

ENDCHILDPOVERTY COALITION

1 in 10 is one too many... Maximise Benefits in Budget 2007 to End Child Poverty

Budget 2007 Submission

Key Recommendations

Child Income Support

- Increase all Child Dependent Allowances to €33 per week.
- Restore Child Benefit as a universal payment by removing the Habitual Residency Condition.

Tackling Educational Disadvantage

- Raise the level of Back to School Clothing and Footwear Allowance (BSCFA) to €250 for children in primary school and to €350 for those in secondary school.
- Increase the BSCFA eligibility threshold to the level applying to Family Income Supplement (FIS). As with FIS, use the same threshold for two-parent and one-parent families.
- Assess income for BSCFA net of tax and PRSI.
- Appoint 20 additional Educational Welfare Officers to the National Education Welfare Board.

Early Childhood Care and Education (ECCE)

- Introduce universal, quality early childhood care and education for all pre-school children.

Full Medical Cards for Children

- Extend eligibility for the Full Medical Card to all families whose total income is taxed at the standard rate of 20%.

Supporting Low Paid Families

- Increase the income thresholds for Family Income Supplement by €68 per week.
- Deliver a high profile long-term media campaign to boost take-up of Family Income Supplement.
- Increase the earnings ceiling for the One Parent Family payment to €400.

Build sufficient social housing and end youth homelessness

- Invest to provide, enable and acquire a net increase of 10,000 social housing units in 2007 that are family friendly and designed for occupation by households with children.
- Target additional resources to provide greater support for all homeless families with child dependents, ensure that the needs of homeless young people are met and that young people leaving care do not become homeless.

Build Sufficient Social Housing And End Youth Homelessness

The latest official Assessment of Housing Need (AHN) in 2005 found 43,684 households in housing need and on social housing waiting lists nationally. Over half these households (51.1%) contain children. Today there are at least 16,795 households headed by a single person on the waiting lists comprised of 24,250 children and 5,540 dual person households comprised of 11,704 children. This means that at least 35,954 children are in housing need nationally.^{xi}

In the 2002 Assessment of Housing Need, the Homeless Agency in Dublin found that 1,140 children were homeless in the Dublin area, the majority of whom were under age 12, and over half were under the age of five. According to the 2005 Assessment this situation had improved significantly, but still at least 463 dependent children were found to be part of homeless households. The majority of these children (328) were under age 12. Alarmingly, just like in 2002, almost one in every second homeless child in Dublin is under 5 years of age.^{xii}

Furthermore, youth homelessness has risen since 2003. Latest figures compiled by the Health Service Executive (HSE) and Department of Health and Children in

August 2006 found the number of homeless children not being cared for by any family member had risen to 492. The majority of these children were in their mid-to-late teens, however 22 homeless children were under the age of 12. These figures represent homeless children on their own and do not include children in homeless families.

This is a crisis of unmet housing need and homelessness and the Coalition calls on government to recognise this and to act to deliver on commitments made in a range of policy frameworks, including the most recent social partnership agreement, Towards 2016. The Coalition supports the recommendation made by the National Economic and Social Council (NES) that an additional 73,000 units of new social

housing be provided between 2005 and 2012^{xiv}.

To progress this target and to help end housing need and homelessness, the Coalition recommends Budget 2007:

Invests to provide, enable and acquire a net increase of 10,000 social housing units in 2007 that are family friendly and designed for occupation by households with children.

Targets additional resources to provide greater support for all homeless families with child dependents, ensures that the needs of homeless young people are met and that young people leaving care do not become homeless.

i. Central Statistics Office (2005) EU Survey on Income and Living Conditions 2004 CSO, Ireland.
ii. Department of Finance (2006) October Exchequer Returns.
iii. 70% of Child Dependent Allowances are paid to families in receipt of means-tested payments.
iv. Whelan et al (2003) Monitoring Poverty Trends; CSO (2005) EU-SILC (2004).
v. The Habitual Residency Condition (HRC) demands a social welfare applicant prove that they have "been present in Ireland for 2 years or more, works here and has a settled intention to remain in Ireland and make it his/her permanent home". It is assumed that a person is not habitually resident unless they prove the contrary. However, two years' continuous residence does not automatically mean the HRC has been satisfied. In fact there are no criteria that may be relied upon to prove habitual residence.
vi. In 2004, Child Benefit payment was paid for 1,051,005 children. It has been denied to 2,208 asylum-seeking children

over the two-year period between the introduction of the HRC on 1st May 2004 and 31st August 2006, which in relative terms, yields minimal savings to the state.
vii. National Economic and Social Forum (2005) Early Childhood Care and Education, Report No. 31, Dublin, NESF.
viii. See Loftus, C. (2005) 'Out of the Traps - ending poverty traps and making work pay for people in poverty' Dublin, One Parent Exchange Network and the European Anti-Poverty Network.
ix. Callan, T. Coleman, K., Nolan, B. and Walsh, J.R. 'Child Poverty and Child Income Supports: Ireland in Comparative Perspective' in Callan, T (Ed) Budget Perspectives 2007, Dublin, Economic and Social Research Institute and The Foundation for Fiscal Studies.
x. Government of Ireland (2006) Government Discussion Paper: Proposals for Supporting Lone Parents, Dublin, Department of Social and Family Affairs.

xi. Figure calculated from the official Assessment of Housing Need (AHN) data released in July 2006 by the Department of Environment, Heritage and Local Government. Figures for households with more than 5 children were not published therefore our figure can be taken to be an under-estimate of the overall number of children in housing need.
xii. Homeless Agency (2006) Counted In 2005, Dublin, Homeless Agency. In March 2005, the number of dependent children under five years of age in homeless households in Dublin was 184. This is 41% of the total number of homeless children recorded at the time.
xiii. As reported by Carl O'Brien in Irish Times 29th August 2006.
xiv. National Economic and Social Council, (2004) Housing in Ireland: Performance and Policy, Report No. 112, Dublin, NESF.



The End Child Poverty Coalition is supported by the Irish Youth Foundation

1 in 10 is one too many... Maximise Benefits in Budget 2007 to End Child Poverty



Introduction

The National Anti-Poverty Strategy sets 2007 as the target date for eliminating consistent poverty for children. Consistent poverty means having an income below the poverty line and being deprived of basic necessities. Almost one in 10 (9.5%) children in Ireland live in consistent poverty. Deprivation is higher in households with children and highest for lone parent households, almost a third (31.1%) of whom live in consistent poverty.ⁱ

Ireland is a wealthy country. At the end of Oct 2006, the Exchequer had collected over €33bn in tax revenues compared with €29bn for the same period in 2005.ⁱⁱ We can afford to do better for our children. This submission sets out a series of recommendations for Budget 2007 that will make a real difference to the one in 10 children living in poverty in Ireland. Budget 2007 must maximise benefits to end child poverty.

Child Income Support

Government promises on Child Benefit made in Budget 2001 were implemented three years late. Despite these welcome increases in Child Benefit rates, Child Dependent Allowances (CDAs) paid to the poorest families in the countryⁱⁱⁱ have not been increased since 1994. If they had been increased in line with adult rates, CDA rates would range from €27 to over €31, rather than from €16.80 to €19.30 as they are currently.

This means very little progress has been made toward increasing child income

supports. In 1994, almost one in four (24.5%) under-17s were living in households with an income below the poverty line. Despite a decade of economic growth there has been only a marginal improvement. In 2004 one in five (21.2%) under-14s live in households with an income below the poverty line^{iv}. The End Child Poverty Coalition (ECPC) supports the work of the National Economic and Social Council (NESCF) in developing a new, targeted, child income support measure. We urge Government to prioritise introducing better ways of supporting our most vulnerable children. Until then, interim measures are required to improve the material position of children living in poverty.

The targeted nature of Child Dependent Allowances (CDAs) means that support is delivered more efficiently to the poorest families. The Coalition recommends they become the focus of child income support increases for Budget 2007. To achieve the

National Anti-Poverty Strategy (NAPS) child income support target of 33-35% of the lowest adult social welfare rate, the Coalition recommends Budget 2007:

Increase all Child Dependent Allowances to €33 per week.

This Government's decision to apply the Habitual Residency Condition (HRC)^v to Child Benefit payments yields minimal savings^{vi}, but dramatically reduces the cash income of children in families who are seeking asylum. These children are particularly vulnerable, as government does not allow their parents to work. The Coalition recommends that Budget 2007:

Restore Child Benefit as a universal payment by removing the Habitual Residency Condition.

Tackling Educational Disadvantage

The Combat Poverty Agency's study Against All Odds (2002) highlighted the impact the high costs of educational participation can have on a child's ability to remain in school. Early school leaving is strongly associated with a high risk of poverty in the future. We argued the increase in Back to School Clothing and Footwear Allowance (BSCFA) eligibility thresholds in Budget 2006 was inadequate as it did not guarantee eligibility for all low income families. In addition, the payment remains an inadequate contribution to meet high back to school costs. The Coalition recommends Budget 2007:

Raise the level of BSCFA payment (by €130) to €250 for primary school children, and (by €160) to €350 for secondary school children.

Increase the BSCFA eligibility threshold to the level applying to Family Income Supplement (FIS). As with FIS, use the same threshold for two-parent and one-parent families thereby addressing a poverty trap for one-parent families.

Assess income net of tax and PRSI.

A real commitment to tackling school absenteeism and early school leaving requires adequate resources to ensure full implementation of the Education Welfare Act, 2000. Lack of resources means the National Education Welfare Board cannot carry out its full legal responsibilities. The latest social partnership agreement Towards 2016 commits to allocating extra posts to the Board. To progress this commitment, the Coalition recommends Budget 2007:

Resource the appointment of 20 additional Educational Welfare Officers to fully roll out the National Education Welfare Service in 2007.

Early Childhood Care And Education (ECCE)

The Coalition acknowledges the introduction of the new Early Childhood Supplement in Budget 2006 but regrets these resources were not better targeted towards children in and at risk of poverty. At just under €20 a week, the payment is insufficient for low income families who cannot afford open market prices for childcare. Furthermore, this policy expenditure (costing €265m in 2006 alone) does not move Ireland any closer to developing a quality early childhood care and education sector for all children. Accordingly the Coalition calls for the implementation of the National Economic and Social Forum (NESF) recommendation in relation to ECCE^{vii} and recommends Budget 2007:

Introduce universal, quality ECCE places for all pre-school children.

Full Medical Cards For Children

The End Child Poverty Coalition believes access to healthcare must be based on need, rather than simply a household's ability to pay. Families in low paid employment and at risk of poverty find their household resources under considerable strain when facing the relatively high costs of general practitioners and hospital fees, as well as costly prescriptions. The 2001 Health Strategy commitment to expanding eligibility to the full Medical Card is still outstanding five years later. In fact, the overall numbers with full Medical Cards have reduced. The Coalition welcomed the introduction of GP only Medical Cards in Budget 2005, but we stressed that in isolation this is a small step forward and one that does not meet the Health Strategy commitment. Accordingly the Coalition recommends Budget 2007:

Extends the Full Medical Card to all families whose total income is taxed at the standard rate of 20%.

Support Low Paid Families

Low rates of pay and established poverty traps mean some families find that they cannot afford to take a job^{viii}. Family Income Supplement (FIS) provides vital support to families in low paid employment, but to be more effective the

income threshold must be updated in line with income growth. Additionally, FIS take-up rates are estimated to be as low as 30-40% of eligible households. Increasing take-up will make an important impact on child poverty and recent research has found that achieving a full take-up of FIS would lead to a three percentage point reduction in the key at risk of poverty indicator^{ix}. The Department of Social and Family Affairs has made some progress in this area, but plenty of room for improvement remains. The Coalition recommends that Budget 2007:

Increase the income thresholds for Family Income Supplement by €68 per week.

Provide more resources to the Department of Social and Family Affairs to deliver a high profile long-term media campaign to boost take-up of Family Income Supplement.

Budget 2006 increased the earnings ceiling on the One-Parent Family Payment for the first time since 1997. This is a critical payment for working lone parents that helps meet the high cost of childcare. The 2006 Government Discussion Paper^x published by Minister Brennan, T.D. recommended increasing this ceiling to €400. The Coalition calls for this recommendation to be implemented and that Budget 2007:

Increase the earnings ceiling for the One-parent Family Payment to €400

