

Committee for the Office for the First Minister and Deputy First Minister
Child Poverty Inquiry

TACKLING SEVERE CHILDHOOD POVERTY

Introduction

This short briefing note summarises the characteristics of severe child poverty and outlines some key short term and longer term actions for tackling the problem.

What is severe child poverty?

Many researchers identify severe poverty as very low income (for example, living on less than 40 per cent of the average household income in a country) in combination with other factors such as low living standards or 'material deprivation'. There are varying degrees of poverty but the latest measures of severe poverty show clearly that those with lower incomes experience a range of added disadvantage¹. For instance, research has found that children living in severe poverty are much less likely to have access to a range of essential goods than children not living in poverty.

What are the causes of severe child poverty?

Child poverty is viewed as a multi-dimensional issue and its analysis has become a highly technical and expert field. Research projects in other countries, especially those countries with the lowest child poverty rates such as the Nordic countries of Denmark, Finland, Norway and Sweden² have looked for the factors which have the greatest impact on child poverty rates. A recent study for UNICEF³ identified four common factors:

- Unemployment
- Low wages
- Lone parenthood
- Level of social expenditure

Other current research would agree that poverty is especially related to employment status but the **most severe** poverty is particularly associated with *instability* in

¹ *Living Below the Radar*. Policy Briefing by Save the Children 2007
<http://www.savethechildren.org.uk/en/docs/sevchildpov-summary.pdf>

² *Tackling child poverty and promoting the social inclusion of children in the EU*. Hugh Fraser and Eric Marlier. On behalf of the European Commission DG Employment, Social Affairs and Equal Opportunities. 2007

³ *Child poverty in rich countries*. UNICEF Innocenti Report Card 6 2005
<http://www.unicef-irc.org/cgi-bin/unicef/Lunga.sql?ProductID=371>

employment status⁴. Parents making frequent transitions in and out of work give rise to an increased risk of periods of low or no income. Methods to improve job retention would help these families greatly. Actions to tackle severe child poverty are discussed in greater detail in the final section of this paper.

Which children are most likely to be living in severe poverty?

Research has established some of the characteristics most associated with severe child poverty. A study in Northern Ireland on behalf of Save the Children in 2004⁵ found that children living in severe poverty were most likely to be living in households where:

- No one was working
- The family was living in public sector rented accommodation
- The children were living in a lone parent household
- The children were living in a large family
- The children were living with disabled parents or
- Were disabled children

How is severe child poverty measured?

There is no official UK measure of severe child poverty. The UK government monitors *depth of poverty*⁶ by publishing figures on families living below a range of low income thresholds and the living standards of children living in poor households. This does not equate to the monitoring of severe child poverty according to many observers. Child poverty groups have been calling for government to produce an official definition of severe child poverty, create an explicit measure and to monitor and publish the statistics.

Progress in the understanding of severe child poverty has come from non-government research. The recent NI study for Save the Children in 2004 (mentioned above) used a very low income threshold (40% of median household income) in combination with an indicator of the child's living standards to measure severe child poverty. This 'material deprivation' indicator was based on survey information about the resources and services available to the children and parents living in the household.

The extent of the problem - UK and NI

A study in 2007 estimated that 1.3 million children in the UK were living in severe poverty⁷ Table 1 below identifies rates across the UK regions revealing very high

⁴ *What will it take to end child poverty?* Donald Hirsch for the Joseph Rowntree Foundation <http://www.jrf.org.uk/child-poverty/>

⁵ *The Bottom Line* Save the Children Marina Monteith and Eithne McLoughlin 2004 http://www.savethechildren.org.uk/en/54_2296.htm

⁶ *Measuring Child Poverty*. Department of Work and Pensions. 2003 http://www.dwp.gov.uk/ofa/related/final_conclusions.pdf

⁷ *Severe Child Poverty in the UK* Monica Magadi and Sue Middleton Save the Children 2007 <http://www.savethechildren.org.uk/en/docs/sevchildpovuk.pdf>

Also see the submission to the Committee for OFMDFM Child Poverty Inquiry by Save the Children, para 1.2

levels in London and Wales, and a relatively high rate of 9.7% (or 44,000 children) in Northern Ireland. A study from 2004⁸ had put the figure at 8% or 32,000 children.⁹

Table 1 Regional variations of severe child poverty in the UK

Row per cent

UK government region	Percentage of children			Unweighted cases
	Not in poverty	Non-severe poverty	Severe poverty	
North-east England	62.6	27.8	9.6	611
North-west England and Merseyside	66.1	24.2	9.6	1,762
Yorkshire and Humber	66.8	23.2	10.0	1,122
East Midlands	70.0	20.3	9.8	1,102
West Midlands	66.5	21.6	11.9	1,321
Eastern England	76.8	16.0	7.2	1,199
London	58.3	24.5	17.2	1,644
South-east England	74.0	19.1	6.9	1,888
South-west England	72.3	20.8	6.9	1,141
Wales	63.8	22.8	13.4	643
Scotland	72.8	18.0	9.2	2,181
Northern Ireland	73.4	16.9	9.7	1,398
All (UK)	68.6	21.3	10.2	16,012

Base population: all children in 2004/05 FRS

Tackling severe child poverty - immediate and longer term actions

Most people would agree that tackling severe child poverty is not an easy task. Research has established that although 'general measures' focussed on children in families have helped to reduce child poverty in the past, it is supposed these children were probably closest to the poverty line and therefore the ones who were easiest to help.¹⁰ A research report published in 2005 which looked at long term trends in child poverty¹¹ noted there was:

..evidence of an overall decline in child poverty in the UK after 1997. While the decline in non-severe poverty is notable, there is no evidence of a decline in severe poverty. The lack of evidence of a decline in the proportion of children in severe

⁸ *The Bottom Line Save the Children* Marina Monteith and Eithne McLoughlin 2004
http://www.savethechildren.org.uk/en/54_2296.htm

⁹ Variation in these estimates may be partially attributed to differences in survey research methodology and definitions.

¹⁰ *The Bottom Line Save the Children* Marina Monteith and Eithne McLoughlin 2004
http://www.savethechildren.org.uk/en/54_2296.htm

¹¹ *Britain's Poorest Children revisited: evidence from the BHPS* Monica Magadi and Sue Middleton 2005
http://www.crsp.ac.uk/downloads/research_reports/bpc_research_report_3.pdf

poverty suggests that children from the poorest families remain a legitimate concern, since the current policies seem to have made little impact on their poverty situation

There are, however, a range of recommendations for the reduction of severe child poverty for policy makers which have stemmed from a number key research studies in NI and the UK on behalf of child poverty groups. For instance, Save the Children identify a number of **immediate actions** which they believe could be taken, for example:

1. Running a benefit uptake campaign.

It is known that a large number of people who are in need of benefit find it too difficult to claim. Poverty campaigners would wish to see more research being carried out around the issue of benefit levels and uptake. Methods to reduce the complexity of claiming benefits should be sought. All barriers to benefit uptake need to be identified and attempts made to find more creative ways of reaching people.

2. Provide help for those on low incomes:

- By the provision of seasonal grants. These would help families at particular times of the year when poverty is toughest or times when it is difficult to meet large one-off expenses e.g. back to school expenses, children's summer activity expenses or winter fuel payments
- Reform of the Social Fund to provide more resources and greater flexibility. The Social Fund helps people on low incomes with expenses that are difficult to meet from their regular income. It currently provides lump sum payments, grants and loans.

Longer term actions for tackling child poverty and severe child poverty

Save the Children, along with other children's groups in Ireland and the UK identify a number of **general actions** to address child poverty, actions which they believe will help to alleviate the problem (including severe child poverty) over the longer term: for instance:

- Actions to increase the employment of parents of severely poor children. A high proportion of severely poor children are living in 'workless' households. Out-of work benefits tend to be low and as a result many families are living well below the poverty line. Additional support is needed to help parents enter and stay in regular employment.
- There should be increased protection for children at times when their household is making a transition from work to benefits or vice versa. Short term assistance to cushion the adverse effects of periods of unemployment should be available.
- Increased provision of accessible, affordable and good quality childcare. Efforts to increase employment levels amongst parents of severely poor children are more likely to fail unless their childcare needs are adequately addressed. As many severely poor children live in lone parent families,

childcare policies should address the particular needs and difficulties of these families

- Action to narrow the educational attainment gap to ensure that those children in poverty today are not in poverty in adulthood
- Aim to carry out a more holistic assessment of benefit claimants needs – recommend the use of Advice Centres and take a ‘what’s missing?’ approach
- Provide help with debt problems, ensure access to affordable credit - rather than from doorstep lenders i.e. through a Credit Union
- Increase the provision of help for carers e.g. children living in households with a disabled adult, parents caring for a disabled child
- There should be effective monitoring, evaluation and research on severe child poverty. A combined measure in addition to individual poverty measures should be adopted. There should be an annual analysis of severe poverty trends using a combined measurement approach. Research to establish the spatial distribution of child poverty is also needed.