# Recurrent poverty, labour market segmentation and household change

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# Models of recurrent poverty

- Applied statistical models on a large sample to predict recurrent poverty based on:
  - Human capital (education)
  - Family change (household composition, children, separation)
  - Labour market (‘segmentation’ and occupation)
  - Previous poverty history
  - Training

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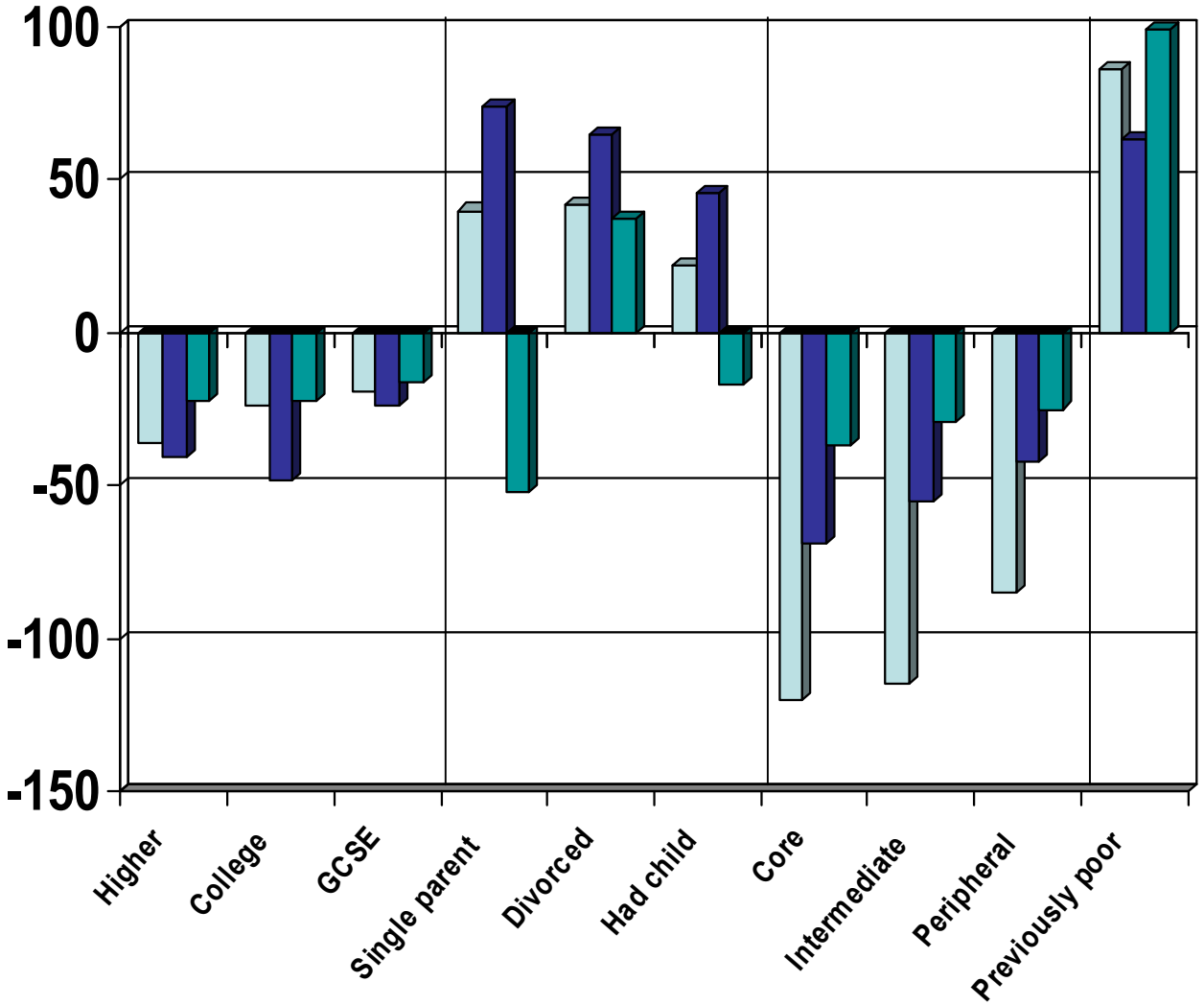
# Some determinants of recurrent poverty




Education

Family

Labour market

Previous history

Additional controls:

Gender

Age

Occupation

Household

Employment status

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# Taking the models further: for example, training to offset recurrent poverty

- On the job training was more effective than off the job training
- Generalised on the job training was quite effective, but general off the job training was not
- Skills based training was the most effective
- This skills based training was more effective if it was on the job, but it was also significant off the job

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# Policy conclusions

- Families in potentially difficult circumstances should be a priority
  - Recently separated couples and families with additional children on the way are particularly vulnerable. As are lone parents.
- People prone to poverty in the past are much more prone in the future – should be a focus of policy
- Employment quality is also crucial irrespective of occupation
  - 'Core' type jobs are much more effective than temporary jobs, but even temporary employment is better than no employment for many people
- Human capital and skills are crucial in offsetting future poverty experience
- Skills based on the job training is best, but also off the job
- General training programmes do not really work for the unemployed
- Employers therefore have a crucial role to play
  - Encourage the provision of training by employers and promote secure jobs if possible
  - Difficult in the context of the current recession

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