A good childhood for every child?
Child Poverty in the UK

Introduction
The Children's Society believes that child poverty is an intolerable injustice that blights childhoods and severely harms children's chances in life. We know that poverty is pernicious, but we do not think it is inevitable. This paper sets out The Children's Society's analysis of the conditions, causes and consequences of child poverty and the principles that inform our approach to tackling it.

Key Facts
- Official figures show there are 3.5 million children living in poverty in the UK after housing costs have been deducted. This is one of the worst levels of child poverty in the industrialised world.
- Around 1.9 million children live in workless households in the UK. Therefore the UK has a higher proportion of children living in workless households than any other European Union country. However, more than half 63% of all children in low income households live in families where at least one of the adults is in paid work.
- Children are much more likely to live in low-income households than the population as a whole: 27% compared to 21%.

Child poverty in the UK has changed significantly, the proportion of children in poverty has risen considerably in the last 30 years - in 1979 around 14% of children lived in poverty and by 2012 it was 27%.

There are concerns that this trend will continue and the government is not on target to meet the commitment in the Child Poverty Act to eradicate child poverty by 2020. A recent Institute for Fiscal Studies (IFS) report estimated that 800,000 more children will be pushed into poverty by 2020 meaning one in three children in the UK will be living in poverty.

What is child poverty?
Child poverty is about children living in households suffering from a lack of material resources. Professor Peter Townsend defined this as lacking “the resources to obtain the types of diets, participate in the activities, and have the living conditions and amenities that are customary... in the societies to which they belong”. Such resources may include money, but they may also include other forms of material resources – such as access to healthcare, a decent home and a high-quality free education.

At The Children’s Society, we know from our work with children and families that experience disadvantage that poverty means tough choices between having to heat your home and feeding the children. For young people themselves, it means not having a birthday celebration as parents can’t afford it, chronic stress and missing out on learning opportunities.
Current Measures

The Child Poverty Act sets a duty on the Government to work towards the eradication of child poverty in the UK by 2020. The Act measures child poverty according to four measures:

1. Relative low income: relating to children living in households that have an income below the “relative” poverty line (60% of median household income).
2. Combined low income and material deprivation:
3. Absolute low income
4. Persistent poverty

The Government’s progress towards eradicating child poverty in the UK is assessed according to progress on these four measures.

The relative low income target is frequently used as the core measure for assessing levels of child poverty in the UK as this measure assesses the extent to which the lowest income families are keeping pace with growth in the economy in general. This recognises the importance not only of absolute low income, but also of low income relative to others in society. This is crucial because if children fall behind on this measure, then they will be unable to afford to take part in the kind of “normal” activities which enable social inclusion with their peers.

Broadening child poverty measures

The Government’s consultation on measuring Child Poverty produced last year highlights that although the Government remains committed to maintaining key income targets currently contained in the Child Poverty Act, they also take a wider approach to addressing child poverty which captures a broader understanding of what it means to be disadvantaged.

For example, the consultation paper discusses the possibility of integrating measures such as worklessness, parental health, parental skills and family stability. In The Children’s Society’s response to this consultation, we emphasize the need to distinguish between child poverty “in itself”, and the “drivers” of child poverty.

The importance of integrating child centred perspectives into child poverty measurement

Recent research has highlighted the importance of integrating a child centred approach to understanding and measuring child poverty. For example, recent research by The Children’s Society and the University of York has highlighted how child centred approaches can be integrated into understanding material deprivation, by asking children themselves what items they thought were important in order to have a “normal” life.

Recent research by The Children’s Society has also highlighted the impact of economic deprivation on child wellbeing. The research has shown that children living on a low income are considerably less likely to have a good level of wellbeing than other children.
Children's experiences of poverty

There is currently limited research on children’s own experience of poverty and a lack of understanding of children, who have experienced poverty, perspective on their lives. A review of the available literature found the key areas of concern identified by children included:

- Economic and material deprivation – anxiety their family not having enough money for their needs and going without the essentials like food and clothing.
- Social deprivation – poverty restricting their access to attend social events and their ability to maintain friendships.
- School – inability to pay for resources needed e.g. uniform, study guides and not being able to afford to go on school trips.
- Poor quality housing, homelessness and neighbourhoods – affected children sleeping, studying and playing at home, as well as, their mental/physical health. Feeling unsafe and there is nothing to do in their local area.
- Family pressures – tensions between parents due to severe financial pressure and children taking on additional responsibilities in the home.
- Stigma and bullying due to visible signs of poverty and difference.

Examples:

“You can’t do as much, and I don’t like my clothes and that, so I don’t really get to do much or do stuff like my friends are doing…I am worried about what people think of me, like they think I am sad or something.”
Nicole, 13 years old

“Sometimes like if I haven’t got any money to go on a weekend, I won’t ask my mum ‘cos I don’t want to ask her… But I’d like to try and get some money somehow like. I dunno, ‘cos like my nan might give me some money a pound or something.”
Children at highest risk of poverty

The evidence shows there are certain groups of children that are at a higher risk of suffering from poverty than others. These groups include:

- **Children in households affected by disabilities**: 4 in 10 disabled children have been found to be living in poverty once you take into account the extra costs these families face as a result of disability\(^{xxi}\). This is due to the difficulties disabled adults and parents with a disabled child can face in entering and sustaining employment and the additional costs involved with raising a disabled child or supporting a disabled adult\(^{xxii}\).

- **Lone parent families**: 43% of children in lone parent households live in poverty compared to 22% in two parent families\(^{xxiii}\). The main factors leading to this are that lone parents do not have a partner to contribute earnings to the household; they are less likely to work, or work as much, due to their caring responsibilities. Additionally, some lone parents feel isolated and lack confidence and can experience poor physical and mental health.

- **Large families**: 36% of children in families with three or more children are at risk of being in poverty, in comparison to 24% of families with two children\(^{xxiv}\). Parents from these families can experience difficulties in finding affordable childcare for larger numbers of children.

- **Black and minority ethnic groups (BME)**: Within Black or Black British households 44% of children are living in poverty, this rises to 55% in Pakistani and Bangladeshi households compared with 25% of White children\(^{xxv}\).

- **Workless and working households**: Household work status is very strongly associated with child poverty. 67% of children in workless households currently live in poverty\(^{xxvi}\) and it is the low level of out-of-work benefits that mean that most of these children are poor. However, 6 in 10 children in low-income households have someone in their family doing paid work\(^{xxvii}\). In-work poverty is a result of low pay jobs with little chance of progression.

- **Asylum seeking families**: there is a lack of quantitative data on asylum seekers and poverty. However, asylum seeking families are prohibited from working and only entitled to a lower level of benefit support than UK citizens and many are left relying on little more than £5 a day or worse\(^{xxviii}\). The Children’s Society research with families in the West Midlands shows that there are critical points in the asylum process when asylum seekers can become destitute\(^{xxix}\).
Poverty and place

Child poverty levels vary greatly between regions of the country – from 21% in the South East of England to 36% of children in London.

However, local child poverty rates also vary greatly sub-regionally. This is shown in our map of data from the end child poverty coalition below:

![Map showing child poverty rates](image)

Various factors are likely to drive variations in local child poverty rates, including local access to employment, local wages, and levels of housing costs. It has been noted that geographical variations in poverty rates should not be presented as a simple North South divide.

Why are children growing up in poverty?

Short term or “immediate” causes of child poverty

Many factors can act as immediate causes or “triggers” of poverty including:

1. *The loss of parental employment* – as a result of inadequate levels of out of work benefits, child poverty rates are much higher in out of work households. The loss of employment is therefore a key trigger of a period of poverty.

2. *Barriers to employment:* For most families in poverty, there is a strong will and desire to work but many face barriers, such as being unable to access affordable, appropriate child care, suffering from ill health, having a disability, having additional caring responsibilities, lack of access to affordable transport or simply living in an area where there are few appropriate jobs available.
3. **The onset of illness or disability**: Households affected by disabilities (either a disabled child or parent) can face substantial additional costs as a result for example paying for specialist aids or adaptions to their home. Moreover, households affected by disability are more likely to not be working as they may not be able to work due to their disability or may be working fewer hours as they may have additional care responsibilities in looking after a disabled child.

4. **Changes to family structure**: At the point of changes to family structure, such as separation or death of a parent, families can face significant changes to their income levels. This is likely to be primarily the result of reduced availability for employment in the household. We also know that larger families are more likely to live in poverty than smaller households.

**Underlying/long-term causes of child poverty**

1. **Inadequate welfare support**: Our “Child Poverty calculator” shows levels of welfare support fall well below the rates that would be necessary to lift children in out-of-work households out of poverty. For working families, the supplementation of wages with benefit receipt can help to ensure that families are lifted out of poverty. However, again, frequently benefit levels are insufficient to ensure this, and many working families with children remain living in poverty.

2. **Inadequate supply of affordable housing**: there are currently around 1.8 million households on local authority waiting lists for social housing - an increase of 81% since 1997. But provision is not meeting demand. In 2011-12, 58,000 additional affordable homes were provided in England, down 2500 from the previous year.

3. **Unemployment and low pay**: worklessness and lack of access to employment is unquestionably a key driver of child poverty. Where one or more parents are out of work as a result of illness or unemployment, households are considerably more likely to be in poverty. However, it should be noted that the evidence shows that while work can be a key route out of poverty, it is by no means a guaranteed one. In recent years the proportion of families in working poverty has grown substantially.

4. **Low levels of education and skills**: Low levels of educational qualifications and skills are particularly associated with high levels of worklessness with less than half of people with no qualifications in work. Children growing up poor too often have access to poor quality schooling and achieve poor results.

**The “persistence” of child poverty**

For many children, child poverty is not a static state. Household circumstances change over time and these changes may trigger entries into or out of poverty.

However, some children can face extended periods of time in poverty. Persistent poverty, as defined in the Child Poverty Act 2010, is living in families on less than 60% of current median income for at least three out of the previous four years. Research by NatCen found that more than one in ten (12%) families with children experience persistent poverty (before housing costs).

There is limited recent evidence on the impact of persistent poverty on children. However, there is evidence that persistent poverty has a larger cumulative negative impact on children’s cognitive development than episodic poverty.
Nonetheless, research has shown that persistent low income poverty (before housing costs) steadily fell for children between 1998-2001 and between 2004-2007 levels have remained at their lowest point at any time since 1991-1994\textsuperscript{xxxix}.

**What are the consequences of child poverty?**

Growing up in poverty can have a significant detrimental impact on children’s quality of life and well-being and has limiting effects on a child’s opportunities and future life chances. Poverty can have an impact on every area of a child’s life, from health and well-being, to education and employment.

**Immediate experiences in childhood**

Children’s experiences of poverty in childhood can have concerning consequences on their mental health, engagement with their education and their family life etc. For example:

- Children living in low-income households are nearly three times as likely to suffer mental health problems as their more affluent peers\textsuperscript{xli}.
- Poverty can make good family functioning and strong parent-child relationships more difficult\textsuperscript{xlii}.
- Research from The Children’s Society has found that economic factors have a significant link with children’s subjective well-being as lower levels of household income, recent decreases in income and greater adult economic concerns about the future are all associated with children having lower average levels of subjective well-being\textsuperscript{xliii}.
- Other studies have also found that children growing up in poverty are more likely to suffer from low self-esteem\textsuperscript{xliv} and to be socially isolated\textsuperscript{xlv}.

**The long-term consequences of poverty**

**Health:**

The influential Marmot Review on health inequalities\textsuperscript{xlv} highlighted how poor health is strongly linked to low socio-economic status. Further research evidence shows:

- Children born into poor families are more likely to be born premature, have low birth weights and die in their first year of life\textsuperscript{xlvi}.
- Poor children have a higher rate of accidents and accidental death\textsuperscript{xlvii} for example they are 13 times more likely to die from unintentional injury\textsuperscript{xlviii}.
- Children living in poverty are more likely to be absent from school due to illness, to be hospitalised, to report a long-standing illness\textsuperscript{xlix}.
- Children living in low-income households are nearly three times as likely to suffer mental health problems as their more affluent peers\textsuperscript{li}.
- Poverty has longer term effects as children in the poorest households are more likely to suffer poor physical and mental health at age 33\textsuperscript{lii} and are at increased risk of severe, long-term and life-limiting illness\textsuperscript{lii}.

**Education:**

The link between economic disadvantage and educational underachievement is widely recognised by academics and parliamentarians. Key research evidence includes:
• Differences between children’s cognitive development related to parental social status are evident as early as 22 months.

• The highest early achievers from deprived backgrounds are overtaken by lower achieving children from advantaged backgrounds by age five. The study also shows this gap has grown by the time the children are 10 years old.

• These differences continue into secondary school years, with Department for Education (DfE) figures showing only 26.6% of pupils eligible for free school meals (FSM) achieved five or more A*-C grade GCSES, whereas, 54.2% of pupils not eligible for FSM achieved this.

**Employment:**
Inequalities in education and health drive a similar divide in the world of employment and later adult outcomes. For example:

• The educational attainment gap often carries over into poor adult outcomes. For example, children on FSM in Year 11 were more likely than those not eligible FSM to become NEET (Not in Employment, Education or Training) in the following three years.

• Young people NEET are more likely to have grown up in social disadvantaged households including low levels of employment, single parent families and parents with low educational qualifications.

• Young people who have grown up in low-income households are overall more likely than their more affluent peers to be unemployed, working in low or unskilled jobs and to be poorly paid in adult life.

**Family and relationships and children’s subjective well-being:**
Living on a low income is often a stressful and difficult experience and can effect on the running of family life and the quality of intra-familial relationships. This all also affects the subjective well-being of children, that is, their assessment of their satisfaction with their own life. The evidence shows:

• Poverty has an impact on parents’ ability to manage stressful events and can make good family functioning and strong parent-child relationships more difficult.

• Research from The Children’s Society has found that economic factors have a significant link with children’s subjective well-being as lower levels of household income, recent decreases in income and greater adult economic concerns about the future are all associated with children having lower average levels of subjective well-being.

**The cost of child poverty on society**
Child poverty also has detrimental consequences for society as a whole due to poverty creating social problems that necessitate extra social spending. There is also the cost of adults being unable to meet their full potential as a result of growing up in poverty – including reduced productive capacity in the economy, extra benefit payments and reduced tax revenues.

The Joseph Rowntree Foundation estimates that child poverty costs the country at least £25 billion a year. This includes £12 billion a year on public spending on services tackling the immediate effects of poverty and the annual cost of below-average employment rates and earning levels among adults who grew up in poverty of about £13 billion.
How can child poverty be tackled?

Lifting children out of poverty, and tackling the drivers of child poverty

As addressed in section 2.1, effective understanding of child poverty needs to consider both child poverty in itself, and the underlying drivers which lead to child poverty. Similarly action must also seek to achieve these two goals.

1. **Action which directly lifts children out of poverty by giving their families the resources they need**: This may include actions such as improving welfare support, improving pay and increasing employment, reducing the costs of working, increasing access to affordable housing.

2. **Action which builds children’s resilience to deal with poverty as best as possible, and to improve the child’s future outcomes**: Reducing the intergenerational transmission of poverty. Interventions focussing, for example, on improving educational attainment and health outcomes for disadvantaged children may fall into this category of intervention.

Multi-level intervention

Tackling child poverty requires action targeted at both the child themselves, and at their wider environment, including their family, and the whole community in which the child lives.

**The Child:**
Some child poverty interventions can be targeted at the child their self. For example, improving access to health and education services, can reduce the long term impact of poverty on the child – increasing the likelihood that they are able to escape poverty when they grow older, and to reduce the risk of intergenerational transmission of poverty to their own children.

**The Family:**
Since poverty is closely linked to the circumstances of the whole family, it is not possible to discuss child poverty, without discussing family and household poverty. The vast majority of children live in family households, where their economic well-being is tied directly to that of their parents or care-givers. Very few children indeed have access to finances outside of their family household, that is until they reach an age at which they can work themselves. In correlate, the number of children who are economically deprived despite living in materially comfortable households are very few indeed. For those children who live outside of family homes, such as those looked after by local authorities, the poverty outcomes are extremely poor.

For this reason, many interventions aimed at reducing child poverty need to be targeted at the whole family rather than the individual child. For example, in almost all cases benefit payments will be paid to the adults in a household. Similarly, child poverty is enormously affected by parental employment.

**The Community:**
Some factors beyond the child and their family are associated with child poverty. For example, the local jobs market, and the adequacy of local services can both affect the likelihood of children living in poverty.
Action to address child poverty must similarly therefore target not only the individual child, and their family, but must also focus on support for the whole community.

The diagram below represents the kinds of example interventions which may be aimed at the kinds of targets discussed in section 7.2, and are aimed at attempting to achieve the kinds of outcome discussed in section 7.1.

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\[\text{Target} \rightarrow \text{Example Interventions} \rightarrow \text{Outcomes}\]

- **Child**
  - Children's accounts and savings
  - Improving access to health services
  - Access to quality housing
  - Debt advice
  - Welfare rights advice
  - Increasing local jobs

- **Family**
  - Lifting out of poverty
  - Improving the adequacy of local services

- **Community**

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1. Department for Work and Pensions (2013) *Households Below Average Income 2011/2012*. Figures are according to the relative low income measure, and are based on income after housing costs
7. That is relative poverty (after housing costs)
8. Townsend, P (1979) “Poverty in the United Kingdom
10. Relating to children living in households on less than 70% of median income, and experiencing material deprivation. The definition of material deprivation is made subject to regulations, yet to be published. However, the general understanding of the term entails being unable to afford a range of basic activities or goods, such as fuel to keep a home warm, and unable to cover the costs of special occasions, such as school trips.
relating to children live in households that have an equivalised net income for the financial year below
60% of median income in the financial year beginning with 1 April 2010, up-rated annually in line with
inflation.

ixii Relates to the percentage of children living in households whose equivalised net income has been less
than 60% of median equivalised net household income for at least three out of the past four years.
ixv The Children’s Society response to the Measuring Child Poverty consultation:
economic factors” The Children’s Society: London
ixvii only 8% of children in the top fifth of household incomes reported low levels of wellbeing, compared
with 17% in the poorest fifth of households.
of poverty Department for Work and Pensions: London
xi The Children’s Society (2011) 4 in every 10: Disabled children living in poverty The Children’s Society:
xii Barnardo’s, 2007. It Doesn’t Happen Here: The reality of child poverty in the UK
after housing costs
xviii Still Human Still Here, At the End of the Line: restoring the integrity of the UK’s asylum system, 2010
xix The Children’s Society, Destitution Amongst Asylum-seeking and Refugee Children, 2010
xxii http://www.if.org.uk/comms/comm118.pdf
xxiii http://www.lboro.ac.uk/microsites/socialsciences/crsp/downloads/publications/poverty_dynamics_findings.pdf
xxvii Barnes, M., Conolly, A and Tomaszews, T (2008) The circumstances of persistently poor families with
children: Evidence from the Families and Children Study (FACS) Department for Work and Pensions Research
Report No 487
from the UK Millennium Cohort Study CLS Cohort Studies Working Paper 2012/2.
National Statistics
Stationery Office
xxii Pople, L and Solomon, E (2011) How happy are our children: measuring children’s well-being and
exploring economic factors. The Children’s Society
Leon Feinstein, ‘Inequality in the Early Cognitive Development of British Children’
Eligibility for free school meals is based on eligibility for certain means-tested benefits therefore it is often used as an indicator for deprivation in education (although it does not fully capture deprived groups)
D Hirsch, Chicken and Egg: child poverty and educational inequalities, CPAG, 2007
Tackling low educational achievement, Joseph Rowntree Foundation, 2007
TUC (2007) Cutting the Cost of Child Poverty. TUC.
Fabian Society (2006) Narrowing the Gap