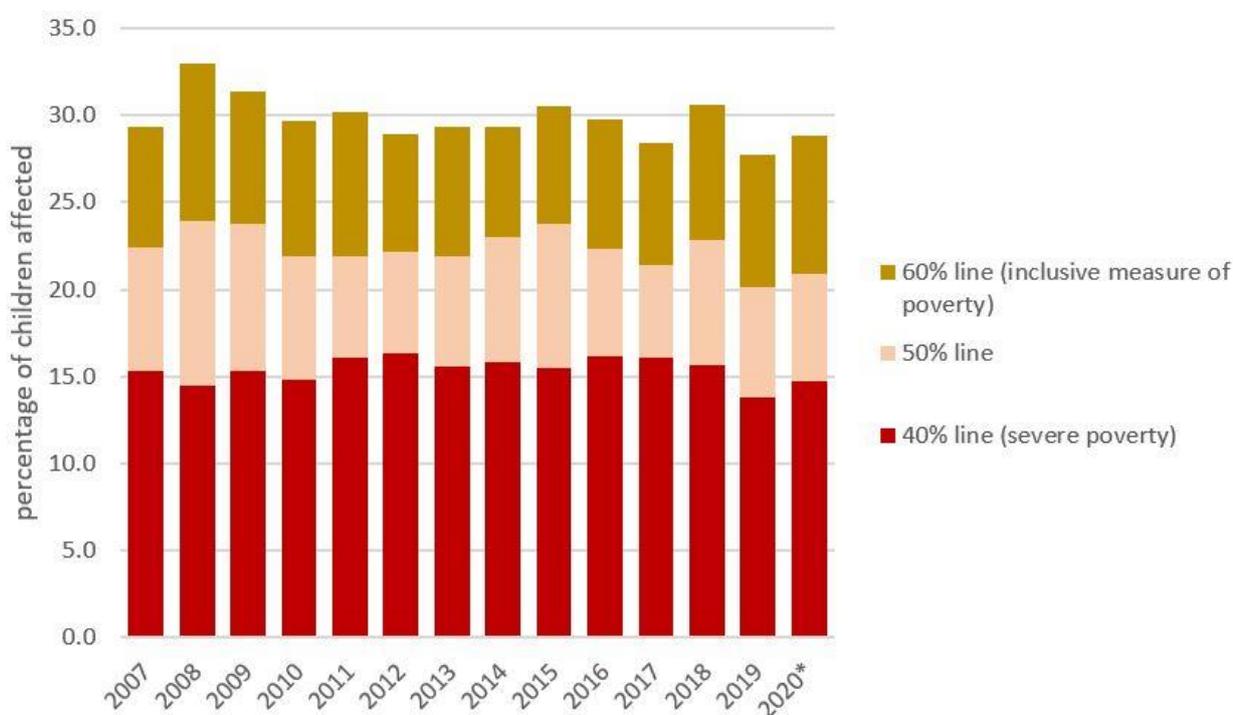


Latest child poverty measures: 2019/20 (reported Feb 2021)

Explanations for all nine current mandated measures - and a summary table - can be found at the bottom of this page. See our 23 Feb media release for CPAG's immediate response to the release of this data.

After-housing-costs income poverty (moving line)

*Graph 1: Percentage of children (all ethnicities) living in households in NZ with less than 40%/50%/60% median equiv disposable household **income after housing costs** (AHC) (moving-line measure) for the year to June (*to March 2020) 2007-2020- StatsNZ supplementary measures f,g,h (note: latest annual change isn't statistically significant) Source: StatsNZ*



Graph 1 above shows that percentages seem to change occasionally from year-to-year, but the trend for the 14 years is a reasonably flat line, particularly for severe poverty. The inclusive 60% measure shows a slight downward trend over the 14 years.

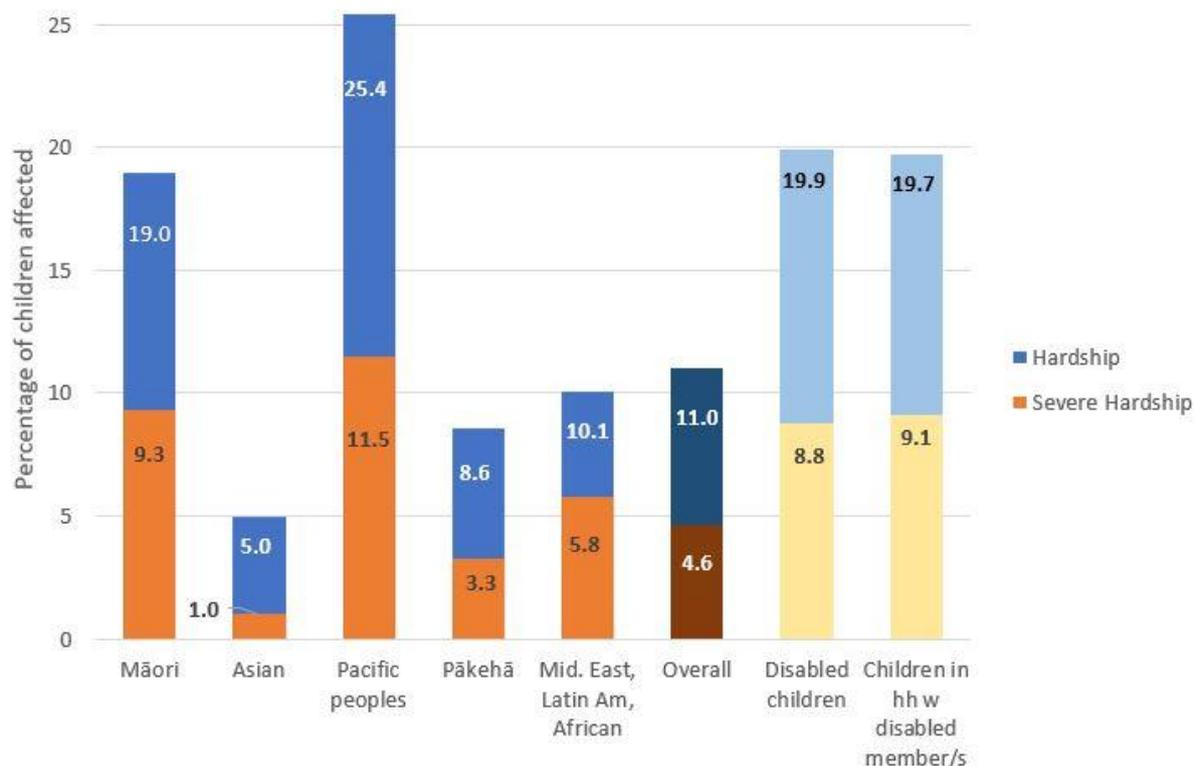
In 2019/20 (until March, pre-COVID):

- **Approx. 330,000 children** (28.8%) were living in after-housing-costs income poverty, on the inclusive 60% of equivalised household median, moving-line measure
- **Approx 239,000 children** (20.9%) were living in income poverty, on the related 50% measure
- **Approx 168,000 children** (14.7%) were living in **severe** income poverty, on the 40% or less measure.

As a comparison, more children in Aotearoa NZ live in severe poverty on this measure (168,000) than live in the country's fifth largest city, Tauranga (152,000).

Material hardship

Graph 2: Percentage of children by ethnicity, and percentage of children by disability status, living in households in material hardship and severe material hardship for June 2019 -March 2020 (measures c and i) Source: StatsNZ

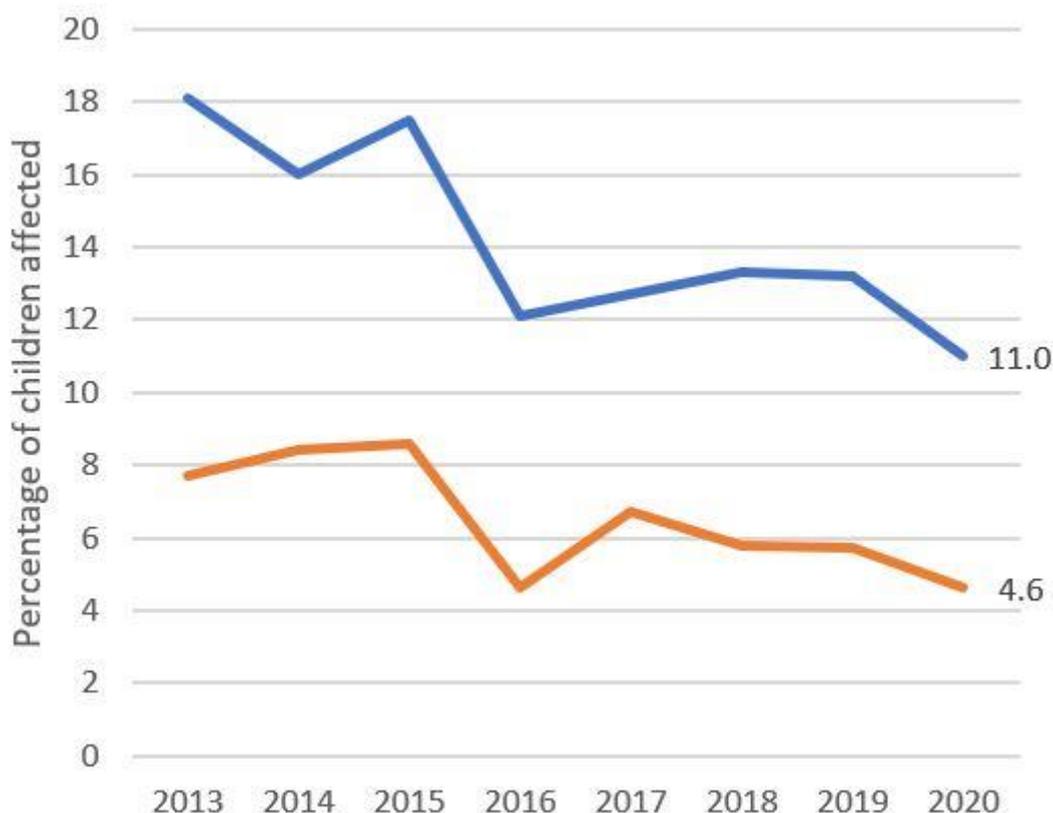


Statistics by ethnicity have been reported for the last two years (2018/19 and 2019/20); as the annual change is not statistically significant, Graph 2 above shows only the most recent figures, to March 2020 (pre COVID). Material hardship rates for Māori and especially Pacific children are far above national rates overall: nearly one in five Māori children (19%) live in material hardship (around 54,000 children), and more than 1 in four Pacific children (25.4% or around 37,000 children) compared to just over 1 in ten children overall (11% or approx 125,000 children). Māori and Pacific severe hardship rates are both more than double the overall rate (4.6% or approx 53,000 children). This over-burdening of tamariki Māori and Pacific children is a reflection of ongoing discrimination and colonisation, and, for tamariki Māori, ongoing breaches of Te Tiriti o Waitangi.

Graph 2 also shows material hardship rates for disabled children, and children in households which have at least one disabled member. The material hardship rates for both groups is nearly 1 in 5 children (19.7% and 19.9% respectively), and they both have nearly double the overall rate of severe material hardship. Not shown: over half

(53%) of the children in Aotearoa NZ who live in material hardship live in a household which has at least one disabled member, indicating gross (and avoidable) inequities.

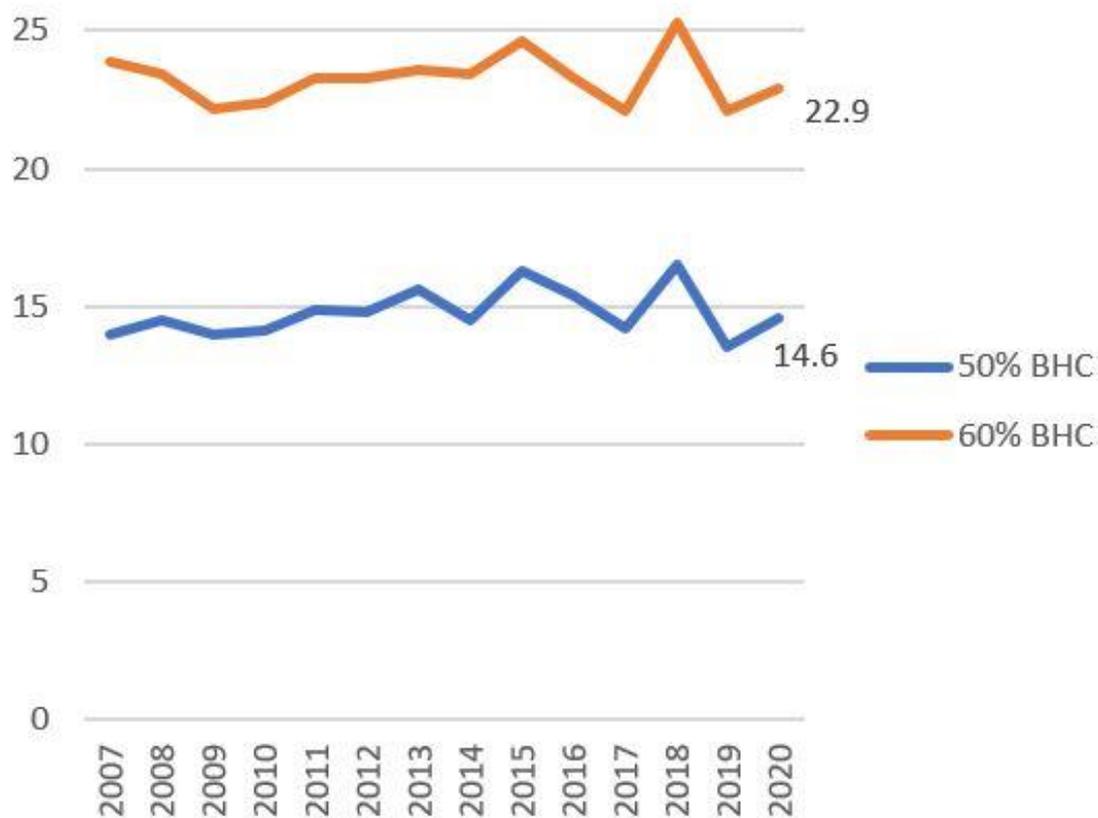
Graph 3: Percentage of children (all ethnicities) living in households in material hardship and severe material hardship for June year (June-March 2020) 2013-2020 (measures c and i) Source: StatsNZ



Graph 3 shows overall material hardship and severe material hardship for the years for which data is available; the material hardship measure is one of the three primary measures against which governments have to set targets. The drop between 2018/19 and 2019/20 from 13.2% to 11.0% is statistically significant, which means we can be sure it really happened. This is good news, although there's still a long way to go before material hardship for children is eliminated.

[Before Housing Costs income poverty \(moving line\)](#)

*Graph 4: Percentage of children (all ethnicities) living in households in NZ with less than 50%/60% median equiv disposable household **income before housing costs** (BHC) for the year to June (*to March 2020) 2007-2020- StatsNZ (measures a and e) (note: latest annual change isn't statistically significant) Source: StatsNZ*



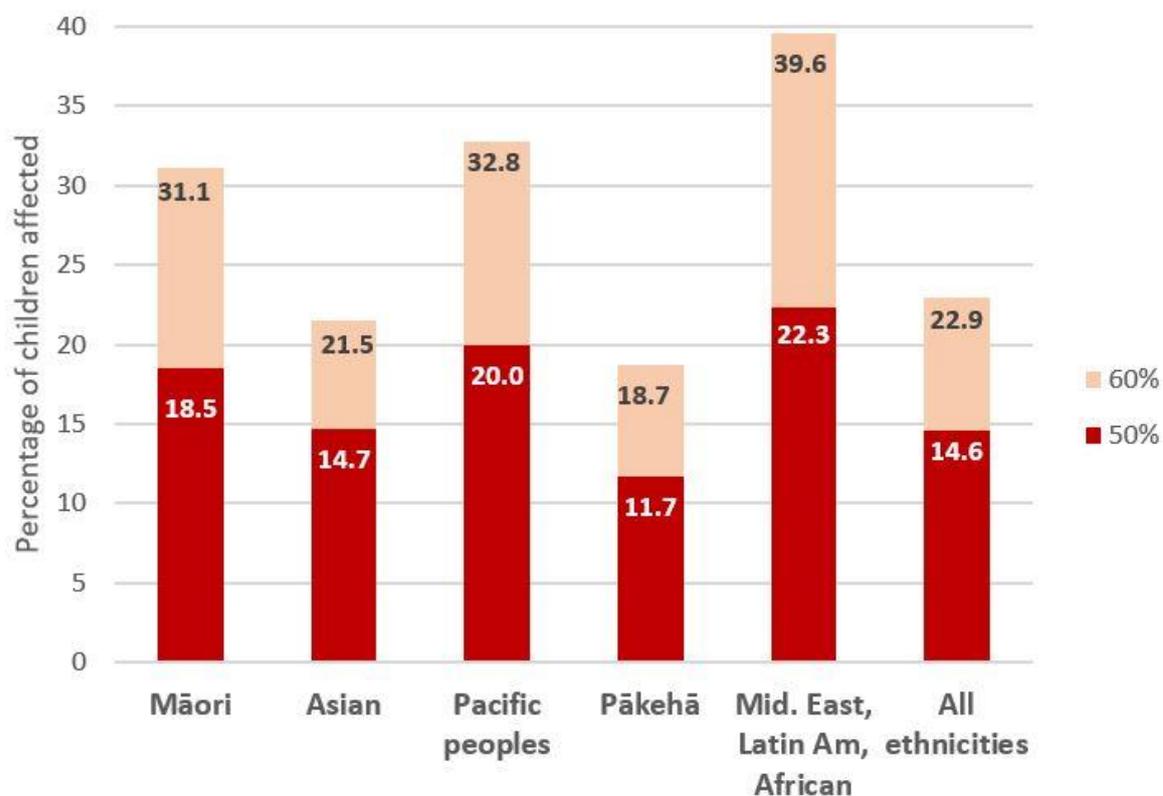
Graph 4 above shows poverty measured by disposable incomes before housing costs are taken into account. The rates seem to change occasionally from year-to-year (particularly in recent years), but the trend for the 14 years from 2007-2020 is reasonably flat.

In 2019/20 (until March, pre-COVID):

- **Approx. 261,500 children** (22.9%) were living in before-housing-costs income poverty, on the inclusive 60% of equivalised household median, moving-line measure
- **Approx 167,000 children** (14.6%) were living in income poverty, on the related 50% measure (a primary poverty measure against which governments must set targets)

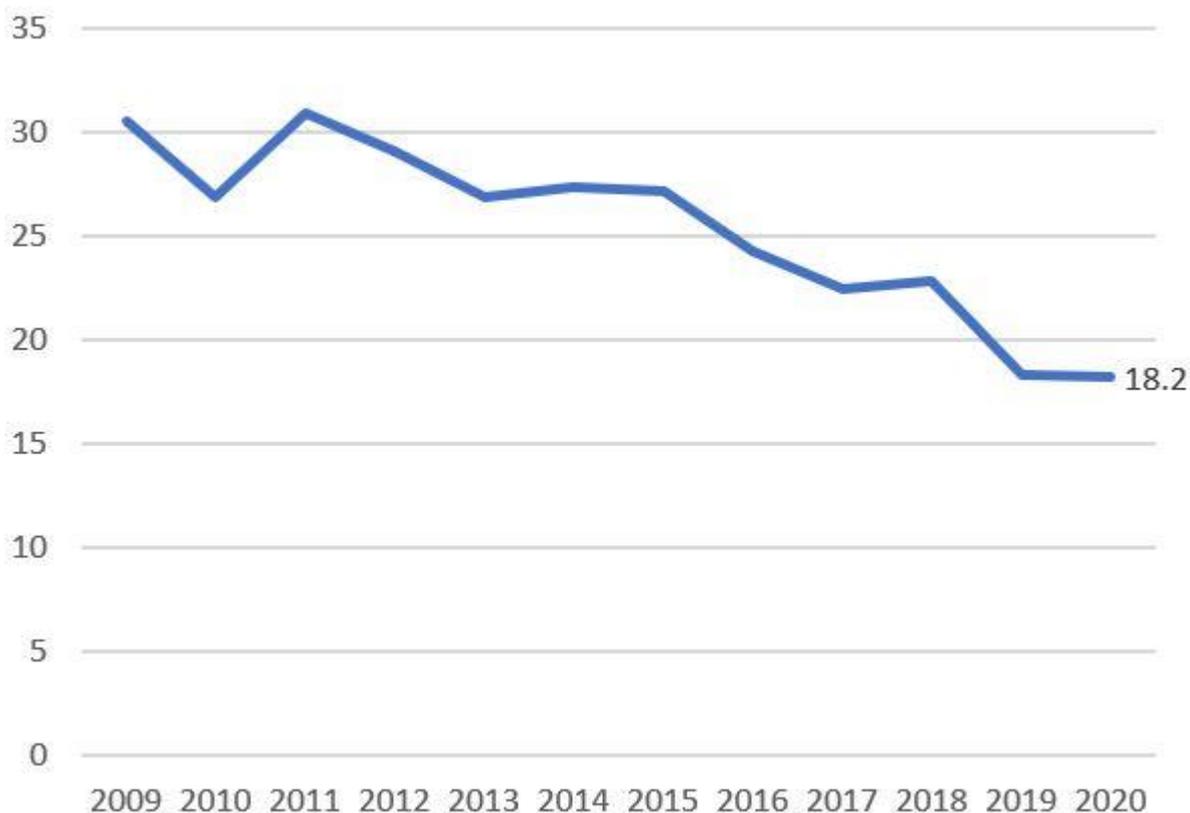
Graph 5 below shows the same measures for 2019/20 by ethnicity. Tamariki Māori are approx 27% more likely than children overall to live in before-housing-cost poverty on the primary 50% measure, and 36% more likely to do so on the inclusive 60% measure (Māori rates are 18.5% and 31.1% respectively; the national averages are 14.6% and 22.9% respectively. Rates for Pacific children (20% & 32.8%), and Middle Eastern, Latin American & African children (22.3% & 39.6%) are even higher (Note: MELAA rates have wide margins of error). This over-burdening of tamariki Māori and ethnic minorities is a reflection of ongoing discrimination and colonisation, and, for tamariki Māori, ongoing breaches of Te Tiriti o Waitangi.

Graph 5: Percentage of children by ethnicity living in households in NZ with less than 50%/60% median equiv disposable household **income before housing costs (BHC)** for June 2019 to March 2020 StatsNZ (measures a and e) Source: StatsNZ



Fixed line measure of income poverty

Graph 6: Percentage of children living in households in NZ with less than 50% median equiv disposable household **income after housing costs (AHC)**, fixed-line measure, for the year to June (*to March 2020) 2009-2020- StatsNZ primary measure b (note: latest annual change isn't statistically significant) Source: StatsNZ



Graph 6 shows a reasonably steady lowering of child poverty rates on the fixed-line measure from approximately 31% in 2010/11 to approximately 18.2% in 2019/20 (the early wobble shown between 2008/09 and 2010/11 is not statistically significant, but if a small increase did happen, it is likely due to the GFC). In times of economic growth where median incomes are rising, fixed-line measures will show more progress (or less retrogression) in lowering child poverty than moving-line measures. Fixed-line reduction targets are a "backstop for preventing deterioration" whereas moving-line targets are a "target for progress": "reducing poverty measured by a fixed line is a *minimum* test of progress during growth, but during periods of economic decline it sets an important backstop." (Corak, 2005, Unicef Innocenti working paper, emphasis added. For information re the technical differences between moving and fixed line measures, see explanation below and StatsNZ, "Measuring Child Poverty: Fixed Line Measure"). This is a primary measure, on which successive governments must set targets.

Mixed measure

*Graph 7: Percentage of children living in households with low income and in hardship: less than 60% median equivalised disposable household income after deducting housing costs (AHC) for the financial year (moving line) and material hardship, for the year to June (*to March 2020) 2013-2020- StatsNZ supplementary measure j. Source: StatsNZ*



Graph 7 shows that the percentage of children included in both income poverty and material hardship reduced over the two years to March 2020, from approx 8.8% to 6.6%.

Background

In order to understand the depth and breadth of child poverty:

- StatsNZ is mandated under the Child Poverty Reduction Act 2018 to report on nine separate measures (all graphed above). They report by ethnicity, region and disability status.
- Successive governments are mandated to set 3-year and 10-year targets against three of those measures.
- New statistics are usually reported in February, based on the Household Economic Survey for the previous June year (the statistics reported reflect *two* years of income data, as respondents are asked about their income during the previous 12 months, no matter when in the data collection period they are asked)

It is important to see the latest statistics in their historical context, as presented in the graphs above:

- Any indicated recent annual changes should be treated with caution, due to (unavoidable) sample errors, and regular updating of previously reported figures.

- Any and all annual changes should be seen within their historical context as some measures are more likely to move than others due to the way they are calculated.
- For more detail, see our blog "[Why Child Poverty statistics can be tricky](#)" and/or visit StatsNZ "[Measuring Child Poverty](#)"

The summary table below provides the latest figures for these measures for the year ending June 2020.*

**Note that data was not collected between March and June 2020 due to the Covid-19 lockdown. As a result, data for this year only reflects the nine months prior to March 2020.*

Measures (2019/20)

1. Before Housing Costs BHC 50 (moving) = 167,100 NZ children (14.6%)
2. After Housing Costs AHC 50 (fixed) = 208,400 NZ children (18.2%)
3. Material hardship = 125,200 NZ children (11.0%)
4. Persistent poverty (not yet reported)
5. BHC 60 (moving) = 261,500 NZ children (22.9%)
6. AHC 60 (moving) = 329,500 NZ children (28.8%)
7. AHC 50 (moving) = 238,800 NZ children (20.9%)
8. AHC 40 (moving) = 168,100 NZ children (14.7%)
9. Severe material hardship = 53,000 NZ children (4.6%)
10. Both under AHC 60 and in MH = 75,200 NZ children (6.6%)

Source: StatsNZ (2021)

BHC refers to the **median equivalised disposable household income before-housing costs** while AHC refers to the **median equivalised disposable household income after-housing-costs**. For instance, AHC 40 refers to the number of children living in households with less than 40 percent of the median equivalised disposable household income after-housing-costs.

- **Disposable household income** is the total income for all household members 15 and older, plus tax credits, less ACC levy and tax payable. This figure is **equivalised**, meaning that income is adjusted according to household size.
- **Housing costs** include expenditure on mortgage payments, rent payments, property rates payments and property insurance. The Government reports on household income both before and after housing costs have been deducted, giving an indication of the impact of housing costs on child poverty rates.

The percentage of children living in household with less than 50 percent of the median equivalised disposable household income after-housing-costs (AHC 50) measure is reported as both a **fixed-line** and a **moving-line** measure.

- **Fixed-line measures** set an income threshold for a particular ‘base’ year (in this case, the financial year 2017/18), while adjusting for inflation. This measure is particularly useful during a recession. As unemployment increases, moving line measures may give the impression that child poverty is improving, when average incomes are simply decreasing.
- All other measures are **moving-line**. They calculate a household’s current income according to the *current* median for all households.

The Government also reports on the number of children living in **material hardship** and **severe material hardship**. These measures use the DEP-17 index, which includes questions about an enforced lack of essentials such as food, bills and doctors visits.

- A household is deemed to be in **material hardship** if it scores six or more lacks from the 17 items.
- A household is defined as being in **severe material hardship** if it scores nine or more lacks from the 17 items.

Data retrieved from Stats NZ