



What is Poverty?

The World Bank states that 'Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not having access to school and not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time. Poverty is losing a child to illness brought about by unclean water. Poverty is powerlessness, lack of representation and freedom.

Lack of income is not the full story – living in poverty can mean limited access to safe water, good schools, health care, stable and clean housing, and electricity.

In Middle East and North Africa, Latin America, and the Caribbean, despite the low prevalence of monetary poverty, almost 1 in 7 people lack adequate sanitation. Even though South Asia has made progress in poverty reduction, shortfalls in education remain high for both adults and children. The number of people in the region living in households without access to electricity is far greater than those living in monetary poverty.

How many people live in poverty globally?

IN
2015

736 million people

– nearly 10% of the global population lived in extreme poverty on less than \$1.90 US a day.

Over 1/4

of the world's population survived on \$3.20 US per day and nearly half of the world lived on less than \$5.50 US per day.ⁱ

How are children affected?

Children are disproportionately affected by poverty. In 2016, half of the population living in extreme poverty were children. Of those children, three-quarters lived in Sub-Saharan Africa and Asia.

Even in the world's richest countries, there are 30 million children growing up poor.

Where is poverty worse?

413 million people
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\$1.90
a day

More than half of the extreme poor live in Sub-Saharan Africa. This is the region in which extreme poverty is growing most rapidly. In this region, 413 million people were living on less than US\$1.90 a day in 2015, more than all the other regions combined.

High poverty rates are often found in small, fragile and conflict-affected countries and the majority of the global poor live in rural areas, are poorly educated, employed in the agricultural sector, and are children under 18 years of age.

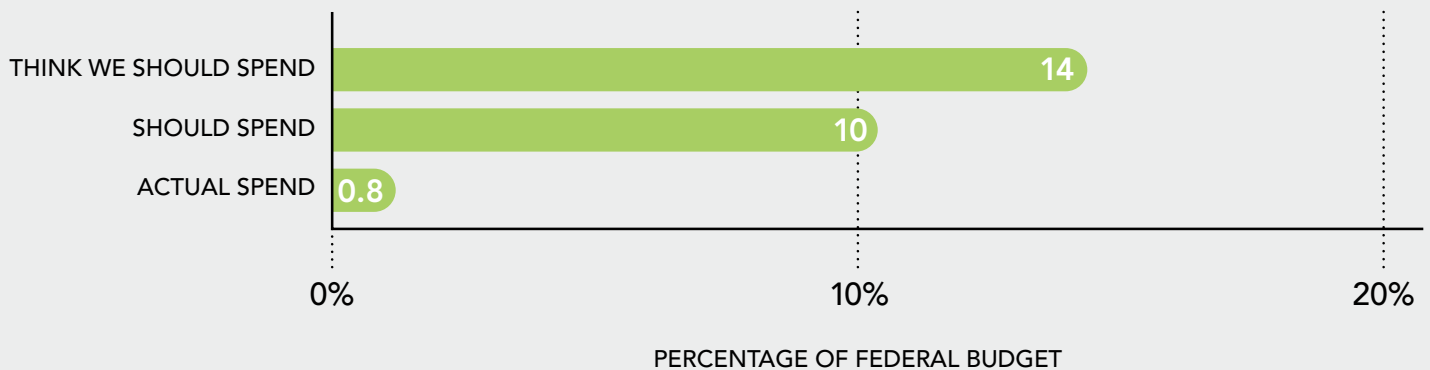
How much does Australia spend on development aid?

In April 2019 the Organisation for Economic Cooperation and Development (OECD) released their global aid rankings. Australia is 19 out of 29 wealthy OECD nations that give aid. Yet we're the 13th largest economy.

The Coalition government has cut Australia's foreign aid budget each year since it came to power in 2014, to just 21 cents in every \$100 of gross national income. In comparison, the United Kingdom spends 70 cents in every \$100 while Switzerland spends \$1.10ⁱⁱ. Continuing cuts to the aid budget will continue this downward trajectory to a historic low of just 19 cents of every \$100 of Gross National Income in 2021-22.

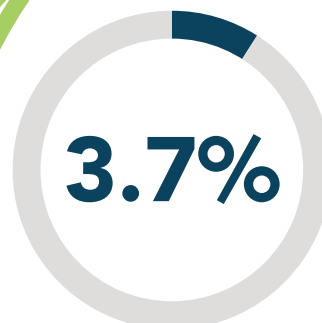
The average Australian believes we invest about 14% of the federal budget on foreign aid and that we should actually invest about 10%. In reality, we invest 0.8%.ⁱⁱⁱ

Australian perception of our foreign aid spend



How does income inequality relate to poverty?

The World Bank projections show that increasing economic growth alone will not eradicate extreme poverty. At current rates of economic growth, extreme poverty will not be eradicated unless inequality is reduced by making income of the bottom 40% of the population grow faster than that of the rest. Even with double rates of economic growth, about 3.7% of the global population will still be living in extreme poverty by 2030.



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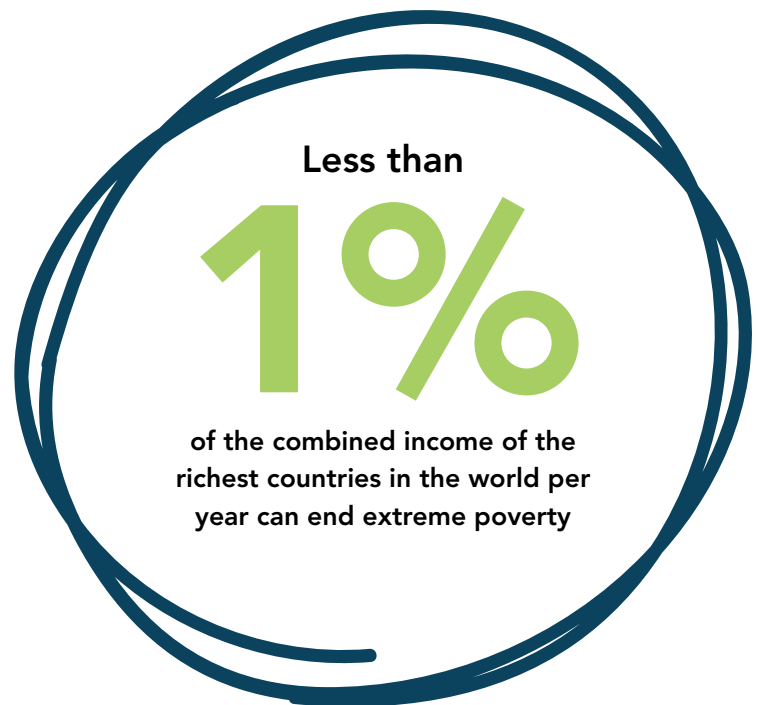
How do we reduce poverty globally?

Nearly 1 billion people have escaped poverty, thanks to political leadership, inclusive economic development and international cooperation since the world commemorated the first International Day for the Eradication of Poverty in 1992.^{iv}

In 1990 1.85 billion people or 36% of the world's population lived in extreme poverty. The world attained the first Millennium Development Goal target—to cut the 1990 poverty rate in half by 2015—five years ahead of schedule, in 2010.

The percentage living in extreme poverty further reduced to 11% in 2013 and then 10% in 2015.

193 governments formally endorsed the set of 17 United Nations Sustainable Development Goals in 2015. The #1 Goal is to End extreme poverty worldwide by 2030 (this would mean extreme poverty was cut to 3%). In half of the countries in the world, extreme poverty is already at or below 3%. In two regions, East Asia and Pacific (47 million) and Europe and Central Asia (7 million) extreme poverty has already been reduced to below 3%, achieving the 2030 target.



How much would it cost to end extreme poverty globally?

The total cost per year would be about \$175 billion - this is less than 1% of the combined income of the richest countries in the world.^v

Produced by Anti-Poverty Week as part of its **Fast Facts** series. Data correct as of 23 July 2019.
For more, see [Global Poverty Teaching Resources](http://www.antipovertyweek.org.au) on our website at www.antipovertyweek.org.au

See also:

[Sustainable Development Goal 1: End Poverty Facts and figures](#)

[Why it matters, UN Social Development Goal 1; End Poverty](#)

World Bank [FAQs Poverty and Shared Prosperity 2018](#)

World Bank [Poverty Overview 3 April 2019](#)

World Vision [Australian Aid Works](#)

^{iv}World Bank 19 September 2018.

^vTim Costello in [SMH 10 June](#)

^{vi}Jonathan Pryke, [Australians grossly over-estimate how much is spent on overseas aid](#), The Conversation, 26 June 2018.

^{vii}Message from António Guterres, UN Secretary General, 2018 International Day for the Eradication of Poverty.

^{viii}Calculated by economist Jeffrey Sachs and cited in [Why it matters, UN Social Development Goal 1; End Poverty for the United Nations](#).