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PRESS RELEASE: Investing in all children – in good times and bad
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Child Poverty Action Group (CPAG) welcomed last week's release of a comprehensive report on household incomes in NZ. The group congratulates the Ministry of Social Development for publishing this well-researched resource on the measurement of inequality and poverty in New Zealand, showing the trends over the two decades from 1982 to 2004.

CPAG says the report is particularly valuable because poverty and hardship are multi-dimensional. "The report looks at a range of measures and so can much better help us understand what is happening for society's more vulnerable households and families. The use of after housing costs measures is good to see, as housing costs are a large part of the challenge for less well-off families," observed CPAG research analyst Donna Wynd.

The report presents two key trends, from two different ways of looking at poverty.

The first measure uses a fixed poverty line, and shows a reduction in the number of poor children from around one in three in 1994 to under one in four in 2004. This is a welcome improvement but CPAG says it must be seen in the context of other trends – and 250,000 children still in poverty is not something to be proud of. Using the other approach, comparing the incomes of the lowest groups with those in the middle, child poverty rates were just as high in 2004, despite the improved economic conditions in that decade. As the report says, "there has been no improvement for the poorer poor," based on this relative income measure in the decade to 2004.

CPAG believes these results show that relying on improved economic conditions alone is not sufficient to reduce poverty for the poorest children. Working for Families has helped the working poor from 2006 and we should see improvement on some of the child poverty measures in later reports. "But unfortunately the poorest receive little or no extra real income from Working for Families. Kiwi children today are growing up in a society of haves versus the have-nots. Many families with the extra costs of raising children just continue to struggle, too often falling back on debt merchants and foodbanks," says Wynd.

"Part of the problem is less generous, and more conditional, government support for families. Another part is the prevalence of parents on poverty wages. The group says that the current trend toward making more government support dependent on family work status means that more children risk falling between the cracks in the next economic slowdown.

"The strain which the current heightened level of insecurity and disadvantage places on families is profound and can have life-long effects on children's health and development," said Wynd. CPAG strongly recommends to the government that Working for Families be simplified and given to all children on the same basis as a first step towards improving the position of poor children.

The MSD report is available from:

<http://www.msd.govt.nz/work-areas/social-research/household-incomes.html>