

# HUNGRY, ANXIOUS AND SCARED

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**The impact of the cost-of-living crisis on  
children living in poverty.**

# KEY FINDINGS

## 1 Families are under increased financial pressure as a result of rising inflation and the ongoing cost of living crisis.

- When surveyed, **91%** of the respondents to our London Charity Survey (supporting a total of **70,408** children living in poverty in London) said that **the financial situation of their most vulnerable clients had worsened in the last 6 months** (October 2021 - April 2022) and **94% expected it to worsen further in the next 6 months** (April - September 2022). Charities largely identified rising costs, in particular food and fuel as the primary source of financial difficulty in the families they support.
- **85%** of charities surveyed **predicted that the number of people accessing their services would increase due to food poverty over the next 6 months**. Collectively **60% of the children supported by the charities are already experiencing food poverty**.
- **88%** of the charities we surveyed predicted that **the number of people accessing their services would increase over the next 6 months due to a reduction in benefits in real terms**.

## 2 These increased financial pressures are having a profound impact on the mental health of children in poverty and their families

- In our London Charity Survey, participating **organisations identified mental health as the second greatest challenge currently facing the children and families they support** (just behind accessing basic amenities such as food, heating and clothing). The mental health of children in poverty is of greater concern than secure housing, physical health, debt and educational attainment.
- In our National Survey, parents reported that on average they felt moderate to high levels of stress about the rising costs of living, meaning that although they were still able to function as normal, it was constantly on their mind. **8% of respondents reported that they were very stressed**.
- **34% of parents (with children under 18) reported that their children have raised concerns about the cost of living crisis**, with **8%** saying that this had manifested itself in **their children expressing more anger**, **7%** reporting that their **children smile less often** and **8%** expressing that their **children had become distant**.
- **17%** of parents fear they will soon have to **sacrifice fun activities** in order to **afford basic necessities for their children**.

### 3 Charities are currently struggling to meet increased levels of demand and require greater levels of support and donations.

- Currently, only **11%** of charities surveyed in our London Charity Survey indicated that they **currently have enough funding to meet the demand for their services**, while **36%** of charities said that they **would be able to meet current levels of demand only if they received extra support**
- Despite this, charities are bracing themselves for a downturn in public donations due to the cost of living crisis, as people begin to reduce their spending in the face of increased costs. In the London Charity Survey, **80%** of respondents said that they **were already experiencing a downturn in public donations of food, clothing, and money in response to rising costs of living and inflation**
- The downturn in public support for charities was echoed in the National Survey, with only **11%** of respondents reporting that they **often visited local community projects to offer their support or volunteer**, while **56%** responded that they **never did and didn't intend to**.

### 4 Current measures being taken by the government to address the cost of living crisis are not providing sufficient support for those on the lowest incomes

- The government's most recent fiscal announcement, the Spring Statement 2022, aimed to protect UK households against the rising cost of living. However, the statement failed to recognize that it is those with low incomes and the unwaged who are most affected, with **only £1 in every £3 for the measures announced estimated to go to the bottom half of the income distribution**.
  - **92%** of organisations surveyed in our London Charity Survey indicated that they **did not feel that measures announced in the Spring Statement would alleviate the impact of poverty on children and families using their services**.
  - At the time of publication (May 2022), the Chancellor announced further measures to address the impacts of the cost of living crisis on those on the lowest incomes, an acknowledgment that measures in the Spring Statement did not go far enough. The measures, which include one-off payments to those on means-tested benefits and additional support to help pay energy bills, will help to alleviate some of the financial pressures facing children and families in poverty described in this report. However, these one-off payments neither reverse the systemic erosion of the benefit system over the past decade, nor do they address the fact that benefits have still not been increased to reflect current levels of inflation. Due to timing, we were unable to survey charities and individuals on their thoughts as to the extent that these new measures would impact those living in poverty.
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# INTRODUCTION

The UK is currently in the midst of a cost of living crisis, with inflation at its highest level in 40 years. The prices of basic amenities are spiralling, with the cost of necessities now feeling increasingly unmanageable, and it is the most vulnerable in our society who are suffering the most. Increases in the prices of food and fuel disproportionately impact those on lower incomes, as they already spend a higher proportion than average on these products, and have less room in their budgets for their cost to rise.

The Childhood Trust commissioned this research to explore the impact of the ongoing cost of living crisis on disadvantaged children and young people supported by charities in London. From the initial survey results, it became clear that the impact of rising costs on mental health was significant and deserved greater attention. Further data was collected from a UK-wide survey of 2,004 participants, as well as in-person interviews with children and parents who were beneficiaries of charities initially surveyed. Both confirmed that rising costs, of food and fuel in particular, are causing high levels of stress and anxiety, and engendering feelings of hopelessness in children and their parents. This research has found that the UK, in addition to being in the midst of a cost of living crisis, is also on the precipice of a mental health crisis for children. Our most vulnerable children and families are at risk, if actions are not taken to relieve the financial pressures that they are under and access to mental health resources and support are not expanded. Whilst charities have been assisting those who use their services in both these capacities, organisations are under increased strain as they attempt to meet increased levels of demand on the same, or lower budget.

This report is structured into seven chapters. Chapter 1 is an introduction to childhood poverty in London. Chapter 2 focuses on the research design and methodology. Chapter 3 explores rising inflation in the UK, the effects on food and fuel prices and the impacts that these are having on the most vulnerable. Chapter 4 discusses the relationship between poverty and mental health, and the ways in which the cost of living crisis is exacerbating poor mental health in both vulnerable adults and children. Chapter 5 outlines how charities are experiencing and dealing with increased pressures and Chapter 6 examines the lack of government support during the cost of living crisis. Chapter 7 introduces The Childhood Trust and the 2022 Champions for Children appeal that aims to raise £3.5m to fund 80 charitable projects supporting over 100,000 disadvantaged children in London.

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# CONTENT

- 1. Childhood Poverty in London**
  - 2. Methodology**
  - 3. Inflation and the Cost of Living Crisis**
  - 4. Mental Health**
  - 5. Increased Pressures on Charities**
  - 6. Lack of Government Support**
  - 7. Conclusion**
  - 8. The Childhood Trust and Champions for Children 2022**
  - 9. Appendix: Methodology**
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# CHILD POVERTY IN LONDON

London has the highest rate of child poverty in the UK, with the most recent data showing that **700,000 children**, or **34% of all children living in London**, live in absolute poverty after housing costs[1]. Nine out of the ten council areas in England with the highest child poverty rates are in London, with Tower Hamlets reaching a staggering rate of 56% of children living in poverty[2].

The main drivers of child poverty in London are considered to be the capital's high housing costs, lack of affordable childcare, low pay and a lack of flexible, part-time jobs[3]. Larger families (with three or more children) and single-parent families have consistently higher rates of poverty[4].

Shocking as these figures are, they likely underestimate the scale of the problem, given the obfuscation of data due to the coronavirus pandemic, and the recent and ongoing effects of the worsening cost of living crisis on families.

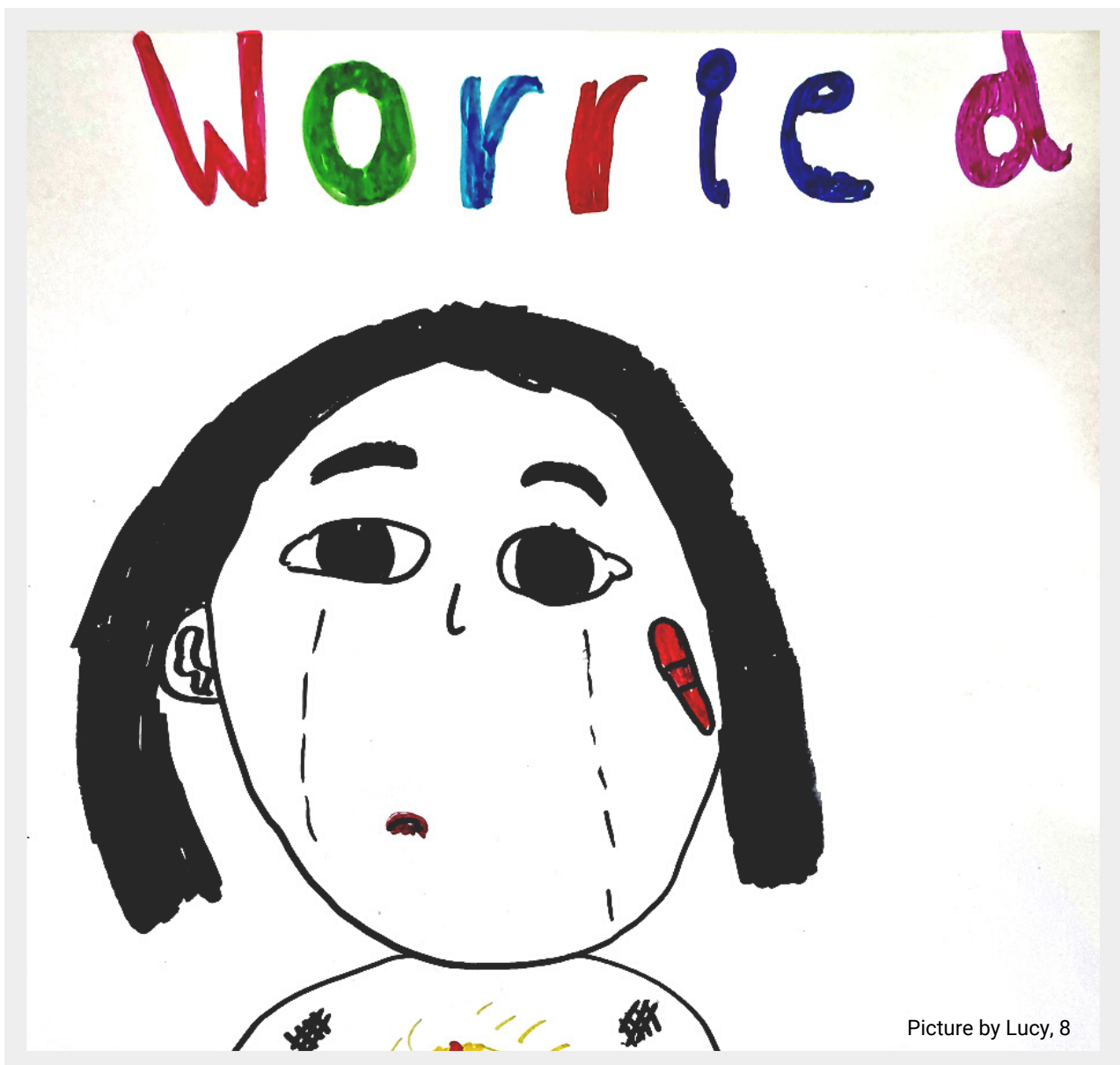
**Surging inflation will result in the poorest quarter of household's real incomes dropping by 6% as benefits fail to keep up. This, along with rising fuel and food costs, is predicted to push a further 1.3 million people into absolute poverty in 2022/23, including 500,000 children – the first time Britain has seen such a rise in poverty outside of recessions[5].**





## Long Term Effects of Child Poverty

Experiencing poverty during childhood has been shown to have severe long-term effects on an individual's physical and mental health throughout their life, increasing susceptibility to cardiac disease and certain cancers, as well as mental illnesses including schizophrenia, depression, anxiety and substance addiction[6]. Child poverty in London is therefore both an immediate and future issue, which is likely to have long-term ramifications for the city.



The following chapter will show the methodology used to explore the impact of the cost of living crisis on children living in poverty

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# METHODOLOGY

A mixed methods approach has been taken to the research with quantitative and qualitative data collected and analysed. This section provides a brief overview of the methodology used. A more in-depth discussion can be found in the appendices

## London Charity Survey

The Childhood Trust's survey on the cost of living crisis was sent out on Wednesday 30th March 2022 and remained live for 2 weeks until Wednesday 13th April 2022 . The survey had responses from 68 charities, that collectively support **70,408** children living in poverty in London. All of the charities have run or are running projects funded by The Childhood Trust.

## Nationwide Survey

A secondary online survey was conducted by Atomik Research among 2,004 adults aged 18+ in the UK. The research fieldwork took place between 13th and 16th May 2022. Atomik Research is an independent creative market research agency that employs MRS-certified researchers and abides to MRS code.

## Interviews

Interviews were conducted with both parents and children that are supported by charities that work with children living in poverty in London. The objective of this was to provide richer qualitative data to add depth to the perceptions, experiences and understandings of the issues raised in the survey data.

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# INFLATION & THE COST OF LIVING

The UK is in the midst of a cost of living crisis. Rising food and fuel costs, coupled with record high levels of inflation are impacting people across the socio-economic spectrum, with 83% adults reporting an increase in their cost of living in March 2022[7]. Rising costs, however, are especially concerning for people on low incomes, including those renting their homes, those with no formal qualifications and parents of dependent children, who report being the least able to afford unexpected but necessary expenses[8].

Inflation refers to a general increase in prices and fall in the purchasing value of money. The CPI (Consumer Price Index), which tracks the average price of consumer goods and services, rose to 7% in April 2022, the highest rate the UK has seen in 30 years . The Bank of England has warned that they are likely to reach 10% later this year [10].

***“The rise in inflation to a 40-year high this year is expected to [result in] the biggest fall in living standards in any single financial year since ONS records began in 1956-57”[11]***

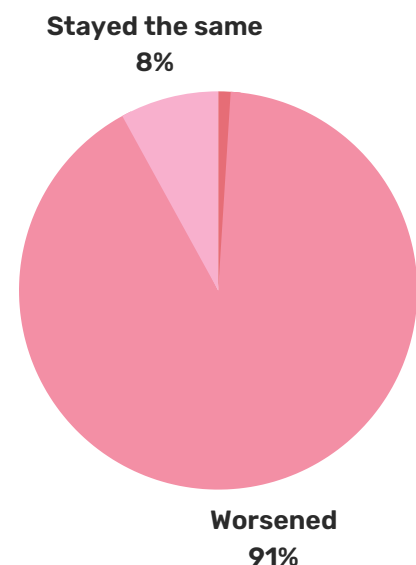
- Office for Budget Responsibility

## Spotlight on the London Charity Survey

Those on lower incomes are already feeling, and will continue to be impacted by, the rising cost of living.

When surveyed, 91% of the respondents to the London Charity Survey said that the financial situation of their most vulnerable clients had worsened in the last 6 months (October 2021 - April 2022)

**94% expected it to worsen further in the next 6 months (April - September 2022).**



When asked to give examples of why they expected people to struggle financially, charities largely singled out rising costs, in particular food and fuel:

***"The continued rising living costs, especially the rise in fuel prices in April 2022 and likely again in October 2022, are driving up the prices of food/heating etc. Our clients are going to have to make difficult choices on how they spend their money, with some saying they would rather feed their children than eat themselves."***

- Alexandra Rose Charity

***"Increase in fuel and food costs will substantially negatively impact the most vulnerable clients. For many, income is static (universal credit or benefits) and caring responsibilities severely limit other income generating activities."***



- Home-Start Richmond, Kingston and Hounslow

## Rising food prices

Food prices in the UK have been rising steadily since the second half of 2021 due to a combination of supply chain challenges, rising costs and labour shortages[12]. The invasion of Ukraine on February 24th 2022 has continued to place pressure on the agricultural sector and exacerbate global food prices, as Ukraine and Russia are collectively responsible for 29% of the world's wheat exports [13].

Prices have risen across all food categories, with the highest levels of inflation seen in oils and fat and milk, cheese and eggs[14].

## Impact of rising food prices

Rising food prices particularly affect low-income households, because low-income households spend a larger proportion than average on these items. In 2019/20, households with the lowest tenth of incomes spent 13.8% of their overall spending on food. In comparison, households with the highest tenth of incomes spend 8.5% of their overall spending on food[15].

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Rising food costs are having an immediate effect on the number of low income families experiencing food insecurity, with the Food Foundation reporting a **57% jump** in the proportion of **households cutting back on food or missing meals altogether between January and April 2022**[16].

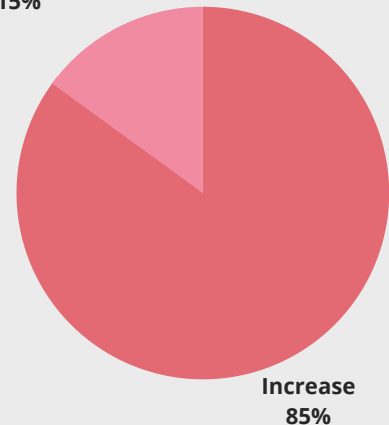
Children have been shown to be particularly affected, with a reported **2.6 million children in households that said they had gone without food** [17] and the Trussell Trust providing more than 830,000 emergency food parcels for children in 2021/22, a 15% increase from 2019/20 when 720,000 were provided [18].

### Spotlight on the London Charity Survey

Of the charities surveyed in our London Charity Survey, **85%** predicted that the **number of people accessing their services would increase due to food poverty over the next 6 months**. Charities identified lack of income, increased food prices and increased fuel costs as being the primary factors driving food poverty in those using their service.

**Collectively 60% of the children supported by the charities are already experiencing food poverty.**

Stay the Same  
15%



The reality of the stress of rising food prices was reflected in the interviews carried out for this report. All interviewees had noticed the prices of food rising rapidly in the past few months, with some remarking that they'd seen prices almost double in a short space of time:

***"My main concern is the food, it's gone up a lot. I've got a child that's got special needs, and he requires specific foods and it's all so expensive. One of his favourite things that he liked used to be £1.60 in Sainsbury's, and sometimes it used to go on offer and go down to £1. Since the inflation it's gone up to £3."***

- Single mother of 3 children (13, 11 and 4)

***"At the moment, everything is really crazy. Everything is hard. When I used to go shopping for the week it was £30, maybe £35. Now if you go pick up just a few things that you just need for that moment it's £60 or £70, it's a shock. We're trying to reduce. There's a charity behind where I live, so sometimes I go there to get food"***

- Single mother of 3 - two teenagers, 1 under 2

In many cases, families had been forced to modify the kinds of food that they were feeding their children, often making switches to cheaper, but less nutritious options:

***"I don't want to buy rubbish stuff. I don't want to buy processed things. I want to buy fruit and veg and just meat, but it's just gone up so much it is ridiculous".***

- Single mother of 3 children (13, 11 and 4)

Mothers reported a persistent level of guilt over not being able to provide what has been deemed to be an optimal diet for their children due to the expense involved, with one remarking:

***"It's difficult when you see the government recommendations of what children should be eating and you can't follow them. But it's so expensive, how are we meant to?"***

All families described cost-saving measures that they tried to follow, such as shopping at the end of the day when fresh produce has been reduced and buying things on offer, but remarked that these were fewer and farther in between, and they were having to make difficult choices to ensure that children were adequately fed:

***"I have Crohn's disease, my son has been diagnosed with that as well and for about a year, he's been in and out of hospital, it's been tough. So his diet has changed and it's really expensive. We're having to cut back and we're looking for offers that don't exist. I'd rather not eat than him go without. I've seen my portion sizes go down or I'll just eat the leftovers that don't get eaten off his plate."***

- Single mother of one child (5)

### **The Impact of Diet and Nutrition in Early Years**

Lack of sufficient nutrition (either quantity or quality) during critical periods in early life may cause irreversible changes to a child's development, and therefore increase risk of chronic disease in later life. Household food insecurity during infancy and early childhood is linked to increased risk of obesity, as well as other conditions such as poor dental health and stunted growth. Research from the Food Foundation has found that approximately twice as many children aged 4-5 in the most deprived fifth of households suffer from obesity compared with the least deprived fifth across England, Wales and Scotland[19].

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### Rising fuel prices

Gas and electricity prices have been rising rapidly since Summer 2021, fueled by increased demand as the post-pandemic economy starts to reopen and global supply constraints [20]. As the UK imports approximately 50% of its gas, it is particularly sensitive to price rises in the global market [21].

These rising prices have been passed onto consumers. In February Ofgem, the UK energy regulator, announced that from April onwards the energy price cap would rise by a record 54% to accommodate the growing costs faced by energy suppliers[22]. The energy price cap is expected to rise further later this year, with the announcement from Ofcom that they expect to adjust levels four times a year, rather than two, to better respond to volatility in energy markets [23].



### Impact of rising fuel prices

As with rising food costs, higher energy prices disproportionately affect those with lower incomes. Households in the lowest income group spent 7.1% of their overall spending on electricity and gas, compared to 2.5% for households in the highest income group [24].

Rising energy costs also disproportionately affect those living in older or substandard housing, as homes with poor fuel efficiency in the form of older appliances or inadequate insulation require a higher level of energy use [25].

Rising energy costs were a recurrent theme and concern for those interviewed. Mothers expressed worry about how they were going to be able to keep up with rising electricity bills in addition to other bills, and described being hyper vigilant about their energy use:

***"I turn my heating off very early, I only heat the room where the baby is but it is still so expensive. If the other children feel cold I have to just try and give them an extra blanket"***

- Single mother of 3 children (two teenagers, 1 under 2)



***"I put £10 every two days on my electric because my child has special needs and I've got medical equipment in the house and they have to stay on 24-hours a day. The costs give me anxiety but there's not really anything I can do. Every time I put my kettle on I'm thinking how much it's going to cost me"***

- Single mother of one child (5)

Alana also expressed frustration that rising energy prices had made daily essential tasks more difficult, a fact that was exacerbated by her living in older housing that had a persistent problem with damp and mould:

***"Even just washing my children's clothes has become difficult. Firstly, We're not allowed to dry clothes on the balcony, so it has to be in my house. And then if I dry in my house, then I get damp. So I was going to the laundrette, but now I can't afford to go to the laundrette because I need to use that money to be put on the electric"***

- Single mother of 3 children (13, 11 and 4)





### Reduction in income for those on benefits

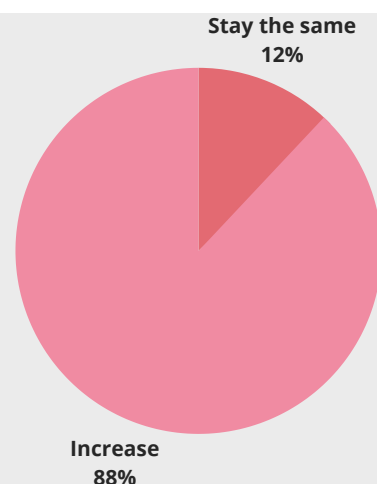
While inflation has had an impact on families across the socioeconomic spectrum, it has particularly affected those on benefits. Benefits are increased or “uprated” each April in line with CPI recorded in the previous September, regardless of whether inflation has risen during that time.

In April 2022, benefits and state pensions were uprated using inflation figures from September 2021. The inflation rate in April (7%) was over double that September (3.1%), meaning that recipients have seen a real-term fall in their income.

Analysis by the Joseph Rowntree Foundation has shown that 9 million families who receive benefits due to low incomes are around £500 worse off on average due to inflation from April 2022. This is the equivalent of at least two monthly food shops for the average family on Universal Credit [26].

### Spotlight on the London Charity Survey

**88%** of the organisations surveyed predicted that the **number of people accessing their services would increase over the next 6 months** due to the reduction in benefits in real terms.



Interviewees repeatedly expressed frustration with the benefits system. Frustrations ranged from the lack of clarity around what individuals were entitled to, the bureaucracy of the system which meant that requests took a long time to be processed and the punitive nature that the system takes against mistakes that are often just human error. The most consistent complaint, however, was that the system was simply not providing enough to live on:

***“I’m getting Universal Credit but it doesn’t change anything. It has stayed the same for so many years and the cost of everything else has risen”***

- Single mother of 3 children (two teenagers, 1 under 2)

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# MENTAL HEALTH

The links between poverty and mental health are well established. Those living in poverty are at increased risk of suffering adverse mental health, with data from the National Institute of Mental Health indicating that children and adults living in **the most deprived fifth of households are two to three times more likely to develop mental health problems than those with the highest incomes [27].**

Poverty is both a cause and a consequence of mental health issues: poverty in childhood and among adults can cause poor mental health through social stresses, stigma and trauma, while mental health issues can lead to impoverishment by making it more difficult to navigate employment and benefit systems[28]. Poverty and mental health form a vicious cycle, with those in poverty more likely to have a mental health problem, and those with a mental health problem more vulnerable to the effects of poverty[29].

Despite this, people from socioeconomically disadvantaged backgrounds are both less likely to seek help for mental health problems than those from more affluent groups and are less likely to be referred to specialist mental health services following self-harm by GPs located in deprived areas[30].

## Spotlight on the London Charity Survey

In our London Charity Survey, participating organisations identified mental health as **the second greatest challenge currently facing the children and families** they support (just behind accessing basic amenities such as food, heating and clothing). The mental health of their users is of greater concern to charities than secure housing, physical health, debt and educational attainment, demonstrating the extent of the issue.

**1 ACCESSING BASIC AMENITIES  
(FOOD, HEATING, CLOTHING)**

**2 MENTAL HEALTH**

**3 COVERING HOUSEHOLD  
EXPENDITURES**

**4 SECURE HOUSING**

**5 PHYSICAL HEALTH, DEBT AND  
EDUCATIONAL ATTAINMENT**

**6 RECREATION AND LEISURE**

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Charities continually highlighted the growing issue of mental health in the people that access their services, and emphasised the negative impact that the cost of living crisis was having on people's already precarious sense of wellbeing:

***"We've seen a huge increase in the levels of domestic abuse and significant childhood mental health issues in referrals as we emerge post-Covid. Our client base is already deeply vulnerable and although inflation, fuel poverty etc will have a negative impact for almost all, it is not the factor that pushes them into poverty and deep vulnerability - they're already there. The current situation is just exacerbating it."***

**- Free to Be Kids**



## Mental Health and the Rising Costs of Living

The cost of living crisis is likely to worsen the ongoing mental health issues in the UK, with the charity Mind warning that we will ***"see people already struggling, many with mental health issues, plunged into further financial distress (leading to) an inevitable uptick in demand for mental health services"*** [31]

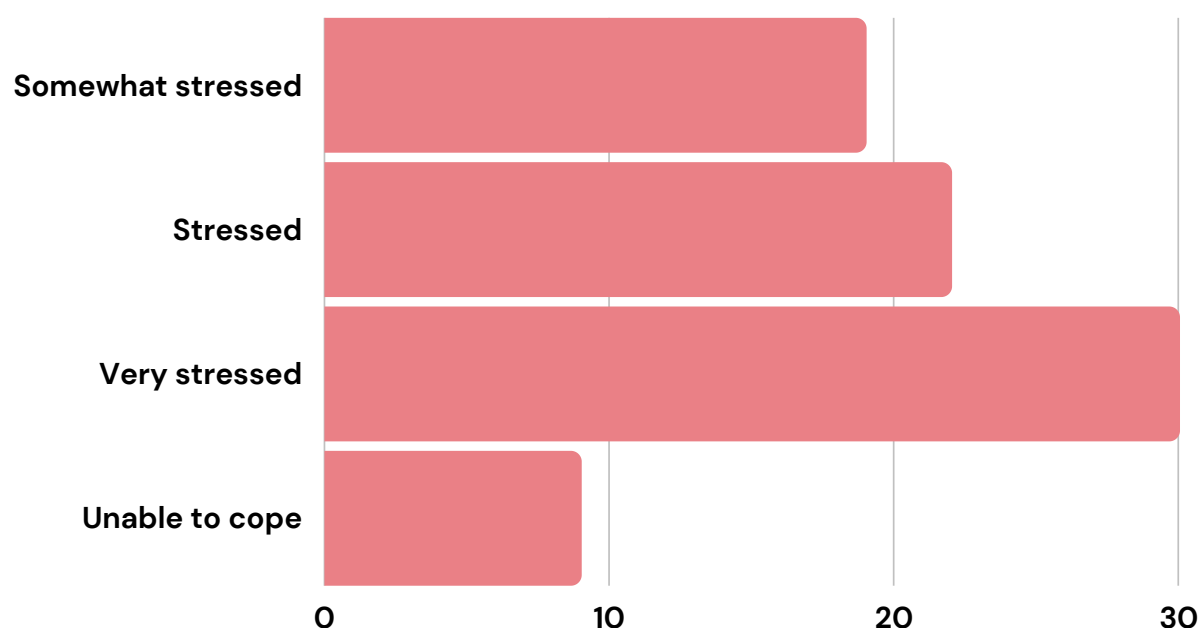
Mental health was already declining in the UK, partly as a result of the coronavirus and successive lockdowns, with **NHS mental health services receiving a record 4.3 million referrals during 2021**[32]. Children living in poverty were heavily impacted by the Covid-19 pandemic. Over the last 2 years disadvantaged children have suffered disproportionate rates of education loss and poor mental health caused by isolation, loss of play, domestic abuse and food insecurity.

The Childhood Trust's 2020 research with 75 charities, supporting **85,890 disadvantaged children** found that the incidence of **clinically significant mental health issues were two times higher**, with 1 in 3 children suffering symptoms (33%) compared to 1 in 6 children across England (16%).

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It is expected that the cost of living crisis will further deteriorate the situation, given that we know that mental health and suicide risk increases during periods of economic recession and this risk remains high when crises end, especially for individuals whose economic circumstances do not improve[33].

We are already beginning to see the impacts of rising costs on mental health. In our national survey, respondents reported that, on average, **they felt moderate to high levels of stress about the rising costs of living**, meaning that although they were still able to function as normal, it was constantly on their mind. **9% of respondents reported that they were very stressed**, to the point that they felt incapacitated by stress and were unable to focus on anything else.



**For some people, the psychological impact has been particularly acute, with more than 1 in 5 (21%) saying they have felt “unable to cope” due to rising costs. If reflected nationally, this amounts to 11m people across the country.**

- Money and Mental Health Policy Institute

Our national survey further found that, for **25% of respondents, money or household income worries had led to dark thoughts, self-harming or suicidal tendencies. 12.5% of respondents reported that they knew someone who had died by suicide in the last 12 months.**

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The sense of being unable to cope in the face of rising costs was further reflected in our in-person interviews. Participants expressed feelings of anxiety and hopelessness around rapidly rising prices, and were unsure about how or whether they would be able to manage in the next few months:



***"Rising costs for food, travel, everything affects me. I just feel like there's so many obstacles. It's been really difficult"***

***"Food, electricity and gas. I'm really scared about that, and it is just giving me anxiety recently. I feel like I can't manage. I feel trapped. I'm so fed up with this life"***

-Single mother of 3 children (13, 11 and 4)

The added pressures of providing for a family, and the difficulty of navigating higher prices while also ensuring that children are adequately fed and provided for was also highlighted. Interviewees also expressed worry over whether their children could tell that they were facing increased financial difficulties:

***"I'm worried about whether I'm going to manage or not. I hope so but I feel like it's going to get worse. It's hard when you have children and the cost of everything is so high. It feels like a prison you can't get out of"***

- Single mother of 3 children (two teenagers, 1 under 2)

***"I'm having to make sure that everything is switched off. And to the point where I'm even telling my kids they can't turn things on, and then having to deal with them not being happy with me, it just impacts family life in general. Emotionally for me, it's not just about money, because kids don't understand that kind of thing. It's about me having to tell them that I can't do things for them that they want and need, but not wanting to tell them that we don't have money"***

-Single mother of 3 children (13, 11 and 4)

Additionally, interviewees expressed the difficulty that they had speaking to people in their own communities about their anxieties around financial pressures, as they felt that they risked being judged or stigmatized by those around them:

***"I come from a community and culture where it's taboo to speak about our problems and our anxieties. It helps when we can come to places like this (the partner charity), where we know that people won't judge us"***

- Single mother of one child (5)

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### Impact on Child Mental Health

Although there has been some level of attention on the effects of the cost of living crisis on adult mental health, little attention has been paid to the ways in which it might affect already vulnerable children.

Child mental health has also been rapidly declining in recent years. In July 2021, a large-scale survey by the NHS found that the prevalence of significant mental health conditions amongst children was **50% higher than** in the previous large-scale survey conducted just three years earlier in **2017**[34].

The latest statistics show that, as of February 2022, **374,646 children** were using child and young people's mental health services through the NHS[35], but this number (although high), **does not recognize the large number of children who are suffering with mental health but are not receiving care.**



Child mental health is currently underfunded in the UK, with local Care Commissioning Groups spending on average **less than 1% of their overall budget on children's mental health** [36].



The average waiting time for children and young people to access mental health services ranges from 8 to 82 days, with **75% of young people experiencing a mental health problem forced to wait so long that their condition gets worse or are unable to access any treatment at all** [37]. In their report on the state of children's mental health services in the UK, the Children's Commissioner described access to services as a "postcode lottery"[38].

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It is clear from the research compiled by the Childhood Trust that children's mental health is already suffering as a result of the cost of living crisis. In our national survey,

- **47%** of parents reported that their children felt stressed about the cost of living crisis
- **22%** saying that this had manifested itself in their children expressing more anger
- **21%** reporting that their children smile less often
- **19%** expressing that their children had become distant.

From our interviews, it was clear that children were aware of the financial difficulties facing their parents and were concerned about their ability to pay for basic amenities such as food and heating, but were also worried about being an extra burden on their parents during a stressful time:

***"When I feel hungry I ask my mother if we have any food and then she'll tell me if there's enough money or not. If there isn't then I just go in the cupboards and see if there's something and if there's a snack then I'll just eat it and try to go to bed. Tomorrow she might have some more money"*** - Esham, aged 7

The persistent anxiety for both their own and their parents' well-being, as well as the knowledge that basic resources such as food are often scarce takes an emotional toll on children and has long-term implications for their mental health. One child in an interview summarised their mental state as:

***"Your emotions just drown and the only emotion that's left is sad"*** - Charlotte, aged 9

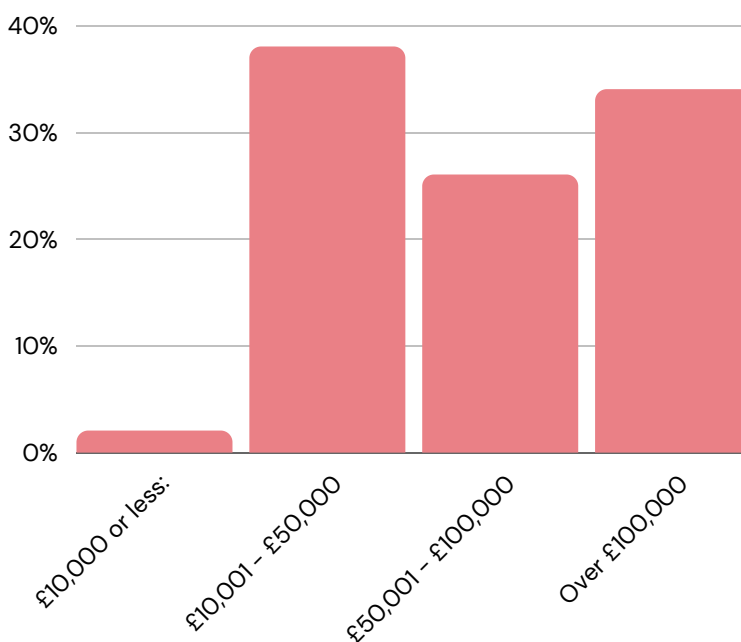
***"What we're seeing here because of the cost of living crisis are issues such as self-harming and suicidal ideation and young people feeling really like they're losing all hope. They're struggling to find an available adult that can help and support them because parents and families are in such crisis and they're focusing on the basic needs of food and housing and when they're doing that, they're not necessarily available for other emotional needs. Young people are then sitting on issues longer than they perhaps need to because they don't feel able to disclose how difficult things are when mom and dad are struggling so much"***

- Susan Rudnik, Director, Lead Arts Psychotherapist,  
Latimer Community Arts Therapy & Chelsea & Westminster Hospital

# PRESSURE ON CHILDREN'S CHARITIES

Charities are facing increased pressure as they contend with more children and young people requiring their services whilst operating on the same, or lower, budgets.

**Additional financial resources required to meet the rising demand,  
April 22 - September 22**



Currently, only **11% of charities** surveyed in our London Charity Survey indicated that they **currently have enough funding to meet demand for their services**, while **36%** of charities said that they **would be able to meet current levels of demand only if they received extra support**. Charities indicated that they needed, on average, between £10,000 - £100,000 in order to meet demand over the next 6 months.

Despite this, charities are bracing themselves for a downturn in public donations due to the cost of living crisis, as people begin to reduce their spending in the face of increased costs. In the London Charity Survey, **80%** of respondents said that they **were already experiencing a downturn in public donations of food, clothing and money in response to rising costs of living and inflation**.

The downturn in public support for charities was echoed in the national survey, with only **11%** of respondents reporting that they **often visited local community projects to offer their support or volunteer**, while **56%** responded that they **never did and didn't intend to**.

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Charities reported feeling despondent at the current funding landscape where, given the lack of government support, organisations are required to compete for a smaller pool of private donors:

***“The government keeps cutting funding again and again and we are expected to fill in the gaps with private donations, but there are a lot of organisations like ours and it increasingly feels like a competition to find donors”***

- St Vincent's Family Trust

***“I have applied to funders. But we have a 10% chance of obtaining funds. There is a lot of competition out there, understandably.”***

- Haringey Play Association

In addition to increased pressures on services due to the cost of living crisis, charities are expecting a further strain on resources during the upcoming summer holidays, during which they expect an unprecedented surge in children seeking support during the long summer holidays.

**83%** of charities surveyed in our London Charity Survey **expected demand for their services to rise during the upcoming summer holidays**, but expressed that they would need additional funding and volunteers to be able to sufficiently deliver these services.



# A LACK OF GOVERNMENT SUPPORT

The previous chapters have demonstrated that the cost of living crisis is disproportionately affecting families and children in poverty, with rising fuel and food prices coupled with a fall in income hitting those with lower incomes the hardest. This is posing an immediate and sustained threat to mental health with long-term implications for children's wellbeing in the years to come.

Despite this, there has been a lack of government support, with historical and current policy decisions failing to address the plights of those most in need, particularly those in receipt of benefits. A series of political decisions, including the below-inflation increases in benefit payments and a complete freeze on working age benefits in 2016 means that benefit rates have declined 9% compared to inflation over the last five years[39]. The current government further exacerbated the situation with their decision in October 2021 to remove the temporary £20 uplift to universal credit that was instituted during the coronavirus pandemic.

The government's most recent fiscal announcement, the Spring Statement 2022, aimed to protect UK households against the rising cost of living. However, the statement failed to recognize that it is those with low incomes and the unwaged who are most affected, with the Resolution Foundation estimating that only £1 in every £3 for the measures announced will go to the bottom half of the income distribution[40].

The insufficiency of these government policies was reflected by our survey, with **92%** of organisations surveyed in our London Charity Survey indicated that they **did not feel that measures announced in the Spring Statement would alleviate the impact of poverty on children and families using their services.**

## Spring Statement 2022

In March, Chancellor Rishi Sunak announced a package of measures in the Spring budget intended to help address the cost of living crisis.

These included:

- An increase to the level of earnings at which people start paying National Insurance contributions (NICs) from £9,880 to £12,570
  - A temporary 12-month reduction of 5p per litre on fuel duty
  - An additional £500 million for the Household Support Fund in 2022/23. The fund is distributed by councils and aims to help vulnerable households with rising living costs
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When asked what they felt the government could better do to support vulnerable and disadvantaged children and young people in the next 6 months, charities focused on practical measures designed to increase incomes and reduce costs, including “reinstate the £20 universal credit uplift”, “address fuel costs through caps or subsidy” and “introduce rent controls”.

Organisations also highlighted what they saw as a lack of investment in and from local authorities, with “increase funding for local initiatives” a common answer, and one charity stating “our Local Authority is bankrupt and children’s services are at an all time low”. Some viewed this as an overt political choice, with one organisation proclaiming that “the government could do so much more, including funding local services properly and funding councils properly whether or not they are prospective or current Tory seats.”

Interviewees reported feeling abandoned by the government amidst rapidly rising prices. There was a persistent sentiment that, as low-income families, they were not a priority for the government and could not expect them to intervene on their behalf:

***“I don’t think the government is doing anything to help. Because if someone is not surviving, not able to live, they cannot feel it. Because for them, we’re just a number, and £20 is nothing to them because their bank account is full”***

-Mother of 3 children (16, 10 and 5)

***“I don’t know why the government isn’t talking about rising prices for people on low incomes. It might be ok for the people who can afford it but not for us”***

- Single mother of 1 child (5)

At the time of publication (June 2022), the Chancellor announced further measures to address the impacts of the cost of living crisis on those on the lowest incomes, an acknowledgment that measures in the Spring Statement did not go far enough.

The measures consisted of:

- Payments of £650, made over two lump-sum grants, to over 8 million households on means-tested benefits
- An additional £300 on top of the usual Winter Fuel Payment this winter, going to all pensioner households
- An additional £150 to around 6 million people who receive a disability benefit
- Doubling the discount on all households' electricity bills due this autumn to £400
- An additional £500 million for the Household Support Fund from October 2022.

Although these measures will help to alleviate some of the financial pressures facing children and families in poverty described in this report, there are still issues with the announcement.

These one-off payments neither reverse the systemic erosion of the benefit system over the past decade, nor do they address the fact that benefits have still not been increased to reflect current levels of inflation. Families and individuals on means-tested benefits receive £650 regardless of their size, meaning that once again larger families are worse-off. Finally the £400 discount to energy bills, although welcome, is still only half the amount by which energy bills are expected to rise, meaning that many families will still have to make difficult decisions regarding their heating and electrical use.

Due to timing, we were unable to survey charities and individuals on their thoughts as to the extent that these new measures would impact those living in poverty.

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# THE CHILDHOOD TRUST & CHAMPIONS FOR CHILDREN 2022

The Childhood Trust is London's child poverty charity, dedicated to alleviating the impact of poverty on children and young people living in the capital. Children growing up in poverty face multiple and complex challenges, which can limit their development and degrade their potential. London has the highest rate of child poverty in England. The Childhood Trust's work is focused on supporting the 700,000 plus children living in poverty in the capital.

We bring companies, philanthropists, and other donors together to fund projects and services that support thousands of children and young people in London each year.



**Since our inception in 2013, The Childhood Trust has raised £28.7 million to provide funding for projects that have engaged 420,000 children and young people.**

Our funding ensures that local grassroots organisations can successfully engage London's most vulnerable and disadvantaged children in a wide range of support services, such as counselling and mental health support, food provision, sports training, arts and cultural activities, and special educational needs support.

In addition to funding projects, we run community engagement programmes that provide immediate, practical support to low-income families living in substandard accommodation and families experiencing food insecurity. We also raise awareness of the consequences of child poverty through our research, advocacy projects and events.

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## Champions for Children 2022

In response to the COVID-19 pandemic, The Childhood Trust launched our Champions for Children matched-funding campaign in 2020 to support vulnerable children and young people living in poverty across London who were devastated by the lockdown measures. The campaign raised £3.6m to fund the delivery of desperately needed practical and emotional support for over 150,000 children. The campaign was repeated in June 2021 and raised £3.4m to fund the delivery of 111 projects supporting disadvantaged children to recover from the impact of the pandemic.

## Outputs and Outcomes of Champions for Children 2021

The Childhood Trust works in every borough in London. With rapidly rising levels of need it is forecast, that 143,165 children will have been supported by the 94 projects funded by our Champions for Children 2021 programme over 12 months. We monitor our project funding and the outcomes achieved at both six and twelve months. Below are the 6-month outputs from July 2021 to December 2021 from our Champions for Children 2021 programme;

- **95%** of charities reported that beneficiaries experienced **improved mental health** as a result of engaging with their services.
- **83%** of charities reported that their beneficiaries **physical health improved** as a result of engaging with their services.
- **91%** of charities reported that their service had **helped children to recover from adverse effects of lockdown**.
- **92%** of charities reported that children experienced **improved peer and/ or family relationships**.
- **95%** of charities said that the activities they provided as a result of funding **helped the children and young people feel more inspired and/ or hopeful about their lives**.



## The Champions for Children 2022 Campaign

To combat the cost of living crisis and to restore hope, health, well-being and happiness to tens of thousands of disadvantaged children in London we are launching our Champions for Children campaign that will run for one week from the 14th to the 21st June 2022.

The campaign is aiming to raise over **£3,000,000** to fund the delivery of 80 projects via our charity partners.

These projects will operate throughout London and provide a comprehensive programme of vitally needed services to meet the practical and emotional needs of **more than 150,000 vulnerable and disadvantaged children** from July 2022 through to July 2023

The campaign can be viewed here:

<https://donate.thebiggive.org.uk/champions-for-children-2022>

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### Appendix: Methodology

67 charities in the London area were surveyed supporting 70,408 children. The charities are providing services ranging from food parcels, educational support, mental health support and recreation opportunities. Organisations surveyed ranged from very small to very large, with the numbers of children supported by the charities ranging from 24 to 7,000. Amongst those surveyed, there was an emphasis on longer-term support, with 37% of charities engaging with and supporting children for 1+ year and 31% for 3+ years.

Charities participating in the research included: Power2, Afghan Association Paiwand, Greenhouse Sports, Theatre Peckham, Immediate Theatre, KAA Intrepidus Trust, Hornimans APG, Walker, Children's Club, Future Talent, Skylarks, The Baytree Centre, Camp Horizon, Spear Islington Trust, 3Pillars Project, St. Vincent's Family Project, Global Generation, London Early Years Foundation, Centre for ADHD & Autism Support, Love146, Bookmark Reading Charity, West London Action for Children, Montage Theatre Arts, The Salmon Youth Centre, Bexley Moorings Project, Safe Families for Children, Music Masters, Unlocking Potential, Home-Start Richmond, Kingston and Hounslow, Children and Families Empowerment Foundation, Countryside Education Trust, Spring Community Hub, Doorstep Library, Dadihiye Somali Development Organisation, HVH ARTS, Keen london, Hounslow Action for Youth, Homestart Ealing, Fitzrovia Youth in Action, Dalgarno Trust, Action For Refugees In Lewisham AFRIL, Hestia, Home-Start Camden and Islington, Lives Not Knives, XLP, Alexandra Rose Charity, Katherine Low Settlement, The Tim Henman Foundation, Superkidz Community Trust, Future Frontiers, City of London Sinfonia, SEAPIA, The Horse Rangers Association (Hampton Court) Limited, Haringey Play Association, St Andrew's Club, Cardinal Hume Centre, Strength and Learning Through Horses, Harrow Club, Mousetrap Theatre Projects, Rugby Portobello Trust, The Social Mobility Foundation, The Ben Kinsella Trust, Head2Head Theatre, Parallel Youth Enterprise, TAG Youth Club for Disabled Young People, Loughborough Junction Action Group, Woodcraft Folk, Education and Skills Development Group, Free to Be Kids

For the purpose of safeguarding, all of the names of the interviewees and children contributing artwork have been changed in this report.

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