

# Best childhood money can buy

Child poverty, inequality and living  
with scarcity, the Finnish case



LASTENSUOJELUN KESKUSLIITTO  
CENTRAL UNION FOR CHILD WELFARE

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## Abstract

### Point of departure

This paper examines child poverty and the lives of children in low-income families. In Finland child poverty has been quite lively debated subject recently, even though the poverty level is low in international comparison. In 2017 poverty level was above 10% which means 119 000 underage children. However different metrics provide us with different levels and figures. Regardless of a metric, however, lone parent families, children with non-Finnish background and families with many children are exposed to the risk of poverty.

### The Data

The report is based on a survey which was conducted in 2018-2019. The statistical unit is a household. One thousand parents of children from 7 to 16 years of age responded to 46 questions. Interviews were conducted by phone, interviews lasted approximately 20 minutes. Only Finnish language was used; thus, some ethnic minorities are most likely underrepresented. The survey was designed to cover topics of economic well-being, social status and potential shame. Some questions were designed to cover issues of trust. Added to the 46 questions the respondents were asked about their gender, hometown, the number of children living with them, the type of family, occupation, housing arrangements and their children's age. Families were sampled randomly in proportion to the number of families in each region.

### Conclusions

Absolute poverty is rare, fewer than one percent of families report that have waited for a school meal to get something to eat. Similarly, less than one percent report that they have skipped buying prescribed medicine for their children due to financial reasons. At the other end of the spectrum roughly one third of families can afford to save their child benefits to be used later. Almost all families feel safe to let their children play outside their homes. People in general seem to trust each other, families do not make an exception to this. Leisure time has become more commercial. The upshot has been that several free time activities and hobbies have escaped the reach of families. One decile of families struggles with coping while even one third live without a significant savings for unexpected costs. Within the low-income decile there is a decile that finds it extremely hard to cope and which suffers from absolute poverty, at least from time to time.

# Introduction

THIS PAPER EXAMINES child poverty and the lives of children in low-income families. The review focuses on Finnish society. The first section is based on existing statistical data and surveys. It aims to explore and present the overall situation in Finland. The latter half of the paper focuses on analysis of survey data. The survey was conducted by “KEE-program”.<sup>1</sup> The paper aims to give the reader an overview of Finnish childhood poverty and scarcity, it is not necessary for the reader to know the internal discussion on the subject in Finland. The observations presented are also considered in relation to qualitative studies. The paper is aimed at anyone interested in child poverty and its essence in Finnish society. The report does not meet all the criteria for academic review; however, its source references are academic in style. I have written selected text descriptions of Finnish society from the perspective of families with children. It is impossible to describe the whole context, but I hope that the points selected are the right ones.

The latest Finnish income and poverty figures are from the year 2017. The number of underage (from 0 to 17 years of age) Finns was 1 066 000 at the end of 2017. Consequently, a child poverty rate of 10% means roughly 100 000 children. The paper examines what poverty is like, if there are 119 000 poor children (as there seems to be) and what subgroups this relatively high figure contains. We can fix the number 119 000 and think about what poverty means then. We can also define poverty first and find the right number on that basis.

Recently a newspaper title encouraged the reader to test if she was poor. One can ask what kind of poverty you will not notice until after the test, and hence what poverty means today. How much sense would it make to test if you are hungry or homeless? Moreover, not everyone below the poverty line is poor in the same single way. Not everyone above the poverty line has escaped the feeling of being poor or deprived.

In Finland child poverty has not been a taboo of any kind recently, numerous articles in newspapers and magazines have been published around the issue (see also Harju 2008). Texts typically present a precise number of poor families or children. Titles vary; poor, low income, at risk of poverty or exclusion are all mentioned attached to various estimations of the numbers. Figures are often rather high, too high to match well with international comparisons and to some extent our everyday life intuition. Distilling a correct number from several candidates is not an end in itself. However, as we have good reasons to demand action, any such action will be better planned using solid and unambiguous facts. As Harju and Thorød (2010) state, tackling child poverty is difficult anyway. It is challenging to find measures that reach children directly.

For some years now, the fertility rate has decreased rapidly in Finland. As a result, the number of children born in Finland is less than 50 000 per year – and decreasing. In the late 40’s more than 100 000 children were born per year. The annual number of newborn children was above 60 000 for a long

1 Kaikille evät elämään acronym KEE, Equal opportunities for life is a network of projects funded by STEA, Funding Centre for Social Welfare and Health Organisations. The author of this paper works as a project manager for a co-ordinating project, run by the Central Union for Child Welfare.



time up until 2012. One of the most interesting details in Finnish demographics is that nine months after the first peace-time Christmas (1944) a record number of children saw daylight. Fortunately, each Christmas since then has been a peace-time Christmas, but a lot has changed in fertility.

The relation between poverty, economic cycles and fertility is not clear. Two recessions after 1990 give us contradictory evidence (Comolli, 2018). Fertility is sometimes contra-cyclical and sometimes pro-cyclical. If child poverty is increasing right now, that certainly is not because of an increasing number of children. And consequently, if there was a fixed-size cake for the children, there should be a bigger piece for everyone now. The savings in public finances due to the declining number of children are a profit that Finnish society cannot afford anyway.

## Why is child poverty an important topic?

The topic of child poverty is significant firstly because of moral reasons. Children don't choose the families they are born into. Children are unable to take full responsibility for their circumstances and are dependent on others (Bradbury et al. 2001). That is probably why the problem of child poverty has a specific moral tone. Many of us find child poverty intolerable, there are no "undeserving" poor children. We should do something about it and preferably for good. Moreover, children's rights do not cease to apply if their parents behave immorally. For some, child poverty can be an unpleasant by-product of a necessary system. Very few, however, like child poverty.

As Schweiger and Graf (2015) state, poverty inevitably has a dual edge. Even when we present cold numbers, there is always a normative idea of poverty being an undesirable state. In the Finnish context it is fair to say that poverty in general, and child poverty in particular, was once considered to be an issue that belongs to history and history only, where there surely was enough of it (see also Ridge 2002). This was especially the case during the latest expansive phase of the welfare state in the '80s. If one looks at child poverty from a hundred-year perspective, it is a problem overcome. From a twenty-year perspective, it can be presented as a growing problem. Anyway, today anyone can get a better dentist than kings could get hundred years ago, if they can get a dentist in the first place.

Moral implications are significant not least because children do not suffer from poverty only in the present. Poverty limits their well-being for a long time in the future (Attree 2004, Bradbury et al. 2001). Well-becoming is jeopardized as Schweiger and Graf (2015) state. This long-term effect comprises both human and economic aspects. Improving the position of children is often seen as an investment.

Secondly, the issue is significant because there seems to be a contradiction between domestic and international debates. Finland has been in the top five in most international comparisons conducted by e.g. Unicef and Save the Children (e.g. Global childhood report 2019). Moreover, Finland tops the international happiness ranking (UN). Finland is also one of leading countries in PISA (OECD's Programme for International Student Assessment). OECD has published the following statistics.

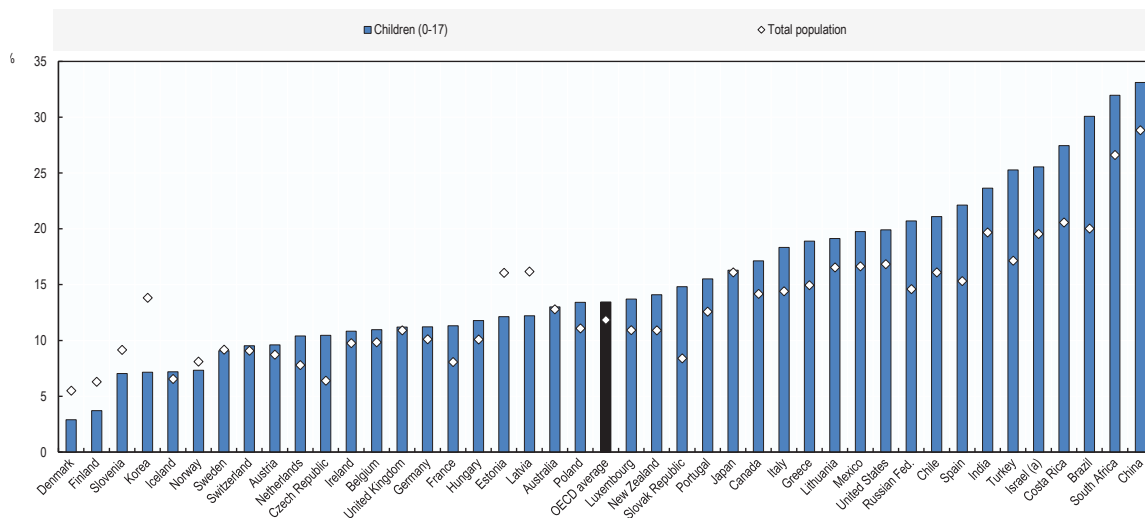


Figure 1. Relative income poverty rate (%), for the total population and for children (0-17 year-olds). OECD

Finland has the second lowest child poverty rate and is one of the few countries in which the child poverty rate is below the overall poverty rate. Based on these figures, the overall situation, and children's wellbeing especially, appears to be good. This applies when compared to the nearest reference group as well as globally. A recent report concluded: the lowest percentages of children at risk of poverty or social exclusion in 2016 were registered in Denmark (13.8 %), Finland (14.7 %) and Slovenia (14.9 %) (Combating child poverty 2018). To move back in time or almost anywhere in space seems to bring about worse living conditions for children. Based on international comparisons, one could state that the whole subject of this paper does not even exist. However, it is obvious that Finns are not simply proud and pleased with the present. Quite the contrary, domestic debate, both academic and public, is filled with worries; poverty rates seem to be high and rising, inequality even more. From that perspective the subject of this paper exists without any doubt.

The question of poverty and inequality are not one and the same thing. To discuss poverty and the poor may give rise to voyeurism and paternalism whereas, when it comes to inequality, we are all in the picture. Too often we start to talk about inequality and immediately turn the discussion to poverty and consequently to the poor, who are "the other". Inequality is not just poverty; it is the relation between the better off and the worse off. For instance, Soininvaara (2012) states that the gap between basic social security income and wage income has increased by 30% in just a couple of decades. This is a good indicator of inequality, but not necessarily of poverty.

One of the recently coined terms; *richplaining* refers to the distance between the well off and those who are left behind. It can be argued that a large middle class is necessary for a stable society. However, the gap between the middle class and those who are left behind is wide - up to the level, where those groups are no longer able to understand each other's position. In public debate, social bubbles are discussed. On the other hand, children do not live in bubbles in the sense that they see the same toys, sneakers, collect cards in the same ads (see Williams 2006).



## Scarcity and poverty from children's point of view

Poverty is also, if not primarily, an experience, thus children themselves are the best child poverty experts. Their perspective is important to keep in mind. This paper raises the children's perspective by placing qualitative studies side by side with statistical figures. However, in relation to the lively public debate, there is not much Finnish research on the subject.

Based on their study Hakovirta & Rantalaiho (2012) summarize children's own view of necessities in five categories: some pocket money to cover unexpected costs, a phone and access to a computer; some own space like their own room; an opportunity to go out for hobbies and meet friends and finally a leisure time activity/a hobby. Researchers even argue that a child without a hobby is deviant. Food, protection and health care are not on the list due to the way the research is conducted. As Harju (2008) argues, even poor children often have access to a basic set of commodities. The list is illustrative, lacking any of the necessities is something that must be individually justified. In general, children see consumption whereas parents see consumption, upbringing and investing. It is quite common that banning the consumption of a child is seen as an investment by parents (screen time, play consoles, fast food). Therefore, the feeling of deprivation and poverty are nowhere near the same thing. Deprivation can be a sign of poverty as well as a sign of a well-informed upbringing.

Poverty is sometimes covert; it can hide from our gaze ("our" meaning everyone or sometimes just adults). It does not present itself as begging or malnutrition. Instead it is more a question of exclusion instead of participation and shame instead of good confidence. On top of a very narrow layer of harsh poverty there are several layers of experienced poverty. This poverty does not necessarily present itself as something we can see directly, like thin bodies, scars, accommodation below any current standard, dirt, want or disease. It takes the form of not having or at least it appears in other ways, as clothing brands, homeownership and spending opportunities.

Poverty or scarcity means eating at home, not in a restaurant. It is watching TV, not commercial channels because one of them is free and the other is not. It can mean subsidized camps instead of holidays in hotels by the pool. It can also mean choosing hobbies that you can afford instead of developing one's real talents. Current child poverty is a long list of coerced choices of second-category items, although none of them is intolerable in itself. Even if we can't detect scarcity from brands and labels, children most probably can (Pugh 2009, Attee 2004). Children also have an apparently good idea of cheap clothing stores (Hakovirta & Rantalaiho, 2012).

But poverty is not essentially in the items, it exists in interaction. It is not only about having this or that item with a logo or a photo of a distant holiday resort. As Pugh (2009) states, it is all about having something to say to peers, and not being invisible. Children do not desire this or that pair of sneakers or a doll, their ultimate goal is to belong (Pugh, 2009). Wealth can also be concealed, children want to be a part of the group as themselves, not because their parents have a lot of money. Children do not appreciate the friendship one can buy. Affluence may also lead to arrogance and selfishness (Hakovirta & Rantalaiho, 2012, Pugh 2009).

From an everyday point of view, it is important to note that children from low-income families can have as much spending money as anyone. Studies have found that children in single-parent families can have more pocket money than children in nuclear families (Wilska & Lintonen 2017). While this does not affect inequality in the big picture, it can play a role in children's everyday lives. The family's financial situation is transmitted in various ways to the children's world.

Moreover, from the children's point of view, feelings of inequality or shame are not primarily economic, although they are also economic (Harju 2016). Economic disadvantages can be compensated (Pugh 2009, Harju 2008). The problem is mainly that those other things to compensate often go hand in hand with the economy.

Listening to children is important, but it also has its limitations. If the children learn to be poor, they will set their own demands lower than others. Scarcity becomes a normal and natural feeling. For this reason, objective indicators have their own important role to play.

# The story of the 119 000 poor children in Finland

THE MOST COMMONLY used figure to present Finnish child poverty is 119 000, or just above 11% in relational terms. These figures are based on 2017 statistics. A year before the corresponding figure was 110 000. However, even higher figures (up to 150 000, 13,9 %) have been presented, and those figures are based on equally robust and reliable statistics from 2017. One can easily think that there is an urgent crisis going on, poverty figures shooting up from 110 000 to 150 000 so quickly. Fortunately, poverty is not soaring at that rate. What is more, it is not evident whether these numbers tell us about poverty and only poverty in the first place. Statisticians talk about low income, but it's too hard for some others to resist the temptation to turn it into "poverty".

When a figure like 119 000 is presented, one thing is clear. One must be sure that the figure is accurate, otherwise "about 120 000" would be better. Figures can be accurate if the target is clearly defined and delineated. This is a criterion which poverty, for the most part does not meet. As stated earlier, poverty bears moral connotations even when presented in cold numbers.

Often short-term changes get more attention than what they deserve. We (as media consumers) tend to like cycles and dramatic figures. Soaring and plummeting are desirable terms whereas long term trends are not that appealing. An insignificant turn can get a lot of attention, even if it were coincidental or reverted back at the next measurement (see also Salmi et. al.2016). Child poverty figures have not changed significantly since the millennium. At least nothing to compare with the 90's has taken place. It was then when the current state was established.

It is difficult to judge whether the story of the 119 000 or 150 000 poor children is more a fact or fiction. Intuitively, it can be stated that if one is a fact, the other must be fiction, but even that is not true. The numbers are right, what varies is the concept of poverty. Different definitions and measurements provide us with different answers from varying years. Not everything is relational though. Poverty is primarily a lived experience, not statistics. Each child deprived of a decent life is too much. A hundred such children is intolerably too many and 100 000 too much to comprehend if one stays tuned emotionally.

"Poor children" is an easy and colloquial term. If the starting point is 119,000 poor children, the correct expression replacing "poor" would be: "A 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 60% of the median disposable income". This is how the OECD formulates the metric, though they apply a 50% limit. That does not fit easily into a headline and why should it. Ordinary newspaper readers have all the reason to expect clear expressions.

The above mentioned 60 % of median income in practice means income that is less than 1600€/month for a single parent and one child under 14 years of age. A family of two adults and two children under 14 are counted as low income household when their income is less than 2580€/month. The limits are adjusted to the surrounding standard of living and thus are several times higher than e.g. the UN limit. The cost of living, especially housing, varies widely in different parts of the country. The same income means quite different standards of living in different places.

That said, we can with great certainty argue that in the mid '90s the child poverty/ low income -rate was much lower than it is today. After the economic downturn in the early '90s it started to increase rapidly and since has been around 10 %. The economic boom of the '90s brought lasting effects on social positions. Pulling the figures back down is hard. In this respect poverty seems to resemble, for instance, long term unemployment.

However, the boom primarily produced wealth, also for children. The same boom that brought prosperity to the majority produced long-term unemployment for some. What getting to Stockholm used to mean once is the same as getting to Berlin, Paris or London now. Thailand is the new Canary Islands. Low cost airlines have brought the world closer to at least some. Birthdays in homes and home-made cakes have changed to birthdays at restaurants or amusement parks. The number of shopping centres, spas and entertainment venues has increased. Unlike the late '80s, football and ice-hockey are now year-round hobbies, because the facilities are so much better. At the same time, full-time coaches have been hired and the quality and price of hobbies have increased. Not to mention all the IT developments that are most evident in cell phones. All children now have more, and poor children now lack more. The last two decades have also brought about so-called intensive parenting (and parenting omnipotence fallacy) (Shirani et. al. 2012) and the heavy costs that come with it.

We can, with certainty, state that whatever caused the rise of the poverty rate, it hit single parents, families with 4 or more children and children with a non-Finnish background especially hard (like in Sweden, see Harju 2008). The link between child poverty and lone parent families is well established (Jäntti 2009). Simultaneously, the number of single parent families has increased by one fourth from 1992 to 2017, despite their financial situation. The more the family's livelihood depends on the support of society, the more political decisions affect their situation. It has been estimated that cuts in income transfers explain more than half of the detected increase in poverty in the '90s (Jäntti 2009).

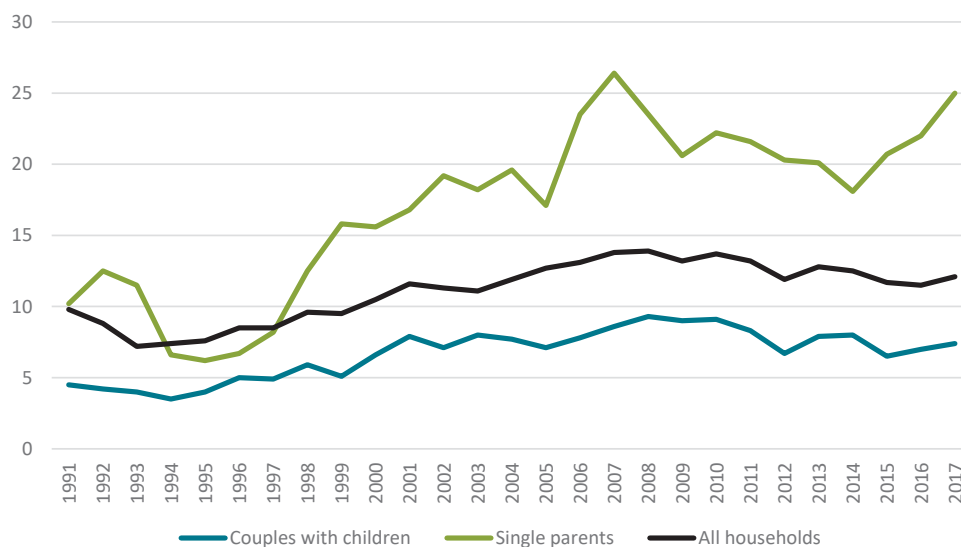


Figure 2: Poverty level in all households, couples with children and single parents from 1991 to 2017. Statistics Finland.

## Measuring and defining poverty

Child poverty can be approached in many ways. The most important single indicator in the Finnish debate has been income distribution statistics. Another important measure of poverty is social assistance. The third key indicator is surveys. The following presents the picture of poverty provided by each named indicator. For those who know these statistics, this section may be redundant. The terms poor and poverty are used here, mostly because the intention is to explore the phenomenon and the use of the term (see also Harju 2008).

Statistical figures are attached to poverty, but they do not tell us what poverty actually is. Nor do they explain what poverty is not, or the feasible ways to tackle it. In the case of children, it may be appropriate to talk about poverty even in the plural. There is absolute and relative poverty, there is also statistical and perceived poverty, and the poverty of adults and children.

There are several methods to calculate the number of poor children and families. There are certainly fewer than 119 000 children living at subsistence level. At the same time, not all those living at subsistence level are included in poverty statistics. That is due to overspending, gambling, payday loans, perhaps all these combined. It may be due to expensive medicine not covered by insurance, and finally it may be due to addictions and neglect. All these may ruin the household economy but simultaneously that household may appear well off statistically.

Some of the measuring methods are country specific, some designed for international comparisons, for instance income studies. The way it functions is that first the poverty line is drawn and those who fall below are counted as poor. The above-mentioned figures from 110 000 via 119 000 to 150 000 are derived from this kind of statistics. What is good to bear in mind is that income distribution statistics describe distribution, not poverty. In these statistics as the standard of living rises, the number of the poor often increases as well.

An alternative metric would be income transfers. To count the number of social assistance (in Finnish “toimeentulotuki” I use the same translation as Ristikari & others) receipt is a country specific and common way to measure poverty. However, social assistance’s primary function is not to measure anything but to help families and individuals. Moreover, changes in this indicator are often related to changes in legislation or its implementation, not in poverty. Social assistance is the most significant transfer when it comes to poverty. However, there are a few specific transfers which can be combined with social assistance in order to get a more comprehensive picture, such as the recently launched supplementary benefit for the purchase of study materials.

Thirdly, it is always reasonable to measure poverty by asking people whether they can cope or not. This brings surveys into the picture. This method adds to the picture those who can cope with great certainty and relative ease. However, people’s perception of their right to a certain standard of living varies. Those who have grown up in a poor home can think that a modest standard of living is just right for them (Harju, 2008, Ridge 2002). Some think primarily that things could be worse and some that they could be so much better. Their consumption probably reflects this difference.

Surveys also approach deprivation by counting the individual’s access to necessities. One benefit is that it measures all deprivations regardless of



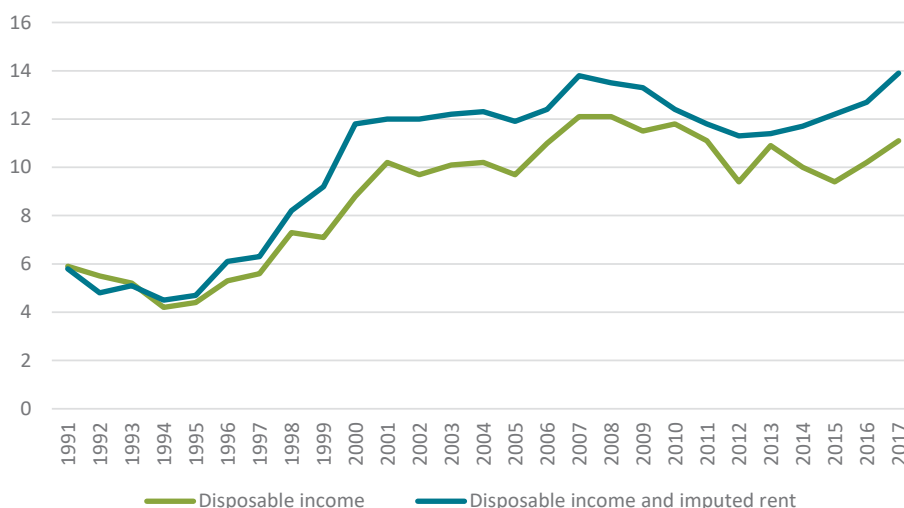
household income. However, it is quite a widely shared experience that the most vulnerable families do not or cannot answer surveys, even when the technical preconditions are met.

### Income studies

*Statistics Finland's* Income Distribution Statistics is a combination of survey and register-based analysis, which provides us with high-quality data. However, some misinterpretations are possible, even common with these statistics. These statistics primarily are about income distribution, not poverty. A poverty rate of, say 10%, derived from these statistics can be obtained in a country in which everyone is poor in absolute terms as well as in a country where no-one is. On the other hand, poverty eradication is not rocket science, child poverty is not inevitable (Ridge 2002). All that is required, and simultaneously the only way to reduce poverty, is more equally distributed wealth. Income studies as a metric are pro-cyclical because an economic upswing tends to elevate the median income and consequently the poverty limit leaving more families below the poverty line, yet often wealthier than before.

Including and excluding housing costs (imputed rent) makes a difference in the poverty rate. This applies particularly to families. The previously mentioned soaring of child poverty to 150 000 children for instance was simply due to a gap of two figures including and excluding imputed rent. As we can see from the figure below, the poverty rate reached the level of 13,9 % when imputed rent is counted. After all, this issue is mostly technical, although housing is extremely significant also from children's point of view.

Housing costs are challenging because so many families own their homes in Finland. Renting is very seldom a life-style choice, homes are owned when that is feasible. This becomes especially true when people settle down, something that having children well indicates. There are of course exceptions to this rule, but it can be argued that this rule prevails. Renting and owning one's home is one indicator of poverty. This is an issue that will be discussed later in this paper. Once a home is bought, people are not generally willing to return to renting, this is particularly important in divorce cases.



**Figure 3.** The poverty rate of Finnish families with children 1991–2017 including and excluding imputed rent. The difference of three percentage points in 2017 explains the difference between 119 000 and 150 000 mentioned before.

The second misinterpretation in connection to these high-quality statistics is the use of term “poverty” as a singular unity. The choice of using 60%, or other, of median income as a limit is significant. This choice, i.e. the gap between the 50 and 60 per cent rate, also explains the difference between OECD and EU statistics. In the following figure the poverty rate of children is presented using three separate limits: 40%/50% and 60% of the median income. The green line marks the poverty rate using the 60% limit (EU and national statistics) and red line the 50% limit (OECD).

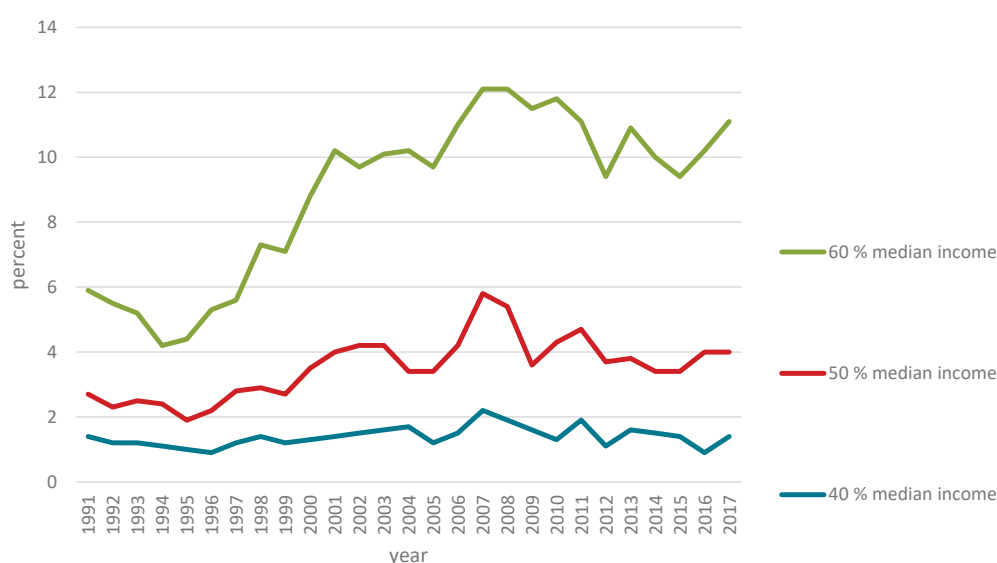


Figure 4. Families' poverty rate 1991-2017 using three different poverty limits

Most (roughly 60%) poor children are found between 50% and 60% of the median income in these statistics. They are very likely to live in scarcity, making coerced second-class choices one after another, but they are not necessarily starving nor are they homeless. If we find it accurate to call all families under 60% limit poor, then the number of 119 000 is right. What has prompted worries concerning a soaring child poverty rate, seems to be due to an increase in the 50-60% group. Overall, it can be stated that the figures presented above are reliable and accurate.

It is also good to notice that these figures tell us about inequality. There is nothing to determine that anyone should be below 60% of the median income, in other words no-one is situated below the line in an equal community. However, that community would still include the rich and the poor, just not that rich and not that poor. As a matter of fact, the top one percent can be as rich as ever and still poverty can be eradicated using these metrics.

On the other hand, when the poverty line moves upwards, it often indicates increasing prosperity on a societal level. To illustrate this: the most recent decrease in the child poverty level was simply due to a decline in the overall economy and thus changes in poverty limits (the 2007 crisis) (Salmi et. al.2016). In real terms the purchasing power of the “wealthiest of the poor” at the threshold in 2017 qualifies as middle class using the ‘90s standard. As overall living standards improve, poverty as a societal phenomenon is more

relational instead of absolute. To further illustrate this, paradoxically, any government that aims (only) to reduce the number of poor children in statistics should lean back and hope for a recession to lower the threshold and swing families to the other side of the line (Tuomala, 2019).

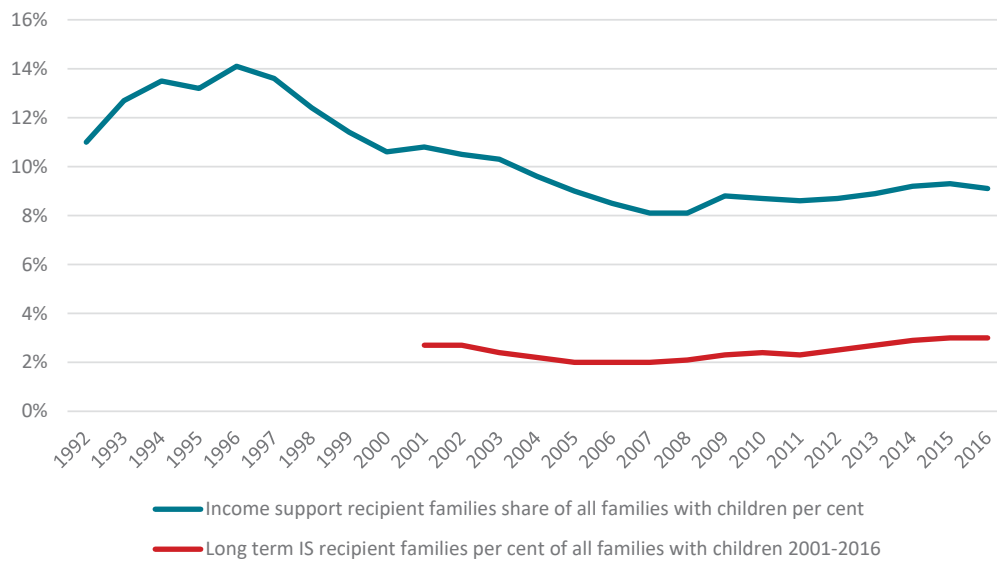
### Social assistance

Social assistance is one of the Finnish income transfers. Social assistance is a means-tested and last resort form of income protection (Ristikari & others 2018). Ristikari (& others, 2018) argue that it is considered a good indicator of poverty for several reasons. It is only available if other sources of income and savings are utilized. In order to receive social assistance, one must apply for it, this implies that the applicant considers herself to need it. In short, social assistance is designed to guarantee that a person living alone would have €490 per month at her disposal after basic needs are met. As the number of household members increases, the sum increases correspondingly. It is good to notice at this stage that the Finnish way of interpreting responsibilities within the family is quite individualized. A discussion concerning the so-called income trap goes on in Finland as well. In this debate social assistance is mentioned more often than any other transfer. The recent evolution of all income transfers has been versions of the “make work pay” thinking. Family transfers have not been an exception to this rule. However, even when these policies succeed (which is rare), a significant element of redistribution is required (Ridge 2002,34).

Social assistance is designed to be temporary; in real life this is often not the case. In principle long term reciprocity is a contradiction in terms but well known to exist. Altogether 7,3% of the Finnish population received social assistance in 2015. Of single parent mothers, more than one fifth were entitled to social assistance in 2017 whereas the corresponding figure for couples was 7%. The current Finnish family system relies largely on two working adults.

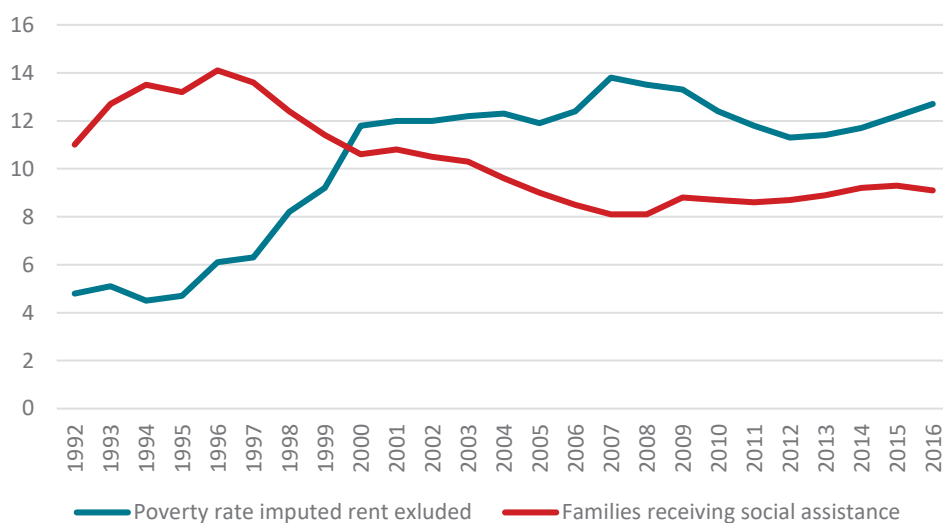
The following figure shows families receiving social assistance as a percentage of all families. The figure clearly shows, how the number of families receiving assistance has decreased rather than increased since it peaked in the mid-’90s. The share of long-term recipients is below 4 %. However, this indicator points straight at poverty rather than just low income or wealth distribution.

The figure shows how the share reached its peak in the 1997 (14,1%) and has fallen then to its current level. These annual figures include all families who have received social assistance at some point in the year. Cross sectional figures of any given month are significantly lower. The decrease in the number of recipients is due to rising living standards, but also changes in the law and interpretations of the law. Until recently, more than 300 municipalities implemented the law.



**Figure 5.** Families receiving social assistance and long-term recipient families 2001–2006 as a percentage of all families 1992–2016

In the following figure, the two poverty indicators presented are put together. Trends are comparable even though one figure counts households and another the number of children. The poverty rate peaks in 2007 and has been quite high ever since. Social assistance peaks in 1997 and has remained quite steady between 8 and 10 percent since 2003. It is even hard to point to a moment when these indicators would have gone in the same direction (see Bradbury et. al. 2001). The most obvious explanation is that an economic upswing tends to increase poverty due to a moving poverty line. The number of social assistance recipients is likely to decrease as more parents are employed.

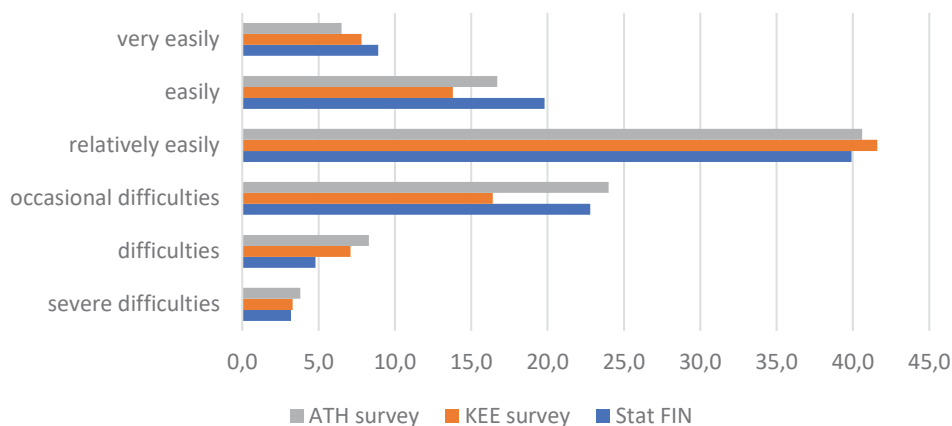


**Figure 6.** Families receiving social assistance as a percentage of all families 1992–2016 and child poverty rate 1992–2016.

## Poverty and affluence experienced

The third approach is based on experience; people are asked whether they can cope or not. As we can see in the figure below, surveys give a more comprehensive image than mere poverty indicators. This indicator also gives a picture of how many families find it easy to cope with everyday life. On the other hand, if one wants to know about the wealthiest 1%, a survey is not an optimal tool. The question of coping is asked in several surveys including the one presented in this paper. Target populations in surveys vary to some extent, but an overall picture can be derived. We can state that the survey conducted by KEE-program seems to be in line with other similar surveys.

Fewer than one in twenty families respond that they can cope only after a serious struggle, whereas almost one in ten say that they can cope very easily. Roughly one third, but still a minority, of families say that they face some difficulties in coping with their everyday life and expenses. A majority live without serious economic challenges. This is well in line with the cohort study (Finland as a growth environment for children, 2018) according to which more than half of the children born in 1997 face none of the four risks in their life course.



**Figure 7.** Experienced coping of the Finnish families in three separate surveys, percent of respondents.

Combining the two alternatives expressing the most severe difficulties brings about a rather similar poverty figure as the income distribution statistics. The two lowest groups are very close to the just above 10% poverty rate previously mentioned. Depending on the survey this figure varies from 8 % to 12 %. In each survey extreme poverty (severe difficulties) is rarer than the following alternative, here labelled as “coping with difficulties”. At the other end, more than a fifth express that they can cope (incl. very easily) easily, this figure is close to 30 % in STAT Finland’s survey. The three percent at the bottom, what we can on good grounds call poverty, does not seem to be a high or alarming figure. Still, it represents roughly 30 000 children.

This distribution, or all three of them, also seem to contradict the idea of polarization between the well off and the poor. Most families seem to place themselves in the middle, the distribution resembles a bell curve. This may also to some extent be due to the tradition of avoiding extremes in surveys.

## Short-term and long-term poverty

Poverty is always undesirable, but it is especially unfortunate when it is long-lasting. If one in ten children is currently poor (a child poverty rate of 10 per cent), it could mean that every tenth child is in poverty all the time or, at the other extreme, it could mean that all children are poor for one month in every ten (Bradbury et. al 2001). Long-term and persistent poverty has significantly more detrimental effects on child outcomes than transient poverty (Ristikari & others 2018, Bradbury et. al. 2001). Thus far the figures presented are mostly cross-sections, the quality of open access cross-sectional data is also pretty good in Finland. Opportunities to get out of poverty are important for families. Fortunately, poverty is mostly temporary.

Statistics Finland has estimated that about six percent of children live in a long-term low-income family. Roughly 14 000 underage children live in households in which at least one adult is a recipient of a disability pension. These are the kind of situations in which prospects are often narrowed and young people may find themselves in a young carer position. The economic situation can be quite tolerable, but it is vulnerable.

Almost half of parents of low-income families are employed (Salmi, et. al. 2016,21). Moreover, almost one fifth also has a tertiary level degree (Salmi et.al.2016). For many of those who have a job, the economic situation improves when they return to work after baby time. In relation to the age of children, poverty forms a u-shaped curve. The low income of families with infants and toddlers is due to the care of children at home. The higher poverty rate of teenagers is more related to metrics (Jäntti 2009).

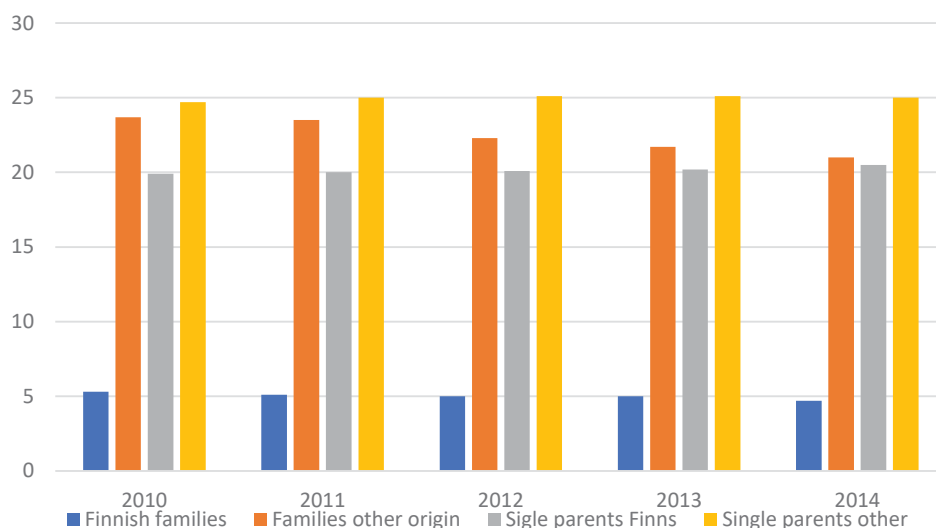
In 2016, more than 17,000 families received social assistance for 10 months or more. It is a bit concerning that the number of long-term recipients has risen. Long-term reciprocity exposes children to the cumulative corrosive features of poverty. On the household level, it adds to vulnerability. As such, social assistance is designed to keep people afloat but not much more than that. Local professionals have the discretion to support children's hobbies and other activities. However, even then support is often accompanied by shame. According to Statistics Finland, in 2017 there were almost 18,000 children in Finland whose families were long-term dependent on basic social security. The figure is almost the same as the long-term social assistance reciprocity figure.

Long-term poverty also leads to the question of social mobility. What are the odds for a child living in poverty ending up an affluent adult? The short answer is the following, reasonably good, but only in relative terms (see Jäntti 2009). The children of parents who have received social assistance often receive it themselves after they have grown up (Finland as a growth environment for children, 2018, Ristikari & others 2018). Twenty percent of children born in 1997 has lived in a family receiving social assistance for six or more consecutive months at some point. However, free higher education and related financial support also offer opportunities for children in low-income families. Social assistance can be risk-related in statistical terms, but after all it does support. It has been suggested however, that a universal benefit would support much better (e.g. Soininvaara 2012).

The risk of poverty is higher in single-parent families and in multi-child families (also Ridge 2002). Moreover, there are significant gaps between ethnic



groups. The following figure shows the proportions of the smallest income decile according to the family type and national background.



**Figure 8.** The share of families in the lowest income decile by different family types 2010-2014.

Graphics make it easy to see how single parenthood is associated with a higher risk of falling into the lowest income decile. Families with two parents and a Finnish background are underrepresented in the lowest decile whereas single parents are overrepresented regardless of their origin. Immigrants are overrepresented regardless of their family form. There is nothing especially surprising here, the situation is similar in similar countries (Harju 2008, Ridge 2002).

More than half, even two thirds of Finnish under-age children do not experience poverty in their everyday life. Many have no experience whatsoever of poverty, not even scarcity. Over half of children living with only one parent lead a good and materially secure life, though they may face other problems like bullying, health problems, addictions and many other issues like any children unfortunately do.

Different metrics give different answers. And that is everything they give. No metric can tell whether the numbers are low or high, too low or too high. What low income means in a shop, a travel agency or a sports club is as yet unclear. It is our next task to make statistics talk colloquial language.

Scarcity, affluence,  
confidence and trust

THE FOLLOWING SECTIONS will focus on a survey, which has not been reported elsewhere. The idea of the survey is to provide us with quantitative but also everyday information about scarcity. The information is more general than individual stories, yet hopefully attached to everyday life. Based on the statistics presented, most families are in a good financial position. Some face problems and struggle with scarcity, some even live at subsistence level. The child poverty rate of 10% and beyond is quite high but there are lots of shades of poverty. There is also scarcity on the better side of the poverty line. Following Pugh (2009) there is deprivation among children regardless of their financial situation. Deprivation may as well be linked to good taste or the idea of a good upbringing.<sup>2</sup>

## 2 The data

The survey was conducted in 2018–2019. One thousand parents of children from 7 to 16 years of age responded to 46 questions. The survey was designed to cover topics of economic well-being, social status and potential shame. Some questions were designed to cover issues of trust. Some questions were asked in a form of currency, like a decent sum for a birthday present for a classmate. Added to the 46 questions the respondents were asked about their gender, hometown, the number of children living with them, the type of family, occupation, housing arrangements and their children's age.

The age limit in practice means that respondents have a child or children in comprehensive education. Families were sampled randomly in proportion to the number of families in each region.

The statistical unit is a family/household. The size of the target population was 303 000 families when the sample was formed. The interviews were conducted by Suomen Kyselytutkimus oy and the sample was collected by the Population Register Centre. The respondents answered on behalf of their family regardless of their own gender.

Interviews were conducted by phone, interviews lasted approximately 20 minutes. Only Finnish language was used; thus, some ethnic minorities are most likely underrepresented.

One-parent and two-parent families were not allocated due to cost reasons. Of all respondents 145 were single parents, 114 of them women. That share is lower than the national (0–17) share. Single parents face more economic challenges than nuclear families as is clear from previous sections. Two and single parent families are in most cases reported separately, the data was not weighted to correct the slight underrepresentation of single parent families.

More than one hundred of the respondents answered that they live in stepfamilies which are here counted as two adult families, unless other information given. Altogether 590 females and 410 males responded. The majority of single parents are females so that this distribution is quite satisfactory and more balanced than in many other surveys.

	population (0–17) %	sample %
stepfamilies	9,1	10,7
single parents	22,5	14,6
one child in family	42,9	27
two children	38,9	40
three children	13,3	23
four + children	5,1	10

As many as 819 of respondents own their home whereas 157 are renting. Only 19 respondents reported that they are living in some other arrangements, like the Finnish version of a housing co-operative. From open access sources it can be inferred that this distribution reflects the target group well.

Respondents mostly worked (86 %). Only 41 people reported that they were unemployed. Forty-five reported that they were students and 27 that we are taking care of children at home. The rest were retirees or belonged to a small group "other" (sick leave, study leave). The distribution is quite similar to the population as a whole.

Twenty seven percent of families have one child, almost 40 % were families with two children and 22,5% had three children. A little fewer than a decile had four or more children. Ten of the respondents reported that they are non-residential parents. The high share of working respondents is due to the fact the target population was elementary school-aged children. It also explains why there were only 40 respondents who were taking care of younger siblings at home. Parents of school aged children are better off than toddlers' parents. Due to linguistic limitations the sample is probably at least slightly skewed towards well off families.

Interviews were conducted until the target of one thousand responses forming a regionally representative sample was accomplished. For that reason, the response rate is not relevant information here.

## Material deprivation and abundance

Nutrition, housing and health care are the basics whose absence jeopardizes children's well-being. Nowadays, in Western countries, basic needs are understood much more widely (Harju 2008). Similarly, poverty is more widely understood. Based on qualitative studies, we know that the experience of poverty among children is much about how they compare their situation with their friends. Nutrition, protection and cleanliness are the foundation of well-being. The social dimension of poverty is related to holidays, home size and equipment, school trips, leisure activities and the like (Hakovirta & Rantalaiho 2012). In part the social nature of poverty means that it only exists when it is detected. Similarly, the experience of scarcity is largely an experience of concealing it. Children themselves feel poverty as shame and guilt, and of course also deprivation.

Eurostat has calculated material deprivation based on the list of nine material deprivation items.<sup>3</sup> Those who lack three of the listed items are considered poor or deprived. Finland's latest deprivation rate is 8,7% for children. The figure has not increased dramatically. On the other hand, the figure has not fallen either, although the standard of living has developed well. Below the Finnish level are other Nordic Countries, the Netherlands, Switzerland and Luxemburg. The highest figures were measured in the Eastern Europe and Balkans, up to 40% and beyond. The EU average for the latest measurement was 16,1 in 2017, that reinforces the idea of Finland's good position in international comparisons. Eurostat also measures the risk of exclusion in different countries. Based on these measurements, the risk in Finland is quite high, but low compared to other countries.

Eurostat calls the lack of four or more things a severe material deprivation. Of the Finnish families with children, only a few (1,6%) belong to this group. However, a corresponding figure for single parents with dependent children is 8,8%. This higher figure is below EU average and one of the lowest in the EU. Among the listed commodities there are scalable components (which are relatively more expensive for a small household) like a car or a washing machine.

The same type of listing was used in the survey. Respondents were asked to evaluate their material well-being by simply answering yes or no questions. The list of items differ from the one Eurostat utilises so much that direct comparisons are not possible. In total 12 of 14 questions are translated and reported here. The respondents were asked to evaluate the situation from the perspective of their whole family. The questions are as follows (in brackets labels and distributions):

- does someone in your household donate regularly to good causes? (label: donate, YES 23,9%)
- can you afford to put child benefit away as savings to be used later, for example when your child moves away from home? (save CB, YES 30,6%)

<sup>3</sup> Items are the following: to pay their rent, mortgage or utility bills; to keep their home adequately warm; to face unexpected expenses; to eat meat or proteins regularly; to go on holiday; a television set; a washing machine; a car; a telephone.

- in the last year, have you seriously considered covering expenses with a so-called pay day loan (pay day loan, NO 94,1%)?
- can your family afford a week holiday abroad once a year, if you want to? (holiday, YES 66,4%)
- has at least one of your family's children had medical expenses insurance? (insurance child, YES 63,8%)
- in the last year, have you purchased second-hand clothes or toys for your child, because you could not afford the new one? (second hand, NO 65,2%)
- have you repeatedly postponed a purchase to payday over the past year? (postpone, NO 67,6%)
- can you afford to go to a spa or an amusement park (spa, YES 76,0%)
- during the past year have you skipped purchasing prescribed medicine for your child due to economic reasons? (medicine, NO 99,3%)
- in the last year have you waited for the next Monday, because then will be the next meal for the child? (Monday, NO 99,2%)
- do you have home insurance? (insurance home, YES 98,1%)
- can you afford to eat out if you want to? (dinner out, YES 84,8%)

At this stage, a few explanatory comments are in place.

### Insurance and health care

Healthcare has been the subject of a critical debate for several years in Finland. Several attempts to overhaul the system have failed, the endeavour continues. Over time trust in the public health care system, at least to some extent, has grown weaker. Families buy insurance to get to the doctor quickly and comfortably. On the other hand, companies market insurance actively. However, one can argue that the public health care system is better than its reputation. Insurance can be bought due to misinformation and because of moral pressure on good parenting. In sparsely populated areas, private health care provision does not exist, so the insurance's actual benefit is reduced. Families who are insured end up paying twice for their children's health, first with taxes and then with insurance. However, insurance covers only part of the treatment of illnesses. The cost of such insurance varies. In any case annual costs are hundreds of Euros.

### School meals

School-meals in Finland are free of charge for all pupils. For ten odd years there has been a widely believed story about school kitchens preparing themselves for a higher demand for food on Mondays. It is unclear how valid this claim is and how widespread the phenomenon is. Based on newspaper articles it can be also argued that municipalities put favourite dishes on the menu on Mondays. It is difficult to distinguish the cause of the effect here. If children's nutrition was dependent on school meals, this would indicate severe difficulties. In this respect an ordinary weekend is just a short break compared to e.g. summer holidays of two and a half months. It seems clear that the lack of free school meals in the summer is also an economic issue for some families (as in the U.K. see Ridge 2002). The holiday brings about extra costs but not necessarily hunger.

## Travelling

For geographical reasons, travelling abroad has a special significance in Finland. There are places in northern Finland from which one can walk to Sweden whenever one wants. Travelling to Russia is easy but requires a visa until further notice. Travelling to Estonia is not very expensive for Helsinki residents. However, week-long vacations generally mean trips to Central Europe or beyond. The cost of such a holiday for a family of four is at least € 2000, often much more. The estimate is very cautious, this amount is easy to spend on a week's holiday in Estonia as well. A week's holiday abroad requires saving for a family living on the poverty line, or correspondingly increases the risk of debt problems. The trips are most expensive during the school holidays in the fall and winter. Families do apply for extra leave for their children in order to get access to less expensive holidays. But even then, holidays abroad are not feasible for the lowest income families.

## Child benefit

Three of the questions in the survey mention child benefit, a universal and tax-free allowance for all children aged 0-16. The purchasing power of this transfer is one of the topics under debate. Even if it is tax-free the child benefit is counted in when the calculations concerning social assistance are made (e.g. Ristikari & others 2018). The benefit's value has been quite volatile both in nominal and real terms since the beginning of the '90s, it has been estimated that the real value of the child benefit has fallen by several tens of percent since. The current (2019) benefit in Euros is as follows:

**TABLE 1. Child benefit in Euros 2019 (source: [kela.fi](https://kela.fi)).**

<b>For the first child</b>	<b>94,88</b>
<b>The second</b>	<b>104,84</b>
<b>The third</b>	<b>133,79</b>
<b>The fourth</b>	<b>153,24</b>
<b>The fifth, sixth ...</b>	<b>172,69</b>
<b>Single parent increase</b>	<b>53,30</b>

## Housing

As mentioned before, owning one's home is more a rule than an exception in Finland. Families may have and often have mortgages, but they are socially and culturally homeowners no matter how much they owe to the bank. Owning one's home is also a matter of housing security and thus a way to gain independence. Some may think this another way around so that it is renting that provides independence and freedom. From the point of view of inequality, owning one's home, even combined with debt, is an asset. Housing benefit is primarily targeted at tenants. Owner-occupied housing is supported through taxation. Up until 1993 imputed rent was taxed as one sort of income. According to StatisticsFinland, homeowners spend 18,5 % of their



net income on housing, whereas renters spend 25,5%, both up 3 percentage points since 2002.

## Distributions

In the figure below, the distributions of all previously mentioned questions are presented. Single parent families and two parent families are presented separately. Distributions have been modified to show economic well-being. For example, it shows the share of those who have not considered pay day loans. The significance of the difference, measured by chi-squared-test, is flagged with \*/\*\*/\*\*\*. The chart shows at first glance what was already known; that two-parent families are doing better economically. The differences are small in matters that tell of absolute poverty. The differences are greatest in matters related to leisure consumption.

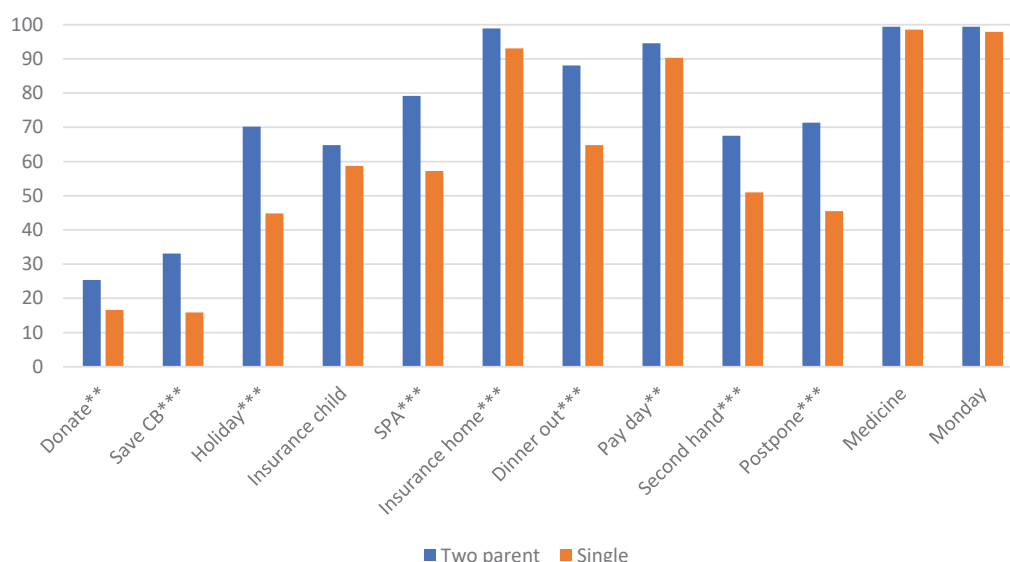


Figure 9. Distribution of twelve of the Y/N questions for two-parent families and single-parent families separately.

## Severe deprivation

“Medicine” and “Monday” refer to serious deficiencies in a child’s living conditions. Fewer than one per cent of respondents reported such problems. In the case of “medicine” (not purchasing prescribed medicine) the proportion is 0,7 % and in the case of school meals on Monday respectively 0,8 %. The proportion is small, but still means more than 200 school classes.

Even if the well-off, or at least Finnish speaking population, are over-represented, there is no reason to assume the proportion to be significantly higher. The lowest child poverty rate estimates are at the same level. The poverty rate of 1,4 % is obtained if we choose 40% of the median income as a limit (equals roughly € 1700/month for a 2+2 family). The proportion of those reporting serious financial difficulties in surveys is higher: 3,2 %. Each percentage point equals circa 10 000 children so that low seeming figure of 1,4 % means more than 14 000 children. This proportion faces financial hardship

that was once consigned for the historians.

Almost all two-parent families have home insurance, whereas the proportion in single parent families is lower (93%), yet high. Having insurance is often required to rent in the first place. This probably explains the high figures. Home insurance is also generally considered to be a necessary expenditure in social security calculations (Soininvaara 2010). Practically all homeowners have home insurance. The share is not lower for the unemployed or students (very small proportion of the respondents). It is reasonable to expect someone to skip insurance bills if they are hungry or cold. In that respect having insurance coverage above 90% also among the poor is quite high, one could say good.

Pay-day-loans (or quickie loans) have very high interest rates. Therefore, to think about one indicates financial problems in the family. Almost 95% can cope without giving a thought to pay-day-loans. However, almost 10% of single parents report that the idea has crossed their mind in the last year, the difference is significant. However, these shares still are below the standard estimate of poverty rate of all families and single parents respectively (25%). In addition, considering does not mean that the person in question has utilized those loans. For a rational consumer a pay day loan is a desperate alternative, but not all are rational consumers. Therefore, the relationship to poverty is not perhaps direct.

### Leisure division lines

Qualitative studies have found that leisure time in particular divides and separates children's experiences (Harju 2008). In practice, it means hobbies and "own money" in addition to issues discussed here (Hakovirta & Rantalaiho, 2012). In the decision-making process within the family, the position of children is the strongest in leisure time consumption. Children in general depend on their parents, but there are many ways in which income differences are translated into leisure-time consumption (Hakovirta & Rantalaiho, 2012).

What the survey suggests is that two-thirds of families can afford a week-long holiday, this figure is quite well in line with Hakovirta & Rantalaiho's study. Three out of four can visit theme parks and spas. Nearly 85 percent can afford to eat out. Compared to the survey 2012 (conducted by The Finnish National Institute for Health and Welfare, see Salmi et. al. 2016) more families report that they can afford holidays. The difference is probably due to the difference in target groups.

From a child's point of view material well-being often means holidays, dinners out and visits to spas - or their absence. These are issues that are visible and easy to grasp for a child. These are also things children talk about and tend to compare (Pugh 2009, Attree 2004, Hakovirta & Rantalaiho 2012). There would be an endless number of possible questions to ask, starting from cards to collect and different brands. We have every reason to assume that children are good at interpreting differences in living standards (Lemetyinen 2014, Attree 2004), and at distinguishing genuine products from copies (like in jerseys). We are talking about commodities, the acquisition of which at the same time means that the child has something to tell. And the fact that one has something to tell indicates that she belongs to a group (Pugh 2009).

At the same time, it is reasonable to consider that the absence of hotel

holidays and dinners out is not fatal. One might consider such things a luxury or at least not necessary, but children do not necessarily see it that way. These are real issues for children and they also tend to pop up in qualitative reports of poverty and low-income families (e.g. Hakovirta & Rantalaiho, 2012). These are the issues that mediate scarcity to children's lived experience. They are indicators of inequality without absolute poverty or indicators of lack of participation. At the same time, it is good to bear in mind that every wish that is not fulfilled is not a sign of poverty and that children are very aware of this (Hakovirta & Rantalaiho, 2012). Moreover, the "monetary cost of participation" in children's daily lives is not always high. Qualitative research often talks about little things, coffee, ice cream; often no bigger than movie tickets.

The phenomenon is not new. It has been described in much the same way for some time. Susanna Alakoski, a Swedish writer, describes her childhood in the '70s as follows: *poor kids can't invite friends to their home (they are ashamed), they are bullied (they don't have enough cool clothes), they lack important symbolic items, they have trouble making friends (they can't offer back when they are offered)* (Alakoski 2012). These observations do not need anything added based on more recent research. Fortunately, however, reality is not as straightforward as in the description. What is central to the description is that each defect is matched by a problem with friends and peer groups.

In addition to their value in use, goods have a symbolic value. Children are well informed; they know very well that everyone should reduce their travel by plane. They can live without visiting a spa and they know that living without the latest and the most expensive cell phone is fine. They know well that every wish cannot turn into a need. And yet, they tend to know who in their peer group goes on holidays and carries the most expensive devices.

"Hope" a Finnish charity collects dreams from their client families. Lists of these dreams support the idea that children are very aware of these things. A day in an amusement park is well represented in children's dreams. A one-day ticket to the most popular theme park costs € 42. Entrance fees for a three-child family are therefore € 126 for the children only. Travel expenses and meals must be paid in addition to this. One day at the amusement park costs roughly 10% of the family's monthly income when talking about the family on the poverty line (60% of the median income). If the family is fortunate to live near the park and skip meals out, they can make it for 5% of their monthly net income. If life is scarce already, parents must give up something else in order to offer it to their children. To travel abroad is correspondingly more expensive and eating out less expensive.

An interesting detail, yet based on my own observation only, is that children do not remove their theme park wristbands for weeks after their visit. It matters much more than a few hours of fun, if a roller-coaster ride is such an experience. This contributes to Pugh's (2009) idea of economy of dignity and having something to tell.

Altogether 12 % of respondents report that they cannot afford holidays abroad, eating out, or going to an amusement park or spa (any of the three).

The boundary is close to the level of child poverty which is obtained using the limit of 60% of the median income. At the other end of the continuum 62% report that they can afford them all.

**TABLE 2. Families who can/cannot afford leisure time activities broken down by family type and home owning**

<b>Dinners out, holidays and visit to spas and amusement parks</b>		
	Can afford them all % spa3	Can afford none of them % spa0
<b>Two parents</b>	66	10
<b>Single parents</b>	37	28
<b>Homeowners</b>	69	7
<b>Home renters</b>	28	37

As we can see from the table above the gap between homeowners and renters is even wider than it is between different family groups. More single parents are members of SPA3 than SPA0 whereas in the renters' group SPA0 outweighs the other group. This confirms the assumption that renting or owning a home is not a lifestyle choice. Nearly two-thirds of households with school aged children can afford three listed items, all post-modern conveniences.

### Recycling and postponing

The question of the constant postponement of purchases is intended to map how tightly the family economy is tuned. It is meant to measure the vulnerability and resilience of the household economy. There has certainly been a change in the culture of consumption. Saving is rarer, products are bought first and paid for later, impulsiveness is more common (Williams 2006). As a result, the financial situation of families, regardless of their level of consumption, is more vulnerable. Moreover, the government in Finland is looking to introduce measures aimed at tackling the increasing levels of household debt.

Two thirds of all families can shop for what they need without delays. One third of families must prioritize what they can buy now and what they can buy later. However, this doesn't tell us anything about the level of consumption. Only five per cent have considered pay day loans to cover their expenses. This suggests that families are also prudent and less impulsive consumers than perhaps a stereotypical current consumer.

Surveys suggest that roughly 20 % of families can cope, but with occasional difficulties. In addition, 15 % of respondents totally disagree with the statement: we are not worried about money. It is reasonable to presume that at least one fifth of families live without a significant cushion or reserve for a rainy day. The figure is probably higher referring to the mentioned one third postponing their purchases. The financial situation of those families is perhaps too vulnerable to withstand a long sick leave or even perhaps a broken washing machine. However, we cannot draw far-reaching conclusions because the amount of fixed costs in the family varies. The risk of poverty depends on the safety provided by the extended family. The figure of 34% is

quite high, considering that education is free of charge, day care is heavily subsidized and personal college funds are also rare.

The figure is interesting also because it is so much higher than the official poverty rate, roughly three times higher. It may tell us about the current consumer culture as much as poverty. Long-term saving has disappeared from our consumption patterns. In that sense, it is no wonder that children find it problematic to get things only after saving (Hakovirta & Rantalaiho 2012). Scarcity is often reflected in the impossibility of impulsive consumption, that is e.g. to go to a coffee shop or to the movies without planning. Based on qualitative data we can assume, that children expend a lot of energy on being able to refuse with dignity an invitation to this kind of consumption (Ridge 2002).

## Second hand

Keeping second-hand clothes out of financial pressure is a multidimensional issue. Everyone should reduce flying, and everyone should also increase recycling. Luckily perhaps, various things motivate people to use second-hand stores. Economic hardship mingles with ecological motives (Williams 2006). In addition, ecological choices are of interest regardless of the economic situation. It is probably a good thing, considering the social nature of poverty and stigmatization. There are, however, big differences in environmentally conscious choices between the genders. In the survey, more than half of women (57%) consider ecological issues important when purchasing clothes for a child, whereas just over a third of men responded so.

A third of respondents say they have bought recycled clothes or toys because they couldn't afford the new ones. The share is practically the same as it is in postponing purchases. This paper started with the notion that Finland's child poverty rate is the second lowest in the OECD and lower than the overall poverty rate. Yet, a third of families report that they have purchased items second-hand for financial reasons. Is there a contradiction? Not necessarily. Recycling clothes, for example within families, is more a rule than an exception. It is considered a prudent and ecological activity, and it is not stigmatizing.

If all the child's clothes are recycled and come from neighbors and charities in addition to relatives, the situation is different. Recycling in general is something that one can do and still qualify as middle class no questions asked. Travelling abroad more than once a year and recycling are not mutually exclusive. There are several reasons for this; linked to the climate and climate change.

The most obvious reason is that children grow up fast, it is clever to recycle. Parents of small babies noticed long ago that high quality clothes are better for the sixth user than low quality clothes are for the first user. The resale values are pretty good, too high for the poorest families.

Some hobbies are expensive nowadays (Puronaho 2014). For instance, to play ice-hockey may cost hundreds of euros per month. That is several times the value of child benefit. It is tempting for also middle-income people to acquire some of the equipment second-hand. Children's car safety seats cost as well. Many also need them in the grandparents' car. Internal recycling in the family takes care of such needs effectively.

One explanation is also the climate. There are days, weeks, even seasons when clothes get completely dirty, daily. To stay inside all day is not an option, fortunately. Children need a second, third, and fourth outfit for snowless autumn days, preferable a durable outfit (one in use, another in the washing machine, the third drying and the fourth in repair). Aunts, uncles and god-parents are all potential donors of necessary goods. It is not surprising if the lack of social relations is also reflected in the economy (Ridge 2002). The price level at flea markets is low. Whether one can buy things second-hand is more a question of luck, time and transportation than of money, except for high-quality clothing brands. However, children's winter outerwear is worn out so quickly that it's hard to find them second hand.

Buying everything a child needs new is expensive, beyond even an average income. The new prudentialism is going in the direction of not separating boys' and girls' clothes. It facilitates recycling within the family. Rubber boots or ski boots may only be needed a few times a year - and then they no longer fit. It's a little silly to exclude the following users on the basis of the colour of the shoe. This kind of thinking may also have something to do with the four seasons.

One third of families do not seem to have significant savings for a rainy day. One third is far larger a share than the most often cited poverty rates. Therefore, we can conjecture that besides the families who are statistically poor, there are also other families living from hand to mouth. If everything runs smoothly, they can probably keep up their standard of living. Above the poverty line there are degrees of economic vulnerability. However, this kind of metric is quite hard to interpret as apparently some people can save from little income and others consume each Euro anyway. One third of parents buy second-hand because they don't have an option of buying everything new. This poses a potential risk of perceived poverty, if not in childhood then as a teenager.

To sum up, recycling at the Finnish price level is much more than a matter for low-income people only. For most it is a combination of making money last and greener thinking. Only a couple of generations earlier, the situation was much worse. "Municipal clothing" was recognizable and distributed in schools in front of everyone. The problem is not that there is so much recycling of children's goods, but that there is so little recycling of adult goods.

### More than is necessary

A significant proportion of families have more income than their immediate consumption demands. In the survey the issue was approached through donation and saving of the child benefit, though it is obvious that some donate even if they don't earn more than they need and correspondingly many on high incomes do not donate. Saving the child benefit, or any other money, means not only the absence of poverty but a surplus in household economy.

One quarter of families report that they donate regularly to good causes. Men reported a higher standard of living than women, but men donate less. More than a quarter of women respondents donate whereas less than a fifth of men do. Women are more high-minded, not only do they donate more but also donate more from thinner wallets (the interpretation is limited by the fact that the respondents represented their households). Donation is



a question that only indirectly indicates the respondent's standard of living. Not only do males appear more economically selfish, they also seem to care less about environmental issues. Considering that the income redistribution of the Finnish system is based on taxes rather than donations, one quarter is quite a high proportion. The idea of taxes crowding out donating is outdated, as has been observed several times in studies.

Almost one third of respondents say that they could put aside the whole child benefit and save it for later needs (like when a child is leaving home). Of single parents only 10 % and of renters only 5% could save the benefit. The purchasing power of child benefit has fallen so much that this does not tell us much about abundance. Dropping out from an expensive hobby can save three times the value of child benefit. Child benefit per child increases as the number of children in the family increases. Despite its decreased real value, a multi-child family must earn well to be able to save a child benefit.

It can be argued that one third of families have at least a €100 cushion per child per month. Another third is forced to prioritize when making purchases. The third in the middle can satisfy basic needs and even more but cannot save much of an additional buffer. Based on a rough calculation: saving child benefit gives those children at least a €20 000 head start in life when it is their time to move on their own. On the other hand, all education is free of charge, including tertiary education.

What does this tell us about child poverty? This may give an impression that there is no such thing as poverty but many poverties. The poverty line is drawn at 11,1 %. This doesn't appear to mean that every tenth child suffers from hunger, that much was evident from the beginning. It appears as well, that almost every family has home insurance, which is good. Within the group of poor children, which is a decile large minority, there is another decile which suffers from continuous material deprivation. This deficiency jeopardizes even their proper care, health and nutrition. Not to mention that their standard of living lags far behind other children. Almost 20,000 Finnish children are placed outside the home. There is certainly an overlap between these and poverty statistics. How much precisely is unclear.

Not all statistically poor parents consider pay day loans to balance their short-term finances, which is good. Not all poor families feel that they can cope only with severe difficulties. The poverty line is very close to the boundary that distinguishes those who cannot afford to eat out, visit spas or travel abroad from the rest. It is a good reference point. For those who know Finnish restaurant prices it is even more illustrative. It is generally said that in some schools it is not advisable for a teacher to illustrate mathematics with restaurant examples as students have no experience of them.

Similarly, the poverty rate for single parent families is 25%. The children of lone parent families do not starve much more often than others because the whole phenomenon is very rare. Of single parent families over 95% have home insurance. One tenth of single parent families have considered pay day loans. Fewer than half of single parent families can afford a holiday abroad, whereas 70 % of two parent families can afford it. When it comes to home insurance the difference may be statistically significant but it is only a few percentage points. When it comes to leisure time consumption the difference is significant and above 20 percentage points.

When children talk about their holidays by the pool almost one third has the right to remain silent. Eating out is commonplace for two-parent families whereas one third of single-parent families cannot afford such a luxury. As Pugh (2009) these are the tokens children utilize when making themselves heard, noticed and accepted in their peer groups.

## Experienced economic well-being

The survey asked about the experienced material coping in several ways. Four variables were converted into a sum variable.<sup>4</sup> The sum variable was further transformed so that it can have a value from 0 (the worst off) to 15 (the best off). For the whole sample sum variable's mean is 7,85 and the median 8. The distribution is presented separately for two-parent families and single parent families in the figure below. The lower limit of two parents' mean with 95% confidence interval (7,9) is higher than the upper limit mean for single parents (6,7). This reflects the differences already presented in earlier chapters. As expected, families with three or more children report somewhat lower economic well-being. However, the widest gap was between homeowners and renters, mean 8,4 and 5,2 respectively.

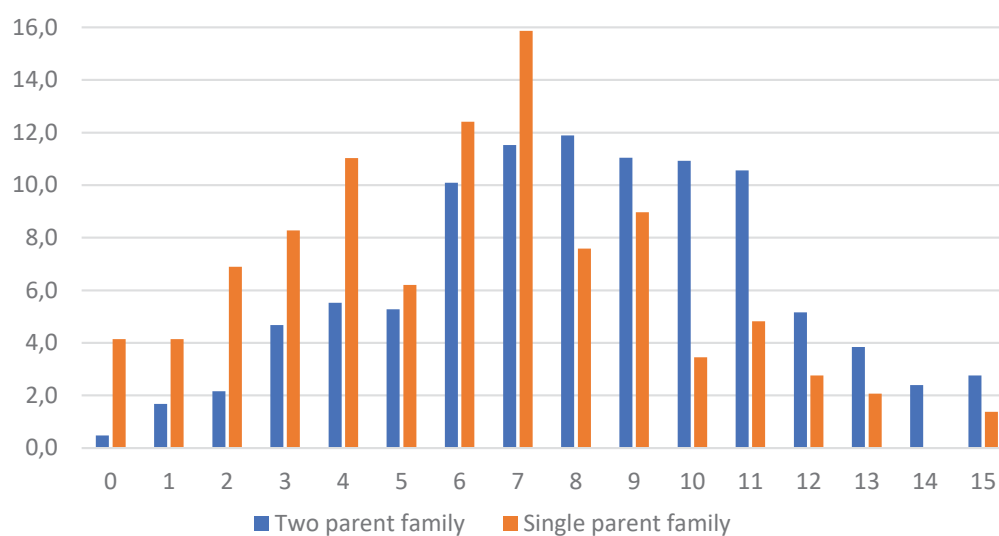


Figure 10. Material well-being on scale 0-15, two-parent and single-parent families separately, percent.

Most single parents are women. There is no significant difference in the well-being of men and women respondents if only two-parent families are analyzed. It is worthwhile bearing in mind that most single parents are not poor even though they are more likely to be low income households.

Two questions concerned the abolition of child benefit and, conversely,

4 The variables were 1) overall coping with earned income as shown in figure 8 2) estimated effect if child benefit was withdrawn (4 options) 3) estimated effect if child benefit was doubled (4 options) 4) a claim: we don't worry about money (Likert scale). Cronbach's Alpha .796.

the doubling of the benefit. The abolition of child benefit without compensation would seriously damage the finances of 15 % of the families. On the other hand, almost an equal proportion reports that there would be no effect, a similar proportion completely agree with the statement that her family doesn't worry about money. A little above ten percent responded that doubling the benefit would make no difference to them and a similar size group reported that it would help substantially. The distribution is centred as most of the respondents anticipate relatively small and undramatic changes. As presented before, one in three families responded that they can put benefit aside for other purposes.

More than one in four of families with three or more children consider withdrawal of the benefit would seriously damage their economy. Whereas only one in ten of families with 1-2 children responded in this way. As mentioned earlier, the child benefit increases with the number of children. The value of child benefit almost doubles from €95 for the first child to €174 for the fifth. The higher number of children brings benefits of scale, but many effects are also negative. For instance, housing is expensive and so are cars.

On the established scale, 3,1 % of the families rank in the two lowest categories and 11,2 % in the four lowest. The latter figure is close to the most often used poverty rate, however the questions used in this income metric do not directly refer to poverty. The bottom end of the scale, though, reflects both economic concerns and difficulties in coping. The following steps reflect at least concern and vulnerability, if not outright poverty. At the other end of the scale there are corresponding numbers of respondents.

### Still or bubbled

Does the financial situation constitute the norm and understanding of reasonableness? We asked respondents for their views on a reasonable price or amount of money for some of the things familiar to families. Those who find coping very easy, estimate the reasonable cost of a hobby twice as high (on average €124/month) as the ones who face severe difficulties in coping (€64). The difference in the price of a mobile phone was only about a third; € 148 and €209 respectively. In each case questioned, the correlation between the perceived financial situation and price is positive and significant. It might be an exaggeration to interpret the differences as saying that people live in completely different worlds. But the environment and one's standard of living seem to influence interpretations of ordinariness and reasonableness. The differences are quite understandable because others earn more and have more money, then the standards of consumption are set at different levels. A different question is, how big a difference constitutes a problem?

The following table shows the average estimates for the appropriate value of a birthday gift in the different categories of coping. It shows that there are differences. However, the differences in euros are neither very large nor completely linear. These differences may and probably do hide critical views on consumption across different income categories (Pugh 2009). It seems however, that what is considered normal varies according to finances. It does so slightly differently when it comes to phones, weekly benefits and gifts. But the basic remains the same, those who can cope easily consider normality and decency to be on a higher level.

**TABLE 3. What do you think is a reasonable monetary value for a classmate's birthday gift (EUR)?**

Coping financially	N	Mean in euros	Percent of the lowest value
Severe difficulties	32	10,97	100
Difficulties	70	11,76	107
Occasional difficulties	163	12,15	111
Relatively easily	413	15,36	140
Easily	237	14,38	131
Very easily	78	17,78	162
Total	993	14,39	

## Status and social confidence

To measure status and social confidence a sum variable was formed utilizing four variables.<sup>5</sup> The sum variable can get a value from 0 (high confidence no lowered consumption) to 16. Most parents seem to feel comfortable and confident. The median is 3 and mean 3,4. With caution it may be suggested that parents are socially more confident than financially. Or maybe that by pulling the economy tight things are made easier socially.

Less than 10 % of all respondents feel worried about their children feeling ashamed due to their clothes or family's standard of living. However, more than a quarter report that they have reduced their own consumption to prevent their children being bullied (see also Pugh 2009, 12). This is reported by more than half of single parent women. However, it is good to bear in mind that the relation between bullying and status-clothing was formed already in the question.

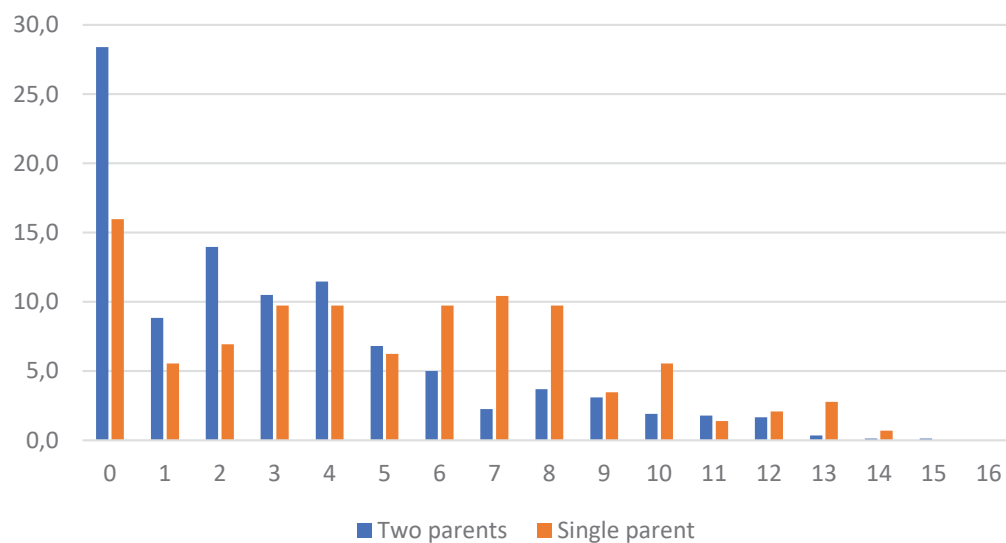
In the previous chapter holidays, dinners and spas were discussed. These are the kind of things that fall into the area of justice rather than rights. Status is similar. A child who feels shame because of her backpack may have a backpack which is functionally fine, as good a book carrier as any other bag. However, a certain combination of stripes or logos may mean a lot if not everything, they fall into the area of symbolic goods.

Many qualitative reports typically address shame and pressure in connection with economic hardship. It may derive from school's excursion payments, as well as cell phone models. Children do not want their peers to know about their hardship. Clothes, phones, holidays and leisure time activities may expose children to a feeling of shame. Financial problems are intimate while they are also visible. Poverty is not a static condition for children, but something that requires strategies to live with (Harju 2008).

5 1) I have worried that my child is bullied because of our economic status (Likert scale). 2) I have worried that my child is ashamed of her clothes, backpack or phone (Likert scale) 3) I have reduced my level of consumption to save my child from shame (Likert scale) 4) I have hesitated going to parents' gatherings because I feel we don't have anything in common (Likert scale). Cronbach's Alpha .785

As we can see from the figure below, single parents show lower confidence and are more prone to worry about their children being bullied. The mean for single parents was 5,0 whereas for two parent families it was 3,2. Still, again the gap is wider between homeowners (mean 2,9) and renters (mean 6,1).

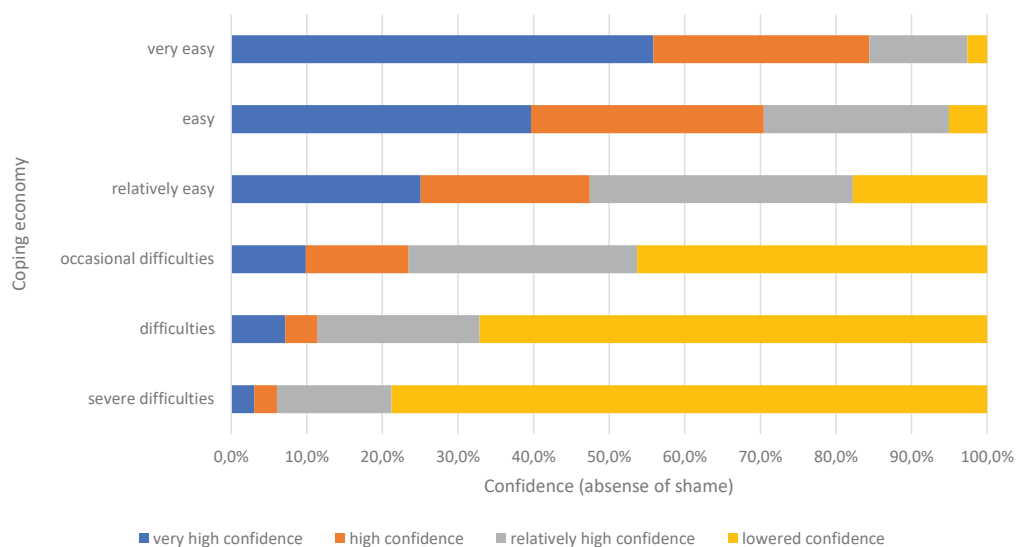
Thus, there is a significant difference in confidence or absence of shame between one/two parent families. The few male single parents in the data did not have any lower confidence than others. The difference that can be perceived in the figure is an effect caused by female single parents. Moreover, stepfamilies are as confident as nuclear families.



**Figure 11.** Status and confidence. Share of respondents for each value. Value 0 equals no reported shame and high confidence.

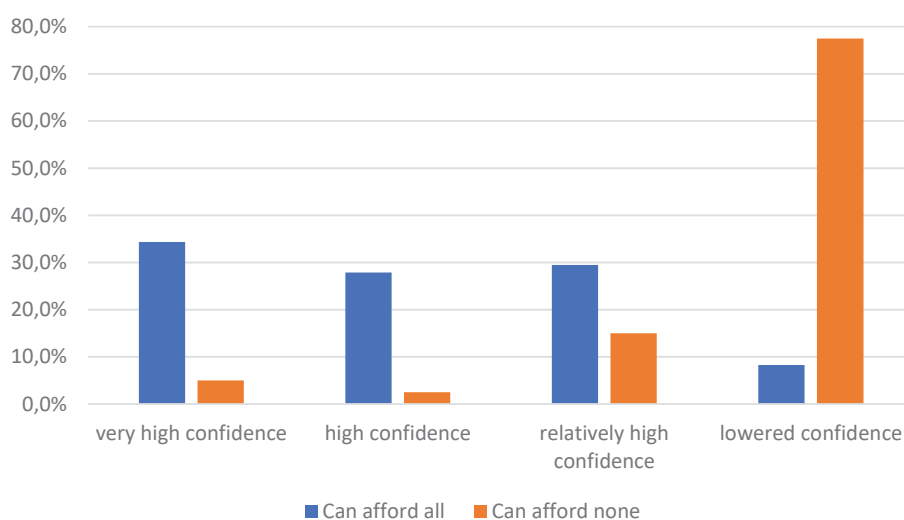
In the figure below confidence is presented separately for each group of experienced economic coping. It is evident that those who find it hardest to cope in economic terms also have the lowest confidence and are the most prone to worry about shame. Unfortunately, they may have a good reason to worry. One of the variables put into “confidence” is about reducing a parent’s own consumption. Thus, it is not only about confidence and shame but also about parenting (Pugh 2009). From qualitative research, we know that children too are proactive in changing their demands and desires if they think they are a burden on their family’s finances (Harju 2008, Ridge 2002).

The relation between economic coping and confidence is linear and clear. The lowest class in confidence is 6-10/16, thus the term lowered (not low). This cannot be presented as a result of the study because the connection between economic hardship and confidence was already built into the questions. However, the connection is so strong that its presentation is justified.



**Figure 12.** Experienced economic coping and confidence (absence of shame)

Homeowners' confidence is significantly higher than those who rent. Over half (53%) of owners were either very confident or confident, whereas only one in five (21%) of renters qualified in these categories. Owning one's home is very tightly related to confidence and absence of shame. To highlight the relation between confidence and mundane "luxury", in the figure below, confidence is broken down according to economic means for holidays, dinners out and spas as done earlier. As there is an obvious overlap in questions, such a strong connection is not surprising. It is evident that there is an equally strong connection between ease of finances and capability of leading a life that is deemed normal. All this said, in other historical, cultural and religious contexts, affluence would not transfer equally directly into social self-confidence.



**Figure 13.** Confidence and financial resources to purchase holidays, visit spas and dinners out.

## Trust

To function properly a society needs trust. It makes life easier in many ways, not least because it can also keep the economy in motion. Lack of trust on the other hand is corrosive and unhealthy for everyone (Wilkinson 1996). In general, respondents trust their fellow citizens. The table below shows the distributions of the KEE survey and Statistics Finland's broader survey concerning the statement of general trustworthiness of fellow citizens.

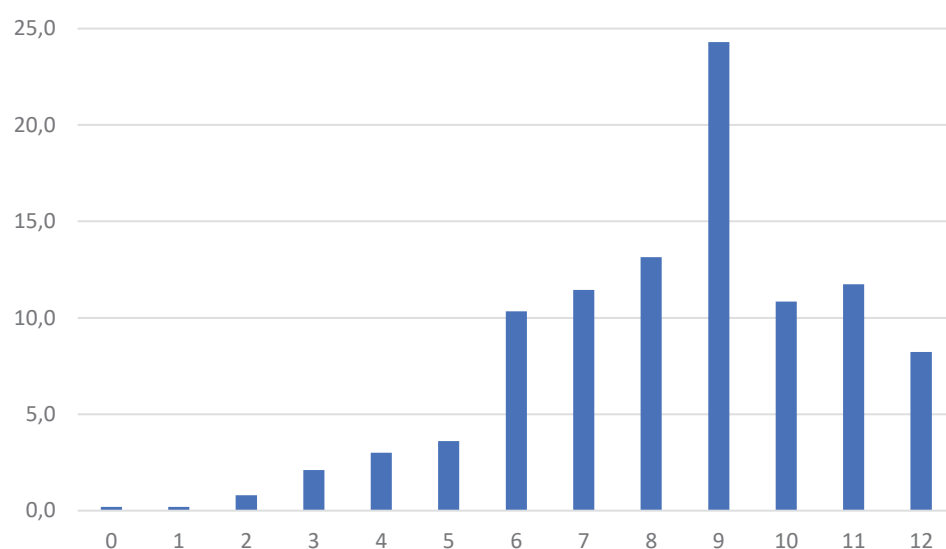
**TABLE 4. How trustworthy fellow-citizens are considered according to two separate surveys.**

People in general are trustworthy	Kee survey	Stat. Finland. Respondents 15 years or older (n= 6715) (missing value 2%). 2017.
Strongly disagree	1	4
Disagree	9	15
Neither agree nor Disagree /cannot say	27	3
Agree	46	62
Strongly agree	17	15

A variable to measure trust was formed by forming a sum variable.<sup>6</sup> There are not very significant differences between families, though nuclear families score higher in trust. There are significant differences in trust between homeowners and those who rent. Women also score higher than men. Trust is related to economic well-being but not as strongly as confidence and not in such a linear manner. Those who can cope easily tend to trust more, as expected. Inequality in general can have a corrosive effect on trust (Williams 1996). So far it seems that the majority trusts fellow citizens.

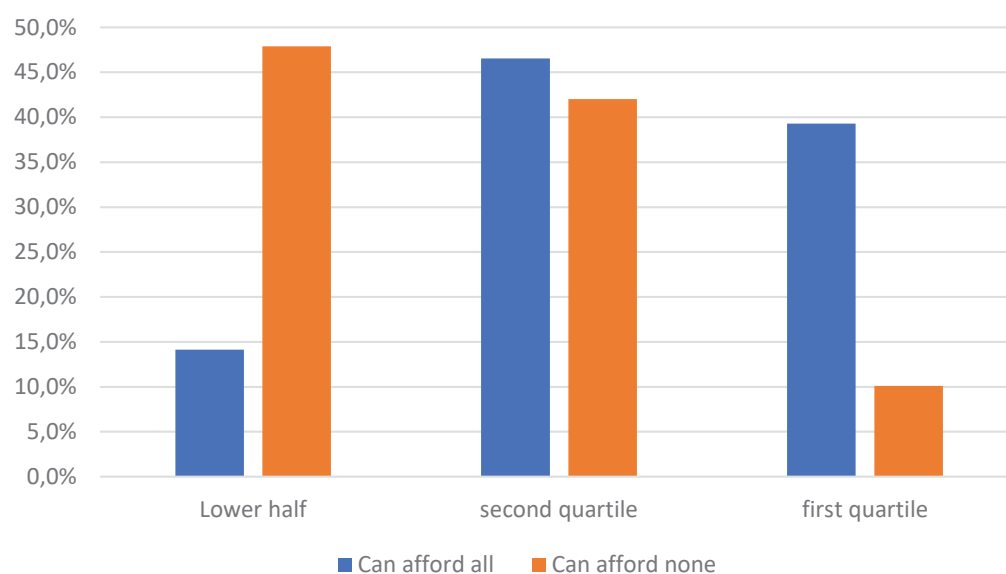
<sup>6</sup> Sum variable contained three variables 1) people in general are trustworthy 2) people in general try to help others 3) people in general are benevolent towards each other. All measured on the Likert scale. A fourth trust-related variable: it is safe for the children to play outside in our neighbourhood did not fit well with the others. Therefore, three variables were selected, Cronbach's Alpha .841





**Figure 14.** Trust, percent of all cases in different values for the sum variable. Value 0 equals very low level of trust and 12 very high.

The trust variable was further divided into three sections, the lower half refers to values 0-6 (n=202), correspondingly the second quartile to 7-9 (n=487) and the first quartile to 10-12 (n=307). The label lower half mostly contains values close to six and thus moderate trust rather than distrust. The two more trusting groups are bigger in size but cover the smaller part of the spectrum from 0-12. Consequently, the three groups are labelled lower half and second/first quartile.



**Figure 15.** Trust broken down two groups according to respondent's capability to purchase SPA, dinner and holiday category goods as presented earlier. Share (per cent) of the group.

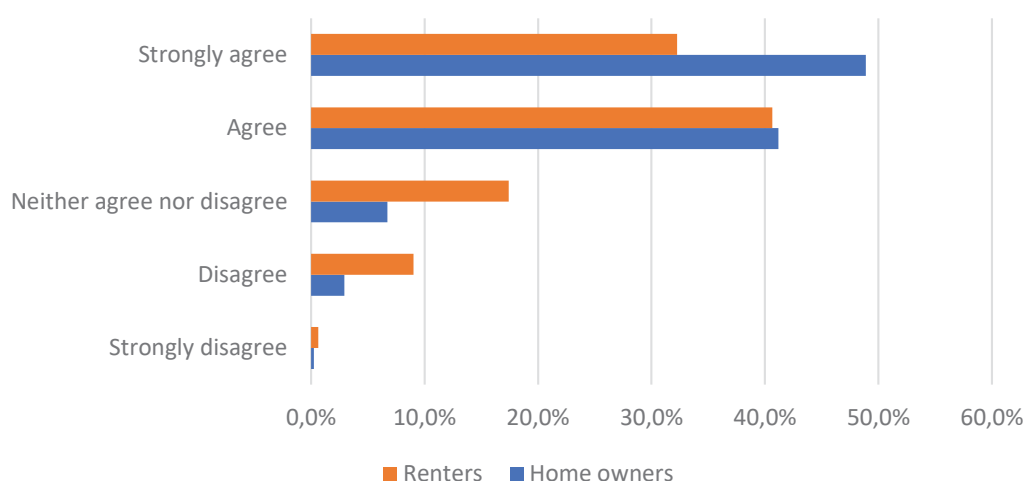
As we can notice from the figure above, respondents' ability to purchase certain goods and services is related to their trust as well as to their confidence. Though trust in general is on a high level, the differences are significant. The link is significant in that there is no overlap between questions of trust and of purchasing power. However, it is good to notice that confidence and trust are lowered, not low. Moreover, the most significant differences in trust are likely to be between those who live alone and family members. The experience of being left without help is known to be unfortunately widespread.

### Playing outside home

Letting children play outside is one way of trusting other people, especially in the neighbourhood. There are cultural differences in how good parenthood is interpreted. In the Finnish tradition, safeguarding children is not a yardstick of good parenthood. Children go to school unaccompanied over relatively long distances and that is not considered a lack of parenting. In my experience, children explicitly prohibit parents from escorting them to school starting from the second grade. Hakovirta & Rantalaiho (2012,45) suggest that children consider parks and playgrounds in the neighbourhood to be necessities, they are as important as cell phones or own rooms.

In the survey, respondents were asked to react to a sentence claiming that it is safe for children to play outside. Keeping in mind that the children are of school age, outside means a probably wider area than the most immediate backyard. No less than 46 % of all respondents strongly (it is the strongest concession on a five-point scale) agreed with the sentence followed by additional 41 % who agreed. Only three respondents from the sample strongly disagreed (=0,3%). Of those who disagreed to any extent (n=42) over half live in Helsinki or the Helsinki region, the only region in Finland that describes itself as a metropolis. The other half comes evenly from cities and rural areas. Feeling safe, one could argue, is one way of being rich. There is a lot of this wealth in Finland and it is quite evenly distributed. However, I suspect that a safe neighbourhood does not really compensate for the differences in commodified leisure.

More than 90% of homeowners agreed with the statement whereas almost 70% of renters agreed. There is a gap between the groups, but perhaps the most important is the high general level. It can be stated that Finns are rich in their trust provided that the trust is well grounded. Of course, it would be ideal for all children to move outdoors safely. In this respect four percent of all parents and a decile of renters disagreeing is too much.



**Figure 16.** Feeling one's neighbourhood safe for children broken down by ownership of housing

Between owners and renters there is a gap which has been detected before. It is not as wide as it is in other variables, but it is visible and significant. This reveals something that straightforward income statistics do not show. Parents can buy good neighbourhoods for themselves and their children. The differences in the feeling of safety may be related to traffic, pollution, fear of paedophiles or addicts, wolves or whatever, but the gap remains. This, as well as several other differences in previous graphs indicates that renting does not seem to be a lifestyle choice. However, the situation is different from countries where parents can buy a safe environment quite directly (see e.g. Pugh 2009).

## Smooth ordinary days

Being able to let the children play outside makes life smoother. In addition, in the survey respondents were asked to react to two claims concerning their ordinary life. The first was about the flexibility of parents' work (or studies). The exact formulation was such that the family's needs influence the output; "working life is flexible according to the needs of the family". Thus, a certain level of flexibility may prompt different responses.

The second question was about the help received from grandparents and friends; "we get help from grandparents and acquaintances in running everyday life so much that we feel that we are in control of schedules". When these kinds of assets go hand in hand with economic issues, it adds to inequality and vice versa.

As for flexibility (the first question), the result is very encouraging. One quarter of respondents completely agree with the claim and an additional 42% agrees somewhat. Fewer than one in ten respondents disagree with the claim. Based on the results, the work of parents of school-age children is flexible, even flexible enough at least for two thirds of the parents. However, the situation does not seem as good when asked whether the parents had to spend too much time at work.

When children are smaller, more flexibility is needed, and the situation is not as good. In lone-parent families, the situation is not as good as in general. Single parent families are especially overrepresented among those who

completely disagreed with the claim. Most likely single parent families need more flexibility, but not everyone gets enough. However, fewer than one in five one-parent families disagree with the claim. There is no possibility for international comparisons here, but it is hardly an exaggeration to describe Finland as quite a child-friendly country in this respect (for example, day care fees are not charged to low income parents).

Similarly, a quarter is very happy with help from grandparents and friends. However, dissatisfaction is much more common than in the previously reported question. A little less than a third could use more informal help if it was available. The reasons for this may be manifold, maybe there are no grandparents anymore or they live far away. Single-parent families are more likely to miss family's and friends' support. This is, of course, a pity and a major drawback because they would probably need it the most. For families with many children, informal support is at least as strong as for any families. It may be typical for Finland that the flexibility of working life is perceived to be better than help from the family and friends. In so far as such cultural speculation is in place, we can argue that the ethos of coping on one's own is still strong, it is perhaps easier for people to turn to institutions than to other people.

A separate question is whether family and acquaintances can be replaced by something else, maybe something one can buy. Money may not bring friendship, but lack of it can be detrimental to friendship. In extreme cases, lack of money can isolate children e.g. from their grandparents. At the other extreme one tenth of families obtain all the flexibility and help they need in order to make life run smoothly. Fortunately, fewer than one in a hundred respondents were completely dissatisfied with the help and flexibility they get.

## Transportation

Ridge argues in her research on child poverty (Ridge 2002) that travelling from one place to another was problematic for children, especially in rural areas. Even when there is public transport, its charges are high. Finland is a sparsely populated country, so similar problems can be expected. In the survey, respondents were asked to comment on the following statement: "We have access to private or public means of transport so that it does not restrict children's social or recreational activities". Based on this, limited availability of travel opportunities is detrimental to the social life and leisure activities of about one in ten families. Keeping in mind the distances, the share is not huge. Only 3,3 % of respondents strongly disagreed with the claim, whereas more than half strongly agreed. Of those who disagreed (n=33) only two live in any of the biggest (100 000 inhabitants or more) towns in Finland. One third of them were lone parents and families with financial difficulties are slightly overrepresented. However, this question is far from being solely financial.

## The open question: what would help families

All respondents were asked one open question as follows: Can you think of any reform that you think would help families with children in the current situation? Of 1000 respondents 454 answered something. The answers reflect the target audience, people think about things that are relevant to themselves.

For that reason, answers should not be taken as literal recommendations for the whole family policy. Related to the target group, only a few comments were made concerning the day care system.

Only one tenth of the proposals were related to school. That is not much considering that each responding family has at least one child in school. School-related proposals were shared among buildings, materials and teaching. Few proposals were related to teaching, which, however, is a central school's function. This indicates quite general satisfaction with school.

More than half of the proposals concerned financial support for families. Child benefit alone (raising it) collected 16% of proposals. In addition, turning the child benefit into a means tested transfer was mentioned in 8% of answers. This is a really big proportion given that the question was open. More than 14% of proposals concerned some other benefit or social security in general. On top of this, 8 % of proposals suggested family friendly changes in taxation. Altogether 46% of the proposals were straightforwardly about the economy and social policy. On the other hand, respondents had just been asked economic questions for 20 minutes.

Proposals to reduce the costs for hobbies (11%) are also targeted to help families financially. Two thirds of hobby-related proposals straightforwardly suggested lower fees. An additional 2% suggested lower fees for after-school activities. Altogether 60% of the classified proposals were either direct transfers to families, tax reliefs or lowered fees for leisure time activities.

Finnish child and family policies have focused (as it has expanded) on services for at least the last 20 years. Direct financial support for families has been neglected. Much has been debated about school properties, mental health services and home help. They all appear in individual proposals, but financial support appears much more frequently.

It is noteworthy and surprising that so many answer the open question that they want to make child allowance means tested. They are wrong in a sense that it would destroy the original idea of child benefit, not to mention the Nordic way of thinking, where everyone pays, and everyone gets. And they are right in the sense that about one tenth gets the child allowance even when they don't depend on it, whereas the poorest decile would almost desperately need more of it.

# Concluding remarks

WE HAVE NOW GONE THROUGH the statistics and one survey. In between I have included special features of Finnish society. Those observations have touched on everyday life and on history, therefore they cannot be all-inclusive. In the beginning it was stated that Finland has done well in international comparisons and at the same time Finns are concerned about child poverty. The basic truth that there are 119,000 poor children in Finland has been supported by reflections on what this means in everyday life, I hope the reader will now have a clearer picture.

There are 119,000 poor children in Finland. This information is essential because it can be compared internationally and over time. By contrast, its strength is not that it tells the one and only truth about the matter. The child poverty rate of 11.1% (or 119 000 children) is almost equal to the share of social assistance recipients of all families. The proportion is close to that of families who are coping with severe difficulties or difficulties. It is close to the proportion of families who cannot afford to travel abroad, go to the spa or eat at restaurants. For a family of four, this means they have about € 2,600 a month available for all consumption. That is usually enough for everyone to get food and clothing. But it makes hobbies and other leisure activities financially unattainable. It is not enough to withstand half a year's sick leave, perhaps not even a suddenly broken washing machine. Over time it can make people feel that they are alive but not really living (Ridge 2002). A well-established poverty indicator is a good thing, as long as it is not considered to be the whole picture. At least two things must be kept in mind alongside the official poverty figure.

Firstly, within this group of 119 000 children there is another group of more severe deprivation. It is more than one decile within the decile of statistical poverty. This zone covers what have been consigned to history. It means intermittently jeopardizing the satisfaction of basic needs, a feeling of hunger for instance. In statistics it means that a family of four (2+2) lives on €1700 per month or less (40% of the median income). This zone is about severe material deprivation, lacking basic insurance policies and long-term dependency on basic level social security. A five-digit number of children live in such conditions. A small proportion of families is deprived also of a safe neighbourhood to play in. It is good to notice that people living on €1700 for a family of four would have an increase of 50% in their income if only they were on the official poverty level.

There are children living in families that are long-term dependent on social security, enough to elevate the figure close to 50,000. According to surveys, about 35,000 live in families that only survive financially with great difficulty. A larger proportion of families say they have considered pay-day loans and face the risk of exclusion. Proportionally their income would also increase significantly if only they reached the poverty level most commonly used.

Secondly, scarcity reaches the richer side of the official poverty line. A significant proportion of families live in a tight economy without buffers. This may be due to a lack of money, but also to a change in consumer culture. Poverty (defined as exclusion from ordinary living patterns, customs and activities) is a wider concept including the third who cannot afford a week-long holiday abroad. Similarly, one third of parents postpone their payments. One third of young people report that their family's standard of living is on



a moderate level or below. This, however, is not just a matter of low income. Saving has decreased and spending on debt has increased. In any case, families have less of a buffer for a rainy day.

More importantly, over 15% of families strongly disagree with the statement “we do not worry about money”. That is far beyond the poverty line, roughly 40 000 children above. Not having a holiday abroad once a year is not a good measure of poverty. But if a child is the only one in their class who can’t go on a vacation, life is scarce for the child. Child poverty is not only being a member of a low-income family.

One quarter of families cannot afford a trip to a spa or an amusement park. The proportions are higher than the official poverty line, yet the phenomena described can be experienced as poverty. To the question of how many poor children there are in Finland, we can answer which number do you want? Take any figure between 3500 and 350 000 and we can find a suitable definition. The annex lists different versions of the poverty rate and the number of poor children to illustrate this claim.

### Poverty in plural

I argued earlier that we could talk about poverty in the plural. That is important to prevent the 119 000 kids from going through the media lumped together until another topic takes its place in the headlines. There is statistical poverty, and that is good, we also want to know things in numbers. Statistical poverty gives us the opportunity to look at things over time. Some statistics consider not only income but also expenditure, at least to some extent. In the case of means-tested social benefits, the assessment is made by the authority. In surveys, it is consumers who make their own assessment. However, the picture provided by statistics is usually based on the idea of a closed and homogeneous state. In practice one income means different living standards in different parts of a country as large as Finland. For example, the cost of housing in different parts of the country varies considerably. Moreover, statistics generally also assume families to be similar in terms of their internal income distribution. All this is not problematic if it is considered in the interpretation.

Regardless of the monetary variables, people can feel poor, or not. Experience is influenced by health, social relationships and many other things. It is also influenced by the standard of living that one feels is justified for herself. That is why we must consider what it means when someone learns how to be poor, and particularly what it means to learn that lesson as a child. Having this or that kind of sneakers today is after all not that significant compared to life-long inequalities. It is important from a children’s rights point of view that the child does not perceive himself or herself as a second-class citizen.

Child poverty is significant not only because children are dependent on adults. There are qualitative differences as well deriving from the fact that new millennium children have grown up into a society of consumption. Therefore, the plural can also be used to distinguish between adult poverty and child poverty. It is fortunate in a way that there are many well-off adults in Finland who have had a materially poor childhood. It is the result of the rapid growth of prosperity. This also means that there are many parents who have grown up in a different material environment than their children. In

their minds, nostalgia (of a more authentic childhood) and the protection of children (fear of being left out) compete.

Child poverty is thus not merely being a member of a low-income family. In children's world, logos and brands matter more than in a grown-up land. We cannot take it for granted that children can see behind the brands like we adults think we do. Children's peer groups can be supportive and sometimes also cruel and blunt. Child poverty would be quite different if every child was poor every 10 months even if it was statistically quite similar.

### **Commodified leisure and feelings of poverty**

According to literature, child poverty in Western countries is quite similar. Poverty is perceived as a shame, something to hide if possible. At the same time, poverty is very visible, it is visible in clothing, equipment and homes. It is audible, or rather silent if the children have nothing to say. Children do not want goods, they want to belong, even when they say they want goods. When poor children are asked what they want to change in their lives, their wishes are about the causes of the shortage, not toys or clothing (Ridge 2002).

Studies on poverty and consumption seem to live their own lives, with welcome exceptions (Pugh 2009, also Wilska & Lintonen 2017). Even the best statistics assume that income distribution within the family is always the same. Adding information regarding consumption and consumption culture will greatly enrich the image. One of the most interesting questions is: what makes sensible parents buy so much for their children (Pugh 2009, Williams 2006). Based on the literature, it appears that some don't think about it at all, others don't care. For some, children's clothing is a direct extension of a car, apartment, and boat that show a standard of living. Some people care and think, and have promised that their children will not have to experience the same as they themselves experienced as a child. In Finland, this group is potentially large. This would not be the first time when a sense of honour makes people act irrationally. Some are sensitive to children's claims of bullying and exclusion and can afford to play safe (by this I also mean that well-meaning articles in the press on the link between poverty and bullying are not only positive in their repercussions). Finally, some cannot afford it but consume anyway.

Children do not live in bubbles in the sense that they are exposed to the same advertisements. Their parents' ability to purchase symbolic products for them varies greatly. This is, I argue, one of the reasons for speaking of child poverty also in its own terms. In my view, consumer research provides essential perspectives on child poverty in Western countries. It is also of paramount importance that children are asked about poverty. Furthermore, it is a matter of respecting the voice of children so that just quoting what children say is no way to report a study. Respecting a child and acknowledging that she cannot see all we see is not a contradiction.

I believe that taking into account the commodification of leisure is essential in understanding the phenomenon. The commodification of leisure has taken place in the last 20 years in Finland. This applies to things like hobbies, travelling and eating out. A lot has changed in our habits and activities in places such as shopping malls, spas and cinemas, starting from the fact that the number of these places has increased significantly. According

to Puronaho (2014), the total cost of sport-hobbies has doubled or tripled from 2002 to 2012 in ten years. The average cost of a football hobby (11-14 years old, competitive) in 2012 was almost € 6 000 per annum, up more than 200% in ten years. That cost is roughly five times the value of the child benefit (Puronaho 2014). Following Puronaho: throw out (with the costs) is as significant as drop out, when teenagers quit their hobbies.

Poverty is visible in homes and schools, no doubt. Both have a central role; every child must live somewhere, and school is compulsory. But the increase in poverty, especially among children, is largely related to commercialized leisure. Commodified or commercialized leisure means more opportunities and higher quality. It means that a child who is a moderate singer in a choir can go abroad to perform. It also means that an ordinary football playing child at the age of 10 can attend a tournament abroad. All this is great as it provides children with experiences. This progress has left some children behind. What is luxury and excessive for us, is more like a standard for the children. However, there are still inexpensive hobbies like scouting, and also sports like orienteering. Neither of them is a second-class choice, quite the contrary. But the basic line remains, only some can afford some hobbies. Some choose what they like, some what they can afford. Hobbies have always been a sort of extra-curricular activity. Now the emphasis is more on the curriculum-side than on the extra. A child without a hobby is almost deviant. An extra-school arena for self-development and self-realization is the norm.

A Finnish child at the age of 15 has no experience of any other domestic currency but the Euro. If she never experiences the ease of using it abroad, she has been left out of the whole idea on a street level. Those whose livelihoods are based on social benefits are lagging, firstly because of the fall in the purchasing power of subsidies relative to wages and secondly, because of the rise in the cost of leisure. If people were content with the '90s norm, there would be almost no poverty at all. The consumption culture affects everyone, also those who don't buy, like rising divorce rates affect those who stay married (Pugh 2009). Rising consumption establishes a new cultural environment with new expectations and this is particularly visible in leisure time consumption.

It is quite evident that the costs of normal leisure time consumption have increased significantly, so much so that it is not a plausible idea to cover the costs with flat increases in child benefit. Contributions to children's hobbies are supported by the fact that help goes directly to the child. Leisure time and hobbies are not the same, but hobbies would be a good place to start building more equal leisure time. Opportunities and facilities are there already, it is a question of distributing this wealth.

### Deprivation and poverty

Not all deprivation is a sign of poverty, it can be a sign of a well-informed and critical upbringing. Those who don't have unlimited screen time may feel deprived. Those who attend extra classes after school may feel less privileged than those who only attend compulsory classes. I believe that western countries have a lot of similar setups in which prosperity and deprivation take separate ways now, and another route later. Unlimited screen time may appear nice now and extra classes may appear hard labour. However, in the long run, classes are most probably are an asset, whereas screen time may

even be detrimental. We should also pay attention to what Pugh (2009) calls pathway consumption. This refers to consumption which is intended to improve the chances of the child succeeding. Effective medicines don't always taste good, and delaying gratification requires some maturity sometimes. Therefore, children's narratives need to be supplemented with other perspectives.

Pugh (2009) talks about symbolic deprivation and symbolic indulgence. The first mentioned means that affluent parents create a state of deprivation for their children for educative purposes, or in order to express good taste. Low income families in a similar situation, also in order to prove their good parenting, want their children to get their share of what is considered normal consumption. What deprivation means in families of different income groups varies considerably. Those whose financial situation does not directly lead to deprivation create it for other reasons (Pugh 2009). Therefore, not all deprivation is a sign of poverty and not every desire is a need.

### The changing landscape of virtuous consumption

Think about the following instructions, what they suggest: save first then buy; buy second hand, if you can; prioritize, think about what you need; wait, think twice if you really need it immediately; work for your money. This could be the secret annex of the catechism. It could be a citation from a guide that will help you to reduce your carbon footprint. But it is neither. This is a list of coping strategies that children utilise when living in scarcity (Harju 2008). An old-timer like me sees the list as virtuous. What is more, I would be inclined to think that this kind of orientation is mainstream. But is it anymore, has it ever been? Shouldn't all children learn to live like that? I'd be tempted to say yes, from the point of view of the environment and upbringing of the children, not to mention consumer culture.

If this is somehow deviant, marginal and exceptional, what then is the mainstream? Is the mainstream spontaneous consumption, buying before paying and buying for the sake of the object instead of a need? Furthermore, is money coming as a windfall. If you can't choose between yellow and red, the solution is to buy both. This is a way of life we cannot afford in any way. It would be unfortunate if normal consumption appears like this to children. At the risk of being a moral dinosaur, somehow, I like the way poor children manage, too bad they are poor and behave like they do only because they cannot afford to behave otherwise.

This is a selective list of only one study, but illustrative as such. At the beginning of the text I referred to richplaining. Which, in short, means poor advice for the poor by the wealthy. Maybe advice should take a U-turn. Saving doesn't have to be a punishment, neither does waiting. Such a sermon on morality is best suited to considering buying toys (see Williams 2006). The child should not wait for years to start a hobby. What is even more significant is that there is no need for poor children to learn that these are their instructions and other children live according to other rules.

Thus far most of the topics have been quite straightforward, at least numbers are a common ground that conveys ideas. I have alluded to some rather complex issues as well. The obvious one is, what can we do? That is a complex issue, even if we consider poverty to be simply a lack of purchasing power. Income distribution statistics show that the livelihood of families with

children is lagging behind overall development. As a matter of fact, this is what income distribution statistics reveal, not so much the number of poor children. At the same time, there are great differences between families with children. In general, only unpleasant solutions are available to fund reforms. But this time there is an even worse solution on offer, and simultaneously perhaps the best available. Improvements in the situation of children can also be financed through savings brought by a declining number of children. One can only hope that this is a temporary solution. In any case, falling birth-rates will reduce public spending more than we even want, because today's savings are devastating to tomorrow's performance.

Poor and needy children need and deserve more than our pity. Pity should not stop from seeing potential strengths and discovering energizing ways of feeling compassion. Poverty is not contagious; it can be examined from shorter distance than we now look at it. It is not wrong to demand much of poor children, on the contrary, they deserve it. It is good that the poor are being portrayed with respect in the media. At least as long as the goal of poverty eradication remains a priority, something I can't always be convinced of.

It is good to keep one's eye on the ball, to some extent. The way we think and speak of poverty, and the poor, is also a reflection of our conceptions of ourselves. Some say that the world is so sick that it is normal to be out of balance. Maybe our culture of consumption is so sick that being poor is a good answer to that. Unfortunately, being poor is unpleasant and negative in many ways. It is questionable if parents are entitled to choose poverty on behalf of their children. What should we think of poverty being so intimate and visible at the same time? How can it be easy to spot and simultaneously too intimate to ask about? My understanding is that we think economic failure also tells us about human failure. Or rather, our culture thinks so for us.

Talking about poverty and vacations in the same sentence may seem pointless, and I understand this to some extent. However, inequality regardless of standard of living has been found detrimental. Therefore, we cannot simply draw a line and consider everything above to be only relative poverty and not significant. It is true that on a global scale a deprivation of stripes and logos should not make anyone too unhappy. But children do not live on a global scale anymore than they see statistics from their bedroom windows. Their feeling of fairness influences what kind of adults they become. That is why it matters.

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## Appendix

CRITERIA	SHARE OF CHILDREN/ FAMILIES %	CHILDREN (0-17) AFFECTED (E=ESTIMATED)	TARGET GROUP OF THE INFORMATION SOURCE	TIME	SOURCE
Don't feel their neighbourhood safe to play outside (strongly disagree)	0,3	3 200e	Families 7-16 years	2019	KEE survey
Has waited for school (or other free) meals because are hungry	0,8	8 500 e	Families 7-16 years	2019	KEE survey
Poverty rate 40% of the median income	1,4	15 000	Children 0-17	2017	Survey & Register. Statistics Finland
Severe material deprivation 4/10 item missing	1,6	17 100	Children 0-17	2017	EU-SILC survey (STAT Fin)
Household's annual income 90% or more basic level transfers for four consecutive years	1,7	18 000	Children	2017	STAT Fin
No home insurance	1,9	20 500 e	Families 7-16	2019	KEE survey
We have access to private or public means of transport so that it does not restrict children's social or recreational activities (strongly disagree)	3,3	35 000e	Families 7-16	2019	KEE survey
Long term social assistance recipient families/all families	3,3	35 000	Families 0-17	2016	The Finnish National Institute for Health and Welfare
Can cope only after severe difficulties	3,4	34 100 e	Families 0-17	2016	Survey, Statistics Finland
Poverty rate 50% of the median income	4,0	43 000	Children 0-17	2017	Survey & Register. Statistics Finland
Don't feel their neighbourhood safe to play outside (strongly disagree + disagree)	4,2	45 000 e	Families 7-16 years	2019	KEE survey
Household's annual income 90% or more basic level transfers	5,3	57 000	Children 0-17	2017	STAT Fin, Lapsiköyhyys Suomessa 2010-luvulla
Risk of poverty and social exclusion 2/3 criteria	5,6	60 000	Children 0-17	2017	Statistics Finland, survey +register
Seriously considered pay day loan in the last year	5,9	63 000 e	Families 7-16	2019	KEE survey
Parent reduced the level of consumption to save child from shame, strongly agree	8,2	87 000 e	Families 7-16	2019	KEE survey
Material deprivation 3/10 items missing	8,7	93 000	Children 0-17	2018	EU-silc survey (STAT Fin)
Received social assistance families/ all families	10,9	116 000	Families 0-17	2017	The Finnish National Institute for Health and Welfare
Poverty rate 60% of the median income	11,1	119 000	Children 0-17	2017	Survey & Register. Statistics Finland
Cannot afford to eat out regularly	15,2	162 000e	Families 7-16	2019	KEE survey
Strongly disagree with: we don't worry about the money	15,7	167 000e	Families 7-16	2019	KEE survey
Repeatedly postpone purchases to the payday	32	345 000e	Families 7-16	2019	KEE survey
Family's standard of living is on moderate level or below	32	345 000e	Young people 8-9 graders	2017	The School Health Promotion study, survey
Cannot afford a week holiday abroad once a year	33,6	358 000	Families 7-16	2019	KEE survey



LASTENSUOJELUN KESKUSLIITTO  
CENTRAL UNION FOR CHILD WELFARE

CENTRAL UNION FOR CHILD WELFARE  
Armfeltintie 1, 00150 Helsinki  
tel. (09) 329 6011  
toimisto@lskl.fi | www.lskl.fi