



MEDIA BRIEFING:
Meeting the Government's child poverty
target: progress to date

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INTRODUCTION

“Our historic aim will be for ours to be the first generation to end child poverty forever, and it will take a generation. It is a twenty year mission, but I believe it can be done.” Tony Blair, March 18 1999.

- In March 1999, Tony Blair pledged to end child poverty within a generation, later clarified as being 2020. On the road to this historic goal, the Government committed itself to cut child poverty by a quarter between 1998/99 and 2004/05, and by half by 2010/11.
- The Liberal Democrats have recently published a paper (to be debated at their 2007 autumn conference) committing the party to eliminating child poverty by 2020, and the Scottish and Welsh nationalists have also adopted the target. The Conservatives have not signed up to the pledge but instead have an ‘aspiration’ to abolish child poverty.
- The Government missed its first child poverty target of reducing child poverty by a quarter between 1998/99 and 2004/05. The latest child poverty figures, published on 27 March 2007, show that child poverty actually rose between 2004/05 and 2005/06. This was the first increase in child poverty since 1998/99.

MEASURING THE CHILD POVERTY TARGET

- The Government has recently adopted a different method of measuring child poverty. For the 2004/05 milestone of cutting child poverty by a quarter, the poverty line used was 60 per cent of medium income both before and after housing costs.
- The new target of cutting child poverty by a half will just focus on income before housing costs, as well as adjusting for family size in a different way (by using the Modified OECD equivalence scale instead of the McClements scales). It will also include a material deprivation index. In this briefing paper we continue to report on both the before and the after housing cost figures to ensure that progress is also being made against child poverty after housing costs are taken into account.

LATEST CHILD POVERTY FIGURES

- The latest child poverty figures, published as part of the annual Household Below Average Income (HBAI) report: <http://www.dwp.gov.uk/asd/hbai.asp>, by the Department for Work and Pensions shows that child poverty now stands at 2.8 million measured before housing costs and 3.8 million measured after housing costs. This represents 22% and 30%, respectively, of all children in the UK (Tables 1 and 2).

- Between 2004/05 and 2006/06 child poverty increased by 100,000 measured before housing costs and 200,000 measured after housing costs.
- Despite the small rise since 2004/05, child poverty has fallen substantially under New Labour. Since 1996/97, child poverty has fallen by 600,000 before housing costs and by 500,000 after housing costs.

Table 1: Number and % of children in poverty before housing costs, UK*

Year	Millions	% of children
96/97	3.4	27
97/98	3.4	27
98/99	3.4	26
99/00	3.4	26
00/01	3.1	23
01/02	3.0	23
02/03	2.9	23
03/04	2.9	22
04/05	2.7	21
05/06	2.8	22

*Figures are for the UK from 1998/99 onwards. Earlier years are for GB only.
Note: All

Source: HBAI 1994/95-2005/06

Table 2: Number and % of children in poverty after housing costs, UK*

Year	Millions	% of children
96/97	4.3	34
97/98	4.2	33
98/99	4.4	34
99/00	4.3	33
00/01	4.1	31
01/02	4.0	31
02/03	3.9	30
03/04	3.7	29
04/05	3.6	28
05/06	3.8	30

*Figures are for the UK from 1998/99 onwards. Earlier years are for GB only
Note: OECD

Source: HBAI 1994/95-2005/06

PERSISTENT CHILD POVERTY

Persistent poverty is defined as spending three or more years out of any four-year period in a household with below 60% of median income. As the table below shows, there have been some small falls in persistent child poverty measured both before and after housing costs over the fourteen-year period from 1991 to 2004.

Table 3: % of children living below 60% of median income in at least 3 out of 4 years, GB

Year	Before Housing Costs	After Housing Costs
1991 to 1994	20	25
1994 to 1997	17	24
1997 to 2000	17	22
2000 to 2003	15	19
2001 to 2004	13	17

Source: HBAI 1994/95-2005/06

THE POVERTY LINE

In 2005/06 the poverty line - the amount of money below which, after adjusting for size and composition of household and after housing costs, a family was characterised as poor was as follows:

- £222 per week (£11,544 per year) for a lone parent with two children aged 5 and 14.
- £300 per week (£15,600 per year) for a couple with two children aged 5 and 14.

CHILD POVERTY IN THE UK NATIONS & REGIONS

Child Poverty rates vary widely across the UK. Before housing costs are taken into account, North East (28%) has the highest percentage of children poor in the UK. The nation with the highest child poverty rate in the UK is Northern Ireland where one in four children live in poverty. The South East of England has the lowest child poverty rate with 13% living in poverty.

After housing costs, England has the highest child poverty rate (29%) in the UK, followed by Wales (27%). The area with the highest concentration of child poverty after housing costs is Inner London where over half (51%) of all children are poor.

Table 4: Number and % of children in poverty by UK nation and English regions, presented as 3 year running average (2003/04-2005/06), before housing costs.

Nation/Region	Risk of poverty (%)	Numbers
England	22	2,376,000
North East	28	140,000
North West	24	360,000
Yorkshire and the Humber	25	275,000
East Midlands	23	207,000
West Midlands	26	312,000
Eastern	16	192,000
London	26	416,000
Inner London	35	175,000
Outer London	21	210,000
South East	13	221,000
South West	17	170,000
Scotland	22	220,000
Wales	24	144,000
Northern Ireland	25	100,000

Source: HBAI 1994/95-2005/06

Table 5: Number and % of children in poverty by UK nation and English regions, presented as 3 year running average (2003/04-2005/06), after housing costs.

Nation/Region	Risk of poverty (%)	Numbers
England	29	3,132,000
North East	32	160,000
North West	31	465,000
Yorkshire and the Humber	30	330,000
East Midlands	27	243,000
West Midlands	32	384,000
Eastern	24	288,000
London	41	656,000
Inner London	51	255,000
Outer London	35	350,000
South East	22	374,000
South West	26	260,000
Scotland	25	250,000
Wales	28	168,000
Northern Ireland	27	108,000

Source: HBAI 1994/95-2005/06

GROUPS AT GREATEST RISK OF POVERTY

Although the average risk of a child being poor in 2005/06 was 22 per cent (before housing costs) and 30% (after housing costs), the risk of sub-groups of children being poor varies hugely by household characteristics. The table below illustrates the extent of this variation, and some of the groups most at risk.

As can be seen, children living in workless households are particularly at risk of poverty. Also, at high risk are those living in a family headed by someone from an ethnic minority, especially someone of Pakistani/Bangladeshi origin. Other groups at particular risk of poverty are those from large families and those with a disabled person in the household.

Table 6: Risk of children living in poverty, UK

	Before Housing Costs (%)	After Housing Costs (%)
In receipt of Incapacity Benefit	37	50
In receipt of Child Tax Credits	21	29
In receipt of Working Tax Credit	24	34
In receipt of Income Support	53	73
Lone parent	35	50
Lone parent not working	56	75
Couple both not in work	64	74
Workless households	60	78
Four or more children in family	40	47
One or more disabled adults in household	33	42
Pakistani/Bangladeshi ethnicity	58	66
Black or Black British ethnicity	33	51
Local authority tenure	49	58
No savings	36	49

Source: HBAI 1994/95-2005/06

COMPOSITION OF THE POOR POPULATION

As well as evidence on the risk of childhood poverty, the HBAI also has data on the **composition** of the group of children who are poor. Looking at both is essential since, though a group (for example, children in families with an adult in work) might appear to have a relatively low risk of poverty, if the group itself is a large one it may make up a substantial proportion of children who were poor in 2005/06.

Table 7: Composition of poor population, UK

	Before Housing Costs (%)	After Housing Costs (%)
Lone parent	40	42
Couple with children	60	58
One or more adults in work	34	33
Workless households	45	43
Four or more children in family	17	15
One or more disabled adults in household	21	19
In receipt of Child Tax Credit	54	55
In receipt of Working Tax Credit	17	18
In receipt of Income Support	33	34
Youngest child under 5	44	45
Local Authority tenure	27	24
Owned with mortgage	33	33
No savings	65	65
London	15	17

Source: HBAI 1994/95-2005/06

MATERIAL DEPRIVATION

HBAI includes responses to a series of questions about goods and services families with children want but can't afford. These are analysed by their location on the income distribution. The Government's new child poverty target will be measured against progress on this index.

As can be seen from Tables 8 and 9, those in the bottom fifth of the income distribution are far less likely to be able to afford items and goods for their children than those in the top fifth. In particular they are far less likely to be able to afford a holiday or enough bedrooms. A quarter of those in the bottom income distribution also report that they don't have an outdoor space/ facilities for their children to play safely.

Table 8: Distribution of material deprivation, before housing costs, UK

Items and services wanted but can't afford	Bottom 5 th (%)	Top 5 th (%)	All children (%)
Outdoor space/ facilities to play safely*	25	5	15
Enough bedrooms for every child 10 years or over and of different gender	26	2	18
Celebrations on special occasions	10	0	4
Leisure equipment such as sports equipment or a bicycle	15	1	7
At least one week's holiday away from home with family	55	3	31
Hobby or leisure activity	14	0	6
Swimming at least once a month	22	1	11
Have friends round for tea or a snack once a fortnight	17	1	8
Go on school trip at least once a term	11	0	5
Go to a playgroup at least once a week	14	1	7

* Don't have this rather than wanted but can't afford.

Source: HBAI 1994/95-2005/06

Table 9: Distribution of material deprivation, after housing costs, UK

Items and services wanted but can't afford	Bottom 5th (%)	Top 5th (%)	All children (%)
Outdoor space/ facilities to play safely*	24	4	15
Enough bedrooms for every child 10 years or over and of different gender	25	1	18
Celebrations on special occasions	9	0	4
Leisure equipment such as sports equipment or a bicycle	16	0	7
At least one week's holiday away from home with family	57	3	31
Hobby or leisure activity	14	0	6
Swimming at least once a month	22	1	11
Have friends round for tea or a snack once a fortnight	17	0	8
Go on school trip at least once a term	12	0	5
Go to a playgroup at least once a week	14	0	7

* Don't have this rather than wanted but can't afford.

Source: HBAI 1994/95-2005/06

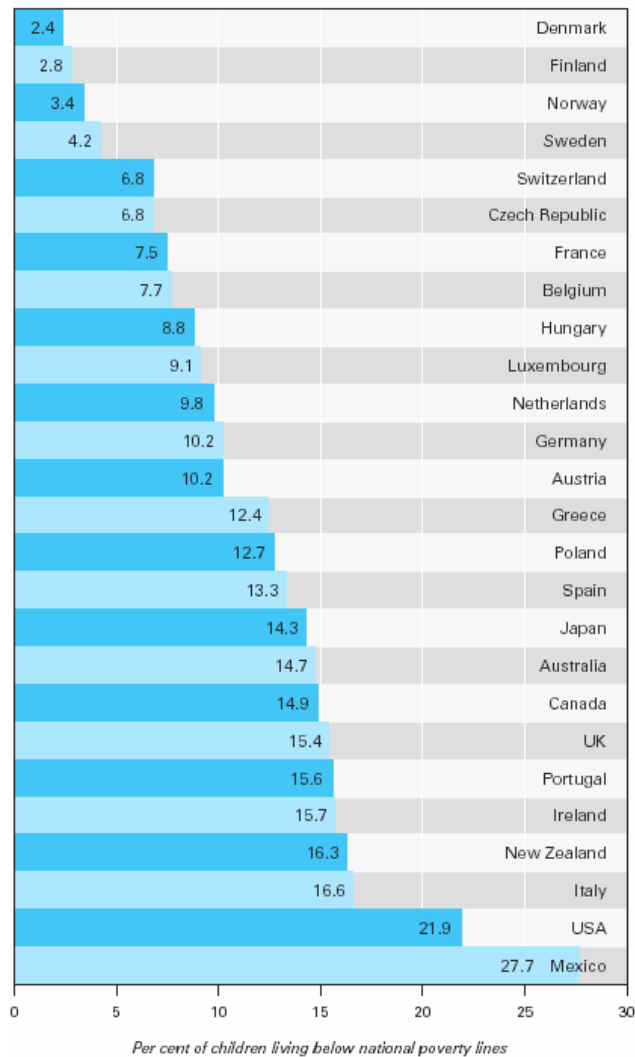
CHILD POVERTY IN OTHER RICH COUNTRIES

Although significant progress has been made in recent years, the UK is still towards the bottom of the child poverty league table for developed countries.

- Using a different definition of poverty to the HBAI series, UNICEF's 'Child Poverty in Rich Countries 2005' League places the UK 20th out of 26 countries. The full report is available here: <http://www.unicef.org/sowc06/pdfs/repcard6e.pdf>
- The Scandinavian countries (Denmark, Finland, Norway and Sweden) have the lowest child poverty while the USA and Mexico are at the bottom of the league.

The latest international child poverty figures from Eurostat (using 60% of median income as the measure of poverty) rank the UK 21st in a league table of 30 countries, equal with Bulgaria, Ireland and Romania, and above the EU average. Again the countries with the lowest child poverty are the Scandinavian countries.

Table 6: UNICEF’s Child Poverty League (Reproduced from: UNICEF, ‘Child Poverty in Rich Countries, 2005’, *Innocenti Report Card No.6.*)



The poverty rates in Table 5 refer to the following years: 2001 (Switzerland, France, Germany, New Zealand), 2000 (Denmark, Finland, Norway, Sweden, Czech Republic, Luxembourg, Japan, Australia, Canada, Portugal, Ireland, Italy, USA), 1999 (Hungary, Netherlands, Greece, Poland, UK), 1998 (Mexico), 1997 (Belgium, Austria) and 1995 (Spain).

MEETING THE TARGET: TEN STEPS TO A SOCIETY FREE OF CHILD POVERTY

To show what is needed to make further progress in eradicating child poverty, CPAG recently published a manifesto with ten steps to a society free of child poverty:

- All political parties to commit to eradicate child poverty.
- Poverty proof policies – make each consistent with eradicating child poverty.
- Uprate the combined value of child tax credit and child benefit at least in line with the fastest growing of prices or earnings. The element of this that is child benefit ought to be maximised.
- Increase the adult payments within income support in line with those for children.
- Reform the administration of tax credits and benefits – ensure they get the right amount to the right people at the right time.
- Ensure all children have full access to the requirements – meals, uniforms and activities – of their education.
- Provide benefit entitlements to all UK residents equally, irrespective of immigration status.
- Work towards better jobs, not just more jobs.
- Introduce free at the point of delivery, good quality universal childcare.
- Reduce the disproportionate burden of taxation on poorer families.

A summary of CPAG's manifesto can be downloaded here:

<http://www.cpag.org.uk/publications/extracts/CPAG-Manifesto-2005-Summary.pdf>

The full version is available here:

<http://www.cpag.org.uk/publications/extracts/CPAG-Manifesto-2005.pdf>