

The Vincentian Partnership for Social Justice (VPSJ) was established in 1996 to work for social and economic change tackling poverty and social exclusion; it consists of The Society of St Vincent de Paul, The Vincentian Congregation, The Daughters of Charity, and The Sisters of The Holy Faith.

Since 2001 the VPSJ has undertaken a number of studies to establish the cost of a minimum essential standard of living – the minimum required to make possible a standard of living which meets an individual's/household's physical, psychological, spiritual, and social needs.

Previous Studies

2012	A Minimum Income Standard for Ireland
2010	Minimum Essential Budgets for Households in Rural Areas
2008	Minimum Essential Budgets for Six Households – Changes in the Cost of a Minimum Essential Standard of Living from 2006-2008
2006	Minimum Essential Budgets for Six Households (Urban)
2004	Low Cost but Acceptable Budgets for Three Household Types
2001	One Long Struggle – A Study of Low Income Households

Purpose of Research

Child poverty is measured as the proportion of all children aged 17 years or younger who live in households that have an income below the 60 per cent of median income poverty line. The 2010 Survey on Income and Living Conditions (SILC) found that children are the most at risk of poverty age group, and 19.5 per cent or almost one in five children, were at risk of poverty in 2010. This has increased from 2009 when the rate was 18.6 per cent (CSO, 2011).

Current social welfare rates are arbitrary, in that they have been decided by Government officials and other policy makers without any sense of what it actually costs to raise a child. This study attempts to overcome this information deficit, by providing data on the direct cost of raising a child from infancy to mid second level school age, to ensure that supports and policies relating to children are sufficiently informed.

Background

The research to date of the VPSJ, upon which this report is based, established the cost of a minimum essential standard of living (MESL) for six household types for urban (VPSJ, 2006) and rural areas (VPSJ, 2010). In these studies, expenditure for children was presented as part of a household and the cost of a minimum essential standard of living was based on the aggregate household basket. The 2012 publication 'A Minimum Income Standard for Ireland' (a joint research project between the VPSJ and Trinity College Dublin) established the individualised costs for each household member. In addition, the 2012 study expanded the data to include an infant, young adult male age 19 and a female of working age. The existing dataset already included three child age groups namely pre-school (3 year old); primary school (10 year old) and second level (15 year old). Whilst the 2012 study established individualised costs for each household member, its primary purpose was to examine the gross income individuals and households with children of different ages need to afford a minimum essential standard of living. This second 2012 report focuses solely on the direct costs of children (as part of a household) at four stages of childhood. The four child stages are:

- Infancy
- Pre-School
- Primary School
- Second Level

The Direct Cost of a Child

Tables 1 & 2 detail the cost of a child at four stages of childhood. Expenditure is based on costs which can be directly attributed to a child and exclude costs shared in common with parents such as heating, household furniture and equipment (other than furnishings for the child's room) as well as usage of the family car.

The direct costs are based on what children need for a minimum standard of living in Ireland today. The standard is grounded in social consensus about the goods and services children need to have if they are to enjoy a minimum standard of living.

Table 1 Direct Weekly Cost of a Child (Urban March 2011 Prices)

URBAN	Infant	Pre-School	Primary School	Secondary School
Food	31.22	18.69	28.43	35.44
Clothing	16.92	5.05	6.71	11.61
Personal Care	11.17	1.18	2.68	9.40
Health	6.50	2.65	2.60	3.28
Household Goods	12.03	3.59	4.24	5.50
Communications	-	-	-	17.16
Social Inclusion & Participation	1.79	4.17	14.94	33.05
Education	-	-	6.09	15.32
<i>Uniforms</i>	-	-	1.95	2.51
<i>Books, Stationery, etc.</i>	-	-	3.41	5.57
<i>Computer Equipment</i>	-	-	-	1.49
<i>Other Education Costs</i>	-	-	0.73	5.75
Transport	-	2.66	2.66	2.66
Household Energy (Electricity)	1.20	-	-	1.22
Childcare - Part-time	128.00	72.30	12.91	-
Childcare - Full-time (extra cost)	77.00	103.29	38.73	-
Insurance (Health)	5.30	5.30	5.30	5.30
Savings & Contingencies	5.00	5.00	5.00	5.00
Total (full-time childcare)	296.13	223.87	130.30	144.92
Total (no childcare)	91.13	48.29	78.66	144.92
<i>Additional food costs for One Parent household+</i>	-	3.68	5.59	6.97

+ The additional food costs for a one parent family is due to lower economies of scale

Table 2 Direct Weekly Cost of a Child (Rural March 2011 Prices)

RURAL	Infant	Pre-School	Primary School	Secondary School
Food	32.56	22.58	34.34	42.81
Clothing	16.92	6.74	8.77	13.99
Personal Care	11.14	1.23	2.94	8.68
Health	6.23	2.13	2.13	2.53
Household Goods	12.57	3.35	3.94	5.47
Communications	-	-	-	17.00
Social Inclusion & Participation	2.06	3.70	13.69	23.53
Education	-	-	6.94	14.73
<i>Uniforms</i>	-	-	2.37	2.85
<i>Books, Stationery, etc.</i>	-	-	2.54	4.57
<i>Computer Equipment</i>	-	-	-	2.86
<i>Other Education Costs</i>	-	-	2.03	4.45
Transport	-	-	-	-
Household Energy (Electricity)	1.20	-	-	1.16
Childcare - Part-time	102.67	47.44	12.92	-
Childcare - Full-time (extra cost)	64.66	85.98	38.75	-
Insurance (Health)	5.30	5.30	5.30	5.30
Savings & Contingencies	5.00	5.00	5.00	5.00
Total (full-time childcare)	260.31	183.44	134.72	140.20
Total (no childcare)	92.98	50.03	83.04	140.20
<i>Additional food costs for One Parent household</i>	-	4.68	7.12	8.88

Assessing the Contribution of Child Income Supports⁺

Table 3 The Contribution of Child Benefit to the Cost of Raising a Child (excluding childcare)

URBAN	Infant	Pre-School	Primary School	Secondary School
Cost of a Child P/W	€91.13	€48.29	€78.66	€144.92
Child Benefit (CB)*	€32.31	€32.31	€32.31	€32.31
Contribution of CB %	35%	67%	41%	22%
RURAL	Infant	Pre-School	Primary School	Secondary School
Cost of a Child P/W	€92.88	€50.03	€83.04	€140.20
Child Benefit (CB)	€32.31	€32.31	€32.31	€32.31
Contribution of CB %	35%	65%	39%	23%

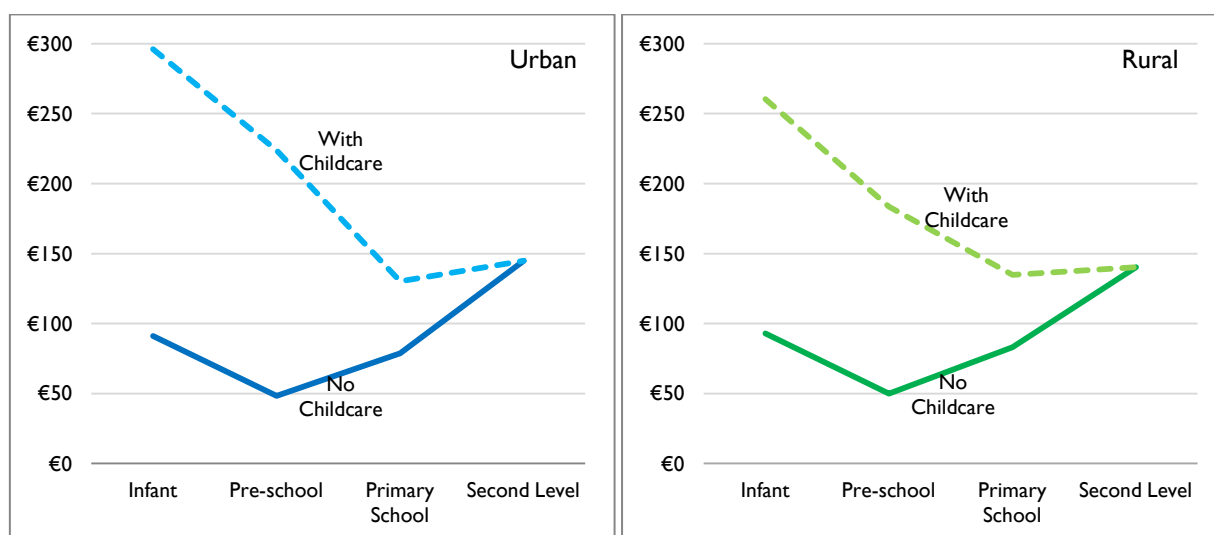
* Child Benefit is paid at the rate of €140 per month. €140 x 12 = €1680/52 = €32.31 per week. (2011 figures)

⁺ Further analysis of child income supports contained within the full report.

Key Findings

- The cost of a child is not static (see graph I below). Costs are high in infancy, before falling at pre-school age, and then gradually rising as children grow older.
- Expenditure fluctuates because of the needs of children at particular ages, location, parental employment status and the subsequent need for childcare.
- A child at second level has the highest costs and a pre-school child has the lowest costs.
- When a child enters adolescence costs increase for a number of categories including food, education, social inclusion and participation and communications.
- Whilst the data demonstrates that costs generally increase as children grow older, social welfare payments remain static (with the exception of the Back to School Clothing and Footwear Allowance), therefore consideration needs to be given to the possibility of introducing different levels of payment at different stages of childhood, particularly at adolescence, with no reduction in payments for children in the intervening years.
- When childcare is included in the expenditure, an infant has the highest costs, and a child of primary school age has the lowest costs.
- Overall, childcare costs are the most expensive budget component. However, childcare is significantly more expensive in urban areas.
- The cost of private childcare and the financial burden it places on parents needs further attention.
- In a time of economic recession it is important to support those on low incomes and ensure child income supports make a realistic contribution to the cost of raising a child.

Graph I Expenditure from Infancy to Secondary school age (excluding entitlement to a medical card)



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