



MEDIA BRIEFING: The Government's child poverty target

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CONTENTS

Introduction	2
Measuring the child poverty target	2-3
Context: child poverty since 1979	3
The poverty line	4
Child poverty in UK nations & regions	4
Groups at greatest risk of poverty	5
Composition of the poor population	6
Child poverty in other rich countries	7
Meeting the target: 10 steps to a society free of child poverty	8

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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 by 2020. On the road to that 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 Conservatives and Liberal Democrats have not signed up to the targets.
- Figures for the 2004/05 milestone were published on Thursday 9 March 2006, as part of the annual Households Below Average Income (HBAI) report: <http://www.dwp.gov.uk/asd/hbai.asp>. The target is a joint Public Service Agreement between the DWP and HM Treasury.
- A rising employment rate, increased child benefit, the introduction of tax credits and the minimum wage, have meant that 700,000 children have been lifted out of relative income poverty since 1998/99.

MEASURING THE CHILD POVERTY TARGET

- The Government's 2004/05 target is being judged by the standard measure of relative income poverty, which is based on the number of children living in households with less than 60 per cent of median income – both before or after housing costs are taken into account.
- Figures for the last nine years on both an 'after housing costs' and 'before housing costs' basis are in Tables 1 and 2 below.

Table 1: Number and % of children in poverty 'after housing costs'
(Source: HBAI 1994/95-2004/05, published by DWP 2006)

Year	Millions	% of children
96/97	4.2	33
97/98	4.1	32
98/99	4.1	33
99/00	4.1	32
00/01	3.8	30
01/02	3.7	30
02/03	3.6	28
03/04	3.5	28
04/05	3.4	27

On this measure, child poverty has fallen by 17 per cent or 700,000 between 1998/99 and 2004/05 (300,000 short of the 25% target).

Table 2: Number and % of children in poverty 'before housing costs' (Source: HBAI 1994/95-2004/05, published by DWP 2006)

Year	Millions	% of children
96/97	3.2	25
97/98	3.1	25
98/99	3.1	24
99/00	3.0	23
00/01	2.7	21
01/02	2.6	21
02/03	2.6	21
03/04	2.6	21
04/05	2.4	19

On this measure, child poverty has fallen by 23 per cent or 800,000 between 1998/99 and 2004/05 (100,000 short of the 25% target).

CONTEXT: CHILD POVERTY SINCE 1979

As the table below shows, child poverty grew very rapidly in the 1980s, more slowly in the 1990s and has since begun to fall. Comparative data is not available before 1979.

Table 3: % of children in poverty since 1979, after housing costs (Source: HBAI series)

Year	% of children
1979	14
1987	25
90/91	31
92/93	33
94/95	31
96/97	33
98/99	33
00/01	30
03/04	28
04/05	27

THE POVERTY LINE

In 2004/05 the poverty line - the amount of money below which, after adjusting for size and composition of household and after housing costs, a family was categorised as poor was as follows:

- £186 per week, (£9,672 per year) for a lone parent with two children aged 5 and 11.
- £268 per week (£13,936 per year) for a couple with two children aged 5 and 11.

CHILD POVERTY IN UK NATIONS & REGIONS

Child poverty rates vary across the UK. The Government's target is for Great Britain and therefore excludes Northern Ireland. Figures for 2004/05 are given below.

Table 4: Number and % of children in poverty by UK nation and English regions, presented as 3 year running average (2002/03-2004/05) 'after housing costs' (Source: HBAI)

	Nation/ Region	Risk of poverty (%)	Numbers
	England	28	3,052,000
English Regions	North East	32	160,000
	North West and Merseyside	29	435,000
	Yorkshire and the Humber	29	319,000
	East Midlands	26	234,000
	West Midlands	30	360,000
	Eastern	22	264,000
	London	39	624,000
	Inner London	52	260,000
	Outer London	33	363,000
	South East	21	378,000
	South West	25	250,000
	Scotland	25	250,000
	Wales	28	168,000
	Northern Ireland	23	92,000

Note: Most HBAI figures are for GB, Northern Ireland figures are produced as an appendix.

GROUPS AT GREATEST RISK OF POVERTY

Although **the average risk of a child being poor in 2004/05 was 27 per cent**, the risk of sub-groups of children being poor varies hugely by household characteristics and by geography. The graph below illustrates the level of variation, and some of the groups of children most at risk (figures are for 2004/05 on an after housing costs basis)

Table 5: Risk of poverty (Source: HBAI)

	Risk (%)
In receipt of Incapacity Benefit	46
In receipt of Tax Credits	22
In receipt of Income Support	71
Mother under 25	41
Lone parent	48
Lone parent not working	72
Couple both not in work	72
Workless households	75
Four or more children in family	50
One or more disabled adults in household	40
Pakistani/Bangladeshi ethnicity	57
Black or Black British ethnicity	43
Local Authority tenure	56
No savings	45

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 all children who are poor. Of the group of children who were poor in 2004/05:

Table 6: Composition of poor population (Source: HBAI)

	Composition (%)
Lone parent	43
Couple with children	57
One or more adult in work	54
Workless households	46
Four or more children in family	19
One or more disabled adults in household	25
Tax Credits	45
Income Support	40
Youngest child under 5	43
Local Authority	26
Owned with mortgage	30
No savings	64
London	18

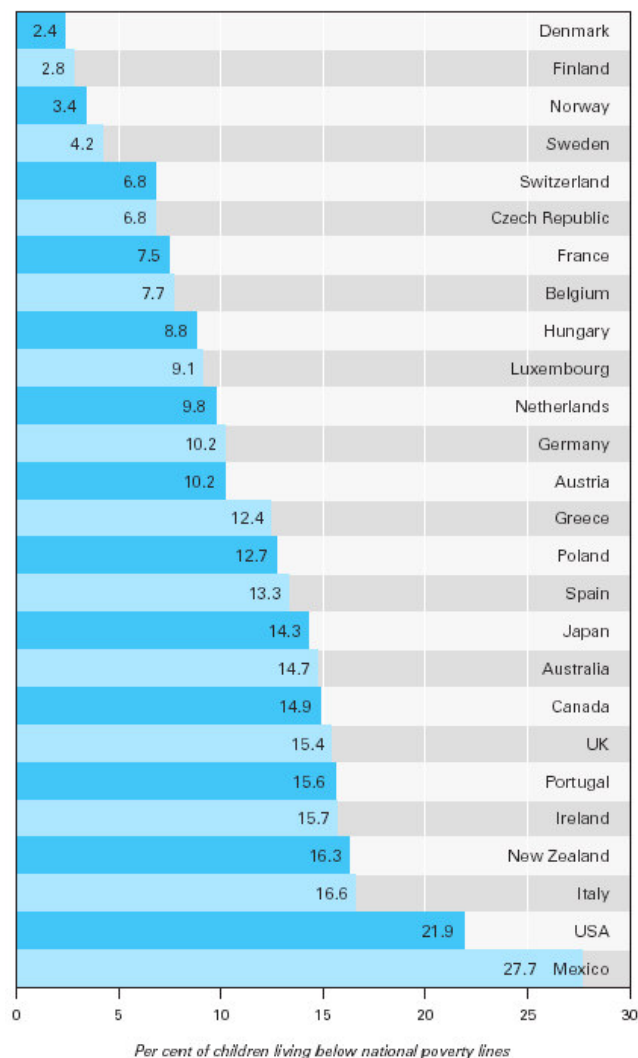
Note: Numbers may not sum to 100 per cent since children may appear in a number of these categories and these are selected results only

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.

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>