

The Vincentian Partnership for Social Justice was established in 1996 to work for social and economic change aimed at tackling poverty and exclusion.

The Partnership includes the Society of St Vincent de Paul, The Vincentian Congregation, The Daughters of Charity and The Sisters of the Holy Faith.



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the vincentian partnership for **SOCIAL JUSTICE**

One Long Struggle

A study of low-income families

WHY THIS STUDY?

In the course of its work with people in disadvantaged communities, the Vincentian Partnership for Social Justice is very conscious of the difficulties in day-to-day living experienced by people on low incomes. The Partnership wanted to create greater awareness of this reality and decided to undertake and publish a study which would show in detail the struggle faced by people who do not have enough to live on with dignity and without the constant fear of debt.

The goal of the study was:

- To present the facts and figures provided by people in their efforts to manage on an inadequate income
- To provide an opportunity for people to describe the human situation behind those facts and figures when life is experienced as 'one long struggle'
- To provide indicators for social welfare and minimum wage rates for a more acceptable standard of living
- To explore with the people most affected ways in which they can begin to move out of poverty

METHODOLOGY

In Spring 2000 118 people in 12 community centres in 7 parts of Dublin city completed a detailed questionnaire on how they spent their weekly income. Interviews were held with 30 of that same group to explore the day-to-day reality of living on a low income. A second series of interviews was held with 45 other people to examine in more depth some of the key topics which emerged from the first phase of the study.

The questionnaire and interviews concerned the following topics:

- Weekly income and source
- Weekly rent
- Weekly food bills (broken down by adults' and children's meals)
- Weekly clothing costs (adults and children)
- Weekly housekeeping costs
- Weekly travel costs
- Weekly educational costs
- Weekly leisure costs
- Weekly miscellaneous costs (e.g. postage, newspapers)

Research conducted by Bernadette MacMahon, DC, Margo Delaney, CHF and Gemma Lynch, Research Assistant.

Income, expenditure and shortfall

From the tables across it can be seen that:

- Any income below the Average Industrial Wage (£322.34) leads to a risk of poverty:
- Poverty becomes acute when income falls below 60% of AIW
- Poverty is most severe at the 40% of AIW level

GENERAL OBSERVATIONS:

- Housekeeping and food are the most costly items of expenditure for the majority of households regardless of income
- An inadequate income made it impossible to provide a reasonably healthy diet
- The shortfall of people dependent on social welfare payment is not due to bad management but to a totally inadequate income
- The income from a Community Employment Scheme (CES) made a better standard of living possible and reduced the risk of a weekly shortfall (see case study on the Burke family P4 for further comment)
- When a family's energy is concentrated on struggling to survive, there is less opportunity to give time, commitment or money to areas such as education - children may even leave school early to avoid further financial burden on their parents

INCOME LEVELS OF PARTICIPATING FAMILIES

Group	Income level	No. at level
1	Below 40% Average Industrial Wage 1999 (AIW), £128.93	23
2	Below 50% AIW, £161.17	4
3	Below 60% AIW, £193.40	11
4	Below 70% AIW, £225.64	26
5	Just below AIW, £322.34	35
6	Above AIW, +£ 322.34	19

Note: Respondents are divided into 6 groups, based on income level

WEEKLY AVERAGE EXPENDITURE ON MAIN ITEMS BY 6 INCOME GROUPS

Group	Rent	Food	Clothing	House-keeping	Travel	Social Life	Education
1	£19.29	£42.39	£13.76	£65.71	£4.32	£6.20	£3.92
2	£15.00	£46.25	£9.52	£67.13	£23.64	£14.25	£2.21
3	£22.91	£64.54	£12.54	£69.29	£6.31	£4.58	£8.48
4	£26.38	£52.50	£19.63	£73.71	£10.65	£7.86	£2.48
5	£29.11	£75.73	£26.37	£91.34	£14.32	£13.24	£5.78
6	£41.92	£110.47	£31.11	£115.16	£27.02	£33.25	£6.95

ANNUAL INCOME SHORTFALL FOR HOUSEHOLDS

- 100% of households below 40% AIW (£128.93)
- 75% of households above 40% and below 50% AIW (£161.17)
- 72.7% of households above 50% and below 60% AIW (£193.40)
- 48% of households above 60% and below 70% AIW (£225.64)
- 45.5% of households above 70% and at AIW (£322.34)

SOURCES OF INCOME FOR 6 GROUPS

Income groups	Social Welfare	Child Benefit	CE Scheme	Wages			Other Income	
	Yes	Yes	Yes	2 wages	1 wage	No wage	Yes	No
1	78.3	47.8	21.7			100	4.3	95.7
2	100.0	25.0			50.0	50.0		100.0
3	63.6	72.7		9.1	54.5	36.4	18.2	81.8
4	92.3	88.5	53.8		38.5	61.5	11.5	88.5
5	82.9	88.6	31.4		57.1	42.9	25.7	74.3
6	10.5	89.5	84.2	10.5	73.7	15.8	26.3	73.7

(Figures represent % for that group)
(Social Welfare payments at 1999 rates)

DEALING WITH THE SHORTFALL

(RESPONSES FROM IN-DEPTH INTERVIEWS)

People use a variety of approaches to coping with ongoing shortfalls – juggling bills, buying basic items only, adults cutting back on food, borrowing from different sources, seeking help from SVP and other voluntary organisations.

DEALING WITH THE SHORTFALL – RESPONSE AND FREQUENCY OF RESPONSE

Number	Category of responses given	Number of responses
1	Do your best, but always worried/depressed	31
2	Never completely able to pay bills despite efforts	30
3	Living with debt – no way out	22
4	Learn to budget (MABS, Credit Union)	10
5	Borrow more/money lenders	10
6	Borrow from family/friends	8
7	Deprive children – painful experience	8
8	Help from SVP/Welfare Officers	8
9	Accepting that having children means living in debt	6
10	Work/CE schemes	6
11	Can't cope with unexpected	6
12	Borrow from Credit Union	4

KEY OVERALL FINDINGS

Current social welfare rates and minimum wages rates are grossly inadequate. They do not reflect the current cost of even the most frugal standard of living. There is an urgent need to increase them to a realistic level at which people can live with some dignity and without the burden of a continuous shortfall. The majority of respondents indicated that they experienced considerable anxiety and depression about trying to manage shortfalls from week to week. While they used a variety of approaches to dealing with shortfalls, people reported that they were never fully able to clear bills.

PRESENT SOCIAL WELFARE PAYMENTS FOR LONE PARENT WITH 2 CHILDREN

Lone Parent Payment	£85.00
Child Dependent	£15.20 x 2
Child Benefit x 2	£15.58 x 2 (per week, £67.50 paid monthly)
Total	£147.06

Following a Low-Cost but More Acceptable Budgets Standards (see page 6) a lone parent with two children would need a minimum of £200 per week to live with some dignity.

Pathways out of poverty

People identified three main pathways out of poverty:

The majority of people argued for an increase in social welfare payments – just coping with the present levels makes it impossible to do much more than exist. A consensus emerged that, for example, for lone parents with one or two children, a minimum income of £200 was required to live reasonably without the constant fear of falling into debt. A minimum income is necessary to live with hope for a better future.

Provision of childcare facilities in order to make it possible to avail of education, training and work.

Part-time, locally-based employment with childcare facilities, along the lines of CE schemes. A striking feature of the study was the important role the income from CE schemes played in helping to balance the family budget.

The lived experience of one family

THE BURKE FAMILY

Shirley Burke is a 28 year old lone parent living in the Tallaght area. She has 2 daughters – Anna aged 10 and Rachel aged 7. When Rachel was a year old Shirley's partner of 6 years left. Shirley has not heard from him since his departure and he has not sent any money towards the maintenance of his children.

In January 2000 the Burke family's weekly income amounts to £121.15 and is composed of Shirley's lone parent allowance of £73.50, child dependent allowance of £30.40 and child benefit allowance of £17.25 per week (which is paid on a monthly basis). As soon as both children started school Shirley began to look for part-time work. She was not successful. The employers who interviewed her told her that they could not employ someone who could only work during school hours. Shirley realises that she has limited skills and was very pleased to have had the opportunity to work on a Community Employment Scheme. The part-time, flexible hours and locally-based scheme with childcare facilities gave her the chance to return to work. However when she completed her 2 years on the C.E.S. she had no option but to return "to living on social welfare only". The reduction in income which this has meant "nearly drove me insane, I never wanted to live on just social welfare payments and to have to go back to it after having a C. E. payment was unbelievable", said Shirley

Each week Shirley pays £11 towards the rent of her 2 bedroom flat. Food is a major item of expenditure and amounts to £40 a week. Shirley is not happy with the type and amount of food she buys. However she points out, "If I spend any more I would be worse off than I am at the end of the week". The following is a typical day's menu for herself and the children.

TYPICAL DAY'S MENU:

Breakfast	Children – cereal, tea and toast Shirley – tea and toast
Lunch	Children – soup, sandwich or toast (cheese or egg) Shirley – soup, sandwich or toast
Dinner	Family – Sausages, burgers or fish fingers Potatoes and frozen/tinned vegetables
Night-time snack	Family – Tea and toast

When asked what would be different about the Sunday dinner, Shirley replied, "Meat, I try to get some chops and some jelly and ice cream for desert". In answer to the question 'What food can you not afford', she replied, 'Anything that I am not getting at present.' Shirley added, 'I would love to get a take-away for the kids and myself – even sometimes'.

WELL WORN CLOTHES

Shirley spends the equivalent of £4.30 a week on her own clothes and said, "I have to make my clothes last as long as possible". In winter she keeps warm by wearing extra cardigans and jumpers. Shirley does not have a heavy coat for winter.

The cost of Anna's clothes amounts to almost £8.94 per week and Rachel's to £6.00. When Anna outgrows her skirts and tops Rachel wears them if are not too worn. When describing her children's wardrobe Shirley says, "the kids don't have the brand name clothes many of their friends wear. They are good kids but when they get older how will they feel when I can't buy them the same clothes as their friends?"

THE FAMILY WARDROBE CONSISTS OF BASIC ESSENTIALS:

Shirley 28	Anna 10	Rachel 7
Tops 5	T shirts 3	T shirts 3
Skirts 2	Shorts 3	Shorts 3
Cardigan 2	Skirts 2	Skirts 2
Jumper 4	Tops 2	Tops 2
Trousers 2	Cardigans 2	Cardigans 2
Shoes 2	Jumpers 2	Jumpers 2
Underwear 3	Shoes/runners 2	Shoes/runners 2
Nightwear 3	Underwear 3	Underwear 3
Jacket 1	Nightwear 3	Nightwear 3
	Jacket 1	Jacket 1
	School Uniform 1	School Uniform 1

While the Back to School Allowance helps to buy the school uniform (skirt, shirt, tie, cardigan shoes track suit and trainers) it does not cover the full cost. Shirley points out, "that between one thing and another education is not free". She cannot afford to buy clothes to wear on special occasions and when she can uses Christmas and birthdays as an opportunity to buy an item of brand named clothing for each of the girls.

In addition to food, clothing and rent, there are housekeeping costs to be met.

THE WEEKLY HOUSEKEEPING BILL IS AS FOLLOWS:

	£
E.S.B	10.00
Fuel	10.00
Telephone	10.00
T.V. Licence	3.50
Toiletries	8.00
Cleaning materials	5.00
Pocket money for kids	5.00
Bus fares	10.50
Chemist	1.50
Sweets	2.00
Social Life	8.00
Total	£73.50

Shirley spends £8 a week on her social life when she and a friend go out for around 2 hours to the local pub. One of her friends looks after the children. "I need this break otherwise I would go crazy", Shirley says. Every Saturday Shirley and the children go by bus to see her parents "where they get the best meal of the week". The bus fares for this journey and for the weekly shopping trip amounts to £10.50.

Each week Shirley spends about £4 on education, this includes writing materials, arts and crafts, books and 'savings for the school trip'. She wants her children to have a good education and gets what she can for them so that they will be happy at school. "I worry a lot about their future. I try to keep them safe but when they get older they will need money to do the things other kids do. Where will I get the money? Will they leave school when they see that I am always struggling? Life is one long struggle for me".

DEALING WITH THE SHORTFALL

In spite of her meagre lifestyle Shirley has to deal with an average weekly shortfall of £26.59. She copes with this reality in a variety of ways – by cutting back on her own food, juggling the bills – paying one bill this week and another next week, borrowing from her single brother and, "when things are very bad I go to the Vincent de Paul who are good to me and the kids". She finds this constant struggle to make ends meet a de-energising experience – "never having enough takes the heart out of you – no matter what you do you know you will always be robbing Peter to pay Paul", she says.

CONCENTRATING ON JUST GETTING BY

The future seems bleak for Shirley. She appreciated the benefits of participating in a Community Employment Scheme. "I had a bit more to start with – so I could buy better food and got some things for the house like new plates. With extra money I was not terrified of getting into debt and I found I could sit down with the girls and help them with their reading. When you are on social welfare you are all the time worried so it is hard to concentrate on anything other than getting by. If only I could get part-time work. If I got a full time job what will happen to the kids? A job is the way out for me but who will be there for the kids when they come home from school? My mam and dad would mind them but they live too far away from us".

Shirley's poverty is not due to mismanagement or an unwillingness to work. She and her children are poor because they do not have sufficient money on which to live with dignity and because employment policies in the area do not promote part-time work which allows for family responsibilities.

INCOME AND EXPENDITURE FOR THE BURKE HOUSEHOLD

Income £	Expenditure £
121.15	
	Food 40.00
	Travel 10.50
	Housekeeping 63.00
	Clothing 19.24
	Rent 11.00
	Education 4.00
	Total Expenditure 147.74

Shortfall £26.59

LIVING ON AN INCOME OF JUST £121.15 AND EXPENDING OVER £147.74

Expenditure on the income of £121.15 leaves the Burke family £26.59 in the red. This is the average weekly shortfall of the Burke family. The average weekly shortfall of the Burke family is £26.59. This is the average weekly shortfall of the Burke family. This is the average weekly shortfall of the Burke family.

For many parents, the weekly shortfall of £26.59 is a daily reminder of a weekly struggle. They feel cut off from society.

EXCLUSION

A major concern for parents participating in the study was that their children felt excluded (and sometimes bullied) by their peers because they did not have the 'right gear/clothes' such as brand name trainers. Seeing their children being regarded as different and feeling excluded as a result was a considerable source of pain and anxiety for many. Some young people wanted to leave school early as a way to relieve their parents of the burden of trying to meet the real costs of education (uniforms, materials, school trips, transport and extra curricular activities such as sports).

4 Pointers Towards a More Adequate Income

LOW COST BUT MORE ACCEPTABLE BUDGET STANDARD FOR LONE PARENT AND TWO CHILDREN

Food*	£54.82
Rent	£27.42
Clothing*	£26.16
Electricity	£11.50
Fuel	£4.60
Education	£6.50
Chemist	£2.70
Toiletries*	£8.39
Cleaning materials*	£5.20
Telephone	£3.94
TV	£4.30
Social life	£7.40
Travel	£9.42
Newspaper	£1.00
Pocket money	£4.50
Sweets/treats	£7.00

Total Cost of LCA: £184.85

Current Social Welfare payments (April 2001) £147.06, or £37.79 less than the Low Cost but Acceptable Budget.

Recommended income £200.00.

* based on Parker's Low Cost but Acceptable Budgets

All other items based on average expenditure of Lone Parent and 2 Children Households on these items.

No allowance is made in the LCA budget for unexpected events, birthday gifts and celebrations, holidays, repairs and maintenance, bedclothes, kitchen appliances, crockery or a daily newspaper.

The findings of this study, which are based on the lived experience of people dependent on a low income/social welfare, provide 4 pointers towards more adequate social welfare and minimum wage rates:

- 1 application of Budgets Standards Approach to level of payments required
- 2 consensus regarding significance of C.E.S. payments
- 3 average expenditure of households dependent on social welfare payments
- 4 suggestions regarding more adequate social welfare benefits from participants in the study.

The figures associated with each of the foregoing pointers show a consensus which strongly indicates the need to ensure that lone parents with one to two children have an income of £200 and that single adults have a rate of £135 - £155.

The following represents an application of the Budget Standards Approach to a lone parent and 2 children household.

LOW COST AND MORE ACCEPTABLE BUDGET STANDARD

The findings of this study have shown that the present social welfare payments and the minimum wage do not provide an income adequate to live with dignity. It is obvious that the levels of payment are not based on an understanding of the minimum income necessary to live without a constant struggle. There is an urgent need to establish rates which reflect the actual cost of living which includes housing, food, clothing etc.

There is considerable ignorance in Ireland about the cost of a minimum and sustainable standard of living for all Irish citizens and there is also a widespread assumption that the present rates of income support are sufficient to prevent poverty. The introduction of budgets standards to Ireland would lead to a more adequate standard of living for all Irish citizens. Research is necessary to establish the minimum costs of a standard of living at which people could live with dignity without the constant fear of not having sufficient on which to exist.

An initial and tentative attempt to use a budget standard approach to establishes a more adequate social welfare rate for a lone parent and two children is presented in the table on the left. It draws on Parker's (1998) 'Low Cost but Acceptable Budget Standards' which mark the threshold below which good health, social integration and satisfactory child development are at risk. The rigorous research which provided the data for Parker's 'Low cost but Acceptable Budget Standards' used a variety of methodologies which involved a combination of normative judgements and empirical data.

A low cost but more acceptable budget standard covers the cost of essentials items e.g. food, clothing, rent, electricity, fuel and others which are necessary for a minimum standard of living – personal hygiene, cleaning materials, tv, telephone, travel, education and social life.

This list could be increased but not reduced if a life with some dignity is envisioned. Costs were determined for food, clothing, personal hygiene and cleaning materials by utilising the budget standards developed by Parker (1998). This entailed pricing each of the items regarded as essential in the Parker budgets in a low cost Irish store. As it was not feasible to apply the Parker budget standards to the remainder of the items the cost for these items was estimated by using the average expenditure for each item by the lone parent and two children households in this study. The findings show that the Lone Parent Households spent as little as possible on households items e.g. electricity, fuel, etc. Expenditure on these items reflected the minimum standards without which existence would almost be impossible.

People are living in poverty if their income and resources (material, cultural and social) are so inadequate by Irish standards as to preclude them from a standard of living which is regarded as acceptable by Irish society generally. As a result of inadequate income and resources, people may be excluded and marginalised from participating in activities which are considered the norm for others in society.

Definition of Poverty in the National Anti-Poverty Strategy (NAPS) 1997

Social welfare and the minimum wages rates should be benchmarked to an amount which will provide for at least a low cost but more acceptable standard of living (see page 6 for further comment). The single adult rate should be, at a minimum £145 and the rate for a lone parent with one to two children £200.

Raise the child dependent allowance to a minimum of £20 per week for low-income families.

Provide state supported, affordable and good quality childcare to enable more people to avail of education/training and employment.

Encourage employers to adopt a more flexible approach to working hours, making it possible for parents to work during school hours.

Extend the best advantages of Community Employment Schemes – locally based employed with childcare provision, with flexible, family-friendly working hours, to education and employment schemes for parents of young children. This is needed to ensure that people who have completed CE schemes are not reduced to severe poverty if they are not able to find appropriate employment.

Increase the back-to-school clothing and allowance to a more realistic level.

Poverty-proof school transport to ensure that low-income households do not have to pay £7-£10 per week on adult fares to accompany children to school and £4 on children's bus fares.

Provide school meals to children in disadvantaged communities to ensure they receive the nutrition they require on a daily basis.

Develop programmes aimed specifically at young lone parents which would provide opportunities for personal growth and development and skill acquisition.

Develop and promote a greater understanding of the causes of debt in low-income families – incomes not based on the actual cost of living.

In the interim provide organisations such as MABS, the SVP and other voluntary organisations with the resources to help families in debt.

Encourage financial institutions such as Credit Unions to review their policies and make them more user friendly for people on a low income.

Actively explore an alternative to the current social welfare system to ensure that everyone has an income which is sufficient to live with dignity, e.g. the Basic Income System as proposed by CORI.

Conduct on-going research on the Budget Standards model to ensure that decision makers are informed about the basic costs of food, clothing, rent, household expenses and the means necessary to participate fully in society so that more adequate levels of social welfare payment and minimum wages are set.

Initiate on-going public debate on the type of society which Irish people want in order to promote a shared understanding of the values, rights, responsibilities of citizenship which would facilitate a more just and inclusive society.

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