

#### **Action for Children- Child Poverty and Barriers to Work Briefing April 2024**

## **Background**

- Work is often described as the best route out of poverty, but many of the families Action for Children supports face complex barriers to employment.
- Certain groups are particularly likely to experience work barriers: single parents, those with a disability or long-term health condition, and those with caring responsibilities.
- Supporting these families to move closer to work should be a government priority. As we set out in a recent policy paper 'Breaking through the barriers', there is much that we can do.

# **Our Research Methodology**

We analysed government data on families in low-income households from the Family Resources Survey (at nation level, this was based on a pooled 5-year sample 2017-2022).

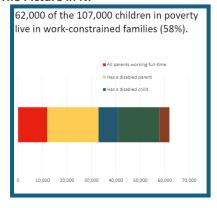
We categorised the children in poverty according to three characteristics:

- family type (couples or single parents);
- The employment status of the parents (full-time, part-time, not in work) we only include couple families where at least one parent is working to some extent;
- The presence of potential barriers that can make it harder for families on low-incomes to take on work or increase their hours.

The potential barriers we looked at were:

- They are already maximising their hours by working full-time;
- A parent is disabled or has a long-term health condition;
- A child is disabled or has a long-term health condition;
- They are caring for a child under two;
- Single parents only: they are working part-time and caring for a child up to primary school age (two 10).

## The Picture in NI



		No. of additional children	Total number of children
Coup	le parents		
	Both parents in full-time work	8,000	8,000
	At least one parent in work – with a disabled parent	9,000	17,000
	At least one parent in work – with a disabled child	3,000	20,000
	At least one parent in work – with a child under 2	10,000	30,000
Single	e parents		
	In full-time work	4,000	4,000
	Working part-time or not working – and disabled parent	12,000	16,000
	Working part-time or not working – with a disabled child	5,000	21,000
	Working part-time or not working – with a child under 2	7,000	28,000
	Working part-time with a child aged 2-10	4,000	32,000
Total			62,000

We estimate that between 2017 and 2022 there were, on average **62,000 children in poverty and in work-constrained families in Northern Ireland**.

That's over half (58%) of the 107,000 children in poverty (defined here as less than 60% of the median household income, after housing costs).

These figures work cumulatively: first we present the number of children in poverty where all parents in the family are working full-time. We then work through the rest of the barriers, counting the additional children affected by each subsequent barrier. This is to avoid double or triple counting where children are affected by multiple barriers.

#### This represents:

- 12,000 children who are in poverty despite their parent(s) working full-time including 8,000 children in couple families where both parents are in full-time work.
- An additional **21,000 children** in poverty where **at least one parent is disabled**.
- A further **8,000 children** in poverty where **at least one child is disabled**.
- And an extra 17,000 children in poverty where there is at least one child aged under two.
- There are also a further **4,000 children** in **single parent families** in poverty where the parent is **working part-time with a child aged two to 10**.

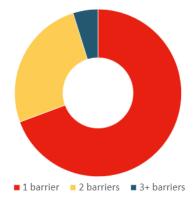
# Multiple barriers to work

Most work-constrained families have one potential barrier to work.

But a significant proportion experience multiple barriers, meaning they're even less likely to be able to improve their income by taking on work.

#### Northern Ireland

1 barrier: 43,000 children (69%) 2 barriers: 16,000 children (26%) 3+ barriers: 3,000 children (5%)



## **Policy Solutions**

To get serious about tackling child poverty in Northern Ireland, we believe there are two crucial steps we believe policymakers must bear in mind:

- 1. We can take local, immediate action to shore up the basic adequacy of the system, and;
- 2. We can work towards wider reform aimed at tackling the barriers to work and opportunity that are holding families back.

# Fixing the basic adequacy of social security:

We advocate for permanently **scrapping the benefit cap** beyond the mitigations package ending in 2025, as well as **removing the two-child limit policy and five-week wait in Universal Credit**.

Why? Evidence clearly shows that the Benefit Cap and Two-Child Limit push down the basic rate of support available and are major drivers of high and rising child poverty levels. In Northern Ireland, statistically larger

family sizes also mean this policy impacts disproportionately more families in our region than in GB- 21.4% of families in NI have 3+ children compared to 14.7% in the UK. Evidence from our services regularly highlights that the five-week wait pushes people into debt and disadvantage or leaves them vulnerable to exploitation.

**Supporting families to overcome barriers to work:** We need policy that will improve work incentives in the social security system (for example work allowances, taper rate, carers allowance), better childcare and jobseeking support and support for employers (SSP, paid carer leave, flexible working).

We are also calling in Westminster for an independent review into the effectiveness of DWP policies to move claimants into work (incl. conditionality and sanctions).

Additional reading from our 'Barriers to Work' series:

- All worked out? The limits of work as a route out of poverty and hardship (Feb 2023)
- Breaking Through the Barriers (October 2023).
- Child poverty and barriers to work (Feb 2024)
- Why are 300,000 families in full time work still in poverty? (Feb 2024)

Other important notes on Child Poverty in Northern Ireland.

- 1. The Jones Review of Children's Social Care services deals extensively with the issue of poverty and its relation to the legacy of the Troubles, the continuing existence of paramilitary control in communities, and the political vacuum of recent years before it goes on to address any issues in the children's social care system. A key message of the Jones review is that progress for children and families relating to health and social care depends on both on service reform/resourcing and action on poverty
- 2. The NI Audit Report also condemned the "lack of significant progress on main child poverty indicators" and clearly stated that a "failure to tackle child poverty early and effectively risks lifelong impacts to children's health, education and general development."

  It highlights the cost of not tackling child poverty, "with previous estimates indicating costs of child poverty to be between £825 million and £1 billion annually" to the public purse.
- 3. The NI Poverty and Income Inequality Report (2022-23) indicated that **24% of children** in NI are living in relative poverty compared to 18% in 2021/22.
- 4. Across the UK, Action for Children gathered evidence for <a href="The Jay Review of Criminally Exploited">The Jay Review of Criminally Exploited</a>
  Children | Action For Children witnesses were clear that no strategy to reduce exploitation and violence would succeed without comprehensive systemic interventions to tackle poverty. Throughout the Review we heard how the cost-of-living crisis had exacerbated all forms of exploitation, youth violence and vulnerability, with one witness describing poverty "in itself acting as a grooming process". Poverty and social deprivation were described as the 'backcloth' to exploitation, with children living in 'circumstances where the legitimate economy is not a way that they can see to earn the kind of status and living that they wish to earn'

For further information or queries, please contact

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For more information about our services in Northern Ireland please see our website: <u>Our Work In Northern</u> Ireland