

**Embargoed until 28 October 2014, 11:00 am (CET)!**

## **Innocenti Report Card 12 – Children of the Recession:**

The impact of the economic crisis on child well-being in rich countries

### **Changes in child poverty since 2008**

- In 23 countries, the income poverty of children has increased since 2008, with wide variations among countries (from 0.55 percentage points in Israel to 20.4 percentage points in Iceland).
- In the five countries at the bottom of the table, child poverty rose by 10 to 20 points – an increase of over 50 per cent.
- In a remarkable group of 18 countries, families and governments found some way to cope with the worst consequences of the recession or saw their child poverty numbers reduced markedly.
- Around 76.5 million children live in poverty in the 41 most affluent countries.
- In over half of the countries, more than one child in five lives in poverty. Greece, Latvia and Spain have child poverty of above 36 per cent. In the United States, child poverty is 32 per cent, and in Italy it is 30 per cent.

### **NEET**

- The recession hit young people extremely hard, with the NEET rate rising dramatically in most EU countries. Croatia, Cyprus, Greece, Italy and Romania, all had relative increases of around 30 per cent.
- Across the EU, 7.5 million young people (almost the entire population of Switzerland) were NEET in 2013, nearly a million more than in 2008.
- Of the OECD countries that are not in the European Union, the United States saw the largest increase in the NEET rate, followed by Australia.
- Across all the countries, the sharpest NEET rate decrease was in Turkey. Even so, that country retained the highest rate in the comparison: one young person in four was NEET in 2013. Similarly in Mexico, though the NEET rate has remained stable, one young person in five was NEET.

### **What people say**

- In 18 of the 41 countries, three or more of these indicators reveal rising feelings of insecurity and stress from 2007 to 2013.
- In 29 of the 41 countries, the survey shows an increase in the percentage of respondents who reported not having enough money to buy food for themselves and their family.
- In terms of its impact on personal experiences and perceptions, the recession is certainly not over with negative responses to three or four questions in 16 countries still rising between 2011 and 2013.
- In Greece, the share of respondents saying they “experienced stress yesterday” jumped from 49 per cent in 2006 to 74 per cent in 2013. In the United States, the share of respondents that have experienced not having enough money to buy food doubled, from 10 per cent to 20 per cent.

### **“Universal aftershocks”**

- The median income in households with children has decreased in almost half of the countries with available data.
- Having a child or children in a household increases the risk of ‘working poverty’ (working, but below the poverty line) from 7 per cent to 11 per cent.

### **“Poorer children suffer most”**

- Children in particularly vulnerable situations – such as those in jobless, migrant, lone-parent and large households – are over-represented in the most severe ranges of poverty statistics.
- In 28 out of 31 European countries (EU plus Iceland, Norway and Switzerland) the poverty rate has increased more rapidly (or has decreased more slowly) for the young than for the elderly.

### **“A generation cast aside”**

- Youth unemployment and underemployment have reached worrying levels in many countries.
- Among those aged 15–24, unemployment has increased in 34 of the 41 countries analysed.

### **“An uneven response”**

- Social protection responses have varied considerably in magnitude and makeup.
- When budget cuts became unavoidable in certain countries, particularly in the Mediterranean region, the shift from stimulus to consolidation increased inequality and contributed to worsening living conditions for children.

### **“Great Leap Backward”**

- A calculation of the impact of the crisis on the median income of households with children suggests that, between 2008 and 2012, Greek families lost the equivalent of 14 years of progress; Ireland, Luxembourg and Spain lost a full decade; and four other nations lost almost as much.
- The Great Recession has brought suffering and life-long risks to an extra 2 million children in Mexico, 1.7 million in the US, 619,000 in Italy and 444,000 in France.
- The problems have not ended for children and their families, and it may well take years for many of them to return to pre-crisis levels of well-being.
- In no region are these risks more problematic than in Europe, where inequality is rising within and between Member States, threatening to undermine the ambitious targets of Europe’s 2020 agenda.