

CHILD POVERTY AND CHILD WELL-BEING :
NEW ZEALAND IN AN INTERNATIONAL CONTEXT

MATTHEW HODGSON
MIKE O'BRIEN
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SOCIAL POLICY AND SOCIAL WORK PROGRAMME
SCHOOL OF HEALTH AND SOCIAL SERVICES
ALBANY CAMPUS
MASSEY UNIVERSITY

CHILD POVERTY AND CHILD WELL-BEING

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INTRODUCTION

Child poverty and child well-being are major issues of concern to academics and practitioners interested in issues facing children in New Zealand society. They are also issues of significant interest to policy decision makers as levels of child poverty return towards those which existed at the time of the introduction of Working for Families (WFF) in 2004 (Bryan Perry, 2009a). New Zealand's performance across a range of indicators of child well-being and child poverty is frequently (and increasingly) compared with comparable countries in the OECD. (OECD, 2008; 2009 provide good examples). These international comparisons provide: (1) an opportunity to evaluate and monitor New Zealand's performance; (2) a yardstick against which to measure the effectiveness of policies and progress; (3) an indicator of what is required in order to advance and improve the position of children. In addition to these international reports, there has been a significant amount of New Zealand research in the last five years monitoring and reflecting changes in child poverty and children's standards of living and the effects of policy changes such as WFF. (Ministry of Social Development, 2008a, 2008b; Bryan Perry, 2004; 2009a; S. St. John & Craig, 2004; S. St. John & Wynd, 2008)

Reviewing New Zealand's progress and performance in an international context is significant because, as noted above, it provides a comparison and benchmark against which to review New Zealand's performance. Just as New Zealand's provisions and programmes and services are compared with other countries on a range of economic and social measures, comparison of progress and performance in areas as significant as child poverty enables us to assess how well New Zealand provides for children within an international framework and provides a basis on which to make comparisons of policy and provision, to help inform debate and, hopefully, policy decisions which impact on child poverty.

Poverty, living standards and well-being are linked together here to reflect changes in international research focused on the measurement and monitoring of changes in outcomes and experiences for children (Bradshaw, Hoelscher and Richardson, 2007). The

distinction between the two concepts of ‘poverty’ and ‘well-being’ is that the former focuses more narrowly on income adequacy issues while the latter takes a broader approach, extending beyond considerations of income to explore other dimensions of children’s well-being, some of which are associated with income and income adequacy, while others are not. In an unpublished paper delivered at last year’s International Social Security Conference, Bradshaw (2009) indicated that the overlap between measures of poverty and measures of well-being is approximately 54% while Perry (2009a) finds an overlap of 50%. (See also Perry (2002).

Examination of poverty and poverty rates draw, then, from two distinct but overlapping sources, namely income levels and standard of living. As various commentators have noted, income is significant in its own right but, in the context of poverty is, arguably, even more significant because of the standard of living (or lack thereof) which it permits. Although there has been (and still is) significant attention to income measures of child poverty in the research of the last half century, recent work has also explored a range of indicators of well-being and living standards (both material and non-material) and has set out to identify the extent of overlap between income measures and measures of well-being and living standards. While there is a risk that the significance of income will be downplayed and overlooked in that wider overview, there has been an invaluable development around standardising of indicators and of their measurement in the European research on child poverty and child well-being. These indicators are drawn on here as appropriate and are also utilised in the recent New Zealand work (Perry, 2009b). What is potentially significant about Perry’s work is that indicators and their measurement developed in the European context can now be replicated in the New Zealand environment allowing for a more thorough and extensive comparison of the experiences and well-being of New Zealand children in an international comparative context.

While acknowledging this wider focus in contemporary research, considerations of feasibility mean that the project here has been largely limited to issues of income adequacy and income poverty and material aspects of well-being. Time did not permit the wider work required to attend to the totality of the concept of well-being and living

standards adequately, although inevitably there is some focus on these considerations within the exploration of New Zealand's international position in relation to the more specific issue of child poverty.

The tasks for this project were, then: (1) to review and synthesise New Zealand's international position on a range of indicators of child poverty as reflected in the international comparisons published during the last six years; (2) to update the New Zealand data when there is relevant data that has appeared since the sources drawn on for the international publications; (3) identify policy implications raised within and from the data sources. The six year period was chosen because it coincided with the major policy initiative in relation to child poverty, namely WFF, and because it provided a manageable period of time with which to work within the parameters of the summer studentship. However, the time period was not absolutely rigid; there was some flexibility in relation to this timeframe to ensure that all appropriate and relevant documents could be included.

The data sources drawn on use a range of measures and frameworks for discussion of various dimensions of child poverty. Like any comparative data, there are limitations of definition and measurement and social and political frameworks differ between countries. However, while no two countries are ever completely identical, there are significant similarities which allow meaningful comparisons to be made. Increasingly, definitions and measurement tools are being developed and standardised internationally as is reflected in the recent work on indicators of child well-being which have been standardised in Europe and have been used in the recent New Zealand work, as noted above (Perry 2009b).

Underlying this report and indeed national and international research on child poverty, is an assumption that child poverty matters. It matters for a range of reasons, both economic and social. It matters because poverty blights children's lives and those lives would be fuller, better and richer if children were not living in poverty. It matters too because poverty is now clearly indicated as a significant factor across a range of dimensions of children's lives, particularly, for example, housing, health, education, well-being and social participation. Poverty matters now for children. It matters too into the future

because children whose lives are lived in poverty are deprived of many of the tools (health, housing and education particularly) which are critical in their lives both now and later as adults thereby limiting their potential contribution to New Zealand's social and economic future. Action to reduce levels of poverty is critical for children now and critical for future social and economic well-being. Synthesising New Zealand's performance in an international context provides useful pointers and indicators as to what can be achieved and contributes to the identification of goals and targets in order to improve the lives of those children constrained by the experiences of poverty.

STRUCTURE OF THE REPORT

Drawing on available data, this report is designed to assist in accessing that data and making it readily available for researchers, academics, students and policymakers interested in and engaged with issues of child poverty. In each of the nine sections of the report, the key international data is identified and summarised. The appropriate New Zealand data is reviewed alongside the international material and the section then identifies gaps in New Zealand data, gaps which, if filled, would contribute to better information and better informed policy debate. In brief, then, the aim of the report is to draw together the range of material which reports on the extent and levels of child poverty in New Zealand, across a range of dimensions and locate this alongside comparable international material. Each section concludes with a brief summary table which highlight New Zealand's situation in relation to the comparable international material and concludes with a list of the key references drawn on in that data. The final section of the report takes up some of the issues which emerge from the data and collates the bibliographic material used in the various sections of the report.

The international data is derived from reports from bodies such as the OECD and UNICEF and from international studies which utilise comparative data. The New Zealand material is drawn from recent work from Perry (2009a; 2009b) and from studies such as the Living Standards studies undertaken by the Ministry of Social Development (MSD) (Jensen, Krishnan, Hodgson, Sathiyandra, & Templeton, 2006; Krishnan, Jensen, & Ballantyne, 2002).

An explanatory and interpretative note is required in relation to the data that is presented. For each of the dimensions covered, international material is drawn on where this is available. First, the countries are ranked for their position on the relevant dimension and the data is then presented for the countries which sit at the top, in the middle and at the bottom of these international rankings. Second, data is also presented, where available, for Australia (Aus), the United Kingdom (UK) and Sweden (Swe). Data is presented for each of these three countries because they are often used as comparative points in discussions and debates about child poverty in New Zealand.

1. International child poverty rates

There is significant data available that compares child poverty rates in OECD countries. One of the measures frequently used to evaluate child poverty compares the percent of children in different countries who live in households with incomes below 50% of the national median income.

1.1. International Data

- *Child poverty in Rich Countries* (UNICEF, 2005) compares child poverty rates internationally using a data set that ranges from the 1990s through to 2004. The New Zealand data used in this report is from the late 1990s.
- Table 5.2 in *Growing Unequal* (OECD, 2008, p. 138) provides up to date internationally comparable data. Comparisons here are based on data from the mid 2000s.
- Chart 4.1.1 in Bradshaw, Hoelscher, et al. (2006, p. 29) uses the 50% median income measure to compare child poverty across countries. The New Zealand data in their work is taken from 2001.

1.2. New Zealand Data

- Perry (2009a, Section F) provides the most up to date data for child poverty in New Zealand. His figures include 2008 rates of child poverty using a range of measures, including 50% and 60% of the median. His data include before and after housing costs, and the poverty rates use a fixed (constant) measure of income and rates which are based on income movement (relative to contemporary median).
- Fletcher and Dwyer (2008, p.18) use the data provided by Perry (2008) and incorporate housing costs into their estimation of child poverty rates for New Zealand.

1.3 Poverty Rates: What does the Data show?

Table One Child Poverty Rates

Source	New Zealand	New Zealand	Intntl Lowest	Intntl Middle	Intntl Highest	UK	Aus	Swe
Perry 2009a	28% ¹	19% ²	Norway 9%	Estonia 20%	Turkey 34%	24%	22%	15%
OECD (mid 2000s)		15%	Denmark 3%	Australia, Luxembourg 12%	Turkey 25%	10%	12%	4%
Unicef (1996-2001)		16.3%	Denmark 2.4%	Austria 10.2%	Mexico 27.7%	15.4%	14.7%	4.2%
Bradshaw et al (1999-2001)		14.8%	Denmark 2.4%	Greece 12%	United States 21.7%	15.5%	11.4%	4%

1 Figure relates to percentage based on 2008 income data, 60% median line measure of income, after housing costs.

2 Figure relates to percentage based on comparable time period (circa 2006) with international statistics. The international data is based on 60% median, moving line measure of income.

1.4 Gaps and Comments

- International data uses poverty rates for New Zealand that date well before the most recent data available in New Zealand publications. Consequently there are gaps in New Zealand data when making comparisons with international child poverty rates. Perry (2009a) uses the most recent New Zealand data to compare poverty rates for children in New Zealand with the rates for children from a range of countries.
- Perry (2009b, p. 25) also uses a measure of hardship to determine children's living standards. This measure widens the discussion of poverty rates as it uses qualitative data and takes more than just income into consideration. This type of hardship measure is becoming more common in international data and as a result Perry was able to compare New Zealand deprivation rates with those of the European Union (p.33); as noted above, these indicators and their measurement are now standardised and comparable. Some of this data is taken up later in this report.

1.5 Reference list

Bradshaw, J., Hoelscher, P., & Richardson, D. (2006). *Comparing child well-being in OECD countries: Concepts and methods*. Florence: UNICEF Innocenti Research Centre.

Bradshaw, J. *Child Poverty and Child Well-Being*. Paper for Federation of International Studies in Social Security, Sigtuna, June 2009.

Fletcher, M. and M. Dwyer (2008). *A fair go for all children; Actions to address child poverty in New Zealand*. Wellington: Children's Commissioner & Barnardos.

OECD (2008). *Growing unequal? Income distribution and poverty in OECD countries*. Paris: OECD.

OECD. (2009). *Doing better for children*. Paris: OECD.

Perry, B. (2009). *Household incomes in New Zealand: trends in indicators of inequality and hardship 1982 to 2008*. Wellington: Ministry of Social Development.

Perry, B. (2009a). *Non-income measures of material wellbeing and hardship: first results from the 2008 New Zealand Living Standards Survey*. Wellington: Ministry of Social Development.

UNICEF (2005). *Child Poverty in Rich Countries, 2005*. Florence: UNICEF Innocenti Research Centre.

2. Child poverty rates comparing children living below 40%, 50% and 60% of the median income

Poverty rates used in OECD documents primarily focus on 50% of median national income, while the UNICEF publication includes data using a 40% measure. New Zealand research provides a wider range of data using both 50% and 60% median data. By comparing the levels of population below the 40, 50 and 60 percent of the median income, we are able to see differences in poverty rates at different points on the income distribution data, giving a more comprehensive and detailed picture of the circumstances of those children affected by poverty.

2.1 International Data

- *Growing Unequal* has very good data for entire populations (OECD, 2008, p. 127). The report's data on children makes comparisons between households with children, including data on households with different numbers of children. It also contains data on households without children and includes a range of data on households with adults in work and data on households with no adults in paid work.
- *Child Poverty in Rich Countries* (UNICEF, 2005) provides an international comparison of child poverty rates for 15 OECD countries at the 40, 50 and 60 percent of median income levels. New Zealand data at this level is unavailable in this report.

2.2 New Zealand Data

- Fletcher and Dwyer (2008, p. 18) provide data for the 60 and 50 percent of median national income rates for child poverty. They do not provide an international comparison.
- Perry (2009a, pp. 82-83) gives data for the 50 and 60 percent rate of child poverty from 1982 to 2008 and compares the rates using these two measures.
- Perry (2009a, pp. 118-119) compares the 50 and 60 percent rates with international data, but in these tables does not provide comparisons between the two rates over time and does not include a 40 percent rate.
- General poverty rates for severely deprived children living in households with incomes below 40 percent of the median national income are unavailable in New Zealand research. However, a 2007 study found that the median income for beneficiary families with no earned income fell below the 40% median line after allowing for housing costs (Centre for Social Research and Evaluation, 2007, Table, p.8).

2.3 What does the Data show ? Children in households below a range of measures of median income

Table Two

A. Below 40% median

Source	New Zealand	Intntl Lowest	Intntl Middle	Intntl Highest	UK	Aus	Swe
Unicef (1996-2001)		Finland 1.3%	Netherlands 5.9%	Mexico 20.9%	5.5%		1.8%

B. Below 50% median

Source	New Zealand	New Zealand	Intntl Lowest	Intntl Middle	Intntl Highest	UK	Aus	Swe
Perry 2009a	20%	15%	Denmark 3%	Netherlands, Australia, Luxembourg 12%	Turkey 25%	10%	12%	4%
OECD (mid 2000s)		15%	Denmark 3%	Australia, Luxemb 12%	Turkey 25%	10%	12%	4%
Unicef (1996-2001)		16.3%	Denmark 2.4%	Austria 10.2%	Mexico 27.7%	15.4%	14.7%	4.2%
Bradshaw et al (1999-2001)		14.8%	Denmark 2.4%	Greece 12%	United States 21.7%	15.5%	11.4%	4%

C. Below 60% median

Source	New Zealand	New Zealand	Intntl Lowest	Intntl Middle	Intntl Highest	UK	Aus	Swe
Perry 2009a	28% ³	19% ⁴	Norway 9%	Estonia 20%	Turkey 34%	24%	22%	15%
Unicef (1996-2001)			Norway 7.5 %	Poland 17.3%	USA 30.2 %	15.4%		9.2%

3 and 4 See Table One (C) above

2.4 Gaps and Comments

- New Zealand child poverty rates are not reported for children living below 40 percent of the median national income. Hence, we are unable to compare these rates internationally.
- Given the Centre for Social Research and Evaluation (2007) report, it would be beneficial to explore why these rates have not been made available as statistically it would certainly be possible.
- Comparison of the different poverty rates for children potentially provides a clear picture of where major groups of children are located. This should help to direct specific policy initiatives aimed at reducing child poverty at different income levels.

2.5 Reference list

Fletcher, M. and M. Dwyer (2008). *A fair go for all children; Actions to address child poverty in New Zealand*. Wellington: Children's Commissioner & Barnardos.

Ministry of Social Development (2007) *Pockets of Significant Hardship and Poverty*. Wellington: Centre for Social Research and Evaluation.

(OECD (2008). *Growing unequal? Income distribution and poverty in OECD countries*. Paris: OECD.

Perry, B. (2009a). *Household incomes in New Zealand: trends in indicators of inequality and hardship 1982 to 2008*. Wellington: Ministry of Social Development.

UNICEF (2005). *Child Poverty in Rich Countries, 2005*. Florence: UNICEF Innocenti Research Centre.

3 Percentage changes in child poverty rates over time

Comparison of poverty rates may relate to a base year or may be amended to reflect changes in income over a given time period. This data is important because of the ways in which it shows the changes in poverty levels over time; it is possible to assess improvements and/or deteriorations in children's circumstances.

3.1 International Data

- *Child Poverty in Rich Countries* (UNICEF, 2005) provides data on the changes in poverty rates throughout the 1990s for 15 different OECD countries; New Zealand is not included in this data set (p. 12, Fig 4). For the same list of countries there is also a comparison for the percent change compared to 50 percent of the median income of a base year (p. 13, Fig 5).
- *Growing Unequal* (OECD, 2008, p. 138) compares the changes in poverty rates for OECD countries between the mid 1990s and mid 2000s. The data is not specific regarding dates for each country and uses a variety of different data when comparing between the different countries.

3.2 New Zealand Data

- Fletcher and Dwyer (2008, p. 20, Figure 1) give child poverty rates from 1982 to 2007. This does not provide a percentage change over time but this could be calculated.
- Ministry of Social Development (2008a) data gives poverty rates for children up to 18 years living below the 60% of median income for the years between 1986 and 2007.
- Perry (2009a) shows changes in the percentages of New Zealand children below the poverty line between 1982 and 2008, while his later publication (Perry, 2009b) shows changes in hardship rates for children in the households with the most significant hardship between 2004 and 2008.
- Perry (2009a) shows changes between 1982 and 2008.

3.3 What does the Data show

Table Three Changes in poverty rates, using different poverty measures

A % change in 1990s (Note: highest represents greatest increase in child poverty, lowest represents greatest decrease)

Source	New Zealand	New Zealand	Intntl Lowest	Intntl Middle	Intntl Highest	UK	Aus	Swe
Perry 2009a	+3% ⁵							
Unicef (1990s)			UK - 10.8%	Netherlands +0.3%	Hungary +13.5%	- 10.8%		- 0.2%

5 Data relates to 50% Before Housing Cost with fixed income measure

B 50%

Source	New Zealand	New Zealand	Intntl Lowest	Intntl Middle	Intntl Highest	UK	Aus	Swe
Perry 2009a	+3% ⁶	-2% ⁷						
Unicef (1990s)			UK - 3.1% ⁸	Netherlands +1.7%	Poland +4.3%	- 3.1%		+1.2%

6 New Zealand data is based on BHC relative income measure. It covers the period 1990-2000

7 This figure refers to the period 1998-2008

C 60%

Source	New Zealand	New Zealand	Intntl Lowest	Intntl Middle	Intntl Highest	UK	Aus	Swe
Perry 2009a	+7% ⁸	+2% ⁹						
Unicef (1996-2001)			Norway - 2.6%	Luxembourg +2.3%	Poland +6.1%	+0.1%		+3.0%

8, 9 See Notes for 50% Table above

3.4 Gaps and Comments

- It is important to note the difference between annual poverty rates and those that standardise those rates to a base year. When comparing to a base year's median income, poverty rates for subsequent years are likely to appear lower.
- Children living in households below 40 percent of the median national income are not identified in the available research. It would be beneficial to compare the 40 percent child poverty rate with the 50 and 60 percent of median income rates to gain a greater understanding of the distribution and children in poverty and the depth of that poverty. Centre for Social Research and Evaluation (2007) provides some indications around the 40 percent measure.

3.5 Reference list

Fletcher, M. and M. Dwyer (2008). *A fair go for all children; Actions to address child poverty in New Zealand*. Wellington: Children's Commissioner & Barnardos.

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UNICEF (2005). *Child Poverty in Rich Countries, 2005*. Florence: UNICEF Innocenti Research Centre.

4 Poverty rates by region

Poverty rates can vary greatly within a country and between and within smaller regions. Regional variation data breaks down the broad national picture so that it is then possible to see the distribution of child poverty within the nation. This makes comparisons across different regions possible both within countries and across countries.

4.1 International Data

- *Child Poverty in Rich Countries* (UNICEF, 2005, p. 30) raises the question of the level at which child poverty should be compared. It stresses the importance of looking within a nation to assess regional differences. It provides meaningful examples but does not, however, give detailed data.
- UNICEF (2007, pp. 8-9) also refers to the importance of regional data.

4.2 New Zealand Data

- St John and Wynd (2008, pp. 96-98) comment on the distribution of families in low socioeconomic areas and the trend for the continued stratification of New Zealand society.
- Fletcher and Dwyer (2008, pp. 58-59) give statistics describing the distribution of children in relation to decile areas. They do not look at physical locations but relate to areas of comparative deprivation.
- New Zealand deprivation index data gives decile information which is used by health and education programmes and services (White, Gunston, Salmond, Atkinson, & Crampton, 2008). Deprivation data for the entire population is mapped showing deprivation down to mesh block levels but child deprivation statistics are not distinguished (pp. 36-37). Income is one of the nine variables used to construct the index.

4.3 Gaps and Comments

- Regional specific child poverty data is unavailable in the most up to date Perry (2009a) publication. Although the comprehensive report is extremely good for national data there is no break down into regions.
- The lack of regional data for New Zealand does not help child poverty researchers to determine areas of New Zealand that are particularly at risk.
- Existing regional decile data for New Zealand could be matched to age specific density data to give regional deprivation data that focuses on children.

4.4 Reference list

Fletcher, M. and M. Dwyer (2008). *A fair go for all children; Actions to address child poverty in New Zealand*. Wellington: Children's Commissioner & Barnardos.

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St John, S. and D. Wynd (2008). *Left behind: How social and income inequalities damage New Zealand children*. Auckland: Child Poverty Action Group.

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UNICEF (2007). *Child poverty in perspective: An overview of child well-being in rich countries, Innocenti Report Card 7*. Florence: Italy UNICEF Innocenti Research Centre.

White, P., Gunston, J., Salmond, C., Atkinson, J., & Crampton, P. (2008). *Atlas of Socioeconomic Deprivation in New Zealand NZDep2006*. Wellington: Ministry of Health.

5. Impact of taxes and government transfers on child poverty rates

Child poverty rates prior to taxes and benefits are vastly different to poverty rates once government transfers are taken into consideration. This measure seeks to assess the effect of government transfers on child poverty rates and compare this data internationally.

5.1 International Data

- *Growing Unequal* (OECD, 2008) compares the effect of tax transfers on child poverty rates (p. 142, Figure 5.12) and the change in those poverty rates between the mid 1990s and mid 2000s. The comparison between the countries uses variable dates.
- OECD (2009, pp. 79-82) also publishes a useful set of graphs that compares social expenditure on children across different expenditure categories (education, childcare, cash benefits and tax breaks, other benefits), showing, inter alia, the portion that each type of expenditure makes up. The data shows different social expenditure at different ages and can be compared internationally. It does not give the effect on poverty rates, but does allow for exploration of the different government approaches to social expenditure and could easily be compared to poverty rates.
- *Child Poverty in Rich Countries* (Unicef, 2005, pp. 27-30) compares data on European countries taxes and benefits for the whole population and for the low income population. Using data from 1993 – 2003, it provides a good example of how government transfers can be compared internationally and also the effect on different age and economic groups in a nation.
- Eurostat (2007, p.18) shows the importance and effect of taxes and transfers on child poverty rates for EU nations. The data is for 2001 but is a good guide for presenting this kind of information.

5.2 New Zealand Data

- While not covering the same range of variables as the European data referred to above, Perry (2009a, pp. 104-106) provides examples of how the Working For Families tax credit has reduced child poverty rates. The research looks mainly at the 60 percent below the median national income but also gives estimations for the 50 percent rate which is easier to compare with OECD data. (See also Perry, 2004).

5.3 What does the Data show ? Impact of taxes and government expenditure on child poverty rates

Table Five

Source	New Zealand	New Zealand	Intntl Lowest impact	Intntl Middle	Intntl Highest impact	UK	Aus	Swe
Perry (2004) ¹⁰	71% (50% median)	29% (60% median)						
Unicef (2005) ¹¹		11.6	Portugal 0.8	Belgium, Czech 9.0	France 20.2	10		13.8
Eurostat ¹² (2007)			Greece 24%	Italy, Ireland 43%	UK 62%	62%		46%

10 Percentage reduction in child poverty following Working For Families

11 Size of reduction in child poverty rate as a result of government taxes and transfers

12 Decline in percentage of children in poverty after government benefits

5.4 Gaps and Comments

- The format used in the Eurostat (2007) data mentioned in section 5.1 would be useful to emulate for New Zealand data. It clearly shows the positive effects that government transfers can have on child poverty rates and this is also reflected in Perry (2009a).
- There is sufficient international data to make comparisons with New Zealand, if the New Zealand data has been collected and analysed.

5.5 Reference list

Eurostat (2007). *The social situation in the European Union 2005-2006 Overview*. Brussels: European Commission.

OECD (2008). *Growing unequal? Income distribution and poverty in OECD countries*. Paris: OECD.

OECD (2009). *Doing better for children*. Paris: OECD.

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Perry, B. (2009a). *Household incomes in New Zealand: trends in indicators of inequality and hardship 1982 to 2008*. Wellington: Ministry of Social Development.

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6 Poverty rates for households by number of children

This statistic looks at the number of children in a household and gives poverty rates depending on the number of children in a household. It shows the effect of family size on poverty rates and can help target measures aimed at reducing poverty to different family structures.

6.1 International Data

- OECD (2008, p. 138) provide a comprehensive comparison between OECD countries for child poverty rates that show the difference between one, two and three child households. New Zealand data is omitted due to low sample size.

6.2 New Zealand Data

- Perry (2009a) gives child poverty rates for households with one or two children and compares that with poverty rates for households with three or more children. Data covers the period between 1986 and 2008.
- Perry (2009a, p. 72) provides 2008 data for the income required per week for different household types, (including one and two parent households with one, two or three children), if those households are to be moved above the 50 percent and 60 percent poverty line.

6.3 What does the Data show

Table Six Poverty rates for different family sizes

A One child

Source	New Zealand	New Zealand	Intntl Lowest	Intntl Middle	Intntl Highest	UK	Aus	Swe
Perry 2009a) ¹³	16%	19%						
OECD (mid 2000s)			Denmark 2%	Greece, Czech Republic 8%	USA 14%	4%	9%	4%

¹³ Percentages relate to 60% median AHC with relative income measure

B Two children

Source	New Zealand	New Zealand	Intntl Lowest	Intntl Middle	Intntl Highest	UK	Aus	Swe
Perry 2009a) ¹⁴	14%	19%						
OECD (mid 2000s)			Denmark 2%	Australia 10%	Portugal 17%	6%	10%	3%

¹⁴ See note 1 above

C Three or more children

Source	New Zealand	New Zealand	Intntl Lowest	Intntl Middle	Intntl Highest	UK	Aus	Swe
Perry (2009a) ¹⁵	22%	19%						
OECD (2008)			Sweden, Finland 3%	Belgium, Australia 11%	Poland 31%	20%	11%	3%

¹⁵ See note 1 above

6.4 Gaps and Comments

- Comparisons of poverty rates by the number of children in a household between OECD countries and New Zealand adds another layer to the comparative poverty data, extending beyond the more general data.
- In a similar vein, New Zealand data needs to be gathered on this statistic as it allows for meaningful comparisons both internationally and internally.

6.5 Reference list

Perry (2009a). *Household incomes in New Zealand: trends in indicators of inequality and hardship 1982 to 2008*. Wellington: Ministry of Social Development.

OECD (2008). *Growing unequal? Income distribution and poverty in OECD countries*. Paris: OECD.

7 International child poverty rates that take cost of housing into consideration

Housing is a major cost for households and can have a significant influence on poverty rates. This measure takes into account the varying costs of housing between countries and gives allows for the possibility of comparing child poverty rates once housing costs have been deducted. The rates can be compared internationally and comparison of rates before and after housing costs would provide an indication of the significance of housing costs and of the effectiveness of assistance with those costs.

7.1 International Data

- International research that includes housing costs when considering child poverty rates is not readily available. Bradshaw et al. (2006) note that housing data is available for some of the European countries but not others and they have included that in some of their work but not in other material; the data in their 2007 article covers dimensions of housing conditions but not the effect of housing costs on poverty levels (Bradshaw et al., 2007).

7.2 New Zealand Data

- Fletcher and Dwyer (2008, p. 18) provide child poverty rates with and without housing costs included for New Zealand. They are unable to compare the child poverty rates internationally when using the rates that include housing costs.
- Perry (2009a, p. 83) provides child poverty rates that incorporate housing costs.
- Perry also provides commentary comparing housing costs over time for children in households that are below the poverty threshold (pp. 80-81).
- St John and Wynd (2008, pp. 90-91) stress the contributing effect that housing has on child poverty. They also show the rate at which housing affordability and costs are increasing in New Zealand, relative to income (pp. 91-92).

7.3 What does the Data show

Table Seven Child Poverty and Housing costs

Source	50% CV BHC	60% REL BHC	50% CV BHC	60% REL BHC	50% CV AHC	60% REL AHC	60% CV AHC	60% REL AHC
Perry 2009a	7%	14%	14%	22%	12%	20%	20%	28%

Note: CV refers to measures of income in which the income measure uses a fixed line, while REL refers to income measures which are relative because they are adjusted over time based on shifts in median income (Perry 2009a). BHC refers to Before Housing Costs, while AHC is the measure after adjustment for housing costs.

7.4 Gaps and Comments

- Perry (2009a) has brought attention to the importance of housing costs when considering child poverty rates. New Zealand has seen a trend of increasing housing costs which have had a significant effect on child poverty rates.
- Unfortunately, there is no international data to compare the effect of housing costs on child poverty rates between New Zealand and other countries.

7.5 Reference list

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Bradshaw, J., Hoelscher, P., Richardson, D. (2007). 'An Index of Child Well-Being in the European Union', *Social Indicators Research*, 80, 1, pp.133-177.

Fletcher, M. and M. Dwyer (2008). *A fair go for all children; Actions to address child poverty in New Zealand*. Wellington: Children's Commissioner & Barnardos.

Perry, B. (June 2009a). *Household incomes in New Zealand: trends in indicators of inequality and hardship 1982 to 2008*. Wellington: Ministry of Social Development.

St John, S. and D. Wynd (2008). *Left behind: How social and income inequalities damage New Zealand children*. Auckland: Child Poverty Action Group.

8 Net family income over a child's life cycle

New family income data looks at the net income a family receives during the life cycle of their children, taking income and government transfers into consideration. This data would allow for exploration of the effectiveness and outcome of government transfers and services on poverty rates and living standards during a child's lifetime.

8.1 International Data

- OECD (2009, pp. 88-89) gives comparisons for eight countries, excluding New Zealand, that show family income levels over a child's life cycle for different income levels. This data relates to two parent families with two children.
- Comparisons are also made using the same set of nations that look at the difference in family incomes over a child's life cycle for two and four child families and for lone parent and two parent households (pp. 91-94).

8.2 New Zealand Data

- New Zealand research into net family income over a child's life cycle is unavailable. There is no existing or current information on this indicator.

8.3 Gaps and Comments

- Determining household income at different stages of a child's lifecycle would be helpful to establish if children are more prone to poverty at different points throughout their lives. This would allow for more effective intervention and assistance.
- There is a lack of data available for New Zealand.
- As elsewhere, comprehensive New Zealand data would allow for comparison of the experiences of New Zealand children with those from other countries.

8.5 Reference list

OECD (2009). *Doing better for children*. Paris: OECD.

9 Non income measures of poverty

As noted in the introduction, research is shifting from being heavily focused on income measures of child poverty to a focus on living standards and measures of hardship. Household survey data is being used in New Zealand and internationally to determine the level of hardship that children face. This section explores the use of indicators of hardship, concentrating on the income dimensions of those indicators while acknowledging their wider orientation.

9.1 International Data

- Bradshaw, Hoelscher and Richardson (2006, p. 27) stress the importance of a wider range of dimensions when making international comparisons of child deprivation and refer to an earlier edition of HBSC to extend the measures of deprivation. There is special mention that New Zealand is not included in their deprivation data. In their later publication (Bradshaw et al., 2007) they incorporate work on income poverty into a wider indicator, 'material standards'.
- Health behaviour in school age children survey (HBSC) 2005/2006 (Currie, et al., 2008) is widely cited in international comparisons for child well-being and child inequalities. Data is collected from 41 nations in Europe and North America from children aged 11, 13 and 15 years. New Zealand is not included in the survey.

9.2 New Zealand Data

- Perry (2009b, p. 25) uses items from the New Zealand developed ELSI Living Standards instrument to describe dimensions of children's hardship. The New Zealand data was then able to be compared to the deprivation index for children used by the European Union (p. 33).

9.3 What does the Data show ? Measures of Hardship, Living Standards and Material Well-Being

Table Nine

Source	New Zealand	New Zealand	International Lowest	Intntl Middle	Intntl Highest	UK	Aus	Swe
Perry 2009b ¹⁶		18%	Luxembourg 4%	UK 15%	Latvia 43%	15%		7%
Unicef (2007) ¹⁷		95	Poland 90	Spain 100	Sweden 119	91	99	119
Bradshaw et al. ¹⁸ (2007)		97	Poland 80	Spain 100	Norway 117	91	99	

16 Deprivation index, 3+ enforced lacks

17 Measure based on average score over three dimensions, relative income poverty, households without jobs and reported deprivation.

18 They calculate a z score for material well-being, the higher the score representing a higher level of material well-being

9.4 Gaps and Comments

- HBSC is difficult to compare to New Zealand data as it surveys children aged 11, 13 and 15 years whereas New Zealand data does not differentiate between hardship for children in different age groups.
- This measure can give a greater understanding of experiences of poverty and hardship and well-being as it uses a range of qualitative data which takes more than just income into consideration.

9.5 Reference list

Bradshaw, J., Hoelscher, P., & Richardson, D. (2006). *Comparing child well-being in OECD countries: Concepts and methods*. Florence, UNICEF Innocenti Research Centre.

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Currie, C., Gabhainn, S. N., Godeau, E., Roberts, C., Smith, R., Currie, D., et al. (2008). *Inequalities in young people's health : HBSC International Report from the 2005/2006 survey : Health behaviour in school-aged children*. Copenhagen: WHO Regional Office for Europe.

Perry, B. (2009b). *Non-income measures of material wellbeing and hardship: first results from the 2008 New Zealand Living Standards Survey*. Wellington, Ministry of Social Development.

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CONCLUSION

Despite the widespread assertion that ‘New Zealand is a great place to bring up children’, the data here makes it clear that this is certainly not so for too many children, and particularly those children living in households which are below the poverty line. Not only is this significant in its own right, but it is clear too that on too many of the dimensions, New Zealand’s lags far behind other comparable countries, seriously questioning the validity of the assertion above. Table 10 below summarises New Zealand’s international position and shows that on these five measures where there is useful comparative international data, New Zealand is well below the middle point on the OECD scale, with one exception, namely the effect of government transfers. In three of the five instances, New Zealand is well below the international midpoint. New Zealand has little to be proud of in its treatment of and response to child poverty. Indeed, in an international sense, New Zealand can be accurately described as a laggard, to take up Esping-Andersen’s (1990) term from a wider exploration of welfare provision. Significantly, in the context of the focus here, he makes a powerful case for a focus on children in a subsequent publication on welfare state developments (Esping-Andersen, 2002).

Table 10 Selective summary of New Zealand’s child poverty position internationally

	NEW ZEALAND	OECD MIDDLE	OECD TOP	OECD BOTTOM
Poverty rate	28%	20% (Estonia)	9% (Norway)	34% (Turkey)
Govt transfers	11.6%	9.0 (Belgium)	20.2 (France)	0.8 (Portugal)
> 2 children	19%	3% (Sweden)	11% (Australia)	31% (Poland)
1 child	19%	2% (Denmark)	8% (Greece)	14% (USA)
Low living standards	18%	4% (Luxembourg)	15% (UK)	43% (Latvia)

While there are limitations in international comparisons and gaps in the data, the overall picture is one of significant gaps between New Zealand and other developed countries, including in many instances those countries with which we readily make comparisons. Those gaps in the data should not serve as an excuse or rationalisation when it comes to comparison but should serve as a spur to improve both the data and the position of the poorest children in New Zealand.

Moreover, we should not wait until we have perfect data comparison tools. The lives and circumstances of children are too important now (not just in the future) to delay taking action until perfect measurement tools are available. To repeat the introductory comment, children's poverty blights their lives as children, significantly limiting those lives and limiting the potential and contribution of those children into the future. Bradshaw et al. (2006; 2007) clearly demonstrate the significance and pervasiveness of poverty throughout all aspects of children's lives.

We have seen very recently, in the Working for Families package in 2004 and in Britain's recent policy initiatives, that it is possible to reduce poverty levels by good social and public policy. This clearly demonstrates that policy decisions can be taken which will reduce children's poverty, **if** there is the will to do so. '**If**' is the critical word here. Child poverty and improving the position of all New Zealand children is possible, but this can only occur through active policy commitments to do so and by prioritising the needs of all children. Clearly paid work makes a difference but it does not make a difference for those children whose parent or carer is not in paid work. Policy decisions and priorities which lock those children into poverty, and improve the position of New Zealand children compared with their counterparts in other countries, are possible and, much more significantly, critical if levels and incidence of child poverty are to be reduced. Then we could more seriously make the claim that 'New Zealand is a great place to bring up children' and apply that to all children.

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