

CHiLD POVERTY ACTION GROUP

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Social Report shows child poverty on the rise

Child Poverty Action Group says that despite the positive spin in the Ministry of Social Development's 2009 *Social Report*, all is far from rosy.

"The increase in child poverty is shocking and should raise all kinds of questions about our policies for families," says Dr Susan St John, CPAG spokesperson.

The Report uses a poverty line based on the CPI adjusted 1998 median household income. It shows that although the proportion of children in low-income households fell from 29 per cent in 2001 to 16 per cent in 2007, it climbed back up to 20 per cent in 2008. Dr St John says "In a time of income growth, one expects poverty to decrease on this fixed measure, not increase.

Using a relative poverty line, the child poverty rate was 22 per cent in 2007 and 28 per cent in 2008. "Whatever measure is used" says Dr St John, "it shows a worrying increase in child poverty between 2007 and 2008, and that is before the impact of the recession is reflected in the figures."

"Last year one in five children was living in a household under significant financial stress, much of it due to high housing costs" says Dr St John. Now unemployment is over 6 per cent, we know the situation for children is getting steadily worse."

Working for Families was supposed to reduce child poverty on the OECD's very low 50 per cent poverty line from 14 per cent to 4 per cent and make us more like the Scandinavian countries. "But on this measure, despite WFF and tax cuts, child poverty has crept up to 16 per cent, and is set to deteriorate further once the effects of the recession are factored in."

"We already have some of the worst statistics in the OECD for child health and child injury." The 'feel good' nature of this report is unjustified and hides the truth of future social and economic costs.

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