



The
Childhood Trust
Alleviating the impact of child poverty



London Child Poverty Report 2023

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The Childhood Trust

The Childhood Trust is London's child poverty charity, funding the delivery of youth projects and services that support thousands of disadvantaged children and young people in London every year.

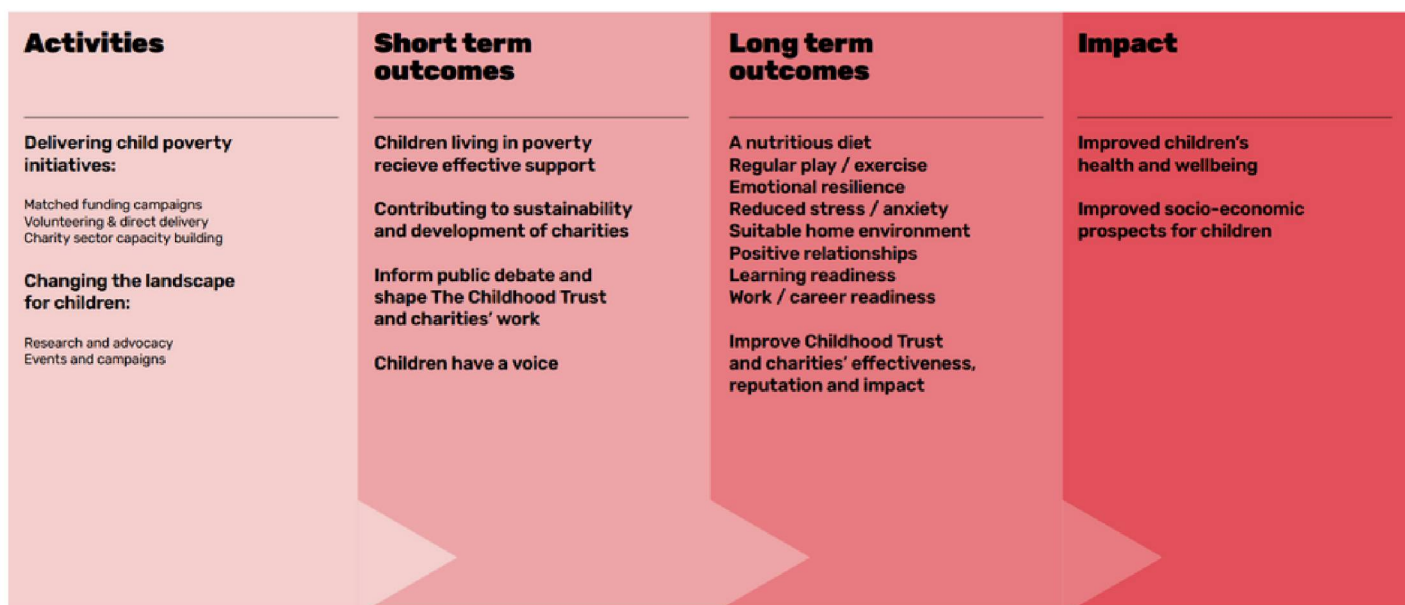
We work with a London-wide network of charity partners to deliver hundreds of grassroots projects, organise volunteer outreach and transformational away days and produce original research and advocacy to improve the life chances of disadvantaged children.

Our growing community of corporate supporters, philanthropists, and donors combined with our strong relationships with established children's charities make us well-equipped to direct resources to London's most economically disadvantaged and isolated communities.

Without our financial support, 75% of the projects we fund would not be able to operate. Without these projects, life for many thousands of children trapped in poverty would be dramatically worse.

Our Theory of Change

Through funding the delivery of child poverty initiatives through our charity partners we alleviate the impact of child poverty while changing the narrative in parliament and media.



We believe that every child should have a healthy, happy and safe childhood so that all children are well prepared for life, breaking the cycle of poverty.

Executive Summary

London has one of the highest child poverty rates in England. As one of the most expensive cities in the world, low levels of household income are compounded by extremely high housing, transportation and childcare costs. Additionally, the £20 uplift to universal credit which brought many children out of poverty in 2021 has now been withdrawn. Thus, there is no additional support for those who are not able to work or are looking for work. (1)

As early childhood development has a profound influence on later life outcomes, the situation is in dire need of attention. However, while household income is arguably the most pertinent factor in discussions of child poverty, poverty manifests itself in many different ways.

This report will interrogate both the drivers and the impacts of child poverty in London. Household income and spending have stagnated over the past five years, contributing to increased poverty rates. For the poorest Britons, real incomes were higher fifteen years ago than they are now, largely due to the Great Recession and increased rates of inflation following the Brexit referendum. While unemployment levels have decreased in recent years, rates of in-work poverty have increased and the number of people working in zero-hour contracts has hit the highest level on record. Poverty rates are highest for families in which a parent works in the retail, hospitality or leisure sectors. An inevitable side effect has been an increase in inequality.

Despite being one of the world's wealthiest cities, London's wealth is not spread equally. The "decade of austerity" ushered in by the coalition government beginning in 2010 has been one of the greatest factors in terms of increasing child poverty. The government has pledged to increase spending on schools and while this reduces past cuts, allowing spending to return to 2010 levels by 2024.(2) However, costs have been higher than expected and so the increased costs are just about affordable.(3) Cuts have been made to benefits, local authorities, family support services and countless other social programmes; nearly half of London councils' youth services have been slashed. Despite the demand for such services being ever present and food bank usage in London has increased over 17-fold between 2011/2012 and 2019/2020.(4) The policy has suppressed household incomes and hit the poor the hardest.

In October, 18% of households (equivalent to 4 million children) experienced food insecurity.(5) Food insecurity is when one is unable to access reliable, sufficient, affordable nutritious food. Additionally, the capital currently has one of the highest proportions of students on free school meals.(6) With the cost-of-living crisis, food poverty among children is also on the rise. Data from the Trussell Trust has found that the number of emergency food parcels distributed in London has increased steadily since 2014 with a steep rise from 2019/2020 to 2020/2021. London has the highest proportion of children who live in poverty and do not receive free school meals.(7)

1 Joseph Rowntree <https://www.jrf.org.uk/report/uk-poverty-2022>

2 Institute for Fiscal Studies <https://ifs.org.uk/articles/what-happening-spending-schools-and-colleges>

3 <https://www.theguardian.com/education/2022/aug/02/schools-in-england-face-funding-crisis-as-costs-soar-study-warns>

4 <https://www.statista.com/statistics/382731/london-foodbank-users/>

5 <https://foodfoundation.org.uk/news/food-prices-tracking-october-update>

6 Department for Education (2019). Pupils Eligible for Free School Meals, Borough.

Available at: <https://data.london.gov.uk/dataset/pupils-eligible-free-school-meals-borough>

7 <https://www.standard.co.uk/news/london/london-pupils-poverty-no-free-school-meals-b1033186.html>

Housing, specifically access to safe and affordable housing, can be both a driver and an impact of poverty. In London, housing is especially expensive, with families in poverty spending over half their net income on housing costs.(8)

The average cost of rent in all London boroughs has increased with an average rise of 15.8% over the year to June 2022.(9) With the high rates of inflation, there is a risk that housing-related health inequalities would rise.(10) The current situation is exacerbated by the rise in energy prices which is worsened by the rate of inflation. Right to Buy, but-to-let and the loss of millions of social homes have been the primary cause of the ongoing crisis.

Children who live in deprived areas of the country continue to have lower levels of educational attainment. The situation has been worsened by cuts to education, childcare and youth services that were targeted towards low-income families. Poverty has a significant impact on health outcomes for children in London. While life expectancy has notably stagnated in England since 2010, it has declined in some of the most deprived areas.(11)

A lack of access to green spaces is correlated with lower health outcomes, and many of London's children are exposed to dangerous levels of air pollution. London's poorest children suffer from both food insecurity and higher obesity rates, likely due to the higher costs of healthier food relative to unhealthy food.(12) Additionally, the mental health of children experiencing poverty is worse, primarily because of poor accommodation, parental absence and/or mental health and substance abuse issues at home.(13)

Unfortunately, the ongoing cost-of-living crisis is likely to exacerbate the drivers of poverty and worsen the material living conditions of London's poor residents. From 2009-2019, the most deprived fifth of secondary schools saw a 14% real-terms decrease in spending as opposed to a 9% decline in the least deprived schools.(14) The two-child benefit cap means that families with three or more children would receive less support per child in proportion. (15) In parallel, with the country heading towards a recession, unemployment is expected to double and so there is a heightened risk of hunger among poor children due to a loss of parental earnings.(16)

08 Trust for London and WPI Economics (2020) London's Poverty Profile: 2020.

Available at: <https://www.trustforlondon.org.uk/publications/lpp2020/>

09 <https://www.londonpropertylicensing.co.uk/cost-living-crisis-set-cause-homelessness-spike-london>

10 <https://www.instituteofhealthequity.org/resources-reports/evidence-review-housing-and-health-inequalities-in-london/full-report.pdf>

11 Institute of Health Equity (2020) Health Equity in England: The Marmot Review 10 Years On. Available at:

[https://www.health.org.uk/sites/default/files/2020-](https://www.health.org.uk/sites/default/files/2020-03/Health%20Equity%20in%20England_The%20Marmot%20Review%2010%20Years%20On_executive%20summary_web.pdf)

[03/Health%20Equity%20in%20England_The%20Marmot%20Review%2010%20Years%20On_executive%20summary_web.pdf](https://www.health.org.uk/sites/default/files/2020-03/Health%20Equity%20in%20England_The%20Marmot%20Review%2010%20Years%20On_executive%20summary_web.pdf)

12 Barker (2020) 400,000 London children 'are food insecure'. Fresh Produce Journal. Available at:

www.fruitnet.com/fpj/article/180602/400000-london-children-are-food-insecure

13 The Children's Society (2016) Poor Mental Health: the links between child poverty and mental health problems.

Available at: https://www.childrensociety.org.uk/sites/default/files/poor_mental_health_report.pdf

14 <https://ifs.org.uk/news/education-spending-changes-put-major-brake-levelling>

15 <https://www.london.gov.uk/press-releases/mayoral/cost-of-living-crisis-deepens-for-thousands>

16 <https://www.bbc.co.uk/news/uk-63582201>

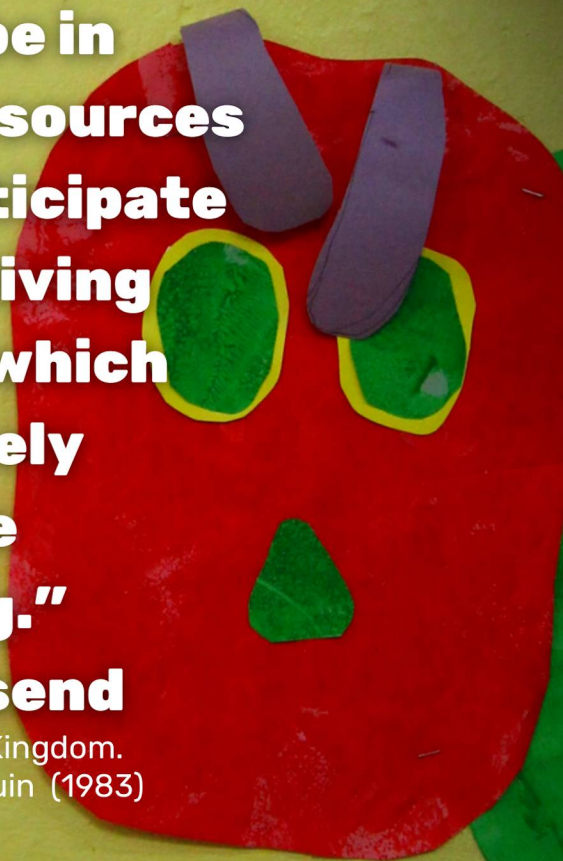


The Hungry Caterpillar Display

"Individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain the type of diet, participate in the activities and have the living conditions and the amenities which are customary, or at least widely encouraged or approved in the societies to which they belong."

- Pete Townsend

Poverty In The United Kingdom.
Harmondsworth: Penguin (1983)



Introduction

Child poverty data reveals that between 2016-17 and 2018-19, 39% of children in London lived in households with less than 60% of the median household income, reflecting a significant issue.⁽¹⁷⁾ The most recent data for 2020/21 shows a slight decline, with 35% of children living in poverty in London, although this was before the end of the additional £20 uplift payments.⁽¹⁸⁾

The two most commonly used measures for child poverty are relative and absolute poverty. Relative poverty is determined by the percentage of children living in households with income below 60% of the median income annually.⁽²⁰⁾ On the other hand, absolute poverty is defined as a household income less than 60% of the median in 2011.⁽²¹⁾

Neither of these definitions include housing costs. With poorer households spending over half of their income on housing in London, the scale of poverty in the capital is much greater.



**children in London
live in poverty**

London boroughs with the highest child poverty rates are:

- Tower Hamlets (51.4%)
- Newham (49.5%)
- Barking and Dagenham (46.4%)
- Hackney (45.3%)

THE NATIONAL UK AVERAGE IS 27%

800,000 of under 18s live in poverty after housing costs are taken into account

It is worth noting that not everyone is equally affected by child poverty. Bangladeshi and Pakistani households are the most likely to be living in low income and material deprivation of all ethnic groups.⁽²²⁾

Poverty rates⁽²³⁾

- INNER LONDON 30%
- NON-WHITE HOUSEHOLDS 39%
- SINGLE PARENTS 53%

Eligibility for free school meals(FSM) is a key determiner of poverty amongst school-age pupils. Within the FSM group, black pupils were most overrepresented as they make up 6% of pupils overall but made up 9% of the FSM pupils.⁽²⁴⁾

17 Department for Work and Pensions (2020) Households Below Average Income: 1994/95 To 2018/19.

Available at: <https://www.gov.uk/government/statistics/households-below-average-income-199495-to-201819>

18 <https://endchildpoverty.org.uk/child-poverty/>

19 <https://www.bbc.co.uk/news/uk-england-london-62137828>

20 Hirsch, D., (2020) Local child poverty indicators 2018/9 – distribution and trends. Loughborough University.

Available at: <http://www.endchildpoverty.org.uk/wp-content/uploads/2020/05/Local-child-poverty-indicators-2020-summary-004.docx>

21 Child Poverty Action Group (n.d.) Measuring Poverty. Available at: <https://cpag.org.uk/child-poverty/measuring-poverty>

22 <https://lordslibrary.parliament.uk/ethnicity-and-child-poverty/>

23 <https://www.trustforlondon.org.uk/londons-poverty-profile-2021-covid-19-and-poverty-in-london/londons-poverty-profile-2022-covid-19-and-poverty-in-london/>

24 <https://lordslibrary.parliament.uk/ethnicity-and-child-poverty/>

London is known for its exorbitant housing, childcare, and living costs, making it one of the most expensive places in the country to live. This is compounded by the issue of low pay, with nearly three-quarters of children living in poverty coming from working households. (25)

To exacerbate the situation further, the UK welfare system has suffered cuts amounting to £39 billion since 2010, creating a challenging environment for families to live in. These issues are coupled with the fallout from the 2008-09 recession and the economic consequences of the Brexit referendum.

Over the past decade, public spending on education has also suffered, with a £10 billion total cut or 8% in real terms from 2010 to 2019.(26) To put this in perspective, public spending on education per head in 2019-2020 was £1690 in Scotland, £1530 in Northern Ireland, and £1480 in London. Fuel poverty and food insecurity are also ongoing issues, with 15% of London households experiencing fuel poverty and one in five Londoners suffering from low or very low food security.(27)

The impact of child poverty extends beyond a lack of income, with early childhood experiences having significant consequences for later life outcomes.

Child poverty manifests itself in many ways, not just through a lack of income. Early

childhood matters for later life outcomes.

(28)

“Positive experiences early in life are closely associated with better performances at school, better social and emotional development, improved work outcomes, higher income and better lifelong health including longer life expectancy.”

-The 2020 Marmot Review

According to the Joseph Rowntree Foundation, poverty during childhood can have long-lasting consequences, including an increased risk of unemployment and low pay in adulthood, lower savings, and even harm to brain development during early childhood. (29) These findings highlight the importance of addressing child poverty as a critical social issue.

The purpose of this report is to provide a comprehensive analysis of the multifaceted causes and consequences of child poverty in London. The report also features testimonial case studies from partner organizations supported by the Childhood Trust, illustrating the real-life impacts of poverty on vulnerable children. Additionally, the report examines the ongoing cost-of-living crisis and its specific effects on disadvantaged children.

Finally, the report sets forth recommendations to tackle the causes of child poverty in London and improve disadvantaged children’s lives.

25 Department for Work and Pensions (2020) Households Below Average Income: 1994/95 To 2018/19.

Available at: <https://www.gov.uk/government/statistics/households-below-average-income-199495-to-201819>

26 <https://commonslibrary.parliament.uk/research-briefings/sn01078/>

27 Trust for London London's Poverty Profile 2022

28 Institute of Health Equity (2020) Health Equity in England: The Marmot Review 10 Years On.

Available at: <https://www.health.org.uk>

29 Joseph Rowntree Foundation (2020) What is poverty? Available at: <https://www.jrf.org.uk/our-work/what-is-poverty>

Drivers of poverty

Employment and Income

Income is viewed as one of the most relevant indicators for measuring living standards and changes in poverty levels. From the 2000s onwards, progress was initially made in reducing poverty levels for those considered most at risk, namely pensioners and children. (30) However, in recent years, due to austerity following the 2008 financial crisis and economic fallout from the Brexit referendum, this trend has been reversed, with poverty levels increasing.

The economic impact of the COVID-19 pandemic and the cost-of-living crisis are likely to accelerate this reversal. Additionally, overall poverty levels – measured by income – have remained relatively unchanged over the past two decades.

Within the UK, there are both regional variations in poverty levels and various structural factors, such as whether a family member has a disability, that make a household more likely to experience poverty. This section will explore these recent trends in employment, income and inequality and will interrogate the disparities in poverty levels between different classes and social and ethnic groups. Although living in London often means higher incomes, housing is more expensive. This leads to a doubling of the

poverty rate once housing costs are considered based on the 2019/20 (pre-pandemic) poverty rate.(31) The highest proportion of individuals with relative low income AHC (After Housing Costs) is in London with a figure of around 27%.(32)

With the current price rises, it is expected that price growth is higher in the capital than in the rest of the UK. Such statistics reveal that families might be unable to go on holidays or send their children for after-school activities.

The biggest disparity between London and the other parts of the UK is the cost-of-living, which is between 15% and 58% higher, depending on the comparative region. Further statistics reveal a bleak picture. 56% of London's children cannot afford to go on holiday for at least one week a year, and 18% cannot afford weekly after-school organised activities.(33)

Another way to measure the current living standards of households is by analysing household spending data. During the winter of 2022, low-income households were expected to need to reduce their spending up to three times as much as high-income households to be able to afford energy bills. (34)

30 Joseph Rowntree Foundation (2020) UK Poverty 2019/20. Available at: <https://www.jrf.org.uk/report/uk-poverty-2019-20>

31 Trust for London Poverty Profile 2021

32 <https://researchbriefings.files.parliament.uk/documents/SN07096/SN07096.pdf>

33 Trust for London and WPI Economics (2020) London's Poverty Profile: 2020. Available at: <https://www.trustforlondon.org.uk/publications/lpp2020/>

34 Resolution Foundation <https://www.resolutionfoundation.org/press-releases/low-income-households-will-have-to-cut-back-on-spending-by-three-times-as-much-as-high-income-households-this-winter/>



These figures suggest that many will have to choose between daily essentials and energy bills. The problem is compounded by inflation, which has driven up the cost of basic necessities. Data from the finance company Barclaycard suggested that spending on essential items like fuel and groceries increased by 5.7% year-on-year in October 2022, a steeper increase than the 3.3% growth observed in September 2022.(36)

Across the country, median household income was £26,800 per annum in 2018/19, the same since 2015. (37) Median income increased by 2% between the financial years 2020 and 2021. However, the lack of growth has not been evenly distributed. For those under the age of 60, there has been a growth rate of only 0.2% over the course of the decade following the 2008 recession.(38)

For those over 60 year of age, it's only slightly higher, at 0.9%. But among the poorest fifth of households in the country, income has fallen 3% in real terms since 2017. This fall followed negative growth the previous year. Altogether, for the poorest in the country, real incomes were higher in 2004/05 than in 2018/19. (39) Furthermore, the median income of retired households saw a 7%

increase between FYE 2020 and FYE 2021 and average growth of 1.4% across ten years from FYE 2012 to FYE 2021. However, the median income for people living in non-retired households increased by an average of 1.0% between FYE 2020 and FYE 2021, with a 1.5% average annual growth from FYE 2012 to FYE 2021.(40) As stated by Adam Corlett for the Resolution Foundation, "that is an awful position from which to be entering a new recession."

Historically, work has been considered a route out of poverty. This is no longer the case.(41) Over the past 15 years, a more significant proportion of full- and part-time workers have been in working poverty as opposed to non-workers. Increases in poverty rates of working-age adults in households where someone works were highest in London for the year 2019/20. (42) An increasing number of part-time workers are experiencing poverty, with 22% of such workers in the country living below the poverty line in 2019/20, up from 17% in 2005/06. In London, across all boroughs, at least 50% of those living in poverty are from working families.(43)

36 <https://www.bbc.co.uk/news/business-63543805>

37 Trades Union Congress, (2019) Getting It Right This Time: Lessons From A Decade Of Failed Austerity.

Available at: https://www.tuc.org.uk/sites/default/files/2019-10/Lessons_from_a_decade_of_failed_austerity.pdf

38 Bourquin, P., Joyce, R., and Norris Keiller, A. (2020) Living standards, poverty and inequality in the UK: 2020. Institute for Fiscal Studies. Available at: <https://www.ifs.org.uk/uploads/R170-Living-standards-poverty-and-inequality-in-the-UK-2019-2020%20.pdf>

39 Corlett, A. (2020) New data shows households were struggling even before coronavirus. Resolution Foundation.

Available at: <https://www.resolutionfoundation.org/comment/new-data-shows-households-were-struggling-even-before-coronavirus/>

40 ONS Average household income, UK: financial year ending 2021

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/householddisposableincomeandinequality/financialyearending2021#:~:text=Meanwhile%2C%20median%20income%20for%20people,FYE%202021%20to%20C2%A314%2C600.>

41 <https://www.jrf.org.uk/report/uk-poverty-2022>

42 P.35 <https://www.jrf.org.uk/report/uk-poverty-2022>

43 <https://www.trustforlondon.org.uk/publications/londons-poverty-profile-borough-level-poverty-2022/>

Workers with disabilities, BAME workers, workers in families with children and single-adult families are at a higher risk of experiencing in-work poverty.

Ethnic minority children are more likely to experience higher rates of child poverty due to the higher prevalence of in-work poverty in the sectors their parents work within.(44) Industries in which Black, Asian, and other minority ethnic individuals are more likely to work tend to have elevated rates of poverty.

The highest poverty rates are amongst those working in the accommodation and food services sector (24%), followed closely behind by those working in administration and support activities (23%). Since 2011/12 the administration and support services have seen their poverty rate increase by 4% from 19% to 23%.(44)

Individuals who face health conditions or disabilities that hinder their ability to work were particularly affected by the pandemic, as the reduced in-person services resulted in fewer face-to-face doctors' appointments, referrals, treatments, and assessments. (44) The gig economy provides little security for employees unable to work due to poor health.

Over the last five years, the number of workers in the gig economy in England and Wales has tripled where black and minority ethnic workers are overrepresented to white workers.(45)

Although the recent Labour Force Survey reveals an increase in employment this is driven by more part-time work and zero-hour contracts. The number of workers in zero-hour contracts has risen to a total of 896,000. (46)

44 UK poverty report 2022 Joseph Rowntree Foundation <https://www.jrf.org.uk/report/uk-poverty-2022>

45 <https://www.tuc.org.uk/news/gig-economy-workforce-england-and-wales-has-almost-tripled-last-five-years-new-tuc-research>

46 Trades Union Congress, (2019) Getting It Right This Time: Lessons From A Decade Of Failed Austerity.



The service industry sectors comprise a large portion of the 'gig economy'. Workers in zero-hour contracts have seen a decline in the average number of hours worked. Many parents in the gig economy face barriers to taking on more hours with high transportation costs and a lack of suitable childcare services. However, for many, this is not a choice – 18% of workers in the bottom fifth of hourly wage rates report that they would like to work more hours, but the hours just aren't available.⁽⁴⁷⁾ That's 10% higher than workers in all other wage rate percentiles.

While a lack of hours is a contributing factor, experts agree that the largest driver of in-work poverty has been a decline in in-work benefits and tax credits that have coincided with a rise in the cost of living. Although there has been an increase in employment income, this has been offset by a fall in the income received from benefits.⁽⁴⁸⁾

There has been a 7% fall in non-pensioner benefits and tax credits that has reduced average income by 3% overall.⁽⁴⁹⁾ In addition to policy changes such as the benefits freeze, introduced in the 2016 Welfare Reform and Work Act, the aforementioned nominal increases in employment income have made some families ineligible for means-tested benefits, meaning household budgets are even more tightly squeezed.

The decline in wealth among the poorest segments of society contributes to rising inequality in London.

The Gini coefficient, which measures income distribution and inequality, reveals a slight rise in inequality since the previous year.⁽⁵⁰⁾ Despite accounting for around a quarter of the UK's total economic output, the wealth generated in the capital is not distributed equally. Income inequality has been increasing in London over the last 20 years.⁽⁵¹⁾ The richest 10% of London's residents take home around 31.7% of the net income, while the share held by the poorest is only 1.8%.⁽⁵²⁾ The richest 10% of Londoners hold almost 44% of London's wealth and the poorest 10% own none of it.⁽⁵³⁾

When the furlough scheme ended in September 2021, London had almost 50% more eligible employees furloughed (6%) as compared to the rest of England (3.7%). The employment rate in the last quarter of 2021 in London was still 0.8% below pre-pandemic levels.⁽⁵³⁾ The pandemic has disproportionately affected London's BAME and disabled populations, who already suffer from disproportionate levels of poverty.

Additionally, the cost-of-living crisis is predicted to have a more pronounced impact on low-income families compared to affluent ones. As per the projection, inflation is expected to soar up to 14% among the poorest 10% of the income distribution, in contrast to a projected increase of 8% among the wealthiest 10%, during Autumn 2022. This disparity in the anticipated effects of rising energy costs is likely to further exacerbate the existing income inequality gap, potentially worsening the financial struggles faced by the most vulnerable households.⁽⁵⁴⁾

47 Joseph Rowntree Foundation (2020) UK Poverty 2019/20. Available at: <https://www.jrf.org.uk/report/uk-poverty-2019-20>

48 https://ifs.org.uk/sites/default/files/output_url_files/R215-Living-standards-poverty-and-inequality-in-the-UK-2022.pdf

49 Bourquin, P., Joyce, R., and Norris Keiller, A. (2020) Living standards, poverty and inequality in the UK: 2020. Institute for Fiscal Studies Available at: <https://www.ifs.org.uk/uploads/R170-Living-standards-poverty-and-inequality-in-the-UK-2019-2020%20.pdf>

50 Corlett, A. (2020) New data shows households were struggling even before coronavirus. Resolution Foundation.

Available at: <https://www.resolutionfoundation.org/comment/new-data-shows-households-were-struggling-even-before-coronavirus/>

51 <https://www.trustforlondon.org.uk/publications/londons-poverty-profile-borough-level-poverty-2022/>

52 Trust for London and WPI Economics (2020) London's Poverty Profile: 2020. Available at:

<https://www.trustforlondon.org.uk/publications/lpp2020/>

53 https://trustforlondon.fra1.cdn.digitaloceanspaces.com/media/documents/Londons_Poverty_Profile_2022_report_150dpi33_copy_4VN0wdD.pdf

54 The Scale of Economic Inequality in the UK | The Equality Trust



Intersectionality

The term “intersectionality” was first coined in 1989 by black feminist scholar Kimberlé Crenshaw to explain how an individual’s multiple social and political identities, such as gender, race, or class, can together lead to discrimination or privilege. Whilst originally used in a feminist perspective, intersectionality as a framework is now applied in many fields, including in studies relating to poverty. For example, child poverty rates are significantly higher for BAME groups, who face “extensive and persistent economic inequality.”⁽⁵⁵⁾ Amongst the most affected, over half of Pakistani children live in poverty in the UK.⁽⁵⁵⁾ However, it is important to note that the acronym BAME is problematic in itself in that it does not differentiate the lived experiences of individuals within those groups. Inequalities vary by race and ethnic group and are worse for Black people and those identifying as being Bangladeshi or Pakistani than they are for those identifying as Chinese or Indian.⁽⁵⁵⁾

⁵⁵ Khan, O., (2020). The Colour of Money. How racial inequalities obstruct a fair and resilient economy. Runnymede Trust. Available at: <https://www.runnymedetrust.org>

Housing affordability and availability

There is a fundamental link between housing and poverty, with housing playing a critical role in both mitigating or exacerbating poverty levels. This is apparent when looking at the difference between poverty levels Before Housing Costs (BHC) and After Housing Costs (AHC). The latest DWP data covering 2021/22 (56) indicates that 4.2 million children were living in poverty (AHC) between April 2021 and April 2022, that is 29% of all children, compared with 20% of children BHC.(57) Furthermore, children who live in single-parent households are found to have the highest rates of persistent poverty, with a total of 35% affected.(57) In 2019/20 the AHC poverty rate in London was 6% higher than the rest of England. (58)

Across the country, house prices increased with the average UK house price reaching £294,000 in December 2022, £26,000 more than 12 months before. (59), with average prices growing 6.7% in London during the period. Costs for mortgage customers and homeowners have remained steady with the exception of interest rate increases in 2022, but housing costs have increased significantly for private and social renters.

The affordability of housing has one of the most direct impacts on material deprivation affecting families.

In 2000 a home cost four-times the average salary, by 2021 it is eight-times the average salary. Housing costs vary significantly by region, but are the most expensive in London, the Southeast and East of England.(60) When observing statistics before housing costs, poverty rates within London are similar to the rest of England and London only becomes the region with the highest rates of poverty once housing costs are factored in.(61)

After housing costs are considered, 5 of the 32 boroughs in London have a poverty rate of Less than 20%.(61) On average, households in London spend 18% of their income on housing. (62) For households in poverty, that increases to 56%.(62) Among housing cost increases in London, the sharpest rise has been in private renting, with a 29% increase since 2008.(62)

This is particularly relevant because an increasing number of those in poverty are private renters. In 2007/08, for Londoners living in poverty, 43% socially rented, 24% privately rented and 33% were owner-occupiers. By 2017/18, 37% socially rented, 39% privately rented and 24% were owner-occupiers.(62)

According to the New Economics Foundation (NEF), the housing crisis has largely been brought on by bad housing policy.(63)

56 DWP Households Below Average Income statistic April 2021 – April 2022, published March 2023

57 Department for Work and Pensions (2019) Income Dynamics: Income movements and the persistence of low incomes. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/789100/income-dynamics-income-movements-and-persistence-of-low-incomes-2016-17.pdf

58 <https://www.trustforlondon.org.uk/publications/londons-poverty-profile-borough-level-poverty-2022/>

59 [https://www.gov.uk/government/news/uk-house-price-index-for-december-](https://www.gov.uk/government/news/uk-house-price-index-for-december-2022#:~:text=UK%20house%20prices&text=The%20average%20UK%20house%20price,in%20Northern%20Ireland%20(10.2%25))

[2022#:~:text=UK%20house%20prices&text=The%20average%20UK%20house%20price,in%20Northern%20Ireland%20\(10.2%25\)](https://www.gov.uk/government/news/uk-house-price-index-for-december-2022#:~:text=UK%20house%20prices&text=The%20average%20UK%20house%20price,in%20Northern%20Ireland%20(10.2%25))

60 Joseph Rowntree Foundation (2020) UK Poverty 2019/20. Available at: <https://www.jrf.org.uk/report/uk-poverty-2019-20>

61 <https://www.trustforlondon.org.uk/publications/londons-poverty-profile-borough-level-poverty-2022/>

62 Trust for London and WPI Economics (2020) London's Poverty Profile: 2020. Available at:

<https://www.trustforlondon.org.uk/publications/lpp2020/>

63 Beswick, J., McCann, D. and Wheatley, H. (2019) Building The Social Homes We Need: Solving The Land And Capacity Challenges. New Economics Foundation. Available at: <https://neweconomics.org/2019/11/building-the-social-homes-we-need>

During the post-war period, a stable housing system was achieved by providing the working class with social housing, while the needs of the middle class were met through homeownership. This system was largely abandoned in the 1980s, for the Right to Buy system, which encouraged social renters to purchase their homes, increasing individual homeownership and leading to an overall reduction in available social housing stock. (64)

In 1979, local councils owned 5.2 million social properties, but by the 1990s, that number had fallen to under 1.6 million.(65) Right now, over 1 million households are on the waiting list for social homes, with 3.1 million estimated to be in need of one. Yet as of 2019/20, 29,000 social homes were demolished or sold, and less than 7,000 were built. As a result, millions of households have been pushed into the private rented sector.

For families who are unable to buy, secure a social home or rent privately, homelessness is inevitable. At the end of June 2022, 94,870 households were living in temporary accommodation nationally, including over 120,000 children. Of these households, 59% live in London (55,610).(66) An increase of families in temporary accommodation is an inevitable result of the state's failure to provide adequate and affordable housing for low-income households. The NEF estimates that new homeless families outnumber new social homes at a rate of 8 to 1. (67)

London's high housing and living costs, if left unchecked, will have a particularly negative impact on future generations. The crisis is already preventing young people from leaving home. Many are currently living in 'concealed households', which is when one or more young adult children live with parents or relatives. More than a third those aged 20 to 34 live with parents or a legal guardian, up from one fourth 20 years ago.(68)

64 Social housing in England after Grenfell Available at:

https://england.shelter.org.uk/professional_resources/policy_and_research/policy_library/report_social_housing_in_england

65 Beswick, J., McCann, D. and Wheatley, H. (2019) Building The Social Homes We Need: Solving The Land And Capacity Challenges. New Economics Foundation. Available at: <https://neweconomics.org/2019/11/building-the-social-homes-we-need>

66 Households in temporary accommodation (England) Wendy Wilson Cassie Barton Available at: Households in temporary accommodation (England) - House of Commons Library (parliament.uk)

67 Building the Social Homes We Need: Solving the land and capacity challenges J Beswick, Duncan McCann, Hanna Wheatley Available at: <https://neweconomics.org/2019/11/building-the-social-homes-we-need>

68 Joseph Rowntree Foundation (2020) UK Poverty 2019/20. Available at: <https://www.jrf.org.uk/report/uk-poverty-2019-20>



Austerity and Social Welfare

Since the start of the Conservative and Liberal Democrat coalition government in 2010 there have been marked cuts in social services support. A 2019 analysis from the New Economics Foundation (NEF) found that “deliberate policy from government over the past nine years has had the standalone effect of suppressing incomes and expenditures in the economy by under £1,500 per person and more than £3,600 per household”, hitting the poorest the hardest. (69)

In 2018, the United Nations’ Special Rapporteur on Poverty and Human Rights, Philip Alston, wrote a scathing report on the UK’s austerity policies, stating that UK austerity measures were in breach of four UN human rights agreements.(70) Austerity measures relevant to child poverty include cuts in funding to local authorities and changes in social service provisions and benefits. As child poverty is on the rise, cuts in funding for family support services have also increased in England.(71) Between 2010/11 and 2017/18, children and youth services funding for local authorities decreased by nearly a third.

youth services have been defunded.(72) As a consequence, more than 100 centres and projects have closed down and the additional £1 million planned cuts for the 2019-20

financial year would “devastate services for young people in London.”(72)

A £600,000 cut was planned in 2020-21 budget year.(73) Not all boroughs are affected equally – whilst Tower Hamlets face the most cuts for 2021/22 (losing over £1.5m), Camden is increasing their youth budget.(74)

Youth centres can help keep vulnerable children away from violence. Evidence suggests that young people are most likely to be stabbed two hours after school when youth clubs would be at their busiest.(75) Yet, youth clubs are closing at an alarming rate while knife crime among young people is increasing.(76)

In parallel, food banks have opened all over the UK. In 2018, food bank use almost quadrupled, compared with 2012 and the pandemic and subsequent economic recession has only worsened these figures. (77)

69 Stirling, A., (2019) Austerity is subduing the UK economy by £3,600 per household this year. New Economics Foundation. Available at: <https://neweconomics.org/2019/02/austerity-is-subduing-uk-economy-by-more-than-3-600-per-household-this-year>

70 Alston, P., (2018) Statement on Visit to the United Kingdom, by Professor Philip Alston, United Nations Special Rapporteur on extreme poverty and human rights. Office of the United Nations High Commissioner for Human Rights. Available at: https://www.ohchr.org/Documents/Issues/Poverty/EOM_GB_16Nov2018.pdf

71 Institute of Health Equity (2020) Health Equity in England: The Marmot Review 10 yrs On. Available at: [https://www.health.org.uk/sites/default/files/2020-03/](https://www.health.org.uk/sites/default/files/2020-03/Health%20Equity%20in%20England_The%20Marmot%20Review%2010%20Years%20On_executive%20summary_web.pdf)

[Health%20Equity%20in%20England_The%20Marmot%20Review%2010%20Years%20On_executive%20summary_web.pdf](https://www.health.org.uk/sites/default/files/2020-03/Health%20Equity%20in%20England_The%20Marmot%20Review%2010%20Years%20On_executive%20summary_web.pdf)

72 Berry, S., (2019) London’s lost youth services: 2019. Available at:

https://www.london.gov.uk/sites/default/files/sian_berry_am_london_youth_services_2019.pdf

73 <https://londonyouth.org/our-summary-of-londons-lost-youth-services-2020/>

74 https://www.london.gov.uk/sites/default/files/sian_berry_youth_services_2021_blighted_generation_final.p

75 Campbell, D., (2018) Knife crime: stagger school leaving times, say London doctors. The Guardian. Available at: <https://www.theguardian.com/uk-news/2018/nov/06/knife-stagger-school-leaving-times-say-london-doctors>

76 Mackintosh, T., and Lee, S., (2019) London knife crime: Number of teenagers stabbed to death hits 11-year high. BBC. Available at: <https://www.bbc.co.uk/news/uk-england-london-50507433>

77 The Trussell Trust (2018) End of Year Stats. Available at: <https://www.trusselltrust.org/news-and-blog/latest-stats/end-yearstats/>

Between April 2022 and September 2022, the Trussell Trust saw a 52% increase compared to the same period in 2019.(78)

London's funding gap is expected to be one of the worst despite the acknowledgement that the funding has been "insufficient to address need" for a decade.(79), before the impacts of the COVID-19 pandemic were felt. Second, the reform of the benefits system – which saw six key benefits under the old benefits system simplified into one payment under the new system of Universal Credit – was a large component of the government's welfare reforms. Yet, many households are worse off under Universal Credit, experiencing worse finances, mental health and career prospects.(80)

Many struggle to make ends meet during the five-week delay in receiving their first payment and may take out an advance payment to help them make ends meet during this time, beginning their benefit claim in debt. Additionally, accessing benefits is done entirely online, yet the most vulnerable are often less able to access the internet where around 0.5 million in the UK

are offline and around 36% state that it is too expensive.(81) Sixteen percent of the population is unable to fill out an online application form.(82) Libraries, increasingly closing down, have also become crucial to the many who need assistance in filling out Universal Credit applications, including those who do not speak English. Local charities often step in to help claimants apply.

The far-reaching austerity measures introduced by the coalition government as a result of the global recession still have repercussions today. Analysis by the NEF shows that as of 2019, Gross Domestic Product (GDP) per capita (the monetary value of all finished goods and services produced within a country in a given time period per inhabitant) was still lower than 2008 levels. (83) In other words, average living standards in the UK have yet to recover from pre-recession levels.

Finally, the impact of austerity in the UK has a disproportionate effect on women, racial and ethnic minorities, single parents, children and the disabled.(84) Often households in poverty meet all those criteria.

78 <https://www.trusselltrust.org/news-and-blog/latest-stats/mid-year-stats/>

79 Arnold, S., (2019) Updating the Local Authority funding gap. New Economics Foundation. Available at: <https://neweconomics.org/2019/10/Updating-the-local-authority-funding-gap>

80 The Joseph Rowntree Foundation (2019) Where Next for Universal Credit and Tackling Poverty?. <https://www.jrf.org.uk/report/where-next-universal-credit-and-tackling-poverty>

81 https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/221103-lloyds-consumer-digital-index-2022-report.pdf

82 Lloyds Bank (2018) UK Consumer Digital Index 2018. Available at: <https://www.lloydsbank.com/banking-with-us/whats-happening/consumer-digital-index.asp>

83 Stirling, A., (2019) GDP per head today is still £128 below 2008 levels. New Economics Foundation. Available at: <https://neweconomics.org/2019/09/when-adjusted-for-the-lived-expe>

84 Alston, P., (2018) Statement on Visit to the United Kingdom, by Professor Philip Alston, United Nations Special Rapporteur on extreme poverty and human rights. Office of the United Nations High Commissioner for Human Rights. Available at: https://www.ohchr.org/Documents/Issues/Poverty/EOM_GB_16Nov2018.pdf

Impact of child poverty

Socioeconomic inequalities persist in education, with young people in more deprived areas continuing to have significantly lower levels of attainment during secondary school.⁽⁸⁵⁾ According to the Mayor of London's Office, by the age of 16, the most disadvantaged are on average one year behind their peers. Additionally, London hosts a very high proportion of England's disadvantaged students, with over a sixth of pupils qualifying for free school meals (FSM).⁽⁸⁶⁾

When observing all levels of qualification, those who were eligible for free school meals earned less at thirty years of age compared to their peers who had the same highest level of qualification.⁽⁸⁷⁾ Among the groups with the highest poverty rates are minority ethnic groups. Black and Gypsy/ Roma populations are particularly behind in terms of educational attainment. Students with Special Educational Needs and Disabilities (SEND) also do worse across educational

markers and have not benefitted from overall grade increases in 2021 and with the pandemic, some were further behind non-SEND pupils in secondary reading.⁽⁸⁸⁾

There are also inequalities in education exclusion. In 2019, the Department of Education found that Children eligible for school meals in London were three times more likely to face a fixed-term exclusion and more than three times as likely to be permanently excluded.⁽⁸⁹⁾

This not only results in more deprived children losing out on education, but also results in stunted socio-emotional development, poor health outcomes, lower rate of employment, and a higher chance to become a victim or perpetrator of crime.⁽⁹⁰⁾ Furthermore, 42% of prisoners have a history of permanent exclusion from school and a fifth of children in custody struggle with learning difficulties.⁽⁹¹⁾

85 Institute of Health Equity (2020) Health Equity in England: The Marmot Review 10 Years On. Available at:

[https://www.health.org.uk/sites/default/files/2020-](https://www.health.org.uk/sites/default/files/2020-03/Health%20Equity%20in%20England_The%20Marmot%20Review%2010%20Years%20On_executive%20summary_web.pdf)

[03/Health%20Equity%20in%20England_The%20Marmot%20Review%2010%20Years%20On_executive%20summary_web.pdf](https://www.health.org.uk/sites/default/files/2020-03/Health%20Equity%20in%20England_The%20Marmot%20Review%2010%20Years%20On_executive%20summary_web.pdf)

86 Department for Education (2019). Pupils Eligible for Free School Meals, Borough. Available at:

<https://data.london.gov.uk/dataset/pupils-eligible-free-school-meals-borough>

87 <https://www.ons.gov.uk/peoplepopulationandcommunity/educationandchildcare/articles/whyfreeschoolmealrecipientsearnlessthantheirpeers/2022-08-04>

88 https://epi.org.uk/wp-content/uploads/2022/12/Covid19_2021_Disadvantage_Gaps_in_England.pdf

89 https://londonchallengepovertyweek.org.uk/wp-content/uploads/2020/10/RacePovertyandSchoolExclusions_FV-1.pdf

90 Institute for Fiscal Studies (2019) 2019 annual report on education spending in England. Available at: <https://www.ifs.org.uk/publications/14369>

91 Capita-One (2016) Exploring the link between poor educational outcomes and youth crime.

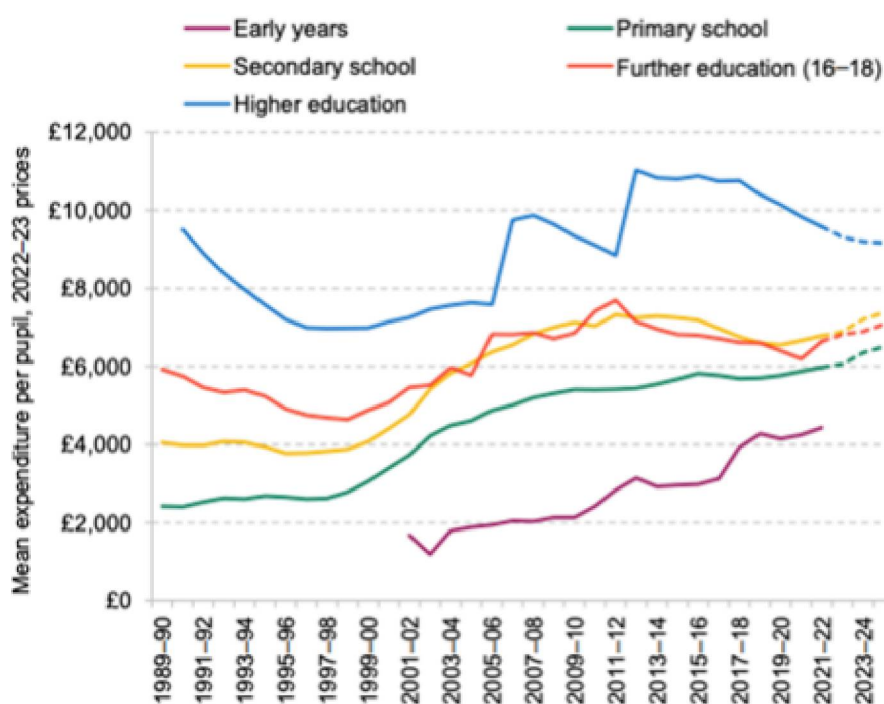
Available at: <https://www.capita-one.co.uk/resources/blog/exploring-link-between-poor-educational-outcomes-and-youth-crime>

Spending and Austerity

Exacerbating these issues, the Institute for Fiscal Studies (IFS) report has shown that there were cuts of 9% per pupil in real terms taking spending back to 2006 levels.⁽⁹²⁾ This includes a 57% cut from local authorities. This is partly due to class size, which saw a 17% increase. Although the government has provided additional funding. From 2019 to 2021, rising inflation and cost pressures have

reduced the effects of additional funding. Childcare and youth services are essential for young children and their parents. However, in recent years, there has been a shift from targeted support of low-income families, with local spending on early years services slipping from 45% in 2007-08, to only 27% of spending in 2019-20.

Figure 8.1 Spending per pupil or student per year at different stages of education 2022-2023 prices



Note and source:

Early years figures are spending per child for 3- and 4- year olds taking up a place. Secondary school spending per pupil includes spending on school sixth forms. Further education figures represent spending per student aged 16-18 in further education and sixth-form colleges. Higher education figures are cohort -based numbers divided by 3- an approximate course length. ⁽⁹³⁾

92 <https://ifs.org.uk/sites/default/files/2022-12/Annual-report-on-education-spending%20in-England-2022-Institute-for-Fiscal-Studies.pdf> p.34

93 HM Treasury, GDP deflators, November 2022 Available at: <https://www.gov.uk/government/statistics/gdp-deflators-at-market-prices-and-money-gdp-november-2022-autumn-statement>

Health

Poverty impacts the health outcomes for children in the capital, with stark inequalities present across income and ethnicity; Males living in deprived areas were living 9.7 years less than males living in less deprived areas and the gap for females was 7.9 years.(94)

Poverty is also worse for children with intersecting needs. In the three years up to 2019/20 35% of children living in a household with at least one person with a disability were living in poverty, compared to 25% who did not have a disabled household member.(95)

94 <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthinequalities/bulletins/healthstatelifeexpectanciesbyindexofmultipledeprivationimd/2018to2020>

95 <https://www.trustforlondon.org.uk/data/disability-and-poverty/>



Environmental Health:

Green spaces are positively linked to a number of health markers, including healthy weight (Liu et al, 2007), increased physical activity (96), improved cognitive function and memory (97) and a decrease in non-communicable diseases such as diabetes and cancer.(98) They are also significant benefits to mental health and wellbeing, and the sense of identity and belonging. For children in poverty, green spaces can mediate health inequalities that result from low-income and lower healthcare access (99); however, access to green spaces is unequal.

According to the National Children's Bureau (100), children living in poverty are nine times less likely to have access to green spaces in their neighbourhood, resulting in further inequality.(101)

In addition, the Capital has high levels of air pollution, with the health costs of air pollution from car emissions London higher than anywhere else across the continent exposed to dangerous levels of air pollution. Although air pollution is being reduced steadily(102), it still contributes to roughly 28,000 and 36,000 deaths per year and damages the health of millions more.(103) This impacts children on a daily basis, particularly in areas of lower income and higher population density. A recent study from the Mayor of London's (104) office monitored air quality exposure of 250 children on their way to school, revealing that pollution is roughly five times higher on the journey to school than during lessons.

96 Coombes E, Jones AP & Hillsdon M (2010) 'The relationship of physical activity and overweight to objectively measured green space accessibility and use'. *Social Science & Medicine*, vol 70, no 6, pp 816–22.

97 Flouri, Papachristou & Midouhas (2018) The role of neighbourhood greenspace in children's spatial working memory. *British Journal of Educational Psychology*, 89(2).

98 Department of Health (2012) 'Resources for commissioning Let's Get Moving interventions'. Department of Health website. Available at: www.gov.uk/government/publications/let-s-get-moving-revised-commissioning-guidance

99 Mitchell R, Popham F (2008) 'Effect of exposure to the natural environment on health inequalities: an observational population study'. *Lancet*, vol 372, pp 1655–60.

100 National Children's Bureau (2013) *Greater Expectations: Raising aspirations for our children*. London: National Children's Bureau. Available at: www.ncb.org.uk/12976

101 <https://www.theguardian.com/cities/2022/feb/02/englands-poor-urban-areas-have-fewest-protected-green-spaces-analysis-finds>

102 Mudway, Dundas, Wood, Marlin... (2019) Impact of London's low emission zone on air quality and children's respiratory health: a sequential annual cross-sectional study. *The Lancet Public Health*, 4(1).

103 <https://www.gov.uk/government/publications/air-pollution-applying-all-our-health/air-pollution-applying-all-our-health#:~:text=In%20the%20UK%2C%20air%20pollution,and%2036%2C000%20deaths%20every%20year.>

104 <https://www.bankuet.co.uk/blog/shining-a-light-on-racial-inequality-and-food-insecurity>

Nutrition and Food Security:

Research from the London Assembly found that in October 2022, almost a quarter of a million children live in food insecurity. Research leading up to the first London Children's Food Insecurity Summit found that 17% of parents have children in food insecurity. The statistics are higher amongst Black and ethnic minorities who are 1.5 times more likely to face food insecurity.⁽¹⁰⁵⁾ An additional 16% of households are unable to provide balanced meals due to low income.⁽¹⁰⁶⁾

Relatedly, 37% of children are overweight or obese. These numbers are heavily influenced by poverty and marginalisation. In fact, obesity rates are three times higher in the poorest boroughs, likely due to healthy food in England costing three times more than unhealthy food.⁽¹⁰⁷⁾ These issues, in turn, are linked to coronary heart disease, type 2 diabetes, and many forms of cancer later in life.⁽¹⁰⁸⁾



105 <https://www.bankuet.co.uk/blog/shining-a-light-on-racial-inequality-and-food-insecurity>

106 Barker (2020) 400,000 London children 'are food insecure'. Fresh Produce Journal. Available at: www.fruitnet.com/fpj/article/180602/400000-london-children-are-food-insecure

107 FAO, UNICEF, IFAD, WFP & WHO (2018) The State of Food Security and Nutrition in the World. Rome, FAO. Available at: <http://www.fao.org/3/I9553EN/i9553en.pdf>

108 Steel et al. (2018) Changes in health in the countries of the UK and 150 English Local Authority areas 1990–2016: a systematic analysis for the Global Burden of Disease Study 2016. The Lancet, 392(10158)

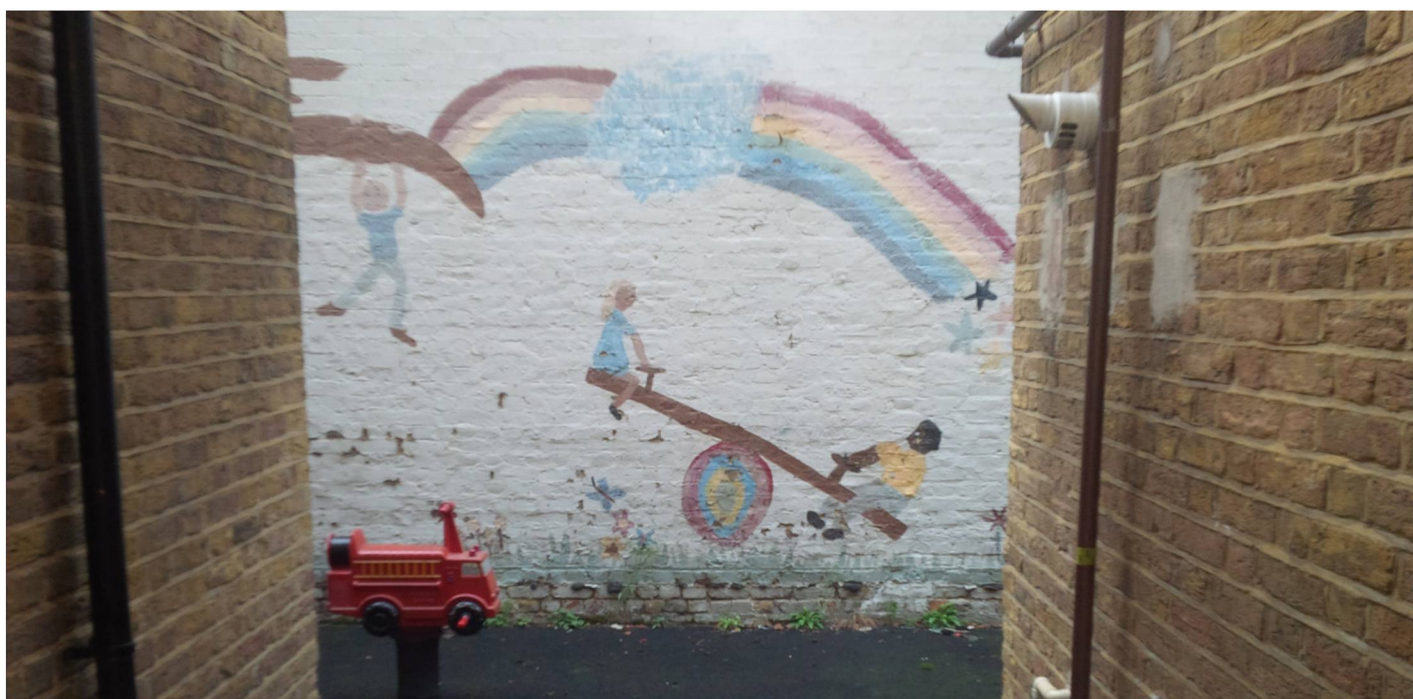
Mental Health:

“Mental health problems” range from mild to moderate to severe and ensuing conditions. These include Common Mental Disorders such as Major Depressive Disorder (depression), to more serious conditions such as schizophrenia. Regardless of categorisation, children in poverty are more significantly impacted.

A study by the Children’s Society showed that, among adolescents in poverty, 29% do not feel optimistic, 22% do not feel useful and 20% feel like a failure.⁽¹⁰⁹⁾ This is mutually reinforced by feelings of stigmatisation, classism, and being bullied for – or feeling embarrassed by – their socio-economic standing. Furthermore, Mind has shown that stigma leads to further symptoms of mental health issues, such as loneliness and loss of confidence.⁽¹¹⁰⁾ Furthermore, the ongoing fuel crisis has led many to live in cold homes.

28% of young people living in cold homes have been seen to have four or more negative mental health symptoms compared with 4% of young people constantly in warm homes.⁽¹¹¹⁾

There are knock-on effects in other areas, as well. For example, in a study from UCL Institute of Education, the Institute of Fiscal Studies and the Rand Corporation,⁽¹¹²⁾ children and young people who suffer from mental health issues struggle with their employment prospects, it was found that adults who struggled with mental health issues as children work fewer hours for less money and are more likely to be unemployed. More generally, people with mental health issues are more likely to be in debt, live in areas with higher crime, live in areas of environmental neglect, or have poor housing.⁽¹¹³⁾



109 The Children’s Society (2016) Poor Mental Health: the links between child poverty and mental health problems.

Available at: https://www.childrenssociety.org.uk/sites/default/files/poor_mental_health_report.pdf

110 Rethink Mental Illness & Mind (2013) Time to Change: Children and Young People’s programme Interim pilot evaluation results, April 2012 to September 2013. Available at: <https://www.time-to-change.org.uk/sites/default/files/ttc-children-yp-programme.pdf>

111 <https://www.instituteofhealthequity.org/resources-reports/fuel-poverty-cold-homes-and-health-inequalities-in-the-uk/read-the-report.pdf> p.17

112 Joseph Rowntree Foundation (2013) Does money affect children’s outcomes? Joseph Rowntree Foundation, London.

Available at: <https://www.jrf.org.uk/report/does-money-affect-children%E2%80%99s-outcomes>

113 Boardman, Dogra & Hindley (2015) Mental health and poverty in the UK – time for change?. BJ Psych International, 12(2), pp 27-28.

Impact of the cost-of-living crisis on Child Poverty

While the COVID-19 pandemic has declined, its impact on the economy. These difficulties have been compounded by political uncertainties placing pressures on the cost-of living which has an especially significant effect amongst the poorest in society.

For a better understanding of the impact of income on child development, there are two models that could be useful:

THE INVESTMENT MODEL

With less income, families have less finances to spend on educational toys, learning materials and educational activities like music lessons. The model suggests that as parents' financial resources increase, they can invest more in their children.

THE FAMILY STRESS MODEL

With less income, parents are more stressed about things like their inability to pay bills, and can affect their parenting quality. As a result, they may face anxiety, depression and various other difficulties affecting their psychological well-being.

Inflation

The main factor driving inflation is rising fuel and food costs following the Brexit referendum and additional economic shocks from Russia's invasion of Ukraine. Furthermore, employment is still below pre-pandemic levels. While inflation has reduced slightly, it still has a significant effect on families living in poverty.

Inflation is expected to reach 11%, which is the highest level it has reached in 40 years. The £20-a-week uplift was removed in Oct 2021 and thus the speed of inflation increasing is more concerning. In April 2022, benefits only increased 3.1% when the rate of inflation was considerably more.(114) The IFS states that although the government may increase benefits in line with inflation, the real value of benefits is expected to be around 6% below pre-pandemic levels.(115)

The rising prices of food led the largest upward trend in Consumer Prices index including owner occupied housing costs (CPIH) and CPI annual inflation rates from August to September 2022.(116) While the Consumer Price Index was 10.1% in September 2022, the average growth of earnings was only around 5.5%.(117) The inflation rate amongst the poorest families is said to be 0.4-0.5% higher than the average.(118)

The rising cost of essentials causes further inequality as the impact on families on low incomes is more severe. The Consumer Prices Index(CPI) increased by 0.5% in September 2022 on a monthly basis as opposed to a 0.3% rise in September 2021.(119) This would affect a families' ability to invest in their child's development. Furthermore, the stress of rising prices may affect the quality of their parenting as well.

114 <https://www.jrf.org.uk/report/uk-poverty-2023>

115 <https://ifs.org.uk/articles/even-inflation-uprating-benefits-next-year-are-on-course-to-be-6-below-their-pre-pandemic>

116 <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/september2022#:~:text=Rising%20food%20prices%20made%20the,the%20change%20in%20the%20rates.>

117 <https://ifs.org.uk/articles/even-inflation-uprating-benefits-next-year-are-on-course-to-be-6-below-their-pre-pandemic>

118 <https://www.poverty.ac.uk/inflation-low-income-households-necessities-reports/inflation-%E2%80%98hits-poorest-families-hardest%E2%80%99>

119 <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/l55o/mm23>

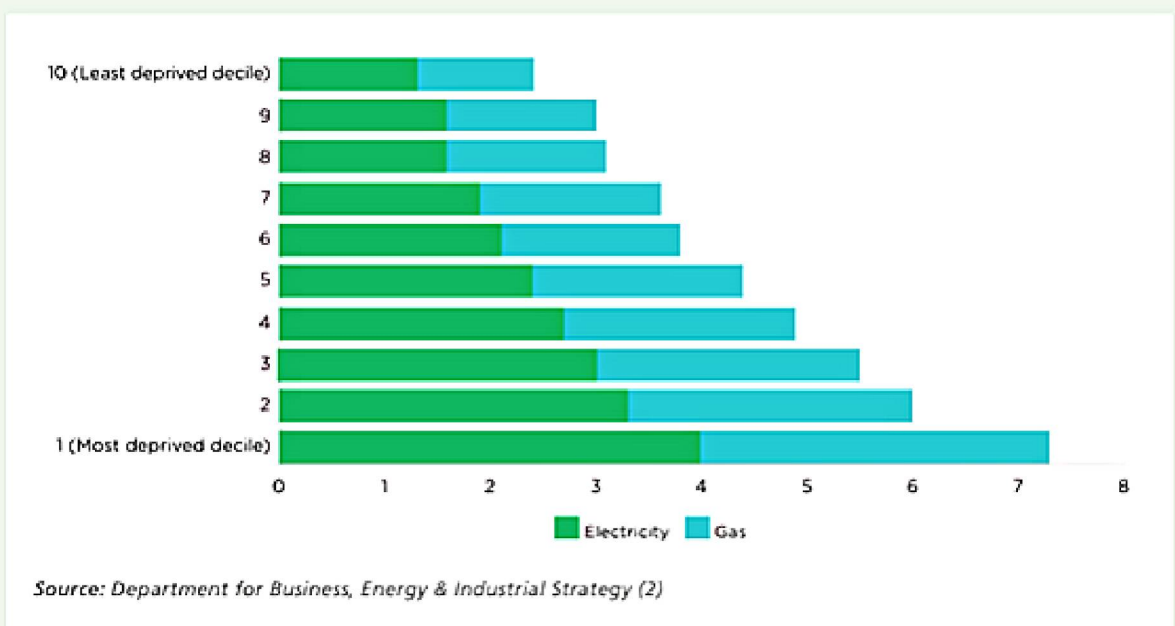
Fuel poverty/Energy Crisis

According to the Child Poverty Action Group, 2019-20 only 9.5% of non-income poor households were fuel poor while 60.2% of income poor were also fuel. By January 2023, the CPAG estimates that almost half of non-income poor would be fuel poor while more than 80% of income poor would also be fuel poor.(120) The difficulty in paying energy bills will be especially concerning amongst those who are already living in poverty and thus would experience a further decline in well-being. The End Food Poverty Coalition found

that around 2.5 million households with children are in fuel poverty which is around 2 in 5 households with children.(121)

Households with less disposable income spend a higher proportion of their household expenditure on electricity and gas. In 2020, the bottom income decile spent 7.3% of their income on gas and electricity while the highest income decile only spent 2.4% which is almost three times less.(122)

Figure 6. Household expenditure on energy as a percentage of total expenditure, by equivalised disposable income group (deciles), England, 2020



120 <https://cpag.org.uk/news-blogs/news-listings/fuel-poverty-updated-estimates-uk>

121 <https://news.sky.com/story/two-in-five-households-with-children-to-be-in-fuel-poverty-where-will-be-worst-affected-12569195>

122 <https://www.instituteoftheequity.org/resources-reports/fuel-poverty-cold-homes-and-health-inequalities-in-the-uk/read-the-report.pdf> p.13

Physical health

Poverty engenders health outcomes for children in the capital, with stark inequalities present across income and ethnicity. Life expectancy has also fallen in the most deprived areas. While the borough of Barking and Dagenham has a life expectancy of 58.1 years amongst males, Richmond upon Thames has a life expectancy of 70.2 years. For the years 2018-2020, Tower Hamlets had a life expectancy of 57.8 years amongst women while it was 70.1 years in Wandsworth. (123) Furthermore, individuals living in more deprived areas have a greater need for health and social services and yet their access to these services are less timely than others.(123) Although the number of children in poverty is expected to increase from 4 to 5 million by the end of the decade in the UK, goals to decrease child poverty have been abolished.(124)

With many poorer families spending a larger proportion of their income on electricity and gas, rising costs would affect them more significantly and so would raise health concerns amongst them. Fuel poverty will likely have a serious effect on the health of children and families. It is likely that fuel poverty would further worsen health

It is likely that fuel poverty would further worsen health inequalities. Cold homes can result in and worsen respiratory conditions, cardiovascular diseases, poor mental health, dementia, hypothermia and problems with childhood development.(125) Given that fuel poverty would affect poorer families more than other families, this would mean that such health conditions would disproportionately affect poorer homes as well.

These concerns are further amplified by the pressures on the NHS where lower-income homes would be more reliant on free healthcare than those from richer households. The NHS is facing pressures due to staff shortages, limited places in social care for patients waiting to leave hospitals and the lowest level of critical care beds in the rich world.(126) This is further worsened by a fifth wave of covid and the worst flu season in a decade have hit.(127) These statistics are particularly worrying amongst those who have disabilities where routine check-ups are necessary to keep their health. Those of us with disabilities are likely to need NHS care more often, particularly in an emergency capacity.(127)

123 <https://www.instituteofhealthequity.org/resources-reports/a-snapshot-of-health-inequalities-in-london/full-report.pdf> p.28

124 <https://www.rcpch.ac.uk/key-topics/child-poverty/our-work-to-reduce>

125 <https://www.instituteofhealthequity.org/resources-reports/fuel-poverty-cold-homes-and-health-inequalities-in-the-uk/read-the-report.pdf> p.4

126 <https://www.bbc.co.uk/news/uk-scotland-scotland-politics-64211810>

127 <https://www.bbc.com/news/disability-64242582.amp>

Mental Health

Over the last 10 years, the mental health of children aged 10-15 has declined. In 2009, 8% of Londoners in this age-group had a probable mental health disorder and 13% did across the UK. However, the most recent Understanding Society Survey 2019-21 found that both percentages equalised to 18%.(128)

Mental health of children is also impacted by surrounding environments. For instance, spending more time indoors than playing outside would have an impact on physical activity and social development but also their mental health.(129) This is an especially important consideration given that children were unable to go outside and spend time with other children during the COVID-19 pandemic when social interactions were

significantly reduced. Space constraints also limit a child's ability to play and therefore affects mental health. A survey in 2021 on overcrowding in Tower Hamlets found that 80.5% of families said their children had no space to play and 64.1% of families said that their children had no space to do their homework and that this led to arguments in the family.(130) With the cost-of-living crisis, families may be unable to take children for educational activities due to costs. Families may also have less time with children with parents/carers working more jobs or longer hours. Financial constraints may affect the mental health of young people as well as they may feel unable to cope with worries about money or may be unable to do things with friends and families leading to isolation which may also affect their mental health.(131)

128 University of Essex, Institute for Social and Economic Research. (2022). Understanding Society: Waves 1-11, 2009-2020 and Harmonised BHPS: Waves 1-18, 1991-2009. <http://doi.org/10.5255/UKDA-SN-6614-16>

129 <https://www.instituteofhealthequity.org/resources-reports/evidence-review-housing-and-health-inequalities-in-london/full-report.pdf> p.6

130 <https://www.instituteofhealthequity.org/resources-reports/evidence-review-housing-and-health-inequalities-in-london/full-report.pdf> p.23

131 <https://www.youngminds.org.uk/parent/parents-a-z-mental-health-guide/money-and-mental-health/>

Hunger

With rising food prices, a higher proportion of parental earnings would be spent on food given that earnings have not risen with inflation. In April 2022, 17.2% of households with children faced food insecurity however this rose to 25.8% by September 2022.⁽¹³²⁾ Furthermore, families with more children are more likely to experience food insecurity. Ethnicity adds another layer of complexity as Black, Asian and minority ethnic households are around 8% more likely to experience food insecurity.⁽¹³³⁾

The Hackney Foodbank used to spend £2000 a year on food in 2017 but now spends £4000 a week.⁽¹³⁴⁾ Services such as this have been expanding their services over recent months and are even open at night in order to be available to those working during the day. Across the world including the UK, high inflation and a slow global economy means that many individuals will face difficulties

trying to pay for the food they require.⁽¹³⁵⁾ Amongst children, this is of particular concern as hunger stunts brain development and reduces immunity. A few months of poor nutrition in childhood can have long-term consequences by reducing one's chance of living a healthy, productive life.

Zayn Malik, Jamie Oliver and Marcus Rashford alongside the Food Foundation Campaign have all led high profile campaigns that are encouraging the government to expand free school meals to all children living in poverty.⁽¹³⁶⁾ Around 22.5% of pupils in England are eligible for Free School meals and all infant-school pupils are eligible but children above year three must live in a household with an annual income up to £7400 after tax, excluding welfare payments and must be receiving income-related benefits.⁽¹³⁶⁾ However, 40% of those on universal credit are employed and may earn above this threshold.

132 <https://www.youngminds.org.uk/parent/parents-a-z-mental-health-guide/money-and-mental-health/>

133 <https://foodfoundation.org.uk/initiatives/food-insecurity-tracking#tabs/Round-11>

134 <https://www.bbc.co.uk/news/uk-england-london-64304620>

135 <https://www.economist.com/the-world-ahead/2022/11/18/global-hunger-is-now-more-a-problem-of-price-than-availability>

136 <https://www.bbc.co.uk/news/54693906>

Through a complex relationship, obesity is linked to poverty. In England, the poorest 20% ten-year old boys are twice as likely to be obese as the richest; London, in comparison with “peer global cities”, has the highest rate of child poverty at 38%.⁽¹³⁷⁾ Nearly 40 per cent of London's children are overweight or obese, with the highest rates occurring in the areas of greatest deprivation.⁽¹³⁸⁾ This can be explained by a number of factors including low incomes and associated financial strain as well as a higher density of fast-food outlets and corner shops in deprived urban areas.⁽¹³⁹⁾

Limits on unhealthy food at school meals were introduced around 10 years ago once national standards were put in place in England.⁽¹⁴⁰⁾ However, more families are switching to lunchboxes to save money and some parents are struggling to provide what should be included in a healthy lunchbox.⁽¹⁴⁰⁾

Regular FSA surveys have found 30% of adults missing a meal in November 2022 due to costs which have increased from 22% in March 2022. Some are also turning off their fridges due to costs.⁽¹⁴⁰⁾



137 Public Health England (2020) National child measurement programme (NCMP): trends in child BMI. Available at: <https://www.gov.uk/government/publications/national-child-measurementprogramme-ncmp-trends-in-child-bmi-between-2006-to-2007-and-2018-to-2019/national-child-measurement-programme-ncmp-trends-in-child-bmi>
Guy and St Thomas' Charity (2018) Bite Size: Breaking down the challenge of inner-city childhood obesity. Available at: https://www.gsttcharity.org.uk/sites/default/files/Bite_Size_Report.pdf
138 <https://www.bbc.co.uk/news/uk-63550144>
139 <https://www.london.gov.uk/mayor-announces-every-london-primary-schoolchild-receive-free-school-meals>
140 <https://www.bbc.co.uk/news/education-63756634>

Education

In relation to the investment model, the cost-of living crisis would suggest that families have less finances to spend on educational items and activities for their children, impacting their child's development.

At all stages of education, parental income is a significant determinant in young people's educational attainment where the Covid-19 pandemic widened the attainment gap between the most and least disadvantaged pupils. A key factor for this is likely to be the digital divide and differences in home learning environments alongside falling incomes.⁽¹⁴¹⁾ Between January and March 2020, Ofcom carried out a survey in London that found that 9% of homes with a child did not have access to a laptop, desktop or tablet.

Furthermore, an April 2020 study carried out by the UCL Institute of Education found that 1 in 5 children eligible for Free School Meals had no access to a computer at home and thus school closures widened the gap between disadvantaged children and their peers.⁽¹⁴²⁾

Furthermore, the energy cap has not been sufficient to support schools. With schools facing higher bills than budgeted for, they may be less able to provide a good quality of education for their students. The Energy price cap is also only said to last six months and thus would create uncertainty following the six months. This could mean that schools may increase class sizes, reduce subject choice and additional support.⁽¹⁴³⁾

¹⁴¹ <https://www.jrf.org.uk/report/uk-poverty-2023>

¹⁴² <https://www.communitytechaid.org.uk/post/the-digital-divide-in-london-schools>

¹⁴³ <https://www.theguardian.com/education/2022/sep/21/energy-cap-not-far-enough-schools-uk-head-teachers-warn>

Policy Recommendations

With the right policies, child poverty in London can be eliminated. The following policy recommendations from child-centric think-tanks have been collated in line with existing evidence and data. It is important to focus on the impact any policy will have on groups that are more vulnerable, such as BAME communities and those with disabilities. Concretely, this means that any reforms should tackle racial inequalities and also assess “whether ethnic minorities (or other groups) are more or less likely to share the characteristics of those most likely to benefit” from the reforms, as the Runnymede Trust recommends, as well as monitoring progress. (144)

- First, the UK’s welfare state requires reform. The Child Poverty Action Group (CPAG) stipulates that “benefits should rise each year at least with inflation”. CPAG explains that unless child benefits rise by £5 per week to make up for inflation since 2010, child benefits would have lost 23% of its real value by 2020.(145)
- Second, free childcare needs to be rolled out. Childcare and housing are two of the most significant costs for working families with small children, with costs of the former having increased by 42% since 2008, twice the rate of inflation. The average family in the OECD spends around 10% of their net income on childcare, assuming full-time care in a typical childcare centre for a two-earner two-child couple family. However, it is 22% in the UK.¹⁷⁸ The CPAG suggests more wraparound care in schools at affordable prices and expanding preschool childcare offers for lower-income families.(146)
- Third, Children's Food security also needs to be strengthened in London by widening the Mayor’s scheme for primary aged children to include all children under the age of 18 living in households on universal credit. Jamie Oliver, Marcus Rashford and Zayn Malik have made calls for the government to expand Free School Meals in England.(147)
- Fourth, considering the very high rate of in-work poverty, employment practices need to change. Part-time and zero-hour contracts and temporary jobs evade employment protections. The CPAG recommends reducing the taper rate of universal credit to 55% to prevent 200,000 children in working families from entering poverty. The APPG on poverty is also encouraging the government to introduce a second earner’s work allowance in universal credit so families can keep more of the money that they earn.(148)
- Fifth, Children in larger families need to receive more protection from facing poverty and the government should uprate benefits with inflation. Inflation in 2022 is higher for lower-income families. The package of support implemented by the government for energy bills is valuable as it supports poorer families more than middle- or high-income families. However, the decision to offer a flat rate of support for families on means-tested benefits, rather than uprating benefits with inflation, provides less support for children in large families. (149)
- Sixth, free Transport for London travel for under 18s should be reinstated as this has an impact on disadvantaged students who are already facing financial difficulties with the cost-of-living.



144 Khan, O., (2020) The Colour of Money. How racial inequalities obstruct a fair and resilient economy. Runnymede Trust. Available at: <https://www.runnymedetrust.org/uploads/publications/pdfs/2020%20reports/The%20Colour%20of%20Money%20Report.pdf>

145 <https://cpag.org.uk/child-poverty/solutions-poverty>

146 <https://www.bbc.co.uk/news/uk-politics-64161139>

147 https://cpag.org.uk/sites/default/files/files/policypost/London_Calling_Councillors.pdf

148 <https://www.bbc.co.uk/news/uk-63550144>

148 <https://www.bbc.co.uk/news/uk-63550144>

149 <https://cpag.org.uk/news-blogs/news-listings/work-poverty>



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