

Child Poverty Across the UK



Summary

For 2021/22:

- Local child poverty statistics were produced using after-housing cost data, and detail levels of child poverty across all Westminster Constituencies. Birmingham constituencies have the highest levels of child poverty in any constituency - with child poverty in Birmingham Ladywood at 54.6 %. Meaning over half of all children here are living in poverty.
- Between 2014/15 and 2021/22 the constituencies with the highest increases in child poverty have all seen an increase of at least 11 percentage points. The biggest increase is also in Birmingham, with Birmingham Yardley seeing a rise in child poverty of 17.4 percentage points, representing a 52.7% increase.
- 71% of children who were in poverty after housing costs, and 67% of those who were in poverty before housing costs, were in a family where at least one adult was working.¹
- Before housing cost data of poverty by region and household work status shows that the North East has the highest levels of in-work poverty, with 67% of children in poverty in working families.
- 44% of children in lone parent families are in poverty after housing costs. This is compared with just 25% of children in couple parent families.
- The poverty rate for children in families with three or more children was 42%, compared with 23% and 22% among children in families with one or two children, respectively.²
- Children living in a family where someone is disabled had a poverty rate of 36% after housing costs, compared with 25% for children living in families where no-one is disabled.³
- Child disability stats and regional figures show that in the highest rates of poverty for children with a disability is in the West Midlands, where 40.8% of children with a disability live in poverty.
- There are persistent ethnic inequalities in child poverty across the UK – in 2021/22, 47% of children in Asian or Asian British households and 53% of those in Black households were in poverty after housing costs, compared with just 25% of those where the head of household was White.⁴
- The North East has the highest percentage of Black or minoritised ethnic households living in poverty, with 64% of children in minority ethnic families experiencing poverty, compared with 33% of those in white families.

In order to address persistently high levels of child poverty across the UK the End Child Poverty Coalition is calling on the UK government to scrap the two-child limit to benefit payments. Abolishing the two-child limit is the most cost-effective way of reducing child poverty – it would lift 250,000 children out of poverty, and a further 850,000 children would be in less deep poverty at a cost of just £1.3 billion.⁵

¹ DWP (2023) Households below average income: for financial years ending 1995 to 2022 <https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2022> Table 4.5db

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⁴ DWP (2023) Households below average income: for financial years ending 1995 to 2022 <https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2022> Table 4.5db

⁵ Child Poverty Action Group, Budget submission 2023, <https://cpag.org.uk/policy-and-campaigns/briefing/budget-submission-2023>

Introduction

The Centre for Research in Social Policy at Loughborough University have produced a report for the End Child Poverty Coalition detailing local child poverty rates after housing costs. This report also considers the demographic information outlining which family types are more likely to experience child poverty.

This report uses the latest available data, which are for the year ending March 2022. The data do not cover the period during which the cost-of-living crisis really took hold, nor the period of extremely high and rising inflation. The period does include a six-month extension to the £20 per week increase the standard allowance of Universal Credit (UC) provided by the government in response to the Covid-19 pandemic. This uplift was removed in October 2021.

The regional statistics are derived from the Households Below Average Income (HBAI) data released annually by the Department for Work and Pensions (DWP). The local area statistics are based on the DWP's *Children in low income families: local area statistics*, which estimates the percentage of children living in households with below 60% median income in local areas.⁶ Yet these statistics are only reported on a 'before housing costs' (BHC) basis. Therefore, they do not provide a complete picture of how the *disposable* income of households with children varies geographically, and as a result underestimate poverty rates.

Researchers at Loughborough University have developed a method for adjusting the BHC statistics to estimate the effect of varying housing costs on child poverty in local areas.



⁶ <https://www.gov.uk/government/collections/children-in-low-income-families-local-area-statistics>

Levels of child poverty across the UK in Westminster Constituencies

The 20 parliamentary constituencies with highest child poverty rates, 2021/22

Constituency	% of children below 60% median income after housing costs, 2021/22
UK	29%
Birmingham, Ladywood	54.6%
Birmingham, Hodge Hill	54.0%
Birmingham, Hall Green	53.7%
Oldham West and Royton	51.3%
Bolton South East	50.9%
Manchester, Gorton	50.8%
Warley	50.5%
Bethnal Green and Bow	50.5%
Birmingham, Yardley	50.4%
Blackburn	49.7%
Birmingham, Perry Barr	49.6%
Blackley and Broughton	49.4%
Middlesbrough	48.7%
Stoke-on-Trent Central	48.6%
Oldham East and Saddleworth	48.6%
Manchester Central	48.1%
West Bromwich West	48.0%
Stoke-on-Trent North	47.8%
Derby South	47.6%
West Ham	47.5%



Child Poverty Across the UK – June 2023

The 20 constituencies with the biggest increase in AHC child poverty rates, 2014/15 to 2021/22

Constituency	% of children below 60% median income AHC			
	2014/15	2021/22	Percentage point change (2015-22)	Percentage change (2015-22)
Birmingham, Yardley	33.0%	50.4%	17.4ppt	52.7%
Middlesbrough	32.0%	48.7%	16.7ppt	52.2%
Telford	24.5%	38.2%	13.7ppt	55.9%
Bolton South East	38.2%	50.9%	12.7ppt	33.2%
Burton	27.1%	39.6%	12.5ppt	46.1%
Gateshead	26.5%	38.9%	12.4ppt	46.8%
Louth and Horncastle	25.4%	37.9%	12.4ppt	49.2%
Derby South	35.3%	47.6%	12.3ppt	34.8%
Redcar	26.2%	38.4%	12.2ppt	46.6%
Sedgefield	23.7%	35.9%	12.2ppt	51.5%
Ashfield	27.1%	39.1%	12.0ppt	44.3%
Bassetlaw	25.3%	37.2%	11.9ppt	47.0%
Amber Valley	23.2%	35.0%	11.8ppt	50.9%
Boston and Skegness	29.8%	41.5%	11.7ppt	39.3%
Oldham West and Royton	39.9%	51.3%	11.4ppt	28.6%
Darlington	25.9%	37.3%	11.4ppt	44.0%
Middlesbrough South and East Cleveland	24.3%	35.6%	11.3ppt	46.5%
Birmingham, Hodge Hill	42.7%	54.0%	11.3ppt	26.5%
Oldham East and Saddleworth	37.4%	48.6%	11.2ppt	29.9%
Pendle	31.4%	42.5%	11.1ppt	35.4%



Which families are most likely to experience poverty in the UK?

In-work poverty

In 2021/22, 71% of children who were in poverty after housing costs, and 67% of those who were in poverty before housing costs, were in a family where at least one adult was working.⁷

It is not possible to produce local area statistics of AHC child poverty broken down by family work status because the housing costs information cannot be disaggregated. However, the BHC statistics provided by DWP provide an insight into what the contribution of in-work poverty is to overall child poverty rates varies by local area.



Number of children in BHC poverty by region and household work status

Region	Number of children in BHC poverty			% in working families
	In working families	Not in working families	Total	
North East	98,540	48,628	147,168	67.0%
North West	254,544	148,728	403,272	63.1%
Yorkshire and The Humber	186,322	97,795	284,115	65.6%
East Midlands	193,125	79,731	272,854	70.8%
West Midlands	253,363	127,220	380,586	66.6%
East of England	143,916	65,813	209,731	68.6%
London	262,619	89,773	352,397	74.5%
South East	277,151	45,068	322,225	86.0%
South West	152,697	50,824	203,514	75.0%
Wales	118,859	30,175	149,035	79.8%
Scotland	143,597	82,486	226,079	63.5%
Northern Ireland	57,382	34,190	91,574	62.7%

Source: *Children in Low Income Families, 2021-2022* (DWP, 2023)

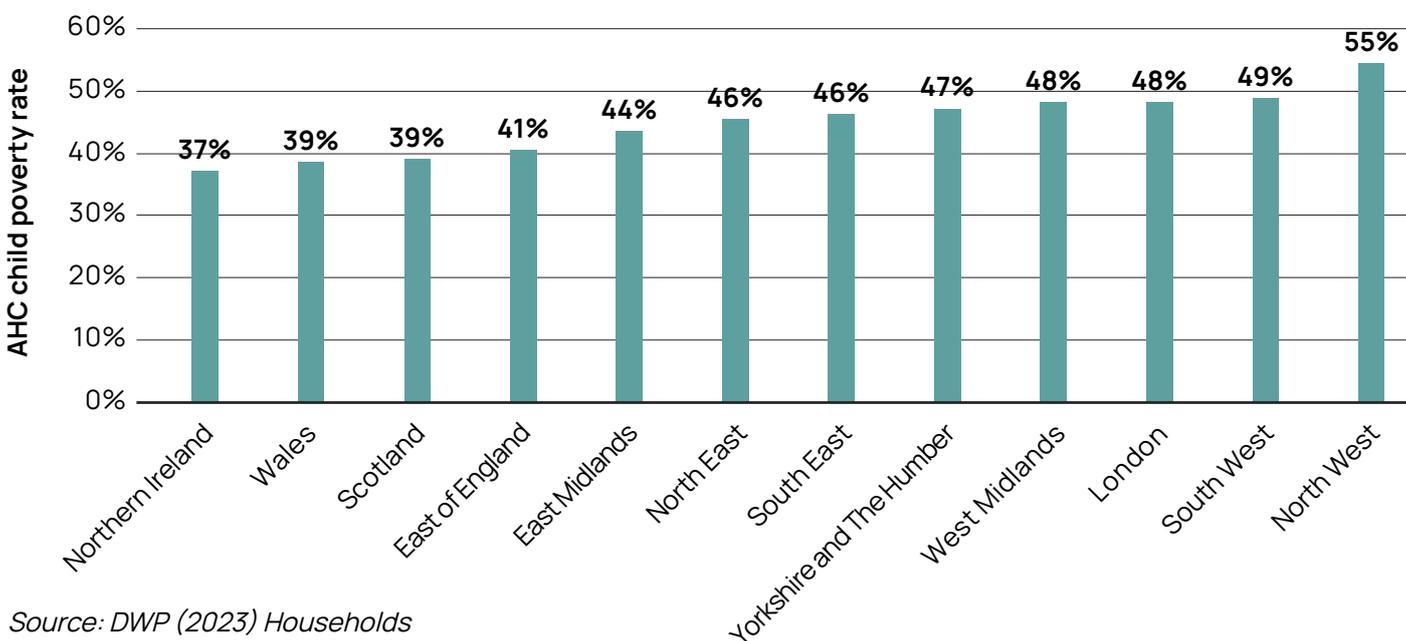
⁷ DWP (2023) Households below average income: for financial years ending 1995 to 2022 <https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2022> Table 4.5db

Household composition

The figure below shows the after-housing-costs poverty rate by family type for children, in 2021/22. The overall difference by family type is sizeable, with 44% of children in lone parent families in poverty after housing costs. This is compared with just 25% of children in couple parent families.

In lone parent households where the parent is in full-time work, over a quarter of children are still in poverty. In couple parent households, just 7% of children are in poverty if both parents are working full time.

Percentage of children in lone parent families who are poverty after housing costs by region, UK 2021/22



Source: DWP (2023) Households below average income 2021/2022

In 2021/22, the UK poverty rate among children in families with three or more children was 42%, compared with 23% and 22% among children in families with one or two children, respectively.⁸

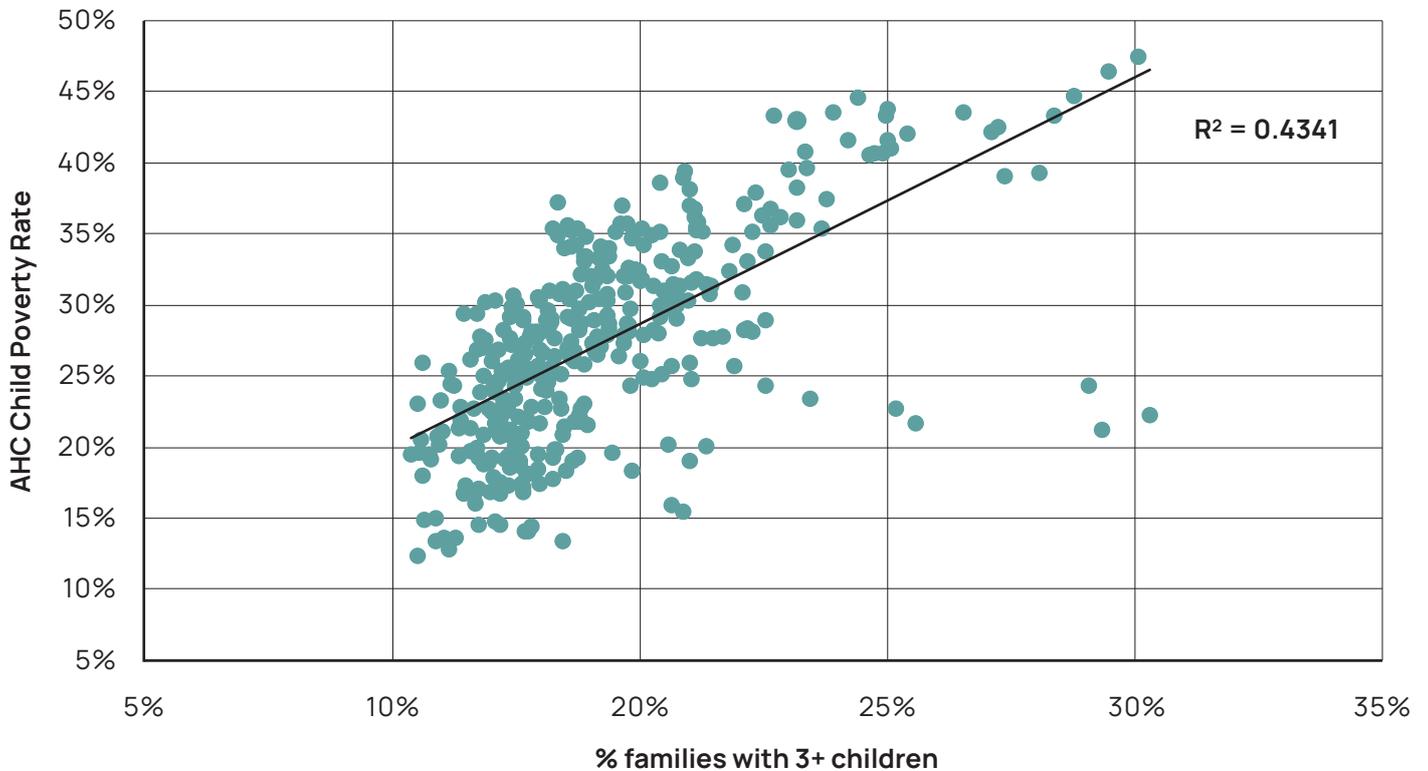
The figure below looks at this relationship using the after-housing-costs child poverty data, and data on child benefit receipt from HMRC, disaggregated by the number of children in a household, which are available at local authority level.⁹ There is a strong, positive association with child poverty at local authority level when considering the UK as a whole. This supports the argument that the two-child limit to benefit payments is pushing children into poverty, as opposed to having any impact on childbearing decisions.



⁸ DWP (2023) Households below average income: for financial years ending 1995 to 2022 <https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2022> Table 4.5db

⁹ HMRC (2023) Child Benefit Statistics: annual release, August 2022 <https://www.gov.uk/government/statistics/child-benefit-statistics-annual-release-august-2022>

Correlation between child poverty rate and family size at local authority district level - UK



Source: ECP AHC local child poverty statistics; HMRC.

Disability

In 2021/22, children living in a family where someone is disabled had a poverty rate of 36% after housing costs, compared with 25% for children living in families where no-one is disabled.¹⁰

Data from the recent 2021 census for England and Wales was used to examine this. This census data hasn't been released for Scotland or Northern Ireland. The table below shows the estimated child poverty rate among children with and without a disability in the regions and countries of the UK.



¹⁰ DWP (2023) Households below average income: for financial years ending 1995 to 2022 <https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2022> Table 4.5db

Estimated AHC child poverty rate among children with and without a disability, regions and countries of the UK

Region	AHC child poverty rate	
	Child without disability	Child with disability
East Midlands	32.6%	34.8%
East of England	23.6%	25.1%
London	32.8%	35.0%
North East	35.0%	37.4%
North West	34.2%	36.5%
Northern Ireland	22.1%	23.5%
Scotland	24.4%	26.0%
South East	25.2%	26.9%
South West	26.8%	28.6%
Wales	27.8%	29.7%
West Midlands	38.3%	40.8%
Yorkshire and The Humber	31.3%	33.3%

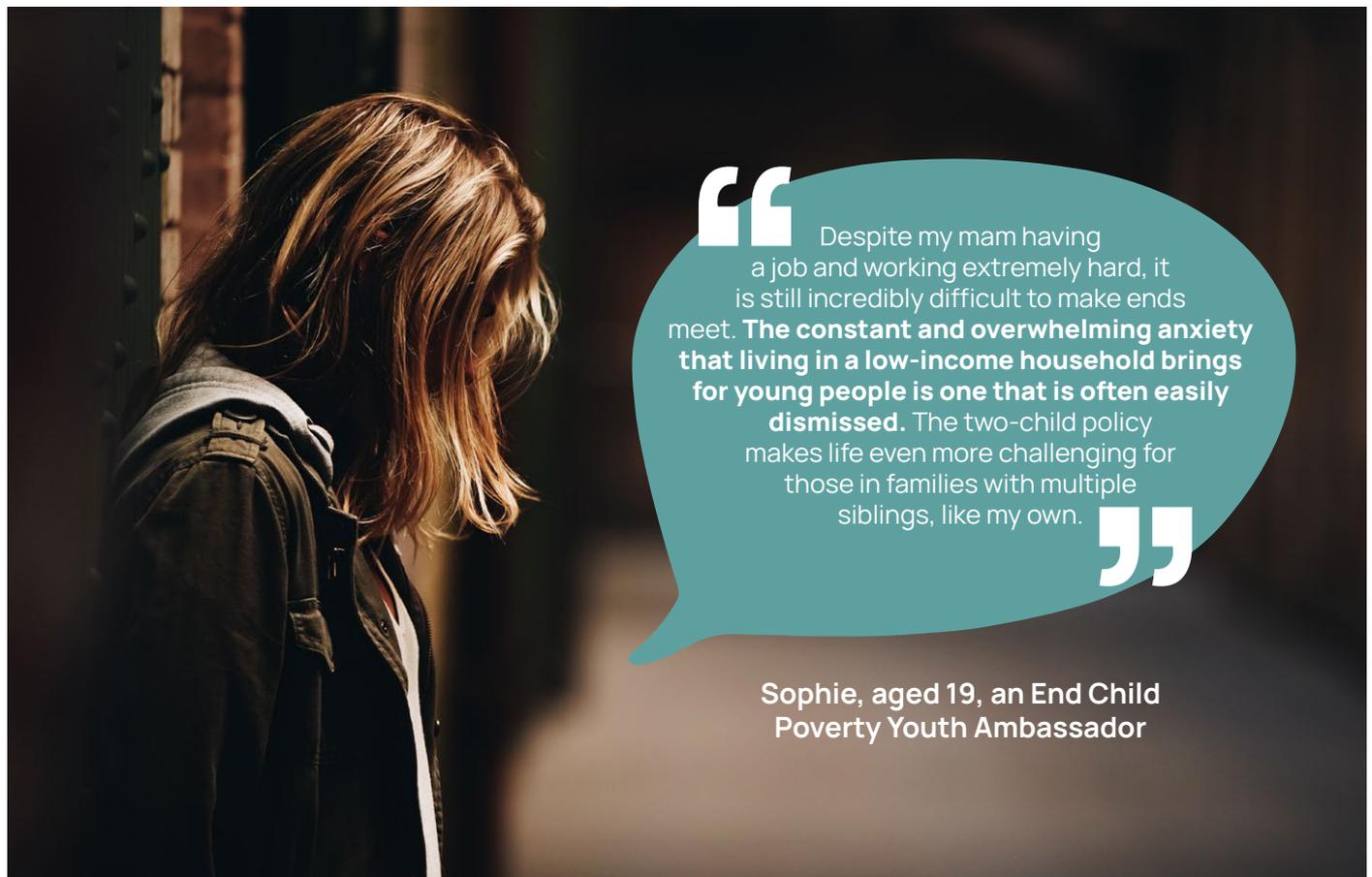
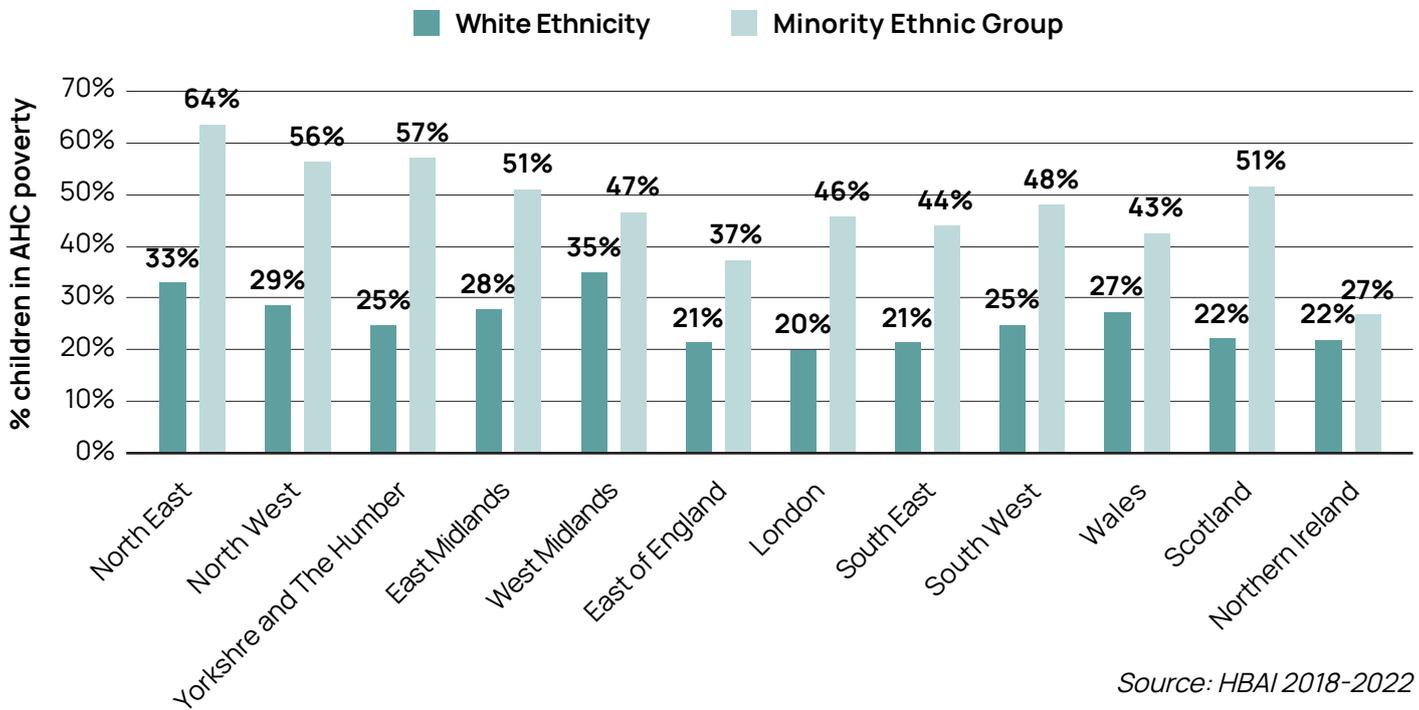
Ethnicity

There are persistent ethnic inequalities in child poverty across the UK – in 2021/22, 47% of children in Asian or Asian British households and 53% of those in Black households were in poverty after housing costs, compared with just 25% of those where the head of household was White.¹¹



¹¹ DWP (2023) Households below average income: for financial years ending 1995 to 2022 <https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2022> Table 4.5db

Estimated AHC child poverty rate by ethnicity in UK regions and countries



Conclusion

Research from The Centre for Research in Social Policy at Loughborough University, for the End Child Poverty Coalition highlights the overall child poverty rate in the UK - currently estimated at 29% - masks substantial variation at a regional and local level. By taking housing costs into account a more accurate picture of the disposable income that families have available to meet their living costs is produced.

In addition to regional variations, the risk of poverty varies substantially for different subgroups of children. In-work poverty is a substantial problem for children across the UK, with 71% of children living below the poverty line being in a family where at least one adult is working. This emphasises that employment is in many cases not a simple route out of poverty, and that low pay and insecure work remain major issues for many families who are unable to meet their living costs.

Children with two or more siblings are casualties of the 'two-child limit' that restricts benefits for third and higher-order births; the findings emphasise that this policy is pushing many children into poverty, and that many families affected are already in work and therefore have little recourse to increase their income.

Children with disabilities and those from ethnic minority groups are disproportionately affected by child poverty, and that this is the case across the UK.

Overall, the findings highlight that while local circumstances and context are likely to have an impact on children's risk of living below the poverty line, national policies such as the two-child limit are having a detrimental effect across the UK. Without addressing these wider issues, regional and local inequalities in the risk of child poverty are unlikely to improve.

The data presented here do not yet cover the period of the 'cost of living crisis' and of persistently high inflation. It is likely that in next year's data, the situation will almost certainly be worse rather than better, and that child poverty will remain a pressing issue at local, regional and national level.



Across the UK 29% of all children are living in poverty

That is over 1 in 4

Understanding the Data

The statistics on local child poverty rates after housing costs presented in this report are calibrated to regional two-year average rates from Households Below Average Income (HBAI). Due to sampling issues during 2021/22 related to the Covid-19 pandemic, additional caution may be required in interpreting these statistics. More information on the technical issues with HBAI is available here.

DWP advise that while the data for FYE 2021 and FYE 2022 has undergone extensive quality assurance prior to publication, users exercise additional caution when using the data for FYE 2021 and FYE 2022, particularly when making comparisons with previous years and for local areas across countries. We further recommend particular caution in interpreting year-on-year changes in local areas, and advise focussing on longer-term trends when looking at change over time.

