

# **Better Outcomes: Brighter Futures NGO Sub-Group on Child Poverty**

**Priority Actions for the Department of Social  
Protection, Community and Rural Development to  
Achieve the Child Poverty Reduction Target in  
Budget 2021**

July 2020



## Introduction

In April 2014, the Government set a national child poverty reduction target and committed to adopting a multidimensional approach to tackle child poverty.<sup>1</sup> This pledge forms part of Ireland's commitment to radically reduce poverty by 2020 under the European Commission *Europe 2020* strategy.<sup>2</sup>

The Government's child poverty reduction target outlined in *Better Outcomes, Brighter Futures: The National Policy Framework for Children and Young People 2014-2020*, seeks to reduce the number of children living in poverty by at least two-thirds on 2011 levels.<sup>3</sup> The recently published *Roadmap for Social Inclusion* includes a commitment to set a new target for reducing consistent child poverty.<sup>4</sup>

The recent COVID19 pandemic has caused widespread unemployment and the prospect of a severe recession. The Economic and Social Research Institute (ESRI) have projected that the impact of the COVID19 pandemic could push child poverty rates to 22.6 per cent if there is no economic recovery and to 19 per cent if there is an economic recovery and activation of the labour market.<sup>5</sup> The ESRI also stated that 'Policies which increase the child-dependent components of social welfare schemes or universal increases to child benefit would help to combat these income losses'.<sup>6</sup> It is therefore vital that Budget 2021 ensures adequate measures are in place to mitigate the impact of COVID19 on those most susceptible to child poverty.

The most recent Survey on Income and Living Conditions (SILC) demonstrates that children are most vulnerable to poverty, with 7.7 per cent of children living in consistent poverty, while another 15.9 per cent of children were at risk of poverty.<sup>7</sup> Lone parents are significantly more vulnerable with 19.2 per cent living in consistent poverty versus 5 per cent of 2 parent families.<sup>8</sup> Lone parents in Ireland are almost five times more likely to experience in-work poverty than other households with children.<sup>9</sup>

To support the Government in achieving its child poverty target, a child poverty subgroup was established under the auspices of the *Better Outcomes, Brighter Futures* National Advisory Council for Children and Young People in October 2015. The subgroup was comprised of both statutory and non-governmental (NGO) representatives<sup>10</sup> and was co-convened by the Department of Social Protection and the Children's Rights Alliance. The subgroup developed a paper based upon the European Commission's *Recommendation on Investing in Children* to inform the whole of government approach to tackling child poverty in Ireland which was adopted by the Advisory Council in November 2016 and published in May 2017.

This document outlines the Child Poverty Subgroup's priority asks for Budget 2021 for the Department of Social Protection, Community and Rural Development, the delivery of which would ensure that the most vulnerable families are supported during in the aftermath of the Covid19 pandemic. To be

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1 Department of Children and Youth Affairs, *Better Outcomes, Brighter Futures: The National Policy Framework for Children and Young People 2014-2020* (Department of Children and Youth Affairs 2014). Commitments 4.1 and 4.2, 93.

2 European Commission, *Communication from the Commission Europe 2020: A Strategy For Smart, Sustainable And Inclusive Growth* (Brussels, 3.3.2010 Com(2010) 2020 Final).

3 Department of Children and Youth Affairs, *Better Outcomes, Brighter Futures: The National Policy Framework for Children and Young People 2014-2020* (Department of Children and Youth Affairs 2014) 93.

4 Government of Ireland (2020), *Roadmap for Social Inclusion 2020 – 2025, Ambition, Goals, Commitments* <<https://www.gov.ie/pdf/?file=https://assets.gov.ie/46557/bf7011904ede4562b925f98b15c4f1b5.pdf#page=1>> 53 accessed 1 July 2020.

5 ESRI, *Child Poverty in Ireland and the Pandemic Recession* (2020) 1.

6 ESRI, *Child Poverty in Ireland and the Pandemic Recession* (2020) 17.

7 Central Statistics Office, *Survey on Income and Living Conditions (SILC) 2018* (CSO 2019).

8 Households where there was one adult and one or more children aged under 18 had the highest consistent poverty rate at 19.2 per cent. Central Statistics Office, *Survey on Income and Living Conditions (SILC) 2018 Results* (CSO 2019), Table 3.1: 'At Risk of Poverty, Deprivation and Consistent Poverty Rates by Year' <<https://bit.ly/2wbgclA>> accessed 26 June 2020.

9 Society of St Vincent de Paul, *Working, Parenting and Struggling? An analysis of the employment and living conditions of one parent families in Ireland* (2019) <<https://bit.ly/33FYs3e>> accessed 13 July 2020.

10 Barnardos, ISPC, National Youth Council of Ireland, One Family, Early Childhood Ireland, Saint Vincent de Paul, Children's Rights Alliance.

effective these supports must be embedded within a system of accessible, affordable and high quality health (physical and mental) and education (early childhood, primary and secondary) public services. A more detailed paper will be issued by the National Advisory Council in the coming months outlining long term actions and measures it recommends Government take to reduce the overall levels of child poverty in the context of the aftermath of the Covid 19 pandemic.

## 1. Ensure a child's right to an adequate standard of living

### 1.1 Targeted Payments for the Children Most at Risk of Poverty

**The Ask:** Improve the living standards of those most at risk of poverty and income inadequacy by increasing Qualified Child Allowance by €10 from €40 to €50 per week for children over 12 and from €36 to €39 per week for children under 12.

**The Rationale:** Minimum Essential Standard of Living (MESL) Research has consistently identified older children as having additional and distinct needs in comparison to younger children.<sup>11</sup> The minimum needs of children aged 12 and over, cost over €120 per week, which is 63 per cent more expensive than the minimum needs of younger children.<sup>12</sup> Additional costs relating to food, clothing, personal care, social inclusion and second level education account for much of the difference. However, there must also be proportionate increases for children under 12 to allow for inflation and the increase in the cost of living. Adequate social welfare that addresses the changing needs of a child are vital to ensuring their basic needs are met.

**Estimated cost:** The estimated cost of these increase is €105 million based on the number of pre-pandemic recipients

### 1.2 Support one parent families to access the labour market

#### The Asks:

- Extend the Temporary Wage Subsidy Scheme and Pandemic Unemployment Payment for parents unable to return due to childcare obligations.
- Fund specialist bridging programmes that support lone parents to enter education, training and employment and incorporate wrap-around parenting and family support services.<sup>13</sup>
- Provide adequate training for DSPCRD Employment Services staff in their work with lone parents and their families.

#### The Rationale:

The European Commission 2013 Recommendation *Investing in Children: breaking the cycle of disadvantage*<sup>14</sup> outlines the importance of supporting parents' access to the labour market, making sure that work pays and to provide adequate income support such as child and family benefits and provide access to affordable and quality services.<sup>15</sup> Pandemic Unemployment Payment (PUP) is not currently available to those who cannot work due to a lack of childcare. This disproportionately impacts people parenting alone who are the sole carers for their children. The provision of

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11 Vincentian Partnership for Social Justice, *MESL 2018: Update Report*, (VPSJ 2018) 11.

12 VPSJ (2019) Minimum Essential Standard of Living 2019 update report.  
<[https://www.budgeting.ie/download/pdf/mesl\\_2019\\_update\\_report.pdf](https://www.budgeting.ie/download/pdf/mesl_2019_update_report.pdf)> 23 accessed 10 July 2020.

13 An example of such programme is the New Futures Employability Programme run by One Family <<https://onefamily.ie/education-development/employability-programmes/employability-programmes-new-futures/>> accessed 21 July 2020.

14 2013/112/EU: Commission Recommendation of 20 February 2013 Investing in children: breaking the cycle of disadvantage OJ L 59, 2.3.2013

15 *ibid*, 2.1.

affordable, accessible, and quality childcare, including early years and school age childcare is essential if lone parents are to return to work or continue their educational progression both during and post Covid19 restrictions. While over 80 per cent of services that normally open during the summer have opened,<sup>16</sup> the current provision of these childcare and school services are extremely far away from what is required.

The Department of Social Protection should consider taking a cross-departmental approach by collaborating with the Department of Children, Disability, Equality and Integration and the Department of Housing, Planning and Local Government to prevent an increase in lone parents leaving employment in the coming weeks and months due to a lack of childcare and possibly entering homelessness as a result. To tackle the fallout from Covid19, it is vital that measures are taken to increase income for lone parents through employment supports.

### 1.3 Ensure every family has an income to reach a Minimum Essential Standard of Living.

**The Ask:** There is a need for an independent poverty-proofed benchmarking of social welfare rates, directly indexed to Minimum Essential Standard of Living rates (MESL). Benchmarking, if linked to MESL, would ensure that payment increases are related to the real costs of an adequate standard of living and reduce poverty.<sup>17</sup> We recommend setting a target of ensuring all social welfare payments are adequate by 2025<sup>18</sup> and beginning with an €8 increase in the personal rate of primary payments.

**The Rationale:** Despite the recent budget increases, the latest assessment by the VPSJ still places all social welfare dependent households with children below the level of income adequacy.<sup>19</sup> The analysis examines the adequacy gap between households MESL expenditure need and rates of social welfare and/or minimum rates of pay. In doing this, the extent and breadth of the gap is monitored, and factors which increase the risk of deep inadequacy are identified. Households headed by one parent and those with older children currently experience the deepest level of inadequacy.<sup>20</sup> Adequate social welfare ensures children's basic needs are met, they are better prepared for school and allows parents to reconnect with the world of work and access opportunities.

### 1.3 Address the discrepancies in the Back to School Clothing and Footwear Allowance

**The Ask** Make back to school clothing and footwear allowance fair for lone parents, equalise income thresholds for all families and treat one-parent families the same as two-parent families, who are allowed earn more per child for the Back to School Clothing and Footwear Allowance. Currently a couple with one child can earn up to €603.70 per week and qualify for the BSCFA but a one parent family with one child will not qualify if they earn more than €438.30 per week.<sup>21</sup>

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16 Minister for Children, Disability, Equality and Integration, Roderic O'Gorman TD, Dáil Questions, Written Answers, 16 July 2020 [16414/20].

17 Ibid.

18 Increasing the personal rate from €203 to €211 would be the first annual step in reaching income adequacy based on the Minimum Essential Standard of Living (MESL) based on the commitments set out in the Roadmap for Social Inclusion 2020-2025. MESL calculates the income required for 90% of households in Ireland to meet a basic but acceptable standard of living, according to social consensus and informed by expert knowledge. See Vincentian Partnership for Social Justice (2020) MESL 2020 Update <https://www.budgeting.ie/publications/mesl-2020/>

19 VPSJ (2019) Minimum Essential Standard of Living 2019 update report <[https://www.budgeting.ie/download/pdf/mesl\\_2019\\_update\\_report.pdf](https://www.budgeting.ie/download/pdf/mesl_2019_update_report.pdf)> accessed 10 July 2020.

20 Ibid.

21 Citizens Information, <[https://www.citizensinformation.ie/en/social\\_welfare/social\\_welfare\\_payments/social\\_welfare\\_payments\\_to\\_families\\_and\\_children/back\\_to\\_school\\_clothing\\_and\\_footwear\\_allowance.html](https://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/social_welfare_payments_to_families_and_children/back_to_school_clothing_and_footwear_allowance.html)> accessed 13 July 2020.

**The Rationale:** In 2019 the average cost of sending a child to school was €380 for a child in fourth class and €735 for a child in first year.<sup>22</sup> The Irish League of Credit Unions report that one-in-three parents report getting into debt to pay for schools costs.<sup>23</sup> Currently, the thresholds for one parent families are lower which makes it harder for these families to qualify for the payment. Given that school costs per child are the same for all families, regardless of how many adults are in the household, this system unfairly penalises lone parents.

#### 1.4 Increase the Direct Provision Payment

**The Ask:** Increase the payment made in respect for children living in Direct Provision to the rates of the Qualified Child Increase (QCI).

**The Rationale:** Children and young people in Direct Provision have spoken about the shame they have felt because they cannot afford to go to swimming lessons, on school trips or to birthday parties. Children living in Direct Provision centres are at a high risk of consistent poverty although they are not counted in the official poverty statistics.

Budget 2019 increased the rate of the weekly Direct Provision allowance for children, increasing it from €21.60 to €29.80 in line with the McMahon Report recommendation.<sup>24</sup> This is a positive measure and was the third increase in less than three years to the payment. However, at the time of the McMahon report, the recommendation equated to the rate of Qualified Child Increase (QCI). In the intervening years the Qualified Child Increase rate has been increased to €34 (children under the age of 12) and €37 (children over the age of 12) for children of other social welfare recipients, the increase was not extended to children in Direct Provision.<sup>25</sup>

Children in Direct Provision cannot access other social welfare supports like Child Benefit, even if they are an Irish citizen. The introduction of the right to work for people in the protection process after a set period of time means that some parents may have access to supports like the Working Family Payment to supplement a low income from employment but it is not clear how many people, if any, are receiving these types of supports. Asylum seekers who were working did not qualify for pandemic unemployment payment if laid off during this period.

## 2. Support parents' labour market participation and address in-work poverty

### 2.1 Reduce Working Family Payment Threshold

**The Ask:** To ensure equality between different household types and increase the income of one parent families in work, reduce the Working Family Payment weekly work threshold from 19 hours to 15 hours for one parent families.

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22 Barnardos, *School Costs Survey 2019 Briefing Paper* < [https://www.barnardos.ie/media/5383/2019-schoolcosts-infographic\\_final1.pdf](https://www.barnardos.ie/media/5383/2019-schoolcosts-infographic_final1.pdf)> accessed 31 January 2020.

23 Irish League of Credit Unions, 'Irish League of Credit Union survey finds more than a third of families in debt' <<https://bit.ly/2VtnmQp>> accessed 24 April 2019.

24 At the time of the McMahon report, the recommendation equated to the rate of Qualified Child Increase (QCI). Notably, Budget 2019 increased the Qualified Child Increase rate to €34 (children under the age of 12) and €37 (children over the age of 12) for children of other social welfare recipients. Department of Employment Affairs and Social Protection, 'Budget 2019' accessed 27 November 2018.

25 *ibid.*

**The Rationale:** The Working Family Payment (WFP) is a weekly tax-free payment available to employees with children. It gives extra financial support to people on low pay. You must be an employee to qualify for WFP and you cannot qualify if you are only self-employed.<sup>26</sup> Currently one-parent families need to work the same number of hours per week as two-parent families to benefit from the Working Family Payment. Reduce the weekly threshold to 15 hours per week for one-parent families to reduce the disproportionate pressure they are under and to help them increase their earning capacity.

Over the last recession (2008-2013), research has highlighted that discretionary policy changes particularly affected the incomes of lone parents.<sup>27</sup> To tackle the fallout from COVID19, it is vital that measures are taken to increase income for lone parents to address the discrepancies of the WFP that have a negative impact on lone parents.

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26 Citizens Information, <[www.citizensinformation.ie/en/social\\_welfare/social\\_welfare\\_payments/social\\_welfare\\_payments\\_to\\_families\\_and\\_children/family\\_income\\_supplement.html](http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/social_welfare_payments_to_families_and_children/family_income_supplement.html)> accessed 11 February 2020.

27 Doorley, K., Bercholz, M., Keane, C., Callan, T., and Walsh, J.R. (2018). The gender impact of Irish budgetary policy. Dublin: Economic and Social Research Institute and Parliamentary Budget Office. Regan, M., Keane, C., and Walsh, J.R. (2018). Budget Perspectives 2019, Paper 1. LoneParent Incomes and Work Incentives. July 2018.

27 St Vincent DePaul, Pre- Budget Submission 2020 <<https://www.svp.ie/getattachment/9c80c2ed-9d17-4a47-9dac-0aa86cffb3d7/Pre-Budget-Submission-2020-Investing-in-a-Just-So.aspx>> 9 accessed 10 July 2020

### 3. Ensure that all children have access to a hot nutritious meal every day

**The Ask:** Ensure that all children have access to a hot nutritious meal every day in education settings by introducing a national programme on phased basis. Consider reallocating funds earmarked for school meals for **hot** school meals. An additional approx. €68 million per year would provide a hot school meal to every child currently benefitting from the School Meals Programme.<sup>28</sup>

**The Rationale:** Just over one in ten households with children in Ireland experience food poverty.<sup>29</sup> This means that almost 80,000 households with children under 18 years<sup>30</sup> cannot afford a meal with meat or vegetarian equivalent every other day; are unable to afford a weekly roast dinner; or miss one substantial meal.<sup>31</sup> Parents on the minimum wage have to spend almost a quarter of their income on food, and almost a third if they are dependent on social welfare payments.<sup>32</sup> Low-income households can often only afford cheap, concentrated energy from foods full of fat, salt and sugar rather than healthier, more expensive foods such as wholegrains, fish, vegetables and fruit.<sup>33</sup> *Growing Up in Ireland* – the national study on children – has found that where you live determines where you shop. More economically advantaged households do not have as far to travel for food shopping.<sup>34</sup> In Ireland, by age three, children from lower socio-economic backgrounds are more likely to have consumed energy-dense food like hamburgers and crisps, but less likely to have eaten fresh fruit or vegetables.<sup>35</sup>

In September 2019, the Department of Employment and Social Protection launched a hot school meals pilot and this was expanded in Budget 2020. The Council proposes that upon completion of the pilot, the Department consider investing additional funding into hot school meals and reallocate existing funds from colds meals towards hot meals instead.

### 4. Ensure young people aged 18 -24 year of age have access to adequate social welfare supports

**The Ask:** Invest €35m as the first of two steps to restore young people to full adult Jobseeker's Allowance rate. In the first of two steps in eliminating the age-related difference in payment by increasing the Jobseeker's Allowance rate for 18-24 year olds by €45.10 per week from €112.70 to €157.80.

**Cost:** €35m based on current numbers in a full calendar year.<sup>36</sup>

**The Rationale:** The consistent poverty rate for young people aged 15-24 years in 2015 was 15.6 per cent, which is almost double the overall rate of 8.7 per cent and the highest of all age cohorts. The percentage of young people aged 15-24 years in consistent poverty has increased by 73 per cent

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28 Cost per 35,000 children is €9.5 million. Figure based on the 250,000 children currently benefitting from the school meals scheme as set out: Minister for Employment Affairs and Social Protection, Regina Doherty TD, Written Answers, School Meals Programme, 18 December 2019 [53760/19].

29 Department of Employment Affairs & Social Protection. *Social Inclusion Monitor 2016*. Dublin; 2018.

30 Calculated using Central Statistics Office, *Census 2016 Profile 4 – Households and Families* (2017 CSO).

31 Department of Employment Affairs and Social Protection, *Social Inclusion Monitor 2016*, <https://www.welfare.ie/en/downloads/SIM2016.pdf> (accessed 7 June 2020).

32 *ibid.*

33 Adam Drewnowski, *The Real Contribution of Added Sugars and Fats to Obesity*, *Epidemiologic Reviews*, Volume 29, Issue 1, January 2007, 160–171.

34 Richard Layte and Cathal McCrory, *Growing Up In Ireland Overweight And Obesity Among 9-Year-Olds* (DCYA 2011) 33.

35 James Williams, Aisling Murray, Cathal McCrory, Sinéad McNally, *Growing Up in Ireland - Development From Birth To Three Years* (Department of Children and Youth Affairs 2013) 37.

36 Dáil Éireann, Parliamentary Questions 1039, June 16th 2020 <<https://www.kildarestreet.com/wrans/?id=2020-06-16a.2770&s=%22under+25%22#g2771.q>> accessed 20 July 2020.

between 2010 and 2015, compared to the overall increase of 40 per cent over the same period. Research carried out by the Vincentian Partnership for Social Justice (VPSJ) on the Minimum Essential Standard of Living for young people on Jobseekers' Allowance aged 18-24 years in 2018, commissioned by the National Youth Council of Ireland, found that for all those aged 18-24 years on the lower rates of Jobseeker's Allowance, the current payments are wholly inadequate. For the vast majority of recipients, the current payments are a fraction of what is required to live with dignity.<sup>37</sup>

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<sup>37</sup> National Youth Council of Ireland, Pre-Budget Submission Budget 2021.