



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.'¹

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. Where 1 in 10 people live in extreme poverty, it is estimated that **1.3 billion people** live in multi-dimensional poverty. For example, the number of people living in households without access to electricity is far greater than those living in monetary poverty². Hence, poverty is not solely linked to finances - it also can include sanitation, housing, and proper education.

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.³

How are children affected?

Children are disproportionately affected by poverty, with one in five children living in extreme poverty. Moreover, two thirds of children are not effectively covered by social protection and in 2018, nearly half of those living in extreme poverty were children under the age of 14 (46%).⁴

Even in the world's OECD countries, almost one child in seven lives in income poverty.⁵

Where is poverty worse?

413 million people
were living on less than

\$1.90
a day

Extreme poverty remains stubbornly high in sub-Saharan Africa, where 413 million people were living on less than US\$1.90 a day in 2015 and poverty rates continue to rise.⁶ This was more than all the other regions combined, and the World Bank predicts that by 2030, 9 out of 10 people living in extreme poverty will be from sub-Saharan Africa.⁷

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.

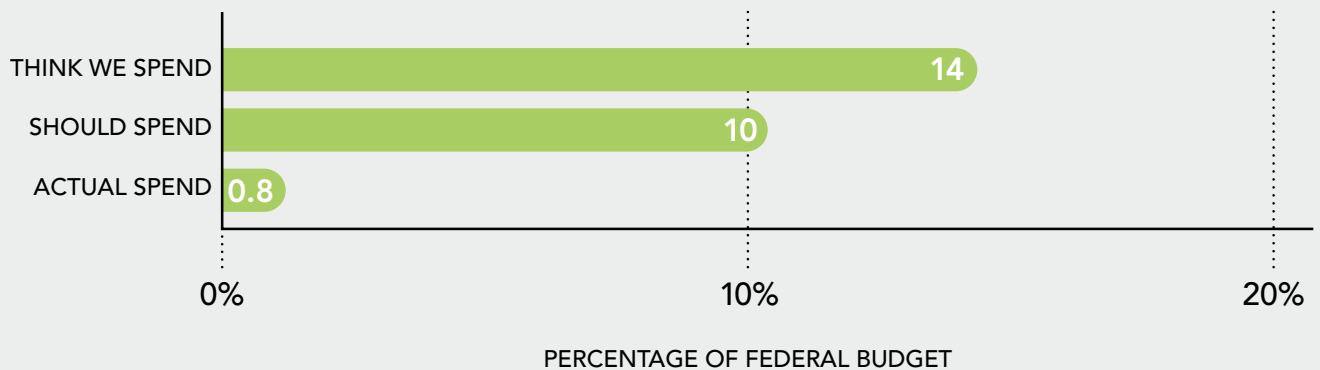
How much does Australia spend on development aid?

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 \$1.10⁸. 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%.⁹

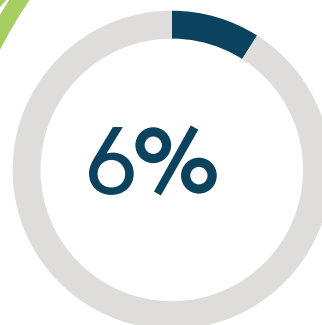
Australian perception of our foreign aid spend



How does COVID-19 relate to poverty?

Even before COVID-19, baseline projections suggested that 6 per cent of the global population would still be living in extreme poverty in 2030, missing the target of ending poverty.¹⁰

The fallout from the COVID-19 pandemic threatens to push over 70 million people into extreme poverty,¹¹ and assuming activity recovers later this year, the poverty rate is still projected to reach 8.8 per cent in 2020. This is the first rise in global poverty since 1998.¹²



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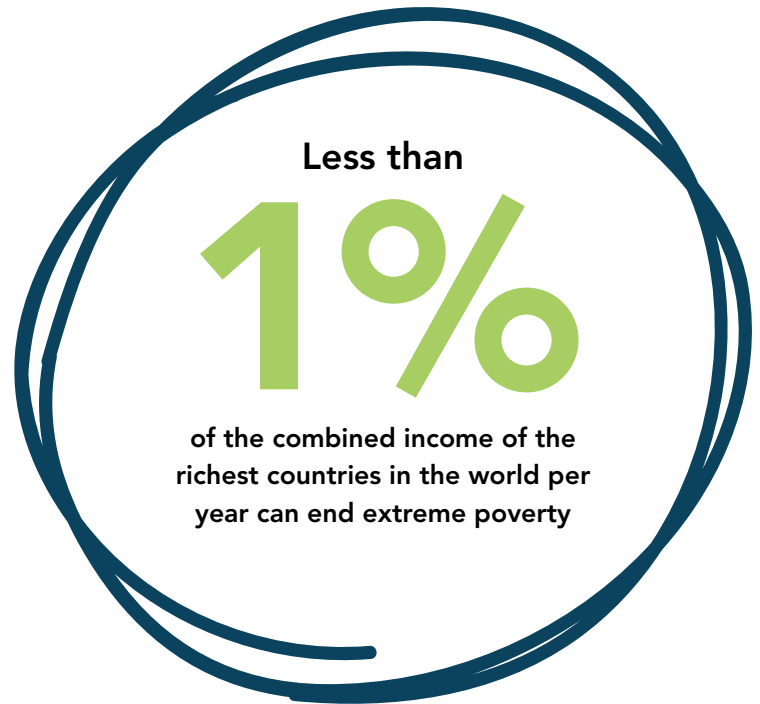
How do we reduce poverty globally?

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 1992.¹³

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 7.1% in 2019.¹⁴

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.¹⁵

Produced by Anti-Poverty Week as part of its Fast Facts series. Data correct as of 6 October 2020. For more, see [Global Poverty Teaching Resources](#) 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](#)

¹World Bank 19 September 2018

²UN Sustainable Development Goal 1: No Poverty

³World Bank 19 September 2018

⁴UN Stats: End poverty in all its forms everywhere

⁵OECD, *Poor Children in Rich Countries: Why We Need Policy Action*, 2018

⁶UN Stats: End poverty in all its forms everywhere

⁷World Bank, Wadhwa, D., *The number of extremely poor people continues to rise in Sub-Saharan Africa*, 2018

⁸Tim Costello, *Tim Costello laments Aussies who see trip to Bali as 'fundamental human right'*, SMH 10 June 2019

⁹Jonathan Pryke, *Australians grossly over-estimate how much is spent on overseas aid*, *The Conversation*, 26 June 2018.

¹⁰UN Sustainable Development Goals Poverty

¹¹UN Infographic: End Poverty in All Forms Everywhere

¹²UN Stats: End poverty in all its forms everywhere

¹³Message from António Guterres, UN Secretary General, 2018 International Day for the Eradication of Poverty.

¹⁴UN Sustainable Development Goals Poverty

¹⁵Calculated by economist Jeffrey Sachs and cited in *Why it matters, UN Social Development Goal 1; End Poverty for the United Nations*.