Poverty or preference:
What do ‘consensual deprivation indicators’ really measure?

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Abstract
Consensual deprivation indicators represent one influential approach to measuring poverty. The approach is based on the assumption that there is a broad consensus on what goods/services families should be able to afford, and that we can use enforced non-possession of those items to measure deprivation. Using data from two GB surveys from 1999, this paper argues that (a) the degree of consensus about on what items families should be able to afford is limited, and, (b) that information on those who ‘cannot afford’ ‘necessities’ is potentially misleading. (Almost) all families who cannot afford two or more ‘necessities’ actually have a number of ‘non-necessities’, often many. This suggests that their patterns of preferences, and hence spending, are not typical, and they are choosing to buy other goods. An alternative approach based on possession of items, whether through choice or constraint - would be simpler, cheaper to implement and arguably equally valid.

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1 Introduction

Poverty may be measured in an ‘indirect’ way, using income, or in ‘direct’ ways using measures reflecting some concept of living standards (Ringen 1988). Using income cut-offs such as proportions of the mean or median can appear arbitrary in identifying the poor, and measured income may not always correlate well with lived experience. So, sometimes measures based on direct indicators of poverty (or living standards more generally) are used instead of income (or in combination with income).

Several publications in the UK have recently raised interest in ‘direct’ measures of poverty, in the form of deprivation indicators. These new publications have included, most notably, the Poverty and Social Exclusion Survey of Britain (PSE), conducted in 1999 by three university-based teams (Gordon et al 2000), funded by the Joseph Rowntree Foundation. The Department for Work and Pensions has also been consulting on the measurement of child poverty. The governments target is to reduce and ultimately child poverty, and their consultations on measuring child poverty include some emphasis on deprivation indicators (DWP 2002). At the Policy Studies Institute, a measure of hardship among families with children has been developed largely based on enforced lack of ‘necessities’ (Marsh et al 2001, Vegeris and McKay 2001). At the Centre for the Analysis of Social Exclusion (CASE), attention to various indicators of social exclusion has formed part of the inquiry, using data from the British Household Panel Study (Burchardt et al 1999).

There are, of course, many different ways of measuring poverty. The approach taken to measuring poverty using consensual deprivation indicators is whether people are able to afford the kinds of items that wider society considers to be ‘necessities’. This approach is mostly associated with the ‘Breadline Britain’ series, begun in the early 1980s (Mack and Lansley), but building upon earlier work (Townsend 1979) based on surveys in the late 1960s. This paper critically scrutinises this approach, re-analysing the most recently available data, arguably the richest data of this kind available. In particular, it makes two arguments.

The consensual approach is based, at least in part, on the assumption that there is a consensus on which items people should have. We argue that there is no such consensus (as often claimed) on what items are to be counted as ‘necessities’. Instead, there is a great deal of variation between different people, in a way that cannot easily be understood or explained. Measures of agreement suggest levels of agreement (or consensus) are relatively weak. At a group level, there are also some significant social class-based differences in rating what might be seen as ‘necessities’ (there are also age-based difference, extensively discussed elsewhere).

The second key argument made in this paper is that there are good reasons to distrust the measurement of what people cannot afford. Or, that we cannot assume that lacking particular items through being unable to afford them is synonymous with deprivation rather than choice – in other words, it can be preference rather than poverty. Virtually everyone willing to say they are unable to afford a ‘necessity’ (as judged by 50 per cent of wider society) has one or
more non-necessities. Often, they have quite a few non-necessities. This suggests that their personal ranking of items is rather different from the average. Let us assume that people buy first what they regard as necessities, then move on to luxuries until funds restrict choice. Among those people whose consumption patterns are most like the average, the items they will be unable to afford will largely be ‘luxuries’. But those whose consumption preferences are rather different may buy ‘luxuries’ before what wider society regards as ‘necessities’. It is therefore their particular choice of consumption profile that makes them appear poor, not their resources.

There are, moreover, systematic differences between different groups in whether non-ownership of a good is put down to choice, or an inability to afford. Measures based on expressing an inability to afford show much higher rates of deprivation among the young, possibly reflecting higher expectations compared with older groups, than do other methods of measuring poverty. People’s choices reflect their level of expectations, which reflects their experiences and aspirations. Preferences may ‘adapt’ to lived experiences, and so may differ among those with different experiences of poverty and affluence (Nussbaum 2001 presents a philosophical investigation of this point). It is beyond the scope of this paper to discuss how far one group may adequately define what is essential for other families (e.g. those with and without children, old and young, disabled and non-disabled).

However, some aspects of the direct measurement of poverty through deprivation indicators may be retained; though we may need to discard the information on why people lack an item in constructing indicators of deprivation. Measures constructed in this way are just as reliable and valid as indicators constructed in existing ways, which (since Mack and Lansley 1985) have usually been based on people saying they lack an item because they cannot afford it, rather than through choice. There is an important final argument for looking simply at non-possession of items, that is practical and quasi-political. Few surveys are able to devote the resources required to construct a picture of deprivation based on classifying the reasons why people lack a long list of items. However, many existing national surveys would contain enough information to begin to construct measures of the kind advocated here, or could be adapted at rather lesser cost to do so.

Of course, no-one would argue that there is a single best way of measuring poverty. The claim made here is both technical (how well it performs) and practical - how easy it would be to apply this approach to existing data without modification.

This recommendation does not, and could not, remove all the potential sources of both subjectivity and measurement error. There will also remain a large and very important role for researchers in framing the list of items that should form the index – however, the argument that such a list should be based on what people themselves suggest, often revealed in group discussions, has surely been won. Nor is it a suggestion that some form of ‘expert’ judgement should be substituted for people's own judgements - rather it is an attempt to minimise the role that particular judgements do play.

2 Measuring poverty

There are, of course, many different ways of measuring poverty. They include the use of budget standards, income lines, and so on. One important way that poverty may be measured is through the use of ‘consensual deprivation indicators’. In this method, people are asked to
judge which items all families should be able to afford. People are then poor if they are unable to afford items that the majority in society say are necessary – ‘an enforced lack of socially perceived necessities’ (Mack and Lansley 1985: 39)

The approach may be broken down into a number of different steps, so that the method generally employed by social scientists to construct deprivation indicators today is as follows:

a) Ask a large group of people which of a number of items they believe to be essential, which everyone should be able to afford.

b) Ask a large sample which of these items they have, which they lack because they don’t want them, and which they lack because they can’t afford them. [(a) and (b) were different samples in the 1999 study]

c) Add up the number of items that people can’t afford, from the list of those that at least 50 per cent said were essential (alternative [higher] thresholds are possible, though used infrequently).

d) Establish a threshold point at which a shift in the experience of deprivation seems to occur, or on other grounds. This may be set using statistical criteria, graphical approaches, or perhaps in other ways.

The idea that indicators of living standards may be used to capture poverty has been associated with the work of Townsend (1979). In that study, a list of 12 items (selected by Townsend) was used to identify a threshold point in the income distribution that could be regarded as indicating poverty. In arriving at the more modern formulation above, two principal innovations were introduction by Mack and Lansley (1985), over the earlier work of Townsend (1979).

First, rather than using some expert or researcher judgement on which items people should have, they asked people for their opinions on what everyone should be able to afford. Second, instead of looking simply at non-possession of those items, they checked whether people were lacking items through inability to afford, or choice. These refinements may be seen, at least in part, as a response to various criticisms that had been made of Townsend’s approach (such as by Piachaud 1981). In particular, that choosing to do without items could not be regarded as poverty – hence the later emphasis on being unable to afford items, rather than electing to do without them. Most recent work is based on allow people to say they don’t want items, or alternatively that they cannot afford them.

3 Data

This paper is based on secondary analysis of two datasets, each collected for a project concerning social exclusion and poverty, and funded by the Joseph Rowntree Foundation. The project sought to measure the degree of poverty and social exclusion at the end of the twentieth century, using a range of methods but with a strong emphasis on the use of consensual deprivation indicators. The study was undertaken by a group of researchers at the Universities of York, Bristol and Loughborough.

The omnibus survey of the Office for National Statistics (ONS) of June 1999 was used to establish what people thought were ‘necessities’. This involved classifying a list of 54 items and activities into essential items, that every family should be able to afford, and those which were desirable, but not necessities (ONS 2002). The achieved sample size was 1855 individuals. Omnibus surveys permit researchers and others to ask a small range of questions
to a large representative sample, without the time and expense of mounting a separate large-scale survey themselves. Each month’s survey covers a range of topic areas.¹

The other data source is the Millennium Survey of Poverty and Social Exclusion (Gordon, Middleton and Bradshaw 2002) or PSE. In 1999 the PSE interviewed 1,534 people who had previously taken part in the 1998/99 General Household Survey (GHS). The sample was selected disproportionately from those on lower incomes, but was designed to be nationally representative (after weighting). The fraction sampled was four times greater for the poorest households than for the richest.

3.1 The 1999 PSE

The study of Gordon et al (2000) found that 35 items were considered ‘necessities’ by more than half the sample, from a list of 54 presented to people. Among the goods and services described as necessary were having a damp-free home, owning a refrigerator, having contents insurance, collecting children from school, having a television, and having a dictionary – all of which were classed as ‘necessities’ by 50 per cent of people of more. The list presented to respondents also included a number of items that fell short of the 50 per cent threshold, including ‘new, not second-hand clothes’ a car, a tumble dryer, annual foreign holidays and access to the internet.

Six of the 35 items classed as ‘necessities’ items were then dropped, however, from the list used to measure who was poor². A threshold of lacking two items was selected, since that seemed to maximise income differences across the two selected groups (and minimise income differences within the groups). It is possible to discuss the overall statistical strategy taken in dropping these six items, but the effect on the final measure is so small it is not worth a detailed debate. Of those lacking 2 or more items from the 35-item list, 99.3 per cent lacked 2 or more items from the 29-item list (the shorter list being more valid, reliable and additive, according to the researchers). For this reason, and on the grounds of simplicity and transparency, we opt for the full 35-item list – but no results would be affected by using the alternate shorter list.

The great strength of the PSE lies in the wide range of poverty and deprivation-related information collected. It was able to use the GHS information to collect income data, and the subsequent PSE could then be used to concentrate on a range of questions related to living standards, social exclusion and poverty.

These datasets have since been made available at the ESRC Data Archive at Essex University, with serial numbers 4349 (PSE) and 4384 (ONS Omnibus).³

¹ For this month, the other topics of investigation were: participation in sport by members of ethnic minority groups; European elections; carers; cancer; oral health; contraception.
² Four of these six items, all durable goods (TV, refrigerator, beds and bedding, washing machine) were dropped because they did not meet statistical standards for reliability (Cronbach’s alpha approach) and validity (relationship with six indicators of health and subjective poverty). Two other items (freezer, prescribed medicines) were dropped on grounds of not being additive with the other items.
³ We thank the data archive for supplying the data. We also acknowledge the contribution of the researchers who conducted the study, including the ONS, and Joseph Rowntree for funding the study, for making the data available. None of these groups bears any responsibility for the analysis conducted in this paper.
4 Is there agreement on ‘necessities’?

It is a strong assumption of the consensual approach that there is overall agreement about the standards of living that all people should be able to afford. According to Gordon et al (2000: 16), ‘The “consensual” approach to poverty assumes that there are few differences across different sections of the population over what they perceive as the necessities of life’. In this section we argue that such differences are actually rather pronounced and important. First, because such differences do exist and are not readily explicable. Second, as we argue later, because they mean that particular groups are classified as deprived mostly because their consumption choices differ from those of the mainstream.

The question or task asked of omnibus respondents was as follows:

*On these cards are a number of different items which relate to our standard of living. I would like you to indicate the living standards you feel all adults should have in Britain today by placing the cards in the appropriate box.*

*Box A is for items which you think are necessary: which all adults should be able to afford and which they should not have to do without.*

*Box B is for items which maybe desirable but are not necessary*

Researchers using this method have argued that there is a strong degree of homogeneity about peoples’ views about the items classified as necessary. In particular, that analysis by various social groups reveals relatively few differences in the items that are necessities, though it is conceded that some such differences do occur. We go further by looking from a different perspective. We consider the effect of aggregating individuals’ answers to look at an item-level perspective, as is customarily done, rather than taking an individual-level perspective. We take three approaches. First, we consider the range of different answers given as to how many items are regarded as ‘necessities’. Second we provide more formal statistical analysis of the extent of agreement between respondents. Third, we identify and emphasise some of the systematic variations that do take place across different social groups (social class in particular).

It should be remembered that there is a fairly smooth transition from items regarded as ‘necessities’ by 90% or more, by 80% or more, and so on. This should itself provide evidence that the extent of agreement between people about what is a necessity is relatively weak – if inter-personal agreement about what are necessities was strong, the proportions would tend to cluster more towards the opposite ends of the spectrum (0% and 100%).

4.1 Individual-level variation

Previous survey analysts do not appear to have considered as an important concept the number of items described as ‘necessities’ by each respondent. However, this varied quite considerably across the sample – including 0.4 per cent of respondents who did not regard any items as being necessary, to those insisting that 53 (out of 54) items should be regarded as necessary. A further four per cent, small but non-trivial, are excluded from these figures because they either refused to complete this task, or said they didn’t know which items to classify under each category.
Excluding these (non-)replies, the distribution of responses is shown in Figure 1. There is akin to a normal distribution of a rather flat variety. The mean number of items described as ‘necessities’ was 30.5 (s.d.=8.4); the median was 31 items; the mode was also 31.
Notice that these three measures of central tendency are rather less than the 35 items that count as ‘necessities’ because 50 per cent or more of the sample described them as ‘necessities’. The lowest ten per cent of answers regarded 20 or fewer items as necessary; the highest ten per cent suggested 40 or more items were essential.

An alternative way to regard necessities is that on average, people thought that 31 items were necessary. By aggregating responses to the item-level, we get the result that 35 particular items are regarded as necessary by 50 per cent or more of respondents. In fact, only one third of respondents put as many 35 items or more into the ‘essential’ category.

The average number of items described as ‘necessities’ is relatively constant among many groups in the population. Average items called ‘necessities’ were very similar among men and women for instance (means of 30.7 and 30.3), despite this often being thought of as an important division in classifications of items as ‘necessities’. But agreement in average outcomes may be as reflective of randomness as it is of ‘agreement’. The extent of agreement within any group was limited, insofar as the distribution of responses around the mean among each group was very wide. A distribution of responses as wide as shown in Table 2 needs further investigation. What are the decision-making processes of those two groups given radically different answers. In arriving at the number of ‘necessities’, we should take note of the fact that a majority said that fewer than 35 items were necessary. Whereas, the 50 per cent cut-off did generate a list of 35 items.

**4.1.1 Measuring inter-personal agreement**

There are few methods available that are designed to measure the level of agreement between different people, and each is relatively rarely applied, usually in different circumstances. The
nearest to a measure of agreement is, perhaps, the kappa statistics (Cohen 1960; Siegel and Castellan 1988). This is based on assessing the level of agreement between two (typically) raters, and their judgements on particular outcomes. We now explain a bit more about this rather arcane measure. To take an arbitrary example, consider the ratings made by the first two respondents in the dataset.(denoted A and B). There are 29 items they both class as ‘necessities’, and 9 they both class as not being necessary, only desirable (Table 1).

However, A rates 5 items as essential that B believes to be desirable, whilst B rates 11 items essential that A only rates as desirable.

Table 1  
Example of inter-respondent agreements on 54 items

<table>
<thead>
<tr>
<th>Respondent A’s classifications</th>
<th>Necessity</th>
<th>Desirable</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Necessity</td>
<td>29</td>
<td>5</td>
<td>34</td>
</tr>
<tr>
<td>Desirable</td>
<td>11</td>
<td>9</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>14</td>
<td>54</td>
</tr>
</tbody>
</table>

Cohen’s kappa for this simple case is then calculated as:

\[
K = \frac{P_A - P_C}{1 - P_C}
\]

Where: \(P_A\) – Proportion of cases in agreement

\(P_C\) – Proportion of cases that would be expected to be

in agreement by chance

\(P_A\) is the terms of the main diagonal (29+9)/54 or 0.704

\(P_C\) is the expected terms of the main diagonal assuming independence, which is

\[
\frac{(34*40/54)+(14*20/54)}{54} \text{ or } 0.562
\]

So, \(K = 0.32\)

The calculation is based on the fact that around 70 per cent of items were coded the same by each respondent, but we would anyway expect 56 per cent agreement given the individual marginal distributions, even if the decisions were made independently. This value of kappa is high enough to rule out independence at the five per cent level. However, this size of level of agreement is only ‘fair’. Landis and Koch (1977: 165) suggest the following interpretation of kappa coefficients:

- 0.00 – 0.20 ‘Slight’;
- 0.21 – 0.40 ‘Fair’;
- 0.41 – 0.60 ‘Moderate’
- 0.61 – 0.80 ‘Substantial’;
- 0.81 – 1.00 ‘Almost perfect’.

We would be unwise to take this descriptive scale too seriously, it provides a useful but admittedly broad-brush reference guide. Most psychologists developing scales of agreement would tend to be looking for values exceeding 0.61, certainly. Of course, the simple example above relates to only two arbitrarily chosen individuals out of a sample of 1784. Or, one set of paired assessments from around 1.5 million possibilities [N*(N-1)/2]. In order to summarise the measured levels of agreement among the omnibus respondents, we need to calculate similar statistics for many different pairs of respondents, and/or find ways to provide overall summaries of levels of agreement.

In fact this arbitrary example is fairly typical of the levels of agreement found within the sample. There are versions of kappa where there are multiple raters: using one approach

\[^4\] In fact, respondent #B classified one item (dishwasher) in the “cannot choose” category, which here we have recoded as desirable. Respondent #A had classified this item as desirable. This kind of adjustment increases the measured level of agreement, compared to keeping this third, relatively small, category distinct in the analysis.
(Fleiss 1981) the overall inter-rater kappa was 0.31. Certainly this level of kappa is large enough to rule out entirely independent assessments of items between respondents. But it does reflect a relatively low overall rate of agreement. Overall, people give only weakly related judgements of which goods or services may be regarded as essentials.

4.2 Group-level variations
It is acknowledged that some groups do place different priorities on different items; in particular, the opinions of young and old often differ on the importance of each item as a necessity. In the 1999 survey, there were also some systematic differences between the items identified as necessary, or not, according to social class. It is, of course, in the nature of an omnibus survey that there is limited information on which to classify respondents, and the reliability of some data may not be as great as in more specialise income surveys. However, the registrar-general social class is available, and provides an insight into socio-economic differences in how items were regarded. In fact, Mack and Lansley (1985: Table 3.2) also identified differences between social classes in the classification of ‘necessities’.

Three items are shown in Table 2. So, all the ‘middle classes’ regarded an outfit for social occasions as not being a necessity; the upper two classes did not regard a television as essential, and the higher professional class – resplendent in their exposed floorboards and hardwood flooring - did not regard carpets as essential. The top social class in fact labelled slightly more items as merely desirable than they did as essential. Those in full-time education were also among those least likely to describe items as being essential. Similar relationships may be found with housing tenure (tenants more likely than owner occupiers to state ‘necessities’) and marital status (married – more likely to state ‘necessities’).

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5 This result was calculated in stata’s kappa.ado command and SPSS technical support’s macro mkappasc.sps. Each routine gave the same coefficient and although different standard errors were reported in each case, test statistics were each very highly statistically significant. We also randomly sampled 3,000 pair-wise comparisons (from the available 1.5 million), also finding an overall average of 0.31, and in only three per cent of instances did a pair-wise comparison yield a kappa value of 0.61 or greater (which would indicate substantial agreement), whilst in four per cent of cases the values were negative (indicating disagreement)
Table 2  Social class and identifying items as necessary

<table>
<thead>
<tr>
<th></th>
<th>Un-weighted base</th>
<th>An outfit for social occasions</th>
<th>Television</th>
<th>Carpets in living rooms and bedrooms</th>
<th>Average number described as necessary</th>
<th>Average number described as desirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>I Professional</td>
<td>84</td>
<td>40</td>
<td>36</td>
<td>37</td>
<td>25.7</td>
<td>26.5</td>
</tr>
<tr>
<td>II Intermediate</td>
<td>481</td>
<td>49</td>
<td>47</td>
<td>62</td>
<td>30.4</td>
<td>22.2</td>
</tr>
<tr>
<td>IIIN Skilled non-manual</td>
<td>417</td>
<td>49</td>
<td>57</td>
<td>68</td>
<td>30.9</td>
<td>22.3</td>
</tr>
<tr>
<td>IIIM Skilled manual</td>
<td>314</td>
<td>54</td>
<td>63</td>
<td>74</td>
<td>31.8</td>
<td>20.8</td>
</tr>
<tr>
<td>IV Partly skilled</td>
<td>303</td>
<td>55</td>
<td>65</td>
<td>71</td>
<td>30.7</td>
<td>21.9</td>
</tr>
<tr>
<td>V Unskilled</td>
<td>118</td>
<td>56</td>
<td>68</td>
<td>78</td>
<td>32.6</td>
<td>20.8</td>
</tr>
<tr>
<td>Never worked, inadequate description</td>
<td>65</td>
<td>37</td>
<td>36</td>
<td>68</td>
<td>25.4</td>
<td>25.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1784</strong></td>
<td><strong>51</strong></td>
<td><strong>56</strong></td>
<td><strong>67</strong></td>
<td><strong>30.5</strong></td>
<td><strong>22.1</strong></td>
</tr>
</tbody>
</table>

Source: own analysis of ONS Omnibus June 1999

These real differences should be recognised, when assertions are made about the nature of ‘consensual’ measures. Nor is it clear that there is strong agreement that the ordering of items among different social groups were relatively similar. For instance, in the above table the overall ordering was carpets=1st, television=2nd and social outfit=3rd. However, social classes I and II, and those who had never worked did not share this ordering (with orderings of 132, 231 and 132) rather than the 123 of the other groups.

This overall lack of agreement on necessities has led some to suggest abandoning the simple 0/1 division into ‘necessities’, or not, in favour of assigning different weights to all items depending on how many suggested they were necessities, or on how many that people owned (see Halleröd 1994). However, this refinement did not make a great difference to the groups identified as deprived.

5  The ability to afford ‘necessities’

In this section we analyse the main PSE dataset, looking at the interpretation that may be placed on people being ‘unable to afford’ particular items.

5.1 Cannot afford ‘necessities’, can afford ‘luxuries’?

Poverty is taken to mean that people cannot afford items that are defined as ‘necessities’. We have previously argued that the definition of necessity is variable across different people; there is little agreement between people about what counts as essential. We strengthen this point by ascertaining the spending behaviour of families. An implicit assumption is that people will spend their available income to secure the necessaries of life, but that some will have insufficient to do so. In a recent review of poverty measures, it was however conjectured that: ‘the possibility cannot be ruled out that the spending patterns of those on
low incomes do not reflect the belief that everyone prioritises money to be spent on necessities before spending money on ... “luxuries” ’ (Startup 2002: 22)

The tone of this quotation is that some people may have different spending patterns from the average. The calculation of poverty using deprivation indicators tends to assume that people would be spending little or nothing on items not deemed to be necessary, if they were lacking items that were necessary. In fact, this is very far from the case: lack of ‘necessities’ almost invariably goes hand-in-hand with the presence of ‘luxuries’.

Of those respondents unable to afford two or more goods/services considered to be ‘necessities’ by at least half the population (a group classified as deprived), no less than 99.8 per cent possessed or enjoyed one or more of the 19 items that did not qualify as ‘necessities’. In fact, only one person in the study who was deprived – could not afford 2+ ‘necessities’ - did not enjoy at least one of the apparent non-necessities.

Of those unable to afford two or more ‘necessities’, the following percentages could afford the various items that were not considered to be ‘necessities’

- 88 per cent had a video machine;
- 79 per cent had a micro-wave oven;
- 73 per cent had new clothes, not second hand clothes, when they needed them;
- 55 per cent had a car;
- 19 per cent had holidays abroad.

All of these items were classified as non-necessities in the study, and their possession or not did not enter the calculation of who is poor. Of course, some of these items are durable goods and may have been purchased at some point in the past; less so for items requiring more frequent spending. This durable/non-durable distinction is, of course, also not included in the calculation of who is deprived when using indicators of this kind.

To be sure, these proportions with non-necessities were higher among those who were not classified as deprived. But the fact they are so high does call into question the usefulness of trying to describe items as ‘necessities’. Particularly since, as argued above, there is no consensus on what should be described in such a way.

Overall, those classified as deprived (two or more items unable to afford) did enjoy an average (median) of eight non-necessities (from a list of 19 such items). This was three fewer than among the non-deprived.

The likelihood is that respondents arrange their spending patterns to assure that they first meet the items that they themselves regard as being ‘necessities’, rather than what might be said to be ‘necessities’ by half or more of the general population. As we saw, there was considerable individual variation in what was regarded as being a necessity. However, in the 1999 study there was complete separation of those selecting the items regarded as ‘necessities’, from those who were asked whether they had such items. Thus it is not possible to fully pursue this line. Using data from the ONS omnibus, it is possible to consider how far car ownership is linked to whether cars were regarded as essential. Overall 91 per cent of

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6 This was a divorced woman aged 39 with a weekly income of £55 who also listed 16 items as ‘could not afford’, one of the highest in the study
those saying a car was essential also had access to a car, compared with 72 per cent of those suggesting a car was merely desirable (or who couldn’t say which).\(^7\)

**5.2 Being unable to afford items: socially constructed or objective reality?**

The method of assigning families to deprived, or not, relies on them identifying themselves as being unable to afford various items. This is not uniform across different groups in similar circumstances, however. There is a greater willingness to admit to being unable to afford items among some groups than others, that belies their income situation and availability of resources. Indeed, Mack and Lansley (1985) identified a group with lowered expectations, as part of their overall count of the numbers in poverty. This concept has not generally been followed in later work, perhaps because it seemed a rather arbitrary adjustment.

There clearly is a link between whether a good is rated as essential, and the proportion of families that have such a good. This relationship is reasonably strong – with important exceptions – at the aggregate level (see Figure 2).

There are some items that are widely owned but not classed as essential, and these are often durable goods (video, microwave, car). There are also items rated as essential, even though they are common to around 70 per cent of people or less - such as holidays and having regular savings.\(^8\) However, most items with low take-up (satellite television) were not generally rated essential. And items possess by nearly everyone (beds and bedding, damp-free home) were rated as essential by very large proportions. A 50 per cent cut-off does make for some marginal choice – having new rather than second hand clothes was marginally not essential (48 per cent); having a best outfit for social occasions was essential (51 per cent).

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\(^7\) The alternative classification may also be of relevance: 43 per cent of those with access to a car said it was an essential, compared with 16 per cent of those who did not have the use of a car.

\(^8\) Many people do not collect children from school, or don’t visit schools, through choice. However, those stating these activities ‘do not apply’ have been dropped from the x-axis.
Older groups, in particular, were less likely to say they could not afford an item they lacked, and more likely to say they did not want it. Younger groups were more likely to say that they could not afford particular items. The divisions on selected items, by age group, are shown in Table 3. Clearly, the oldest group have a much stronger tendency than the young to say they do not want particular items, whilst the younger groups attribute their absence to an inability to afford the items. Overall, this means that younger people are much more likely than older to be classified as deprived – because the older group has a greater propensity to say that missing items are through choice.
### Table 3  Split between ‘cannot afford’ and ‘do not want’ among those lacking items, by age group

<table>
<thead>
<tr>
<th>Item</th>
<th>16-34</th>
<th>35-49</th>
<th>50-64</th>
<th>65+</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A hobby or leisure activity [78%]</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Can’t afford</td>
<td>63</td>
<td>43</td>
<td>30</td>
<td>9</td>
<td>37</td>
</tr>
<tr>
<td>Don’t want</td>
<td>38</td>
<td>57</td>
<td>70</td>
<td>91</td>
<td>63</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>76</td>
<td>67</td>
<td>81</td>
<td>127</td>
<td>351</td>
</tr>
<tr>
<td><strong>Holiday away from home for one week a year not with relatives [55%]</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Can’t afford</td>
<td>78</td>
<td>66</td>
<td>43</td>
<td>32</td>
<td>55</td>
</tr>
<tr>
<td>Don’t want</td>
<td>22</td>
<td>33</td>
<td>57</td>
<td>68</td>
<td>45</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>141</td>
<td>127</td>
<td>130</td>
<td>242</td>
<td>640</td>
</tr>
<tr>
<td><strong>Enough money to keep home in decent state of decoration [82%]</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Can’t afford</td>
<td>94</td>
<td>93</td>
<td>85</td>
<td>80</td>
<td>90</td>
</tr>
<tr>
<td>Don’t want</td>
<td>6</td>
<td>7</td>
<td>15</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>89</td>
<td>90</td>
<td>73</td>
<td>74</td>
<td>326</td>
</tr>
<tr>
<td>Ave. number of items ‘unable to afford’</td>
<td>2.6</td>
<td>1.7</td>
<td>1.5</td>
<td>1.3</td>
<td>1.8</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>311</td>
<td>328</td>
<td>344</td>
<td>551</td>
<td>1534</td>
</tr>
</tbody>
</table>

Source: own analysis of PSE 1999

It is not easy to follow up whether these differences reflect ‘real’ differences, or just lowered expectations among older groups. However, most measures of poverty would assign rather more older people to the poor, than this scale. There is a danger that a reluctance of people to describe themselves as poor may contribute to their omission from poverty statistics. Life on a low income can depress aspirations, leading some groups to express that they do not want items which, in other circumstances, they might well desire (for a more philosophical exploration of this point, see Plant, Lesser and Taylor-Gooby 1980). In 1999, it seems that the older age group are most likely to be in this position.

Put crudely, the young deny that items are essential, but are prepared to say they cannot afford them. The old accept that items are essential, but when lacking them say that is choice rather than an inability to afford. We cannot just ‘read off’ what are essentials, and the interpretation of lacking essentials, from such data.

**5.3 Alternative measure based on simple ownership**

Van den Bosch (2000) has argued that a deprivation measure based on adding up the lack of items provides a better means of identifying deprivation than one based on ‘enforced lack’ (being unable to afford). Using data from 1985 Belgium, he found that ‘deprivation based
on possession only is actually more concentrated in the bottom deciles than deprivation based on wants’ (van den Bosch 2000: 8)

We may implement a similar kind of comparison using the 1999 British data from the PSE. This finds that a measure based on non-possession correlates just as well (if not better) with income (Table 4) and with health status (Table 5), as does a measure based on inability to afford. For example, the correlation coefficient between log-income and the number of items ‘unable to afford’ was –0.35, but –0.39 for number of items missing for whatever reason (overall a relatively small difference).

These are important measures of the validity of direct poverty measures, according to the PSE researchers.

**Table 4**

<table>
<thead>
<tr>
<th>Correlations between deprivation measures and income</th>
<th>Number of items ‘unable to afford’ from list of 35</th>
<th>Number of items ‘unable to afford’ OR ‘don’t want’ from list of 35</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>-0.264</td>
<td>-0.281</td>
</tr>
<tr>
<td>( \log_{e}(\text{Income}) )</td>
<td>-0.354</td>
<td>-0.387</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>1454</td>
<td>1454</td>
</tr>
</tbody>
</table>

**Table 5**

<table>
<thead>
<tr>
<th>Health status and lacking items</th>
<th>Number of items ‘unable to afford’ from list of 35</th>
<th>Number of items ‘unable to afford’ OR ‘don’t want’ from list of 35</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any long-standing illness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>2.3</td>
<td>4.8</td>
</tr>
<tr>
<td>No</td>
<td>1.5</td>
<td>3.5</td>
</tr>
<tr>
<td>F-statistic (1 d.f.)</td>
<td>21.2</td>
<td>35.1</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>1534</td>
<td>1534</td>
</tr>
</tbody>
</table>

By contrast, measures based on inability to afford correlate more closely with measures based on subjective well-being, and self-classification as poor. The explanation is that, in each case, the measures require people to describe themselves as poor (or using some euphemism related to poverty or deprivation or inability to afford). Their closer correlation than a more ‘objective’ measure is therefore to be expected. There are two major reasons to prefer simpler measures, based on not having an item, rather than there being particular reasons for its absence. The first is a preference for simplicity itself. The second is that questions about ownership already appear in major social surveys (FES, FRS, etc.) whereas measures based on ‘enforced’ lack only appear in one-off surveys currently.
6 Conclusions

Consensual deprivation indicators are an influential approach to poverty measurement. Using data from two GB surveys from 1999, this paper argues that the evidence that there is a consensus on appropriate minimum living standards is relatively weak. Instead, there is considerable inter-personal disagreement about which items should count as ‘necessities’. There are also very widespread views on how many items should be counted as ‘necessities’. The majority of people regard as ‘necessities’ fewer items than are captured by the standard 50%+ criterion for making an item a ‘necessity’

If we look at those families unable to afford ‘necessities’, even two or more ‘necessities’ as here, we find they invariably can afford to have a large number of non-necessities – an average of eight found in this study. This behaviour suggests they are not accepting the categorisation of some items as essential, and others not – a classification which we argue is not reflective of poverty, but instead of personal preference deviating from the average.

We still believe that direct indicators of poverty have a place. But much of the paraphernalia introduced by this method, which would mean significant extra respondent burden, need not be introduced to retain some key aspects of the overall approach.

References


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Landis, J. and Koch, G. (1977) ‘The measurement of observer agreement for categorical data’ *Biometrics* 33: 159-174


