

WHY REFORM OF THE ONE-PARENT FAMILY PAYMENT IS NOT WORKING AND ONE FAMILY'S SOLUTIONS

Today there are over 215,000 one-parent families in Ireland - 25.8% of all families with children (Census 2011). Of the 95,000 parents in receipt of the One Parent Family Payment when reform of this payment was first announced in Budget 2012, none have benefitted from the reform and an approximate 10% are worse off financially as a direct result of being activated, all are worse off due to cuts. The calls total to One Family's **askonefamily** helpline is approaching an increase of 50% in the past 15 months.

Reform of the One Parent Family Payment (OFP) is being phased in with the stated aim of enabling lone parents to move from social welfare into education and employment. To date almost 15,000 parents have been moved from OFP when their youngest child reached the age of at least 7 years old; with almost another 40,000 parents scheduled to be transitioned to other payments - primarily the newly introduced Job Seeker's Transitional Allowance (JSTA) or Job Seeker's Allowance (JSA) - in July 2015. Currently, 65,000 people are in receipt of the One Parent Family Payment.

What are the failures of this reform?

This current system of reform, combined with cuts that were introduced at the same time and the lack of required supports, is failing families. More one-parent families are living in higher levels of poverty. Reform has done little to support lone parents in overcoming systemic barriers, as it has not been appropriately resourced and effectively planned across government. This reform does not address the lived realities and challenges that can be associated with parenting alone.



What is One Family calling for?

PAUSE

- PAUSE rollout of the reform so that the underlying problems outlined here can be addressed.
- Reform should only progress if it can be properly resourced so it can be successful for one-parent families.



REVERSE

- REVERSE the process if it cannot be appropriately resourced.
- Monitoring and evaluation of outcomes for those parents already transitioned should be analysed and made available.



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What are the solutions?

We are calling for changes in order to address the catastrophic failures that this reform process has created which have resulted in higher levels of poverty, and lower levels of employment and education for one-parent families. The solutions we put forward will make measurable, genuine improvements to the lives of some of the most vulnerable families in Ireland, creating the way for a more productive, inclusive and sustainable workforce and society.

Since 2012, One Family has also promoted our *10 Solutions Campaign*; a holistic, low to no cost model of progressive reform that would make government policies more successful and life better for one-parent families. Below we expand on some of the negative impacts of the current reform process and summative solutions.

FAILURES AND SOLUTIONS

1. Fewer people who parent alone are working as a direct result of the reforms.

In 2014 only 36% of current OFP recipients are working, compared to 60% in 2012.

Why are fewer parents working now?

- The Income Disregard has been slashed from €146.50 in 2011 to €90 per week for OFP recipients. The originally planned cut to €60 was only halted after a concerted campaign.
- The Income Disregard (amount that can be earned through work without supports being impacted) for those moved to JSTA is only a maximum of €60.
- Budget 2011 cut the payment for Community Employment (CE) participants. Number of lone parent CE participants plummeted from 33% in 2012 to circa 9% in 2014.
- Family Income Support (FIS) eligibility requires parents to have employment for a minimum of 19 hours per week. Hours available for work may not be in parent's control but down to individual employers.
- There are fewer economically viable and sustainable jobs available.
- Out of school childcare is not widely affordable or available.
- Work for those activated is not paying.

Solution ... Creating an effective and enabling welfare state rather than a passive one is realistic.

- Make JSTA work for parents as it is currently a holding area. It could be an opportunity to get it right for One-Parent Families. A stronger, integrated, accessible and supported framework to enable parents an opportunity to balance work and family life and therefore fully engage in education, skill development and work can result.
- Reinstate Income Disregard to 2011 levels so that parents can afford to work. Match JSTA Income Disregard level to OPF level at a minimum. A family's circumstances have not changed just because the name of the payment they are moved to is different.
- Pay an appropriate fee for CE participants to enable people to be able to afford to work - at least €50 per week to cover travel costs and include structured learning.
- FIS needs to be tapered and minimum worked hours for eligibility lowered to, at most, 15 per week. This will lift many families out of poverty.

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2. Child and family poverty for one-parent families is increasing.

Survey on Income and Living Conditions (SILC) 2013 results show that those living in households with one adult and one or more children had the highest deprivation rate at 63.2% and the highest consistent poverty rate at 23%.

What does this mean?

- Over 60% of families in emergency accommodation are one-parent families: 251 families of a total of 411 at 29.03.15.
- €5 universal child benefit increase as in Budget 2015 has little impact on the need to pay for childcare, while costs of living and household expenses are increasing.
- The cumulative effect of previous cuts such as those below is staggering.
- Budget 2013 – Back to School Clothing & Footwear Allowance (BTSCFA): Reduced from €250 to €200 for children aged 12+, and from €150 down to €100 for 4-11 year olds.
- Budget 2013 - Cost of Education Allowance (paid with Back to Education Allowance, BTEA) cut completely from €300 for all new and existing BTEA recipients.
- Budget 2012 – BTSCFA, from €305 reduced to €250 for 12+, and from €200 down to €150 for 4-11 yr olds; age eligibility also increased from 2 to 4 year olds in 2012.
- Budget 2012 - Ongoing cuts to OFP include Income Disregard cut from €146.50 down to €90.
- Budget 2012 - The half rate transition payment of OFP was cut for those who were going into work and stopping payment.
- Budget 2012 - OFP recipients lost access to half rate payment for Illness Benefit and Jobseeker's Benefit, where applicable.
- Budget 2012 - Fuel Allowance was reduced from 32 weeks to 26 weeks.
- Budget 2012 - Cost of Education Allowance (for BTEA recipients) reduced from €500 to €300.
- Budget 2012 - CE Scheme participants, many of whom were lone parents, had their training and materials grant cut from €1,500 to €500; and new CE participants from 2012 could not get 'double' payment, just €20 extra allowance.
- Budget 2011 - Cuts included the main rate of social welfare payments reduced from €196 down to €188.
- Budget 2011 - Child Benefit was reduced by €10 for 1st and 2nd child / €150 to €140; 3rd child / €187 to €167; 4th and subsequent child / reduced to €177.
- Christmas Bonus was discontinued (half-rate partial reinstatement for some last year)

Solution ... Stop penalising, judging and targeting families who are already poor.

- A total and comprehensive review is needed now – reinstate payments and payment levels so that families have the chance to move out of consistent poverty to a place where a return to education and employment is more achievable.
- Child Benefit – Instead of increasing all child benefit payments, it should be tailored to a family's needs: target any budget available to those children who are most in need of support.
- FIS – Be realistic: equalise with OFP rate, and lower the minimum eligibility hours.
- Index the payment – Social welfare payments should be indexed with cost of living as they are not currently sufficient to prevent poverty.
- Housing provides security. A housing tax credit tailored for the needs of one-parent families renting should be introduced. Private landlords cannot be expected to deliver social housing.
- Join the dots to prevent child poverty rather than simply picking up the pieces after this reform's damaging effects become even more apparent.

3. Fewer people parenting alone can enter or stay in education.

Supports in education are not readily obtainable. Many lone parents are feeling pressurised to do courses for which they are already overqualified, while others cannot access the supports they need to start their learning journey.

A 'one size fits all' approach is not working.

- The process of returning to education is overly complicated as different regulations apply to lone parents in a variety of circumstances, which in turn impacts on grants or allowances that will be available to them in the future: SUSI fees and maintenance grants and Back to Education allowance (BTEA) eligibility criteria vary depending on an applicant's tenure, rather their means.
- Training grants are sparse and very difficult to access.
- Re-skilling opportunities for parents who have already achieved higher levels of education are very limited.
- People distant from education or work for a long time can need specialised support to overcome possible internal barriers linked to low confidence and self-esteem.
- Public employment offices - Social Welfare/INTREO local staff/case workers are not adequately skilled or resourced or have the capacity for effective career guidance; there is insufficient time for analysis and case management. Inappropriate referrals to education and training are being made in many cases and we are concerned that this will escalate.

Solution ... Education appropriate to the individual is a key factor to enable lone parents to get access to progressive employment.

- Resolve the illogical inequality where assessment for further education supports is made on tenure rather than means: currently those living in affordable social housing have access to the SUSI maintenance grant to assist them in their education costs, whereas those in private rented and receiving Rent Supplement can only avail of BTEA as a full time student, therefore are then ineligible for the SUSI maintenance grant.
- Make part-time education courses free for activated lone parents.
- Develop a MOMENTUM Programme specifically for one-parent families.
- Route ways and supports for accessing and staying in third level education must be clear and easy to navigate.
- Local DSP office case officers need appropriate training, qualifications and resources to provide a personalised and responsive approach to individual needs which will provide supports to meet the needs of parents in terms of employment, training and education needs.
- DSP case officers should be trained guidance counsellors if they are going to assess and refer clients to educational options. If this is not possible, clients should be referred to appropriate guidance services.