

ENDCHILDPOVERTY COALITION

ECPC Presentation to the Joint Oireachtas Committee on Social and Family Affairs, 18th February 2008

1. Introduction

On behalf of the End Child Poverty Coalition I would like to thank the Chair and members of the Committee for accepting our request to present to you at this very challenging time in public policy. We are a partnership of seven national non-governmental organisations that have come together to achieve a common goal: to end child poverty in Ireland. The seven partners are:

- Barnardos
- Children's Rights Alliance
- Focus Ireland
- National Youth Council of Ireland
- OPEN - One Parent Exchange and Network
- Pavee Point
- Society of St. Vincent de Paul

Our Aim is to see an end to child poverty in Ireland, and this is underpinned by three objectives:

- Monitoring public policy to end child poverty
- Promoting policy analysis and policy/structural solutions to end child poverty
- Raising awareness about the persistence of child poverty

We intend to make a short presentation to the Committee and are happy to take questions from Committee members. The presentation will begin with a brief comment on the current economic context and the need to protect the most vulnerable in the short term. I will then provide some key statistics on child poverty and some experiences of those we represent. The third element of the presentation is about policies to tackle child poverty which are of direct relevance to this committee. I will quickly mention other policy concerns in relation to services before summing up.

2. Economic Context – protecting the most vulnerable

We welcome the fact that child poverty has reduced (as mentioned below) and that some policies have made inroads in its reduction. However, there is a risk that but a lack of sustained investment combined with rising unemployment will increase child poverty again. In this regard we acknowledge the difficulties faced by Government in terms of reduced revenue and increasing demand on services and income supports, and are aware of the process of adjustments to spending of €2 Billion this year with further cuts and / or tax increases over the period to 2013. At the same time, the need to protect the most vulnerable is a stated priority for Government. Strategic decisions must be taken now which will maximise the ability of all members of society, including children, to take part in the economic recovery. In the short term, a number of concerns face families that require urgent action including social welfare processing times, housing repossessions and access to money advice and budgeting services among others. Government must respond in a key number of immediate ways to protect families in need by:

- Redeploying civil servants in order to ensure that applications for Job Seeker's Benefit and Allowance are processed urgently, within days rather than weeks or months.
- Introducing measures to ensure that no person will lose their home through inability to pay for a period of two years.

- Ensuring that there are sufficient numbers of budget advisors working with MABS to assist people in devising household budget plans and survival strategies – this could involve the secondment of public sector workers to MABS.
- Processing applications for secondary benefits such as Rent Supplement and the Back to School Clothing and Footwear Allowance as a matter of urgency.
- Prioritising a strategic review of how the social welfare system interacts with the labour market in order to maintain and sustain as many people in employment as possible. As part of this, consideration should be given to allowing (if even on a temporary basis) greater flexibility in relation to the hours requirement to qualify for FIS

3. Child Poverty: it's extent and experience

According to the EU Survey of Income and Living Conditions (SILC) in 2007 undertaken by the CSO, a number of relevant statistics stand out. The consistent poverty rate for children fell from 10.3% in 2006 to 7.4% in 2007. However, children had higher consistent poverty rates than working age adults or older people, and children account for nearly 40% of all those in consistent poverty. Children continued to be the age-group most at risk, with a rate of 19.9%. This compares with an at-risk of poverty rate of 15% among people of working age. For Case studies from the various organisations, please see appendix

4. ECPC: Our Policies in relation to Social and Family Affairs

4.1 Increase basic social welfare payments for families.

Poor children do not exist in isolation; they grow up in poor households, with poor parents. Child income support alone is not enough to tackle child poverty, but must be combined with measures that ensure an adequate income for parents. In order to end child poverty in Ireland, the Government should:

- Ensure that the value of basic social welfare payments to poor families (e.g. One-parent Family Payment, Jobseekers' Allowance etc) must, at least, be in excess of the 'at risk' of poverty threshold¹.
- Increase the Qualified Child payment, a targeted child income support for the poorest families in the State, so that it can contribute in a real way to lifting the incomes of poor families above the 'at risk' of poverty threshold.

4.2 Support families in low paid work by enhancing the Family Income Supplement (FIS) scheme.

The Family Income Supplement is a weekly payment designed to support families who are in low paid employment. In order to qualify for the payment, the recipient must be working at least 19 hours per week, family income must be below a certain threshold and the recipient must be supporting at least one child. FIS has a key part to play in addressing child poverty, however to date there has been very low take up of the scheme. In addition to this, many families are waiting for long periods of time to receive the payment after they apply. Lastly, the system was set up largely as a support for those in full time employment. Now the pattern of part time work and irregular hours are likely to be more common during the recession. In order for Government to make critical steps towards enhancing the Family Income Supplement scheme and utilising it effectively as a mechanism to tackle child poverty, ECPC urges Government to:

- Increase the income thresholds for FIS
- Raise the payment rate, and
- Make the payment automatic to eligible families and
- Make FIS available to more families in low paid work where hours are part-time and irregular.

¹ Being 'at risk of poverty' means having an income that is below 60% of median income (the mid-point on the scale of incomes in Ireland). www.combatpoverty.ie

5. Other Policy Positions – Access to Services

In relation to other policy positions we have to tackle child poverty, these relate to enhancing access to key public services: education, health and housing and I will mention these briefly:

- The first few years of a child's life are the most critical in terms of learning and development. Remedial action at a later date is both difficult and costly. For children living in poverty, pre-school could be the first step that sets them on a path out of poverty. The current lack of affordable, flexible and quality **Early Childhood Education and Care (ECCE)** and afterschool care also restricts parents' employment options thereby keeping the family locked into a cycle of poverty and provision of these services need to be safeguarded and expanded;
- Government needs to effectively **address educational disadvantage** over the next 3 years by fully implementing the DEIS Strategy (2005) and the Traveller Education Strategy (2006).
- We are asking Government to Increase **access to medical cards** as a way to close the gap between rich and poor in relation to healthcare. The increase in the number of families receiving Social Welfare will necessitate that more people and families will be eligible for the medical card.
- The most recent Assessment of **Housing Need** (2008) recorded at least 59,000 households in need of housing, an increase of over 30% since 2005. Over half of these households are likely to be families with children. In 2005, three quarters of the families on the waiting list were one parent families, who also wait longer for housing than any other household type². There were 36,000 children living in families on local authority waiting lists in 2005 and this figure is likely to have increased when a detailed breakdown is provided on the 2008 assessment. ECPC Calls on the Government to make Rent Supplement (RS) more employment friendly by bringing the means assessment into line with differential rent schemes.

6. Conclusions

We have set out the current challenging context and immediate remedial action. But we are duty bound by those we represent to remind the committee of the ongoing needs of children and families in poverty and the kind of solutions required, in terms of income supports and access to public services. We acknowledge that substantial resources are required to protect children in poverty or at risk of poverty, and that the exchequer is facing significant shortfalls in tax revenue at this time. As a result the Coalition favour a broadening of the tax base as a means of raising revenue and preventing cutbacks in essential services which will impact on the most vulnerable. There is now an opportunity to design a tax system with an emphasis on a fairer, progressive and more sustainable tax regime with a reduced reliance on indirect taxation as a means of generating revenue.

² 2005 Assessment shows that 52% of single people and 62% of couple households are on the housing list for more than a year, compared to 67% for one parent families.

Appendix: Case Studies from ECPC Member Organisations

Sinead is currently living in private rented accommodation with her three year old son Kevin. Before that she was homeless. Sinead and her son are in the process of returning to their hometown hoping for a better life.

“We spent a lot of the time walking the streets. Kevin was in his buggy most of the time, everything was in his buggy, eating, sleeping, playing. The place we were put into was very rough. The door would get kicked and frighten the wits out of the child, he’d cling to you. We were in one room, when he got older I couldn’t let him play I used to get so stressed because people would complain of the noise. I used to give out to him for playing with his toys in case we got asked to move. I never let him out of my sight the landings were where most kids played, but they there were syringes and everything on them. He had to have a shower there was no bath ... he was terrified of the shower. Every time we had to move, we had to leave some of his toys behind. He thinks each room is a house; he doesn’t understand that a house has more than one room. I heard about the Focus Ireland crèche, no matter where we are living and how far away we are I take him there every day... it’s the only bit of normality he has. We’re in private rented now, I can’t really afford the rent they give you €950 but the landlord want €200 more on top, I use the child allowance to pay the rest of the rent. We’re moving back to my hometown, I’ll be staying with my sister. I’m really looking forward to teaching him things like swimming and riding his bike.”

Case Study from Focus Ireland

Michael and Aoife have five children. Having experienced frequent unemployment, Michael secured a job a year ago but has recently been made redundant and does not qualify for any redundancy pay. Michael and his family now have to rely on social welfare as their sole source of income. Michael experienced lengthy delays before his claim for unemployment benefit was processed and his rent with the local authority went into arrears. As a result, the family faced the threat of homelessness.

Michael and Aoife often struggle to pay regular bills such as housing, heating and food costs. This results in their diet being poor, as the food they eat is basic. Their house is frequently cold and damp and the children constantly get infections and the flu, and subsequently miss school. The medical card covers their GP and prescription expenses, but for more serious medical treatment they have to wait on the public waiting list. His youngest child had to wait 9 months for a speech and language assessment which had a negative impact on her ability to settle into school.

They live in a 3 bedroom house on an urban housing estate. The house is overcrowded and the estate is of poor quality with boarded up houses and little outdoor space for children to play. They have requested a transfer but are waiting for a decision on this.

Their main problem is that their income is inadequate to meet the needs of their seven-member family resulting in constant financial pressure and delays to accessing medical treatment. There are steps that the Government can take to ensure that children have access to basic healthcare and have an adequate income on which to live.

Case Study from Barnardos

The experience of the Society of St Vincent de Paul (SVP) of working with families experiencing poverty gives an insight into the extent of the problem as well as the impact which it can have on children. We see that living in poverty impacts on every area of a child’s life. 62% of the requests for help received in 2008 by SVP’s Dublin office, the largest in the country, came from families with children. There has been an increase each month in the

numbers of people asking for help who have never been in contact with SVP before – in June 2008 22% of requests for help were from first time callers, however by January 2009 this had increased to 32%. The case studies below come from families who called SVP just before Christmas, and who had never requested help before. While the issues which these families face are familiar to SVP, their problems are compounded by restricted access to social welfare payments in some cases, and huge debts in many. Although SVP is familiar with these issues, they are a new and distressing experience for these families, many of whom never expected to be in the position of needing to ask for help from SVP. SVP members see the strain that financial pressures are putting on families and relationships and which will have a negative effect on children.

Joe and Marie have four children and a mortgage. Up until now Joe was the main earner in the household, a self-employed taxi driver. He recently had an accident and is unable to work. As Joe is self employed he is not entitled to illness benefit and the couple are struggling to manage and are constantly worried about their finances and mortgage and the impact that this will have on their children. Marie called SVP for the first time just before Christmas as they had nothing for the children and she felt that the family had nowhere else to turn.

Case Study from SVP

Take for example, a retail employee. The sector is the largest employer in Ireland, employing over 300,000 people. Employees have one of the lowest median hourly earnings, and also have lower than average hours of employment[1]. The sector has suffered sharp falls in sales in recent months. Employees in this sector are extremely vulnerable to unemployment, or to significant reductions in hours.

Where such an employee has their hours reduced, they may find that they are not eligible for Jobseeker supports because their hours are distributed over more than three days; they may not qualify for the 'systematic short time worker' provisions because their working hours do not have a regular pattern, or because they were accepted voluntarily; and may not qualify for FIS if their hours fall below the 20 hour threshold. In this instance, the employee may well have a better financial outcome when completely unemployed and wholly reliant on social welfare supports. If this instance, the changes to Jobseeker Benefit in the Budget 09 reduces the duration of their entitlement, and an employee who worked 35 hours a week for the NMW (assuming they have enough paid contributions to qualify) will not be entitled for the full rate of Benefit, which means they will most likely have to apply for the means tested Allowance. And such employees have comparatively low levels of skills and education, making a longer duration of unemployment even more likely.

Example of reduction in working hours from OPEN

Aoife and Ciaran are 3 year old twins their mum died when they were 1 year old and they were made homeless with their Dad. They were living in a B&B, but were referred by the Local Authority to our emergency accommodation for families. Aoife and Ciaran go to the onsite crèche every day and love the interaction with the other kids. They progressed from babies to what staff affectionately call 'wobblers', and are now two healthy, happy, well adjusted 3 year olds. They are ready to take their first step towards playschool. The crèche provides them with a structured safe environment where they can express their individuality and enjoy interaction and socialising with other children in a safe stimulating environment.

Case Study from Focus Ireland

SVP members consistently raise issues around the cost of fuel, electricity and gas arrears and now are highlighting the impact this has on people who have recently lost their job. Patricia and Michael have five children ranging in age from 2 months to 12 years. Michael lost his job in July 2008 and the family have been struggling to pay their bills and mortgage repayments and to make ends meet since then. Michael called SVP in December 2008 to ask for help. Their gas had been cut off due to non payment of the bill and the ESB had just called to tell the family that their electricity was about to be cut off. The children in this household had been without proper heating for a number of months prior to the request for help. The response from SVP was to visit the family and intervene with ESB on their behalf to ensure that their electricity would not be cut off and to assist them in getting their gas reconnected.

Case Study from SVP

Áine lives on a local authority housing estate in a rural town in Ireland. She has four children and has been separated from her partner for the last year. She is a full time mother working at home with her family. In this rural community, part-time work opportunities for women are limited and childcare costs are prohibitive, so the family's only income is Child Benefit, the One Parent Family Payment and the Early Childcare Supplement.

Áine finds certain occasions and time of year very expensive including First Holy Communion, Confirmation, back to school and Christmas. She has availed of various grant schemes to help for such occasions but still finds herself in debt. She left school early and has poor literacy levels so she finds the process of applying for supports difficult and has to make many trips to the social welfare office and to the school as a result of this.

Áine feels that there is no free education system. The hidden costs of books and school trips make life difficult for Áine and her children. The children are very perceptive. Often they won't tell her about a school trip because they know she can't afford it, or they might tell their friends that they didn't want to go anyway.

The children often have to wear second hand clothes and their shoes and socks are in a very poor condition. Their diet is also limited and a more varied one would be healthier. There is little competition among the shops in the town so the cost of food is high. If there was public transport available, Áine could go to a neighbouring town with larger shops.

There are steps that the Government can take to ensure that Áine and her children have enough money to pay for healthy food and education.

Case Study from Barnardos

Many of the families which SVP assists can just about manage to get by until an unexpected expense occurs which can push them into debt. Joan's husband died young and unexpectedly just before Christmas 2008. He had no life assurance and the family is now facing huge funeral costs. Joan's oldest son is 17 and did not want her to contact SVP for help, however she felt that she could no longer get by and contacted SVP for the first time in her life in December 2008. She has asked that volunteers would only call to her home when her son is out of the house so that he doesn't know how desperate their situation is. Protecting her son from the full extent of the problems faced by the family is a priority for Joan.

45% of calls for help in the Dublin region in 2008 came from lone parents. Anne is a lone parent with a 12 year old son. She is struggling to get by and her most recent electricity and gas bills were around €180 and she cannot afford to pay them. Anne called SVP requesting assistance for the first time in December 2008. Her main concern is protecting her son from the situation they are in, and she does not want him to know that the visitors calling to her

house for a 'chat' are SVP members who have come to ensure that the family has heat and lighting and enough food in their home.

The cost of education is a barrier to full participation for children living in poverty. Families are asked to make 'voluntary' contributions in order to contribute to the running costs of underfunded schools. The cost of school books and extra curricular activities are insurmountable for some. Requests for money for swimming lessons, speech and drama, sport, fieldtrips, uniforms, mock exams, books and voluntary contributions cause stress and strain for parents, and many children go without in order to protect their parents from this strain. A childhood free from poverty would mean that no child would have to endure this experience.

Case Studies from SVP