

### **Appendix 3- Briefing *Statutory review of the current 10-year child poverty reduction targets***

5. Our review notes that steady progress was achieved across the three primary child poverty measures over the period 2018 to 2022 and exceeded the average reductions required to meet the ten-year targets. The COVID-19 pandemic had a significant impact on ongoing progress towards the targets. While some temporary measures likely shielded many low-income families from poverty, benefit rates for families with children increased rapidly. Subsequent increases in cost-of-living pressures and borrowing costs also combined to drive large year-on-year increases in child poverty between 2022 and 2023 on the after housing costs (AHC50) and material hardship primary measures.

22. Subsequently, as noted in our review of the second intermediate targets [DPMC-2023/24-920 refers], the increase in cost-of living pressures and borrowing costs from mid-2022 resulted in large and statistically significant year-on-year increases in child poverty between 2022 and 2023 on the AHC50 and Material Hardship primary measures (both of which are sensitive to inflation).