

Submission to the Low Pay Commission on the National Minimum Wage 2023



1. Introduction

One Family welcomes the opportunity to make a submission to the Low Pay Commission on the National Minimum Wage (NMW) rate for 2023. One-parent families face a disproportionately high risk of experiencing poverty and deprivation. The Roadmap for Social Inclusion commits to targeting a reduction in poverty among children and families on low incomes.¹ The Government has also signed up to the European Child Guarantee which aims to reduce child poverty by focusing resources at the groups of children most in need, which includes children in one-parent families. Income adequacy is a core issue for one-parent families, with many parents.² The NMW represents a key part of the Government's arsenal in tackling poverty in these families.

2. About One Family

One Family is Ireland's organisation for people parenting alone, sharing parenting and separating. 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. We offer a range of specialist child and parent focused services that assist families as they seek to support themselves and their children. Children are at the core of our work, and we seek to improve their lives by empowering, supporting and up-skilling their parents. We campaign against child poverty, for reform of the family justice system and for the State to recognise and cherish all families equally, regardless of their marital status. More information on One Family can be found at www.onefamily.ie.

3. About One-Parent Families

One in five people in Ireland live in one-parent family, while one in four families is headed by a lone parent. There is a steady increase in diverse family types in Ireland and this is replicated throughout Europe.³ There were approximately 218,817 lone parents and 356,203 children in one-parent families in Ireland in 2016.⁴ Almost 90,000 were single; a further 50,496 were widowed, while the remaining 68,378 were separated or divorced. The number of divorced people in Ireland nationally increased from 87,770 in 2011 to 103,895 in 2016. The vast majority (86.4%) of one-parent families are headed by mothers but many families share parenting of their children.⁵ There is limited demographic data on shared parenting in Ireland; however, many of the families

¹ Government of Ireland, (2019). *Roadmap for Social Inclusion*.

² Society of St Vincent de Paul. (2019). *Working, Parenting, and Struggling? An analysis of the employment and living conditions of one parent families in Ireland*.

³ Central Statistics Office, (2016). *Census 2016 Profile 4 – Households and Families*.

⁴ Ibid.

⁵ Ibid.

categorised as 'households headed by one adult' are likely have some level of shared parenting.

One-parent families are consistently over-represented in measurements indicating poor outcomes and well-being, such as poverty, deprivation, homelessness, fuel poverty, living standards. There have been ten significant, independent and Government commissioned research reports published in relation to one-parent families since 2016 alone (see Appendix A), including a 2017 Joint Oireachtas Committee on Social Protection report which made wide ranging recommendations.⁶ This report is referenced in the Programme for Government commitments towards lone parent families.⁷ All indicate that the poorer outcomes experienced by one-parent families urgently need to be addressed.

4. Reform of the One-Parent Family Payment

The Social Welfare and Pensions Act, 2012 introduced substantial changes to the One Parent Family Payment (OFP). These changes applied to both new and existing recipients and the age at which the youngest child ceases eligibility was reduced from 18 to seven years. These changes were made alongside a commitment to reforms of childcare, which were not implemented. As a result of this policy change, thousands of one-parent families were pushed into poverty.¹² Prior to the One-Parent Family Payment reforms/cuts in Budget 2012, lone parents were disproportionately poor and working in part-time low paid work and 98% of OFP recipients were female. Since the reforms in 2012 these issues have been further exacerbated.

Over time our society has evolved to focus and place value primarily on a person's ability to participate in the labour market. Social welfare is largely conditional on ability and availability to work. Unpaid care work is not only undervalued but largely denigrated in a society where self-worth is tied to employment. For lone parents this approach has completely ignored their caring responsibilities towards their children. The result is the exceptionally high rates of poverty, deprivation and social isolation? experienced by one-parent families.

5. Child Poverty in One-Parent Families

In 2016, the United National Committee on the Rights of the Child expressed deep concern at the 'significant increase in the number of children living in consistent poverty' in Ireland and specifically referred to one-parent households.⁸ As outlined above, children living in one-parent families experience much higher consistent poverty rates than children in households with two adults. Living in consistent poverty has disastrous implications for children's development, isolates parents by eroding access to traditional support systems in their communities, and prevents families moving beyond an immediate struggle to survive and make ends meet.

Growing up poor means children can have insufficient nutritious food, lack of a safe and secure home, lack of quality or warm clothing, and parents unable to pay for things like

⁶Joint Oireachtas Committee on Social Protection, (2017). *Report on the Position of Lone Parents in Ireland*. Government Publication Office: Dublin.

⁷Government of Ireland, (2020). *Programme for Government – Our Shared Future*.

⁸ UN Committee on the Rights of the Child, (2016). *Concluding Observations: Ireland*. Geneva: United Nations.

books, social activities, or school trips. Experiencing poverty, deprivation and inequality in childhood has lasting negative effects on a child's physical, intellectual, emotional and social development. Low quality early child development sets the tone for everything else in life: educational performance, quality of employment, income, living conditions and health.⁹ Poverty also has societal impacts such as higher crime rates, more costly health care interventions and higher need for social care services. Ensuring children in one-parent families are protected from poverty, therefore, is not just good for the children in these families but also for society.

6. One-Parent Families and Low Pay

Across the EU, one-parent households are among those with worst material and well-being outcomes.¹⁰ One-parent households in Ireland have amongst the lowest equivalised income in the EU.¹¹ Lone parents in Ireland are almost five times more likely to experience in-work poverty than other households with children.¹² Approximately half of all Working Family Payment recipients are lone parents, which indicates how reliant these families are on state income supports to stay in work.

One-parent families are among those most at risk of poverty in Ireland; 31.8% of one parent families are at risk of poverty compared to 13% of the overall population. The most recent data from the Central Statistics Office shows that the proportion of one-parent households living in consistent poverty rose from 19.2% in 2019 to 21.6% 2020 at a time when the consistent poverty rate for the general population fell from 5.5% to 5%. Similarly, during the same period the proportion of one-parent households experiencing deprivation rose by 2.4% (to 47.8%) at a time when the overall deprivation rate fell by 2.2% (to 15.6%).

The most recent data from the Labour Force Survey indicates around three in five lone parents are participating in the workforce, with female parents and parents with younger children having lower rates of employment.¹³ In 2019, 21% of lone families in work were also at risk of poverty – more than double the lowest point in the last decade (9% in 2012).¹⁴ The increase in poverty risk for one-parent families has come at a time of a rise in employment, indicating income is inadequate for these working families.

This is backed up by data from the Department of Social Protection, which suggests that increasing employment for lone parents has largely been in low income and low hours work.¹⁵ The in-work poverty rate for lone parent families stands at 8 percentage points higher than for single adults without children (though their risk has gone up this year), and 17 points higher than for two-parent families, whose in-work poverty rate is just under 4 per cent, and declining.¹⁶

⁹ Marmot, M. (2017) *The Health Gap: The Challenge of an Unequal World: the argument*. International Journal of Epidemiology. Volume 46, Issue 4, Pages 1312-1318.
<https://academic.oup.com/ije/article/46/4/1312/4102087>

¹⁰ Eurofound, (2019). *Household composition and well-being*. Publications Office of the European Union: Luxembourg.

¹¹ Society of Saint Vincent de Paul, (2019).

¹² Ibid

¹³ Central Statistics Office, (2020). *Labour Force Survey Households and Family Units*.

¹⁴ Eurostat: In-work at-risk-of-poverty rate by household type - EU-SILC survey [ilc_iw02]

¹⁵ Society of Saint Vincent de Paul, (2019).

¹⁶ Eurostat: In-work at-risk-of-poverty rate by household type - EU-SILC survey [ilc_iw02]

7. Conclusion

The 'at risk' of poverty rate (60% below the national equivalised disposable income) for a one-parent family is €16,478.¹⁷ Working full-time (39 hours per week) the current total income available at the NMW rate is €20,685. However, we know that people parenting alone have significant additional caring responsibilities when compared with households without children and households with two adults and children. A report from the Low Pay Commission in 2016 identified that NMW workers are much more likely to be female, secondary workers and confined to low-paid work, identifying the prohibitively high cost of childcare as a significant barrier to participation.¹⁸ Lone parents are primary workers in their family, have double the care responsibilities and are more likely to rely on low paid, insecure, low hours employment.

The Programme for Government commits to moving the NMW to a Living Wage within the lifetime of the Government.¹⁹ A living wage is benchmarked against a Minimum Essential Standard of Living. The Living Wage Technical Group set the 2021/2022 living wage at €12.90 per hour, almost 25% higher than the current NMW.²⁰ To achieve a move towards a living wage within the lifetime of the Government, a significant increase is required by 2023. In light of current cost of living pressures and rising inflation, a decisive move towards a living wage has become more urgent. We know that it is the households with the lowest income who are worst impacted by inflation, and it is precisely these same vulnerable households who would benefit most from an increase in the NMW towards a living wage.

Recommendations

- Establish a clear pathway to provide workers with a living wage, benchmarked against the cost of living, by 2025 by progressively increasing the NMW.
- Examine the linking of earning disregards, means-tests and income tests for supports such as the Back to School Clothing and Footwear Allowance and Medical Card and in-work income supports to increases in the National Minimum Wage and core social welfare payments, maintaining the value of and access to these supports year on year.

¹⁷ Central Statistics Office. (2021)

¹⁸ Low Pay Commission, (2016). *Women on the National Minimum wage*

¹⁹ Government of Ireland, (2020).

²⁰ Living Wage Technical Group. (2021) *Living Wage Update 2021/22*.

Appendix A- Significant Research Reports on One- Parent Families Published since 2016

- (2021) Russell, H., Privalko, I., McGinnity, F. & Enright, S. *Monitoring Adequate Housing in Ireland*. Dublin: Irish Human Rights and Equality Commission.
- (2021) Roantree, B. Et al. *Poverty, Income Inequality and Living Standards in Ireland*. Dublin : ESRI & Community Foundation Ireland.
- (2019) Society of St Vincent de Paul. *Working, Parenting and Struggling? An analysis of the employment and living conditions of one parent families in Ireland*. Dublin: Society of St Vincent de Paul.
- (2018) Regan, M., Keane, C., and Walsh, J.R. *Lone Parent Incomes and Work Incentives. Budget Perspectives*. Dublin: ESRI.
- (2018) Millar, M., Crosse, R., Canavan, J. *Understanding, negotiating, and navigating the politicisation of evidence-based policy research: the case of Irish research on lone parent labour market activation policy*. Bristol: University of Bristol.
- (2018) Millar, M., Gray, J., Et al. *In-Work Benefits: The (in)adequacy of in-work benefits in Irish lone parent labour market activation policy*, Journal of Poverty and Social Justice. Policy Press, University of Bristol.
- (2017) Delma Byrne and Cliona Murray. *An Independent Review to Identify the Supports and Barriers for Lone Parents in Accessing Higher Education and to Examine Measures to Increase Participation*. Maynooth University: Jointly Commissioned by DES, DEASP and DCYA.
- (2017) Houses of the Oireachtas Joint Committee on Social Protection. *Report on the Position of Lone Parents in Ireland*.
- (2017) Indecon. *Independent Review of the Amendments to the One-parent Family Payment since January 2012*. Presented to Department of Employment Affairs and Social Protection Prepared by Indecon Research Economists www.indecon.ie.
- (2016) Millar, M and Crosse, R. *Lone Parents and Activation, What Works and Why: A Review of the International Evidence in the Irish Context*. Galway: The UNESCO Child and Family Research Centre, National University of Ireland Galway.