1.21 Causes of Poverty and Inequality in Income and Wealth: Test Pack

Total Marks

AQA 7136 · Calculators not allowed · about 20 minutes

Name: _____ Date: ____ / ____ / _____

Answer all questions. Full sentences are required for the extended data-response and essay questions.
Time guidance: 20 minutes overall.

1 Multiple choice, UK context: Which of the following best describes 'absolute poverty' as used in UK poverty discussions?

- ☐ A A household income below the national average (mean) household income
- ☐ B Being unable to afford a basket of goods and services considered necessary for basic living standards in a given society
- ☐ C Having an income lower than 60% of the median household income in a country
- ☐ D Having less wealth than the average household

(Total for Question 1 is 1 mark)

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2 Define the term 'wealth inequality' in the context of the distribution of assets and net worth among UK households.

(Total for Question 2 is 2 marks)

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3 Explain how unemployment increases the likelihood of households falling into poverty in the UK. Provide up to three separate explanatory points.

(Total for Question 3 is 3 marks)

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4 Explain how regional disparities in employment and earnings across the UK can contribute to national income inequality. Give up to three distinct points.

(Total for Question 4 is 3 marks)

5 Explain how differences in educational attainment and skills gaps contribute to income inequality in the UK labour market. Give up to three distinct points.

(Total for Question 5 is 3 marks)

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Mark scheme · 1.21 Causes of Poverty and Inequality in Income and Wealth: Test Pack

Question 1

Option B: inability to afford a basic basket of goods and services in a given society, describing absolute poverty in a domestic context **B1**

Answer: B

Question 2

the unequal distribution of stock variables such as financial assets, property, pensions and other forms of net worth across households **B1**

it focuses on differences in accumulated assets rather than income flows **B1**

Answer: Wealth inequality is the unequal distribution of assets and net worth (property, savings, pensions) across households, focusing on accumulated stock rather than income flows.

Question 3

loss of earned income reduces household resources, making it harder to afford essentials and raising the risk of poverty **B1**

long-term unemployment can deplete savings and reduce future earning potential via skill depreciation, increasing persistent poverty risk **B1**

unemployment can increase reliance on means-tested benefits, which may not fully replace lost earnings and so leave households below poverty thresholds **B1**

Answer: Unemployment cuts earned income, long-term joblessness depletes savings and skills, and incomplete benefit replacement can leave households in poverty.

Question 4

regions with higher concentrations of high-paying industries generate higher average incomes compared with regions reliant on lower-paid sectors **B1**

migration of skilled workers to prosperous regions can leave poorer areas with lower human capital and lower average wages, reinforcing regional inequality **B1**

differences in local unemployment rates and access to full-time work mean households in some regions are more likely to experience low income and poverty **B1**

Answer: High-paying industry clusters raise regional averages, skilled migration and brain drain lower wages in poorer regions, and higher local unemployment increases poverty risk, all contributing to national inequality.

Question 5

higher educational attainment and skills increase human capital, raising workers' productivity and enabling higher wages **B1**

individuals from disadvantaged backgrounds often have lower access to quality education, leading to persistent wage gaps across cohorts **B1**

skills shortages in high-paying sectors raise returns to those with relevant skills, widening income differences between skill groups **B1**

Answer: Better education raises productivity and wages, unequal access to quality education produces persistent wage gaps, and sectoral skills shortages increase returns to certain skills, widening income inequality.

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