

MINIMUM NEEDS OF OLDER CHILDREN

Preliminary Pre-Budget 2019 Submission

Summary

The **Vincentian Partnership for Social Justice (VPSJ)** is making this preliminary Budget submission to the Minister for Employment Affairs and Social Protection in order to focus on the specific needs of low income households with older children, aged 12 plus.

VPSJ research establishes a negotiated social consensus of the cost of a socially acceptable minimum standard of living for households (the Minimum Essential Standard of Living). The data specifies the minimum expenditure required to live and partake in Irish society at a standard of living which members of the public agree nobody should be expected to live below.

This Minimum Essential Standard of Living (MESL) research has consistently identified older children as having additional and different needs distinct from children in younger age groups. It costs an average of €122 per week to provide a minimum socially acceptable standard of living for an older child; over 63% more than the costs for younger children.

Accordingly, the VPSJ considers that the progressive implementation of a targeted measure supporting the needs of older children should be commenced in Budget 2019 and recommends:

- › **the weekly rate of support for children, aged 12 and over, in welfare dependent households (the Qualified Child increase) should be raised by an additional €5 per week during 2019**

This brief submission outlines key points in relation to child poverty and the findings of our research in relation to the income needs of two parent and lone parent households with children aged 12 and over.

Key Points

Child Poverty

- › Government statistics show that nearly 1 in 5 children (19.3%) in Ireland are 'at risk of poverty', while children make up over a third (35.7%) of people living in consistent poverty.ⁱ Analysis by the Department of Social Protection has found that older children (ages 12 – 17) are more likely to be in consistent poverty.ⁱⁱ

VPSJ Research Findings

- › VPSJ research shows that the costs of a child's Minimum Essential Standard of Living is highest for older children, an average of €122 per week in 2017. This is almost two thirds of the cost of a parent's minimum needs and 1½ the costs of younger children (excluding childcare).ⁱⁱⁱ

- › Our research shows that the higher income needs for older children are mainly due to higher food, clothing, personal care and social inclusion costs, which account for $\frac{2}{3}$ of the additional cost. Less than €10 of the additional cost is related to second level education expenses.
- › In an assessment of adequacy for two parent and lone parent households with 1 to 4 children, social welfare did not provide a minimum adequate income for four fifths of the family household situations tested.^{iv}
- › Households with older children are more at risk of deep income inadequacy, comprising over three quarters of deep income inadequacy cases found in VPSJ analysis, when dependent on social welfare.^v
- › While social welfare supports provide for 89% of a younger school age child's minimum needs, the level of supports provided for older children meets just 56% of the cost of an older child's minimum expenditure need.^{vi}

VPSJ Budget Proposal

- › The social welfare system should begin to recognise the greater MESL expenditure need for older children and instigate a higher rate of support for this age-group.
- › **The VPSJ therefore recommends that the QCI should provide an additional €5 per week for children aged 12 and over during 2019.**
- › This would start the progressive implementation of a system which adequately meets the additional minimum needs associated with this stage of childhood. Bringing supports to an adequate level should be progressively realised over several budgets.

Child Poverty Target

- › **102,000 children need to be brought out of consistent poverty, to meet the Government's 2020 target of reducing the number of children in consistent poverty by at least two-thirds.**^{vii}
- › To make real progress toward achieving the child poverty reduction goal and addressing the multi-faceted consequences of child poverty, it is vital that more be done to address the needs of children, and especially the additional needs of older children.
- › **Given that older children have consistent poverty rates higher than younger children^{viii}, implementation of the targeted measure we are proposing would contribute towards the achievement of this target.**

Other Issues

- › This higher rate should also be available through the Back to Work Family Dividend to avoid any disincentive effects when a parent or parents move into full-time work.
- › The VPSJ recognises that the introduction of a higher level of support may have administrative and IT implications for the Department of Employment Affairs and Social Protection. We ask the Department to examine solutions to any such issues at an early date, with a view towards implementation during 2019, if Government agrees.

Background – What is the Minimum Essential Standard of Living

The recommendations made in this submission are based on the evidence and data established through the VPSJ’s ongoing Minimum Essential Standard of Living (MESL) research.

The VPSJ’s MESL research establishes a negotiated social consensus on what people believe is required for households to have a minimum socially acceptable standard of living. The data specifies the minimum expenditure required to live and partake in Irish society at a standard of living which members of the public agree nobody should be expected to live below.

This understanding of an acceptable minimum standard of living, echoes the concepts which underpin the human right to an adequate standard of living, and the Irish Government definition of poverty which emphasises the ability to have a “standard of living which is regarded as acceptable by Irish society generally” and to participate in normal activities. The MESL translates these concepts and ideals into a practical measure, specifying the average weekly cost of all the goods and services necessary to enable a socially acceptable minimum standard of living.

This provides an evidence based benchmark against which to assess the adequacy of social welfare supports, and shines a light on the extent to which individuals and households can afford a standard of living which enables participation in the social and economic norms of Irish society.

The recommendations made here are based on the evidence and data established through the VPSJ’s ongoing MESL research. The *Minimum Essential Standard of Living 2017 Update Report*^{ix} provides detailed analysis of the minimum needs of a wide range of representative household compositions. Further information on the research, reports and working papers, and the detailed MESL expenditure and income needs can be found on www.budgeting.ie.

ⁱ CSO (2017) SILC 2016 Table 2, Table 8

ⁱⁱ Older children have the highest consistent poverty rates (11.8% compared to 8.4% and 8.5% for younger age-groups). DSP (2017) Social Inclusion Monitor 2015. Table 6.1

ⁱⁱⁱ The average weekly direct MESL expenditure need for a child aged 12 plus is €122.10; and for a primary school age child is €74.90. When living in an urban area and eligible for a full Medical Card. VPSJ, 2017. MESL 2017 Update Report. Published on-line: www.budgeting.ie/publications/mesl-2017-update-report/

^{iv} Further detail of the household compositions tested can be found in VPSJ 2017 *MESL Update Report* (p. 17 – 18).

^v VPSJ, 2017. Budget 2018: MESL Impact Briefing. Published on-line: www.budgeting.ie/publications/budget-2018/

^{vi} Average weekly value of Qualified Child Increase, Child Benefit and Back to School Allowance: €68.92 for older child, €66.51 for younger child.

^{vii} DSP (2017) Social Inclusion Monitor 2015. Page 35.

^{viii} 11.8% compared to 8.4% and 8.5% for younger age-groups, DSP (2017) Social Inclusion Monitor 2015. Table 6.1

^{ix} MESL 2017 Update Report. Published on-line: www.budgeting.ie/publications/mesl-2017-update-report/