

EVIDENCE PRESENTED TO THE CHILD POVERTY DISCUSSION HOSTED BY RACHAEL MASKELL MP IN PARLIAMENT, 15 JULY 2025

Presentation by Professor Kate Pickett OBE

These perspectives are based on research from the University of York Cost of Living Research Group and the Born in Bradford Centre for Social Change at the University of York, Health Equity North, and the Common Sense Policy Group led from Northumbria University.

UK Child Poverty

1. UK Child Poverty in an International Context

Within the OECD, the UK ranks 37th for child poverty, with **31% of children living in relative income poverty in 2023**, compared to an OECD average of **14%**. And we had the biggest rise in child poverty in the OECD between 2012 and 2021. These shocking statistics highlight how the UK's social safety net is less effective than in many peer nations, especially in the context of rising inequality and austerity policies. This is a stark indicator of our failure to protect our youngest citizens in a wealthy nation.

2. Trends in UK Child Poverty since 1996

Under the last Labour government, more than a million children were lifted out of poverty because the government took decisive and targeted action: introducing tax credits, expanding social security, investing in early childhood programs, and making work pay through the National Minimum Wage. But that progress was completely reversed by austerity measures, welfare reforms, and insecure employment creating a perfect storm.

3. Regional and Within-City Inequalities

Child poverty is unevenly distributed across the UK, with stark inequalities both regionally and within cities. The North-South divide is particularly pronounced: children in the North are **twice as likely** to live in poverty as those in the South, with rates exceeding **40%** in parts of the North East and parts of Yorkshire. Urban areas like Liverpool, Manchester, and parts of Glasgow experience child poverty rates of **more than 50%**, while affluent suburbs in the South, such as Surrey, have rates below 10%. These inequalities reflect long-standing structural issues: unequal economic opportunities and public investment.

Impact of Child Poverty on Wellbeing and Society

In the short term, child poverty undermines health, education, and emotional wellbeing - leading to higher rates of malnutrition, developmental delays, mental health issues, and school dropout. Long-term, these children face limited employment prospects, lower lifetime earnings, and increased risk of chronic illnesses- entrenching intergenerational poverty and social exclusion. Economically, child poverty reduces productivity, increases healthcare and social service demands, and perpetuates inequality, thus locking future generations into cycles of disadvantage.

What must we do?

Everyone within the child poverty sector agrees that the Government must urgently remove the two-child limit and the benefit cap. But beyond these necessary quick reforms, action is needed to reduce child poverty and its harms over the long-term.

Firstly, we need to introduce **wealth taxes** - on property and assets - to fund social policies that reduce poverty. The UK Wealth Tax Commission, Oxfam, and many others propose levying a tax on wealth above £10m - a threshold which demarcates the wealthiest 0.04% of the population, accounting for around 20 000 people.

A 1-2% tax would raise £10-24bn annually and cost only £300m to administer. Wealth tax commissioners Arun Advani and Andy Summers highlight a range of proposed tax measures - including taxing capital gains (profits from selling assets) at the same rate as income as a “win-win-win.” These measures could bring in £60bn a year, reduce inequality, and improve economic efficiency with more streamlined tax schemes. Wealth sitting in the UK creates damaging inequality and distorts housing and other markets, remember – if it is enjoyed elsewhere or not spent or taxed at all it is of no benefit to the nation.

Secondly, we must give **local and devolved governments** a more secure, predictable and sufficient settlement. They need the resources and powers to tailor solutions that work for their communities - improving health, education, and social support where it's needed most. Replacing the outdated and regressive Council Tax with a Proportional Property Tax (PPT) would support this. And we need more initiatives like the £7 million Work Well pilot in Greater Manchester, offering tailored support for people struggling to stay in work due to health issues or disabilities, as well as those who've recently left work due to poor health, helping them return to employment. This is the kind of investment that multiplies returns now and into the future.

Thirdly, I urge us to consider a **Future Generations Act** - a law that would require policymakers to assess the long-term impact of decisions on children and future communities, embedding sustainability and equity into every policy.

And finally, it's time for a **public discussion (perhaps a national citizens' assembly) on basic income** - a universal, predictable income that could provide every child with a stable foundation from birth, reducing financial stress within families and opening up opportunities. We could improve health and wellbeing, reduce short-term and long-term service costs, and boost productivity – investing in children always pays off.

And our Common Sense Policy Group polling finds overwhelming support for these policies, including in the Red Wall.

Moral and Economic Case for Ending Child Poverty

Ending child poverty is both a moral imperative - affirming every child's right to a healthy, fulfilling life - and an economic necessity. Reducing poverty enhances lifelong productivity, decreases public expenditure on health and social services, and promotes social cohesion. Investing in children and families yields dividends for society at large, creating a fairer, more resilient, and prosperous future for all.

Presentation by Dr Maddy Power

These data and the accompanying recommendations are from Changing Realities, a collaboration between the University of York, Child Poverty Action group and 200 parents and carers living on a low income across the UK.

Behind child poverty statistics, there are the faces of children who live in mouldy, overcrowded houses and suffer from malnutrition. Parents who are trying desperately hard to make sure their children have what they need, but who are faced with the reality of an inadequate social security system and wages that do not cover their basic living costs. I know this because it is my reality as well. I'm a parent to four children. Two of whom have additional needs, and one was born in 2018. This means my youngest son was affected by the two-child limit. I do my best to protect each of them from the hardship we face. But that isn't easy. And it takes its toll – on me, and sadly, on them too. But it doesn't have to be like this. The Child Poverty Strategy is a chance for the Government to begin the work of righting the wrong of years of inaction, a chance to make sure that every child has the opportunity to grow and to thrive. And – perhaps most important of all - to enjoy their childhood.
Aleksandra

Changing Realities parents and carers have spoken again and again about the realities of life in poverty: how it creates a context of everyday crisis, of chronic stress in the household, of the inability to afford and access food, fuel and clothes for parents and even for children, and of its impact on childrens' mental health. Sadie, a participant, describes her experiences:

I feel my children do not get my time and attention like they used to do before. They are also exposed against my wishes to my stress and constant struggle to cope on a low income. No matter how hard I try not to let them see me worried they can read it and sense it. Normal activities or things we enjoyed seem a thing of the past now. Every penny counts towards paying bills and food. We have stopped talking about trips, holidays and fun social activities we enjoyed. – Sadie Q, February 2025

In a tight fiscal context, hard choices must be made, and there is a very strong moral case to invest in action on child poverty. As a society, we all want everyone to have the best start in life, and only by lifting children out of poverty can we make this ambition a reality. The latest polling shows that the public wants to see action on child poverty, and recognises that our social security system needs investment.

We have worked with participants to develop recommendations to reduce child poverty, focused on the UK government. These include:

Remove the benefit cap and the two child limit. These policies have contributed to high and growing levels of child poverty since their introduction, particularly amongst larger families who have a poverty rate of 44% (IPPR analysis). All research points to the removal of these caps as being the most cost effective first step to reduce child poverty.

The government should set itself an aim of undoing the damage of the benefit freeze for child-related benefits (between 2016-17 and 2019-20) by the end of the parliament through above inflationary year-on-year increases to the child element of UC and child benefit. On current forecasts this implies increases of around 4.3% per year for the rest of the parliament (around 2% higher than inflation). By 2029/30 this would cost £2.3bn and reduce child poverty by 120,000. (IPPR analysis).

Having restored the level of adequacy seen in the system prior to the freeze, the government should then commit to lock in progress through a “double-lock” on child-related benefits, increasing rates every year by the maximum of inflation or wages.

Better recognise the challenges of single parents in the social security system. The current system fails to adequately account for the specific needs and circumstances of lone parent families, often leaving them with insufficient support to meet the costs of raising children on a single income.

We recommend targeted increases to UC entitlement to better support lone parents. For example, allowing single parents to access the standard allowance for couples would cost £3.1bn and reduce child poverty by 180,000 in 2025/26 (IPPR analysis). We also recommend that the government urgently reviews work search requirements for parents with young children and children with additional needs.

Ensure dignity and respect and improve the experience of Jobcentre Plus

Jobcentre Plus operates within a system defined by a stark imbalance of power. Claimants are routinely told about their obligations yet receive little information about their rights. This top-down dynamic shapes everyday interactions, where many experience poor treatment from work coaches. People describe being made to feel small, spoken to with condescension, dismissed when raising personal challenges, and treated as problems to be managed rather than individuals seeking support. Bessie describes her experiences:

My worst experience was signing on and my daughter who was 6 at the time was very poorly. I had nobody to help with childcare as she was absent from school. I called the job centre to explain the situation but they insisted if I did not sign on and comply with them, I would have my benefit sanctioned. It was hard work, carrying a 6 year old from the bus stop to the job centre. My daughter was running a temperature and drowsy. She cried throughout the time of interview. ... It's surreal as if having a child didn't matter and it was expected that I had parents to help out, and I had to explain they both passed away. I felt as if I was judged and I was embarrassed to be signing on. – Bessie J, lone parent household

These experiences are compounded by a wider political discourse that continues to dehumanise those who need social security.

Although a broader cultural transformation will take time and concerted effort, there are short-term changes which could make a difference immediately:

Rethink and reframe narratives on social security

Government can lead the way in choosing to frame social security in a more positive way as a force for good - not as a burden, but as a protective force that supports families and enables opportunity.

Introduce a “statement of rights” for claimants

Introducing a formal statement of rights readily available to claimants would affirm that claimants are not merely passive recipients of support, but individuals with dignity, legal entitlements and protections under due process.

Accompanied by:

- Greater appointment flexibility
- Give claimants a mechanism to provide work coach feedback
- Promote work coach continuity

Engage with lived experience in policy development, learning from academic and voluntary sector experts, including Changing Realities.

To close, a quote from Gemma from Changing Realities

I sometimes find it difficult to imagine how my situation can get better, but it really has to because life should not be this hard. This year, the government will publish a child poverty strategy. It needs to be bold and make real change happen by investing in social security and providing more support with essential costs and for the additional needs of families with children. Next winter has to be better for families like mine. There is no other choice. - Gemma, Changing Realities, The Guardian, January 2025

Find out more

Getting the child poverty strategy we need: a co-produced agenda for change: <https://changingrealities.org/writings/getting-the-child-poverty-strategy-we-need>

Changing Realities: <https://changingrealities.org/>

University of York Cost of Living Group: <https://www.york.ac.uk/policy-engine/cost-of-living/>

Born in Bradford Centre for Social Change at York: <https://www.york.ac.uk/policy-engine/research-areas/bib-centre-social-change-york/>

Child of the North: <https://www.healthequitynorth.co.uk/child-of-the-north/>

Common Sense policy group: <https://commonsense.northumbria.ac.uk/>