

## Child Poverty Measures in Leeds Briefing 2023

This briefing provides an update on Child Poverty statistics, based on the latest data available from Households Below Average Income and Children in Low Income Families (data published by DWP, and DWP & HMRC).

It is recommended that the statistics included in this briefing are viewed as point in time estimates. These statistics should not be used to indicate trend analysis or for year on year comparisons due to smaller sample sizes and differing data collection methods carried out for surveys in 2020/21 and 2021/22 compared with previous years ([full explanation available here](#)).

In addition, the data referenced pre-dates the bulk of the cost of living crisis, meaning that although some costs had started to increase during the financial year 2021/22, the full effects of the crisis on income are not represented. Similarly, it should also be noted that the measures of poverty described, take into account essential housing costs of; rent, mortgage interest, council tax, water bills etc, but do not include fuel bills.

### Glossary

**Relative poverty/low Income** - measures the number and proportion of individuals who have household incomes below 60% of the median average in that year. The terms relative poverty and relative low income can be used interchangeably.

**Absolute poverty/Absolute low income** - measures the proportion of individuals who have household incomes 60% below the median average in 2010/11, adjusted for inflation. It is used to look at how changes in income for the lowest income households compare to changes in the cost of living. The terms absolute poverty and absolute low income can be used interchangeably.

**Housing costs** - Both relative and absolute measures are available before housing costs (BHC) and after housing costs (AHC) are deducted from income. The after housing cost measure is useful in the current economic climate as rising rents and property prices are a growing contributor to poverty.

**Relative poverty, after housing costs** is the measure primarily referenced when discussing poverty estimates in official reports and documents produced by Leeds City Council.

The [Leeds Poverty Fact Book](#) includes all four measures (where available) for reference purposes.

### Households Below Average Income (HBAI)

#### Children in relative poverty in the UK

All dependent children under the age of 20	2021/22	2020/21	2019/20	2011/12	2010/11
Number of Children in Relative Poverty in the UK BHC(m)	2.9	2.8	3.2	2.3	2.3
Children in Relative Poverty in the UK BHC %	20.0	19.0	22.9	17.6	17.5
Number of Children in Relative Poverty in the UK AHC(m)	4.2	3.9	4.3	3.6	3.6
Children in Relative Poverty in the UK AHC %	29.0	27.0	30.7	27.0	27.2

Leeds Poverty Factbook - Table 2.1

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The information contained in this briefing is up to date as of 20/04/2023. Additional analysis and information relating to these statistics is published on [Leeds Poverty Factbook](#). For any questions, please contact [financial.inclusion@leeds.gov.uk](mailto:financial.inclusion@leeds.gov.uk)

Latest figures show 2.9 million dependent children under the age of 20 experienced relative poverty before housing costs were deducted (BHC) during 2021/22 (20% of children in the UK).

Looking at relative poverty figures after housing costs (AHC) are deducted from income, there were 4.2 million children in relative poverty 2021/22 (29% of children in the UK).

### Children in absolute poverty in the UK

All dependent children under the age of 20	2021/22	2020/21	2019/20	2011/12	2010/11
No of Children in Absolute Poverty in the UK BHC(m)	2.2	2.3	2.4	2.6	2.3
Children in Absolute Poverty in the UK BHC %	16.0	16.0	17.4	19.2	17.5
No of Children in Absolute Poverty in the UK AHC(m)	3.3	3.3	3.5	3.8	3.6
Children in Absolute Poverty in the UK AHC %	23.0	23.0	24.8	28.3	27.2

Leeds Poverty Factbook Table 2.2

Latest figures show 2.2 million dependent children under the age of 20 experienced absolute poverty during 2021/22 before housing costs (BHC) were deducted from income (16% of children in the UK).

Looking at absolute poverty figures after housing costs (AHC) are deducted from income, there were 3.3 million children in absolute poverty AHC during 2021/22 (23% of children in the UK).

### Children in poverty by economic status of household

Economic status of household	Total number of all children in the UK	Children in poverty BHC		Children in poverty AHC	
		Number	%	No	%
At least one adult in work	12.4	2.0	15.7	3.0	24.0
Workless households	2.0	0.9	46.1	1.2	60.7
Total number of children	14.5	2.9	n/a	4.2	n/a

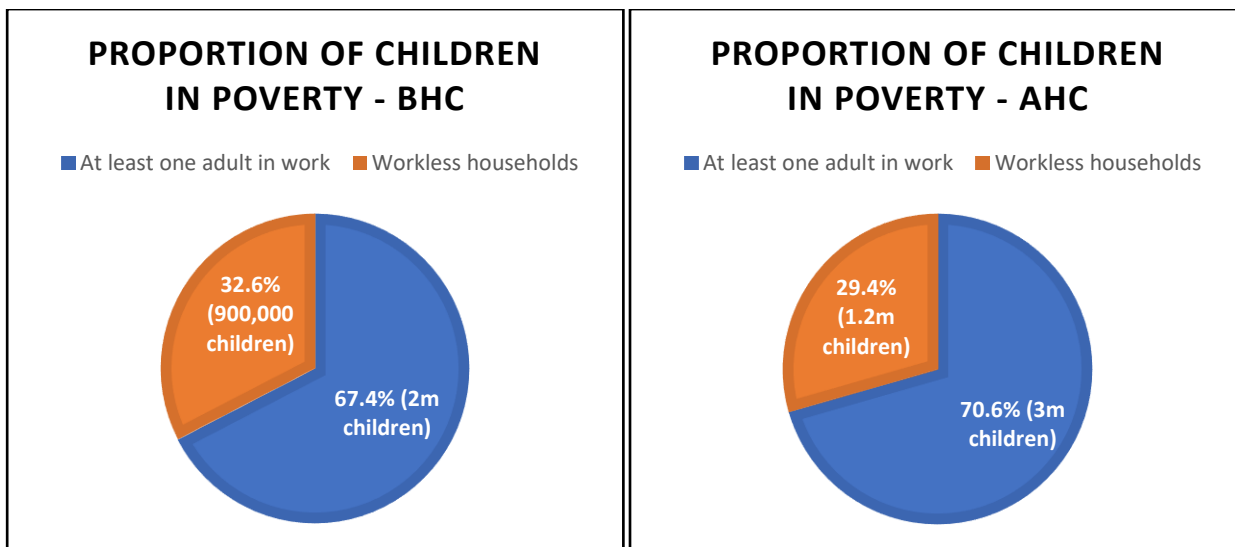
Leeds Poverty Factbook Table 2.3

The above table shows the total number of children by economic status, as well as the number and percentage of children in poverty in each economic status group.

A higher percentage of children in workless families are in poverty, compared to children in families where at least one adult is in work. However, when looking at the numbers, there are more children in poverty from households where at least one adult is in work.

In 2021/22, 60.7% of all children in workless families were in relative poverty AHC (affecting an estimated 1.2m children). In contrast, 24% of all children with at least one adult in work were in relative poverty (affecting an estimated 3m children).

### Economic status of household for children in poverty



Of the 2.9m children in poverty BHC, 2m are from a household with at least one adult in work, equating to 67.4%. 900,000 are from a household with no adults in work, equating to 32.6%.

Of the 4.2m children in poverty AHC, 3m of those are from a household with at least one adult in work, equating to 70.6%. 1.2m are from a household with no adults in work, equating to 29.4%.

This means that overall, both a higher number and percentage of all children in poverty are from households where at least one adult is in work.

### Children in Low Income Families: Local area statistics

The Children in Low-Income Families data contains annual official statistics on the number of children under 16 living in relative and absolute low income families BHC, by local area across the United Kingdom. These statistics replace earlier Official Statistics previously published by DWP (Children in out-of-work benefit households) and HMRC (Personal tax credits: Children in low-income families local measure).

Please note: While the official Children in Low Income Families dataset only publishes BHC statistics, AHC statistics are available via analysis from the Child Poverty Action Group and were recently published in early June 2023. Analysis of this data will be available on the Poverty Fact Book by end of June 2023.

### Children under 16 in relative poverty

Number & Percentage of children under 16 living in <u>relative</u> poverty BHC	2021/22		2020/21		2019/20	
	number	%	number	%	number	%
UK	2.5	20	2.4	19	2.4	19
Leeds	32,933	22	37,937	25	36,496	24

Leeds Poverty Factbook - Table 2.4

Latest figures show in 2021/22 in the UK, 2.5 million children under 16 were living in relative poverty BHC, equal to 20%. In Leeds, 32,933 children under 16 were living in relative poverty BHC, equating to 22%.

### Children under 16 in absolute poverty

Number & Percentage of children under 16 living in absolute poverty BHC	2021/22		2020/21		2019/20	
	number	%	number	%	number	%
UK	1.9	15	1.9	15	2	16
Leeds	25,673	17	32,408	21	30,197	20

Leeds Poverty Factbook - Table 2.5

Latest figures show in 2021/22 in the UK, 1.9 million children under 16 were living in absolute poverty BHC, equal to 15%. In Leeds, 25,673 children were living in absolute poverty BHC, equal to 17%.

### Conclusion

The 2021/22 data referenced in this report should be viewed as an estimate for the number of children living in poverty in Leeds and the UK. Key statistics include;

- 4.2 million dependent children under 20 were living in relative poverty (AHC). This equates to 29% of children in the UK.
- A higher number and percentage of all dependant children under 20 in poverty in the UK are from households where at least one adult is in work (3m out of 4.2m children equating to 70.6% AHC)
- In Leeds, 32,933 children under 16 were living in relative poverty BHC, equal to 22%

**Looking at the most recently available data, it can be said that even by the lowest estimate, 1 in 5 children under 16 in Leeds are living in poverty.**

### Additional information

#### Poverty Estimates for Leeds

Poverty Measure	National Proportion	Leeds Estimate
People in Relative Poverty BHC	17%	138032
<b>People in Relative Poverty AHC</b>	<b>22%</b>	<b>178630</b>
People in Absolute Poverty BHC	13%	105554
People in Absolute Poverty AHC	17%	138032

The DWP's estimates for Absolute and Relative Poverty are only available at a national level, however an estimate for Leeds can be calculated using nationally informed assumptions against the Leeds population figure for the same year. As the latest DWP data refers to 2021/22; the ONS Mid-year Population estimates for Leeds at 2021 of 811,953 have been used in the estimates above.

For example it is reported by the DWP that there are 14.4 million people living in relative poverty in the UK, after housing costs. This was 22% of the UK population in 2021. Therefore, because Leeds is statistically considered to mirror the UK trend in terms of demographic profile, it can be assumed that 22% of the Leeds population in 2021 was living in relative poverty. **This equates to an estimated 178,630 people in Leeds living in poverty.**

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## Poverty Thresholds

60% of UK Median Weekly Income	2021/22 £ per week RELATIVE BHC	2010/11 £, per week ABSOLUTE BHC	2021/22 £ per week RELATIVE AHC	2010/11 £, per week ABSOLUTE AHC
Couple with no children	339	314	300	270
Single with no children	227	210	174	157
Couple with two children aged 5 and 14	519	481	486	438
Single with two children aged 5 and 14	407	377	360	324

This table shows the relative and absolute poverty thresholds for various household types in 2021/22 AHC.

For example, a couple with two children aged 5 and 14 is considered to be in relative poverty (after housing costs) if they earn £486 per week or less. A couple with two children aged 5 and 14 is considered to be in absolute poverty (after housing costs) if they earn £438 per week or less.