Income: Child poverty

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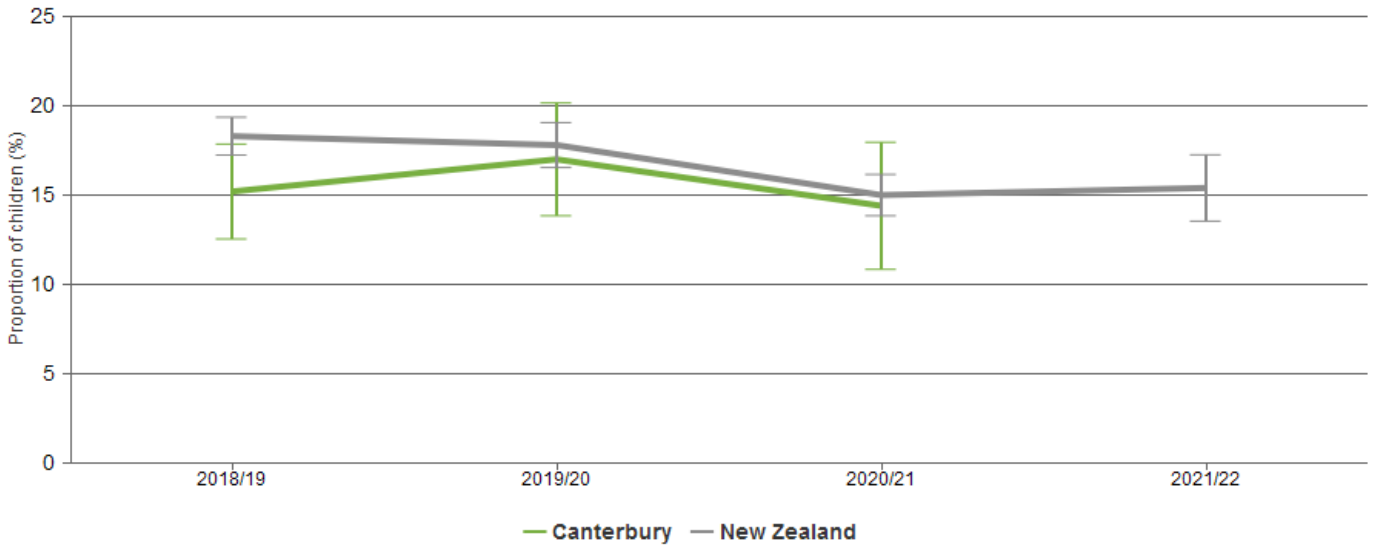
Children growing up in poverty are more likely to experience poor health, cognitive, educational, social-emotional and behavioural outcomes [14,15]. These can also extend into adulthood [16,17], impacting their future potential. Poverty experienced over long periods is particularly harmful [14]. Poverty and low income contribute to parental stress, and material hardship - the inability to access resources for day-to-day living including nutritious food, quality housing, and prompt medical care [14].

This indicator has two parts: the proportion of children living in low-income households and the proportion of children living in material hardship. Both sub-indicators are based on the Government's four primary measures of poverty and hardship, for which national targets have been set [18].

Low income households

This sub-indicator presents the proportion of children living in low-income households for the Canterbury region and New Zealand from 2018/2019 to 2021/2022. However, due to reduced data collection, sample errors for all measures and breakdowns were larger than in previous years, and regional figures are not available for 2022. Low income means the household has an equivalised disposable income, after housing costs are deducted, below half of the New Zealand median income. 'Equivalised' household income means that the dollar amounts have been adjusted based on the number of adults and age and number of children in the household. The national three-year 'intermediate' target is to reduce the proportion of children living in low-income households (after housing costs are deducted) to 19 percent by 2020/21 [18].

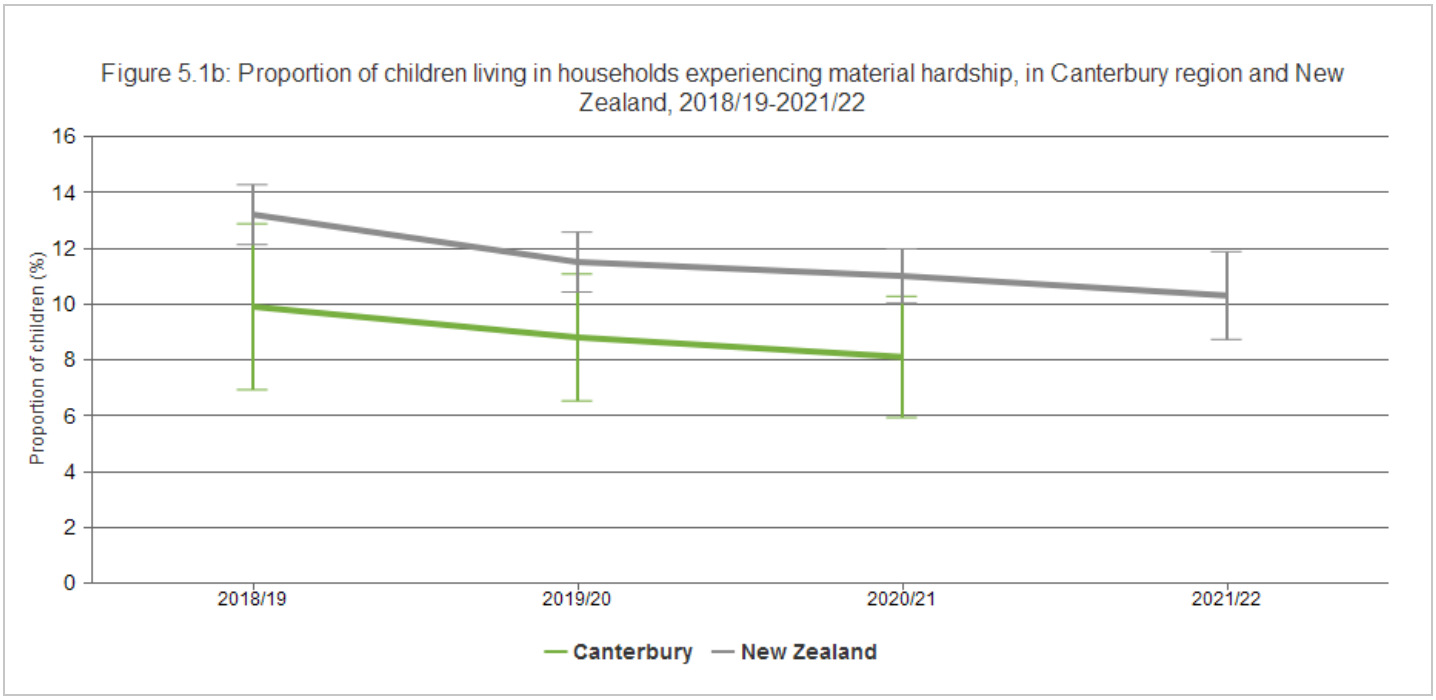
Figure 5.1a: Proportion of children living in households with less than 50% median equivalised disposable household income after housing costs for the base financial year, in Canterbury region and New Zealand, 2018/19-2021/22



The figure shows that the proportion of children living in low-income households was statistically similar in the Canterbury region and New Zealand overall between 2018/2019 and 2020/2021 (14.4% in the Canterbury region and 15% in New Zealand overall in 2020/2021). No statistically significant change in the proportion of children living in low-income households was observed between 2018/2019 and 2020/2021 for either Canterbury or New Zealand.

Material hardship

This sub-indicator presents the proportion of children living in households experiencing material hardship, for the Canterbury region and New Zealand for 2018/2019 and 2021/2022. However, due to reduced data collection, sample errors for all measures and breakdowns were larger than in previous years, and regional figures are not available for 2022. The term material hardship is defined as a household lacking six or more items in the DEP-17 index (a New Zealand-specific deprivation index). Meeting this definition means that the household is missing out on some of the things that could be expected in a typical household, for example eating fresh fruit or vegetables regularly, having suitable clothing and shoes, and being able to give gifts to family and friends on special occasions. The national three-year 'intermediate' target is to reduce the proportion of children living in material hardship to 10 percent by 2020/21 [18].



The figure shows that a lower proportion of children in the Canterbury region were living in households experiencing material hardship than in New Zealand overall from 2018/2019 to 2020/2021 (8.1% in the Canterbury region compared to 11 percent in New Zealand in 2020/2021). However, the differences shown are not statistically significant at any timepoint. Overall, the proportion of children living in households experiencing material hardship has decreased over the time-series shown, in both the Canterbury region and New Zealand overall. The decrease is not statistically significant for Canterbury (to 2020/21), however, the decrease for New Zealand overall between 2018/19 (13.2%) and 2021/22 (10.3%) is statistically significant.

Data Sources

Source: Statistics New Zealand.
Survey/data set: New Zealand Household Economic Survey (HES, Income). Access publicly available data from the Statistics New Zealand website: www.stats.govt.nz/information-releases/child-poverty-statistics-year-ended-june-2022.
Source data frequency: Annually.

Metadata for this indicator is available at https://www.canterburywellbeing.org.nz/our-wellbeing/index-data

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