

Child Poverty Rates, Targets and Measures

Overview of targets and measures

The Child Poverty Reduction Act, introduced in December 2018, establishes a balanced suite of measures that:

- tracks progress on reducing child poverty
- allows some international comparison
- provides a good picture of the impact of policy decisions on the lives of children.

Poverty and material hardship are multi-dimensional, and trends can be quite different, depending on what you're focussing on. The Child Poverty Reduction Act 2018 sets out a multi-measure approach, following international best practice, to provide a clear and balanced picture of child poverty and how it is tracking.

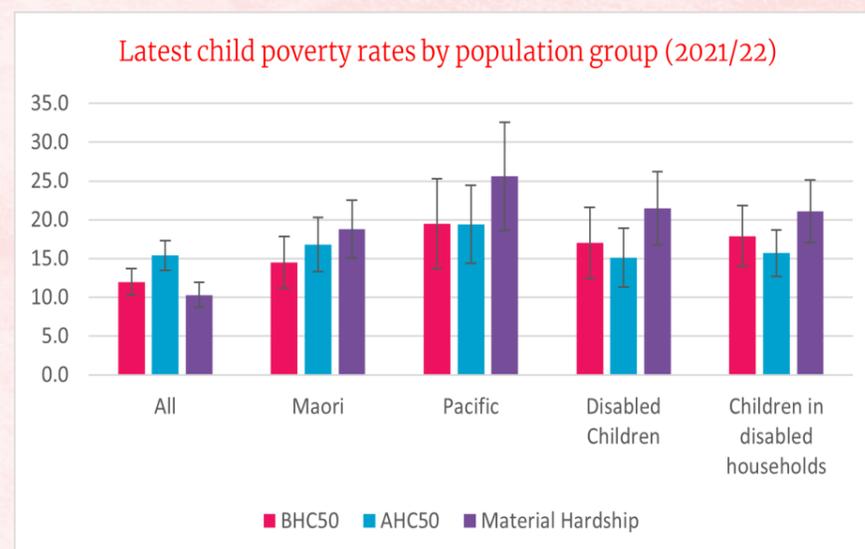
The Act also requires current and future Governments to set three year and ten-year targets for reducing child poverty. The Government's goal is to at least halve child poverty within ten years, in line with the Sustainable Development Goals. This will take our rate of poverty and hardship for children to world-leading low levels, putting us alongside countries such as Denmark, Finland and Ireland.

The government is required to report regularly on rates of child poverty, including an annual report (produced independently by Stats NZ) on the suite of child poverty measures.

Latest child poverty rates for selected priority population groups

Māori and Pacific children, along with children with disabilities or living in households with disabilities, experience higher rates of poverty, particularly on material hardship measure.

There is ongoing work to improve the data, to enable year-on-year reporting for these populations, and monitor progress.



Measures		2017/2018 (Baseline year)	2021/2022	Change since baseline (17/18 to 21/22)	
Primary*	Before-housing-costs (BHC50) Children in households with much lower incomes (50%) than the median household income.	Rate	16.5%	12.0%	-4.5%
		Children	183,400	137,800	-45,600
	After-housing-costs (AHC50) Children in households with incomes much lower (50%) than a typical 2018 household, after they pay for housing costs.	Rate	22.8%	15.4%	-7.4%
		Children	253,800	176,800	-77,000
	Material Hardship A lack of six or more of the 17 items in the material deprivation index (DEP-17), which include things like having two pairs of shoes in good condition and not putting off visits to the doctor.	Rate	13.3%	10.3%	-3.0%
		Children	147,600	118,900	-28,700
Secondary	Low income (BHC60) less than 60% median equivalised** disposable household income before housing costs.	Rate	25.3%	20.7%	-4.6%
		Children	281,200	238,700	-42,500
	Low income (AHC60) less than 60% median equivalised** disposable household income after housing costs.	Rate	30.6%	28.5%	-2.1%
		Children	341,100	327,900	-13,200
	Low income (AHC50) less than 50% median equivalised** disposable household income after housing costs.	Rate	22.8%	19.4%	-3.4%
		Children	253,800	223,700	-30,100
	Low income (AHC40) less than 40% median equivalised** disposable household income after housing costs.	Rate	15.7%	12.5%	-3.2%
		Children	174,300	144,200	-30,100
	Severe Material Hardship (9+ on DEP-17)	Rate	5.8%	3.9%	-1.9%
		Children	64,800	45,100	-19,700
	Low Income and Material hardship (AHC60 and (6+ on DEP-17)	Rate	8.8%	5.9%	-2.9%
		Children	98,300	67,300	-31,000

* A fourth primary measure, capturing persistent poverty, is currently being developed and must be reported on for the 2025/26 year onwards.

** Equivalised means adjusting disposable household income for household size and composition to allow living standards to be compared across households.