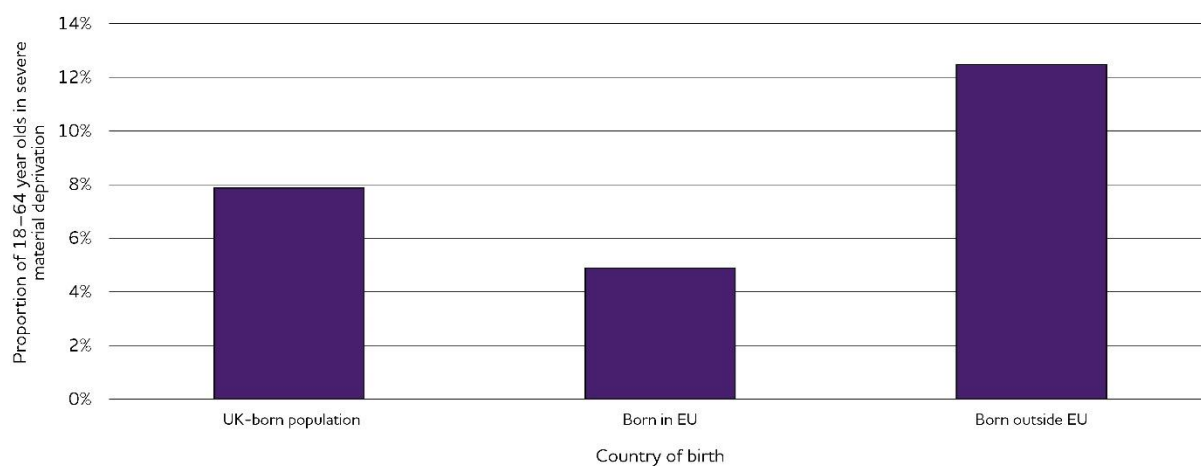
The poverty rate in foreign-born adult families (38%) was significantly higher than that for mixed and UK-born adult families (both 19%).

Differences between poverty rates for children in foreign-born adult families are explored in more detail in the section on child poverty in the next chapter.

## Are foreign-born people at greater risk of material deprivation?

Here we consider an alternative measure of disadvantage, focusing on aspects of material deprivation. Figure 11 shows the proportion of the working-age population who were in severe material deprivation in the period 2012 to 2014. People were assessed as being in severe material deprivation if they could not afford at least four out of nine everyday items that most people would take for granted, including a washing machine, mortgage or rent payments, a telephone, a colour television or a week's holiday away from home.<sup>9</sup> The Figure demonstrates that the rate of severe material deprivation among people born in the EU (5%) was actually lower than that for those born in the UK (8%). However, a greater proportion of people born outside the EU were in severe material deprivation (13%) than those born in the UK.

**Figure 11: Proportion of working-age people in severe material deprivation by country of birth**



Note: The data consists of three-year averages for 2012 to 2014.

Source: European Union Statistics on Income and Living Conditions (EU-SILC) via Eurostat

# 5 Key groups at risk of poverty

Recent arrivals face a high poverty risk, with over a third (37%) of people who have been in the UK for less than five years in poverty. But most of the foreign-born population who are in poverty have lived in the UK for at least five years (73%), so these recent arrivals only make up a small part of the picture when it comes to poverty among the foreign-born population.

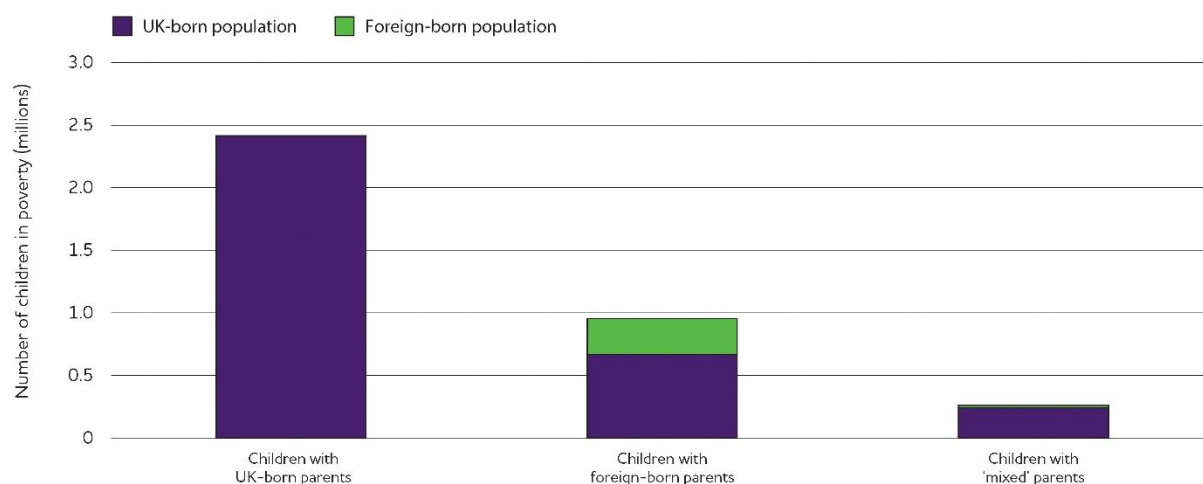
This chapter focuses on two key groups: children born to foreign-born parents and their poverty rate; and people who have spent ten or more years in the UK, as the risk of poverty changes with the length of time that people have spent in the UK.

## Children in foreign-born families

In the three years to 2013/14, children in foreign-born adult families (that is, families where all the resident adults were born abroad) made up a quarter (26%) of all children in poverty in the UK. Most of those children – 670,000 out of 960,000 (almost 70%) – were themselves UK-born.

Figure 12 shows that, of the 3.6 million children in poverty in the UK, 960,000 children (26%) had foreign-born parents and a further 260,000 (7%) were living in a mixed-adult family.

**Figure 12: Number of children in poverty by country of birth and country of birth of parents**

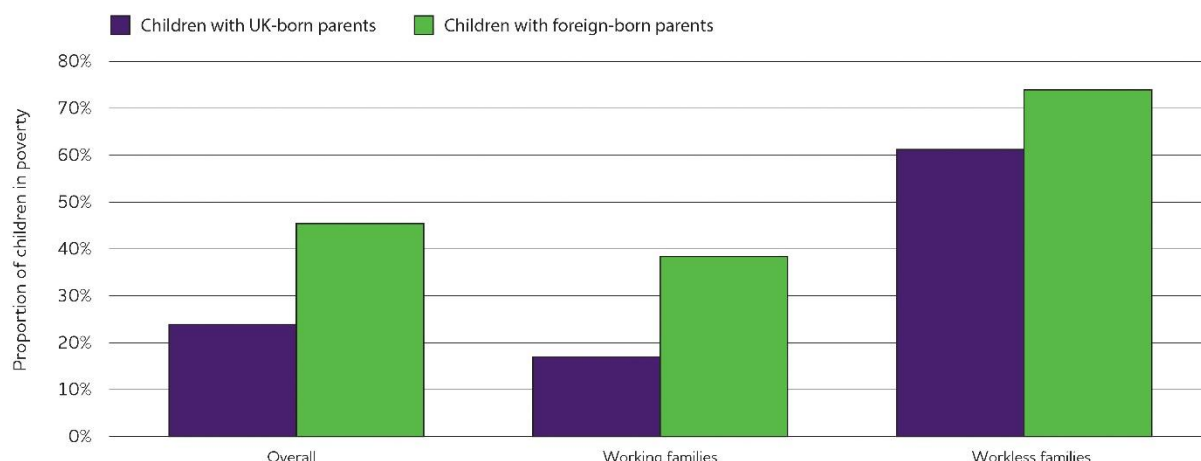


Note: The country of birth for children is derived based on the resident adults' country of birth and time spent in the UK.

Source: New Policy Institute analysis of the Family Resources Survey, 2011/12 to 2013/14

Figure 13 shows that children with foreign-born parents had a poverty rate that was almost double that of children with UK-born parents (45% and 24% respectively).<sup>10, 11</sup> One factor behind this is the greater proportion of children in poverty in working families.

**Figure 13: Proportion of children in poverty in working and workless families**



Note: The country of birth for children is derived based on the resident adults' country of birth and time spent in the UK.

Source: New Policy Institute analysis of the Family Resources Survey and Households Below Average Income (HBAI) statistics, 2011/12 to 2013/14

Most children lived in working families (80% of children in foreign-born adult families, and 84% of children in UK-born adult families). But children in foreign-born working families were at a greater risk of poverty. The poverty rate for these children (38%) was more than double that for children in UK-born adult families (17%). This is driven in part by the greater incidence of single-earner couple families among the foreign-born population. In foreign-born families, 42% of children in poverty lived in single-earner families compared with 29% of children in poverty in UK-born adult families. Furthermore, many children with foreign-born parents who were in poverty were living in the private rented sector (45%, compared with 29% of children with UK-born parents).

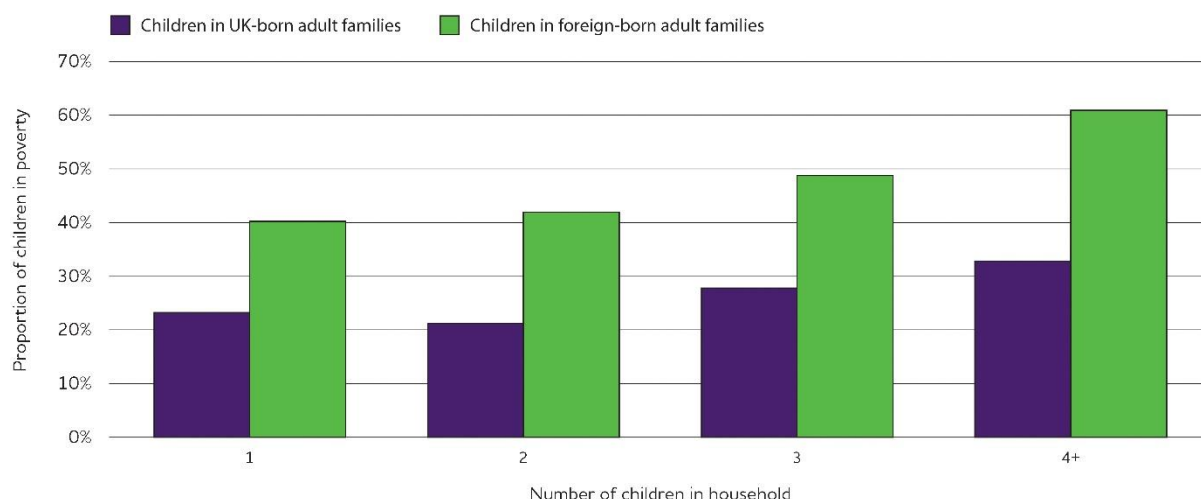
Meanwhile, the incidence of larger families does not appear to be a major factor in explaining the higher child poverty rates for children born to foreign-born parents as only a small minority of children lived in these larger households. Thirteen per cent of children in foreign-born adult households were living in a household with four or more children, compared with 8% of children in UK-born adult households.<sup>12</sup>

However, Figure 14 shows how child poverty rates increase with the number of children in the household, regardless of the parents' country of birth. For this analysis, children who are living in a household that contains only foreign-born adults are categorised as living in a migrant household. All other children are categorised as living in a UK-born adult household.

The Figure shows that, in the three years to 2013/14, UK-born adult households with one or two children had the lowest proportions of children in poverty (at 23% and 21% respectively). The proportion of children in poverty in migrant households with one or two children was much higher (at 40% and 42% respectively).

Only in large foreign-born adult households, with four or more children, were the majority of children in poverty. The high poverty rate (at 61%) was almost three times the rate for children in smaller UK adult households. Of the UK-born children in households containing four or more children, 33% were in poverty. But because few children live in these large households, this is not a key factor behind the higher poverty rate for children with foreign-born parents.

**Figure 14: Proportion of children in poverty by number of children in household**

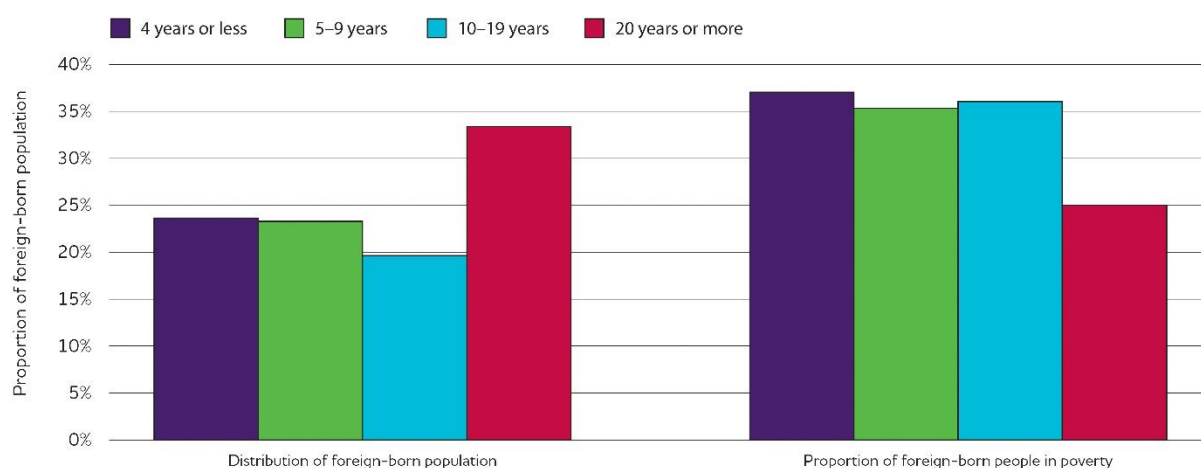


Source: New Policy Institute analysis of the Family Resources Survey, 2011/12 to 2013/14

## Foreign-born people who have lived in the UK for some years

Many foreign-born residents of the UK have lived in the UK for several years, or even decades. Figure 15 shows, in the three years to 2013/14, the foreign-born population in terms of the number of years that had elapsed since they last arrived in the UK. The Figure shows that just over half (53%) of the foreign-born population had been in the UK for at least ten years: 20% had been in the UK for between ten and 19 years and 33% had been in the UK for 20 years or more. More recent migrants (those arriving in the previous four years) accounted for just under a quarter (24%) of the overall foreign-born population.

**Figure 15: Distribution of the foreign-born population by number of years in the UK since last arrival and poverty rates**



Note: Date of arrival is taken as the most recent year given. Estimates are based on cases where the date of last arrival is available.

Source: New Policy Institute analysis of the Family Resources Survey, 2011/12 to 2013/14

Recent arrivals to the UK (arriving four years previously or less) had the highest poverty rate among the foreign-born population. However, there was no significant difference in the risk of poverty between recent arrivals (37%), and those who had been in the UK for five to nine years (35%) or ten to 19 years (36%). (The data is not longitudinal and so it is not possible to tell whether these people had been in poverty consistently since they arrived in the UK.)

Among those people who had been in the UK for 20 years or more, the poverty rate was lower (25%) and so the rate does decrease over the long term. But it never reaches the same level as the poverty rate for the UK-born population (19%).

## 6 Conclusion

Over the three-year period to 2013/14, 2.5 million of the 7.7 million foreign-born people living in the UK were in poverty – a rate of 32%. This rate was higher than that of the UK-born population across age groups, family work arrangements and tenures. But it does not mean that poverty among foreign-born people is necessarily qualitatively different from poverty among UK-born people. Indeed, many of the risk factors are similar.

A key reason why foreign-born people are disproportionately represented among those in poverty is that they are more likely to have characteristics or be in circumstances associated with higher rates of poverty for UK-born people too. So, a greater proportion:

- are young adults;
- rent privately rather than own their own home;
- are in families where only one adult in a couple is in work.

Private renting is particularly important. Half of the difference between the 32% poverty rate for foreign-born people and the 19% poverty rate for UK-born people can be accounted for by the fact that foreign-born people are much more likely to live in the private rented sector (where the poverty rate is higher) and much less likely to be owner-occupiers (for whom the rate is lower).

Overall, this means that strategies that aim to tackle in-work poverty and poverty in the private rented sector will benefit foreign-born as well as UK-born people.

### Looking beyond recent arrivals

Most of the foreign-born population of the UK have arrived in the UK in early working age – in their 20s or 30s. This analysis suggests that these young migrants will have to contend with a higher poverty rate than the UK average. However, recent migrants only make up a small part of the overall picture of poverty among the foreign-born population in the UK. The majority (73%) of foreign-born people in poverty have been living in the UK for at least five years.

Two groups deserve particular consideration. The first group are the children of foreign-born parents, who face a poverty rate almost double that of their contemporaries, close to the level where poverty for them can be said to be more likely than not. The interests, prospects and wellbeing of this group deserve much greater attention.

The second group are those migrants who arrive in the UK and stay, not just for a few years, but for decades. People who move to another country will often lack the knowledge, networks and connections that can smooth people's lives and make choices easier and opportunities more accessible.<sup>13</sup> In this respect, the higher poverty rate for migrants may not be surprising. But the fact that the rate prevails among people who have lived in the UK for up to two decades suggests that there are enduring barriers and differences that prevent some people from sharing in the kind of living standards that many people in the UK see as normal. While prospects improve with time, they do not approach those for the UK-born population.



# Notes

- 1 A survey of single homeless people conducted in 2014 found that a significant minority (10%) were from EU accession countries (see Mackie and Thomas, 2014).
- 2 The number of people with pending asylum cases over the study period was less than 25,000, equal to less than half a percentage point (0.3%) of the foreign-born population (House of Commons Library, 2016).
- 3 Fitzpatrick *et al.*'s (2016) estimate of the number of migrants who are living in destitution (310,000 in 2015) will include some of these missing cases, although the numbers will also overlap with the present broader analysis of income poverty.
- 4 At least among working-age people (see Pemberton *et al.*, 2014).
- 5 Estimate from the Family Resources Survey. By way of reference, the Annual Population Survey gives a similar proportion over the same period: 12.5% of the UK population were born abroad.
- 6 According to the Family Resources Survey, in 2011/12, 21% of people in England and Wales had arrived in the previous four years, compared with 26% of Census respondents.
- 7 If people aged 65 and over are excluded, the difference between the UK- and foreign-born populations, when it comes to the proportion living in workless families, largely disappears.
- 8 Among the working-age population.
- 9 The nine items used to assess whether someone is experiencing severe material deprivation were: mortgage or rent payments, utility bills, hire purchase instalments or other loan payments; one week's holiday away from home; a meal with meat, fish or a vegetarian equivalent every second day; unexpected financial expenses; a telephone; a colour television; a washing machine; a car; or heating to keep the home sufficiently warm.
- 10 The child poverty rate for children in families with one foreign-born and one UK-born parent was the same as that for children in families with UK-born parents (24%). This group is included in the overall total in Figure 13 for children with a UK-born parent.
- 11 Children in families with one UK-born and one foreign-born parent are included in the latter group from now on.
- 12 These households can contain one or more families.
- 13 For a discussion of some of the causes of poverty among economic migrants, see Pemberton *et al.* (2014).

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Responsibility for the accuracy of the report, including any errors, lies with the authors alone.

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