

# National One Parent Family Alliance: Budget 2023 Assessment

## National One Parent Family Alliance

*An alliance of civil society organisations concerned about the high levels of poverty experienced by lone parents and their children.*



# Budget 2023 Assessment

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[October 2022]

### **Members of the National One Parent Family Alliance:**

Barnardos

Children's Rights Alliance

Family Resource Centre National Forum

FLAC (Free Legal Advice Centres)

Focus Ireland

National Women's Council

One Family

Society of St Vincent de Paul

SPARK (Single Parents Acting for the Rights of our Kids)

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## Introduction

In 2021, 13.8% of the general population experienced deprivation, however 44.9% of lone parents and their children experienced deprivation, before the current cost of living crisis. Lone parent households are five times more likely to experience child specific deprivation and almost four times more likely to experience consistent poverty than two parent households. Despite record levels of expenditure, Budget 2023, failed to deliver targeted support for the people already experiencing the highest levels of deprivation. (EU SILC, 2021).

In this document, the National One Parent Family Alliance provides its analysis of budget 2023, the anticipated impact on families and what needs to happen in the months ahead to better protect children and parents.

## Budget 2023: Nothing Targeted Delivered for Lone Parents

The National One Parent Family Alliance acknowledges that one parent families will benefit from the autumn social welfare double payment, the double child benefit payment and the extra Fuel Allowance Payment or lump sum for the Working Family Payment (WFP). However, we are dismayed that nothing targeted was delivered to these families who have the highest rates of poverty in the state and who are being disproportionately impacted by the cost of living crisis. This is despite a commitment in the Programme for Government to “continue to prioritise and protect supports for lone parents” and the Roadmap for Social Inclusion’s promise to “to continue to take account of the higher rates of poverty among children in low income and lone parent households in setting welfare rates within the annual budget process”.

In our pre-budget submission we outlined a number of evidenced based measures across Government that will make a real difference to the lives of these families, yet **not one of our 18 recommendations were delivered in Budget 2023**.

It is welcomed that recipients of the WFP will receive an additional €24 per week per child, but disappointing that these families will not have access to the Fuel Allowance. This would have been a targeted measure that would have made a real difference for these families as they struggle with rising energy costs.

The reduction in childcare fees for people on the National Childcare Scheme (NCS) is welcome, however, there were no increases in the targeted subsidies which lone parents are more likely to access. Furthermore, NCS is only available for registered childcare facilities and childminders. NCS is designed around the Monday – Friday 8 am – 6 pm model and this is unsuitable for the many lone parents on shift work, in hospitality, care work or in retail.

Lone parents on a Disability Payment are not entitled to a living alone allowance, and this puts them at a financial disadvantage to other DA recipients who are living alone.

Furthermore, the income disregard for lone parents on One Parent Family Allowance (OPF)/Jobseekers Transitional Payment (JST) has not increased in two years, which means that the net benefit of this disregard has decreased due to inflation and increases in the National Minimum Wage.

EXAMPLE: Lone parent with 1 primary school child – working 20 hours per week in NMW employment and in receipt of OFP will gain 19.50 per week (€16 in NMW and €3.50 in OFP) or 4.8% increase in income which is significantly below inflation. Earnings disregards should automatically increase in line with the NMW to ensure its value is retained year on year

It is with deep regret that no action was taken on the issue of Child Maintenance when the report has been with the Minister since April 2022.

<b>NOPFA Budget 2023 Asks</b>	<b>Department</b>	<b>Did Budget 2023 Deliver?</b>
1. Extend JST to parents until their child finishes school	DSP	No
2. Extend Living Alone Allowance to families in receipt of Fuel Allowance	DSP	No
3. Exclude JST and OFP from the medical card assessment	DSP	No
4. Extend Fuel Allowance to families in receipt of the WFP	DSP	No
5. Unlock free childcare for children in one parent families	DCEIDY	No
6. Extend the max 45 hours subsidy to parents not in work	DCEIDY	No
7. Amend the Parent's Leave and Benefit Act to give same levels of support to one parent families	DCEIDY	No
8. Provide a payment equivalent to Illness Benefit for the proposed five days of medical care leave.	DCEIDY/DSP	No
9. Establish a specific taskforce to deal with housing insecurity among lone parent families	DHPLG	No
10. End the practice of HAP-top ups by ensuring no households fall below SWA levels	DPHGL/ DSP	No
11. Reopen Mortgage Interest Supplement to new applicants	DSP	No
12. Exclude mortgage payment from the assessment of OFP/JST	DSP	No
13. Develop a National Child Poverty Action Plan and establish a dedicated office on child poverty	DCEIDY/DSP	No
14. Fully decouple child maintenance from social protection payments	DSP	No
15. Increase QCI for children over 12 by €12 and by €7 for children under 12	DSP	No <sup>1</sup>
16. Commit to benchmark SW against the cost of the MESL	DSP	No
17. Make SUSI available to parents studying on a part-time basis	DFHES	No
18. Address the anomaly in SUSI for those in receipt of Rent Supplement and unable to access the maintenance grant.	DFHES/DSP	No

<sup>1</sup> We note that IQCs were increased by €2 but this is wholly inadequate in terms of inflation and levels of inadequacy for children, particularly for those aged over 12.

## Impact of Budget 2023 on One Parent Families

Budget 2023, when stripped from once off emergency payments, will entrench lone parent households and their children in deeper poverty. Contrary to the Government's wellbeing report, ESRI analysis confirms that lone parents will be slightly worse off in 2023 compared to price adjusted policies.<sup>2</sup> This is not a child friendly budget, despite the fact that shockingly, children are the age group most at risk of and experiencing poverty, and children in one parent families face an even higher risk. The once-off cost of living measures are welcome but will only offset the huge energy costs households are already experiencing. In many families, once-off payments will go towards paying arrears.

The Government has announced that inflation of 8.5% is anticipated for 2022 and 7% in 2023. The €12 increase on core social welfare payments falls far short of what is needed to protect families from the cost of living crisis and the €2 increase for children living in social welfare dependent families, will lead to deprivation and an increase in child poverty. This is especially true for children over 12, who will not benefit from free primary school books, reductions in childcare costs. The Vincentian MESL Research Centre at SVP, have already identified families with older children as those who are experiencing higher rates of deprivation and are most lacking material needs. Children over 14 in lone parent households have the added risk associated with their parent being moved from Jobseeker's Transitional Payment, a support which acknowledges their care needs, to Jobseekers Allowance, which doesn't.

The inadequacy of the once off measures to address cost of living and the changes to social welfare rates in 2023 for one parent families is highlighted by the Vincentian MESL Research Centre in their post-Budget analysis. According to this analysis, after the Q4 2022 cost of living measures are included, a one parent family with two children (one in pre-school and one in primary school) will face a shortfall of €9.40 and for those with an older child this rises to €82.73. However, in 2023 these shortfalls will increase to €14.73 and €93.32 respectively. The research notes that 'the gradual progress made towards adequacy of income supports is likely to reverse in 2023'.<sup>3</sup>

Among employed households with children, the MESL analysis shows that the one parent household composition with older children, receives JST and so cannot qualify for the WFP or the associated once off lump sum. Of the four family households examined this case receives the lowest proportional increase in support from the 'Cost of Living' measures, with net income rising by 2.4%.

Finally the analysis points out that a one parent household will still lose eligibility to JST when the youngest child reaches 14. In such a scenario, moving to WFP will continue to be accompanied by a notable drop in net income – 10% for a two-child household, due to loss of JST and Fuel Allowance.

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<sup>2</sup>[https://www.esri.ie/sites/default/files/media/file-uploads/2022-10/SLIDES\\_Post%20Budget%20Briefing%202023\\_ROANTREE\\_DOORLEY\\_MCQUINN.pdf](https://www.esri.ie/sites/default/files/media/file-uploads/2022-10/SLIDES_Post%20Budget%20Briefing%202023_ROANTREE_DOORLEY_MCQUINN.pdf)

<sup>3</sup> [Microsoft Word - Budget 2023 - MESL Impact Briefing \(budgeting.ie\)](#) p. 1

## What Needs to Happen Now to Protect One Parent Families?

1. Amend the Social Welfare Bill to increase core rates to a minimum of €8, the QCI for children over 12 by €10, and for children under 12 by €5. An amendment must also be made to extend the Living Alone Allowance to one parent families in receipt of Fuel Allowance.
2. Provision should be made to provide ongoing monitoring of the impact of the cost of living crisis on lone parents with a commitment to provide targeted support in future cost of living measures.
3. Publish the Child Maintenance Review Group Report without further delay.
4. Develop a new National Child Poverty Plan with a dedicated unit that encompasses an integrated and cross governmental approach to address high levels of poverty in households headed by one parent.
5. Amend the Government Budget 2023 impact analysis indexed to prices and wages to illustrate the impact of measure on households in real not nominal terms, thereby addressing the inaccurate analysis that lone parents will be better off after budget 2023.
6. Hold a special meeting of the Joint Oireachtas Committee on Social Protection on lone parents, the cost of living and Budget 2023.

In conclusion, the NOPFA are calling for urgent and comprehensive measures to prevent one parent families being pulled further into poverty. One-parent families are disproportionately affected by economic crises and we must not let this cost of living crisis be another blow to these families, particularly when Government are in a position to proactively assist them.