

PRESS RELEASE

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

2.6 million more children plunged into poverty in rich countries during Great Recession

Stronger social protection policies a decisive factor in poverty prevention

ROME/GENEVA/NEW YORK, 28 October 2014 – A new UNICEF report shows that 2.6 million children have sunk below the poverty line in the world's most affluent countries since 2008, bringing the total number of children in the developed world living in poverty to an estimated 76.5 million.

Innocenti Report Card 12, *Children of the Recession: The impact of the economic crisis on child well-being in rich countries*, ranks 41 countries in the OECD and the European Union according to whether levels of child poverty have increased or decreased since 2008. It also tracks the proportion of 15-24 year-olds who are not in education, employment or training (NEET). The report includes Gallup World Poll data on people's perceptions of their economic status and hopes for the future since the recession began.

While early stimulus programmes in some countries were effective in protecting children, by 2010 a majority of countries pivoted sharply from budget stimulus to budget cuts, with negative impact on children, particularly in the Mediterranean region.

"Many affluent countries have suffered a 'great leap backwards' in terms of household income, and the impact on children will have long-lasting repercussions for them and their communities," said Jeffrey O'Malley, UNICEF's Head of Global Policy and Strategy.

"UNICEF research shows that the strength of social protection policies was a decisive factor in poverty prevention. All countries need strong social safety nets to protect children in bad times *and* in good – and wealthy countries should lead by example, explicitly committing to eradicate child poverty, developing policies to offset economic downturns, and making child well-being a top priority," O'Malley said.

Other significant findings of the UNICEF report, released today at an event co-hosted with the Italian Presidency of the Council of the European Union and Ministry of Labour and Social Policy, include:

- In 23 of the 41 countries analysed, child poverty has increased since 2008. In Ireland, Croatia, Latvia, Greece and Iceland, rates rose by over 50 per cent.
- In Greece in 2012 median household incomes for families with children sank to 1998 levels – the equivalent of a loss of 14 years of income progress. By this measure Ireland, Luxembourg and Spain lost a decade; Iceland lost 9 years; and Italy, Hungary and Portugal lost 8.
- The recession has hit 15-24 year olds especially hard, with the number of NEETs rising dramatically in many countries. In the European Union 7.5 million young people (almost equivalent to the population of Switzerland) were classified as NEET in 2013.
- In the United States, where extreme child poverty has increased more in this downturn than during the recession of 1982, social safety net measures provided important support to poor working families but were less effective for the extreme poor without jobs. Child poverty has increased in 34 out of 50 states since the start of the crisis. In 2012, 24.2 million children were living in poverty, a net increase of 1.7 million from 2008.

- In 18 countries child poverty actually fell, sometimes markedly. Australia, Chile, Finland, Norway, Poland and the Slovak Republic reduced levels by around 30 per cent.

“Significantly, the report found that the social policy responses of countries with similar economic circumstances varied markedly with differing impacts on children,” O’Malley said.

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Note to editors

Children of the Recession: The impact of the economic crisis on child well-being in rich countries, is the twelfth in a series of annual reports published by Innocenti, the UNICEF Office of Research. It uses a fixed reference point, anchored to the relative poverty line in 2008 and adjusted for inflation, as a benchmark against which to assess the absolute change in child poverty over time. The line is ‘fixed’ at 60 per cent of median income - the poverty threshold used by EUROSTAT. This measure is particularly useful for assessing impacts of the recession, when incomes of the entire population may be changing, and when individuals compare their income to that of their neighbours, as well as to their own circumstances before the crisis.

Data sources:

- The calculations for League Table 1 (*Change in “anchored” child poverty 2008-2012*) are based on the latest Eurostat estimates for 2008 and 2012 for most European countries. For the remaining countries, national household surveys have been used. The income reference year, with a few exceptions, is the calendar or tax year previous to the survey year.
- The data for League Table 2 (*Change in NEET rates 2008-2013*) come from the latest Eurostat estimates for 2008 and 2013 (estimates from the European Union Labour Force Survey). For Australia, Canada, Mexico, New Zealand, the United States and Japan, OECD Society at a Glance 2014 was used. For Israel and the Republic of Korea OECD, Education at a Glance 2013 was used. A national household survey: CASEN 2006 and 2011 was used for Chile.
- The calculations for League Table 3 (*How people say their lives have changed*) are based on Gallup data and refer to 2007 and 2013.

Download the full report: <http://www.unicef-irc.org>

Download press-kit and multi-media materials: <http://uni.cf/1DAIW09>

About the UNICEF Office of Research - Innocenti

In 1988 the United Nations Children’s Fund (UNICEF) established in Florence, Italy, a research centre to support its advocacy for children worldwide and to identify and research current and future areas of UNICEF’s work. The prime objectives of the Office of Research are to improve international understanding of issues relating to children’s rights, and to help facilitate full implementation of the Convention on the Rights of the Child supporting advocacy worldwide. Please visit: www.unicef-irc.org

About UNICEF

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