

BRIEFING:

**Mental health and poverty
in the UK.**

12 OCTOBER 2022

SUMMARY

This October 2022 briefing presents original analysis from the Legatum Institute exploring the connection between poverty and poor mental health in the United Kingdom. It uses its UK Prosperity Index and the Social Metrics Commission's approach to poverty measurement.

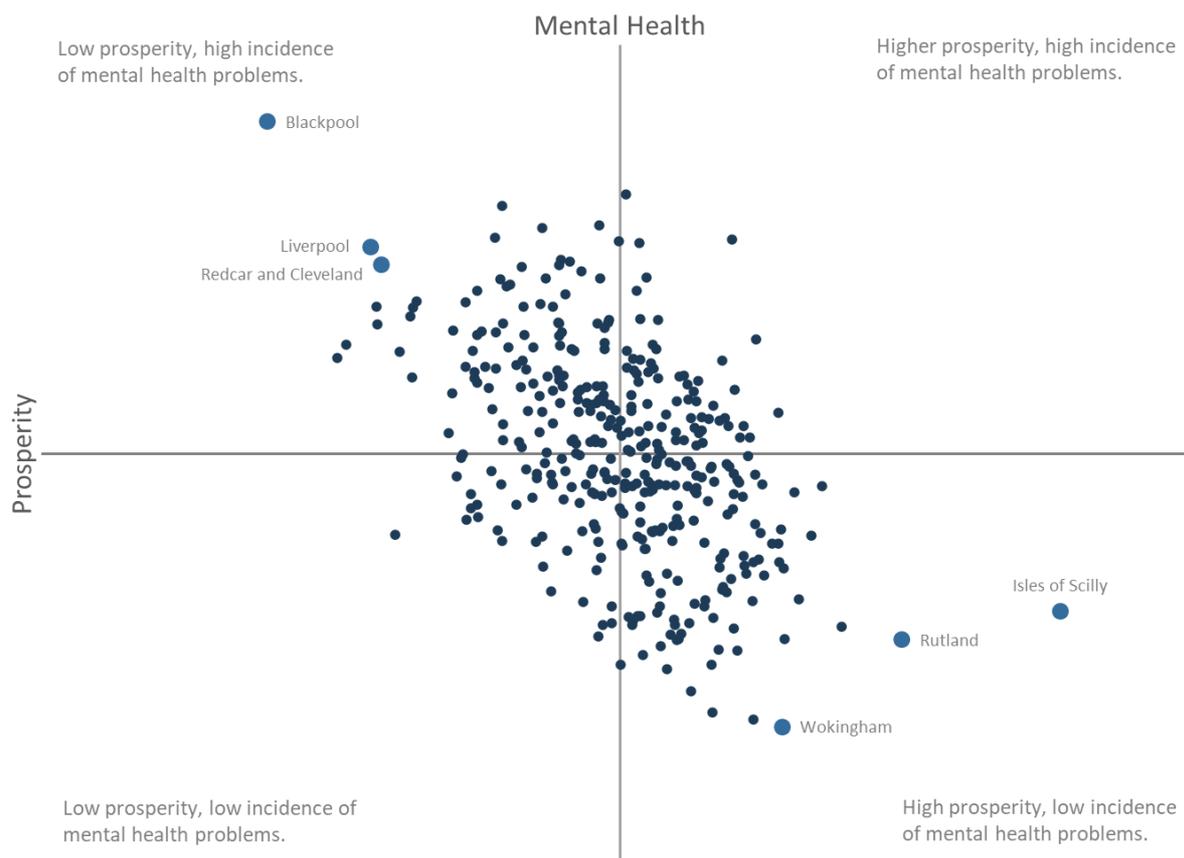
MENTAL HEALTH IN THE UK

The UK faces significant problems with mental health, with prevalence of depression and anxiety on an upward trend.ⁱ

In the 2021 Legatum Institute Prosperity Index, the UK ranked 71st in mental health: behind comparable countries like Germany (47th) and Denmark (35th), but ahead of the United States (135th) and France (84th).ⁱⁱ

There is significant regional variation in mental health outcomes across the UK. In Blackpool, depression prevalence is almost 20%, while in Edinburgh prevalence is less than 6%.ⁱⁱⁱ

Figure 1: Combined incidence of mental health problems, compared to UK Prosperity Index score.



Source: Legatum Institute UK Prosperity Index 2022.

There is a clear link between the prosperity of an area and the incidence of mental health issues. It is therefore no surprise that, at the level of the family, there is a connection between experiences of poverty and poor mental health.

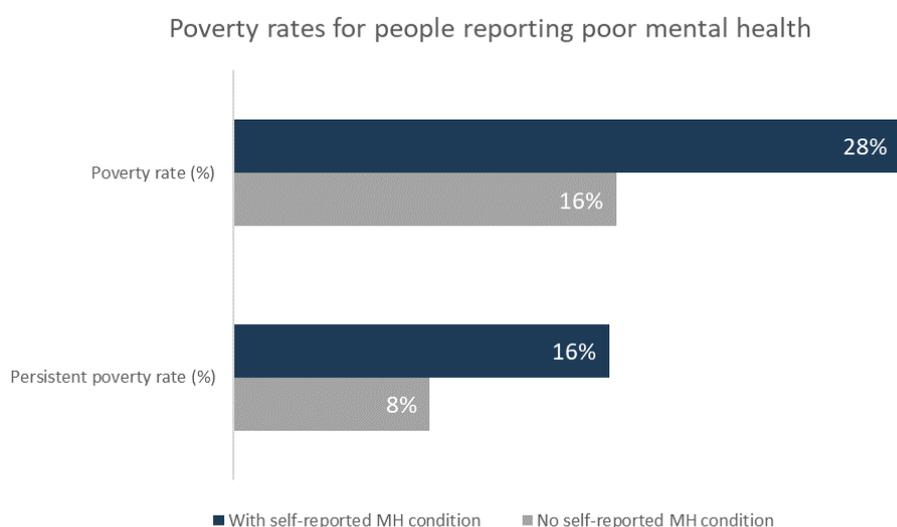
POVERTY AND MENTAL HEALTH

Analysis using the SMC measure of poverty shows a clear connection between experiences of poverty and of poor mental health. Those with poor mental health are more likely to be in poverty, and those in poverty are more likely to experience poor mental health.

Our analysis shows that 28% of those who report poor mental health are in poverty. This compares to 16% of those who do not report poor mental health, suggesting that those experiencing poor mental health are more likely to find themselves in poverty than others.

Equally, compared to the general population, those with poor mental health are more likely to be in persistent poverty. A family is considered to be in persistent poverty if they are in poverty today and were also in poverty for at least two of the last three years.

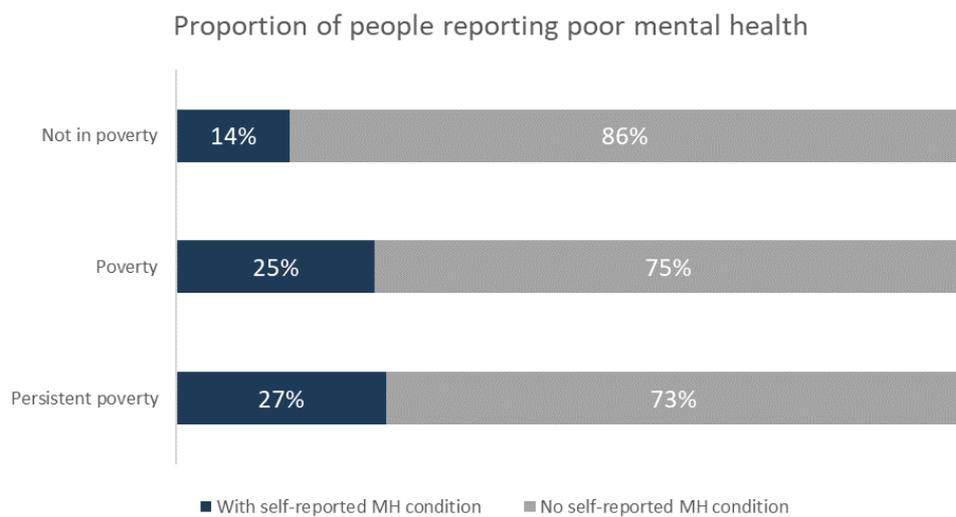
Figure 2: Rates of poverty and persistent poverty, by self-reported mental health status.



Source: Legatum Institute analysis of Understanding Society (2018-19).

A similar pattern is observed if we look at prevalence of mental health problems by poverty status. In the group who are not in poverty, 14% report poor mental health. Of those in poverty, a quarter report poor mental health. This number is higher still, at 27%, for those who are in persistent poverty.

Figure 3: Proportion of people reporting poor mental health, by poverty and persistent poverty status.



Source: Legatum Institute analysis of Understanding Society (2018-19).

ANNEX 1: THE SOCIAL METRICS COMMISSION'S MEASURE OF POVERTY

This briefing uses the Social Metrics Commission's measure of poverty as the basis of its analysis. The SMC was established in 2016, as a response to the fact that the UK no-longer has official poverty measures agreed and used by Government. It is hosted by the Legatum Institute and is dedicated to helping policymakers understand and take action to tackle poverty and build prosperity. Its membership includes people from across the political spectrum as well as poverty and measurement experts. The Commission's primary goals have been to develop new poverty metrics for the UK which both:

- Have long-term political support; and
- Effectively identify both those who are in poverty and their experiences of poverty.

The SMC's landmark report in 2018 outlined a new approach to measuring poverty. As well as looking at incomes, this approach allows us to account for a range of inescapable costs that reduce people's spending power, and the positive impact of people's liquid assets on alleviating immediate poverty. These inescapable costs include rent or mortgage payments, childcare and the extra costs of disability. Liquid assets include savings, stocks and shares. The measure also takes account of overcrowding in accommodation. As well as a more accurate reflection of a family's ability to make ends meet, the SMC's poverty measure tracks:

- The degree to which a family is below the poverty line
- The length of time that a family is below the poverty line
- The experience of living in poverty.

Following the 2018 report, and an update in 2019, the Commission's approach received support from across the political spectrum and from a wide range of experts and people involved in taking action to tackle poverty. In the summer of 2019, the Government committed to establishing Experimental Statistics for poverty based on the SMC's approach; this is the first step to developing new national statistics on poverty.

More details of the SMC's approach to poverty measurement can be found here:

<http://socialmetricscommission.org.uk>

ANNEX 2: THE LEGATUM PROSPERITY INDEX

The United Kingdom Prosperity Index has been developed as a practical and policy-relevant tool to help identify actions that will help to unlock prosperity in the UK. The Index is not designed to offer a definitive view, nor is it geared toward establishing the causal relationships that underpin our ranking of local authorities. Rather, it is designed to offer a helpful, data-led tool that organisations, agencies, and people can use to inform their work.

The Index consists of 3 domains and 12 pillars, built upon 53 actionable policy areas (elements), 255 indicators and covering 374 local authorities across all nations and regions of the UK.

More details of the Legatum Institute UK Prosperity Index can be found here:

<https://li.com/research/centre-for-uk-prosperity/downloads/>

Data used in this briefing:

Understanding Society: University of Essex, Institute for Social and Economic Research. (2022). *Understanding Society: Waves 1-11, 2009-2020 and Harmonised BHPS: Waves 1-18, 1991-2009*. [data collection]. 16th Edition. UK Data Service. SN: 6614, DOI: [10.5255/UKDA-SN-6614-17](https://doi.org/10.5255/UKDA-SN-6614-17)

ⁱ Office for Health Improvement and Disparities (2022). Public health profiles. See: <https://fingertips.phe.org.uk/search/depression>. Accessed 07/10/2022

ⁱⁱ Legatum Institute (2021). Prosperity Index 2021 Country Profiles. See: <https://www.prosperity.com/all-countries>. Accessed 10/10/2022

ⁱⁱⁱ Office for Health Improvement and Disparities (2022). Public health profiles. See: <https://fingertips.phe.org.uk/search/depression>. Accessed 07/10/2022