



Xiaowei Xu, Institute for Fiscal Studies

July 2022

@TheIFS

# Trends in child poverty and material deprivation



Economic  
and Social  
Research Council

# This presentation

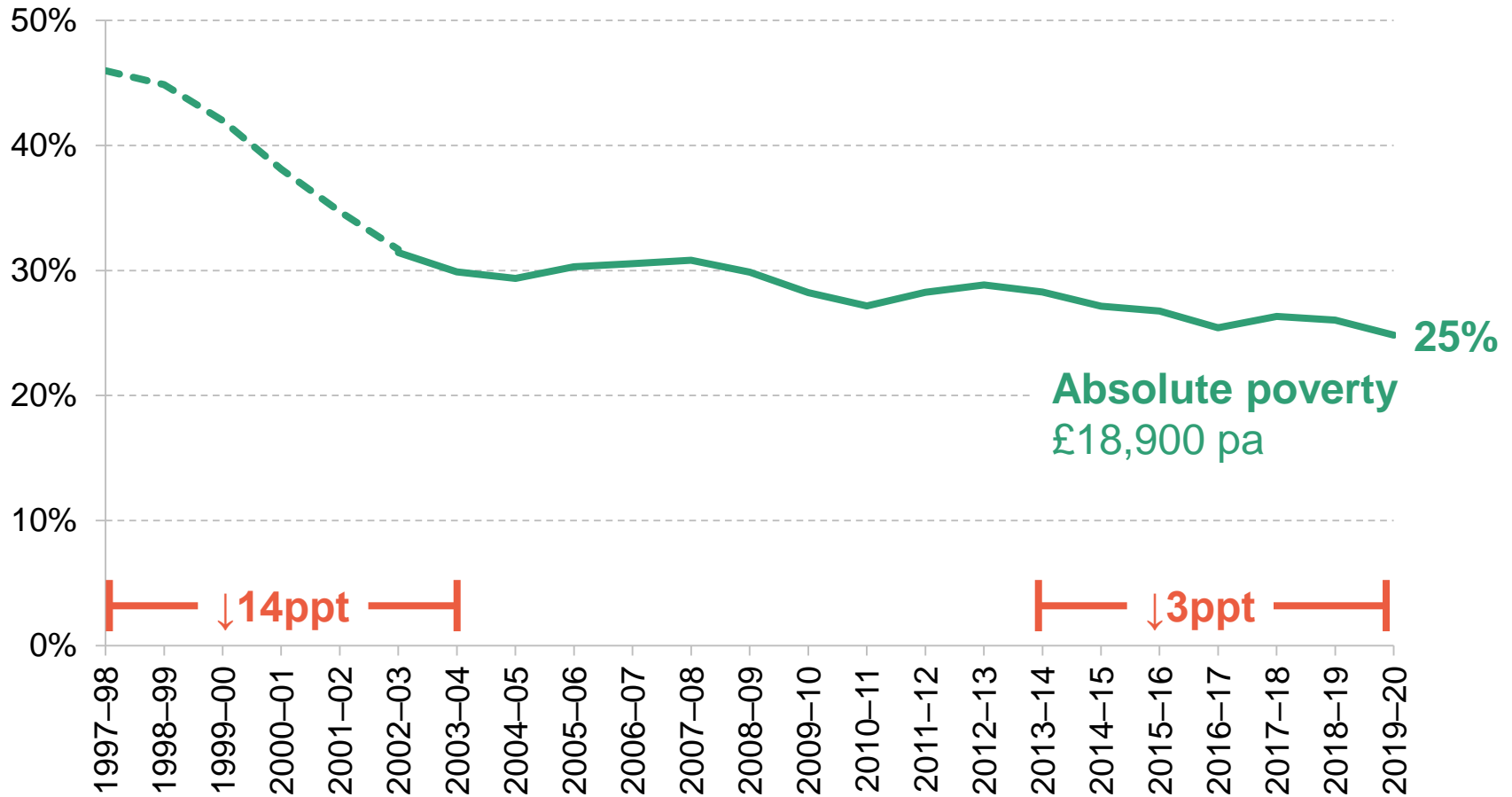


Focus on **changes up to pandemic** (up to 2019–20)

1. Trends in **income poverty**
  - Absolute and relative poverty
  - Drivers of trends
  - Trends by family type
2. Trends in **material deprivation**
  - Divergence from income measures

# Reduction in absolute child poverty has stalled

## Child income poverty rates after housing costs (AHC)

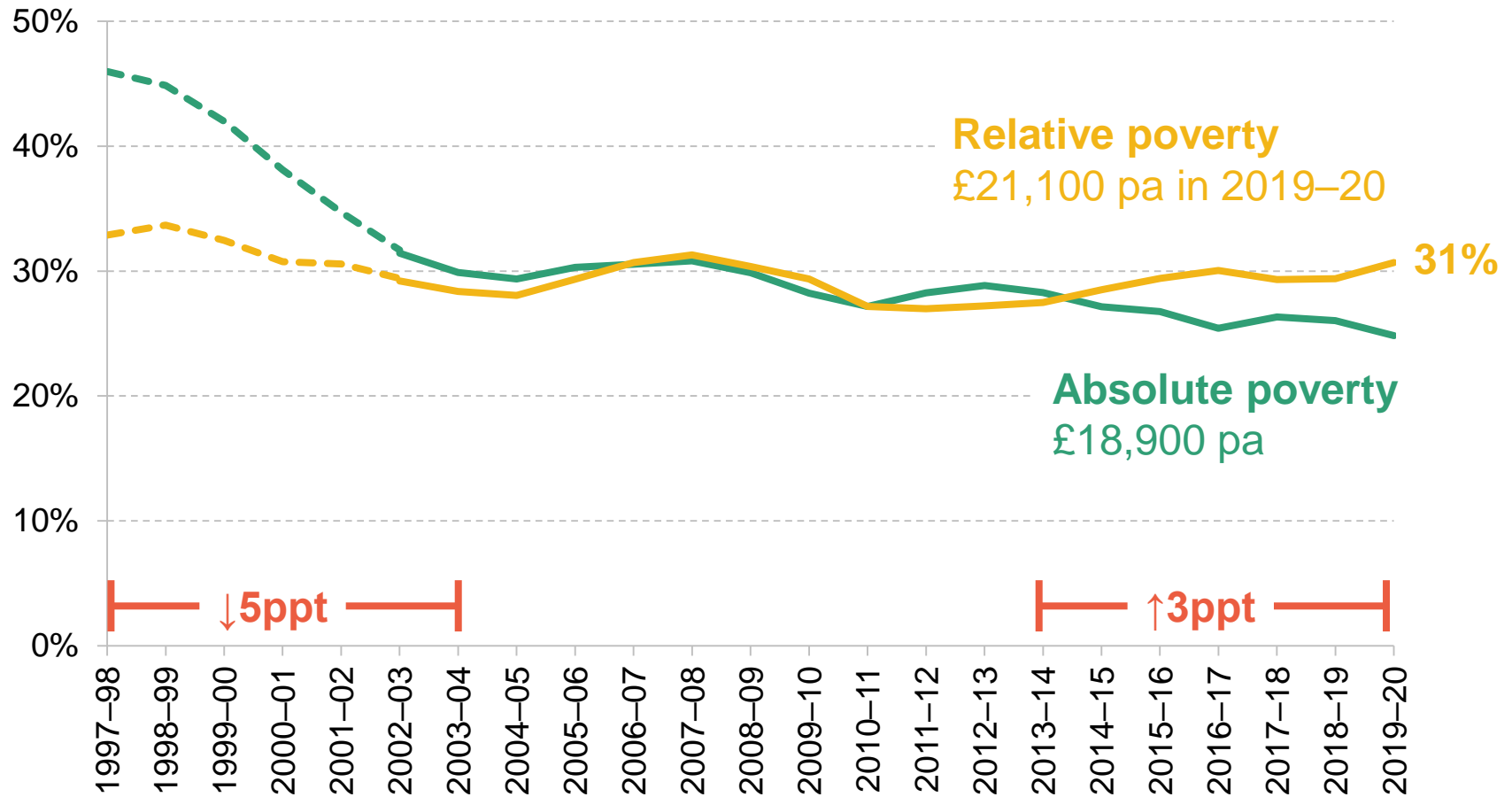


Source: Figure 3.1

Notes: Dashed lines show figures for GB; solid lines for UK. Poverty line for two-parent family with two young children.

# Relative poverty has increased since 2013 – back to 2007 levels

## Child income poverty rates after housing costs (AHC)

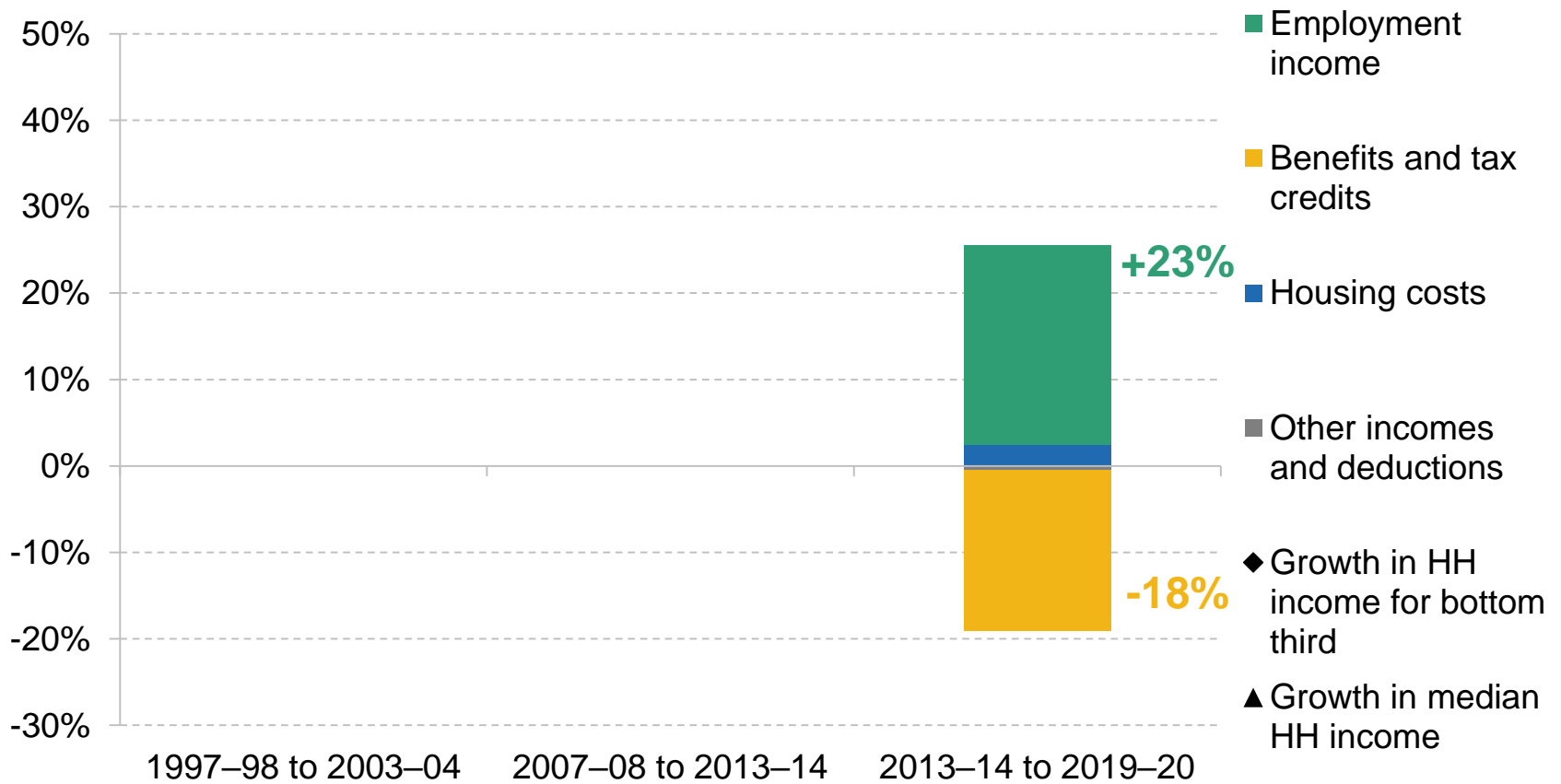


Source: Figure 3.1

Notes: Dashed lines show figures for GB; solid lines for UK. Poverty line for two-parent family with two young children.

# Benefit cuts have largely offset rise in employment income

## Contributions to mean income growth (AHC) for children in bottom third of household incomes

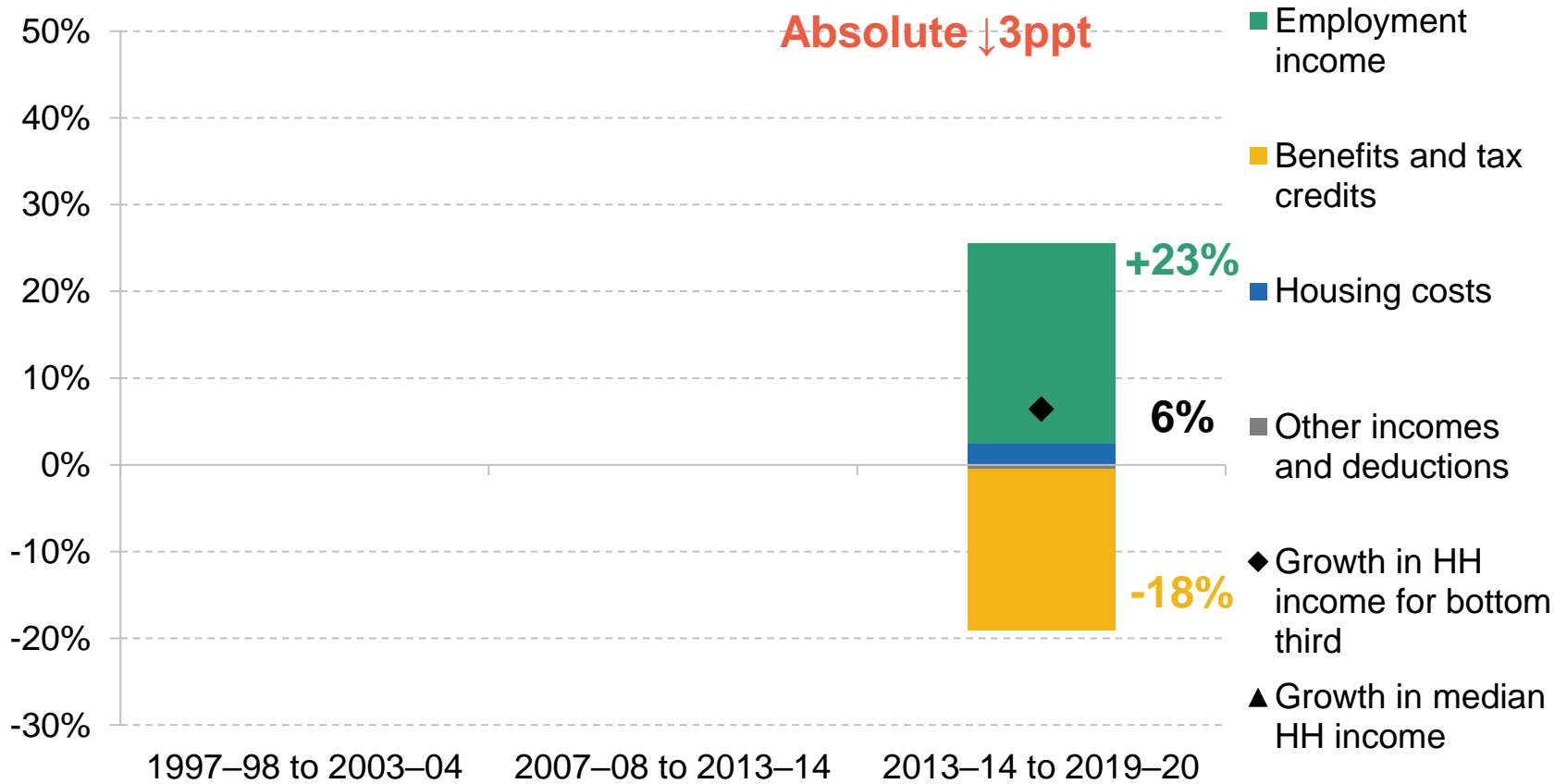


Source: Figure 3.7

Notes: All incomes are net of taxes. Benefit income includes working-age benefits only.

# Benefit cuts have largely offset rise in employment income

## Contributions to mean income growth (AHC) for children in bottom third of household incomes

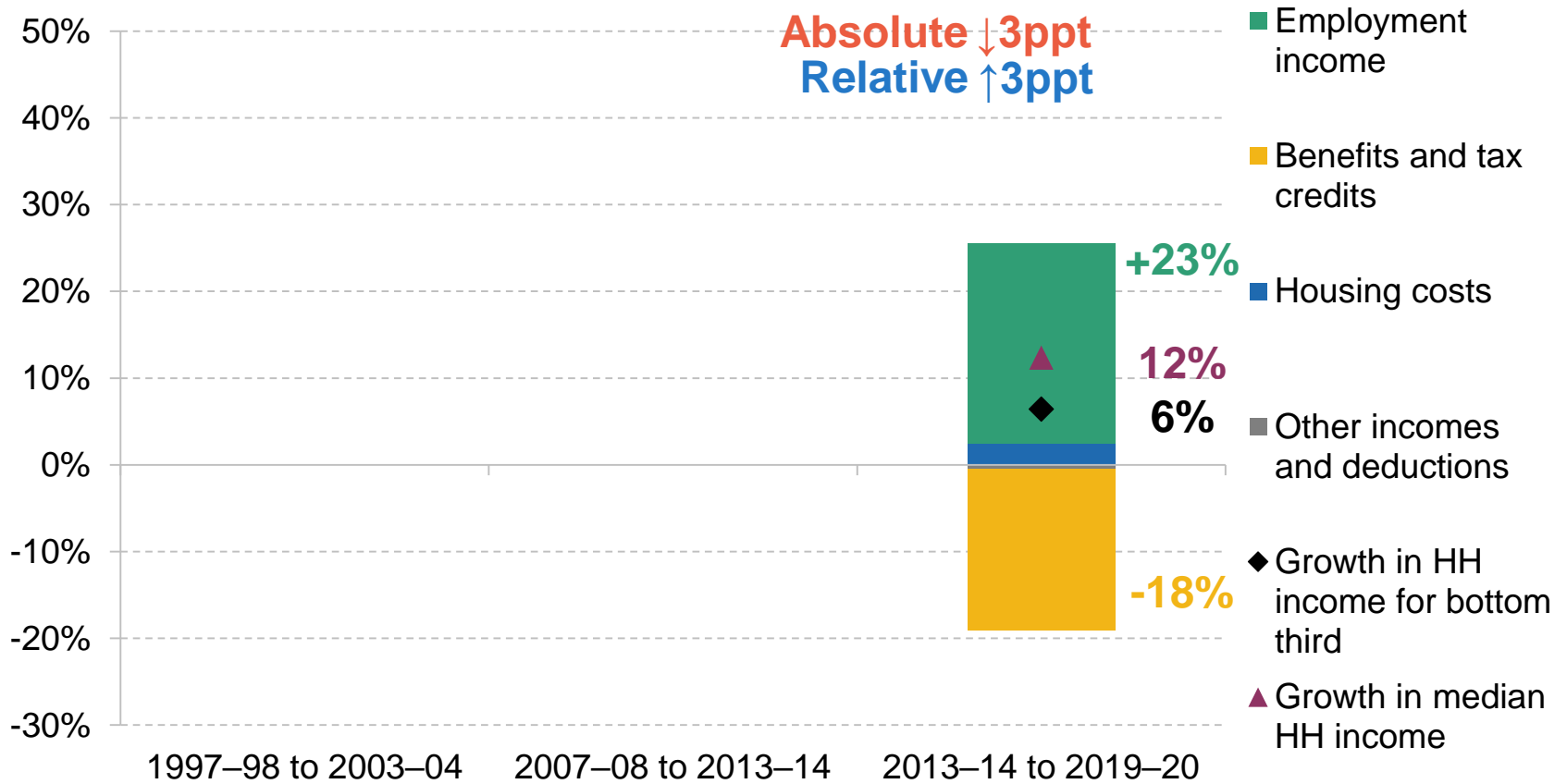


Source: Figure 3.7

Notes: All incomes are net of taxes. Benefit income includes working-age benefits only.

# Benefit cuts have largely offset rise in employment income

Contributions to mean income growth (AHC) for children in bottom third of household incomes

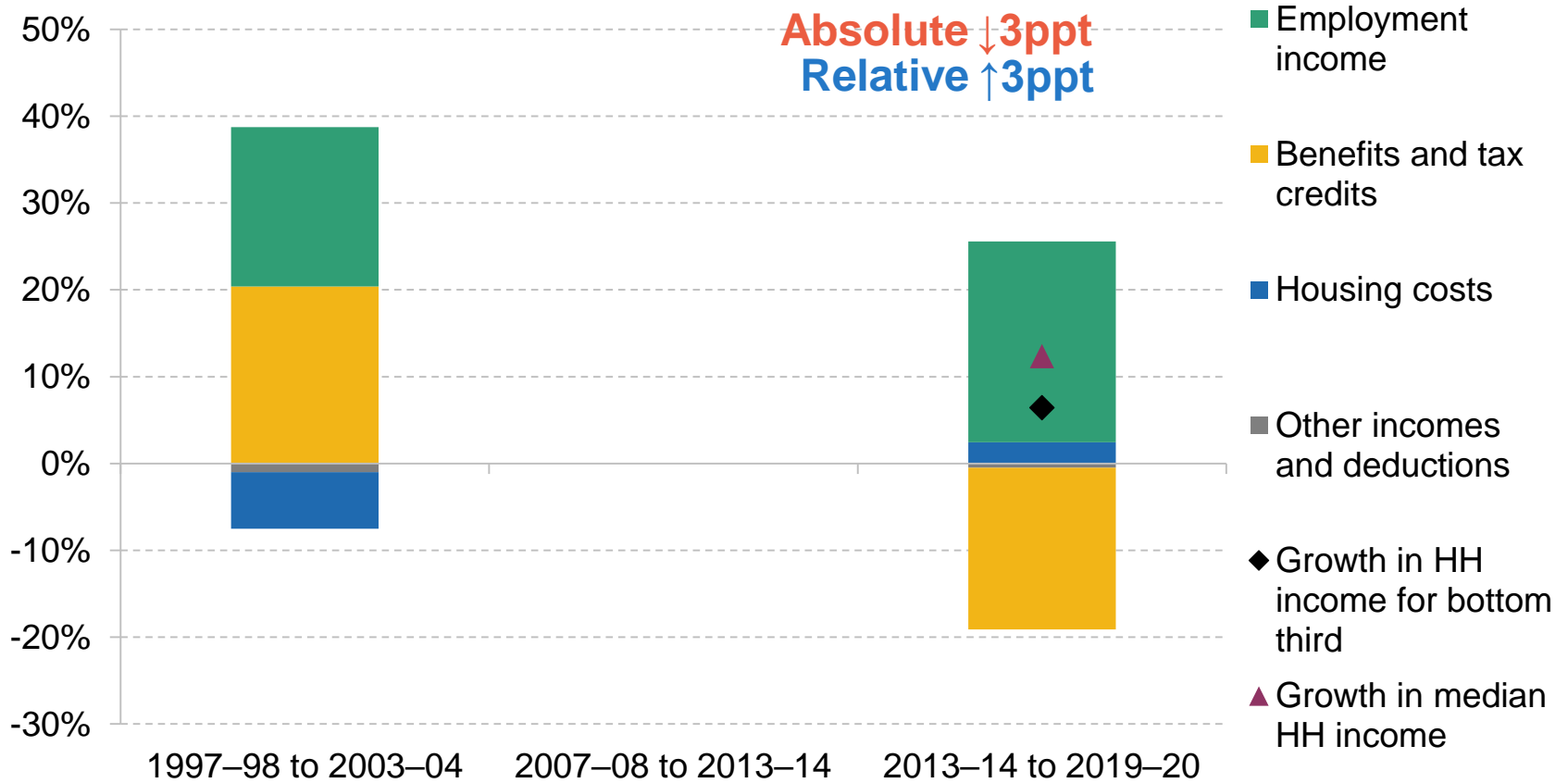


Source: Figure 3.7

Notes: All incomes are net of taxes. Benefit income includes working-age benefits only.

# Benefit cuts have largely offset rise in employment income

Contributions to mean income growth (AHC) for children in bottom third of household incomes



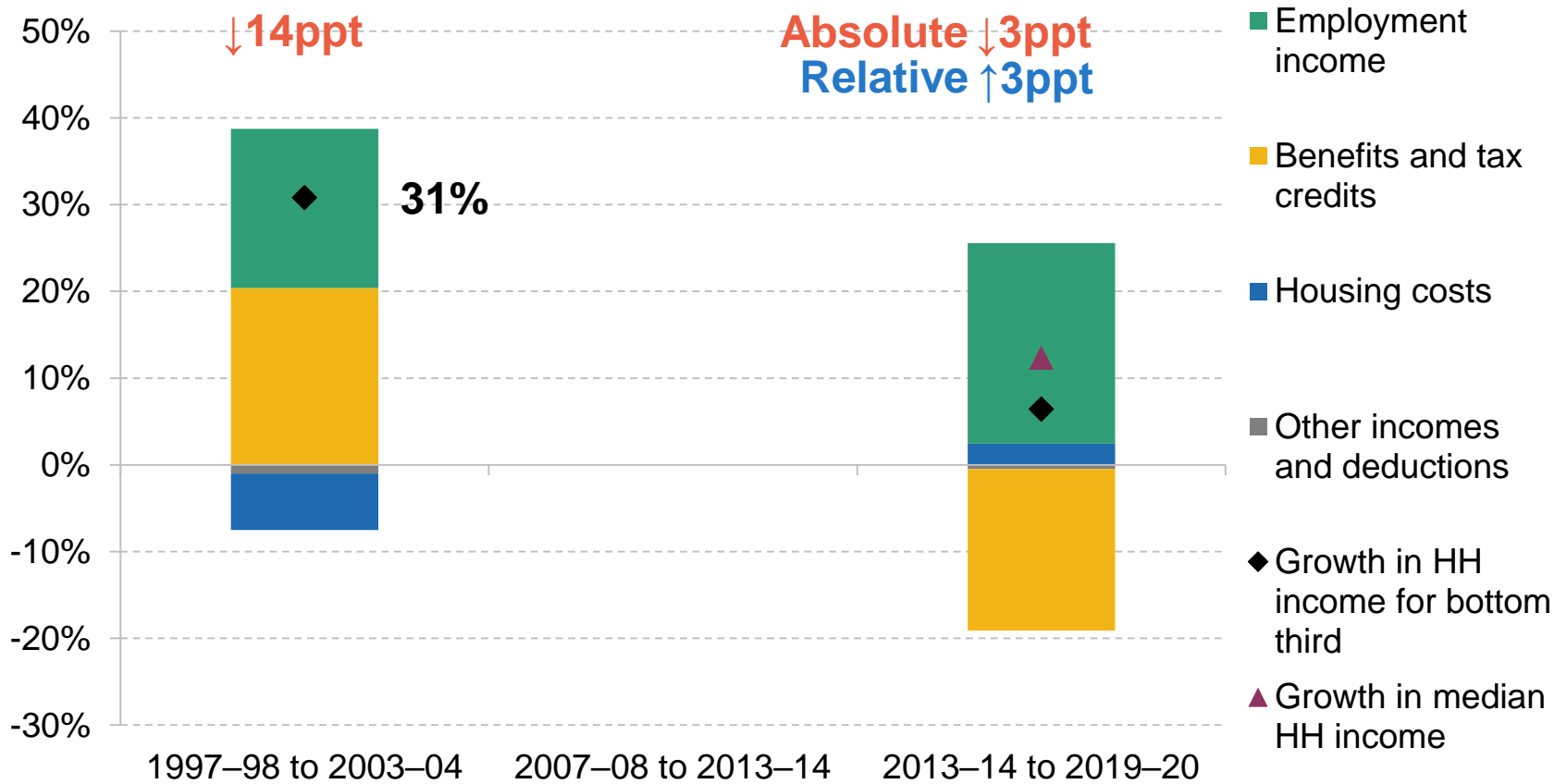
Source: Figure 3.7

Notes: All incomes are net of taxes. Benefit income includes working-age benefits only.



# Benefit cuts have largely offset rise in employment income

Contributions to mean income growth (AHC) for children in bottom third of household incomes

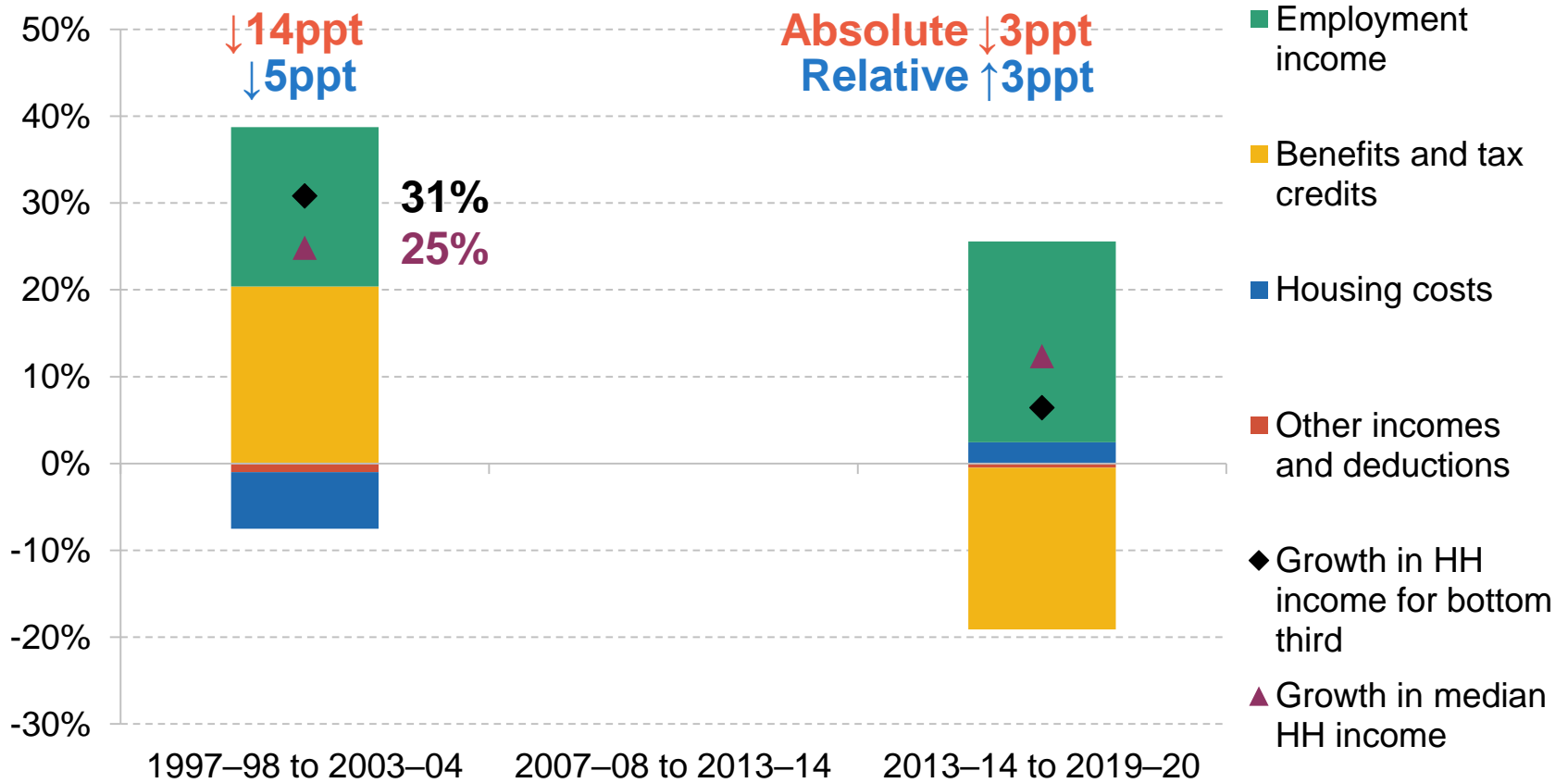


Source: Figure 3.7

Notes: All incomes are net of taxes. Benefit income includes working-age benefits only.

# Benefit cuts have largely offset rise in employment income

Contributions to mean income growth (AHC) for children in bottom third of household incomes

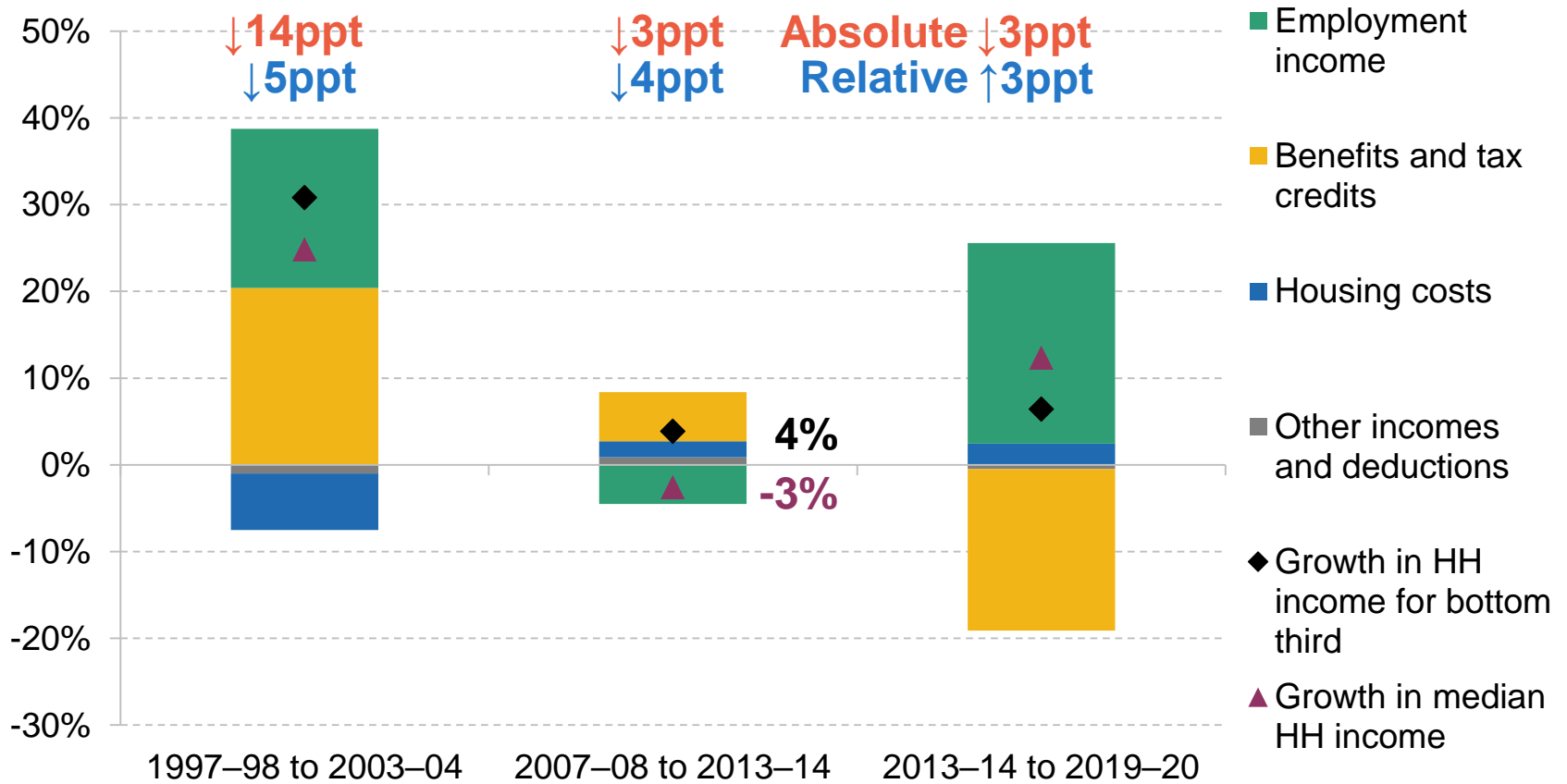


Source: Figure 3.7

Notes: All incomes are net of taxes. Benefit income includes working-age benefits only.

# Benefit cuts have largely offset rise in employment income

Contributions to mean income growth (AHC) for children in bottom third of household incomes

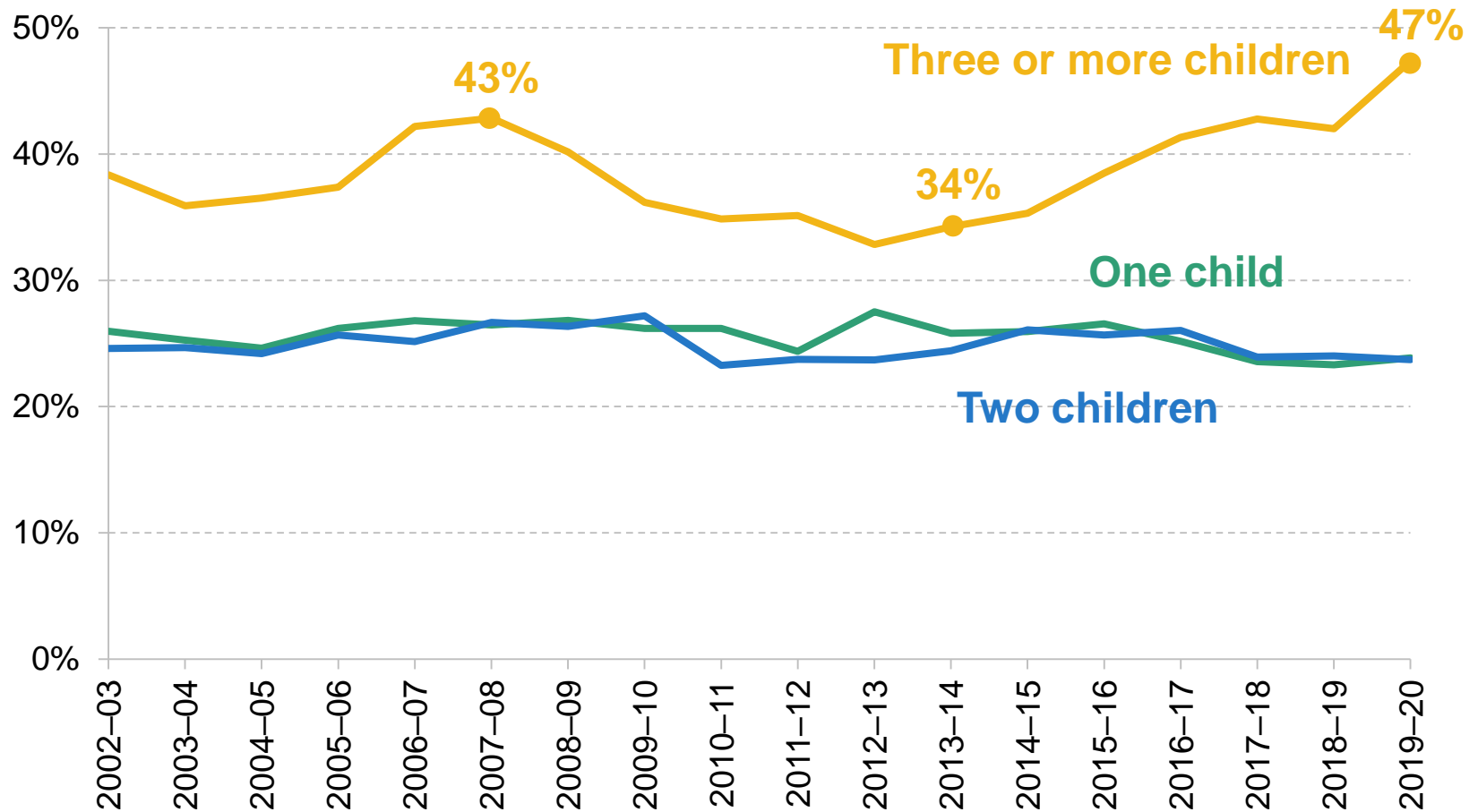


Source: Figure 3.7

Notes: All incomes are net of taxes. Benefit income includes working-age benefits only.

# There has been a big rise in relative poverty for children in large families

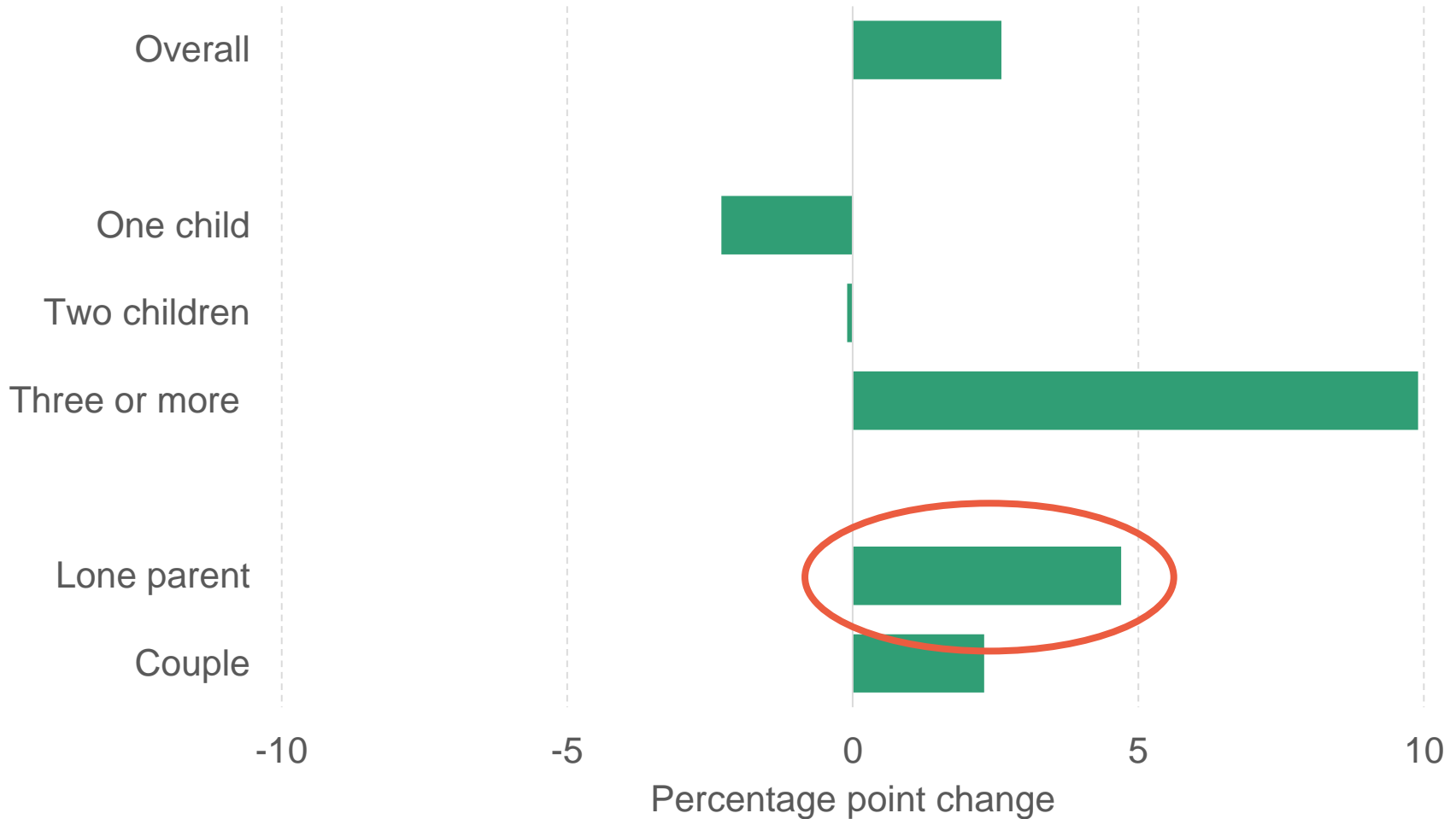
Relative child income poverty rates after housing costs (AHC)



Source: Figure 3.3

# Children of lone parents have also seen a big rise in relative poverty

Change in relative poverty, FY2011–FY2013 to FY2017–FY2019



Source: Table 3.2

# Material deprivation is another measure of low living standards



**Families asked whether they can afford list of 21 items and activities**

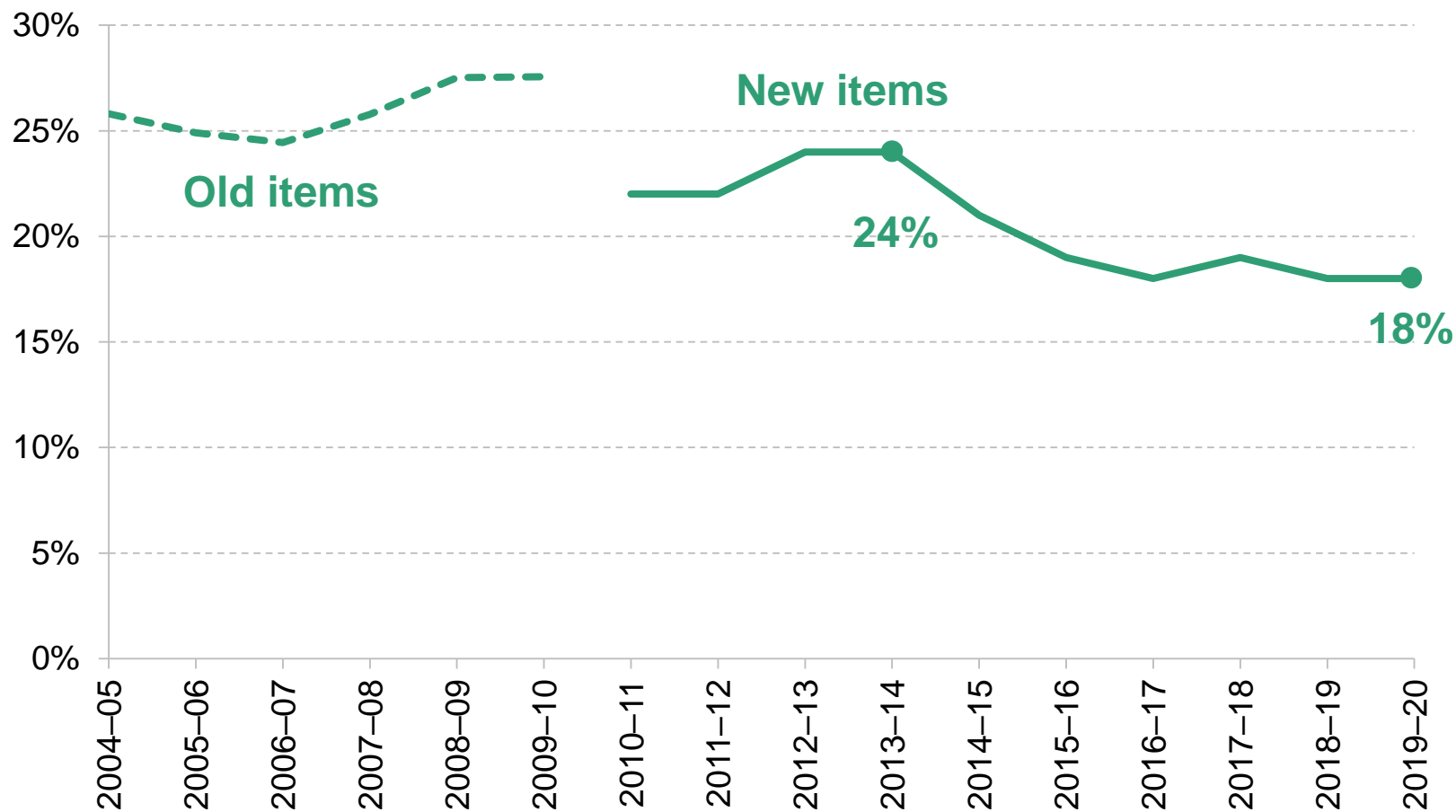
**More weight given to items most families already have. Top 5:**

1. Warm winter coat
2. Celebrations on special occasions
3. Keeping home warm
4. Outdoor space for children to play safely
5. Fresh fruit and vegetables

**Between absolute and relative measure**

# In contrast to income poverty, child material deprivation has fallen

## Share of children who are materially deprived



Source: Figure 3.2

Notes: Dashed lines show figures using old methodology

# Especially for groups that have seen the biggest rises in relative poverty



Change in measures of low living standards, FY2011–FY2013 to FY2017–FY2019

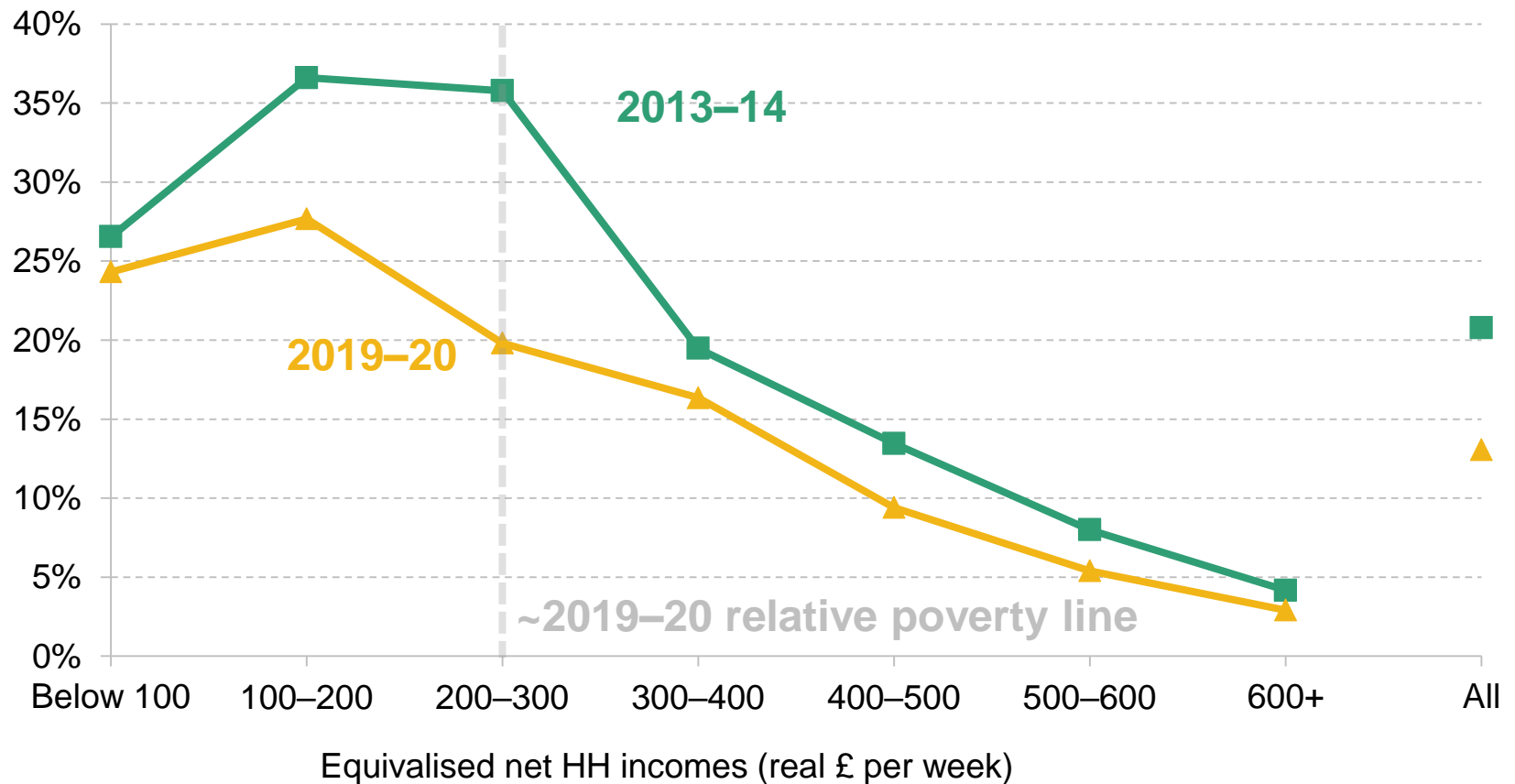


Source: Table 3.2



# Low-income families less likely to be deprived at given level of income

Share of children who cannot at least one of top five items in material deprivation calculations

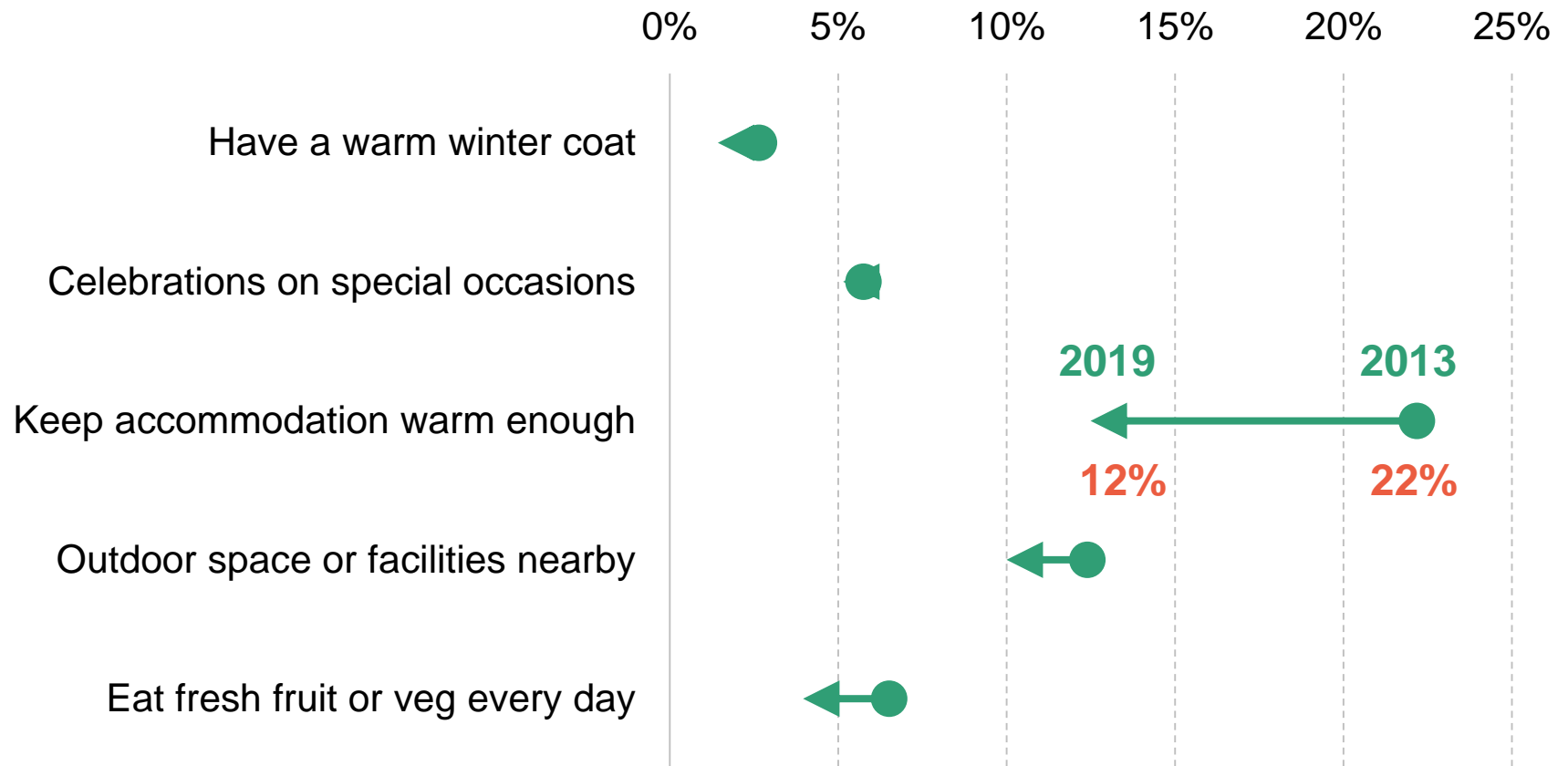


Source: Figures 3.13

Notes: Incomes are in 2020-21 prices

# Share of families who cannot afford to heat their homes fell sharply

Share of children below or close to relative poverty line who cannot afford top five items, ranked by weight in material deprivation calculation



Source: Figure 3.14

Notes: Shows families with equivalised incomes below £300 a week

# May reflect falling prices and other forms of support

## Prices of essentials fell in relative terms

- Gas prices fell by 17% in real terms over this period
- Price of unprocessed food (fresh fruit and veg), clothing (warm winter coat) also fell in real terms

## Families better able to tide themselves over periods of low income

- Share of low-income families (bottom fifth) with children with savings over £2,000 in real terms up from 22% in 2010 to 38% in 2019
- Families or charities?

## **Reductions in benefits pushed up relative child poverty since 2013, back to 2007 level**

- Despite rising employment incomes
- Larger families, lone parents particularly affected

## **However, child material deprivation has fallen**

- Fall in relative prices of essential goods
- Increased savings (and perhaps other forms of support)

## **Future trends uncertain with high inflation and big support package**

- Energy costs and food prices will bite hardest for low-income families
- ~£30 billion temporary support this year, targeted at low-income families

The Institute for Fiscal Studies  
7 Ridgmount Street  
London  
WC1E 7AE

[www.ifs.org.uk](http://www.ifs.org.uk)

