

## CO2.2: Child poverty

### Definitions and methodology

This indicator presents data on child income poverty through three main measures:

- i) The *child relative income poverty rate*, defined as the percentage of children (0-17 year-olds) with an equivalised household disposable income (i.e. an income after taxes and transfers adjusted for household size) below the poverty threshold. The poverty threshold is set here at 50% of the median disposable income in each country.
- ii) *Poverty rates in households with children, by type of household*, that is, the proportion of individuals in households with a working age (18-64 year-old) head and at least one child (0-17 year-olds) with an equivalised household disposable income below the poverty threshold, again set at 50% of the median disposable income in each country. The household types used here are 'single adult with at least one child' and 'two or more adults with at least one child'.
- iii) *Poverty rates in households with children, by household employment status*, that is, the proportion of individuals in households with a working age (18-64 year-old) head and at least one child (0-17 year-olds) with an equivalised household disposable income below the poverty threshold, again set at 50% of the median disposable income in each country. The household employment statuses used are 'jobless' (that is, no working age adult in the household is in paid employment) and 'working' (where at least one working age adult in the household is in paid employment).

In all cases income is based on equivalised household disposable income. Income includes both market earnings and income from capital, and is presented net of all direct taxes and social security contributions paid by, and government transfers received by, the household. Equivalised household incomes are used because all members of a given household are assumed to pool and share earned income. The square root scale is used to equalise household income.

### Key findings

On average across OECD countries, 12.2% of children live in relative income poverty (Chart CO2.2.A), but rates differ considerably from country to country. In six OECD countries (Chile, Costa Rica, Israel, Spain, Türkiye and the United States), more than 20% of children live in relative poverty; rates are particularly high, at around 30%, in Costa Rica. In 17 other OECD countries (Belgium, Canada, Czechia, Denmark, Estonia, Finland, Hungary, Iceland, Ireland, Korea, Latvia, Lithuania, Netherlands, Norway, Poland, Slovenia and Sweden), however, less than 10% of children live in relative income poverty. In Denmark and Finland, the child relative income poverty rate is only around 4%.

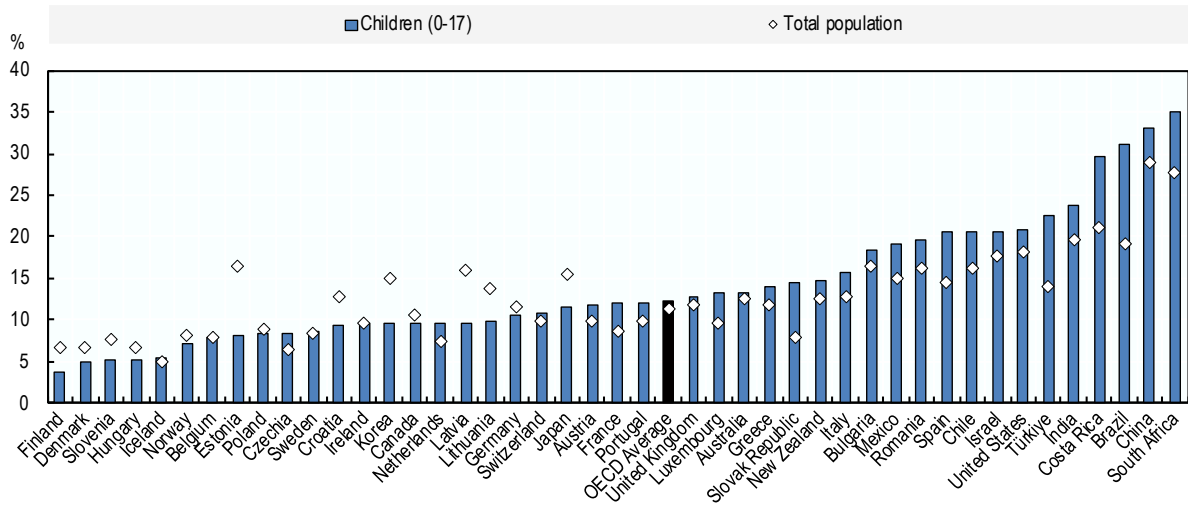
In many OECD countries, children are slightly more likely to live in income poverty than the general population (Chart CO2.2.A). Relative poverty rates for children are higher than poverty rates for the total population in 23 of the 37 OECD member countries, with the gap between the average rates for the two groups about one percentage points. However, in 14 OECD countries (Canada, Denmark, Estonia, Finland, Germany, Hungary, Japan, Korea, Latvia, Lithuania, Norway, Poland, Slovenia, and, to a lesser extent, Ireland) children are less likely to live in relative income poverty than the general population. In Estonia, the child relative income poverty rate is eight and a half percentage points lower than the relative income poverty rate for the whole population.

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Other relevant indicators: CO2.1: Trends in income inequality and the income position by household type; SF1.2: Children in sole-parent families and LMF1.1: Children in families by employment status.

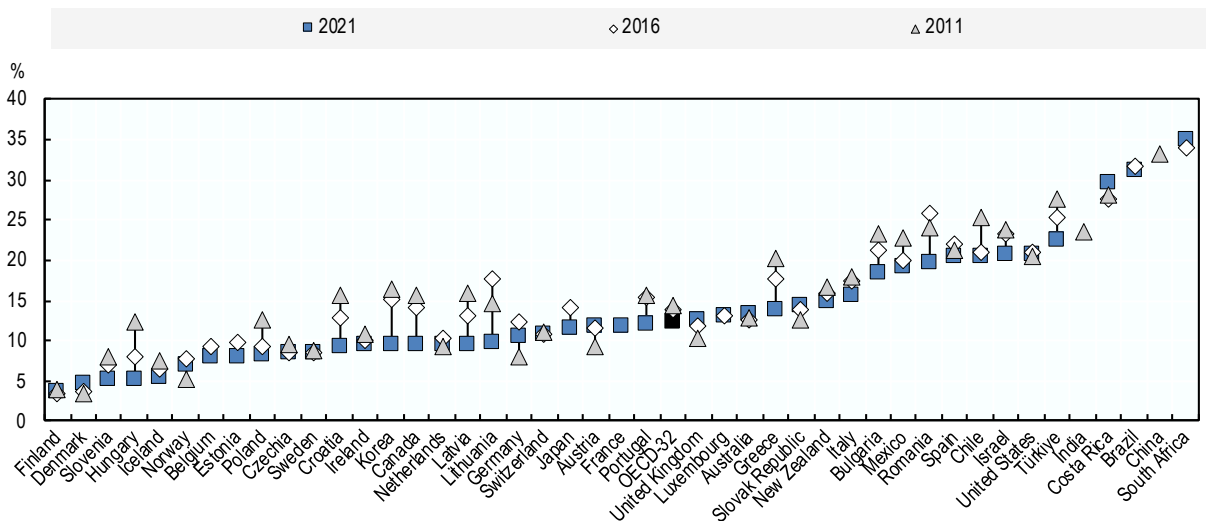
**Chart CO2.2.A. Child relative income poverty rate, 2021 or latest available year**  
Relative income poverty rate (%), for the total population and for children (0-17 year-olds)



Note: Data are based on equivalised household disposable income, i.e. income after taxes and transfers adjusted for household size. The poverty threshold is set at 50% of median disposable income in each country. The latest available data refer to 2021 for all countries except Costa Rica (2023), Brazil, Chile, Finland, Korea, Latvia, the Netherlands, Mexico, Norway, Sweden and the United States (2022); Australia, Germany, and Switzerland (2020); Denmark, (2019); Iceland and South Africa (2017); China and India (2011).  
Sources: [OECD Income Distribution Database](https://data.oecd.org/income-distribution/)

Despite considerable efforts and the introduction of policies aimed at tackling child poverty across the OECD, child relative poverty rates have increased in several OECD countries. Chart CO2.2.B shows child relative income poverty rates in 2011, 2016 and 2021 (or latest available). Between 2011 and 2021, child poverty rates increased in 10 of the 32 OECD countries with available data. In the Austria for example, the child relative poverty rate grew by about 3 percentage points. In the remaining 22 OECD countries with available data, child relative income poverty rates fell over the same period. The largest declines were in Canada, Greece, Hungary, Korea and Latvia, where the rates declined by 6-7 percentage points.

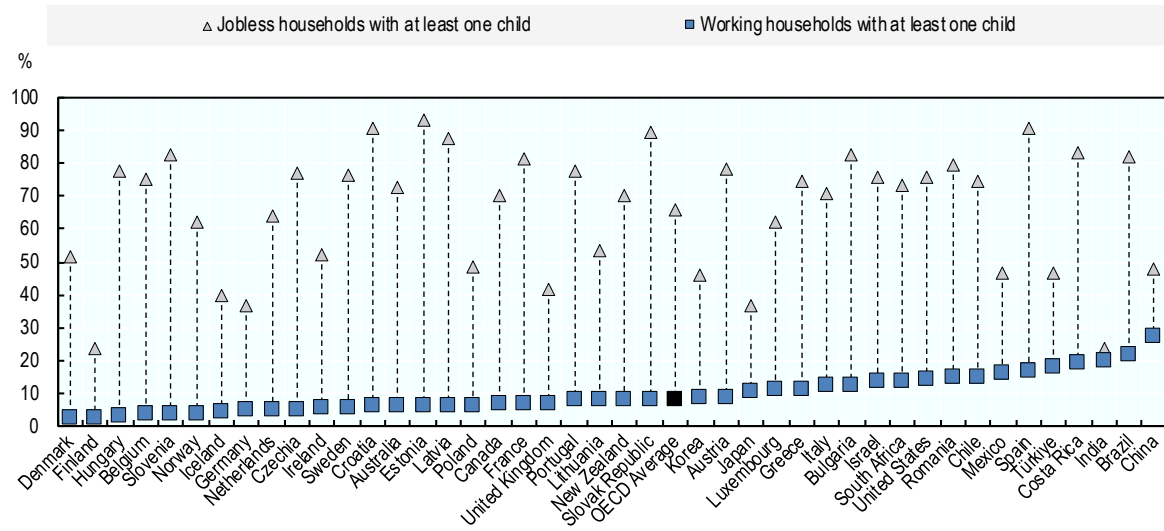
**Chart CO2.2.B. Child relative income poverty rates, 2011, 2016, and 2021 or latest available year**  
Relative income poverty rate (%) for children (0-17 year-olds)



Note: Data are based on equivalised household disposable income, i.e. income after taxes and transfers adjusted for household size. The poverty threshold is set at 50% of median disposable income in each country. The latest available data refer to 2021 for all countries except Costa Rica (2023), Brazil, Chile, Finland, Korea, Latvia, the Netherlands, Mexico, Norway, Sweden and the United States (2022); Australia, Germany, and Switzerland (2020); Denmark, (2019); Iceland and South Africa (2017). Data refer to 2016 for all countries except Belgium and Japan (2018); Chile, South Africa, and Türkiye (2015). Data refer to 2011 for all countries except Sweden and the United States (2013); Australia and Mexico (2012).  
Sources: [OECD Income Distribution Database](https://data.oecd.org/income-distribution/)

The likelihood of growing up in poverty varies across different types of household and with the employment status of the household. The OECD average poverty rate in households with children and only a single adult is, at 29.3%, almost 20 percentage points (or three times) higher than the poverty rate in households with children and two or more adults (8.9%) (Chart CO2.2.C). The gap is often largest in the OECD's English-speaking, Latin American and East Asian countries – in Australia, Canada, Costa Rica, Japan, New Zealand, Spain and the United States, for instance, poverty rates in households with children and only a single adult are around or more than 30 percentage points higher than those for households with children and two or more adults. At only eight percentage points, Finland has the smallest gap in poverty rates between single adult and two or more adult households with children.

Chart CO2.2.C. **Poverty rates in households with children by household type, 2021 or latest available year**  
Relative income poverty rates (%), individuals in working-age households with at least one child, by type of household



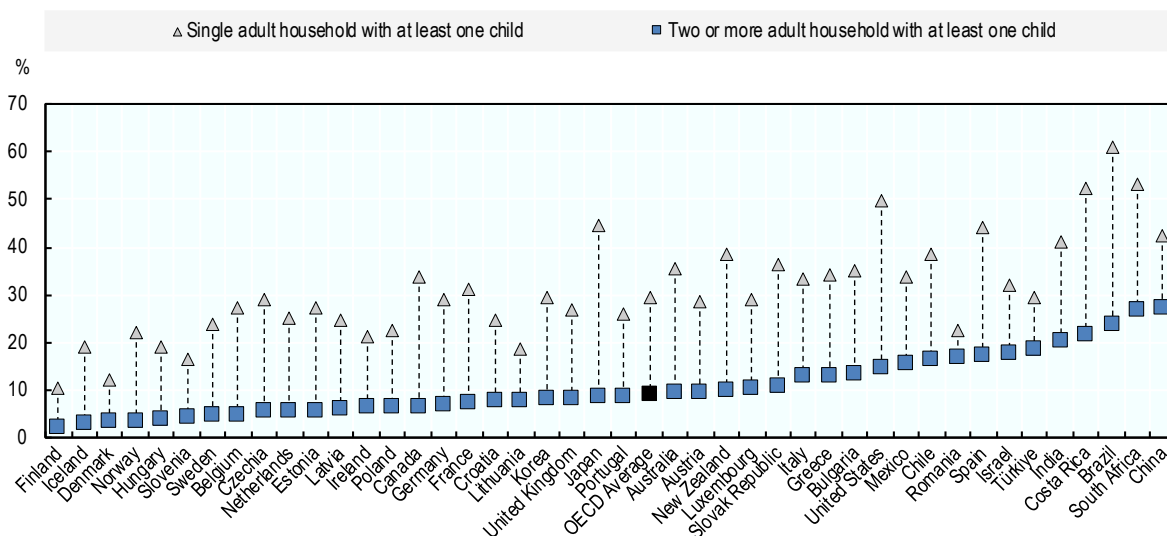
Notes: Data are based on equivalised household disposable income, i.e. income after taxes and transfers adjusted for household size. The poverty threshold is set at 50% of median disposable income in each country. Working-age adults are defined as 18-64 year-olds. Children are defined as 0-17 year-olds. The latest available data refer to 2021 for all countries except Costa Rica (2023), Brazil, Chile, Finland, Korea, Latvia, the Netherlands, Mexico, Norway, Sweden and the United States (2022); Australia, Germany, and Switzerland (2020); Denmark, (2019); Iceland and South Africa (2017); China and India (2011).  
Source: [OECD Income Distribution Database](https://data.oecd.org/income-distribution/)

Similarly, poverty rates tend to be much higher in jobless households than in households where at least one adult works (Chart CO2.2.D). On average across the OECD, 65.8% of individuals living in jobless households with children also live in relative income poverty, compared to only 8.3% of individuals in working households with children. Estonia (87 percentage points) have the largest gaps in the OECD, while Finland has the smallest at 21 percentage points.

#### Comparability and data issues

Data in all cases come from the OECD Income Distribution Database (IDD), which itself is based on information from various national and cross-national household surveys. Detailed information on the sources and methods used in the OECD IDD is available on the [IDD website](https://data.oecd.org/income-distribution/).

Chart CO2.2.D. **Poverty rates in households with children by household employment status, 2021 or latest available year**  
Relative income poverty rates (%), individuals in working-age households with at least one child, by household employment status



Notes: Data are based on equivalised household disposable income, i.e. income after taxes and transfers adjusted for household size. The poverty threshold is set at 50% of median disposable income in each country. Working-age adults are defined as 18-64 year-olds. Children are defined as 0-17 year-olds. Jobless households are those where no adults are in paid work. Working households are those where at least one adult is in paid employment. The latest available data refer to 2021 for all countries except Costa Rica (2023), Brazil, Chile, Finland, Korea, Latvia, the Netherlands, Mexico, Norway, Sweden and the United States (2022); Australia, Germany, and Switzerland (2020); Denmark, (2019); Iceland and South Africa (2017); China and India (2011).

Source: [OECD Income Distribution Database](http://www.oecd.org/social/income-distribution-database.htm)

#### Sources and further reading:

OECD (2021), OECD Income Distribution Database, <http://www.oecd.org/social/income-distribution-database.htm>

Thévenon, O., et al. (2018), "Child poverty in the OECD: Trends, determinants and policies to tackle it", OECD Social, Employment and Migration Working Papers, No. 218, OECD Publishing, Paris, <https://doi.org/10.1787/c69de229-en>

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Whiteford, P. and W. Adema (2007), "What Works Best in Reducing Child Poverty: A Benefit or Work Strategy?", *OECD Social, Employment and Migration Working Papers, No. 51*, OECD Publishing, Paris, <https://doi.org/10.1787/233310267230>.