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### Citation for published version:

Treanor, M 2012, *Impacts of poverty on children and young people*. Scottish Child Care and Protection Network (SCCPN), Stirling. <<http://withscotland.org/download/impacts-of-poverty-on-children-and-young-people>>

### Link:

[Link to publication record in Edinburgh Research Explorer](#)

### Document Version:

Publisher's PDF, also known as Version of record

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# Impacts of poverty on children and young people

Morag C. Treanor

Briefing

## Key messages

- The negative impacts of poverty start before birth and accumulate across the life course and onto the next generation.
- Poverty has negative impacts on children's health, cognitive development, social, emotional and behavioural development and educational outcomes.
- The parents of children living in poverty are more likely to suffer mental health problems, relationship problems, financial problems and substance misuse, which can affect their parenting behaviours, and which can have negative impacts on children's outcomes too.
- The impacts of poverty are not just important for children's future outcomes, poverty has detrimental effects on children in childhood, especially as children grow older.
- Children living in poverty, and their parents, do have hopes and aspirations for their future but they lack knowledge of how to achieve their ambitions.

## Introduction

Children growing up in poverty<sup>i</sup> experience many disadvantages which accumulate across the life cycle. Poverty has multiple, negative impacts on children's outcomes leading to inequalities in health, cognitive development, psychosocial development and educational attainment<sup>1,2,3,4,5</sup>. These inequalities are evident from preschool children through children during the school years, from entry into the labour market to resources for retirement, from mortality rates in later life, and 'often on to the next generation'<sup>6,p1,7,8,9</sup>. The implication that trajectories may already be set for children living in poverty is viewed as a cause for concern and area of intervention. This briefing reviews the empirical evidence on the impacts of poverty on children's outcomes and on the factors highlighted as having an effect on these outcomes to help those working with children and their families understand these children's experiences and support needs. In this briefing, the term 'children' includes young people up to 18 years old.

## Why is the issue important?

The poverty rate for children in Scotland is between 20% and 25%, depending on whether you take housing costs into consideration<sup>ii</sup>. The fact that up to a quarter of all children face multiple disadvantage such that their current experiences, outcomes and future life chances are impaired is deemed unacceptable. With this as its central tenet, the Child Poverty Act was introduced in 2010 which legally obliges the UK and Scottish governments to set, and measure against, targets aimed at reducing the prevalence and impacts of poverty<sup>10</sup>. The Act obligated all devolved administrations to produce a strategy on how they would achieve the targets set out in the Act. The subsequent Child Poverty Strategy in Scotland expressed an explicit aim of 'improving children's wellbeing and life chances', which corresponds with the aims of existing policy documents pertaining to children and/or inequalities in Scotland<sup>11</sup>.

In 2008, the Scottish Government published three key policies which have common aims in relation to the impacts of poverty on children's outcomes. The Early Years Framework is the principal strategy for intervention at critical early stages to improve children's outcomes, particularly children living in vulnerable or at risk families, to ensure they have the best start in life. One of its aims is to break 'cycles of poverty, inequality and poor outcomes in and through the early years'<sup>12</sup>. Equally Well focuses on health inequalities specifically and through its implementation has outcomes aimed at children and young people on health issues as diverse as decreasing low birthweight to improving child mental health<sup>13,14</sup>. These work in tandem with Achieving Our Potential, the principal all-inclusive poverty document in Scotland, to ensure that children living in poverty do not fall behind. One of its aims is to tackle 'the inequality of attainment of children and young people'<sup>15</sup>. It also encourages local authorities to adopt the monitoring of inequalities as a cross-cutting theme in their Single Outcome Agreements (SOAs), and suggests greater cooperation between sectors to strengthen community empowerment.

These three policies are designed to be incorporated into the overarching policy pertaining to all children in Scotland, the Getting it Right for Every Child (GIRFEC) framework, for children aged 0–8 years<sup>16</sup>. Through this legislative and policy framework the necessity and the intention to improve the outcomes of children living in poverty is clear.

### What does research tell us?

#### The effect of poverty on health:

Children growing up in poverty face multiple disadvantages in relation to health<sup>2,17,18</sup>. They are more likely to be born with low birthweight, which is a significant factor in later physical and mental health outcomes and one that is of increasing research interest<sup>19,20,21</sup>. They are also more likely to have a mother with poor health and poor health behaviours (e.g. smoking during pregnancy); factors which are shown not

only to be patterned by socioeconomic status but which also have significant negative impacts on child health<sup>22,23,24</sup>. Children living in poverty are more likely to develop ill health or have accidents during childhood as well as face a wide range of poorer health outcomes in adulthood<sup>25,26</sup>. Children living in poverty are also more likely to experience poorer mental health and lower subjective wellbeing both in childhood and in adulthood<sup>27</sup>.

#### The effect of poverty on cognitive development and educational attainment:

There is a significant association between children's early cognitive development, educational attainment, future employment prospects and earning power<sup>28,29,30,31,32</sup>. The evidence is strong that growing up in poverty has detrimental impacts on cognitive development and that the length of time spent living in poverty exacerbates these detrimental impacts, with children living in persistent poverty displaying the worst cognitive development<sup>33,34,35,36</sup>. Children who perform highly in ability tests in early childhood who are from low socio-economic backgrounds are repeatedly overtaken in ability tests carried out in later childhood by children from higher socioeconomic backgrounds who had performed less well in the early years<sup>32,37</sup>. Mothers exposed to persistent economic hardship are more likely to experience continued stress, which in turn is associated with reduced cognitive stimulation for their children and less involved parent-child interactions, which in turn impacts negatively on their children's developmental outcomes<sup>38</sup>. Economic hardship is more strongly associated with cognitive than with behavioural development and maternal depression has a greater negative effect on behavioural rather than cognitive outcomes<sup>39,40,41,42</sup>.

#### The effect of poverty on social, emotional and behavioural (SEB) outcomes:

There is substantial evidence that poverty is linked to poorer SEB outcomes for children, with the relationship appearing to be less strong in early childhood and gathering strength in middle childhood<sup>43</sup>. Positive SEB skills in childhood have



been ultimately linked to higher educational attainment and stronger labour market outcomes in adulthood<sup>29, 30, 31, 44, 45</sup>. In early childhood, however, research shows that poverty is linked to higher SEB difficulties scores in children although its effects are mediated by maternal characteristics such as mother's depression, mother's self-esteem and the quality of the parent child relationship<sup>42, 46, 47, 48</sup>. Furthermore the negative effect of maternal mental health on SEB outcomes is stronger for boys than for girls<sup>41</sup>.

### Parenting and Poverty:

Parents living in poverty often face their own difficulties such as lack of education, negative childhood experiences, and poor physical and/or mental health, some of which are associated with growing up in poverty themselves<sup>2</sup>. Parents often try to minimise the impacts of poverty on their children by sacrificing their own activities, material goods, consumption and even their own food intake<sup>2, 49, 50</sup>. Parents are often more successful in mediating the immediate impacts of poverty on younger children whereas older children are more likely to experience the detrimental effects of not having enough money directly<sup>51</sup>. Contrary to common media stereotypes, parents do have aspirations for their children<sup>2</sup>, which their children often share; however, a recent report shows that they lack knowledge of how to achieve their ambitions and that better information is required to support parents and young people living in poverty in understanding how schooling, post-compulsory education and work fit together, particularly 'where parents face disadvantage themselves'<sup>52, p70</sup>.

### The impacts of living in poverty as experienced by children in childhood:

One criticism of research on children's outcomes is that it is concerned with the future consequences of child poverty rather than understanding the impacts of poverty in children's lives as experienced during childhood itself<sup>52, 53, 54</sup>. Children living in poverty, in particular children in the middle to older age groups, are often unable to participate in social, leisure and celebratory activities, and are often unable to keep up with

the latest fashion trends in clothing and grooming; which can adversely affect their friendships, self-esteem and may result in them feeling ashamed, excluded and even stigmatised<sup>2, 52, 54, 55</sup>. Their ability to take full advantage of learning and other opportunities in school is hampered by their lack of income, as parents find it difficult to meet the extra costs in schools<sup>56</sup>. In fact, the UK has the 3rd highest levels of inequality among the OECD<sup>iii</sup> wealthy countries in access to basic educational resources based on income<sup>57</sup>.

Children show an understanding of the impacts of poverty on their family and display sensitivity towards their parents such as not asking for money and undertaking paid work themselves to ease the family finances<sup>2, 51, 54</sup>. This can have positive effects of providing an element of economic independence but can also have negative consequences as it can be detrimental to children's ability to manage school work<sup>54</sup>. Children's experiences of poverty are complex as children growing up in poverty will not necessarily have poor outcomes in adulthood; protective factors that can mediate the negative impacts of childhood poverty are children's relationships within their families and their inclusion in their peer group<sup>55, 58, 59</sup>. Research emphasised the importance of the quality of parental relationships on children's wellbeing and ability to overcome the potential deleterious effects of poverty on their transitions to adolescence and adulthood<sup>52, 58</sup>.

<sup>i</sup> This briefing uses the same definition of poverty as used by the UK and Scottish governments in the Households Below Average Income series. The poverty line is 60% of median income after direct taxes and benefits are taken into account and adjusted for household size.

<sup>ii</sup> There are 2 ways to measure poverty, a before housing costs (BHC) measure of income after tax, which the government prefers, and an after housing costs (AHC) measure which gives a more accurate picture of a family's disposable income and is often preferred by researchers.

<sup>iii</sup> Organisation for Economic Co-operation and Development (OECD) – 'The mission of the Organisation for Economic Co-operation and Development (OECD) is to promote policies that will improve the economic and social well-being of people around the world' ([www.oecd.org](http://www.oecd.org)).

## Implications for practice

- The development of the child begins pre-birth and a message for practice would be, where possible, to try to identify mothers-to-be at risk of poverty and to improve their health and wellbeing during pregnancy.
- Cognitive development is the most strongly associated with low income itself. Access to books and other age appropriate educational materials should be provided equally to all children. One policy suggestion would be to provide a school materials grant (similar to a school uniform grant).
- SEB development is most strongly associated with parental characteristics, especially maternal distress and depression. Any intervention should include parents and children's home life.
- Interventions need to be targeted towards a child's age and gender. Boys are more in need of emotionally healthy parenting.
- For older children and their parents better information is required to support understanding of how schooling, post-compulsory education and work fit together in order to realise aspirations.
- Children feel the impacts of poverty on their lives in the here and now. Interventions should focus on alleviating current issues as well as trying to improve outcomes for the future.
- Many local authorities have a priority for tracking inequalities in their SOAs and it would be useful for practitioners to tap into or feed into this resource.
- Local authorities are being urged to facilitate community empowerment; practitioners could link people with local community action groups and community pressure groups.
- Local churches are often a good place to start community development and mapping the community needs and organisations is a good activity to start with.

## Further resources

There are a number of excellent websites that can be used by children, families and practitioners for further information, training materials and general support:

Child Poverty Action Group Summary of facts and figures <http://www.cpag.org.uk/povertyfacts/> and their 2skint4school campaign <http://www.cpag.org.uk/2skint4school/index.htm>

The Poverty Site monitors what's happening to poverty in the UK: <http://www.poverty.org.uk/>

The Poverty and Social Exclusion site reports on research findings: <http://www.poverty.ac.uk/>

The Joseph Rowntree Foundation provides information on child poverty in the UK <http://www.jrf.org.uk/child-poverty>

The Child Poverty Toolkit was developed to help frame local policy development <http://www.childpovertytoolkit.org.uk/>

End Child Poverty campaign: <http://www.endchildpoverty.org.uk>

The Children's Workforce Development Council produced A review of training and materials which aim to support the children's workforce to reduce the impact of childhood poverty and disadvantage: [http://www.cwdcouncil.org.uk/assets/0001/1402/Microsoft\\_Word\\_-\\_DMSS\\_Final\\_report\\_edited\\_v0.4.pdf](http://www.cwdcouncil.org.uk/assets/0001/1402/Microsoft_Word_-_DMSS_Final_report_edited_v0.4.pdf)

The Poverty Alliance: <http://www.povertyalliance.org/>

The Poverty Truth Commission: <http://www.povertytruthcommission.org/>

The Citizens Income Online: <http://www.citizensincome.org/index.html>

One Parent Families Scotland: <http://www.opfs.org.uk/>  
Scottish Community Development Centre:

<http://www.scdc.org.uk/>

Faith in Community Scotland: <http://faithincommunityscotland.org/>

Church Action on Poverty: <http://www.church-poverty.org.uk/>

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### About this briefing

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