

## **One Family's Pre-Budget Submission 2010 to Department of Social and Family Affairs September 2009**

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### **Background**

One Family is working to ensure a positive and equal future for all members of all one-parent families in Ireland – changing attitudes, services, policies and lives. Together with one-parent families and those working with them, we are committed to achieving equality and respect for all families.

In addition to striving for fundamental structural change, we support individual one-parent families as they parent through times of family, work and life change, and those experiencing a crisis pregnancy. We know that every family is unique, and so we work in a family centred way to bring about better lives for parents and children.

One Family welcomes this opportunity to submit our pre-budget submission to the Department of Social and Family Affairs.

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### **Reality of Life for One-Parent Families in Ireland**

#### **Growing Numbers of One-Parent Families in Ireland**

The latest Census of Population (Census of Population, CSO 2006) confirmed the growth of one-parent families in Ireland. The Census of Population revealed that:

- The number of one-parent families in Ireland increased from 153,900 in 2002 to 189,200 in 2006<sup>1</sup>. This represents a 23 per cent increase and means that one-parent families now represent 18 per cent of all families living in the state (Census 2002 and 2006, Table a4)
- In 1981 there were approximately 30,000 one-parent families with children under 15 years old. In 2006 this was just under 99,000, an increase of 231 per cent. In 2006 93 per cent of lone parents with children under 15 were women, compared to 7 per cent of men (Census 1981-2006 Table a5)
- In 2009 there were 131900 lone parents<sup>2</sup> with children under 20, this is an increase of 42 per cent from 1998 (QNHS 2008 and Women and Men in Ireland 2008, Table a6)
- 17 per cent of all lone parents with children under 15 were aged 25 or younger<sup>3</sup> (Census 2006 and OSI 2007, table b7)

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<sup>1</sup> Number of family units with children of any age.

<sup>2</sup> Refers to persons enumerated as lone parents and not family units

<sup>3</sup> Census 2006 quoted in "a social portrait of people of working age" 2007, Office for Social Inclusions

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

The latest EU-SILC figures for 2007 show that 20.1 per cent of people living in one-parent households are consistently poor compared to 5.1 per cent of the general population.<sup>4</sup> Overall the figures indicate that at least one in five one-parent families continue to live in consistent poverty, the Government's own measure of poverty at the height of the economic boom.

These figures should be seen in the context where government policy is aimed at reducing the numbers of those experiencing consistent poverty to between 2 per cent and 4 per cent by 2012, with the aim of eliminating consistent poverty by 2016<sup>5</sup>.

Members of one-parent households also experience an extremely high level of deprivation compared to members of other households. Over a third (35.6 per cent) of people living in lone parent households experienced two or more forms of deprivation in 2007. This compares to 11.8 per cent of the general population. One-parent households were also found to be more dissatisfied with their current dwelling. A third of one-parent households were dissatisfied with their current dwelling compared to 17 per cent of the general population.

## **Growing up in a One-Parent Family**

The first round of results of a major longitudinal study of children growing up in Ireland<sup>6</sup> was published in July 2009. The main results of the 9 year old cohort living in one-parent families were;

- 18 per cent of 9 year olds lived in one-parent families.
- 1 per cent of 9 year olds lived in lone father households.
- 53 per cent of lone parents with three or more children were in the lowest income quintile.<sup>7</sup>
- Only 5 per cent of one-parent families with three or more children were in the top income quintile, compared to 18 per cent of two-parent families with three or more children

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<sup>4</sup> Overall this is a decrease of over 10 per cent in the consistent poverty rate for members of lone parent households since the previous year. However a number of methodological considerations must be taken into account in interpreting these trends. In 2007 a new measure of consistent poverty was introduced that included two more forms of deprivation. This is now the official measure of consistent poverty. The figure presented above are comparing the consistent poverty rate using the old measure in 2006 and the new measure in 2007 and therefore are not directly comparable. Using the old measure of consistent poverty, in 2007 27 per cent of people living in lone-parent households were consistently poor compared to 33 per cent in 2006. Comparing the new measures, 27.3 of lone parents were living in consistent poverty in 2006 compared to 20.5 per cent in 2007. both figures indicate a decline of 7 percentage points in consistent poverty among one-parent families which is to be welcomed.

<sup>5</sup> "The National Action Plan for Social Inclusion (NAPinclusion) 2007-2016" launched on 21st of February 2007.

<sup>6</sup> Study was funded by the Department of Health and Children and the Office for the Minister of Children and is being carried out by the Economic and Social Research Institute

<sup>7</sup> Equivalised income, i.e. income that takes into account the size of the households banded into 5 cut off points, each cut off point is know as a quintile. This therefore takes into account the distribution of income across the sample.

- 11 per cent of 9 year olds were in households where their lone parent worked outside the home.

This study reinforces the findings from the EU SILC, revealing again the much higher poverty rates experienced by one-parent families compared to other family types in Ireland today.

### **One Family's Submission**

While we await the 2008 SILC figures we do know that one-parent families are facing increased financial and other pressures due to the cutbacks already imposed by Government in the earlier budget in 2009 and in the 2008 budget. These cutbacks already seriously affecting one-parent families include:

- Reductions in Rent Supplement and increases in rent contribution required by the tenant
- Removal and reductions in payments for children – removal of the Early Child Care Supplement and Child Benefits cuts for 18 year olds
- Removal of the Christmas bonus for those on welfare
- Exclusion of those on the One-Parent Family Payment from many of the new training and education initiatives introduced by FAS
- Cutbacks in education grants - often in the middle of courses
- Cutbacks in support for schools and for school children in low income families.

### **Many One-Parent Families Face the Future with Fear**

One-parent families are extremely concerned about the proposals for further extensive cuts suggested particularly in the McCarthy report. Such further cuts in both income and services, taken with cutbacks already experienced, has the potential to undo the good work that the Department of Social and Family Affairs and other Departments, as well as state agencies such as FAS has been doing in co-operation with One Family and other NGOs over the last few years to give hope and opportunity to those caught in the trap of poverty and low incomes.

Further cuts, especially proposed cuts in social welfare rates, removal of the so called 'double payments' for those who care for other family members or try to combine work experience with caring, across the board cuts in Child Benefit, will, if implemented, give a clear message to one-parent families that their efforts to provide a better life for themselves and their families are neither recognised or valued.

The effect of the proposed removal of supports which encourage lone parents to participate in schemes like CE will, if implemented, have a profound impact not only on lone parents' already narrow range of options for developing their skills and gaining work experience, but will also have a hugely detrimental effect on the community and voluntary sector itself, and particularly on the

community childcare sector which depends so much on such participants to staff its services.

The role that the Community and Voluntary sector as a whole plays in providing services is also seriously threatened by the McCarthy report. Skills, knowledge and experience built up over many years within the C & V sector are in danger of being lost, resulting in a reduction of supports and safety nets for many of Ireland's most vulnerable individuals, families and communities.

Added to this, one-parent families are seriously concerned about possible draconian cutbacks in the already poorly resourced and limited services for families going through marriage and relationship breakdown. Research clearly shows that the negative effects on families, especially children, going through such events can be reduced by access to specialist support services. Yet the McCarthy report recommendations threaten the Family Support Agency (FSA), the Family Mediation and counselling services of the FSA, as well as the Family Resource Centres, Community Development Programmes, National Networks and other local services that support so many families and greatly assist them to deal with such life changing events.

Even more vulnerable are families of asylum seekers living in reception centres. Such families, already excluded from Child Benefit and forced to live on minuscule incomes, are now being asked to share their rooms to save money.

While recognising the urgent need to address very serious budget overruns, seeking to save money in these areas runs the risk of laying the basis for greater inequality and discrimination in Irish society that will take years to redress and in the meantime will remove all hope of a better life for many families already deeply struggling with financial and other problems. It also ignores the fact that those on low incomes have a high propensity to spend this income on local goods and services and therefore more cuts in the income of this group will have the effect of further deflating the economy. Essential cutbacks must instead be concentrated on:

- Broadening and deepening the tax base.
- A sound and detailed analysis of the cost-effectiveness of proposed cuts and of their economic and social impact on already vulnerable groups.
- Reforming the delivery of services to ensure value for money and the achievement of expected outcomes.

## **2009 Budget Priorities**

Based on the above analysis this year One Family is framing its submission in a way that takes account of the serious economic downturn currently being experienced in the economy and in recognition that, while short term financial problems must be a key concern, The Department of Social and Family Affairs, supported by other Departments, should:

1. Base all decisions on the premise of not further increasing poverty among one-parent families during the current downturn.
2. Ensure that existing supports to assist lone parents to get into and/or progress in employment, education and training are not dismantled.
3. Ensure that existing supports to assist families going through crisis pregnancy, marriage and relationship breakdown and new family formations are not dismantled.
4. Continue to support the Community & Voluntary sector to provide much needed services for vulnerable groups.
5. Continue to provide and develop value for money, relevant and sustainable services for one parent and other low income families.

Thus One Family's priorities for Budget 2010 are:

**1. Ensure that poverty in one-parent families is not increased**

**1.1 Maintain the One-Parent Family Payment at its current rate**

One-parent families dependent on social welfare have already experienced a number of income cuts in 2009 - most directly in terms of the loss of the Christmas Bonus, reductions in Rent Supplement and loss of the Early Childcare Payment. While we recognise that some costs have decreased many of the goods and services that most impact on those on low income are continue to rise or have only fallen very slightly.<sup>8</sup> Given that many one-parent families on welfare are already in poverty or at risk of poverty we recommend that no cuts be made in this payment.

**1.2 Maintain the earnings disregard for the One-Parent Family Payment (OPF)**

The earnings disregard provides a vital support to lone parents enabling to earn a small income before loosing some or all of the OPF. This is especially important for lone parents taking part in Community Employment schemes and must be maintained.

**1.3 Christmas Bonus**

In recognition of the extra financial pressure placed on families at particularly expensive times of the year the Christmas Bonus be reinstated for families with dependent children.

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<sup>8</sup> For instance between June 2008 and June 2009 there were significant increases in electricity (5%) and natural gas (7%); bus fares increased by 11%; Childcare costs increased by 6, the cost of primary (8%) and secondary (7%) education increased and doctor's fees increased by 2%, dental fees by 2% and hospital services by 9%. (Central Statistics Office, Consumer Price Index June 2009 )

#### **1.4 Delays in Payments**

Investigate existing and growing delays and take effective action to reduce the time it takes for new applicants to the One-Parent Family Payment to be assessed and informed of the decision made.

## **2. Support payments to children dependent on social welfare and other low income families**

As other supports for children come under pressure, scarce resources should be targeted on those most at risk of poverty. We therefore recommend that:

- No cuts be made in the level of Child Benefit going into low income families
- The Qualified Child Allowance be increased by €4 to €30 per week.
- The income thresholds for the Family Income Supplement (FIS) be increased and payment of FIS become automatic for eligible families
- Apply the same means test for Back to School Clothing and Footwear allowances to one-parent and two-parent families, as is currently the case in relation to other social welfare payments, and raise the level of the payment to support low income families on social welfare and in low paid employment to cope with increasing education-based costs and integrate with these other payments
- The introduction of a medical card for all children aged 5 years and under by 2010.<sup>9</sup>
- Introduce a compulsory national book rental scheme in all schools across the State.

## **3 Remove Poverty Traps facing Lone Parents**

Actions to encourage lone parents to participate in education, training and employment, or to increase their involvement in work if they are already working (60per cent of those on the OFP are estimated by the DSFA to have an income from employment) must be maintained and enhanced. The Vincentian Partnership for Social Justice estimates that a one-parent family working full-time with no car have a discretionary income after all costs of only €16.49 compared to €7.47 if they are fully dependent on social welfare.<sup>10</sup>

We recommend therefore:

- Childcare costs be taken into account when calculating income for Rent Supplement purposes
- Refundable tax credits for families on low income be introduced
- The so called ‘double payment’ for those parenting alone and also eligible for the carers allowance be retained

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<sup>9</sup> Costed by the NWCI at €57 million

<sup>10</sup> Vincentian Partnership for Social Justice ‘Minimum Essential Budgets for Six Households 2008 Update

- The existing arrangement whereby those on CE can also claim the OFP up to a certain level be retained in recognition that the current arrangement helps cover additional participation costs like childcare and transport, but within a reformed CE scheme which ensures that participants obtain recognised skills and qualifications and are better able to access other training programmes if they are more suitable to their needs
- Ensure that those on the OFP are eligible for all the new initiatives currently only available to those on job seekers allowance to assist them return to and/or remain in education, skills training programmes, work experience programmes and employment
- Implement the commitment in the current Programme for Government to grant-aid part-time education courses leading to recognised qualifications in 2008<sup>11</sup>
- Protect Band B and C in the Community Childcare Subvention which assists lone parents to make the transition from welfare to work, contrary to the recommendation of the McCarthy report<sup>12</sup>
- Continue and develop the initiatives currently supported by DSFA and FAS to assist lone parents to access relevant education and training and related supports based on thorough evaluations of the existing pilot programmes
- Undertake a widespread programme of information specifically targeted at lone parents about FIS and any other entitlements.
- Carry out longitudinal studies of the cost effectiveness of initiatives aimed at encouraging lone parents to participate in education, training and employment
- Expand the Rental Accommodation Scheme and social housing taking advantage of lower land, material and labour costs to increase the stock of social housing and to reduce the number of one-parent families dependent on Rent Supplement.

This package of measures will help to reduce poverty levels in one-parent families, will improve incentives to earn additional income and will increase take up of available supports.

#### **4. Remove Inequalities Faced by Migrant One-Parent Families**

Increasing numbers of one-parent families in Ireland today are from new communities. One Family's growing involvement with such families has highlighted to us how many such families are extremely isolated and face additional pressures in coping with family life and surviving financially.

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<sup>11</sup> The current Programme for Government promises to: 'Introduce a new system of means-tested free fees for approved part-time courses. Together with incentives for colleges to offer more flexible and diverse course structures, this will enable more people with work or family commitments to avail of opportunities at third level' (2007)..

<sup>12</sup> Almost two thirds (65%) of children who lived in lone parent households where the parent worked full-time used non-parental childcare compared to 58% of children who lived in couple households. (QNHS,2007)

Families from new communities include parents with humanitarian leave to remain, foreign workers on visas who become pregnant, spouses/partners of workers from new EU member states who are now parenting alone and asylum-seekers. Increasing numbers of such families are coming to One Family for support, advice, counselling and training. While the needs of such families are multifaceted and wide-ranging, we would focus on the following recommendations aimed at addressing some of their most urgent needs:

- The reinstatement of Child Benefit as a universal payment
- Provision of specialist accommodation for asylum seeker families living in direct provision and reversal of the policy which requires one-parent families to share accommodation in such centres
- Provision of culturally sensitive medical and pregnancy related services
- Availability of relevant information in key languages
- Removal of the requirement for those parenting alone with humanitarian leave to remain to demonstrate their contribution to Irish society in terms of paid employment when their children are young or when they have large families
- Greater support for migrant women experiencing crisis pregnancies including access to all options.

## **5. Supporting Families and Parenting**

### **5.1 Supporting Non-Traditional Families**

Over 200,000 families in Ireland today are headed up by divorced, separated or remarried parents. Such families need information and support in dealing with related family law issues and in addressing the financial, emotional child contact and practical difficulties involved in such situations.

We therefore call on the government to:

- Ensure that reductions in maintenance and other payments due to the effects of the current recession are taken into account in estimating family income and provide an easily accessible means for families to renegotiate separation agreements to take account of these changing realities
- Retain and expand funding for organisations and services that provide supports for families experiencing marriage and relationship breakdown, building on best practice nationally and internationally
- Allocate funds for the provision of pilot Child and Family Contact Centres, building on the findings of research on child contact centres carried out by One Family, supported by the Family Support Agency.

### **5.2 Supporting Parenting**

The Programme for Government 2007 commits the Government to supporting groups providing parenting support. One Family believes that the State can play a particularly important role in helping parents in one-parent



and shared parenting situations to achieve a desirable balance between work, caring and recreation. By assisting parents to parent well, such supports can result in positive outcomes for both children and parents in the families involved.

We therefore recommend:

- The introduction of additional supports for those parenting alone or sharing parenting to attend parenting courses and parent mentoring services
- Availability of trained facilitators/mediators to work with new parents that are parenting alone and to support them to maintain links with the labour market as well as to access family and parenting services during the early years of their children's lives.

## **6. Protect the Community & Voluntary Sector Infrastructure**

As referred to above the C & V sector plays a vital role in supporting vulnerable individuals, families and communities already seriously affected by the current economic recession. It is vital that this infrastructure not be dismantled now when it is needed more than ever. We therefore call on the government to maintain funding for vital community services provided by CDPs, Family Resource Centres and a wide range of NGOs, including One Family itself.

## **7. The need for a Longer Term Strategy to Reduce Poverty and Social Exclusion among Low Income Families**

If one-parent families are to really move out of poverty and to experience full equality in Ireland today they must have access to the type and quality of services that will support them to access education, training and employment, and that will also assist them to positively manage their work and caring responsibilities.

We therefore call on the Government to develop a strategy that will aim to achieve its own target of reducing poverty to 2 per cent by 2012 and which will be ready to commence implementation when the economy begins to pick up. This will require co-ordinated action across a number of government departments and related agencies. We outlined the main components of this strategy in our last pre-budget submission. See Appendix 1.

**Ends**

## **Appendix 1: Key Elements of longer term strategy to reduce poverty and social exclusion among one- parent families**

### ***Education***

- Expand early childhood education and development for the children of one-parent families and of other low income families to assist in breaking the cycle of long-term poverty,
- Provide supports such as the Teen Parent Support Programme on a nationwide basis to encourage young parents to stay in school, including a stay in school payment where required.

### ***Employment***

- Progress the proposed reform of lone parent state supports in a way that supports choice, positive engagement, the introduction of incentives and the removal of barriers to progression within the labour market by lone parents, building on the findings of One Family's research on the real barriers facing lone parents in accessing and progressing in the labour market, (published in November 2008).
- Introduce a guarantee that lone parents moving from social welfare to paid employment can access suitable and accessible childcare, including after school care as promised in the current Programme for Government.
- Introduce a 'Cost of Returning to Work' allowance to lone parents and other parents on low income moving from social welfare to work to reflect the significant costs involved in these transition periods.
- Introduce an initiative to support lone parents on Community Employment (CE) to move onto skills based education and training and into meaningful employment.
- The extension of available work life balance options that do not result in a loss of income. In particular, the provision of a combination of paid maternal, paternal and parental leave to cover the period until a child reaches one year of age.

### ***Housing***

- Ensure greater access by one-parent families to social housing and to the Rental Accommodation Scheme, including suitable provision for non-residential parents with child access.<sup>13</sup>

### ***Health***

- Provide a medical card for all children, commencing with those children whose families are on social welfare or are eligible for FIS.

### **Ends**