

Measuring the relationship between poverty and growth:

The Inclusive Growth Monitor

Christina Beatty and Richard Crisp (CRESR)

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The Inclusive Growth Monitor



Full report and technical note:

<https://www.jrf.org.uk/report/inclusive-growth-monitor>

Rationale for the framework

- Standard measures of economic growth (GDP or GVA) fail to capture distribution of benefits
- Economic growth does not automatically reduce poverty
- No widely available tools to monitor 'inclusive growth' at local level

Themes and dimensions

Theme	Dimension
Inclusion	Income (including out of work benefits)
	Living costs
	Labour market exclusion
Prosperity	Output growth
	Employment
	Human capital

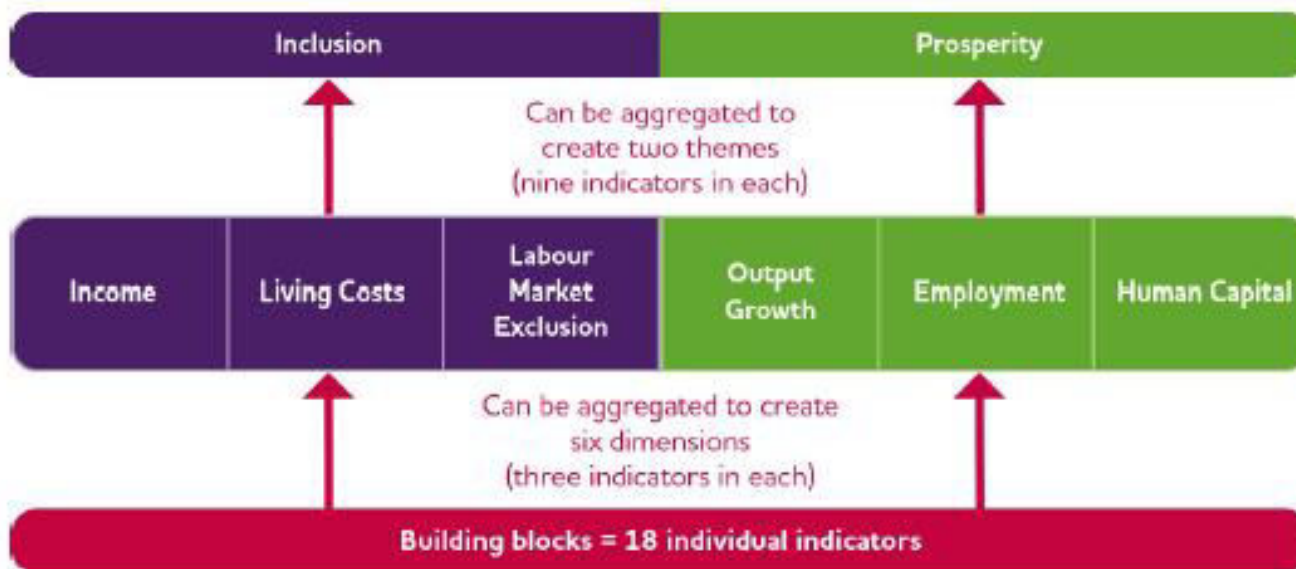
Dimensions and indicators in inclusion theme

Dimension	Indicator	Full definition of indicator
Income	Out of work benefits	% of WAP receiving out-of-work benefits
	In-work tax credits	% in-work households with and without children receiving Child and/or Working Tax Credits
	Low earnings	Gross weekly pay at the 20 th percentile
Living costs	Housing affordability	Ratio of lower quartile house prices to lower quartile earnings
	Housing costs	Median monthly rents for private sector dwellings
	Fuel poverty	% of households classed as 'fuel poor'
Labour market exclusion	Unemployment	% of WAP not in employment but actively seeking work
	Economic inactivity	% of WAP classed as economically inactive
	Workless households	% of working-age households with no-one in work

Dimensions and indicators in prosperity theme

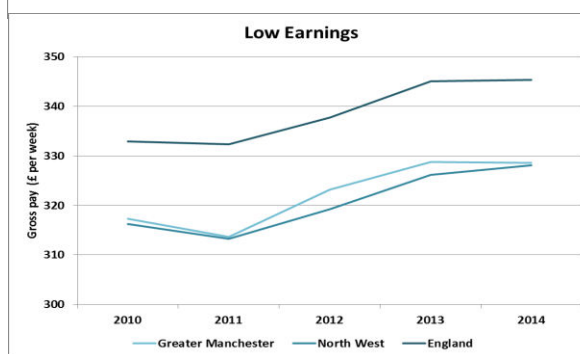
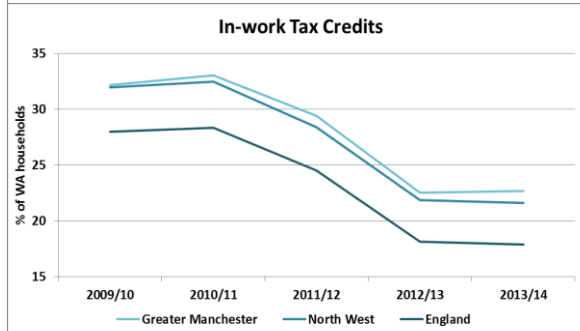
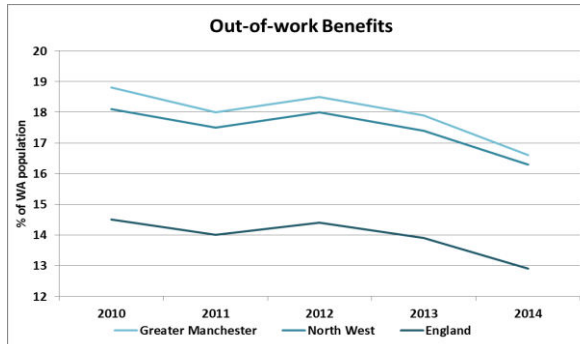
Dimension	Indicator	Full definition of indicator
Output growth	Output	Gross Value Added (GVA) per capita
	Private sector businesses	Number of private sector workplaces per 1000 WAP
	Wages/earnings	Median gross weekly pay for full-time workers
Employment	Workplace jobs	Employee and self-employed jobs by working-age population (jobs density)
	People in employment	% of WAP in employment (employment rate)
	Employment in low pay sectors	% of workers employed in administrative and support services, wholesale and retail trade, accommodation and food services, and residential and social care sectors
Human Capital	Higher level occupations	% workers in managerial, professional and technical/scientific occupations
	Intermediate and higher level skills	% WAP qualified at NVQ Level 2 and above
	Educational attainment	% of pupils at the end of Key Stage 4 achieving 5 or more GCSEs or equivalent at grades A* to C (including English and Mathematics)

A multi-level framework

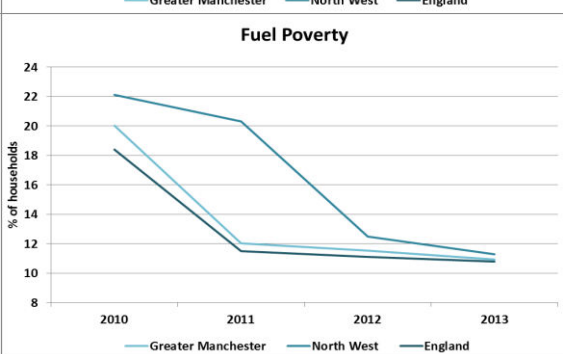
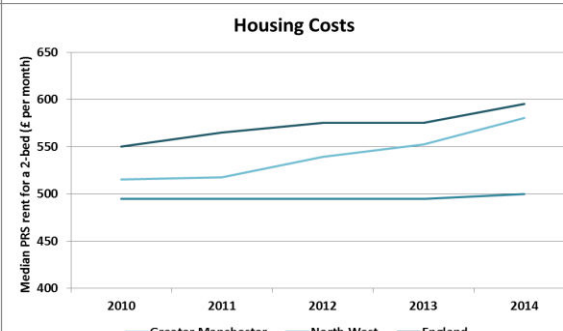
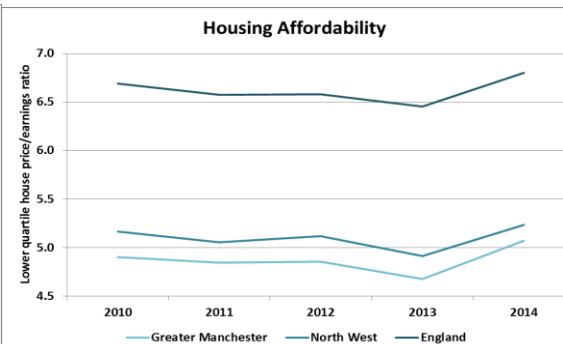


Dashboard - Inclusion

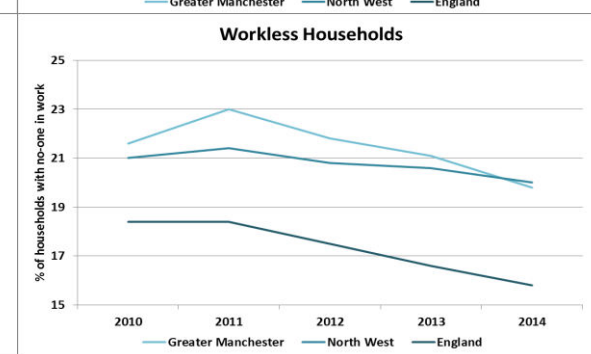
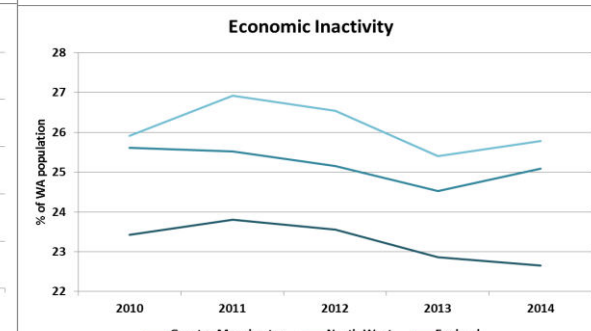
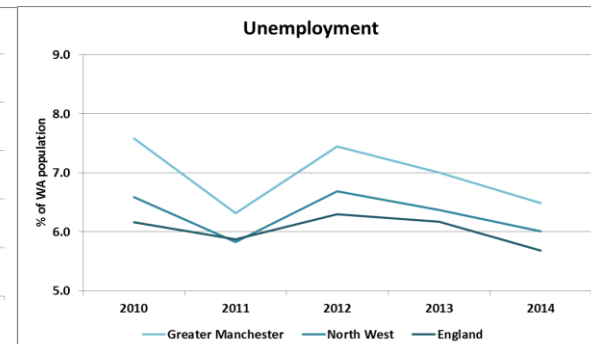
INCOME



LIVING COSTS



LABOUR MARKET EXCL.



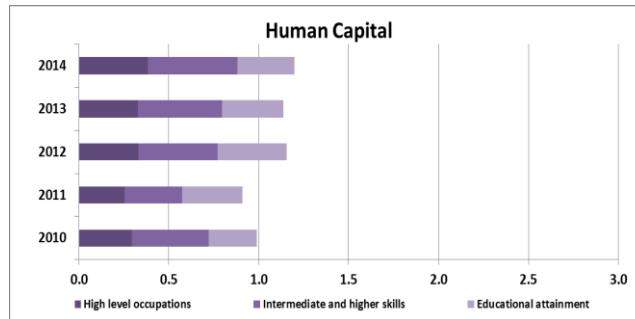
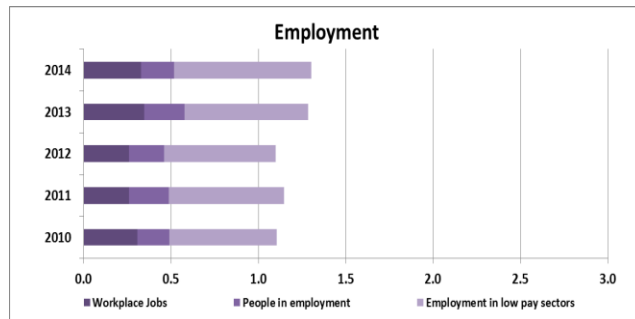
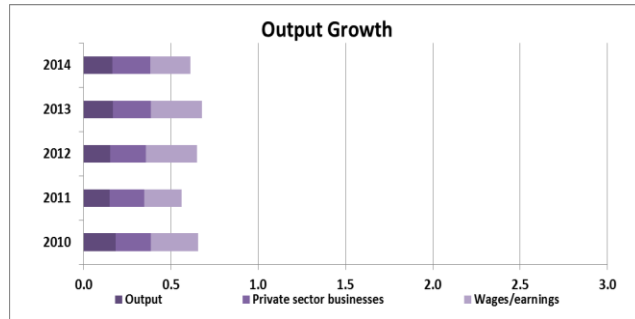
Score card - Greater Manchester inclusion and prosperity indicators against regional and national benchmarks

			2010	2011	2012	2013	2014
PROSPERITY THEME	Output Growth	National	0	0	0	0	0
		Regional	2	1	1	2	1
	Employment	National	0	0	0	0	0
		Regional	0	0	0	0	0
	Human Capital	National	2	1	2	2	2
Regional		0	1	2	1	3	
TOTAL		National	2	1	2	2	2
		Regional	2	2	3	3	4
INCLUSION THEME	Income	National	0	0	0	0	0
		Regional	1	1	1	1	1
	Living Costs	National	2	2	2	2	2
		Regional	2	2	2	2	1
	LM Exclusion	National	0	0	0	0	0
Regional		0	0	0	0	1	
TOTAL		National	2	2	2	2	2
		Regional	3	3	3	3	3
OVERALL SCORE		National	4	3	4	4	4
		Regional	5	5	6	6	7

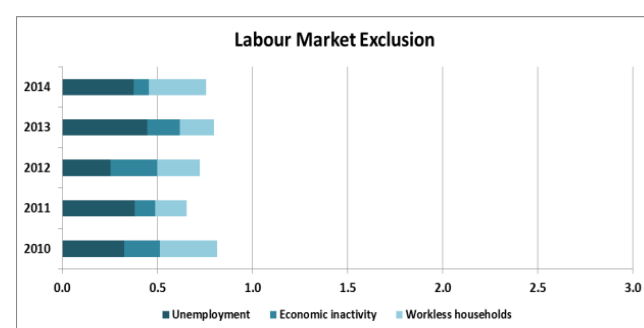
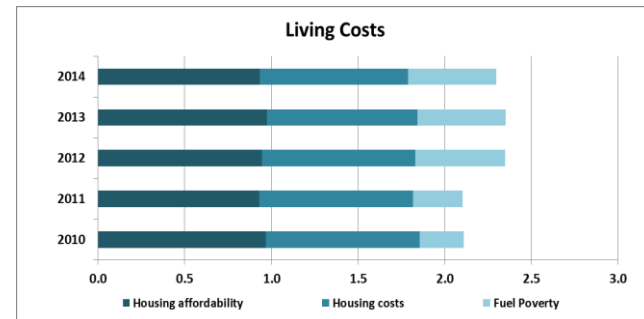
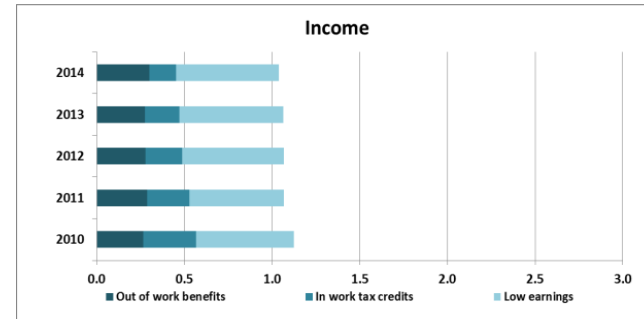
Notes: Max scores for dimension =3; theme =9; and overall score =18

Composite score by dimension - Prosperity and inclusion

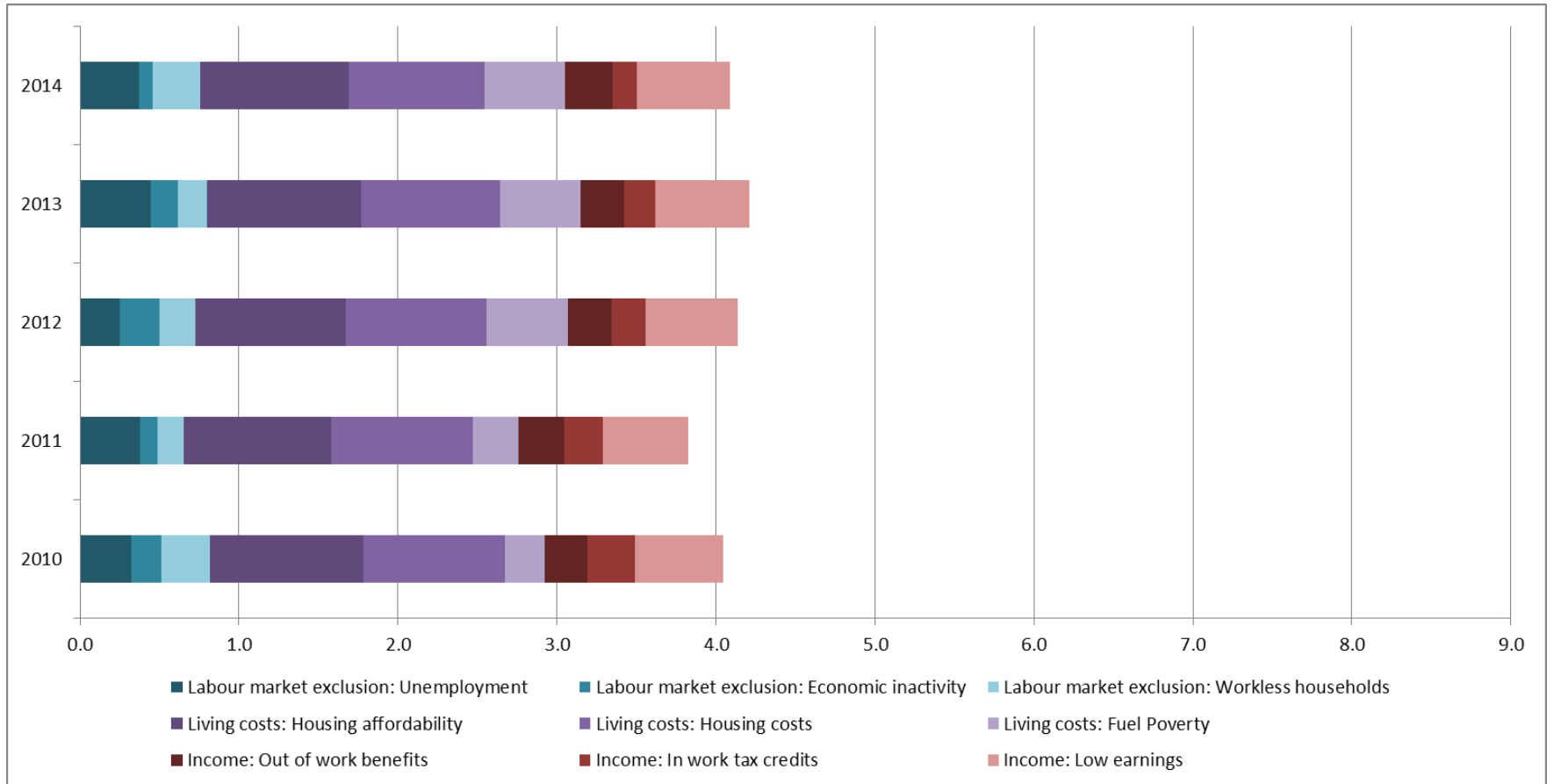
PROSPERITY THEME



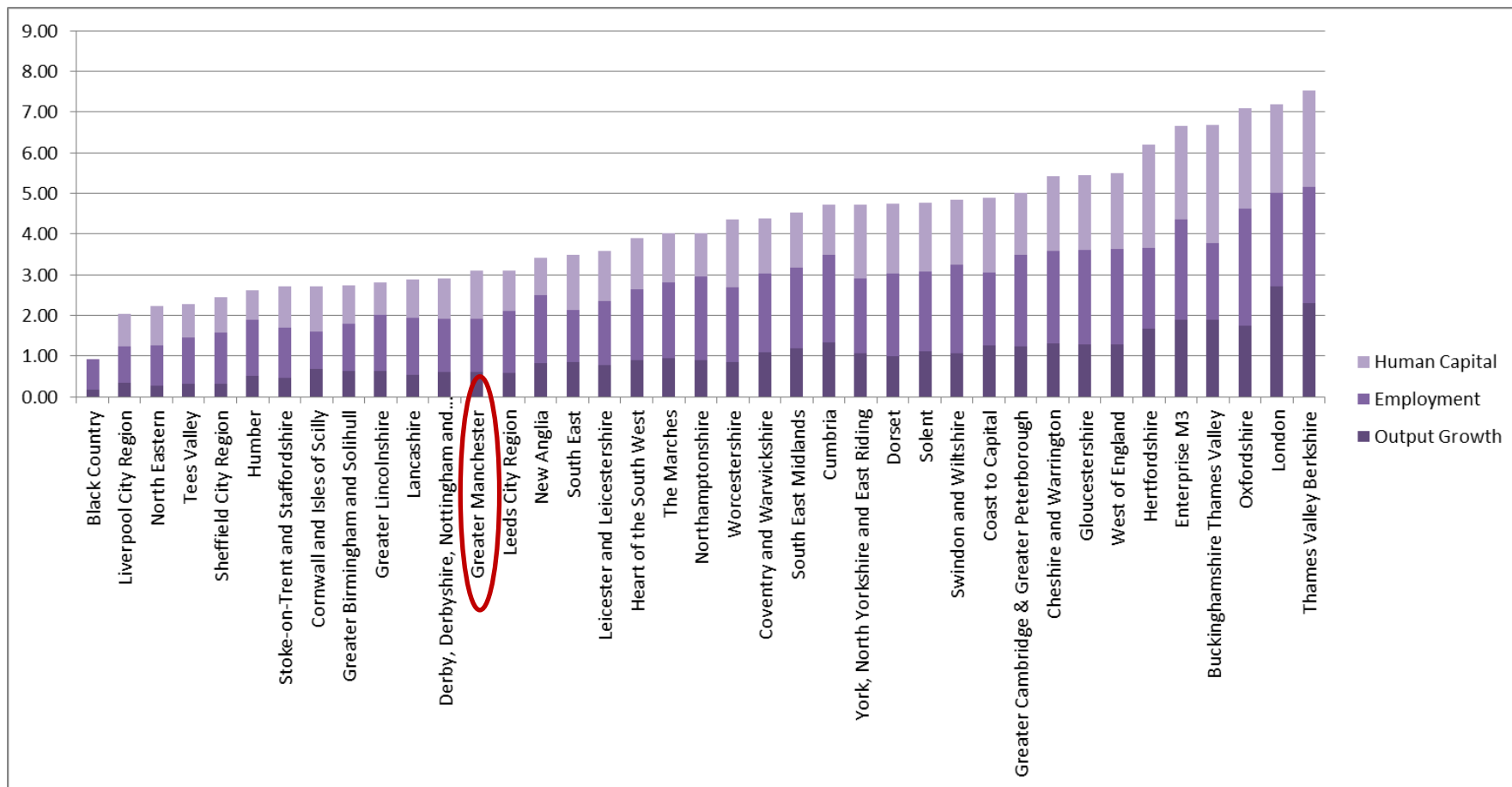
INCLUSION THEME



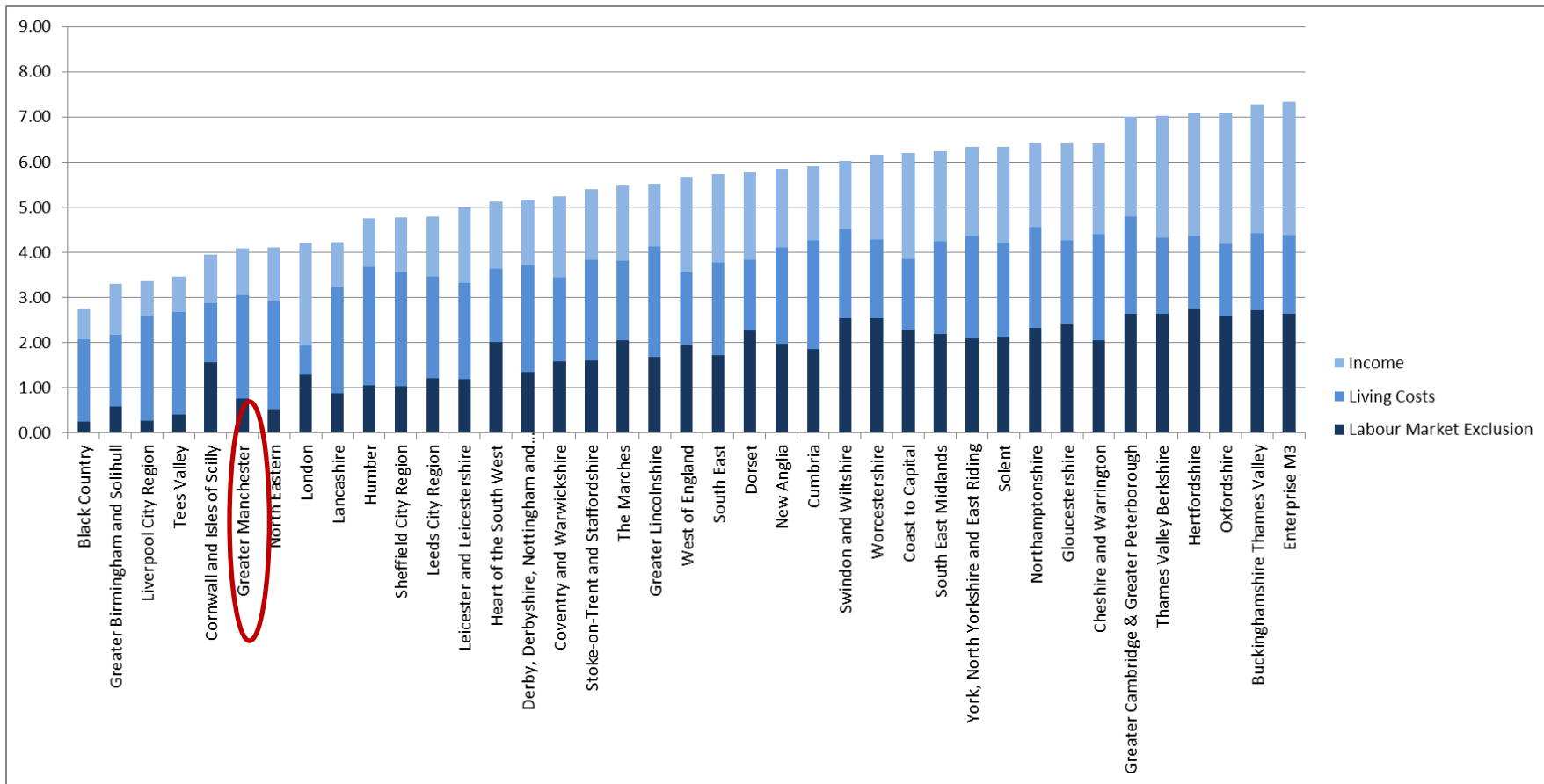
Greater Manchester composite score by theme - Inclusion



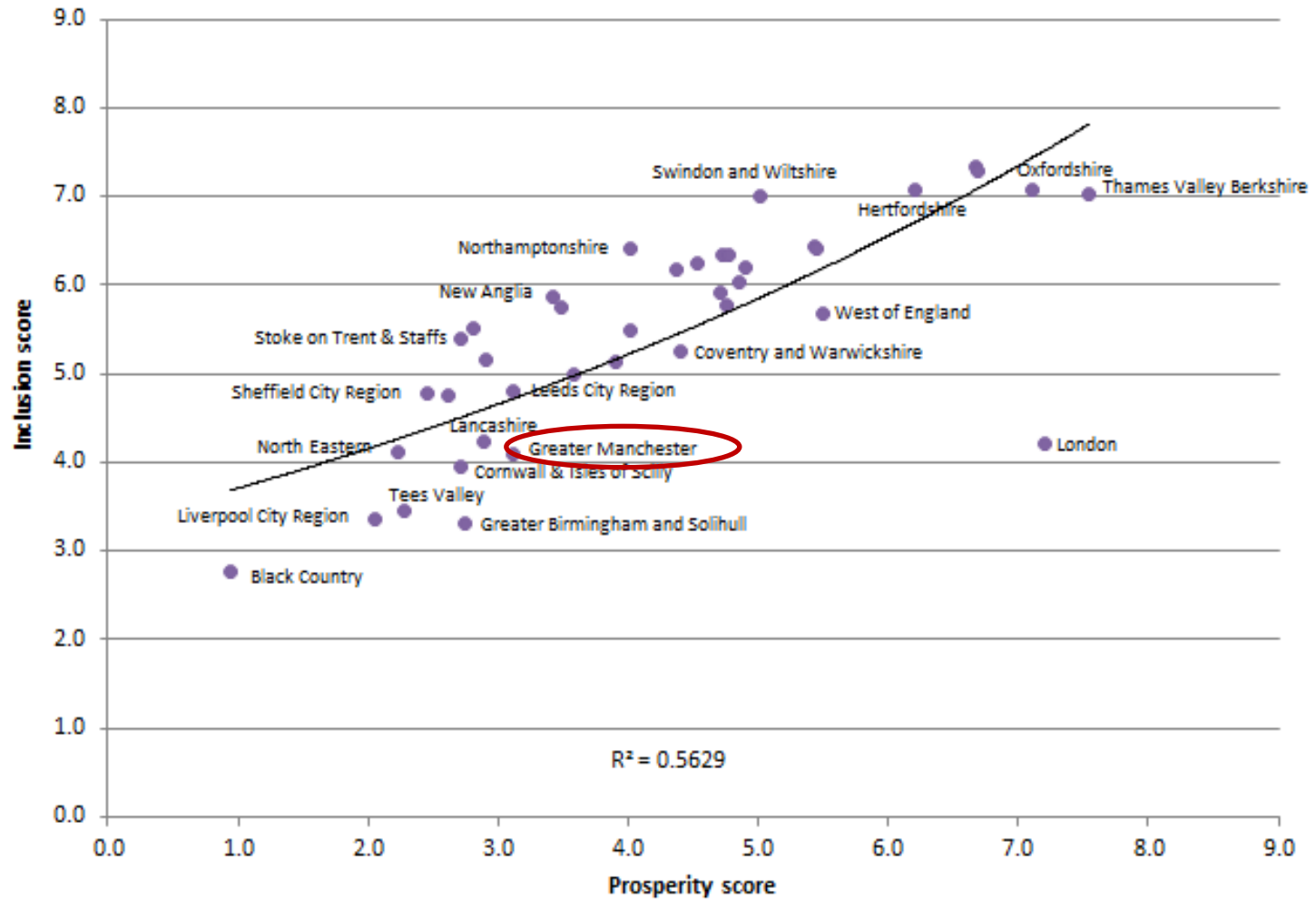
Prosperity theme scores, all LEPs, *levels*, 2014



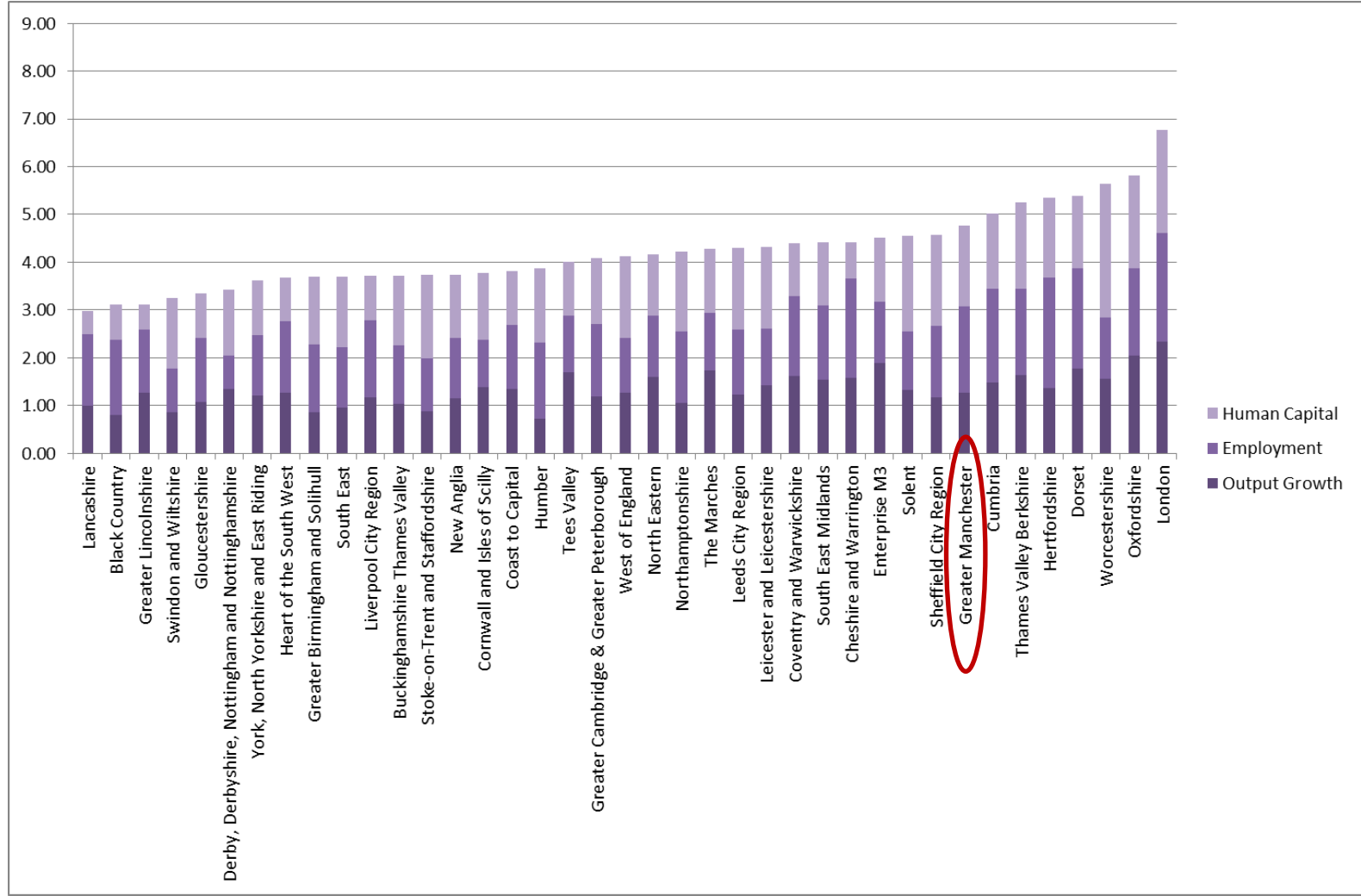
Inclusion theme scores, all LEPs, *levels*, 2014



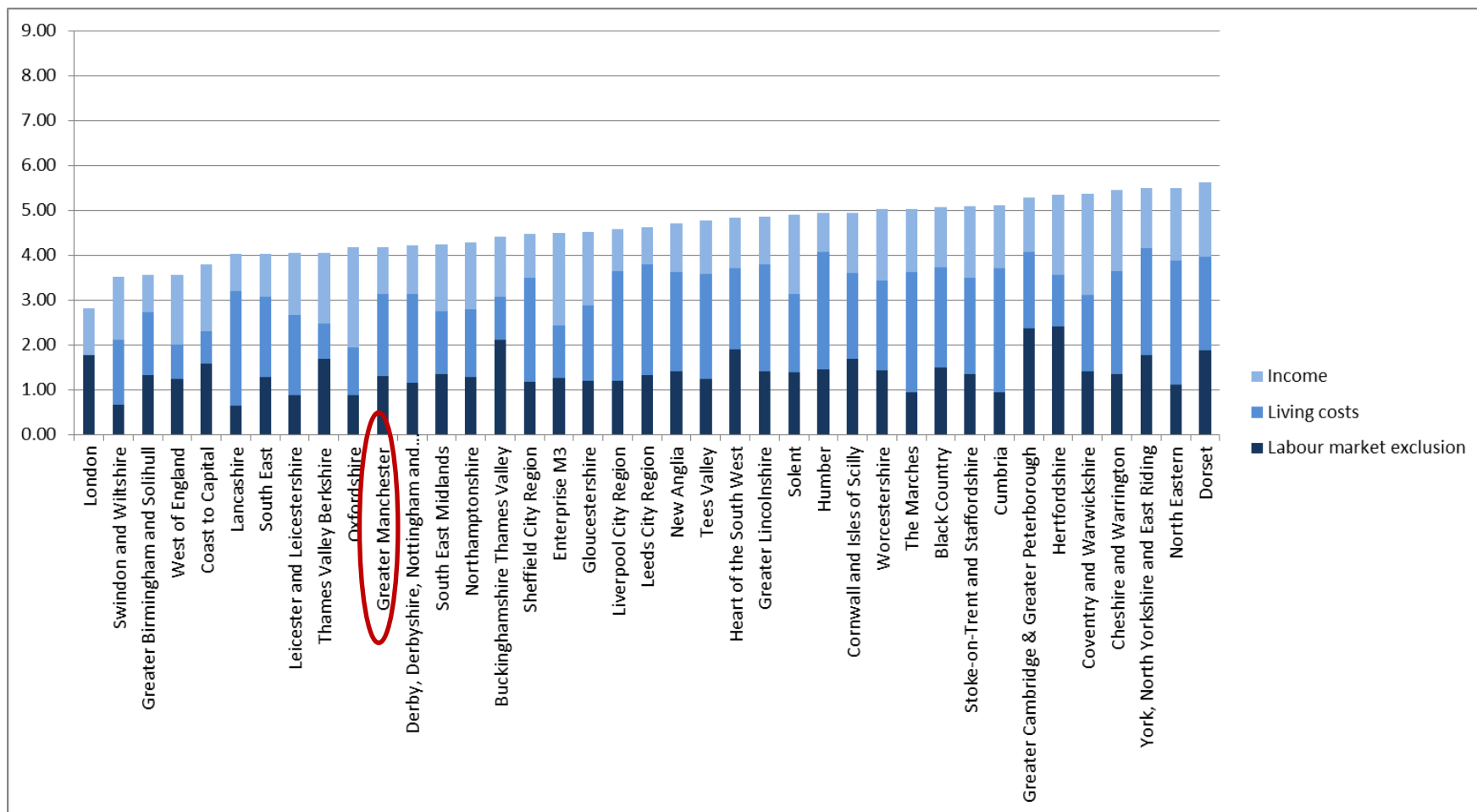
Relationship between prosperity and inclusion, *levels*, 2014



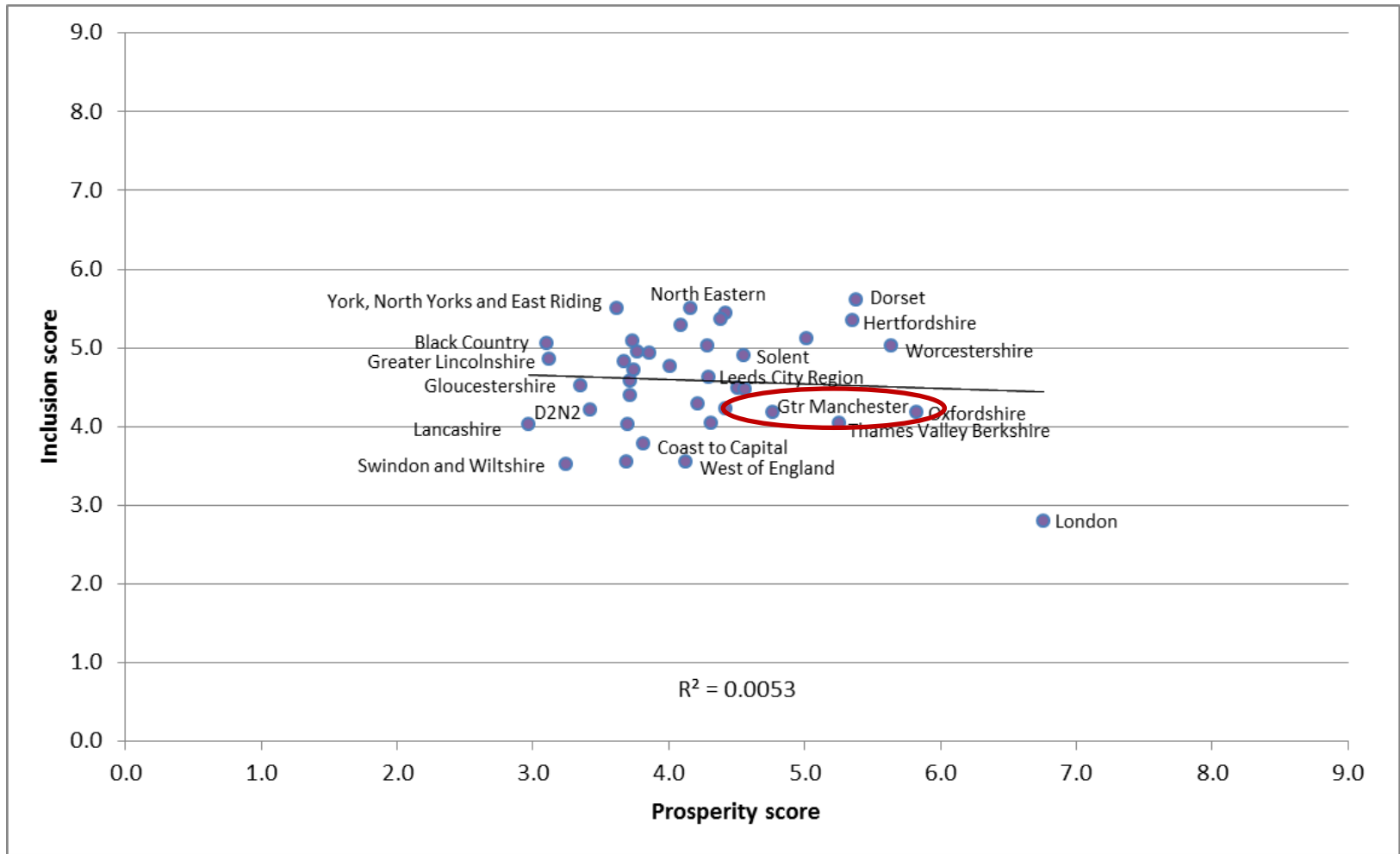
Prosperity theme scores, all LEPs, *change*, 2010-14



Inclusion theme scores, all LEPs, *change*, 2010-14



Relationship between prosperity and inclusion, *change*, 2010-2014



| Final reflections

- Clear correlation and geographical divide in terms of *levels*...
- ..but picture of *change* more mixed
- London stands out as an outlier
- Confirms growing prosperity not necessarily associated with growing inclusion