

## **Introduction**

One Family is Ireland's leading support organisation for people parenting alone, sharing parenting, separating, and those in crisis pregnancy. We were established in 1972 as Cherish, and provide specialist parenting and family support services around Ireland. We train professionals on working with one-parent families and we promote policies that actively support diverse families. Children are at the centre of our work.

One Family welcomes the opportunity to contribute to the Low Pay Commission's fifth call for submissions on the National Minimum Hourly Rate of Pay (NMHRP). We outline our concerns below with particular reference to the Commission's remit to attend to the challenges for low-paid workers in an independent, fair and sustainable way.

## **Context**

In December 2018, the Labour Force Survey indicated there were 211,900 lone parent family households in Ireland. <sup>1</sup> More broadly, national-level Census 2016 figures shows that 25.4% of all families with children are headed by lone parents, whether they are separated, divorced, single or widowed, while 21.2% of all children live in one-parent family units - approximately 356,203 children.<sup>2</sup> One-parent families, therefore, are not a minority in Irish society. They exemplify and demonstrate the lives and conditions of increasingly diverse family forms throughout the EU. They make visible the usually invisible daily work of parenting. <sup>3</sup>

## **One-Parent Families: Employment and Poverty**

In 2018 the overall employment rate for one-parent families was 63%. It is directly linked to the age of their children as follows:

- 0 to 5 years - 55.8% employment
- 6 to 11 years - 67.7% employment
- 12 to 17 years - 69.1% employment. <sup>4</sup>

Nevertheless, in 2017, one-parent households had consistent poverty rates of 20.7%. The national rate is 6.7%. <sup>5</sup> Consistent poverty means living on a consistently inadequate income while all available back-up resources are being steadily eroded.<sup>6</sup> It means the disappearance of the usual fall-backs and supports that most families maintain in order to meet unexpected crises and large recurring costs. Poverty

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<sup>1</sup> LFS Households and Family Units Q2 2018:

<https://www.cso.ie/en/releasesandpublications/er/lfshfu/lfshouseholdsandfamilyunitsq22018/>

<sup>2</sup> Census 2016: <https://www.cso.ie/en/releasesandpublications/ep/p-cp4hf/cp4hf/>

<sup>3</sup> Families Are Changing: OECD. 2011. <https://www.oecd.org/els/family/47701118.pdf>

<sup>4</sup> Labour Force Survey 2018:

<https://www.cso.ie/en/releasesandpublications/er/lfshfu/lfshouseholdsandfamilyunitsq22018/>

<sup>5</sup> CSO SILC 2017

<https://www.cso.ie/en/aboutus/takingpartinasurvey/surveysofhouseholdsindividuals/surveyonincomelivingconditions/>

<sup>6</sup> CSO Poverty definitions;

<https://www.cso.ie/en/aboutus/takingpartinasurvey/surveysofhouseholdsindividuals/surveyonincomelivingconditions/>

arrests the ability for ongoing networking and social connections within families, schools, clubs, communities, and national life. This in turn isolates lone parents, and their children, keeping them in ever-decreasing circumstances. Consistent poverty prevents movement and expansion to build a life beyond constant struggle.

In 2018 the ESRI published its report, *Poverty Dynamics of Social Risk Groups across the EU*, which assessed poverty trends between the years 2005-2014 across 11 EU countries. It identified Ireland as having the highest absolute persistent poverty gap for lone parents, with increasing rates over the period of the study.<sup>7</sup>

### **Child Poverty: Consistent Deprivation**

Children living in one-parent families experience the highest consistent poverty rates of all families with children in Ireland. Consistent poverty includes living with ongoing deprivations of heat, nutritious food, clothing and the ability to socialise normally, among other things.<sup>8</sup>

The immediate effects of poverty are especially obvious in the case of child poverty, where children go to school hungry, without new clothing and unable to pay for books or school trips, for example. They go to school tired and unable to learn and suffer developmentally as a result of these deprivations.

The deprivation rate for one-parent families is 44.5%. Comparable two-adult household rate is 15.8%.<sup>9</sup> The items on the deprivation list are not luxuries, nor related to the more general Consumer Price Index. They are the basic European measure indicating minimum essential goods and services required for normal family life and well-being. While there has been a welcome 2.1% drop in consistent child poverty rates, in 2017 there were 105,000 children still living in consistent poverty – a disproportionate number of whom live in one-parent families.<sup>10</sup>

To reach the national poverty-reduction target set out in *Better Outcomes, Brighter Futures* (Ireland's national policy framework for children and young people), 68,000 children will need to be lifted out of poverty by 2020.<sup>11</sup> One Family supports the roadmap on how to achieve this target set out in the *Whole of Government Approach to Tackling Child Poverty*.<sup>12</sup>

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<sup>7</sup> <https://www.esri.ie/publications/browse?keywords=Poverty+Dynamics>

<sup>8</sup> Poverty Explained. CSO SILC 2017

[https://www.cso.ie/en/media/csoie/methods/surveyonincomeandlivingconditions/At\\_Risk\\_of\\_Poverty\\_Explained.pdf](https://www.cso.ie/en/media/csoie/methods/surveyonincomeandlivingconditions/At_Risk_of_Poverty_Explained.pdf)

<sup>9</sup> CSO SILC 2017 <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2017/povertyanddeprivation/>

<sup>10</sup> CSO SILC 2017 <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2017/povertyanddeprivation/#d.en.181337>

<sup>11</sup> [https://www.dcy.gov.ie/documents/cypp\\_framework/BetterOutcomesBetterFutureReport.pdf](https://www.dcy.gov.ie/documents/cypp_framework/BetterOutcomesBetterFutureReport.pdf)

<sup>12</sup>

[https://www.welfare.ie/en/downloads/WholeOfGovernmentApproachToTacklingChildPoverty\\_BOBF\\_Final.pdf](https://www.welfare.ie/en/downloads/WholeOfGovernmentApproachToTacklingChildPoverty_BOBF_Final.pdf)

## Wages and Poverty Risks

While links between employment and poverty are complex, it is clear that precarious working conditions and low pay expose vulnerable workers to inadequate and/or unreliable income. This directly affects their ability to stay out of debt, establish a home and plan in any way for the future.<sup>13</sup> One Family welcomes the commencement of the *Employment (Miscellaneous Provisions) Bill* in March 2019, which will address the problem of ‘zero hours’ contracts in certain conditions. However, one-parent families remain exposed to the impact of ‘bottom line’ national minimum hourly rates of pay, because parenting, *by definition*, requires flexibility in order to care for children. The National Minimum Hourly Rate of Pay, therefore, is structurally crucial in the economic lives and progression routes of one-parent families.

From the point of view of wages alone, being ‘at risk’ of poverty means living on wages which are 60% below the national real equivalised disposable income. In 2016 this ‘at risk’ poverty threshold meant living on €12,227 per year – approximately €235.00 per week.<sup>14</sup> Again, one-parent families are particularly at risk of in-work poverty, with 39.9% living on or below this income. The national ‘at risk’ of poverty rate is 15.7%.<sup>15</sup>

Parenting is an unpredictable role - children get sick, and they have their own life events, which need regular parental support, especially as children get older. Parenting alone significantly increases these responsibilities and means that one-parent families are highly represented in casualised employment sectors, especially retail and services. One Family has worked to identify and improve the employment opportunities and structures in these areas,<sup>16</sup> but rates of pay are a recurring and fundamental issue. Moreover, because 86.4% of lone parents are female,<sup>17</sup> they inevitably suffer even further income reduction because of the gender pay gap, which in 2014 was 13.9%.<sup>18</sup> Indeed, a 2016 report from the Low Pay Commission itself observes that NMHRP workers are much more likely to be female, secondary earners, and confined to low-paid part-time work. It goes on to identify the prohibitive cost of childcare as a significant factor in creating these cul-de-sacs.<sup>19</sup>

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<sup>13</sup> TASC 2018 : [https://www.tasc.ie/download/pdf/living\\_with\\_uncertainty\\_final.pdf](https://www.tasc.ie/download/pdf/living_with_uncertainty_final.pdf)

<sup>14</sup> CSO SILC 2017

<https://www.cso.ie/en/releasesandpublications/er/silc/surveyonincomeandlivingconditions2016/>

<sup>15</sup> SILC 2017: <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2017/povertyanddeprivation/>

<sup>16</sup> Centre for Excellence in Welfare to Work. Six Steps to Promote Equality for Lone Parents in the Retail Sector. <https://www.onefamily.ie/wp-content/uploads/2015/03/Six-Steps-to-Promote-Equality-for-Lone-Parents-in-the-Retail-Sector.pdf>

<sup>17</sup> CSO Census 2016 (p41)

<https://www.cso.ie/en/media/csoie/newsevents/documents/census2016summaryresultspart1/Census2016SummaryPart1.pdf>

<sup>18</sup> CSO Women and Men in Ireland 2016. <https://www.cso.ie/en/releasesandpublications/ep/p-wamii/womenandmeninireland2016/socialcohesionandlifestyles/>

<sup>19</sup> Low Pay Commission 2016 : <http://www.lowpaycommission.ie/publications/women-on-nmw-report.pdf>

In 2017, the *Indecon Independent Review of the Amendments to the One-Parent Family Payment since January 2012* examined the impact of austerity measures on one-parent families. This report found that many one-parent families are worse off in employment and, again, in our view this is also due to the precarious and low-paid nature of their work.<sup>20</sup>

Setting an appropriate National Minimum Hourly Rate of Pay (NMHRP) is a crucial element in a whole-of- government response to the poverty of lone parents and their children. In the broader context, globalised shifts in working and living conditions<sup>21</sup> mean that a rational, wholistic and integrated approach to the relationship between hourly rates of pay, taxation and welfare rates must be established. To this end, we support the establishment of a Social Welfare Commission as a ‘sister’ commission to the Low-Pay Commission which would further this work in a systematic way and introduce robust, benchmarked and evidence-based rates across both pay and social protection domains.

## Conclusion

The National Minimum Wage rate is not benchmarked or indexed, nor is it calculated on the basis of need. We know that the Low Pay Commission are tasked with making independent recommendations on this rate, taking into consideration a range of issues such as competitiveness and impact on jobs. It is also tasked with recommending rates which are fair and sustainable in real terms and, in particular, to assist low-paid workers. The profile of ‘worker’ generally is imagined as a single adult of working age – but in fact the reality is that these rates sustain families. Or not.

The Vincentian Partnership for Social Justice’s Living Wage Technical Group, which takes into consideration consistent poverty and material deprivation rates across Irish society as a whole, proposes €11.40 per hour as a minimum hourly wage rate. This is calculated on the basis of the *minimum* needs and living costs for a *single* person of working age. The Living Wage also produces ‘Family Living Income’ calculations which examine minimum salary needs for different family compositions across the country. However, this figure of €11.90 an hour would certainly help to establish a Minimum Essential Standard of Living (MESL) and meet competitive European standards.<sup>22</sup> The Technical Group suggests that the figure of ‘€10.50 by 2021’ proposed in the Programme for Government is well below an effective rate.<sup>23</sup>

To reconsider this from the point of view of lone parents - they are always *primary*, not secondary, earners. They are always *primary*, not secondary, carers. They are always both. Hourly rates of pay affect lone parents and their children directly.

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<sup>20</sup> [https://www.welfare.ie/en/downloads/DEASP\\_OFP\\_Review.pdf](https://www.welfare.ie/en/downloads/DEASP_OFP_Review.pdf)

<sup>21</sup> EUROFOUND - <https://www.eurofound.europa.eu/publications/report/2015/labour-market/upgrading-or-polarisation-long-term-and-global-shifts-in-the-employment-structure-european-jobs>

<sup>22</sup> Living Wage <https://www.budgeting.ie/living-wage/>

<sup>23</sup> Ibid.

Thank you for your consideration in this matter.

**One Family's Recommendations:**

- Accept that as workers, lone parents are always both breadwinners and carers. These roles cannot be separated. They are not a 'single' worker.
- Set the NMHRP at the Living Wage level of €11.90 per hour, enabling movement into the work force and decrease in-work poverty.
- Make 15 hours per week the threshold for the Working Family Payment. The current threshold of 19 hours (38 hrs over 2 wks) for this payment can be shared between two working adults in two-parent families, while one-parent families must reach this alone. It is obviously inequitable.
- Allow lone parents in employment, whose children are aged between 7 and 14, to receive both Jobseekers Transition Payment and Working Family Payment.
- Increase the earning disregard for the One Parent Family Payment (OFP)/ Jobseekers Transition Payment (JST) to €161.40 per week to allow lone-parents to take up and increase working hours.

**ENDS**

**Child Support and Income Inequality: June 2018**

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