



Ending child poverty in the UK through smaller families

The 2015 – 2020 government faces a child poverty crisis. More than a quarter of children in the UK grow up in a deprived environment. Not only does this have serious consequences for children, it also causes problems for society. While the government is committed to eradicating child poverty by 2020, it is expected that 700,000 more children will end up in poverty by then.

Population Matters argues that the government should target the fundamental causes of child poverty in order to achieve its poverty reduction goals. Rising living costs and falling incomes should be considered. Given this, we can conclude that parents can help to reduce child poverty by choosing to have fewer children, since this would reduce living costs significantly and improve employability. The government should therefore actively promote smaller families.

Child poverty in the UK

Compared to most other industrialised countries, the UK has historically had a higher incidence of child poverty.¹ Moreover, the proportion of children experiencing deprivation has increased from 14 to 27 per cent between 1979 and 2012.²

In 2013/14 it was estimated that 2.3 million children live in relative poverty.³ This means that 2.3 million young people were living in households with an income below 60 per cent of the UK's average.⁴

The number of children below this threshold has remained relatively unchanged since 2011, but around 200,000 children have been pushed into deeper poverty.^{5,6} Moreover, the number of children in poverty increases to 3.7 million once housing costs are taken into consideration.⁷ Altogether, this means that 28 per cent of UK children live in poverty.⁸

Predictions

The 2015 – 2020 government will likely face a child poverty crisis. The Institute for Fiscal Studies predicts that 4.3 million children will live in relative poverty by 2020.⁹

The government introduced the Child Poverty Bill in 2009 with the intention of eradicating child poverty by 2020, but given the current predictions much must change before that target can be reached.¹⁰

Causes of child poverty

Families can end up in poverty for many reasons. Generally, though, rising living costs and falling incomes are the principal causes.

Rising living costs

The costs of childcare and housing comprise the largest part of families' budgets.¹¹

1. Childcare costs

The costs of raising a child in the UK until the age of 21 have increased to £231,843. This is more than the value of an average semi-detached house.¹² In London, the average costs of raising a child are even higher at £253,638.¹³

More than 60 per cent of this goes to external childcare costs and education.¹⁴ Since 2003, childcare costs have increased by 78 per cent, even though the UK has only experienced an inflation rate of 45 per cent.¹⁵ High childcare costs are problematic for two reasons:

- Parents have to save money in other spending areas to afford childcare. This can impact the well-being of children, as they might miss out on after-school activities, for example.
- It is more difficult for parents to work full days, or to work at all, as the costs of external childcare may make it more attractive to stay at home.

Cost of a child by age

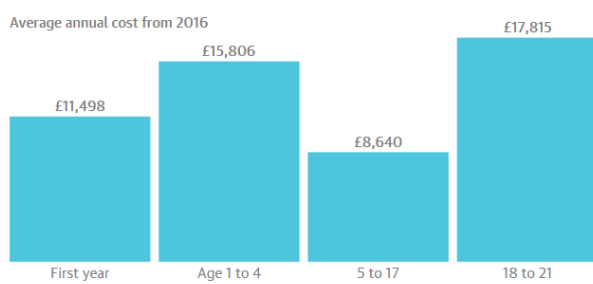


Image: Guardian graphic

Influence of family size on cost

Of the children currently living in poverty, 35 per cent live in families with three or more children.¹⁶ The poorest areas in the UK house the highest percentage of large families. In Tower Hamlets, 28 per cent of households have three or more children, and in Birmingham this rate is 24 per cent.¹⁷ The incidence of poverty in large families in the UK is among the highest to be found in all the member countries of the Organisation for Economic Cooperation and Development.¹⁸

The additional cost of each child, 2014

All additional costs	Couple parents			
	First child	Second child	Third child	Fourth child
Total cost over 18 years	£166,408.36	£140,950.12	£152,102.36	£134,860.83
Average per year	£9,244.91	£7,830.56	£8,450.13	£7,492.27
Average per week	£177.30	£150.18	£162.06	£143.69
Excluding rent, childcare and council tax				
Total cost over 18 years	£85,887.34	£80,423.19	£84,093.57	£77,331.86
Average per year	£4,771.52	£4,467.95	£4,671.86	£4,296.21
Average per week	£91.51	£85.69	£89.60	£82.39

Table: CPAG

On top of fixed costs, children create additional costs for their parents. The arrival of a first child brings about most extra costs, while each additional child is generally cheaper than the first. It is, however, noteworthy that a second child is cheaper for a couple than a third child.¹⁹

2. Housing

The Department for Work and Pensions releases figures for poverty using income before and after the deduction of housing costs. This is relevant because prices of properties vary greatly throughout the UK.²⁰ As mentioned earlier, 2.3 million children are living in poverty before housing prices are considered, and 3.7 million once they are included.²¹

The UK faces a national housing crisis. While there is a demand for 240,000 new houses per year,

only 120,000 properties are built annually.²² Partly in consequence, more individuals and households are becoming homeless. Between 2010 and 2013 the number of rough sleepers in England increased by 37 per cent from 1,768 to 2,414.²³ Moreover, approximately 1.2 million families were on local authorities' waiting lists for housing in 2015.²⁴

Larger families require larger houses. However, larger accommodation costs more, especially in the private rental sector. On average, the rent for a three-bedroom house is 20 per cent higher than for a one-bedroom flat in the social sector, but is nearly 70 per cent higher in the private sector.²⁵ Since social housing is scarce, it is difficult for many big families to keep rental costs down.

Falling income

Families can experience a fall in income when their employment situation changes, or when their social benefits are cut.

1. Employment

The UK currently (2016) has an unemployment rate of 5.1 per cent.²⁶ Around 1.9 million children live in workless households.²⁷ Around 60 per cent of the children living in poverty come from families in which both parents are unemployed.

Figure 6 Children living in low income households below 60 per cent median income, 2008/09, by economic status of household, United Kingdom*

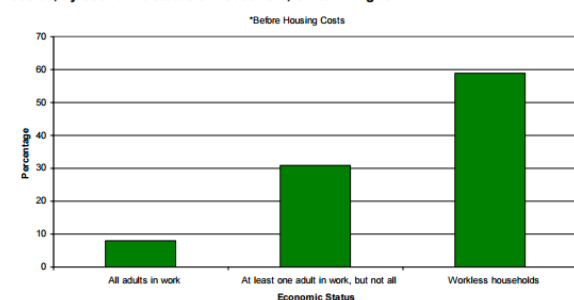


Image: ONS

Unemployment rates are particularly high among lone-parent families, with around 40 per cent out of work.²⁸ People experience various barriers to employment. Among these are:

- Working may be financially unattractive compared to staying at home, as childcare costs rise significantly with multiple children.
- Illness or disability may make working impossible.
- Lack of appropriate job vacancies.
- Additional caring responsibilities, such as for other ill or disabled family members, make work impossible.

Parental unemployment is named as the key factor contributing to child poverty.²⁹ Research shows that moving into work makes a big difference in cases of poverty, with 75 per cent of lone-parent families escaping poverty in two years.

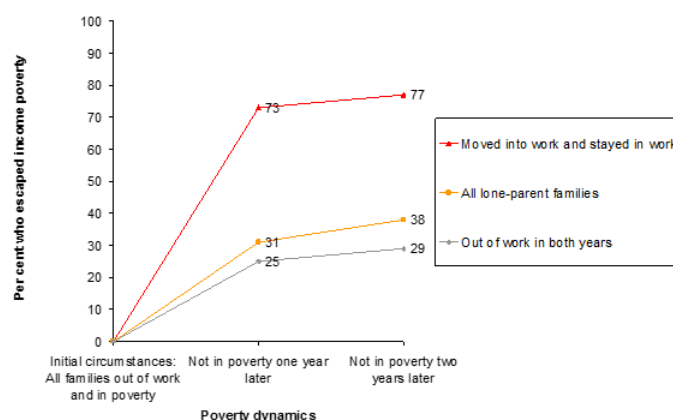


Image: NatCen

2. Benefits

The welfare state was created to maintain an acceptable minimum standard of living in the UK.³⁰ The amount the government spends on benefits depends on, among other factors:

- The number of people needing particular social benefits.
- The amount of money the government can redistribute in each benefit area.

This means that while benefits are a good way of helping people, it would be irrational to see them as a fixed part of overall income. Instead, they should at most be considered a flexible addition to one's income.

Consequences of child poverty

Child poverty naturally impacts children greatly, but it also indirectly burdens society.

Immediate consequences for children

Children in poverty are disadvantaged compared to their peers.

- Economic and material deprivation may mean that the family doesn't have enough money for essentials such as food and clothes.³¹
- Social deprivation emerges when children cannot attend social events due insufficient funds. This also leads to an inability to maintain friendships.³²
- Academic problems arise when parents cannot afford to pay for resources such as stationery and a school uniform, or when children cannot go on school trips.³³
- Poor families often live in poor quality housing, which causes sleep deprivation. This also makes it more difficult to do homework.³⁴ Children in poverty are three times more likely to experience mental health problems than their peers.³⁵

- Tension between parents due to financial problems is common and children are often required to take on adult responsibilities to help out while parents work.³⁶
- Bullying due to signs of poverty.³⁷ Children from deprived areas experience 75 per cent more problems with peers than do more affluent children.³⁸



Long-term consequences for children

The impact of childhood poverty is significant in the long-term.

- Poverty has long-term health effects:
 - On average, people who grew up in deprived households experience worse mental and physical health at 33.³⁹
 - They are more prone to accidents, and are 13 times more likely to die from unintended injuries.⁴⁰
 - Children in poverty are more likely to be absent from school due to illness.⁴¹
- Children from deprived backgrounds perform worse in education:
 - High achievers from a deprived background are outperformed by low-achieving children

from an advantaged background by the age of five.⁴²

- Only 26.6 per cent of pupils who receive free school meals achieve five or more A*-C grade GCSEs, compared to 54.2 per cent of their peers.⁴³
- The education gap often leads to employment difficulties:
 - Significantly more children with free school meals were not in employment, education or training three years after leaving school.⁴⁴
 - Children from deprived backgrounds are more likely than other children to go on to be unemployed, or to work in low-skilled jobs.⁴⁵



Consequences for society

Child poverty creates big problems for society because it creates social problems that require additional social spending.

- It is costly if adults cannot meet their full potential due to poverty in childhood. This reduces productive capacity in the economy and increases benefits spending.⁴⁶

- The Joseph Rowntree Foundation has calculated that child poverty costs the UK at least £25 billion per year.⁴⁷

Promoting smaller families

Eradicating child poverty

Any strategy that aims to diminish child poverty needs to consider the present as well as the future. It also needs to consider the fundamental causes of child poverty — rising living costs and falling incomes — and the way in which these are projected to develop. From this we can determine the following:

1. Children depend on their parents to provide, therefore parent poverty must be tackled to eradicate child poverty.
2. Parent poverty is predominantly caused by rising living costs and falling incomes.
 - Parents can directly avoid expenses, such as child care costs, by having fewer children.
 - Parents can indirectly influence the level of other expenses, such as housing costs, by having fewer children. House prices are largely dependent on ratios of demand. The higher the demand, the higher the prices. Population growth triggers demand.
 - Parents can avoid reductions in their disposable income by choosing to raise fewer children, as children are expensive and make it more difficult to be employed.
 - If parents choose to have fewer children, it is likely that there would be less unemployment in the long-term due to a decreasing workforce size. Since unemployment increases the probability of

poverty, this would be a positive development.

- Parents cannot completely control the amount of social benefits they receive annually, or their mental and physical health, or the health of their family members.
3. The most certain way that parents can keep their families out of poverty is by choosing to have fewer children. Many other factors that contribute to poverty are beyond their control.

This shows that it is important the government promotes population stabilisation policies. It may take on other measures alongside this, but without active population stabilisation measures everything else will only provide a temporary solution.

Additional measures should not undermine population stabilisation attempts. This means that universal family subsidies must be limited, because they encourage having big families. While it may seem counterintuitive not to help poor families with more than two children, it is in the long run more harmful to facilitate population growth.

Advantages of smaller families

The following demonstrates that smaller families are advantageous to parents, children and society alike:

Advantages for parents

Smaller families are good for family finances.⁴⁸ Having fewer children also relieves non-financial pressures, since mothers refer to three children as the most stressful number.⁴⁹ Indeed, happiness

levels are maximised when the number of children is limited to two.⁵⁰

With fewer children, parents can spend more quality time with the children they have, rather than having to spend every free minute disciplining and educating them. It is also easier to be involved with their lives, which is good for a child's progress.⁵¹

Most importantly, perhaps, parents who choose to have fewer children are giving their children a chance to enjoy a sustainable future, by not adding an unsustainable number of people to the world for personal reasons. Thus, they are acting with the best interests of their children at heart.



Advantages for children

Children with one or no siblings perform better in education.⁵² Equally, children with a smaller number of siblings are more likely to attain increased economic success and social positions.⁵³ Lastly, when families are small, older children are less likely to find themselves burdened prematurely with adult responsibilities, such as helping with the raising of younger siblings.⁵⁴

Advantages for society

Given that the UK faces various challenges that would be intensified by population growth, fewer births per family would be beneficial for society. It could lead to:

- Lower unemployment rates
- Lower strain on healthcare services
- Lower strain on infrastructure
- Housing crisis less intense
- Lesser strain on the environment

Most importantly, it would offer the government the chance to create a sustainable society in which child poverty can be eradicated.



Conclusion

More than a quarter of all children in the UK grow up in poverty. While the government has set itself the target of eradicating child poverty by 2020, predictions suggest that the number of deprived children will only increase. Child poverty is not only detrimental for children's well-being, but it also causes problems for society.

When combating poverty, it is important to focus on its fundamental causes. Rising living costs and falling incomes create great problems for families. While some root causes cannot be controlled by people, would-be parents can make the choice to have fewer children, which decreases the likelihood of family poverty.

It is therefore important that the government promotes population stabilisation policies. It may take on other measures at the same time, but unless population growth is controlled, these will provide only temporary relief.

¹ <http://www.ons.gov.uk/ons/rel/regional-trends/painting-pictures-of-place-series---topic-profiles/child-poverty-topic-profile/child-poverty-topic-profile---2010.pdf>

² http://www.childrenssociety.org.uk/sites/default/files/tcs/2013_child_poverty_briefing_1.pdf

³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/437246/households-below-average-income-1994-95-to-2013-14.pdf

⁴ <https://fullfact.org/economy/poverty-uk-guide-facts-and-figures/>

⁵ <http://www.bbc.co.uk/news/uk-33266799>

⁶ <http://www.childrenssociety.org.uk/news-and-blogs/press-releases/scandal-200000-more-children-pushed-into-severe-poverty>

⁷ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/437246/households-below-average-income-1994-95-to-2013-14.pdf

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⁹ http://cpag.org.uk/sites/default/files/Programme_for_government_2015_2020_CPAG.pdf

¹⁰ <http://www.parliament.uk/briefing-papers/SN05585.pdf>

¹¹ <http://www.cpag.org.uk/child-poverty-facts-and-figures>

¹² <http://www.theguardian.com/lifeandstyle/2016/feb/16/cost-of-raising-children-in-uk-higher-than-ever>

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