
Chair of the UK Statistics Authority, Sir David Norgrove

Bridget Phillipson MP
Shadow Chief Secretary to the Treasury
(via email)

9 August 2021

Dear Ms Phillipson,

Thank you for your letter of 16 July about statements by Ministers on levels of poverty and income inequality.

The Office for Statistics Regulation (OSR) pointed last year in a blog post¹ and more recently in its review of income-based poverty statistics² to the complexity of measures of poverty. Figures for absolute and relative poverty of course give different results. They are however both valid measures. They can also be considered before and after housing costs (published as part of the Department for Work and Pensions' Households Below Average Income Statistics).

The broad conclusion is that since 2009/10 the number of individuals in absolute poverty has fallen both before and after housing costs, whilst the number of individuals in relative poverty has increased during this time.

Similarly there are multiple ways to measure income inequality. Some inequality measures, as published by the Department for Work and Pensions and the Office for National Statistics, use the Gini coefficient, an international standard technical measure of how incomes are distributed across all individuals. This measure of income inequality according to both sources is lower in 2019/20 than it was in 2009/10 and the trend has been broadly flat since 2010/11.

As the OSR review found, statistics on poverty, income inequality and material deprivation are most helpfully thought of as a basket of measures serving a broad range of needs. To focus on one measure risks masking a more nuanced picture of the nature of poverty in the UK. We are pleased to see statistical producers across government commit to addressing the findings of OSR's report and that they are already taking steps to move away from producing a series of individual outputs in favour of a more coherent and comprehensive evidence base.

It is of course important to public understanding that statements should be clear about the measure and time period being referred to, particularly where other measures present a different trend.

Yours sincerely,



Sir David Norgrove

¹ [The trouble with measuring poverty](#), Office for Statistics Regulation, 27 July 2020

² [Review of income-based poverty statistics](#), Office for Statistics Regulation, 19 May 2021