

Income: Child poverty

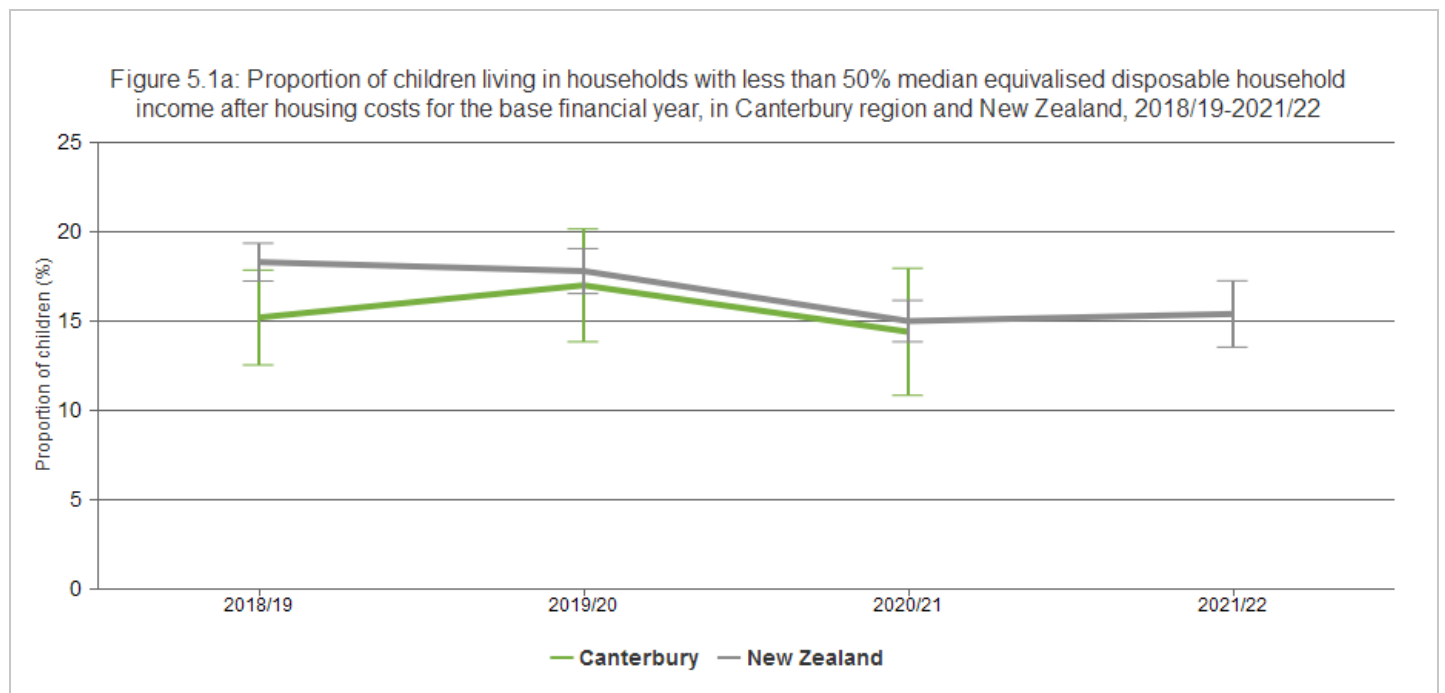
Downloaded from <https://www.canterburywellbeing.org.nz/our-wellbeing/income/child-poverty/> on 20/04/2024 10:06 AM

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

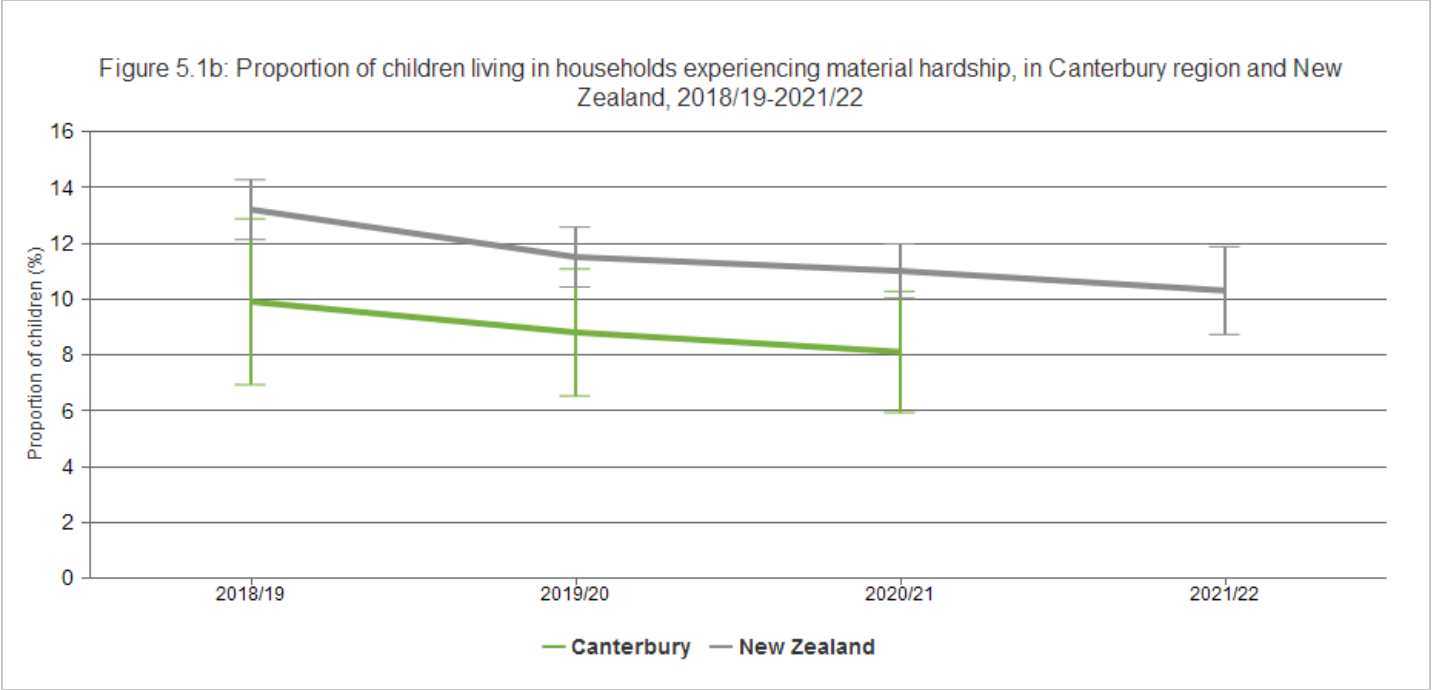
This sub-indicator presents the proportion of children living in low-income households for the Canterbury region and New Zealand from 2018/2019 to 2021/2022. However, due to reduced data collection, sample errors for all measures and breakdowns were larger than in previous years, and regional figures 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].



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>

REFERENCES

This is the full reference list for **Income**.

- 1 Braveman P, Sadegh-Nobari T, Egerter S (2011) Early Childhood Experiences and Health. Exploring the Social Determinants of Health. *Issue Brief #2, Robert Wood Johnson Foundation*.
- 2 Marmot M (2004) Social Causes of Social Inequalities in Health In: Anand S, Peter F, Sen. AK, editors. Public health, ethics, and equity. Oxford: Oxford University Press on Demand.
- 3 Marmot M, Bell R (2012) Fair society, healthy lives. *Public Health* 126: S4-10.
- 4 Kawachi I, Kennedy BP (1997) Health and social cohesion: why care about income inequality? *BMJ* 314: 1037-1040.
- 5 Meyer S (2002) *The influence of parental incomes on children's wellbeing*. Wellington: Knowledge Management Group, Ministry of Social Development, Te Manatu - Whakahiato Ora.
- 6 Statistics NZ (2022) Labour market statistics about income. Retrieved from <https://www.stats.govt.nz/information-releases/labour-market-statistics-income-june-2022-quarter/>
- 7 Perry B (2017) *Household incomes in New Zealand: Trends in indicators of inequality and hardship 1982 to 2016*. Wellington: Ministry of Social Development.
- 8 Hyslop D, Suresh Yahanpath S (2005) *Income Growth and Earnings Variations in New Zealand, 1998—2004: New Zealand Treasury working paper 05/11*. Wellington: New Zealand Treasury.
- 9 Levin KA, Torsheim T, Vollebergh W, Richter M, Davies CA, et al. (2011) National Income and Income Inequality, Family Affluence and Life Satisfaction Among 13 year Old Boys and Girls: A Multilevel Study in 35 Countries. *Social Indicators Research* 104: 179-194.
- 10 Diener E, Tay L, Oishi S (2013) Rising income and the subjective well-being of nations. *J Pers Soc Psychol* 104: 267-276.
- 11 Diener E, Ng W, Harter J, Arora R (2010) Wealth and happiness across the world: material prosperity predicts life evaluation, whereas psychosocial prosperity predicts positive feeling. *J Pers Soc Psychol* 99: 52-61.
- 12 Kahneman D (1999) Objective happiness. In: Kahneman D, Diener E, Schwartz N, editors. *Well-being: The foundations of hedonic psychology*. New York: Russell Sage Foundation. pp. 3–25.
- 13 Sengupta NK, Osborne D, Houkamau C, Hoverd WJ, Wilson MS, et al. (2012) How much happiness does money buy? Income and subjective well-being in New Zealand. *New Zealand Journal of Psychology* 41: 21-34.
- 14 Chaudry A, Wimer C (2016) Poverty is not just an indicator: The relationship between income, poverty, and child well-being. *Academic Pediatrics* 16: S23-S29.
- 15 Cooper K, Stewart K (2017) Does money affect children's outcomes? An update. CASEpaper 203, London, United Kingdom.
- 16 Gibb S, Fergusson D, Horwood L (2012) Childhood family income and life outcomes in adulthood: Findings from a 30-year longitudinal study in New Zealand. *Social Science and Medicine* 74: 1979-83.
- 17 Poulton R, Caspi A, Milne B, Thomson W, Taylor A., Sears M, Moffitt T (2002) Association between children's experience of socioeconomic disadvantage and adult health: A life-course study. *The Lancet* 360: 1640-1645.
- 18 Department of the Prime Minister and Cabinet (2020) Child poverty measures, targets and indicators. Retrieved from <https://dpmc.govt.nz/our-programmes/reducing-child-poverty/child-poverty-measures-targets-and-indicators>.