



The politics of child poverty

EiH Stretch

Professor Morag Treanor

19 January 2023

Session timings

Part 1 (1.30 – 2.10)

- 25 minutes presentation
- 15 breakout

Part 2 (2.10 – 2.50)

- 25 minutes presentation
- 15 breakout

Part 3 (2.50 – 3.30)

- 25 minutes presentation
- 15 breakout

- Plenary – 30 minutes (3.30 – 4.00)

Outline

1. Where are we now?
 - a) What is poverty?
 - b) What causes poverty?
 - c) Child poverty rates

2. How did we get here?
 - a) New Labour
 - b) The Coalition
 - c) The Conservatives
 - d) The Scottish Government

3. Why we should act.

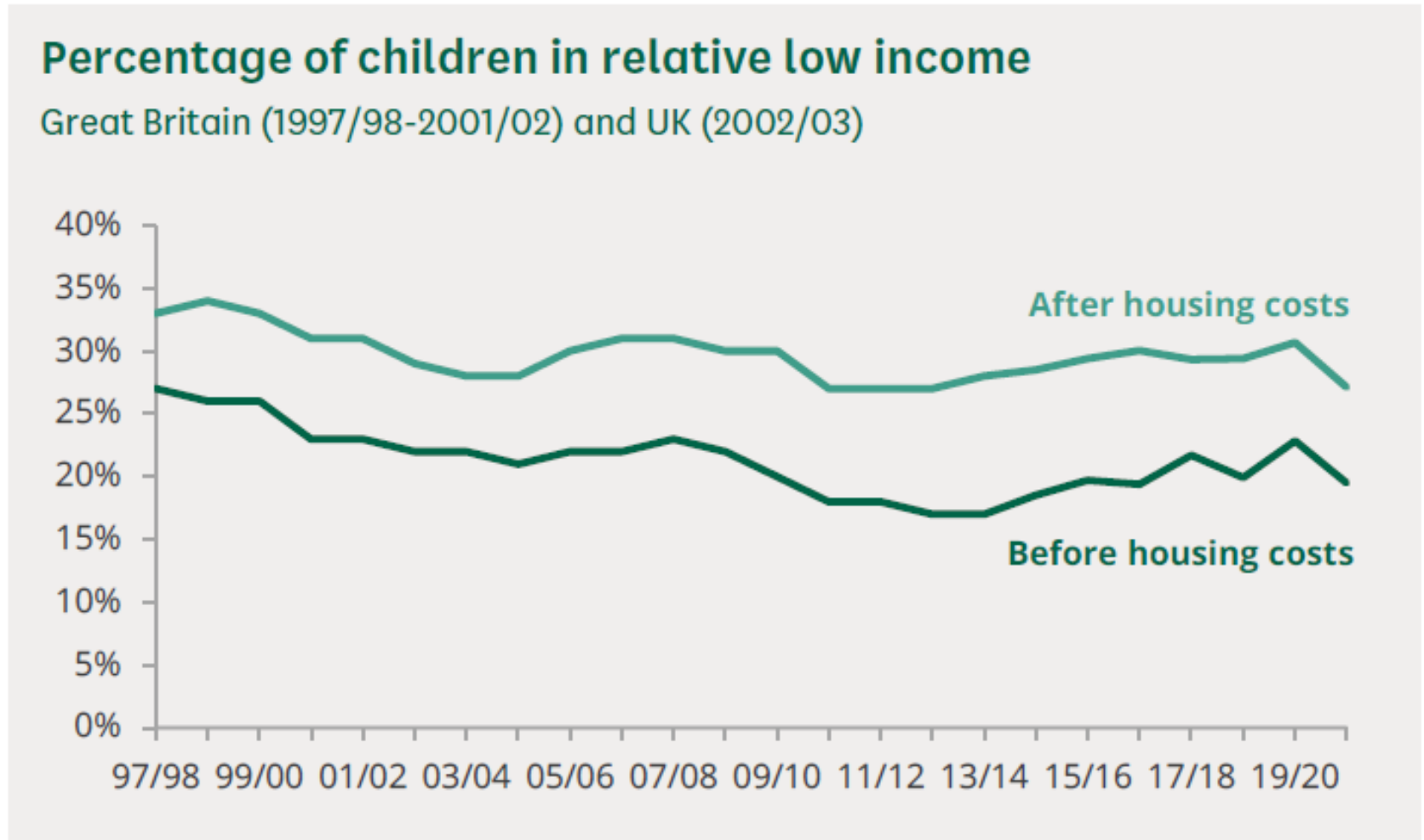


Part 1

Where are we now?

Child Poverty in the UK

Chart 5

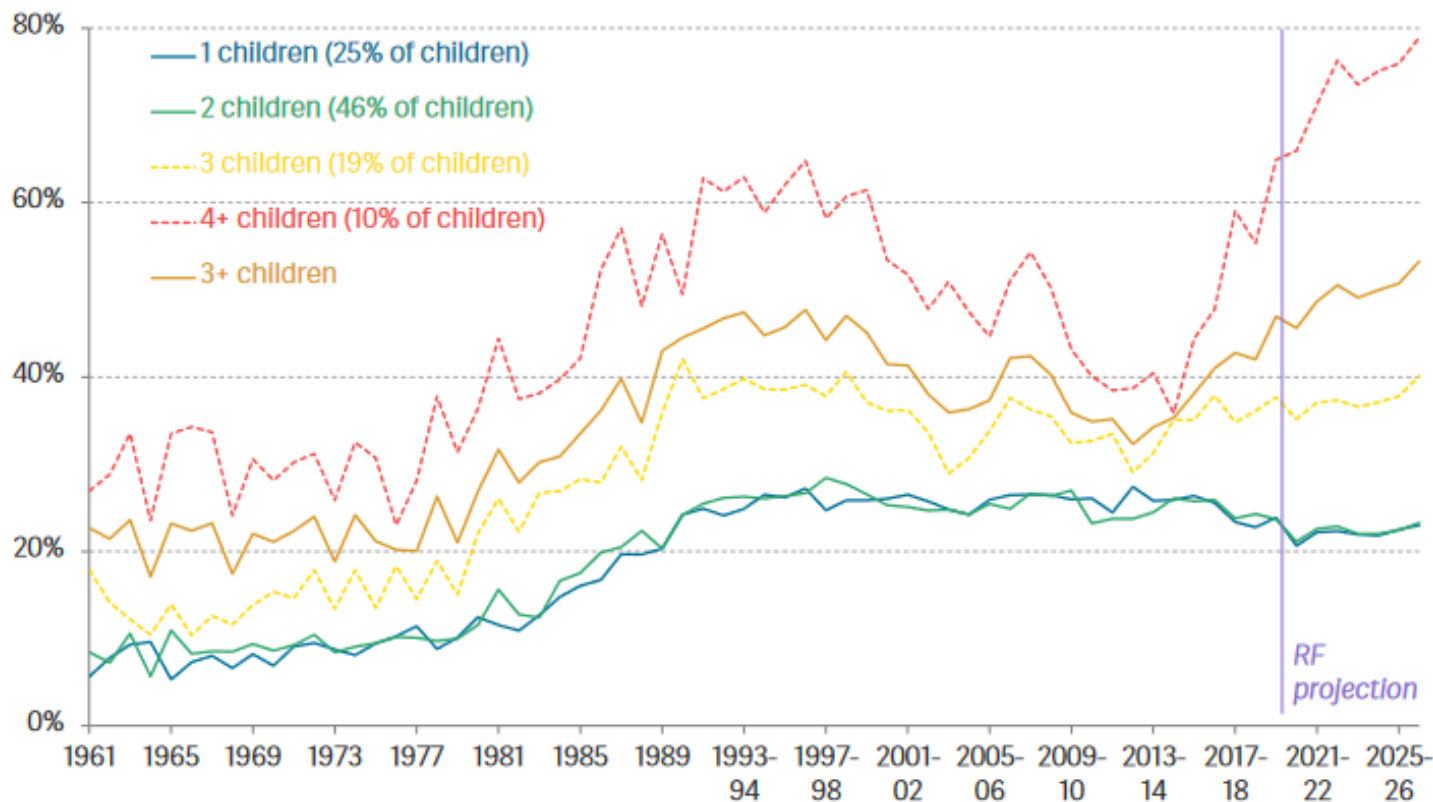


Source: DWP, [Households Below Average Income](#), 202/21

Child Poverty in the UK

FIGURE 21: Poverty rates for children in the largest families are rising precipitously

Proportion of children living in relative poverty, after housing costs, by number of children in the household: GB/UK



NOTES: Data source changes in 1994-95. GB from 1994-95 to 2001-02.

SOURCE: RF analysis of DWP & IFS, Households Below Average Income; and RF projection including use of the IPPR Tax Benefit Model, ONS data, and Bank of England and OBR forecasts.

UK government spending

Welfare expenditure exercise

Benefit	Percentage
State pension	
Tax credits	
Housing benefit	
Disability benefits	
Incapacity benefits	
Child benefit	
Unemployment benefit (JSA)	
Other	
Total	100%

Welfare expenditure 2016-17

Benefit	Percentage
State pension	45%
Tax credits	13%
Housing benefit	11%
Disability benefits	8%
Incapacity benefits	7%
Child benefit	5%
Unemployment benefit (JSA)	1%
Other	11%
Total	100%

Welfare expenditure 2016-17

Welfare expenditure 2016-17

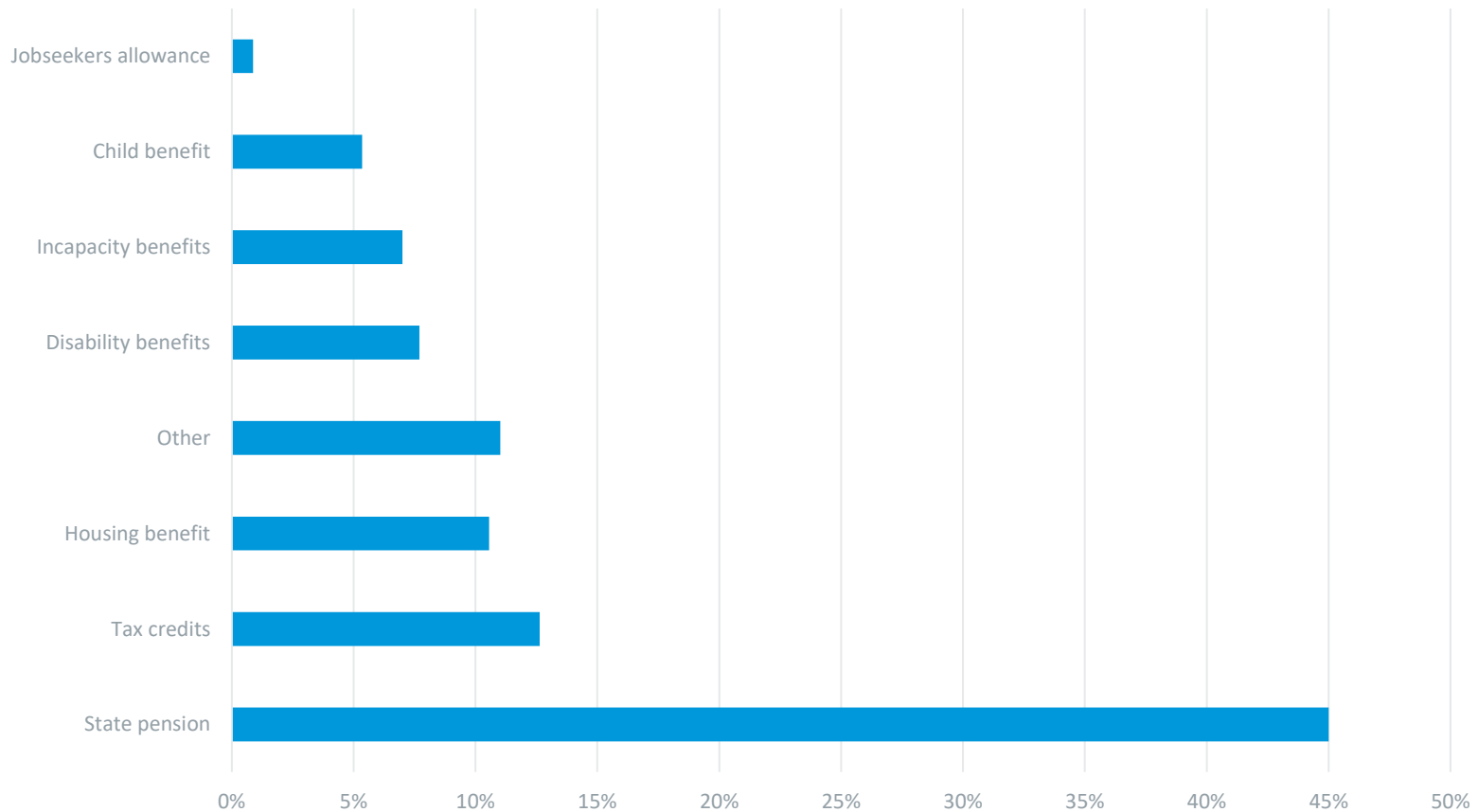
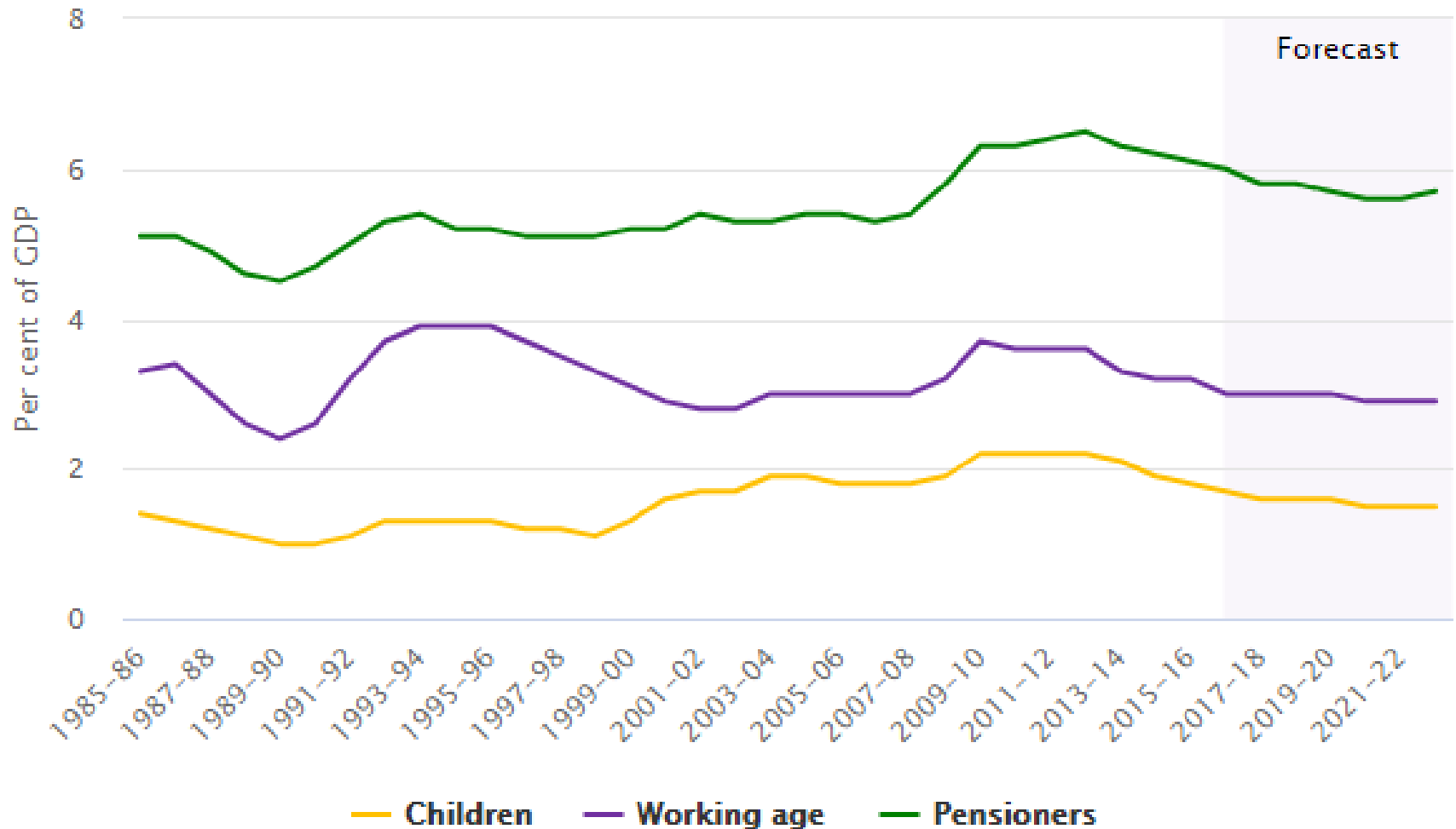


Chart 4: Welfare spending by age group



Source: DWP/ONS/OBR

UK government spending

- Triple lock on pensions - A triple lock was introduced to the UK state pension in 2010. It was a guarantee that the state pension would increase by the greatest of the following three measures:
 - Average earnings
 - Prices, as measured by the Consumer Prices Index (CPI)
 - 2.5 per cent

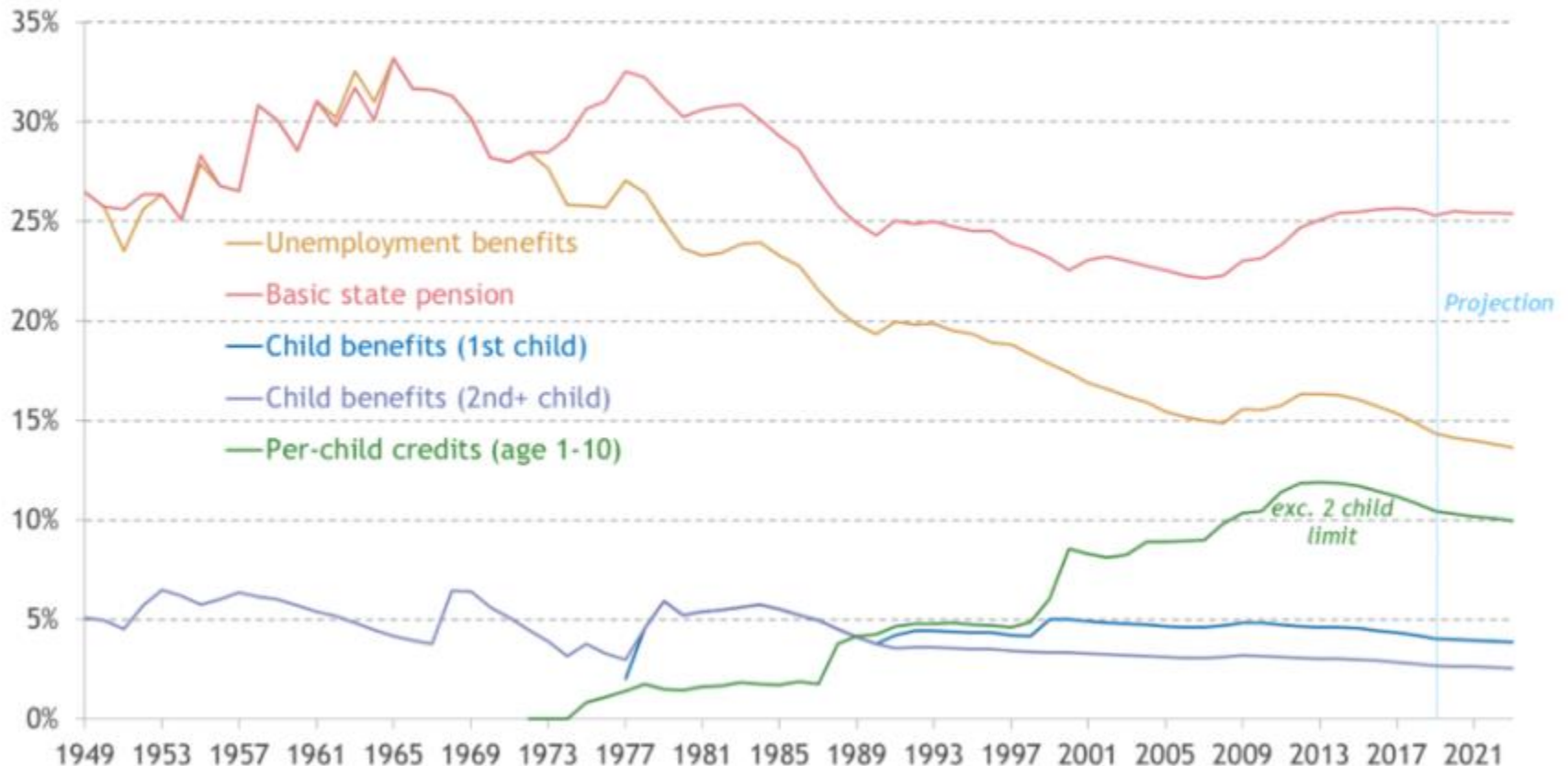
Changes to benefits (social security)

- Uprating changed from RPI to CPI ([biggest change](#))
- Freeze for five years until 2020 (unfreezing announced immediately before GE 2019)
- Two child limit
- Benefit cap
- Bedroom tax
- Universal credit
- And many, many more
 - https://www.equalityhumanrights.com/sites/default/files/impact-of-tax-and-welfare-reforms-2010-2017-interim-report_0.pdf
 - <https://www.tuc.org.uk/sites/default/files/extras/welfarechangesby2014-15.pdf>
 - https://www.churchofengland.org/sites/default/files/2018-01/gs%201897%20-%20annex%201_July13.pdf

Changes to benefits (social security)

Figure 2 Working-age benefits are set to continue to their relative decline

Selected major benefits as a share of average employee earnings



Source: RF analysis of IFS Fiscal Facts, ONS, Bank of England, and OBR EFO



Universal Credit – How much per month?

- Single person under 25
- Single person over 25

Universal Credit – How much per month?

- Single person under 25 **£265.31**
- Single person over 25 **£334.91**



Scotland

Child Poverty (Scotland) Act

- The Child Poverty Act was passed in 2017. Every political party in the Scottish Parliament voted for it.
- The Child Poverty Act:
 - Set targets to reduce child poverty
 - Set up the [Poverty and Inequality Commission](#)
 - Says what reports the Scottish Government and local authorities and health boards need to publish about child poverty



Child Poverty Delivery Plan

- The Scottish Government must publish a Child Poverty Delivery Plan every four years.
- The Delivery Plan must say what the Scottish Government plans to do over the next four years towards meeting the child poverty targets.



The scale of Scotland's child poverty challenge

Relative child poverty

Low income compared to the rest of society

Absolute child poverty

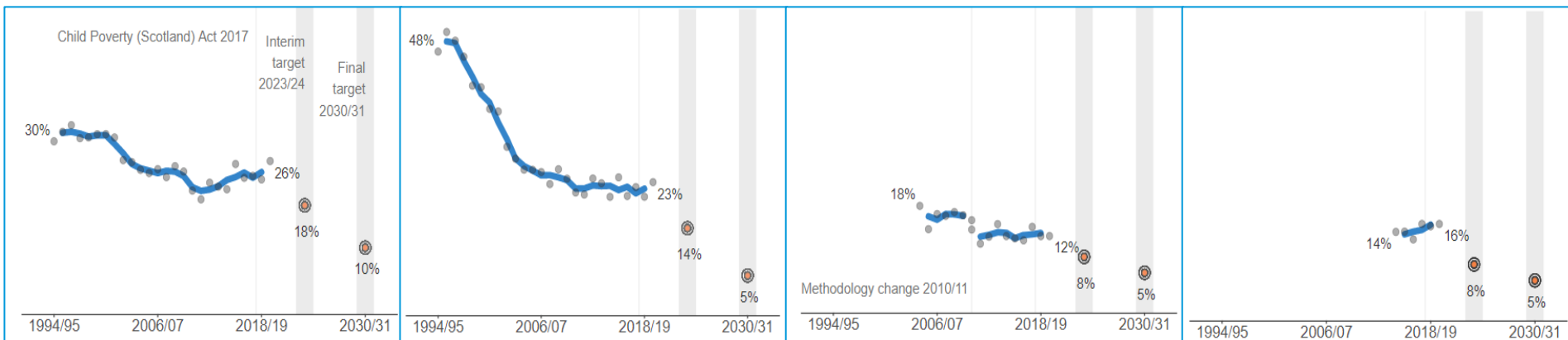
Low living standards when compared to 2010/11

Combined low income and material deprivation

Unable to afford basic necessities

Persistent child poverty

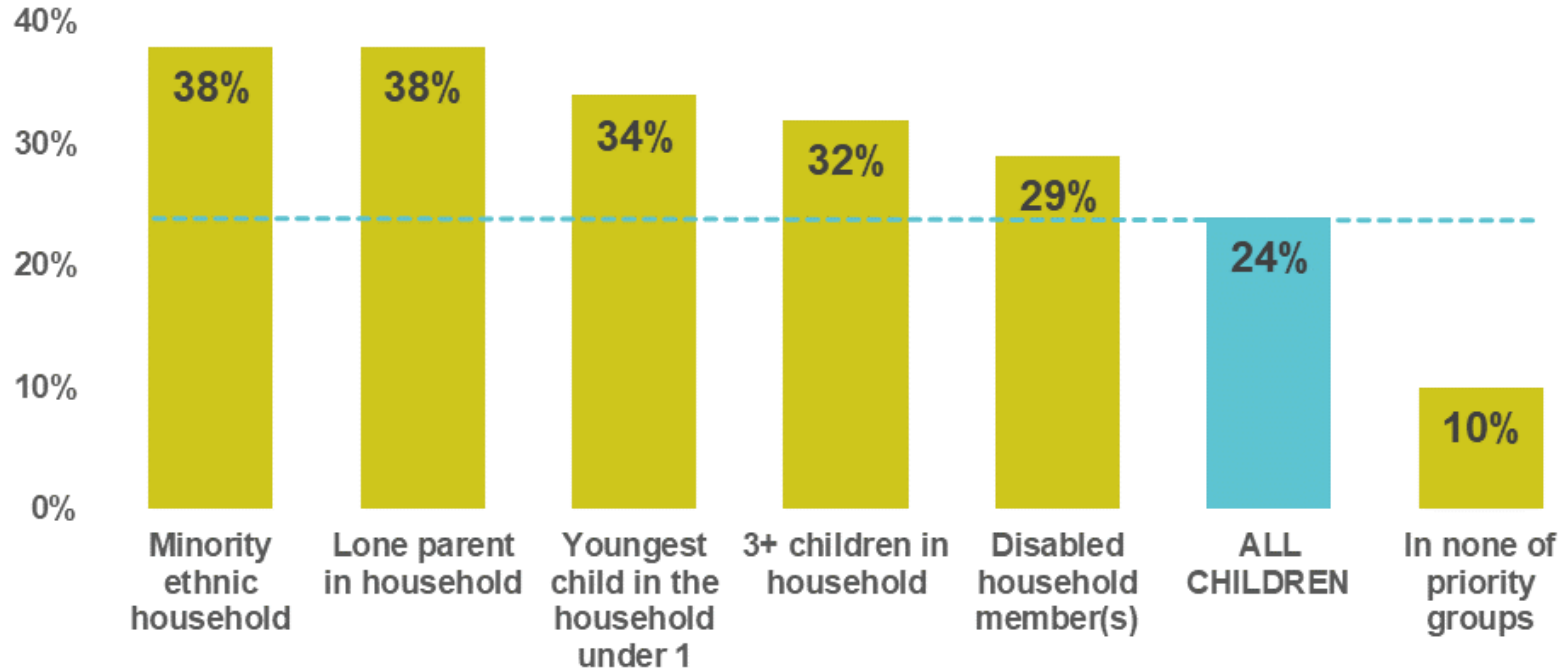
Living in relative poverty in three or more of the last four years



- Around 240,000 children in Scotland are living in relative poverty.
- Nearly four years after the Child Poverty Act was passed we are not seeing a reduction in child poverty.

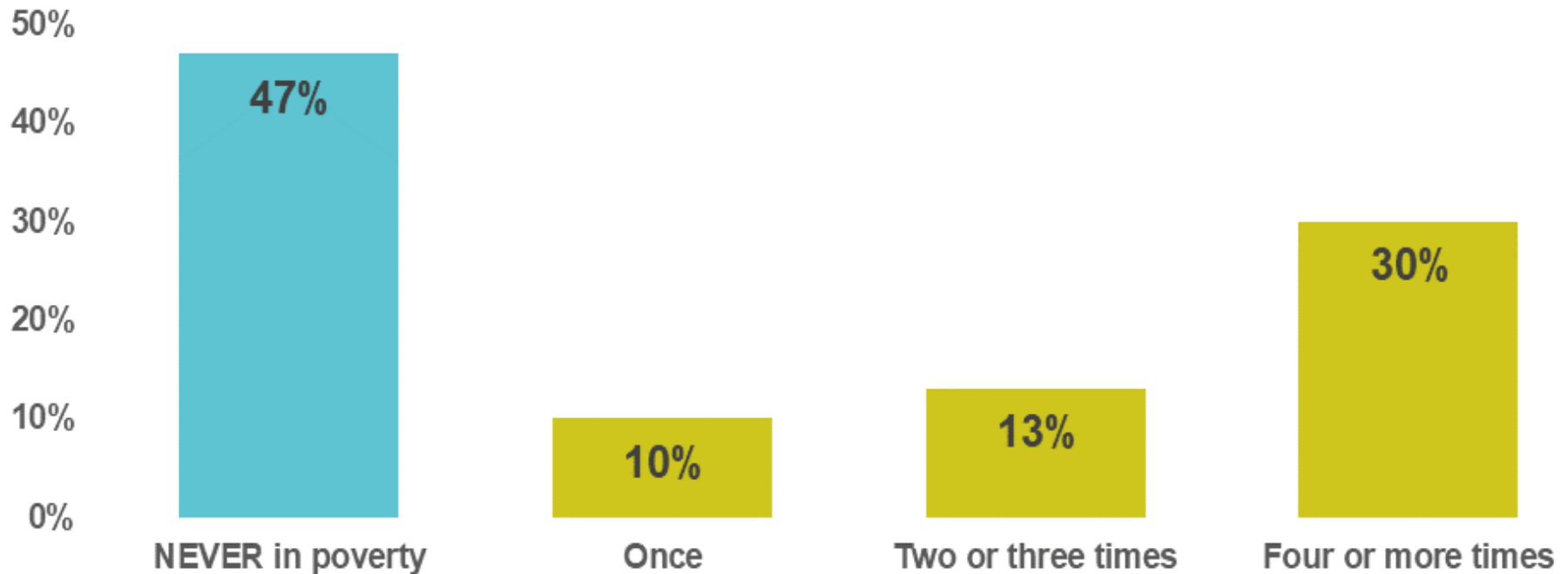
The risk of harm from child poverty is not equal

Children in some types of households are at higher risk of poverty. These households were recognised as **priority group households** in the last Delivery Plan.



Poverty is dynamic...

53% of children were in poverty at least once over a 9 year period, in a Scottish study that tracks thousands of children and their families over time.



Source: Analysis of [Growing Up in Scotland](#) data

What the Scottish Government is doing

- Limitations:
 - Doesn't control all levers (e.g. employment law and most social security)
 - Doesn't have borrowing powers (exemplified in coronavirus pandemic)
- Strengths:
 - Some increased powers (e.g. certain Social Security benefits)
 - Can introduce new benefits

What the Scottish Government is doing

- [Social Security \(Scotland\) Act 2018](#):
 - Scottish Child payment
 - Best Start payment
 - Young Carer payment
 - Increase to Carer's Allowance
 - Free school meals over coming holidays 2022-23
 - Winter Fuel payment
 - Job start payment for young people
 - Funeral expense assistance
 - Scottish Welfare Fund (delivered by local authorities)

Scottish Child Payment

- Scottish Child Payment is a weekly payment of £25.
- Payable for every child under 16 years of age. (i.e. not affected by the UK two-child limit)
- This means a family with four children will get £400 per month. A big change to the rest of the UK.
- Scottish Child Payment is one of the 5 family payments available from Social Security Scotland, along with Best Start Grant and Best Start Foods.

What the Scottish Government is doing

- Will it be enough to eliminate child poverty?
- No (but it will have some positive impact).

Child poverty projections

- UK
 - The reduction in relative poverty seen in 2020/21 may be entirely reversed in 2021/22.
 - Relative poverty rates may dip in 2023/24 as benefits rates in April 2023 catch up with the high inflation in 2022.
 - Child poverty is expected to begin to rise in around 2024/25.
- Scotland:
 - SG modelling predicts much lower relative poverty figures in Scotland in the next couple of years but an increase thereafter.

Deep or severe child poverty

- Poverty is deepening in the UK. Between 2002/03 and 2019/20 the number of people in very deep poverty increased by 1.8 million, from 4.7 million to 6.5 million people.



Destitution

- We are currently in the field with our 4th wave of research into destitution in the UK.
- Our 3rd study found more than a million UK households experienced destitution at some point in 2019. These households contained 2.4 million people (a 54% increase since 2017) and included **550,000 children**.
- I can tell you more in March.



Destitution in the UK



Destitution in the UK has established the first firm evidence base on the scale, causes, distribution and experiences of people living in destitution in this country.

The first major study, undertaken by I-SPHERE on behalf of the Joseph Rowntree Foundation in 2016, defined an entirely new research agenda.

In 2018 our second report was published, followed by the 3rd major study in 2020.



I-SPHERE
Institute for Social Policy, Housing and Equalities Research



End of part 1

Questions:

1. What was unexpected?

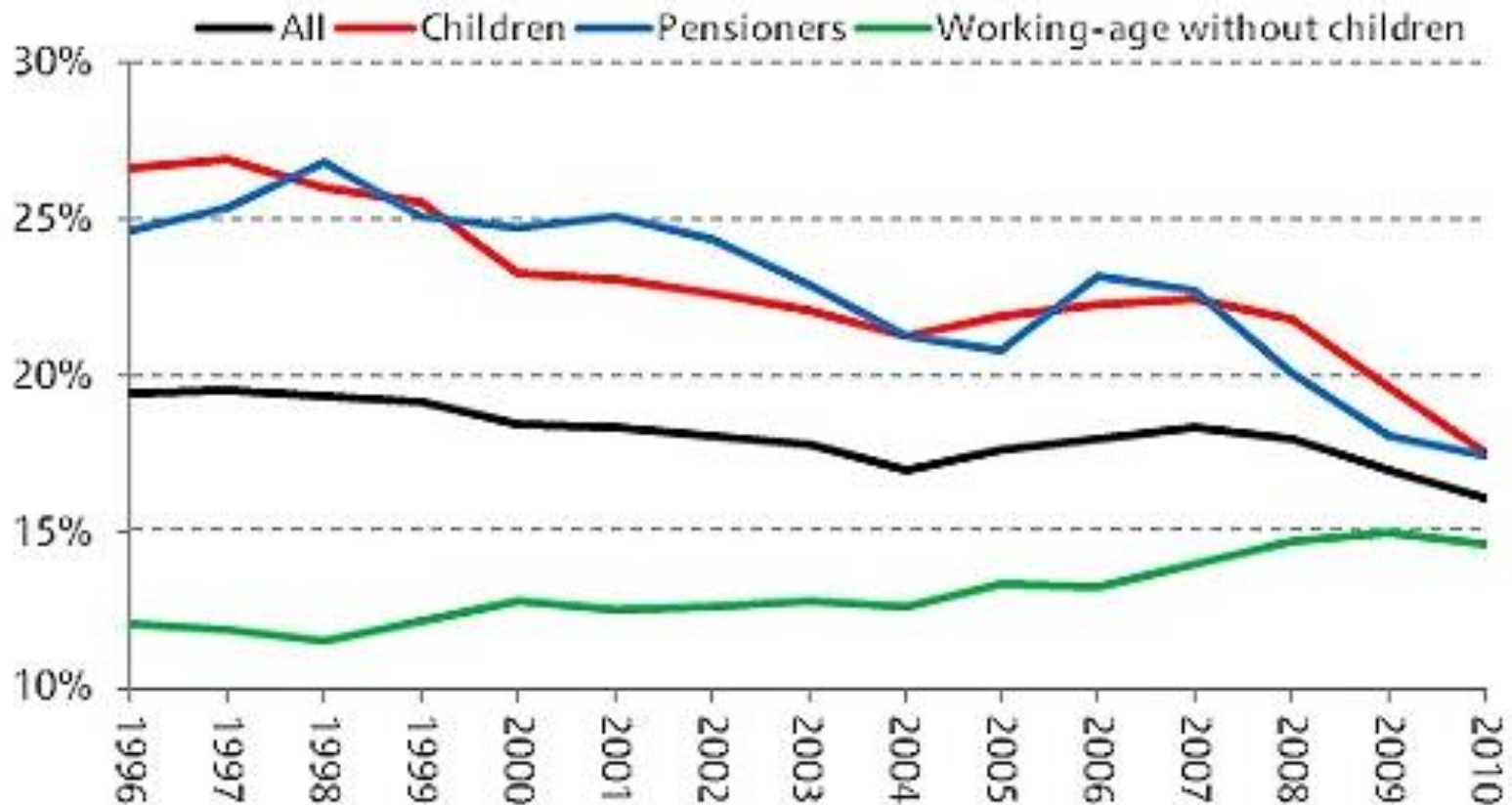


Part 2

How did we get here?

Governments' actions on child poverty - New Labour

Figure: Relative poverty rates since 1996-97



Governments' actions on child poverty - New Labour

- Child and pensioner poverty fell significantly
- 1.1 million children lifted out of poverty
- 2003 – introduction of Working Tax Credits and Child Tax Credits
- National Minimum Wage
- Sure Start centres
- Financial support for childcare
- Incomes of poorer working-age adults without dependent children changed very little

Post-2010 - Austerity

- Austerity measures were put in place that intensified across the 2010s, reducing incomes and services to low-income families.
- These measures reversed the progress made by New Labour on child poverty.
- Let's look at:
 - Employment
 - Income
 - Social security

Post-2010 - Employment

- Continuing paradox of high levels of employment and low income in the UK.
- A decade-long rise in 'non-standard' employment since financial crisis of 2008.
- These enduring effects directly influence parental work intensity and risk of poverty today.
- A generation of children who have grown up in the shadow of austerity and are reaching school-leaving age in throes of Covid-19.

Post-2010 - Employment

- Who was in non-standard employment in 2018:
 - 58% of mothers
 - 56% of single parents
 - 49% of all women
 - 48% of people with disabilities
 - 42% of people with an ethnic minority background
 - 41% of people born outside the UK

Post-2010 - Income

- While employment has remained relatively high the same cannot be said for income.
- Between 2007/08 - 2009/10 and 2017/18 - 2019/20, UK household incomes have grown by **3.3%** in real terms, compared to a **24%** increase in the preceding decade, 2006/07-2008/09 (DWP, 2021).
- One reason for this is that new labour market entrants, who, over the past decade have been mainly female, are disproportionately likely to enter work on low earnings.

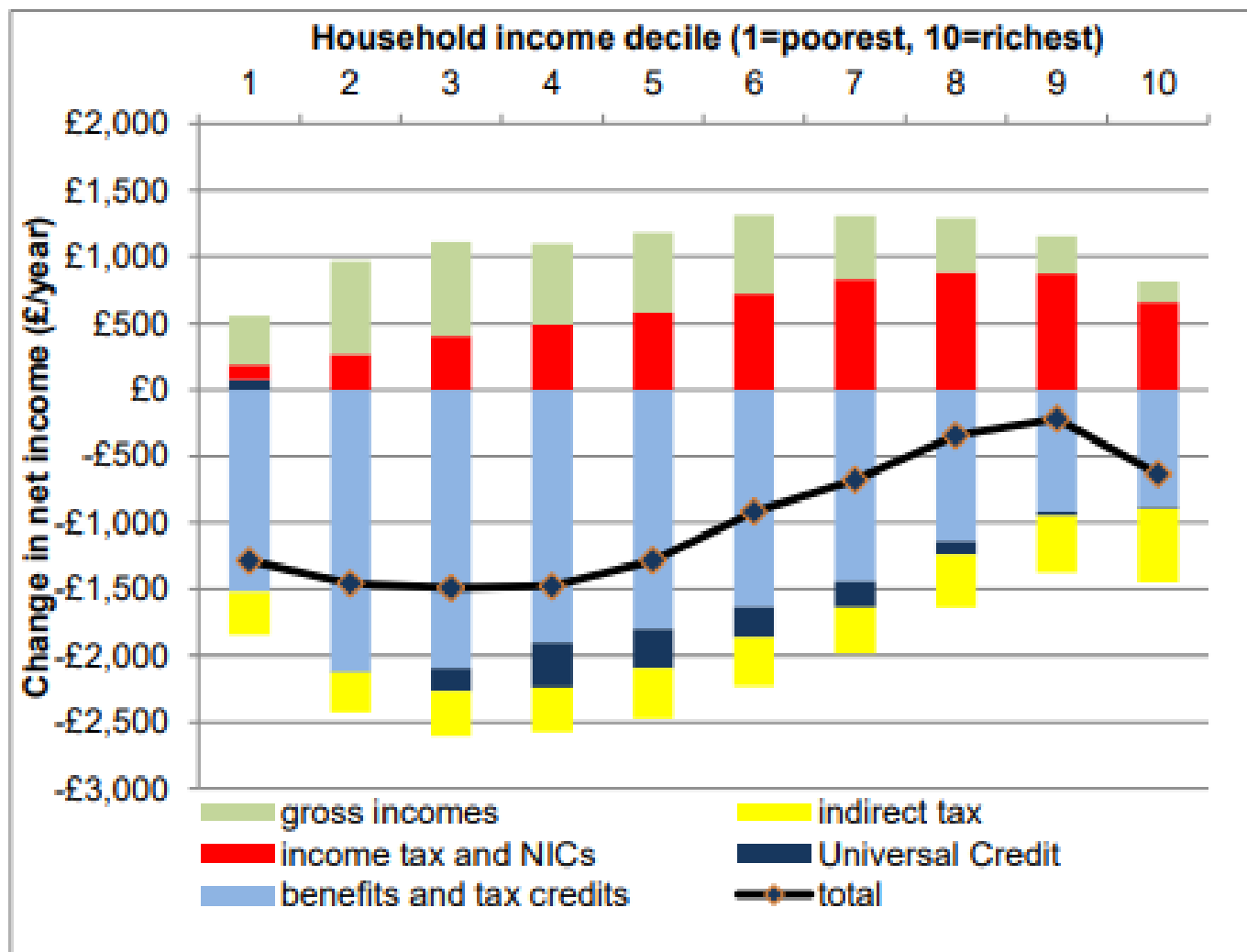
Post-2010 – Income & Employment

- Minority ethnic groups and people with disabilities have all experienced twice as fast as the average growth in employment between 2008 and 2018.
- Lone parents have experienced a rate of growth four times faster than the average.

‘The fact that the biggest employment increases have occurred in households with children and among those on lower incomes is consistent with these groups being the least able to make adjustments elsewhere, for example by cutting back on non-essential spending’.

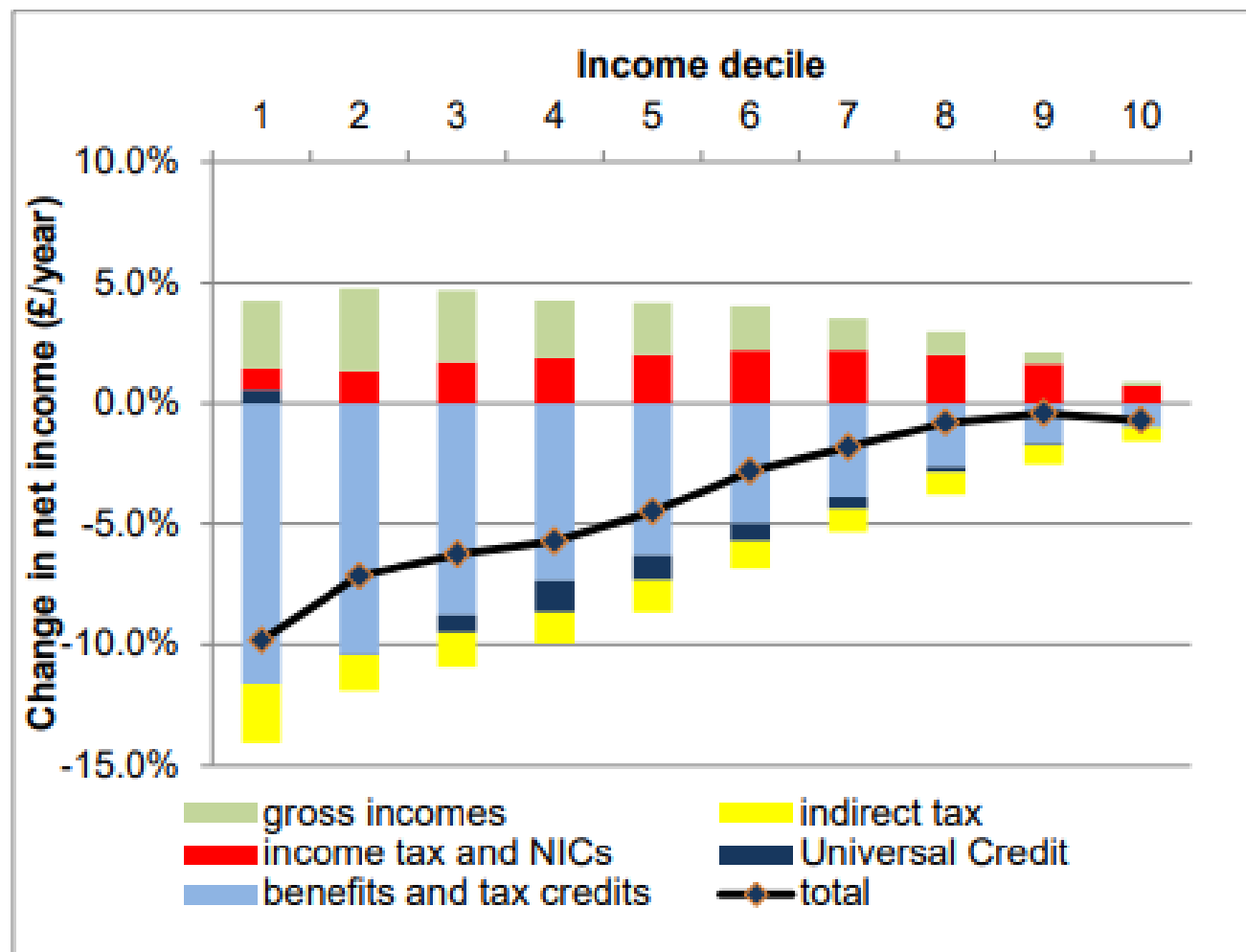
(Bell & Gardiner, 2019)

Figure 1: Cash impact of each type of reform by household income decile



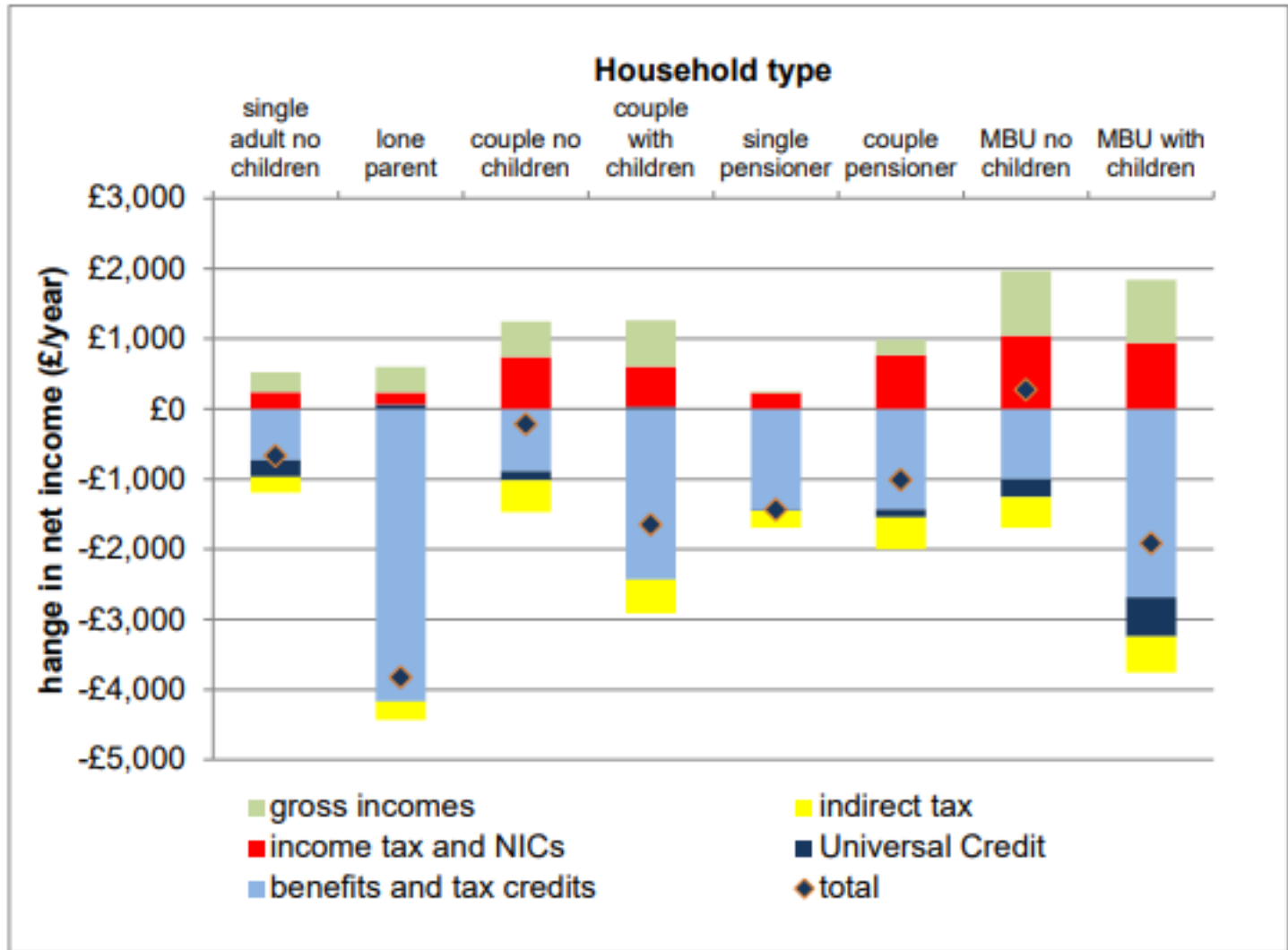
Note: Annual cash impact of 2010-17 reforms in 2021-22.

Figure 2: Impact of each type of reform as a percentage of net income, by household income decile



Note: Annual cash impact of 2010-17 reforms in 2021-22.

Figure 8: Cash impact of each type of reform by household demographic classification



Note: Annual cash impact of 2010-17 reforms in 2021-22.

Lone parent example

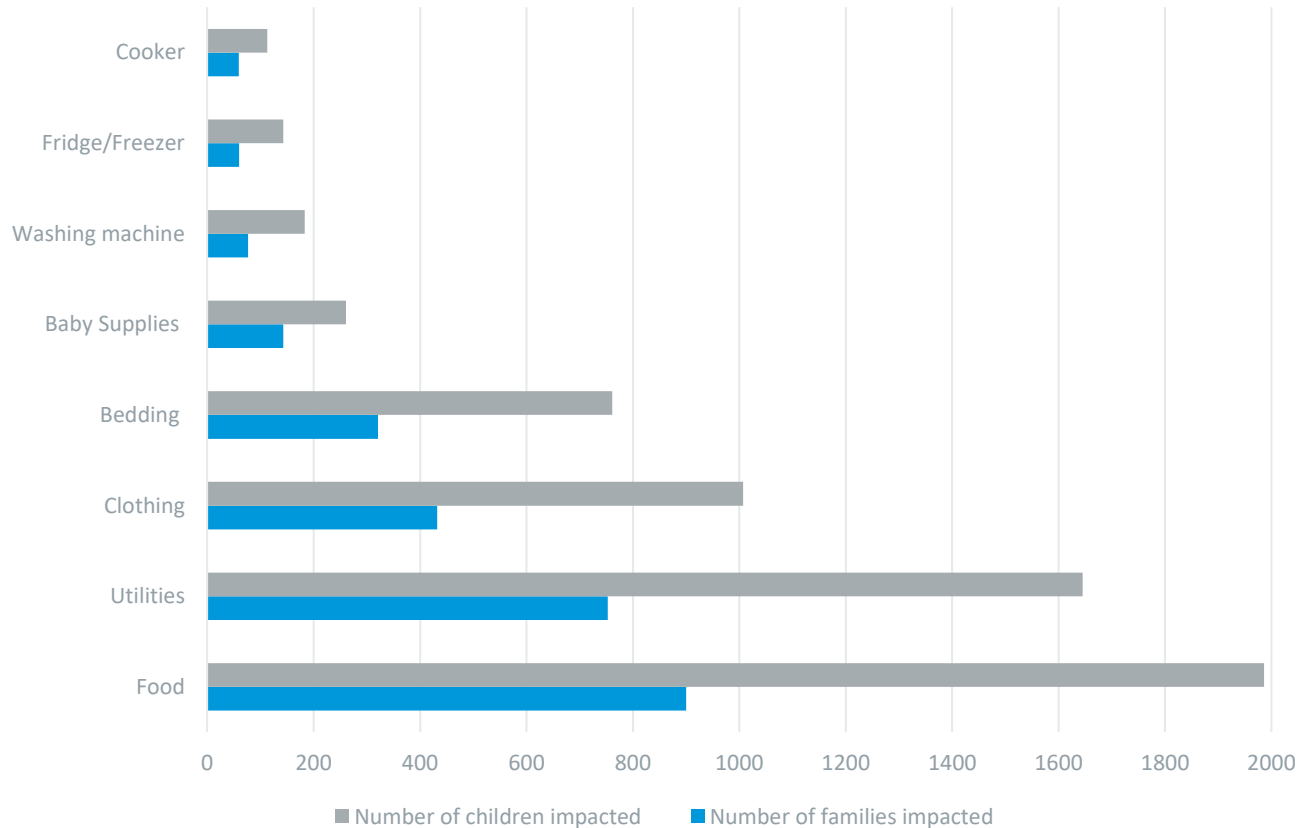
Tories have shamed single parents and
heaped financial pressure on them

Morag Treanor

Policies such as the benefit cap have hurt the most vulnerable
in society, particularly single mothers

Aberlour's Urgent Assistance Fund

Figure 1 - Reasons for applying to Aberlour's Urgent Assistance Fund



Aberlour's Urgent Assistance Fund



Evaluation of Aberlour Urgent Assistance Fund

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Institute for Social Policy, Housing, Equalities Research (I-SPHERE)
Heriot-Watt University
November 2020

- Public sector
- Teachers
- NHS
- Statutory funding



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End of part 2

Question:

- 1. What implications are there for your work?**



Part 3

Why we should act

Impacts

Impacts on society:

- Economic costs
- Cohesion eroded
- Erosion of working class participation in politics, education, the arts etc.

Cost of child poverty UK

Total costs attributed to child poverty

Adding up the above calculations, we estimate the cost of child poverty to have risen as follows:

Estimated cost of child poverty, £ billion

	2013	2021
Reduction in privately retained future earnings	8.5	11.6
Future tax receipts lost to government	3.5	4.8
Additional future benefits bill	2.4	2.0
Additional general public spending	12.7	16.3
Targeted public spending	2.7	3.0
Total	29.8	37.7

From: The cost of child poverty in 2021 Donald Hirsch September 2021

Impacts

Impacts on society:

- Economic costs
- Cohesion eroded
- Erosion of working class participation in politics, education, the arts etc.

Unconscious prejudices and assumptions

Unconscious prejudices and assumptions

- Families facing economic disadvantage have long been pathologised and denigrated.
- Since at least the late nineteenth century there have been concerns about families living in poverty (Welshman, 2013):
 - 1880s - the 'social residuum'
 - 1930s - the 'social problem group'
 - 1950s - the 'problem family'
 - 1960s – the 'culture of poverty'
 - 1970s – the 'cycle of deprivation'
 - 1980s - Charles Murray's 'underclass'
 - 2010s - the 'troubled families'
- While these concerns over the decades have not been framed in identical ways there is more that binds than separates them (Welshman, 2013).
- What is remarkable is that 'these reconstructions have occurred despite a large volume of social scientific research that has found little evidence of a distinct group of poor people with a different culture, separated from the rest of society' (Crossley, 2016: 267).

Impacts

Impacts on society:

- Economic costs
- Cohesion eroded
- Erosion of working class participation in politics, education, the arts etc.

Unconscious prejudices and assumptions

Impacts on families

- Stigma
- (Public) debt
- Stress
- Relationships
- Housing
- Health & wellbeing
- Life expectancy
- Employment
- Educational
- Social life

Impacts on children

- Wellbeing & Mental Health
- Physical Health
- Friends/relationships
- School & Education
- Activities & Leisure
- Fight or flight responses
- Stress and worry

Impacts

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Impacts on children

- Wellbeing & Mental Health
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- Friends/relationships
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- Fight or flight responses
- Stress and worry

Impacts on children's education

- What is education for?
- Who is education for?
- Attainment gap
- Digital exclusion
- Parental engagement
- School and teacher understandings
- Children's experiences of school
- (Potential) Lifelong effects on learning
- (Potential) effects on future generations learning.



End of part 3

Plenary discussion