

CHILD POVERTY IN 2012

It shouldn't happen here



Save the Children

Save the Children works in more than 120 countries.
We save children's lives. We fight for their rights.
We help them fulfil their potential.

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Cover photo: Tia, six, and Chloe, nine, with their parents, Sam and Scott, near their home in Wales. They live in a small council house with a hole in the roof, which the council never repaired. Most days they can't afford to put it on so they sit in their coats. One in three children in Wales lives in poverty. (Photo: Abbie Trayler-Smith/Save the Children)

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FOREWORD

As the recession bites deeper we're all feeling the pinch but it's the poorest families who are feeling it most, despite the efforts of many low-income parents who are trying desperately hard to give their children a decent start in life.

This report shines a light on the experience of families living in poverty and sets out what children have told us living in poverty is like. Too often the burden of getting by on a low income is putting enormous emotional strain on parents and children. Right now, children are missing out on the things they need to have a fulfilling childhood, such as having access to the internet at home or having friends round for tea. Crucially, they're also missing out on daily essentials, such as healthy food, warm clothes in winter and new shoes when they need them.

It shouldn't happen here in the UK in 2012. Even in tough times there are choices to be made about how government money is spent or how we as individuals decide to respond to difficult circumstances. Last year, Save the Children successfully campaigned for extra childcare support so mums and dads can afford to go out to work and we're encouraging the adoption of the living wage by employers. We're rolling out our ground-breaking Families and Schools Together (FAST) programme to more than 4,000 schoolchildren

across the UK this year, helping to give children in low-income areas the best start at school. We're providing beds, cookers, cots, toys and other essential household items through our Eat, Sleep, Learn, Play! (ESLP!) programme to 3,000 low-income families this year.

We want to go even further by developing new early intervention programmes and pushing the government to do more to help families in poverty. We need to make sure that no one gives up on the fight to end child poverty. If we fail to act now, we risk betraying the dreams and talents of an entire generation.

But, together, we can turn this around. We must make sure action is taken so that no child misses out on the things they need for a happy and decent childhood, and that steps are taken, such as supporting parents into secure and well-paid jobs, to break the vicious cycle that keeps families poor – generation after generation.



Fergus Drake
Director of UK Programmes
Save the Children



INTRODUCTION

There are an estimated 3.5 million children living in poverty in the UK and this figure is expected to soar by 400,000 in the coming years.¹ A lack of jobs, stagnating wages, increased living costs and spending cuts are placing enormous pressure on families up and down the UK. Children's experiences of poverty and the recession are often overlooked. Our report shines a light on these experiences.

Behind the projected increases in child poverty are the day-to-day struggles of families on low incomes – many of them in work, but still in poverty. According to the results of two large-scale surveys (one of parents and one of children) carried out on behalf of Save the Children and set out in this report, these difficulties are becoming ever more acute. It shouldn't happen here. It is shocking to think that in the UK in 2012, families are being forced to miss out on essentials like food or take on crippling debts just to meet everyday living costs. According to the surveys:

- well over half of parents in poverty (61%) say they have cut back on food and over a quarter (26%) say they have skipped meals in the past year
- around 1 in 5 parents in poverty (19%) say their children have to go without new shoes when they need them
- a large number of children in poverty say they are missing out on things that many other children take for granted, such as going on school trips (19%) and having a warm coat in winter (14%)
- only 1 in 5 parents in poverty (20%) say they have not had to borrow money to pay for essentials, such as food and clothes, in the past year.

Perhaps the most striking finding from the survey is the extent to which children are aware of the financial strain their parents are under. Parents are stressed by lack of money and, despite their best efforts, many children are sharing this burden:

- The majority of all children (58%) think it is getting harder for their family to pay for everything.
- Over half of children in poverty (52%) agree that not having enough money makes their parents unhappy or stressed.
- Over a third of children in poverty (36%) say their family struggles to pay the bills.
- More than 4 in 10 children in poverty (43%) 'agree' or 'strongly agree' that their parents are cutting back on things for themselves, such as new clothes and food.

Child poverty affects us all. It costs us around £25 billion a year through extra spending by government and lost taxes.² Despite this, low-income families are bearing more than their fair share of the financial burden faced by the country and are having to cope with cuts to welfare support, public services and a weak labour market. Our survey findings set out all too clearly the impact this is having on families in poverty and the damage it is doing to the well-being of children. This isn't inevitable. The government has the tools it needs to address child poverty, but must show the political will to do so. Save the Children believes that the government must:

- stick to the 2020 child poverty targets
- tackle the scandal of in-work poverty by:
 - encouraging more employers to adopt the living wage
 - strengthening the new welfare system – Universal Credit – by allowing parents to keep more of their earnings before benefits are withdrawn
 - providing extra support towards childcare costs so that at least 80% of low-income parents' childcare costs are covered.
- Ease the burden on low-income families by:
 - protecting children in poverty from any further public spending cuts
 - protecting families in poverty from rising living costs, such as energy prices.

FEELING THE PINCH

“My husband’s wage has not gone up in two years and food, clothes and bills increase all the time. Our food bill goes up as the children get older.”

Low-income parent

Families across different income groups have been affected by rising living costs, stagnating wages and public spending cuts, but low-income families are hardest hit. Things like rising living costs are most damaging to those living in poverty, with the poorest 10% of households spending a much greater proportion of their income on items such as food and utility bills (key drivers of inflation in recent years).³ Low-income families are also bearing the brunt of austerity, with spending cuts hitting the poorest tenth of the population 13 times harder than the richest tenth.⁴

The results from our surveys show the extent to which low-income families in particular are feeling the squeeze. 44% of families in poverty say that every week they are short of money and 29% say they have nothing left to cut back on. 61% of children in poverty think it is getting harder for their family to pay for everything.

“When our washing machine broke, my mum had to wash everything in the bath. It took ages to save up for a new one.”

Alison, aged 14

HARD CHOICES

“I feel that the basic costs of living have gone up so much – mainly the price of basic food. I used to be able to go to the supermarket and do a weekly shop for around £50 and this has now doubled. I can now only afford the very basics and occasional treat... I can only work part time, as childcare costs are too high to justify working full time. So I now have an evening job waiting tables to help make ends meet.”

Low-income parent

Parents are having to make increasingly hard choices about how they manage their budget and cope with the financial squeeze. The following graph shows the extent to which many families are having to go into debt and make difficult decisions because money is tight.

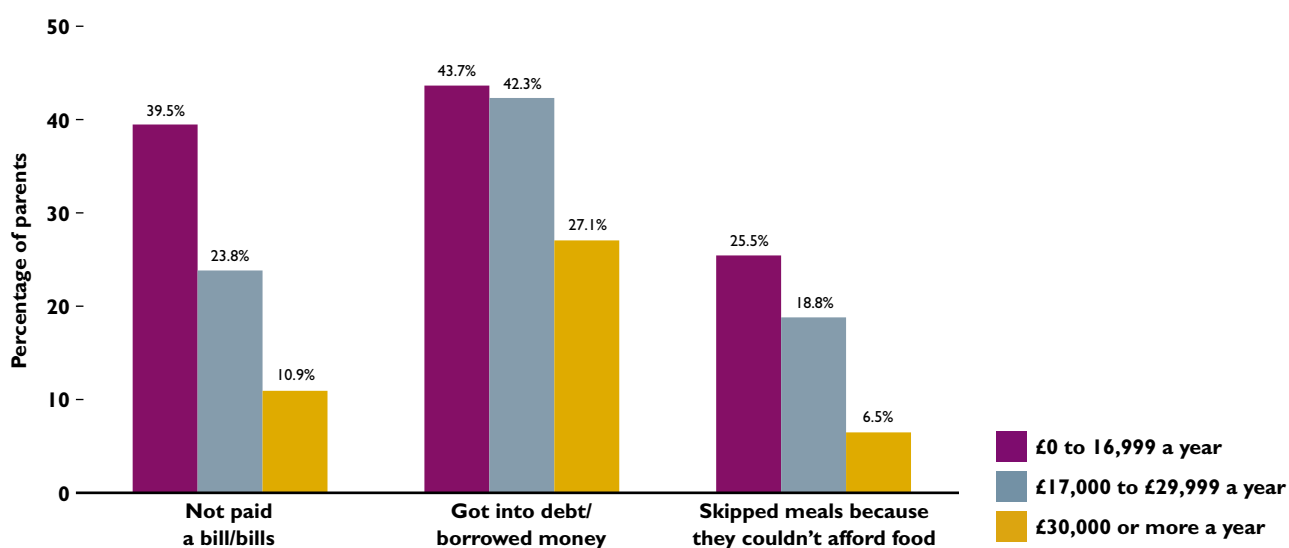
Families in poverty are most likely to have avoided paying bills (40%) compared to parents on higher incomes (11%). The responses to the survey also suggest parents on modest incomes are feeling the squeeze, with a similar number to those in poverty saying they’ve borrowed money/gone into debt in the past year and 58% saying that it’s a struggle to stay afloat.

A boy with a ball near Celtic Football Club in Glasgow. One in five children in Scotland lives in poverty.



PHOTO: SIMON ROBERTS/SAVE THE CHILDREN

GRAPH 1: PERCENTAGE OF PARENTS BY HOUSEHOLD INCOME GROUP INDICATING THAT THEY HAVE DONE THE FOLLOWING IN THE PAST YEAR DUE TO A LACK OF MONEY



CUTTING BACK ON ESSENTIALS

"The recent recession and all the cutbacks have hit me hard. My bank account is never in the pluses, always in the minuses, so that is a constant struggle in itself. I've cut back to the bare bones and still the government wants to cut more. My son misses out on some school trips, which I just can't afford. Sometimes I go without a meal so that my son can eat."

Low-income parent

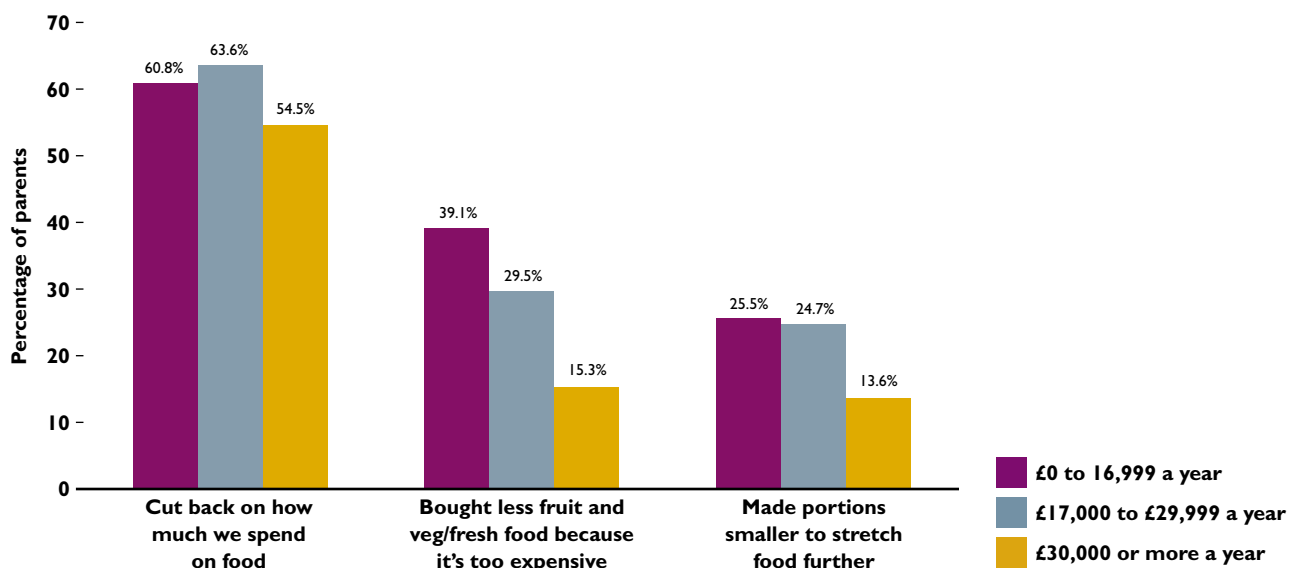
Increasingly families are struggling to afford the essentials needed to live a decent and healthy life – this includes families on low, modest and higher

incomes. We asked parents to think about their spending on food over the past year. Large numbers of families from across different income groups say they've cut back spending on food in the past year with low-income families in particular saying they've bought less fruit and vegetables.

"A year or so ago, we literally relied on any money we raised at car boot sales to pay for food for the week. Some weeks weren't too bad, others were dire. The British weather decided how we lived that week (when it rained, the turnout at car boot sales fell)."

Low-income parent

GRAPH 2: PERCENTAGE OF PARENTS BY HOUSEHOLD INCOME GROUP INDICATING THEY'VE DONE THE FOLLOWING IN RELATION TO THEIR SPENDING ON FOOD IN THE PAST YEAR



MONEY WORRIES AND FAMILY STRESS

“We have a two-bed terrace, but the baby has to sleep in our room and the other two children have bunk-beds in their room. I wish with all my heart we could move to a bigger house, but because of all the financial struggling and therefore missed payments, we have destroyed our credit rating and cannot in any way get a bigger mortgage to give our children a house with their own bedrooms. This is my biggest stress and worry, and it breaks my heart that they cannot have their friends to stay or have their own space.”

Low-income parent

The consequences of poverty (from ill health to debt) compound stress and negatively affects mental well-being. Poverty also takes its toll on the emotional well-being of children, not only because they're missing out on things that their peers might take for granted but also, as our survey results show, because they are often aware of the financial pressure their family is under.

“When you ask for things, you're just thinking about yourself and you have to put your family's needs before you. If you are limited then you have to budget to get the things you need.”

Alicia, aged 15

Six-year-old Joe lives in one of the poorest areas of Wales. His dad, Paul, works as a part-time shop manager and his mum, Vanessa, is unemployed but desperate to find work. Black spores and damp in their council home aggravate Joe's asthma.



AWARENESS OF FINANCIAL STRESS AMONG CHILDREN

“When I ask for stuff, my mum tells me to go away. I wish I could just get a whole load of money and give it to her.”

Esther, aged 14

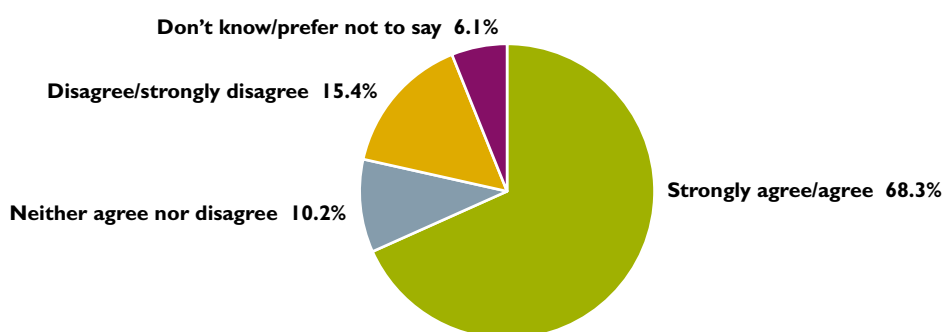
While parents try to protect their children from harm and worry, our survey shows that, despite the best efforts of parents, their children are well aware of their daily struggles and money worries, and children worry about money too. Among all the groups of children surveyed (all of whom were aged between 8 and 16) there is a strong awareness of the

financial pressures facing their families. This awareness is greater among children in low-income families. Over half of children in poverty (52%) say that not having enough money makes their parents unhappy or stressed (compared to 38% of children not in poverty) and 53% of children in poverty say they sometimes worry about their families having enough money (compared to 35% of children not in poverty).

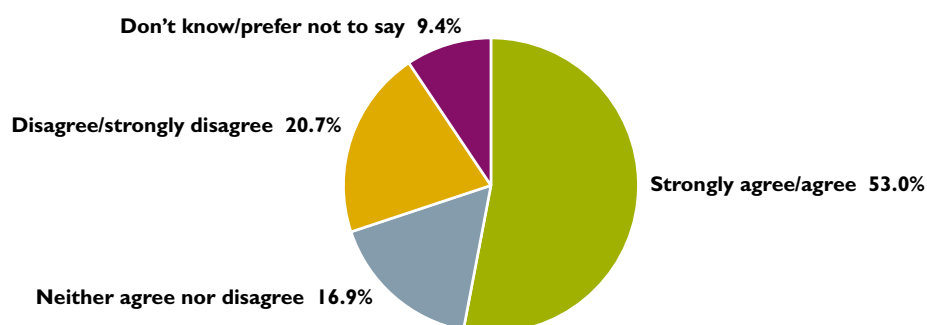
Many children say they don't ask their parents for things they need because they know money is tight: 13% of children living in poverty say that they have stopped asking for anything because they know their parents can't afford it, with a further 25% only asking for things they really need.

GRAPHS 3, 4 AND 5: PERCENTAGE RESPONSE RATES AMONG CHILDREN IN POVERTY TO STATEMENTS ABOUT FINANCIAL STRAIN IN THE HOUSEHOLD

“My family has to think carefully about the things we spend our money on”



“I sometimes worry about my family not having enough money”



“Not having enough money makes my parents unhappy/stresses my parents out”

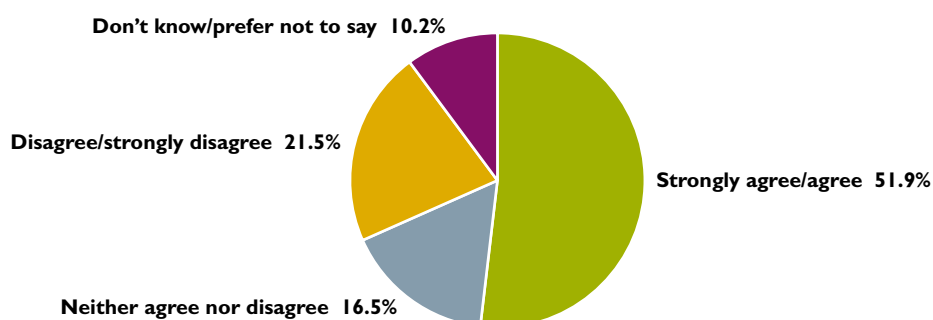




PHOTO: LAURA PANNACK/SAVE THE CHILDREN

Sean, two, and his mum Ashleigh, 19, live about 20 miles from Glasgow. Ashleigh longs to get a job, and has been doing a course to improve her prospects, but childcare costs are a big barrier. She can't afford her own home, so she, Sean and her one-year-old daughter Ayisha live with Ashleigh's parents and younger sister.

PARENTS UNDER PRESSURE

"When I was made redundant, I found that having to live on £67.50 a week benefits (rather than the £200 a week job) with two small children really stretched us to pay the bills and mortgage. Every job I applied for I was told I was over qualified and never stood a chance, but I tried to work round my kids as I could not afford childcare either. My husband still had his job but had to work longer hours to try to get extra money and this also caused problems between us."

Low-income parent

Poverty can leave parents struggling to provide healthy food and a warm home. It can also exact a heavy toll on their physical and mental well-being, especially if they have to rely on a low income for a long period of time.

Financial worries are more likely to result in arguments and disagreements in the household. Not surprisingly, low-income parents are twice as likely to split up, challenging the idea that it is separation that causes poverty, and suggesting it is the other way round.⁵ Parents in poverty are more likely to say they snap at their children because of stress about money worries (23% compared to 10% of better-off parents) and around a quarter (24%) of parents in poverty say they argue more with their partner than they used to because of money worries. A fifth (20%) of parents in poverty say they try to keep their money worries hidden from their family and nearly 1 in 7 (15%) say they've lost touch with friends because of money troubles.

GOING WITHOUT

"I had shoes that were all broken up and full of holes. People at school laughed at me and took the piss. I saved up my own money for my own shoes, but I don't care about the brand or the make."

Brendan, aged 13

Children in poverty are much more likely to be materially deprived and therefore lack the things needed for a happy childhood. Our survey results confirm that children in low-income families are going without things many of us take for granted. They also show the sacrifices parents are having to make in an attempt to protect their children from the worst effects of poverty.

"We basically cannot do anything with our children that involves spending more than £10. We live off sandwiches so that our children can have the food and nutrients they need to grow."

Low-income parent

PARENTS PROTECTING THEIR CHILDREN FROM POVERTY

"My mum makes sacrifices so that I can do the hobbies I want to do to keep me off the streets. My mum cuts back on buying herself new shoes or clothes."

Duncan, aged 11

From Save the Children's experience of working with low-income families, we know that parents try hard to protect their children from the impact of poverty by missing out on things themselves. In some instances this means missing out on essentials. More than 1 in 10 (12%) low-income parents indicated that they have had to cut back on food for themselves so their children have enough to eat.

"I regularly leave the heating off and use blankets and jackets to keep warm so that we have more money towards the food bill... I buy the cheapest brand foods"



PHOTO: LIZ HINGLEY/SAVE THE CHILDREN

Nijab and his children walk near their flat in Birmingham. "I want to be able to give my children opportunities" he says, but children living in poverty are more likely to live in unsafe neighbourhoods. "I'd like to live in an area with a community where I feel safe," says the children's mother, Amal. "Lots of bad things happen around here."

so that I can afford the right amount of fruit and veg for the children. Missing a meal or two a week is not uncommon for me so that my children can eat. My children never go without what they need, but I sometimes have to.”

Low-income parent

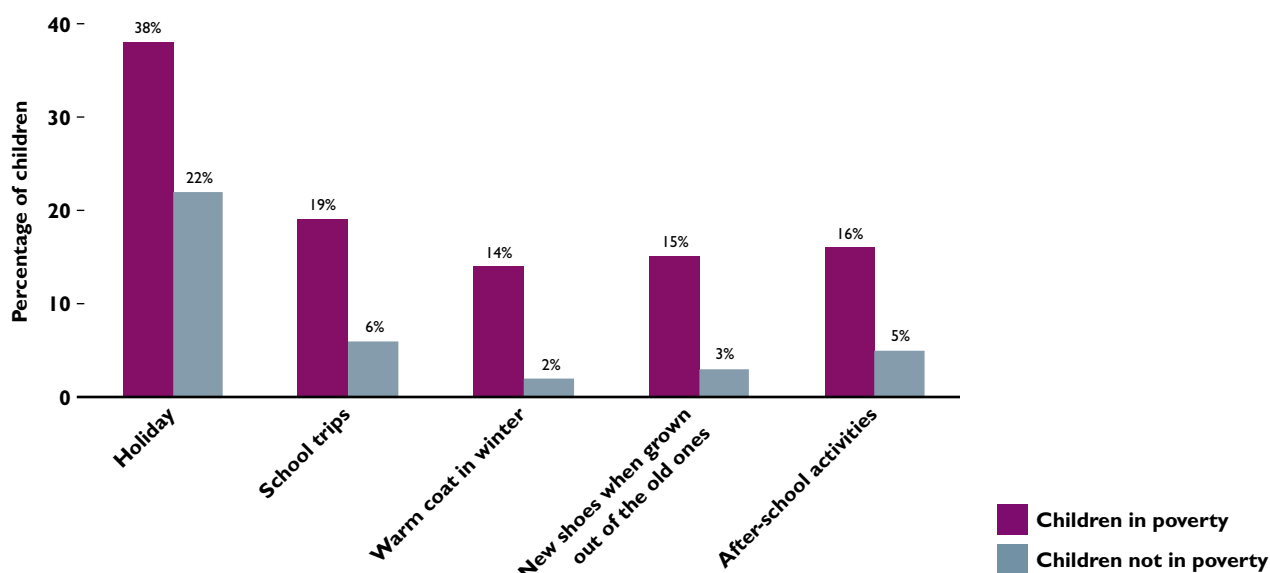
affluent peers. Less than 30% of low-income parents say their children “don’t miss out on anything” compared to 69% of better-off parents. The graphs below shows that a large number of children are aware that they’re missing out on things like shoes and a warm coat in winter, and experiences like holidays and school trips.

CHILDREN MISSING OUT

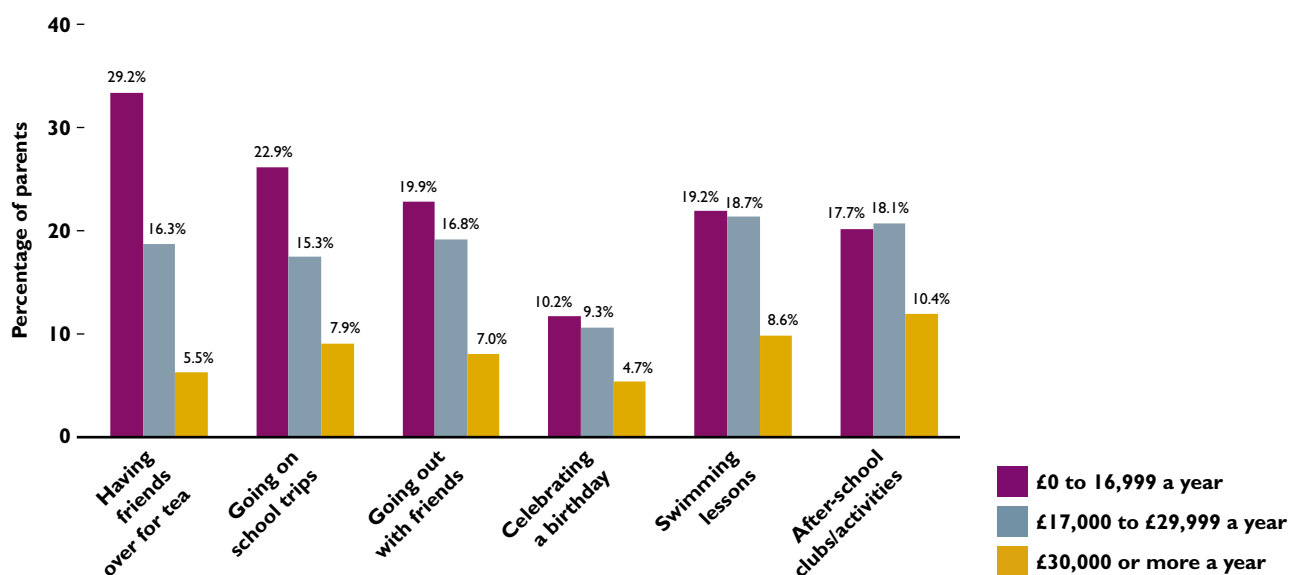
Both surveys found that children in poverty are missing out on a decent childhood and are much more likely to go without compared to their more

Children in poverty are also less likely to have the things they need to do well at school, with 24% saying that they don’t have access to the internet at home, compared to 8% of better-off children. The survey of parents showed that children in low-income

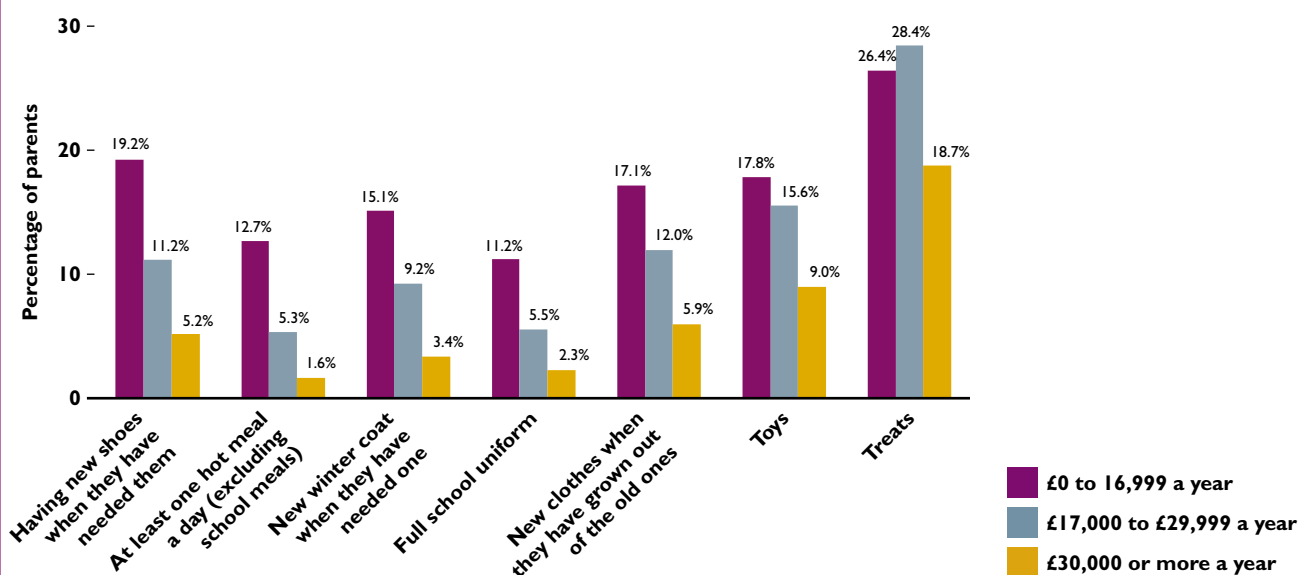
GRAPH 6: PERCENTAGE OF CHILDREN IN POVERTY AND NOT IN POVERTY INDICATING THEY ARE MISSING OUT ON CERTAIN ITEMS AND EXPERIENCES



GRAPH 7: PERCENTAGE OF PARENTS BY INCOME GROUP INDICATING EXPERIENCES THAT THEIR CHILDREN MISS OUT ON



GRAPH 8: PERCENTAGE OF PARENTS BY HOUSEHOLD INCOME GROUP INDICATING THEIR CHILDREN GO WITHOUT CERTAIN ITEMS



households miss out on the experiences they need to have a fulfilling and happy childhood. Almost 1 in 3 children in poverty (29%) miss out on having friends round for tea and 1 in 10 (10%) misses out on celebrating their birthday. In some instances, children in modest-income families are also missing out.

"I think it's really unfair when school trips cost money, loads of kids in the class just can't go. We often have to miss out on the trips."

Sophie, aged 12



Wesley, four, and Joe, six, look down over the railings at their mum and dad, Vanessa and Paul, near their home in Wales.

CONCLUSIONS AND RECOMMENDATIONS

Child poverty is expected to rise to 3.9 million by 2015 and to have returned to levels not seen since the 1990s by 2020.⁶

The survey results set out in this report show that poverty leaves parents cutting back on food so their children don't go hungry. It leaves children suffering because they don't have a warm coat or new shoes. And it means they miss out on experiences that many people would say are central to a happy childhood, such as going on a family holiday or having a friend round for tea.

Poverty can often mean children don't have a quiet space to do their homework or access to the resources they need to learn at home, such as the internet. Poverty affects children both now and in their futures.

It is more important than ever that action is taken to tackle child poverty. **It is crucial that the government remains committed to the goal of eradicating child poverty by 2020 and sets out how it intends to reach it.**

WORK AS A ROUTE OUT OF POVERTY

For far too many parents, work no longer offers a way to lift their children out of poverty. Shockingly, 61% of children in poverty have working parents, compared to 45% in the mid-1990s.⁷ All working parents should be able to earn enough to raise a family. To make work pay and to support more parents into decent, well-paid and secure work, we're calling on the government to:

- **encourage more employers to pay the living wage, so parents can earn enough to lift their children out of poverty – the living wage is higher than the minimum wage and gives the pay required for a worker to provide their family with the essentials of life**
- **strengthen the new welfare system – Universal Credit – by allowing working parents to keep more of their earnings before benefits are withdrawn**
- **help parents afford to work by providing extra support towards childcare costs so that at least 80% of low-income parents' childcare costs are covered.**

EASING THE PRESSURE

The findings set out in this report show that family finances are being squeezed. Children in poor homes are going without and are acutely aware of increasing family hardship. In addition to ensuring work acts as a more effective route out of poverty, and in spite of the current economic crisis, the government needs to ease the financial burden facing low-income families. Specifically it needs to:

- **protect children in poverty from any further spending cuts**
- **ease the burden on low-income families by tackling rising living costs (like the rising cost of energy), which often disproportionately affect low-income families.**

ABOUT THE SURVEYS

SURVEY OF CHILDREN AND YOUNG PEOPLE

The survey was carried out on behalf of Save the Children during June 2012 to provide data on the experience of children living in poverty, compared to their more affluent peers. A total of 1,504 children aged 8–16 from 35 schools across the UK completed the online survey in classroom settings. Around half of the schools taking part were in areas of high deprivation to ensure that a sufficient number of children from low-income backgrounds completed the survey. The data was weighted to adjust for the intentional over-sampling within deprived areas, and weighted separately within deprived and non-deprived areas to ensure the correct age and gender balance.

Children were asked four questions to identify whether they are living in poverty or not. These were:

- Are you eligible for free school meals?
- Are there no adults in your household with a paid job?
- Do you live in a house that is really cold in winter?
- Do you go without a full school uniform because your family can't afford it?

There is a strong correlation between the first two variables and poverty, but we know that not all children in poverty receive or are eligible for free school meals. Similarly, while the risk of poverty is greater among children living in 'workless' households, the majority of children in poverty are actually in working households. For these reasons two additional variables were used to identify children who can be classed as 'in poverty', but who may not be receiving free school meals (or are unaware if they are eligible). Both these experiences are common to children in poverty and children in the UK with whom Save the Children works.

The survey of children and young people was conducted by Childwise (childwise.co.uk).

SURVEY OF PARENTS

The survey was carried out on behalf of Save the Children during May and June 2012 to understand the financial experiences of parents in the UK and to identify different experiences between parents living on low incomes and those on middle to high incomes. More than 5,000 parents responded to the survey.

We asked parents to indicate their income and broke the results down by three income groups:

- Those reporting annual incomes of £0–£16,999 (categorised as 'living in poverty'/'being on a low income' for the purposes of this report, as £17,000 is similar to the poverty line for a family of four).
- Those reporting annual incomes of £17,000–£29,999 (classed as being on 'modest incomes' for the purposes of this report).
- Those reporting annual incomes of £30,000 and above (classed as 'better-off'/'more affluent households' for the purposes of this report).

The survey of children and young people was conducted by OnePoll (OnePoll.com).

The quotes from parents in this report were taken from the survey results. Respondents were able to leave comments at the end of the survey. The quotes from children were gathered during a session with a small group of the young people Save the Children works with in London.

Please contact Save the Children for more information about the surveys and the research methodologies used.

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- ⁴ Moussa Haddad, *The Perfect Storm*, Oxfam, 2012.
- ⁵ A figure quoted in a presentation 'Using data from the Millennium Cohort Study (MCS), low-income couples – both married and cohabiting – with children under five are twice as likely to split up, compared to the average couple of the same marital status' by Harry Benson on Policy Exchange's website policyexchange.org.uk/assets/Harry_Benson_handout.pdf accessed 12 May 2012.
- ⁶ See reference 1.
- ⁷ *Households Below Average Income 1994/95–2010/11*, Department for Work and Pensions, June 2012, research.dwp.gov.uk/asd/hbai/hbai2011/pdf_files/full_hbai12.pdf accessed 14 August 2012.

INFORMED OPINION: WHAT THE EXPERTS SAY

“These are tough times for families as the recession really begins to bite. Parents on low incomes are hurting more than most. Every one of them wants to do the best for their children and I know lots of them make huge sacrifices almost on a daily basis. Despite their best efforts to hide the reality of financial stress from their children, kids are sensitive to their parents’ difficulties. They too try not to ask for too much even for essentials on return to school like new shoes, equipment or sports gear. As teachers we try to ensure all children are equally included in school life and educational opportunity. No child should miss out on school trips and other opportunities because of their limited family budget.”

Celia O'Reilly, Principal, St Bernadette's Primary School, Belfast

“A nutritious diet is vital in helping children make the most of their education – for many the route out of poverty. Good food can also improve concentration and academic attainment and is vital if children are to achieve their potential. The finding that families in poverty are cutting back on basics like food is concerning and must not be ignored. Children arriving at school hungry reinforces the importance of breakfast clubs and healthy school meals, which sometimes provide the only nutritious food a child will eat that day.”

LACA, the voice of the school food industry, which provides over 3 million nutritious school meals every day

“Mums regularly talk about how they struggle even to put food on the table in these tough economic times. As well as cutting back, mums talk about buying the cheapest food they can find and skipping meals themselves so their children won't go without. Mums are trying so hard to protect their children from money worries but it seems virtually impossible given how little money many have left to get by on.”

Lisa Penney, Bounty Spokesmum

“Our own research has revealed that the UK's lowest income homes are being forced to spend a disproportionate amount of their weekly expenditure on food shopping. We know that shoppers are finding it tough to make their budgets stretch far enough but budgeting shouldn't mean having to compromise when it comes to having nutritious and varied meals.”

Martyn Jones, Morrisons Group Corporate Services Director

“Every day the Citizens Advice Bureau across England and Wales sees clients who are struggling to make ends meet. Cuts are already hitting families hard – with housing benefit cuts resulting in people having to make up rent shortfall, getting into debt or cut back on essentials. It's crucial that the government remains committed to tackling child poverty, protects families from any further cuts and makes sure its welfare reforms are delivered smoothly and really do make work pay.”

Katie Lane, Head of Policy at the Citizens Advice Bureau

“Budgeting well is an age-old virtue of good parenting. Yet, in current economic climes, some families are finding budgeting only goes so far. There comes a point when there's nothing left to cut back on, leaving, as this report shows, some parents without enough to buy basics for their children, such as nutritious food or new shoes. With the cost of essentials like heating and food continuing to rise, this needs to be addressed.”

Martin Lewis at Money Saving Expert

CHILD POVERTY IN 2012

It shouldn't happen here

There are an estimated 3.5 million children living in poverty in the UK. This shocking figure is expected to rise by 400,000 by 2015. A lack of jobs, stagnating wages, increased living costs and spending cuts are placing enormous pressure on families up and down the UK.

The survey results set out in this report show that poverty leaves parents cutting back on food so their children don't go hungry. It leaves children without a warm coat or new shoes. It means they miss out on experiences that are central to a happy childhood, such as going on a family holiday or having a friend round for tea.

Poverty can mean children don't have a quiet space to do their homework or access to the resources they need to learn at home, such as the internet.

Poverty blights children's lives and their futures.

This report outlines what the government can do to give families a route out of poverty and children the chance to fulfil their potential.

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