



Tackling child poverty: an urgent priority

Introduction

More than four million children are living in poverty in the UK. This means in an average classroom of 30, nine children will be living in poverty. Poverty disproportionately affects children living in a family where a person has a disability (34 per cent are in poverty) and children from Black and minority ethnic communities (47 per cent are in poverty).

Poverty means kids going without things they need. Children are arriving at school hungry and unable to concentrate. They are returning to cold homes. And they are missing out on everyday experiences that make up childhood, like school trips, going to birthday parties and having friends round for tea.



'[It] feels like I'm left out of the fun that happens and stuff. Like it just makes me feel empty.'

Gideon, age 14

Poverty affects all aspects of childhood. It can affect friendships and opportunities, creating isolation, stigma and sadness. Poverty puts children's education, health and life chances on the line. At the age of 5, children in poverty are 4.8 months behind their classmates at school. By the end of primary school they are 10.3 months behind. At 16, they are 18.8 months behind, with obvious knock-on effects for their future. Household income is the strongest predictor of how well a child will do in school, and efforts to tackle this attainment gap fall seriously short if they do not address income.

Poverty affects child health even before birth. Children in poverty are more likely to have asthma and other childhood diseases. They are more likely to have poor mental health. Child poverty also affects health in later life.

We know that child poverty can be reduced – across the UK 700,000 kids were lifted out of poverty after housing costs between 1998/99 and 2010/11 (1 million kids were lifted out of poverty before housing costs in the same period). The policy drivers of child poverty are known, and the solutions are within our grasp. With political leadership and determination, we can still make the crucial difference for this generation of children as well as the next – making their daily lives better and their future lives brighter.

What is causing high levels of child poverty?

Kids cost money to raise – so families with children face greater costs, at a time when it's often more difficult to work more because of caring responsibilities. Inadequate social security benefits fail to plug this gap.

While a family has dependent children at home, the household's needs are greater and expenditure rises. Housing and childcare costs can take up the lion's share of the family budget. Energy costs are higher, particularly for families in which an adult or child is disabled.

Family income can take a hit when children are young and dependent, because of the need to balance paid work with caring responsibilities. Inevitably, parents have to spend some time out of paid employment when a baby arrives, even if they have been in paid work up to the birth. For other families without a stable employment history, perhaps because of disability, ill-health, caring responsibilities or local economic conditions, the challenges of welcoming a new member of the household are greater still.

Many parents are now working in insecure, low-wage service sector jobs offering few prospects. Since 2006 there has been a 60 per cent rise in the number of people moving repeatedly between work and unemployment, while the proportion at or below the minimum wage has risen sharply. The minimum wage has become a maximum wage for more and more workers. And we've all seen costs soar.

But the biggest driver of rising child poverty in recent years has been cuts to social security. Child poverty fell when families received £20 a week more support during the pandemic. This was removed and child poverty increased again. Overall we are spending £40 billion a year less on social security than in 2010. Child benefit alone has lost 20 per cent of its value since 2010. Benefits have risen by inflation in just five out of the last 14 years. Policies like the two-child limit and benefit cap mean child poverty is deeper than before. And child poverty is now forecast to rise to record highs.¹

How do we end child poverty?

None of this is inevitable. Child poverty responds to policy decisions, and we can reduce its extent and depth.

We need political commitment to create a good society for children and end child poverty as an urgent priority. This should be made concrete in the form of a comprehensive child poverty strategy to ensure action across all levels of government, a broad range of policy areas, key targets, timelines and regular reporting. An effective child poverty strategy should include support from the social security system, decent homes and jobs, inclusive education and childcare, and services and support for children and families.

These immediate steps would lift a million children out of poverty:

- **Scrapping the two-child limit**, which restricts support to two children in a family. This is the single most cost-effective way to reduce child poverty. Almost 1.8 million children are affected by the policy, the vast majority of whom live in poverty.² Scrapping the two-child limit would lift 300,000 children out of poverty and mean 800,000 children are in less deep poverty, at a cost of £1.8 billion.³
- **Scrapping the benefit cap**, which limits the support a family can receive if they are not working or working a small amount. Removing the benefit cap would substantially reduce the depth of poverty for the 300,000 children estimated to be living in families affected by the cap, and cost just £300 million.⁴ Living in deep

¹ M Brewer, E Fry and L Try, *Living Standards Outlook 2023*, Resolution Foundation, 2023

² The results presented here are based on UKMOD version B1.03 UKMOD is maintained, developed and managed by the Centre for Microsimulation and Policy Analysis (CeMPA) at the University of Essex. The process of extending and updating UKMOD is financially supported by the Nuffield Foundation (2018-2021). The results and their interpretation are the author's sole responsibility.

³ Author's calculation from OECD, *Revenue Statistics 2023 - the United Kingdom*, 2023

⁴ Author's calculation from OECD, *Revenue Statistics 2023 - the United Kingdom*, 2023

poverty is particularly damaging for children's life chances. The cap has a negligible impact on work incentives: many families cannot earn enough to escape the cap because of disability, childcare or other barriers to work. And families affected by the cap do not see any increase in support from benefit uprating.

- **Making free school meals available to all pupils.** Free school meals relieve pressures on household budgets, free up money for other living costs, and remove the stress of making and managing school meals. Current eligibility is far too stringent. CPAG's analysis shows that 900,000 children in poverty in England do not currently qualify for free school meals.⁵ A balanced meal each day supports children's health⁶ as well as their learning and attainment.⁷ CPAG estimates that rolling out universal FSM in England would cost £2 billion.
- **Increasing child benefit by £20 a week** for all children. Increasing child benefit would further reduce child poverty while also supporting the income security of low- and middle-income families who sit just above the threshold for means-tested benefits but have seen their budgets stretched significantly recently. Real-terms cuts to child benefit since 2010 mean it needs to rise by 25 per cent to restore its value.⁸ Increasing child benefit by £20 a week would pull 500,000 children out of poverty, at a cost of £10 billion.⁹ The government should also make child benefit universal again. The high-income child benefit tax charge adds unnecessary complexity, distorts labour market decisions and undermines the important principle that social security should support everyone at different times in their lives, including when they have children.

Making these policy choices is the best way to reduce child poverty and give every child the chance to fulfil their potential in childhood and adulthood.

We would be pleased to speak to you in more detail about our policy proposals and how they will make a significant difference to the lives of children in your constituency and across the UK. Contact: lflew@cpag.org.uk

About CPAG

Child Poverty Action Group works on behalf of the more than one in four children in the UK growing up in poverty. It doesn't have to be like this. We use our understanding of what causes poverty and the impact it has on children's lives to campaign for policies that will prevent and end poverty – for good. We provide training, advice and information to make sure hard-up families get the financial support they need.

⁵ CPAG, [Free School Meals, third of kids in poverty miss out](#), 2023

⁶ Nuffield Foundation, [Impact of the universal infant free school meal policy](#), 2020

⁷ Lund University, [Free and nutritious school lunches help create richer and healthier adults](#), 2021

⁸ Author's calculations using Office for National Statistics, *CPI All Items Index*, 2022; Office for Budget Responsibility, *Child benefit rates; Economic and fiscal outlook – November 2022*, 2022

⁹ R Statham and H Parkes, [A lifeline for families – investing to reduce child poverty this winter](#), IPPR, 2022