Logo: the Coat of Arms is on the left-hand side. To the right are the words 
Ministry of Social Development. Immediately beneath this are the words Te Manatū  Whakahiato Ora   

# Summary of key findings: Material hardship of children in households with a disabled person

Ministry of Social Development research prepared by Moira Wilson, Senior Analyst, Research and Evaluation, Ministry of Social Development and Keith McLeod, Keith McLeod Consulting (2025).

## Acknowledgements and disclaimers

### Acknowledgements

* A big thanks to all the people and teams that helped in different ways with the research.
* An Expert Reference Group that included people with lived experience provided helpful advice and review.

### Stats NZ Disclaimer

* Results are based on research using the Integrated Data Infrastructure (IDI).
* These results are not official statistics.
* They have been created for research purposes from the IDI, which is carefully managed by Stats NZ.
* For more information about the IDI please visit <https://www.stats.govt.nz/Integrated-data/> [or <https://tinyurl.com/39y8y7t5>]

### Our disclaimer

* The views, opinions, and recommendations expressed are those of the authors.
* They do not necessarily reflect the views of MSD, Expert Reference Group members, or other people advising on the project.
* Any errors or omissions are our own. Stats NZ provides the official statistics on child poverty as required under the Child Poverty Reduction Act.

## Background

In 2023, Stats NZ’s child poverty reporting showed children living in households where there is a disabled adult or child account for more than half of all children living in households experiencing material hardship.

Ministry of Social Development Policy teams commissioned research to better understand this over-representation. This was to inform future policy advice.

The Ministry of Social Development Research and Evaluation did the research.

We worked in partnership with other researchers, and in conversation with an Expert Reference Group.

## The research

The research had three different parts. This report is from the part that looked in more detail at the Stats NZ child poverty data.

The other parts were:

* qualitative interviews asking about extra costs and income support receipt;
* a look at awareness of and experience with income support payments based on a survey.

### The data we used

We used combined data from the first three years of the Stats NZ Household Economic Survey that asked questions about disability status (2019/20, 2020/21, and 2021/22).

This provided a sample of 103,383 people living in 39,777 households.

These survey data were linked with administrative data on income support payments, earnings and support services.

We used the same definitions as those used in child poverty monitoring.

### The definition of disability status

Disability status was measured in using Washington Group questions on functioning.

* People aged 18 or over are considered disabled if they have serious difficulty with at least one of the following: seeing (even with glasses), hearing (even with hearing aids), walking, remembering or concentrating, washing or dressing, communicating, upper body strength, manual dexterity, anxiety, or depression.
* Children and young people aged 5 to 17 are considered disabled if they have serious difficulty with at least one of the following: seeing (even with glasses), hearing (even with hearing aids), walking, feeding or dressing themselves, communicating, learning, remembering, concentrating, accepting change, controlling their own behaviour, making friends, anxiety, or depression.
* Children aged 2 to 4 are considered disabled if they have serious difficulty with at least one of the following: seeing (even with glasses), hearing (even with hearing aids), walking, manual dexterity, communicating, learning, playing, or controlling their own behaviour.

### The definition of material hardship.

Material hardship was defined as having six or more of 17 restriction items that make up the ‘Dep-17’ deprivation index.

The restriction items in the Dep-17 ask about:

* enforced lack of essentials;
* economising, cutting back or delaying purchases ‘a lot’;
* being in arrears for expenses more than once in last 12 months;
* experiencing financial stress and vulnerability.

These include things like:

* not having a meal with meat, fish or chicken (or vegetarian equivalent) at least each second day because of not having enough money;
* putting up with feeling cold to save on heating costs a lot because money was needed for other essentials;
* postponing visits to the doctor ‘a lot’ because money was needed for other essentials;
* being unable to pay an unexpected and unavoidable bill of $500 within a month without borrowing.

We also looked at severe hardship defined as having nine or more of the 17 restriction items.

## Findings

### The proportion of children in households with a disabled person

Three in ten children were in households with a disabled person (adult or child).

The proportions of children in each ethnic group living in a household with at least one disabled person were:

* 39 percent for Māori children
* 36 percent for Pacific children;
* 29 percent for European children;
* 19 percent for Asian children, compared with
* 29 percent for all children.

### Rates of material hardship.

One in five of the children in households with a disabled person were in material hardship.

The proportion in material hardship was three times higher for children in households with a disabled person than for children in households with no disabled person (21 percent compared with compared with seven percent).

The proportions of children in each ethnic group in households with a disabled person in a household experiencing material hardship were:

* 36 percent for Pacific children;
* 29 percent for Māori children;
* 18 percent for European children;
* 12 percent for Asian children, compared with
* 21 percent for all children in households with a disabled person.

### Material hardship rates by the number of disabled people in the household

The more disabled people in the child’s household, the more likely it was that they were in material hardship.

The material hardship rate for children was:

* 17 percent where there was one disabled person in the household;
* 31 percent where there were two or more disabled people in the household.

### Rates of severe material hardship.

One in ten of the children in households with a disabled person were in severe material hardship.

The proportion in severe material hardship was four times higher for children in households with a disabled person than for children in households with no disabled person (10 percent compared with two-and-a-half percent).

The proportions in severe material hardship rates were highest for Māori and Pacific children in households with a disabled person. The proportion in severe hardship was:

* 14 percent for Māori children in households with a disabled person;
* 16 percent for Pacific children in households with a disabled person.

### Examples of the restrictions used to measure material hardship

All 17 restrictions that are used to measure material hardship were more likely to occur.

For example, compared to children in households with no disabled people, children in households with a disabled person were:

* more than two-and-a-half times more likely to be in a household reporting putting off visits to the doctor a lot to keep costs down (16 percent compared to six percent);
* more than two times more likely to be in a household reporting putting up with feeling cold a lot to keep costs down (11 percent compared to five percent);
* two times more likely to be in a household reporting that they would be unable to pay an unexpected and unavoidable expense of $500 within a month without borrowing (35 percent compared to 18 percent).

### Material hardship where no adult in was paid employment.

Children in households with a disabled person where no adult was in paid employment had a material hardship rate of 54 percent.

This compared with 32 percent for other children in households where no adult was in paid employment.

### Material hardship where at least one adults was in paid employment

Even among children in households with employed adults, being in a household with a disabled person substantially increased the risk of material hardship.

Children in a household with a disabled person where at least one adult was employed had a material hardship rate of 15 percent.

This compared with five percent for other children in a household with employed adults.

Children in households with a disabled person where at least one adult was employed made up most of the children in households with a disabled person.

They made up:

* 84 percent of children in a household with a disabled person;
* 34 percent of all children in material hardship.

### Receipt of disability-related income support payments and support services

Only a small proportion of children in households with a disabled person lived in households where disability-related income support payments and support services were received.

Looking at children in households with a disabled child:

* 23 percent were in a household where Child Disability Allowance was received (Child Disability Allowance is a payment designed to acknowledge the extra care and attention needed caring for a child with a serious disability that is likely to last 12 months or more);
* Eight percent were in a household where a child was receiving Ministry of Education Ongoing Resource Scheme funding.

Looking at children in households with a disabled person in any age group:

* 12 percent were in a household where Disability Allowance was received (Disability Allowanceis designed to assist with the additional costs associated with a disability or an ongoing medical condition);
* Eight percent were in a household where a child or adult had received Whaikaha-funded Disability Support Services.

### Differences in incomes

In contrast to the large differences in material hardship, there were only modest differences in incomes.

Average income for children in households with a disabled person was 85 percent of the average household income of other children.

The income we measured was household equivalised disposable income. That is, the income of all adults in the houshold, after deducting taxes and adding benefits and Working for Families, and after adjusting for household size and composition.

## Insights for policy from the research

### Policies increasing earned income of disabled adults and carers may help reduce hardship

For children in households with a disabled person there are higher than average rates of joblessness and receipt of main benefits among the adults in their households.

Support for increasing earned income may reduce hardship rates if it is associated with improved income after costs of working.

### Support for increasing earned income needs to be flexible and tailored

Such policies need to be mindful that many children living in households with a disabled person are in families where there is only one parent to meet the family’s care and economic needs.

Almost three in ten children in households with a disabled person live with a sole parent, usually a sole mother.

Employment may not always be possible or economically feasible, especially where the disabled person is the sole parent or a child has a disability requiring significant additional care and attention.

### Costs of disability are likely contributing to increased material hardship

A key factor explaining the large difference in material hardship despite only modest differences in income is likely to be the extra costs households with a disabled person face.

These extra costs reduce the resources available to spend on other essential items.

### Improving payments and supports would be a useful area of focus for future child poverty reduction efforts

Payments and supports that help with the costs of disability are currently received in only a small proportion of households where children live with a disabled adult or child.

It would be useful to consider policies that that broaden coverage, access, and uptake of these payments and supports.

It would also be useful to consider policies that improve how much help these these payments and supports provide.

## Further reading

To see the full report on, ‘Material hardship of children in households with a disabled person’, go here: <https://www.msd.govt.nz/mhs>

End of information | Summary of key findings: Material hardship of children in households with a disabled person

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