



**CHILD
POVERTY
ACTION
GROUP**

Conference: tackling poverty – a call to action

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Tackling child poverty in the UK

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Child poverty is rising

- Rose from 3.6m in 2010/11 to 4.3m in 2022/23 - 30%
- fell 400k due to £20 payment, rose again once abolished
- UK had largest increase in relative child poverty between 2014 and 2021 of any advanced economy - UNICEF
- Experienced disproportionately by young children, children in BME families, in larger families and by disabled children:
- 47% children in asian, 51% in black african-caribbean & black british families and 24% white families
- 46% children in families with 3 or more kids, up 36% since 2011
- 44% children in one parent families
- 36% children in poverty has youngest child under 5
- 34% children in families where someone has a disability

Using 60% median AHC – DWP (2024) HBAI: 1995-2023

[Child Poverty in the Midst of Wealth | Innocenti Global Office of Research and Foresight \(unicef.org\)](https://www.unicef.org/child-poverty-in-the-midst-of-wealth)

Child poverty is rising

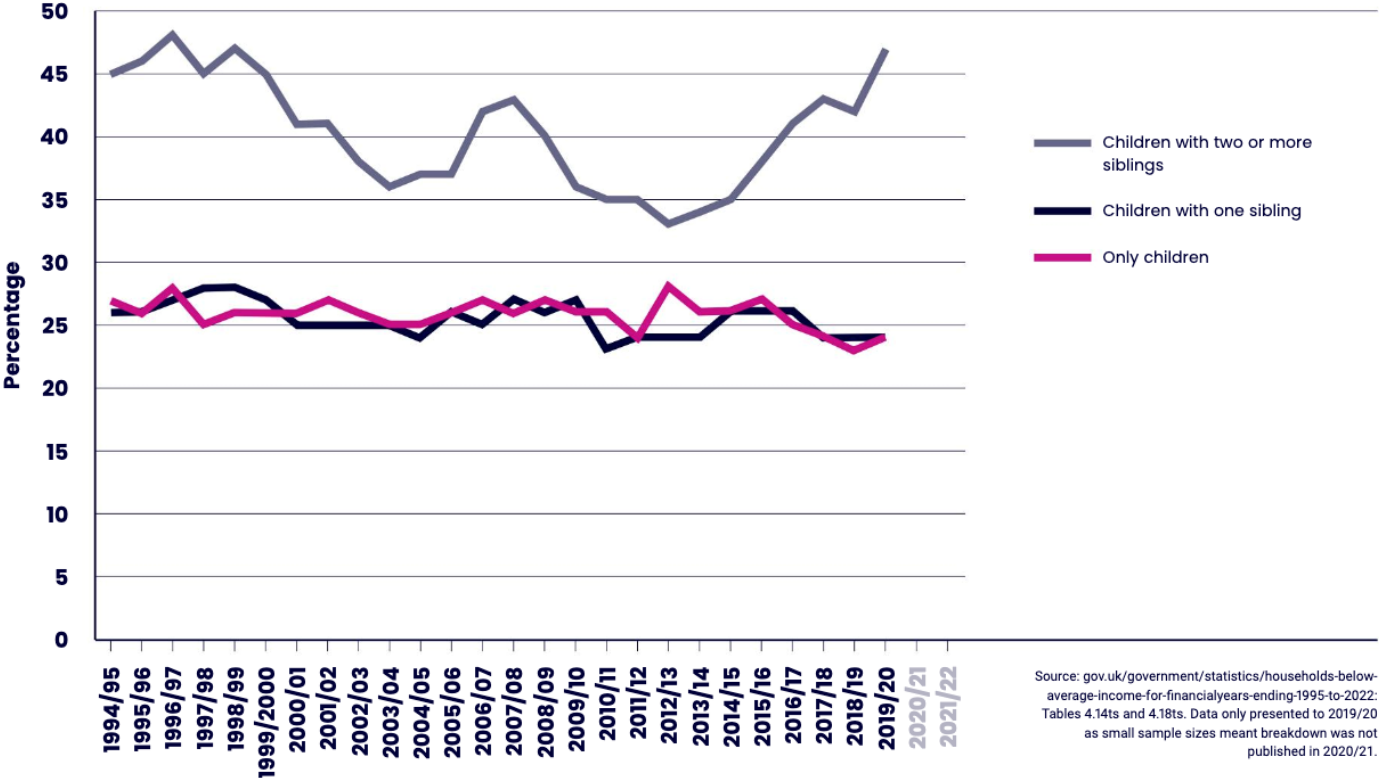
Figure 1: Relative child poverty: Children (%) in households below 60% contemporary median income (equivalised)



Source: gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2022
Tables 4.14ts and 4.20ts

Sharp rises for children in larger families

Figure 4: Child poverty by number of siblings over time: children living in households below 60% median equivalised income AHC



Source: gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2022: Tables 4.14ts and 4.18ts. Data only presented to 2019/20 as small sample sizes meant breakdown was not published in 2020/21.

Historic poverty-producing period

- Currently spending around £50bn a year less on SS than in 2010
- Children **left out of packages** to support cost of living – eg, £20 payment and energy lump sums – ignored family size
- And **child benefit** has lost 20% of its value since 2010
- This April, benefits will have risen by inflation **in only 5 out of the last 14 years**
- In 2011/12 Trussell Trust gave out 128k food parcels
- By 2023/24, this had risen to 3.1m, including 1.1m children

CPAG's calculations from the Policy Measures Database, March 2022. The sum of all policies in the 'Social security benefits', 'Tax credits', 'Welfare Inside cap' and 'Welfare outside cap' categories for 2022/23, except 'Devolving disability benefits to the Scottish government.' These policies cover all policies announced from the 2010 Budget to the 2022 Spring Statement. As such they do not cover the recently announced emergency cost-of-living policies. However, these recently announced policies would only slightly reduce the total amount lost since 2010 and they are temporary, whereas the extensive cuts to social security are permanent.

What it means

- 9 in a classroom of 30
- Means children going without- with significant harms to their futures
- More than 1 in 5 – 900k children- in food insecure households
- We know from our CoSD project that children are arriving at school hungry and therefore unable to concentrate
- They return to cold homes
- It also means children missing out on everyday experiences that make up childhood, like school trips
- None of this is inevitable.
- **Child poverty absolutely responds to policy**

Deep poverty

- 2.9m children in deep poverty (below 50% median AHC) 600k more than in 2010/11
- Benefit cap households are in **deep poverty** – an average lone parent with 2 children is £90 a week below the poverty line (CPAG analysis, 2024)
- Removing the cap would give them an additional £35 a week – leaving them still £55 a week below the poverty line
- Benefit increases just **reduce the depth** of child poverty, but **don't change the number**
- For a family not in work, benefits cover **less than half** what a family with 2 children need in 2023

Stone J & Padley M (2023) The cost of a child in 2023, CPAG.

Single earner families

More at risk of child poverty in 2022/23

- 7 in 10 poor children live with at least one working parent
- **Couples** with children not in work – 76% in poverty
- One or more working p-t: 66%
- One f-t, one not working: 47%
- One f-t, one p-t: 12%
- Both f-t: 7%
- **Lone parents** not in work: 70% in poverty
- In p-t work: 35%
- In full-time work: 20%

DWP (2024) *Households below average income for financial years ending 1995 to 2023* – HBAI, figures for 2022/23, Table 4.5db.

Cost of education

- School costs families of **primary school children** at least £864.87 a year, or **£18.69 a week**. This is before childcare costs are accounted for
- For **secondary school children**, the cost is at least £1,755.97 a year. This is **£39.01 a week**.
- The total **cost of meeting a child's minimum educational needs across all 14 years** of school (primary and secondary but excluding household costs such as laptops) is **£18,345.85**.
- £6,054.09 for 7 primary years & £12,291.76 for 7 secondary years
- CPAG's analysis shows that **900,000 children in poverty in England do not currently qualify for either of the two nationally provided FSM schemes** (universal infant and means-tested) FSMs

Cost of child poverty

Over £39bn a year

- In 2008, cost estimated to be £25 billion a year.
- In 2023, risen to over £39 billion a year, due to both higher prices and higher rates of child poverty
- **Cautious estimates** - true cost could be substantially higher
- Rising child poverty means cost **set to increase to more than £40 billion in today's prices by 2027**
- Forecasts based on previously announced benefit cuts continuing to roll out - so **avoidable** if policies change
- A large investment in reducing child poverty would bring similarly large **gains to the economy**, while also avoiding the damage to children who are harmed directly by poverty

Hirsch D (2023) The cost of child poverty in 2023, CPAG

Causal impact income on child outcomes

- Despite Gov reluctance to acknowledge the importance of income
- Growing body of research that looks at the causal impact of income on child and adult outcomes
- Studies found that increased income means:
 - **Better education.** Effects found on early cognitive development, test scores, years of schooling, attendance.
 - **Better social, emotional and behavioural development**
 - **Picture more mixed for health** – clear unambiguous effect on birth outcomes.
- Some of US evidence based on random controlled trials

Taken from K Cooper and K Stewart, K, *Does household income affect children's outcomes?* A systematic review of the evidence. Child Indicators Research, 14(3), pp.981-1005, 2021

A Aizer and others, *The long-run impact of cash transfers to poor families*, American Economic Review 106.4:935-971, 2016

H Hoynes, DW Schanzenbach, D Almond, *Long-run impacts of childhood access to the safety net*. American Economic Review 106(4):903–34, 2016

M Bailey and others, *Is the Social Safety Net a Long-Term Investment? Large-Scale Evidence from the Food Stamps Program*, NBER Working Paper No. 26942, April 2020



The causal influence of income

- causal link between **higher benefits** in childhood and **employment prospects** as an adult.
- Also **positive impact** on adult health outcomes including **life expectancy**.
- The size of these effects are large.
- More recent work has focused on valuing the combined effect of these impacts, finding that increasing social security for low-income families is a **highly cost-effective investment** for government

Higher risk of dying from infection

- Children in urban areas have higher risk of dying from infection than those in rural areas
- In most deprived neighbourhoods, chance of dying is twice that of those living in the least deprived
- Deaths of white children were: 3 per 1,000 children; Asian children 6.2 per 1,000 and black children 8.7 per 1,000
- Children dying relates to poverty, deprivation and our racialised society

[Infection-related deaths in children and young people \(ncmd.info\)](https://www.ncmd.info)

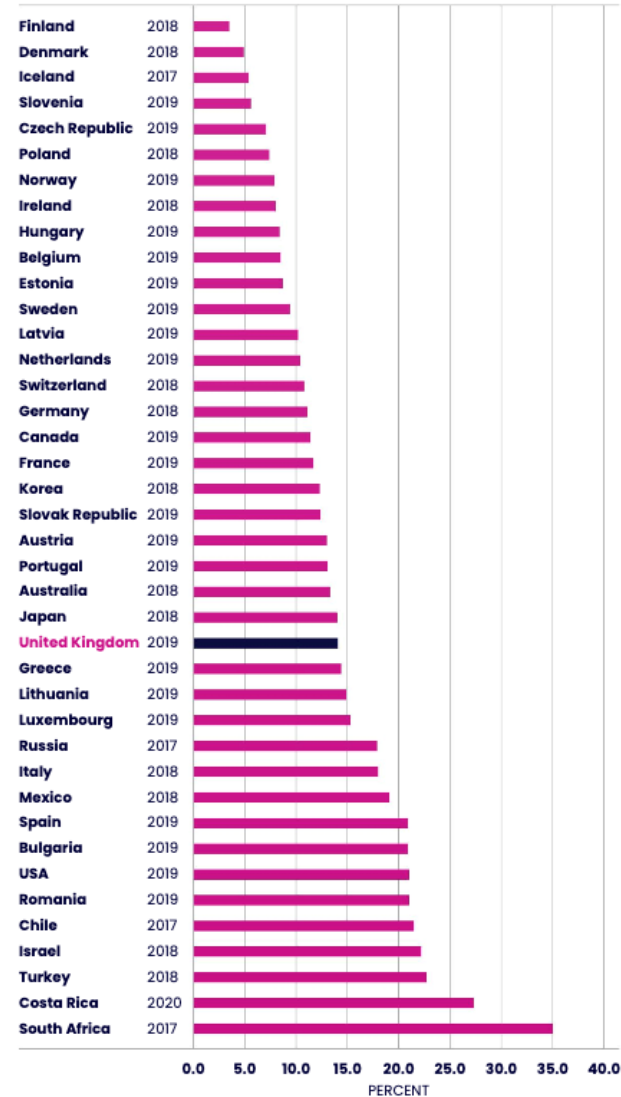
Issues: what can be done?

Money, work and services

- **Adequate financial support** – social security to meet increased costs and work constraints
- **The right balance of work and care** – parental leave, flexible working, childcare
- **Work - quality and pay** – NMW, hours, security, progression, training, employment support
- **Reducing cost pressures** – free travel, reducing school costs, FSMs, cost of housing, utilities & home insulation

Figure 5: Child poverty rates in the OECD: children 0–17 (%) in households with equivalent income less than 50% median

The UK falls into the bottom third of European rankings, with a poverty rate more than double that of Denmark and Finland



What can we learn from other countries?

- **Finland** –world’s lowest child poverty rates - National child strategy & commitment to children’s participation
- Non-means-tested CB, guaranteed child maintenance, gender equality commitment, high parental emp rates, parental leave 14 months, day care allowances & universal day care up to age 7
- **US** - Biden child tax credit – child poverty fell to 5.2% then rose to 12.4% as policy expired, in 2022. Largest 1-year increase on record – using US poverty line – policy responsive
- **New Zealand** - PM is Minister for child poverty reduction & runs child poverty unit - ‘listening to children’ exercise
- Child poverty reduction act 2018 & Child & youth wellbeing strategy 2019 – statutory targets
- Relative child poverty fell (BHC) between 2017/18 & 2021/22 from 16.5% to 12% on a fixed line (AHC) fell from 22.8% to 15.4%

The picture in devolved nations

- The importance of social security is also exemplified by the Scottish government's recent approach
- Child Poverty (Scotland) Act 2017 – with statutory targets
- *Tackling Child Poverty Delivery Plan 2022-26*, SG, 2022
- Scottish child payment of £25, plus mitigation of UK policies, Best Start grants, more free childcare and universal primary FSMs
- CP 24% in 2017/18 and SG modelling suggest will fall to 16% in 2023/24 – a 9% fall – did not show in latest HBAI
- IFS say compared to England and Wales poorest 30% households with children will see £2,000 a year income boost.
- **Wales and NI** have child poverty strategies – very broad

Priorities for action

Abolish, Expand, Imagine

- **Objective one:** Abolish policies that are increasing child poverty
- **Objective two:** Expand measures that will prevent or reduce child poverty
- **Objective three:** Imagine a society with no child poverty and build support to achieve that

Objective one – stop poverty increasing

- **Abolish benefit cap** which drags kids further below the poverty line
- Result: reduces depth of poverty for 250k children & costs £0.25m per year (0.1% social security spending)
- **Abolish 2-child limit** - most cost-effective way to reduce c. poverty
- Result: lifts 300k children out of poverty, and 800k would be in less deep poverty at a cost of just £1.8 billion
- 1.5m children in 422,000 households (forecast to be 1.8m children in 500,000 households in April 2024); 1.1 million of them in poverty
- They miss out on up to £3,455 a year
- **Reduce deductions from UC** – from 25% to 15%
- **Remove 5-week wait** – non-repayable advances
- **Review housing costs in UC** – increase annually with rents
- **Review support for children in migrant families** – remove NRPF
- **UC – what needs to change: [UC what needs to change full.pdf](https://cpag.org.uk) (cpag.org.uk)**

Objective two – policies to prevent or reduce

- Increase CB and make it universal again to address the costs of having children – at least £20 more per week
- Result: 600k children pulled out of poverty - cost £12 bn
- Uprate working age and children's benefits annually by inflation – by prices or earnings whichever is higher
- Extend FSMs to all children on UC; a step towards universal FSMs - in England would cost £2 bn
- Support childcare costs and move towards a universal system
- Increase the flow of child maintenance
- Raise the minimum wage

Objective three – imagine no child poverty

- Comprehensive child poverty strategy for the UK
- Clear leadership and targets at No. 10
- Stretching targets and indicators
- Strengthened social security
- Decent work, pay and progression
- Universal childcare
- Inclusive education
- Secure homes
- Inclusive high quality universal services

Objective three – last strategy

- The last child poverty strategy was successful – adopted in NZ, Canada, Ireland, Scotland
- 1m fewer children in poverty
- Half way to achieving target (10%)
- Largest reductions in child poverty in OECD between mid-1990s and 2008 (Bradshaw 2012)
- Child wellbeing improved on 36 out of 48 indicators between 1997 – 2010 (Bradshaw, 2012)
- Deprivation levels fell as did debt & money worries (FACS)
- Extra money led to increased spending on fruit and vegetables, children's clothes and books – spending on alcohol and cigarettes fell (Gregg, Waldfogel and Washbrook (2006))

Objective three - engagement

- Government should engage with children and low income families on child poverty strategy
- Engage with claimants and people on low incomes around the design & administration of social security
- Build cross-party support
- These proposals are entirely realistic
- Can't do it overnight - needs buy-in from everyone

A note on social security

- Social security cuts have been responsible for rising child poverty
- Rhetorically social security spoken of – treated as the poor relation to the economy and jobs – talk about addressing services but not money - these are not alternatives
- We need both strategic and preventative approaches as well as the ambulance approach
- Benefit adequacy is at the top of everybody's list - but more fundamental reform is needed
- Focussing on adequacy and emergency responses to protect poorest is the obvious place to start, but it is no place to finish
- We need to get back to some fundamental principles for social security – if it is to achieve any sensible objectives
- Secure futures

Thank you!

For more detail read: Ending child poverty: why and how – here:

[Ending Child Poverty: why and how | CPAG](#)

We're all in this together

