



One Family's Pre-Budget Submission 2011 to the Department of Social Protection September 2010

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 Protection.

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 2006¹. 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.
- The number of one-parent families with children under 20 years of age increased by 70.4 per cent between 1997 and 2006². In 2006, one-parent families represented 22 per cent of all families with children in this age group, and increase of 36 per cent since 2002.
- In 1980 there were approximately 30,000 one-parent families with children under 15 years old. In 2006 this was just over 99,000, an increase of 60 per cent.
- In 2006 94 per cent of lone parents with children under 15 were women, compared to 6 per cent of men.
- 17 per cent of all lone parents with children under 15 were aged 25 or younger³.

¹ Number of household with lone parents with children of any age.

² According to the CSO "it must be kept in mind that the more precise family coding allowed by the revised relationship question used in the 2006 census has contributed to this increase". Census of Population 2006.

³ ONHS 2006 Quarter 2 quoted in "A social portrait of people of working age in Ireland" (2007) by the Office for Social Inclusion.

Poverty and One-Parent Families

The latest EU-SILC figures for the year 2008 show that 17.8% of people living in one-parent families were living in consistent poverty; this is compared to 4.2% of the general population (EU-SILC 2008). One-parent families also report higher levels of at risk of poverty in 2007, 36.4% were at risk of poverty in 2008. This is compared to 14.4% of the general population (EU-SILC 2008). Overall the figures indicate that over one in six one-parent families continued to live in consistent poverty, the Government's own measure of poverty at the height of the economic boom. While the percentage of one-parent families living in poverty had fallen compared to 2007 one parent families remain the group most affected by poverty in Ireland. We are concerned also that the recent changes which mean that lone parents in need of social welfare with children over 14 will be put on Job Seekers Allowance will increase the already high poverty rates in one-parent families.

These figures should also 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 2016⁴.

Members of one-parent households also experience an extremely high level of deprivation compared to members of other households. Lone parent households reported the highest deprivation levels of any household type with nearly one quarter (24.2%) of individuals in these households experiencing three or more of the eleven deprivation items in 2008.⁵

Growing up in a One-Parent Family

The first round of results of a major longitudinal study of children growing up in Ireland⁶ 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.⁷
- 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.

4 "The National Action Plan for Social Inclusion (NAPinclusion) 2007-2016" launched on 21st of February 2007.

5 Over one third of individuals in lone parent households lived in a household with the inability to replace worn out furniture (35.2%). Also prominent for these households was the inability to afford a morning, afternoon or evening out in the last fortnight at 16.8% . Over one third of people in lone parent households lived in a household which was unable to afford to have family or friends for a drink or meal once a month (35.3%) while one in five went without heating at some stage in the last year (21.4%).

6 Growing Up in Ireland is funded by the Office of the Minister of Children and is being carried out by a consortium of researchers headed by the Economic and Social Research Institute and TCD.

7 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 known as a quintile. This therefore takes into account the distribution of income across the sample.

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

One-parent families along with many other groups in society are facing increased financial and other pressures due both to the economic downturn and to the cutbacks already imposed by Government in their 2009 and 2008 budgets and the resultant curtailment of services. These cutbacks already seriously affecting one-parent families include:

- Reductions in the One-Parent Family Payment (OFP)
- Reductions in Rent Supplement and increases in the rent contribution required by the tenant
- Removal and reductions in payments for children – removal of the Early Child Care Supplement, child benefits cuts for 18 year olds and overall reductions for those not on social welfare
- Removal of the Christmas bonus
- Removal and reduction in education grants and available funding⁸
- Removal and reduction in support for schools

While One Family recognises that the public finances are under extreme pressure, and will continue to be so in to 2011 and beyond, we are calling on the government to make good its commitment to protect the most vulnerable from the harshest cuts and to ensure that those who gained least from the years of economic boom do not now have to pay for the excesses of those years.

Many One-Parent Families Face the Future in Fear

One-parent families are extremely anxious about changes to the One-Parent Family Payment and about likely further cuts in both services and income. Added to the cutbacks already experienced, such changes have the potential to undo the good work that the Department of Social Protection, Department of Community, Equality and Gaeltacht 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 number of years to give greater opportunity to those one-parent families caught in the trap of poverty and low incomes.

⁸ If a lone parent is in private rented accommodation and receiving rent supplement and wishes to return to full time education then they have to apply for the Back to Education Allowance (BTEA) in order to retain their rent supplement. If they then receive the BTEA then they are no longer eligible for the Higher Education Maintenance Grant but will still receive the Student Services Charge (as well as tuition fees, where appropriate). Some lone parents already back in education prior to this change now find their situation substantially changed. Just to clarify the change on BTEA and Maintenance grant only applies to new applicants not those who have already commenced a course

One-parent families in Ireland are also concerned about possible further decreases in the already poorly resourced and limited services for families going through marriage and relationship breakdown. Research clearly demonstrates that the negative impacts on families, especially children, going through such events can be reduced by access to tailored support services. One Family, in this regard, are looking forward to the piloting of two contact centres in Dublin under the auspices of the Minister for Children in the near future, building on our recent research in this area. ⁹

Even more vulnerable are one-parent asylum seeking families living in reception centres. Such families, already excluded from Child Benefit and living on minimum state supports, are increasingly being asked to share rooms to save money.

Further cuts run the risk of laying the basis for greater and wider inequality in Irish society. The effects of these cuts could take a generation to address and in the meantime are likely to reduce expectations of a better life for many one-parent families already struggling financially, socially and economically.

One Family recognises the pressures currently on the economy and on the public finances and calls for the 2011 Budget to concentrate on:

- Broadening and deepening the tax base.
- A sound and detailed analysis of the cost-benefits of proposed cuts and of their economic and social impact on already vulnerable groups, both in the short and long term (e.g. reductions in dental entitlements)
- Reforming the delivery of services to ensure better value for money and the achievement of expected outcomes

2011 Budget Priorities

Based on the above analysis One Family is again 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 Protection, supported by other Departments, should:

1. Base all decisions on the premise of not increasing poverty among one-parent families
2. Develop and implement a coherent strategy to reduce child poverty which is strongly and increasingly concentrated in one-parent families¹⁰

⁹ 'Supporting Child Contact: The Need for Child Contact Centres in Ireland', One Family, 2009

¹⁰ ESRI 'Monitoring Poverty Trends in Ireland 2004-2007: Key Issues for Children, People of Working Age and Older People.', 2010, states that: 'Child poverty became increasingly concentrated among lone parent families over the period: in 2004, children in lone parent families accounted for **53%** of children in consistent poverty, while in 2007, **65%** of children in consistent poverty were in such families'

3. Ensure that proven supports to assist lone parents to secure and/or progress into employment, education and skill development pioneered to date by FAS and the Department of Social Protection in partnership with One Family are maintained and built on;
4. Ensure that existing supports to assist families going through crisis pregnancy, marriage and relationship breakdown and new family formations are not dismantled
5. Build on positive supports for families and children already in place, e.g the universal free preschool year.

Thus One Family's priorities for Budget 2011 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 experienced a number of income cuts in 2009. A key argument for such cuts has been the reductions in prices. However, prices have fallen by less than 1% between June 2010 and 2009 and many of the goods and services that most impact on those on low incomes have risen substantially.¹¹

Given that many one-parent families on welfare are already in poverty or at risk of poverty One Family recommend that no cuts be made in this payment in Budget 2011 and that supports that assist lone parents to acquire the skills, qualifications and confidence to move into sustainable jobs are enhanced.

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

The earnings disregard provides a vital support to lone parents enabling them to earn a small income before losing some or all of the OFP. This is especially important for lone parents participating in part-time employment and Community Employment schemes and must be maintained.

1.3 Increase the earning disregard on the Job Seekers Allowance(JSA)

Lone parents with children over 14 years of age not already on the One-Parent Family Payment will no longer be eligible to receive this payment in 2011. Without the support of the disregard that is an integral part of the one-parent family payment system such families are likely experience even higher poverty rates. It is essential that JSA is reformed to allow a higher income disregard level and also that that facilitates the type of part- time working most often availed of by parents with main caring responsibilities.

¹¹ Between June 2009 and 2010 there were increases in the cost of Education (+9.1%), Housing, Water, Electricity, Gas & Other Fuels (+5.2%) and Transport (+2.9%)

1.4 Make a commitment that eligibility for the One- Parent Family Payment will not be changed again, i.e. the age of the child further reduced

Pending a full review and reporting on the outcomes of those affected both parents and their children- (impact on poverty rates, family life, child outcomes, and on social welfare and housing patterns, (e.g. whether they have moved on to JSA, Disability Allowance, off rent supplement, etc) and on participation in the labour market) as well as an improvement in the available employment opportunities, make no further reductions to the age of children covered by the one-parent family payment.¹² Rather focus attention on developing the skills and qualifications of lone parents already highly motivated to work and support programmes like One Family's New Futures and New Start which assist lone parents distant from the labour market to develop and begin implementing realistic career plans.

1.5 Reform FIS to make it more accessible to lone parents

Currently FIS is only available to those employed for 19 hours or more per week and is not available to the self employed. We propose that this be reduced to 16 hours and extended to the self employed to help ensure that lone parents are further enabled to access a wider range of family friendly working hours and work opportunities.

One Family also recommends that a review be carried out of why so few lone parents are currently accessing FIS and how best to increase take up rates among lone parents, which would facilitate take-up of work.

One Family further recommends that any proposed reforms of FIS, currently being considered in the context of reviewing child income supports, guarantee that those on the lowest income quartiles, including many lone parents, are not rendered worse off by any such reforms. In this context it will be vital to ensure that the current job subsidy element of FIS is not lost in any such reforms or is replaced. (e.g. by an in work tax credit.)

1.6 Fully explore the potential of refundable tax credits

Refundable tax credits can be a means of assisting those on welfare to make work pay. One Family recommends that a full review of the operation of tax credits in the UK be undertaken and proposals made on the pros and cons of introducing them in Ireland building on work already done here. (Social Justice Ireland). Currently the tax and benefits system is unfair and traps those parenting alone in poverty and unemployment. This would strike a balance between providing a strong safety net and allowing those parenting alone to participate fully in the workforce where they are able.

¹² The ESRI in its recent report states: "The changes to the benefits for lone parents outlined in the Social Welfare Bill 2010, if implemented, will need to be monitored and reviewed in the light of their impact on child poverty and poverty levels more generally." (Monitoring Poverty Trends in Ireland 2004-2007: Key Issues for Children, People of Working Age and Older People." ESRI, Sept. 2010)

1.7 Christmas Bonus

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

1.8 End Delays in Assessing Eligibility for Social Welfare 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:

- Child supports going into low income families be increased through raising the Qualified Child Allowance (QCA) by €4 per week and raising the FIS income limit by €10 per week per child¹³
- The principle of universality be maintained in child benefit with tax recouped from high earners through the tax system
- Funding currently going to children be ring fenced and any reallocation of such funding to be based on a poverty impact assessment
- The same means test for Back to School Clothing and Footwear Allowance (BTSCFA) be applied 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 the BTSCFA with other payments
- Commit to the introduction of a medical card for all children, starting with 0- 6 year olds.¹⁴
- Introduce a compulsory national book rental scheme in all schools across the State.
- Build on and evaluate the impact of the universal pre school year
- The DSP fund research on the connection between lone parenthood and child poverty.¹⁵

¹³ Estimated by the DSP to cost €80.2m for QCA and 23.4 m for FIS

¹⁴ Costed by the NWCI at €57 million in 2009 (0-5 year olds)

¹⁵ The ESRI recently stated : ‘The continuing high rates of poverty among children in Ireland, and the strong connection between lone parenthood and child poverty, underlines the need for further research on this topic.’(ESRI, Sept.2010)

3 Remove Poverty Traps facing Lone Parents

Actions to encourage lone parents to participate in education, skill development and employment, or to increase their involvement in work if they are already working (60 per cent of those on the OFP are estimated by the DSP to have an income from employment) must be maintained and enhanced, particularly in the context of recent legislative changes which will make it compulsory for some lone parents on welfare to be available for work. The Vincentian Partnership for Social Justice estimates that in 2009 a one-parent family working full-time with no car have a discretionary income after all costs of only €15.33 compared to €21.08 if they are fully dependent on social welfare.¹⁶

We recommend therefore that:

- Personal facilitators, appropriately skilled, are widely available to provide a first point of guidance and advice to lone parents on their welfare, employment, education training, housing, childcare and parenting support options.
- A national career development planning programme for lone-parents, based on the One Family and FAS initiatives currently supported by DSP, is set-up, promoted and evaluated to assist lone parents, where required, to access relevant education, skill development and related supports.¹⁷
- Affordable, quality childcare places are made available, including after school and holiday provision, , especially for those lone parents who from 2011 will no longer be eligible for the one-parent family payment
- Childcare costs are taken into account when calculating income for rent supplement purposes
- The existing arrangement whereby those on CE can also claim the OFP up to a certain level is 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 building to an agreed set of core competences and forming part of a realistic and achievable personal career development plan.
- Greater attention is focused on ensuring that lone parents are encouraged and supported to access other skills based training programmes if such programmes are more suitable to their needs and skills.
- Ensure that those on the One-Parent Family Payment can participate in programmes funded under the Labour Market Activation Fund.
- The commitment in the current Programme for Government to grant-aid part-time education courses leading to recognised qualifications is

¹⁶ Vincentian Partnership for Social Justice ‘Minimum Essential Budgets for Six Households 2009 ‘ Update

¹⁷ Recent evaluations have shown that integrated, tailored programmes such as New Futures are effective in supporting lone parents to plan for change; gain enhanced competencies; increase their labour-market opportunities; and begin to achieve sustained and rewarding career options

implemented in 2011¹⁸ (This has also been recommended in the recently published Hunt report on higher education.).

- A widespread information campaign specifically targeted at lone parents about FIS and other entitlements available when moving from welfare to work, including easy access to a 'back to work' calculation, is undertaken.
- The Rental Accommodation Scheme and other social housing options, taking advantage of the current housing market is expanded and thus the number of one-parent families dependent on rent supplement is reduced in recognition that the current rent supplement regime is greatly reducing incentive for lone parents to move off welfare and into sustainable employment.

This package of measures, we believe will help to reduce poverty levels in lone-parent families, will improve incentives to earn additional income and will increase take up of available supports and thus ultimately will reduce costs to the state.

4. Remove Inequalities Faced by Migrant One-Parent Families

One Family's work with families from new communities has highlighted to us how many such families are extremely isolated and face additional pressures in coping with family life and surviving financially. Families from new communities include parents with humanitarian leave to remain, foreign workers on visas who become pregnant, ex spouses/partners of workers from recent EU member states who are now parenting alone, and asylum-seekers. Increasing numbers of such families are facing difficulties as the recession deepens and as employment opportunities dry up. 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 all relevant information in key languages and access to English language courses and to other specialist programmes, where required
- 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 children are young or in cases of large families

¹⁸ 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).

- Support for lone parents with humanitarian leave to remain to access higher education
- Greater support for migrant women experiencing crisis pregnancies including access to all options.

5. Supporting Families and Parenting

5.1 Supporting 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 DSP to:

- Ensure that reductions in maintenance and other payments received by lone parents due to the effects of the current recession are speedily 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
- Monitor the situation in relation to the impact on the incomes of one-parent families of the non payment of maintenance that arose while the legislation relating to penalties for refusal to pay such maintenance was being changed
- 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, especially for children in such situations.

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

6. Support the Important work being done by the Community & Voluntary Sector

The C & V sector plays a vital role in supporting vulnerable people, families and communities already seriously affected by the current economic recession and in helping them to develop their skills and to participate in local and community-based parenting and family support services. It is vital that this infrastructure is not 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 for a wide range of NGOs, including One Family itself, and to work positively with such organisations to mitigate the worst effects of the economic downturn.

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

If one-parent families are to move out of poverty and to experience full equality they must have access to the type and quality of services that will support them to access education, skill development 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 across Irish society. This will require co-ordinated action across government departments and related agencies in partnership with a strong, flexible and responsive NGO sector.

Ends