CHILD POVERTY ACTION GROUP

What is happening to child poverty?

28th September 2023

What is poverty?

There is no universally agreed upon definition of poverty but a good starting point is Peter Townsend, a sociologist who founded Child Poverty Action Group. He defined poverty as:

"Individuals, families and groups in the population can be said to be in poverty when they lack resources to obtain the type of diet, participate in the activities and have the living conditions and amenities which are customary, or at least widely encouraged and approved, in the societies in which they belong."

No perfect way to measure this but CPAG's preferred measure is:

1. Relative – today's standard of living not years ago
2. After Housing Costs (AHC) – an unavoidable cost and helps to pick up regional differences

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Measuring Poverty

What do we want a poverty measure to do:

1. Reflect expectations of what constitutes a basic standard of living at that point in time
2. Be comparable over time
3. Examine the extent and depth of poverty
4. Examine regional, national and international differences
5. Hold the government to account.

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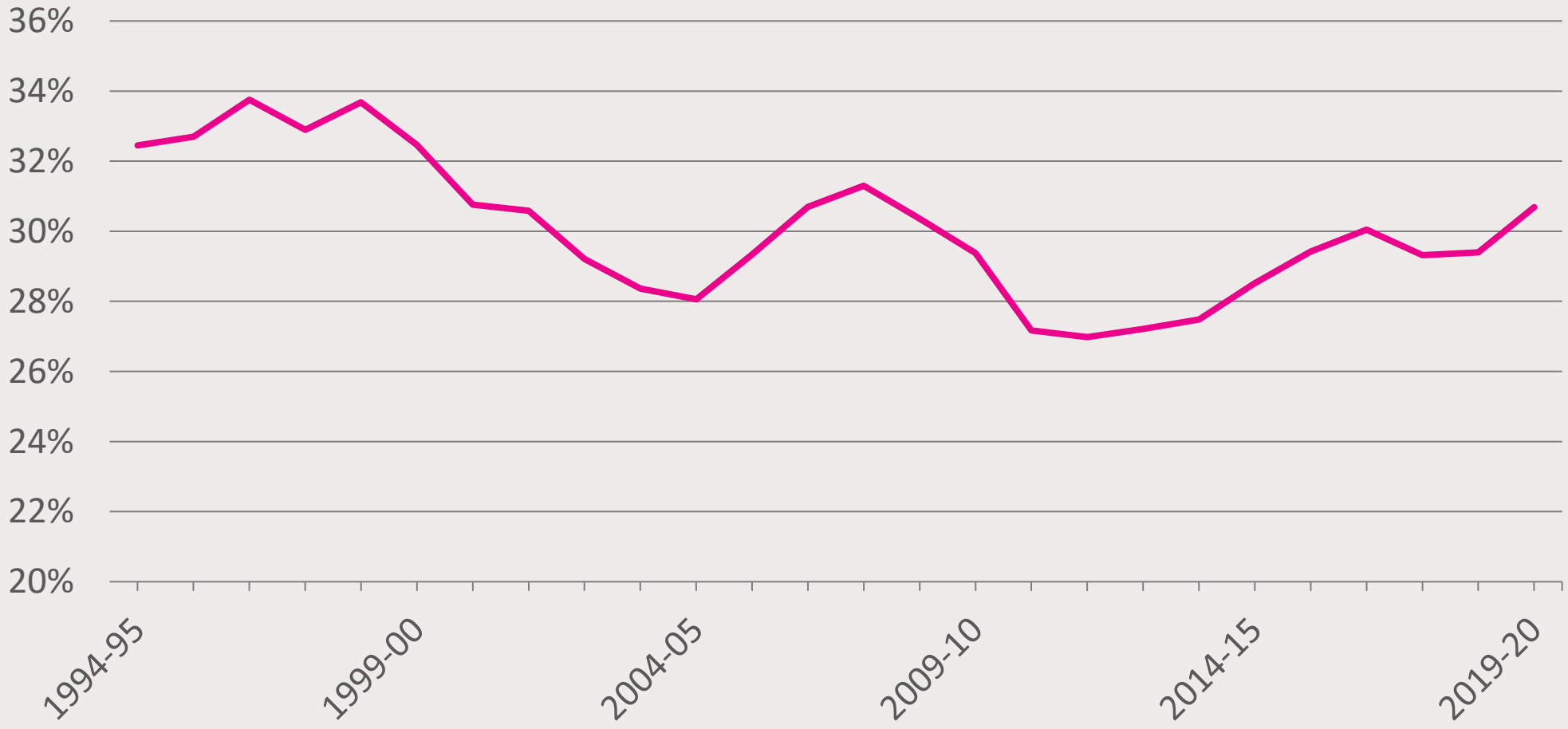
What happened to child poverty (relative AHC) pre-COVID?



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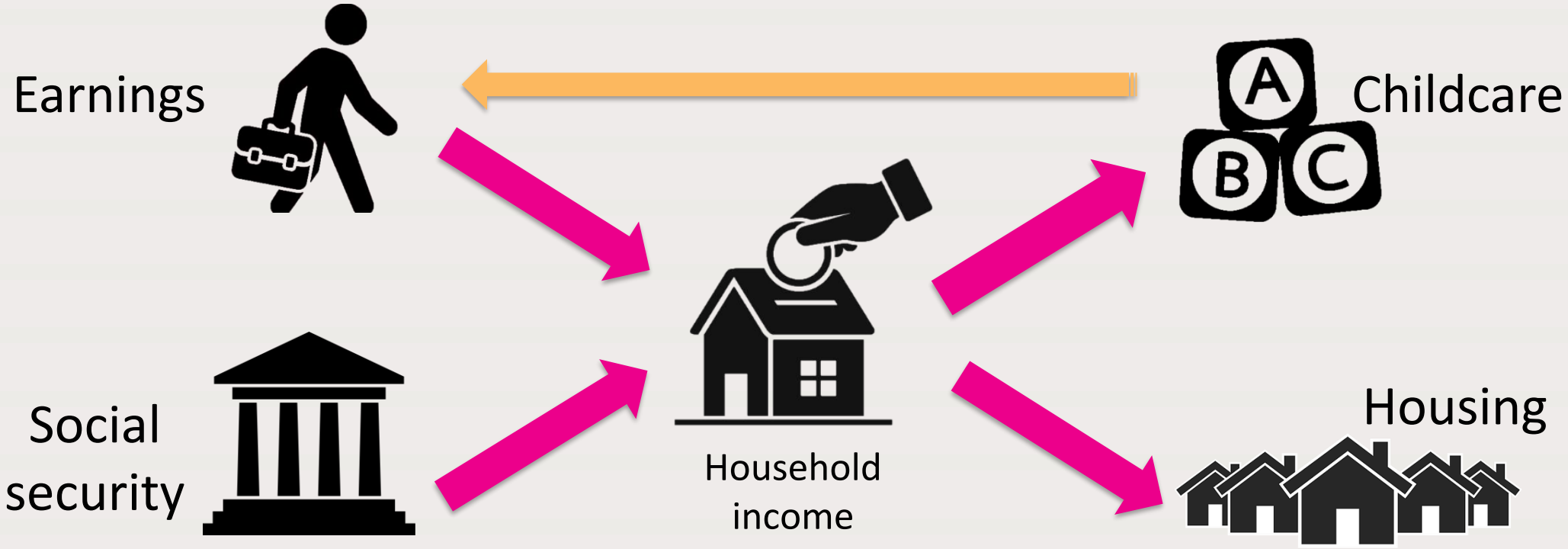
Drivers of child poverty



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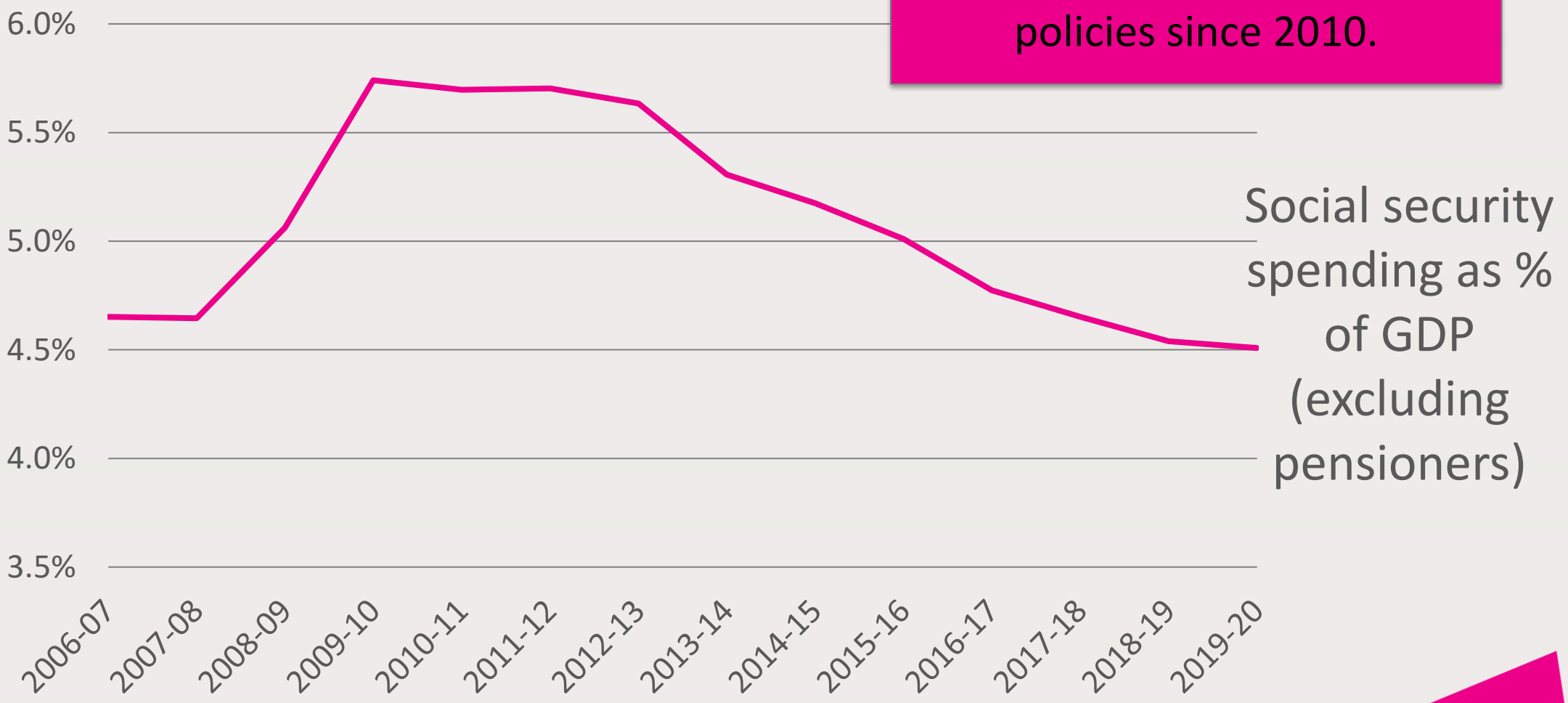
Falling social security spending

Pre-COVID £36 billion had been cut from social security as a result of government policies since 2010.



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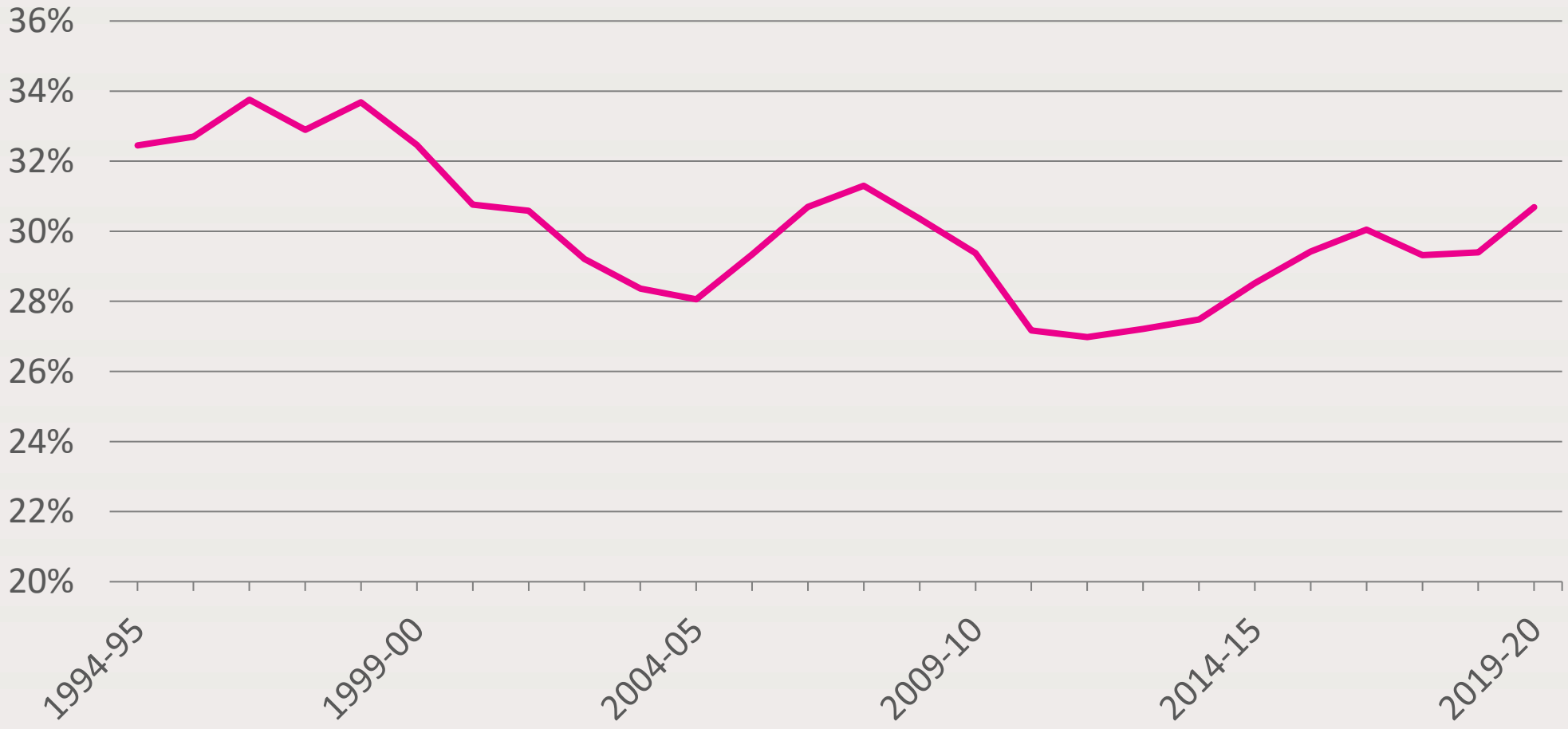

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Who is most at risk of poverty?

Children in single parent families: 44%

Children from BME groups 48%

Children in families with an under-5: 31%

Children in families with 3+ kids: 42%

Children in families where someone is disabled: 36%

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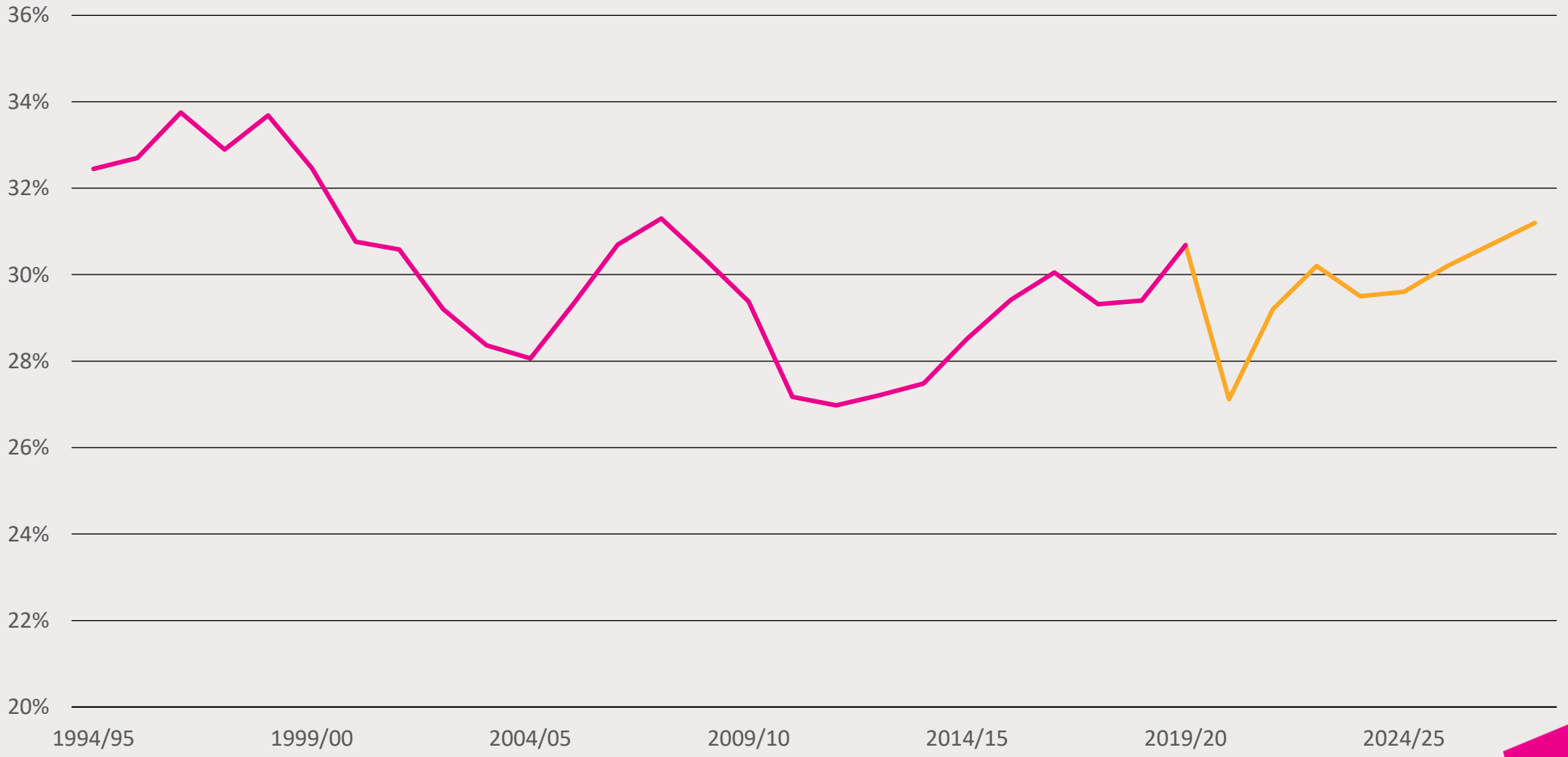
What has happened to child poverty since COVID? What will happen over the next few years?



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The crisis has been a long time coming

Beverly: *“I've sat in a cold house each day, whilst my son was at school, determined to do without heating for as long as I could tolerate it. Also, I didn't bother to shower or bathe at all last week, unashamed as I am, but there you go. I can't recall the last time we went out anywhere for pleasure or did anything for fun. When I think about it, we've been living like this for months if not years already. I hate to think I'm a charity case but if it weren't for the kindness of others, we'd have been far worse off now than we are. Reaching out is hard I'm no beggar.”*

CHANGING REALITIES

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What can we do about it?

Role of government/scope for change:

- Key driver to child poverty is level of social security
- Government has substantial power to increase benefits if they (the public) want to
- For the UK to tax like an average G7 country, taxes would need to rise by £75 billion. Increasing taxes by £250 billion would bring the UK to the same level of taxation as Denmark

Reasons to do so:

- Key reason is that improves standard of living for millions of families
- But also lots of knock-on benefits:
  - Short-term - better educational, social, emotional and behavioural outcomes
  - Long-term – better employment prospects, better health outcomes, longer life expectancy

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CPAG Policy Asks

Short-term

1. Scrap the two child limit

- Restricts benefits for larger families
- Key driver of rising child poverty in the future
- Most cost-effective way to reduce child poverty
- Very small effect on fertility decisions

2. Remove the benefit cap

- Restricts benefits for some out-of-work families
- Disproportionately affects larger families, lone parents, renters in expensive areas
- Not much effect on poverty rates (as households too poor to be near poverty line) but impact on the depth of poverty
- Very small effect on work incentives

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Impact of 2CL and BC

Two Child Limit:

"When we decided to have a 3rd child we were comfortable, but by no means rich. We were frugal. Saved all clothes, toys cots and re-used everything we could, for all children. We knew we could afford a 3rd child on our wages and also childcare to enable me to go back to work part time. The cost of living crisis has made our outgoings considerably more in the year since she was born. ...My partner works 40 hours a week and I work at least 20 yet we are struggling to feed our children and keep them warm..."

Benefit Cap:

"It's got to the point where I just give up… I'm living on hardly anything… my daughter's been walking around with holes in her shoes… I can't afford to get her a pair of school shoes."

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CPAG Policy Asks (cont.)

Short-term

3. Increase child benefit by £20 per week
    - Child benefit need to rise by 25% to restore lost value since 2010
    - Reduce child poverty and increase income security

4. Universal Free School Meals (FSMs)
    - 900,000 children in poverty in England miss out on FSMs
    - Unnecessary to means-test particular part of the school day
    - Short and long-term benefits to rollout of FSMs

Long-term

Child poverty strategy with poverty reduction targets – introduction in Scotland forecast to lead to record reduction in child poverty this year

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What should a child poverty strategy look like?

- SOCIAL SECURITY
- HOMES
- EDUCATION
- CHILDCARE
- WORK, PAY AND PROGRESSION
- UNIVERSAL SERVICES FOR FAMILIES

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Social Workers – Poverty

Poverty is not:

- Destitution
- Neglect

What can you do to help:

- Only limited capacity to alleviate poverty – deeper structural reasons
- Direct people towards welfare rights advice – frequently families miss out on sources of income due to lack of information
- Treat people with dignity and respect that they may not get from other areas of the system

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