



EXECUTIVE SUMMARY

Child Poverty in the Midst of Wealth

Executive summary

In a time of general prosperity, more than 69 million children live in poverty in some of the world's richest countries.

Poverty is most often defined by income. But for most children, poverty is about more than just money. It is about growing up in a home without enough heat or nutritious food. Poverty means no new clothes, no telephone and no money for a birthday celebration.

These deprivations have consequences that can last a lifetime. Research shows that children in poor families are less likely to complete a good education.¹ In some countries, the research indicates that life is eight to nine years shorter for a child born in a poor area than a child born in wealthy area.²

Ending child poverty and its consequences is a matter of basic rights and justice.

Report Card 18

The UNICEF Innocenti Report Card 18 reviews the status of child poverty in 43 high-income and upper middle-income countries of the European Union (EU) and the Organisation for Economic Co-operation and Development (OECD).³ It provides data and assesses the progress – or lack of progress – that these countries have made towards eliminating child poverty.

In addition, the Report Card showcases countries' successes and considers what more can be done to meet the challenge of the Sustainable Development Goals: to end poverty in all its forms, everywhere – including in rich countries.

The foundation of the report is a ranking of 39 countries in the EU and OECD based on their latest available rate of child income poverty and their success in reducing child income poverty over a period of general prosperity. The top ranked countries – those with the lowest rates of child income poverty combined with greatest success reducing child poverty – are Slovenia, Poland and Latvia. At the bottom of the rankings are the United Kingdom, Türkiye and Colombia.

League Table.

UNICEF Innocenti ranking of child poverty in OECD and EU countries

A league table created for Report Card 18 that ranks countries based on their income poverty rate for children and their success in reducing child poverty in a time of prosperity. The overall rank is based on a statistical average of the two indicators.

UNICEF Innocenti Rank		Most recent rate of child poverty (Average 2019–2021)		Change in child poverty rate (2012–2014 to 2019–2021)	
		%	Rank	%	Rank
1	Slovenia	10.0	2	-31.4	2
2	Poland	14.1	8	-37.6	1
3	Latvia	16.3	16	-31.0	3
4	Republic of Korea	15.7	15	-29.0	5
5	Estonia	14.8	9	-23.4	6
6	Lithuania	18.3	22	-30.6	4
7	Czechia	11.6	4	-14.5	16
8	Japan	14.8	11	-18.7	11
9	Ireland	14.8	10	-18.5	12
10	Croatia	16.6	17	-21.8	10
11	Canada	17.2	19	-22.7	7
12	Belgium	14.9	12	-17.0	15
13	Portugal	19.3	25	-22.5	9
14	Finland	10.1	3	0	26
15	Denmark	9.9	1	+3.5	30
16	Malta	19.8	26	-18.2	13
17	Netherlands (Kingdom of the)	13.5	7	+0.7	27
18	Greece	22.3	31	-17.2	14
19	New Zealand	21.1	29	-11.7	17
20	Norway	12.0	5	+10.1	35
21	Slovakia	18.9	23	-4.9	21
22	Sweden	18.0	20	-2.4	23
23	Iceland	12.4	6	+11.0	38
24	Cyprus	15.6	14	+4.0	32
25	Germany	15.5	13	+5.0	33
26	Australia	17.1	18	+1.7	29
27	Chile	21.6	30	-7.7	19
28	Romania	29.0	37	-22.5	8
29	Austria	19.2	24	+5.3	34
30	Switzerland	18.0	21	+10.3	36
31	Bulgaria	26.1	34	-8.3	18
32	United States	26.2	35	-6.7	20
33	France	19.9	27	+10.4	37
34	Italy	25.5	33	-0.8	25
35	Luxembourg	24.5	32	+3.7	31
36	Spain	28.0	36	-4.0	22
37	United Kingdom	20.7	28	+19.6	39
38	Türkiye	33.8	38	+1.5	28
39	Colombia	35.8	39	-2.1	24

Source:

UNICEF Innocenti; see the Technical Annex of *Report Card 18: Child Poverty in the Midst of Wealth* for details.

Note:

Countries are ranked on the average z-score for the indicators in columns 3 and 5. Due to lack of availability of data, it was not possible to include four countries in the League Table – Costa Rica, Hungary, Israel and Mexico. These countries are included in other parts of the report where data are available.

Child poverty: The current picture

Overall, in 40 countries of the EU and OECD for which data were available, poverty dropped by 8 per cent over a period of about seven years.⁴ In other words, 6 million fewer children lived in poverty in 2021 than in 2014.⁵

The country with the lowest child poverty rate is Denmark, where 9.9 per cent of children are poor. About 1 in 10 children live in poverty in Finland and Slovenia. In contrast, more than one in four children live in poverty in Bulgaria, Colombia, Italy, Mexico, Romania, Spain, Türkiye and the United States of America.

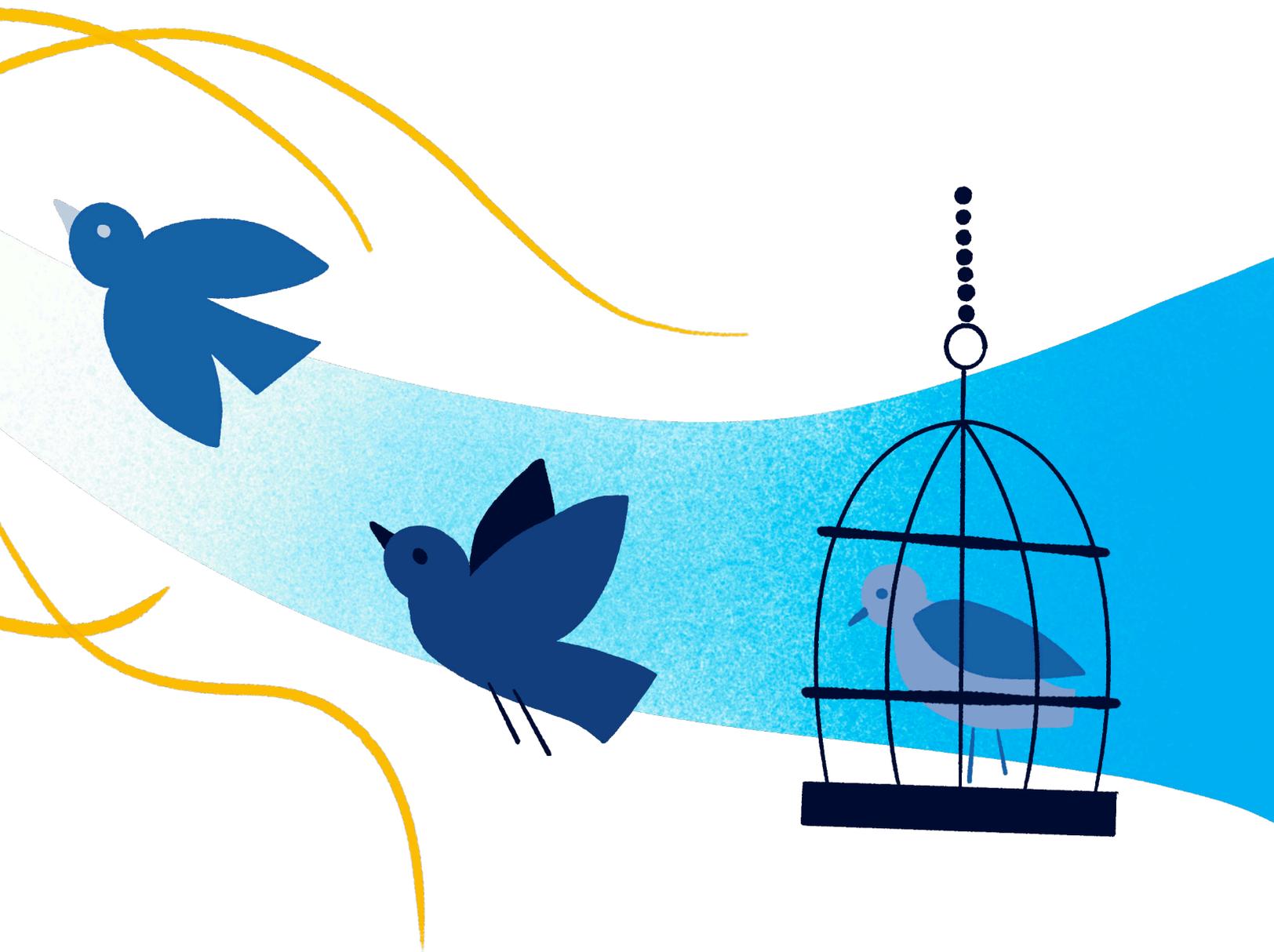
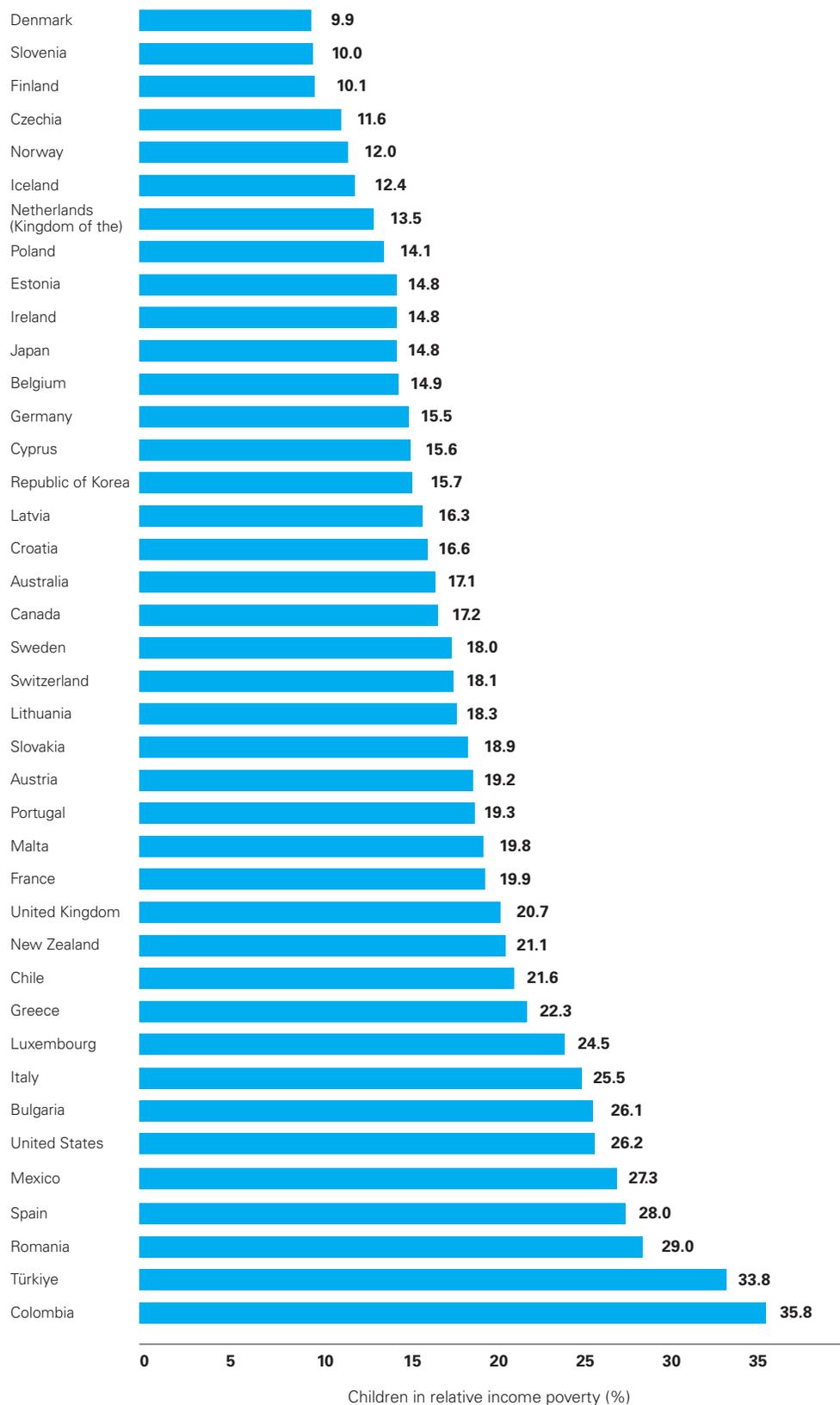


Figure 1.

Child poverty rates, 2019–2021



Source:

UNICEF Innocenti; see the Technical Annex of *Report Card 18: Child Poverty in the Midst of Wealth* for details.

Child income poverty rate (an average of data from 2019–2021).

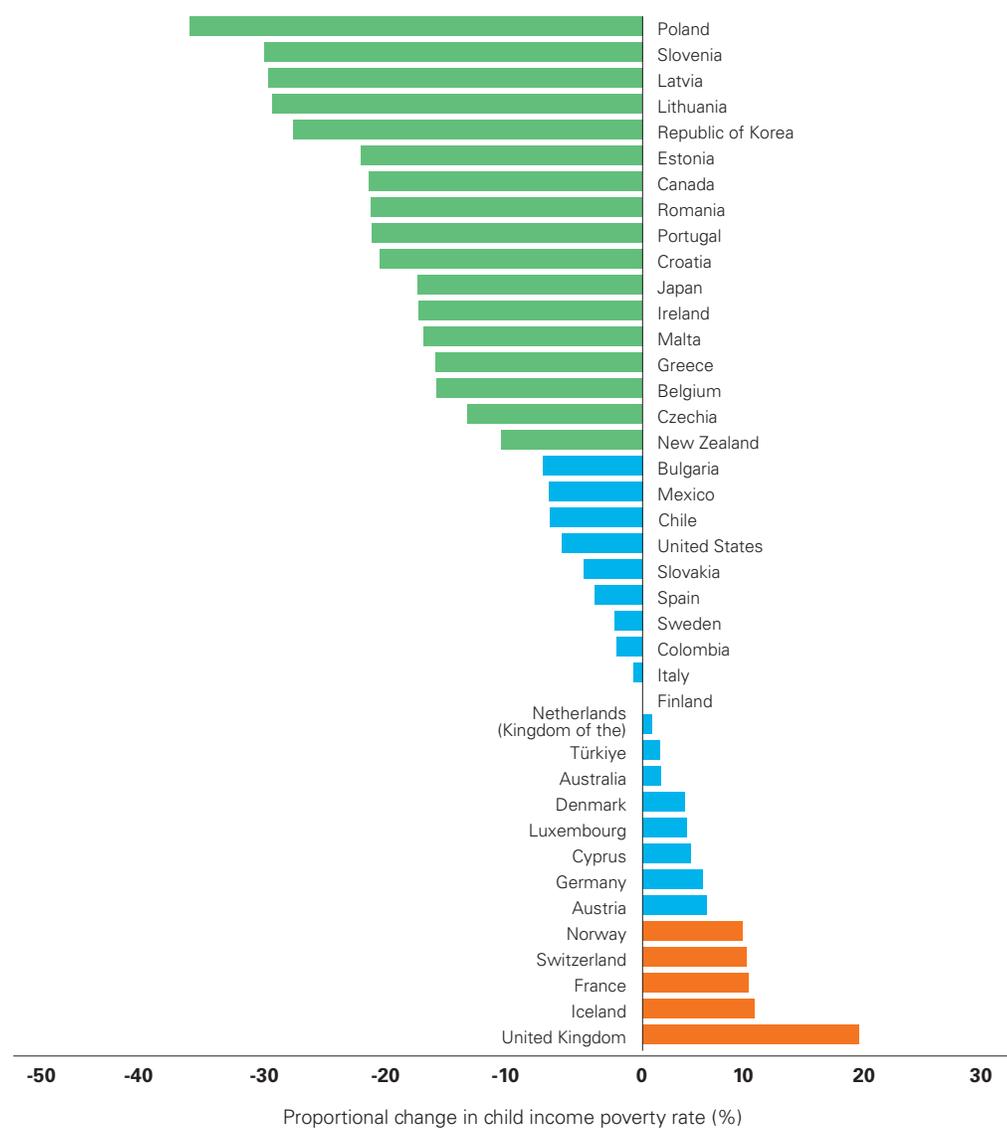
Progress – or lack of it

Overall, OECD countries experienced a period of prosperity in recent years. This period started in the aftermath of the global recession of about 2008–2010 and ended, for many countries, between 2019–2021, with the economic repercussions of the COVID-19 pandemic and the war in Ukraine. From 2014 to 2021, general prosperity presented countries with a golden opportunity to address child poverty.⁶ Some countries seized this opportunity, while others let it pass.

Poland, for example, reduced child poverty by 38 per cent. Slovenia, Latvia and Lithuania reduced it by more than 30 per cent. In contrast, five countries – France, Iceland, Norway, Switzerland and the United Kingdom – saw increases in poverty of at least 10 per cent. For the United Kingdom, the increase was 20 per cent.

Figure 2.

Change in child income poverty rates, 2012–2014 to 2019–2021



Source:

UNICEF Innocenti; see the Technical Annex of *Report Card 18: Child Poverty in the Midst of Wealth* for details.

Note:

The data for 2014 included figures from 2012–2014 and data from 2021 included figures from 2019–2021.

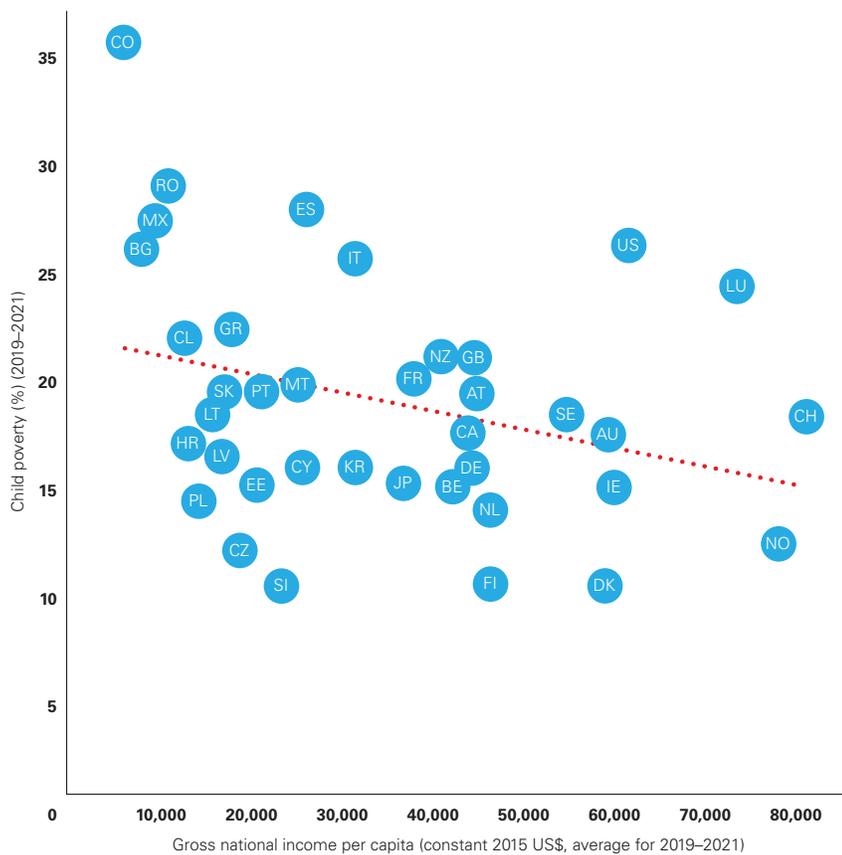
Percentage of reductions and increases in child income poverty rates in 39 countries, 2014–2021.

Prosperity: No guarantee for poor children

The data in Report Card 18 indicate that national wealth does not guarantee that a country will prioritize the fight against child poverty. Indeed, there is only a weak tendency for the wealthiest countries to have lower child poverty rates.⁷ Countries with similar national incomes sometimes have very different levels of child poverty. For example:

- Spain and Slovenia have similar levels of national income per capita – both on the low end for countries of the EU and OECD. But Slovenia has a poverty rate of 10 per cent and Spain’s rate is 28 per cent.
- Similarly, the United States has a similar per capita national income to Denmark. Despite a substantial improvement in 2021, the United States’ average child poverty rate of 26.2 per cent is more than double Denmark’s 9.9 per cent rate.
- Switzerland’s national income per capita is four times higher than Czechia’s, but Switzerland’s child poverty rate is more than 6 percentage points higher.

Figure 4.
National income and child poverty, 2019–2021



Source:

UNICEF Innocenti; see the Technical Annex of *Report Card 18: Child Poverty in the Midst of Wealth* for details.

Note:

See the Technical Annex of *Report Card 18: Child Poverty in the Midst of Wealth* for country codes.

The relationship between a countries’ child poverty rate and GNI per capita.

Cash benefits

Cash benefits, also known as cash transfers, to poor families are among the most immediately effective tools for tackling child poverty.⁸ During the recent period of prosperity, some countries chose to increase cash benefits, while others reduced them.

Particularly remarkable efforts were made in Greece, Japan, the Republic of Korea, Poland and Türkiye. In the Republic of Korea, per child spending on cash benefits nearly tripled, from 3.1 per cent to 8.4 per cent of gross domestic product (GDP) per capita. In Poland, per child spending on cash benefits more than doubled from 6.6 per cent to 15.8 per cent. In both countries, child poverty decreased dramatically.

However, the amount countries spent on cash benefits did not depend on the size of their economies or the health of government budgets. Despite having more money available, Ireland, the United Kingdom and Mexico spent less on cash benefits in 2010 than in 2019.

Not just money

A lack of money is not the only deprivation that defines a child's experience of poverty. Severe material deprivation and a lack of housing are also measures of poverty in a child's life. In the 27 EU countries examined in Report Card 18, millions of children go without adequate heat at home or proteins in their diet. They do not have a telephone or get to go on a holiday, among other deprivations.

In some countries, income poverty is linked to other kinds of deprivations. But in Bulgaria, Cyprus, Greece and Romania, for example, levels of other deprivations are higher than might be expected from the country's rates of child income poverty. In contrast, fewer than 2 per cent of children in Finland and Slovenia experience severe material and social deprivation.

Persistent poverty

Poverty leaves an indelible mark on children's lives. But prolonged periods of poverty can have a particularly corrosive effect. For example, children who experience persistent poverty are more than twice as likely to have emotional and behavioural difficulties as children who experienced poverty at one point in time. In EU countries, around one in eight children live in persistent poverty.

Inequality

In the countries covered by Report Card 18, focusing on national child poverty averages can obscure the unequal ways that poverty affects families based on migration status, ethnicity and ability. In Canada, for example, 37.4 per cent of First Nations children who live on reserves lived in income poverty, compared with 10.8 per cent of non-indigenous children. In the EU, 37.2 per cent of children whose parents were migrants lived in income poverty compared with 15.6 per cent of children whose parents were citizens of the country.

Supporting children and families

Meaningful and lasting improvements to the lives of children in poor households requires governments to invest in multiple services that touch children's lives, including education, health, nutrition and labour market policies. Social protection is particularly important for children because they are more vulnerable to poverty and its consequences than adults.

Slovenia and Poland, the top two countries in the UNICEF Innocenti ranking, have made strides in reducing poverty. For Slovenia, the key to success was improving living standards by increasing the minimum wage. In Poland, the government's decision to increase cash benefits for families helped to reduce child poverty.

Far too often, however, cash benefits provided to poor families are not generous enough to protect children from poverty. In 21 of the 39 countries with available data, poor families received less support from cash benefits in 2022 than they did in 2012.

Recommendations

In some of the world's richest countries, much more needs to be done to protect children from poverty.

In 2015, countries around the world signed up to the Sustainable Development Goals, a plan for creating a better world that included a call to end poverty in all its forms, everywhere. In the high-income and upper middle-income countries of the EU and OECD, some progress has been made. However, further critical actions can be taken that will lead to essential reductions in child poverty. These actions include:

1. Expand social protection programmes, including cash benefits, to an extent that can make a real difference in the lives of children.
2. Improve access to services such as free early childhood education, health care, nutrition and housing as a way to address poverty in all its forms.
3. Ensure decent work with adequate pay and family-friendly policies such as paid parental leave.
4. Reduce inequalities, making sure that the needs of children in communities at specific risk – because of migration status, ability or ethnicity, for example – are met.
5. Build support for poverty reduction among governments, civil society organizations, community leaders, employers, trade unions and non-governmental organizations.
6. Generate better data that shine a light on children in poverty and provide examples of effective ways to address their needs.
7. Seek children's input about poverty to better know how it affects their lives; and ensure that their views inform policies and practices to address poverty.

Endnotes

- 1 United Nations Children's Fund Office of Research, *An Unfair Start: Inequality in children's education in rich countries*, Innocenti Report Card 15, UNICEF Office of Research – Innocenti, Florence, 2018.
- 2 Marmot, Michael, et al., *Health Equity in England: The Marmot Review 10 years on*, Institute of Health Equity, 2020, <www.health.org.uk/publications/reports/the-marmot-review-10-years-on>, accessed 12 September 2023.
- 3 The report covers all 43 members of the Organization for Economic Cooperation and Development (OECD) and/or European Union (EU) but some statistics are only available for a smaller number of countries.
- 4 This is the weighted average.
- 5 UNICEF Innocenti's Report Card 18 examined relative child poverty in the 43 EU and OECD countries, using the most recent available rates of income poverty, 2019 – 2021. Relative poverty is a category of income poverty. It is defined as the proportion of children who live in a household with an equivalised income below 60 per cent of the country's median household income. Equivalised incomes take account of variations in household size, as there are savings from living in larger households. Though the report examines 43 countries, not all data were available for all countries. The data for 2014 included figures from 2012–2014 and data from 2021 included figures from 2019–2021.
- 6 The years used to calculate the reduction were from 2012 to 2018 to account for any impact from difficulties collecting data from 2019 because of the COVID-19 pandemic. These figures include data from 32 of the countries covered in the Report Card 18.
- 7 Pearson correlation, a measure of correlation between two data sets, is -0.30.
- 8 Cash benefits, also known as cash transfers, have an immediate effect on income poverty. All 43 countries examined in the Report Card 18 have some form of this kind of social protection programme with different requirements for eligibility. Though there are many kinds of social protection programmes in different countries, the Report Card 18 examined cash benefits because of their efficacy.

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UNICEF Innocenti – Global Office of Research and Foresight

Via degli Alfani, 58

50121, Florence, Italy

Tel: (+39) 055 20 330

Email: innocenti@unicef.org

Social media: @UNICEFInnocenti on Facebook, Instagram, LinkedIn, Twitter and YouTube

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