

EXPERIENCES OF LIVING BELOW THE
MINIMUM ESSENTIAL STANDARD OF LIVING

STORIES OF STRUGGLE

A VPSJ RESEARCH REPORT, COMMISSIONED
BY THE SOCIETY OF ST. VINCENT DE PAUL



Society of St Vincent de Paul



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STORIES OF STRUGGLE: EXPERIENCES OF LIVING BELOW THE MINIMUM ESSENTIAL STANDARD OF LIVING

A Vincentian Partnership for Social Justice (VPSJ) research report, commissioned by the Society of St. Vincent de Paul (SVP).

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Society of St Vincent de Paul



EXECUTIVE SUMMARY

INTRODUCTION

The Society of St. Vincent de Paul (SVP), in its engagement with families and individuals living in poverty, encounters many complex situations that require a variety of responses. Such households are presented with constant challenges.

The impact of living on an inadequate income is multi-dimensional and it is difficult to identify the cause, the comprehensive nature, and the physical, psychological, and social toll of ongoing disadvantage, on the lives of children and parents. For this reason, SVP asked the Vincentian Partnership for Social Justice (VPSJ) to research the reality experienced by households with children, whose income falls below that required for a Minimum Essential Standard of Living (MESL). This is a standard which meets physical, psychological, and social needs at a minimum but socially acceptable level and is one below which nobody should be expected to live.

Using the MESL as a Means of Studying the Reality of Living with an Inadequate Income

This study draws on previous MESL research by the VPSJ. The Consensual Budget Standards methodology, which is used by the VPSJ, provides both qualitative and quantitative data on the goods, services, expenditure and income required for an MESL. Through working with multiple deliberative focus groups since 2004, in depth discussions with members of the public have produced a negotiated consensus on what people regard as essential for a socially acceptable minimum standard of living. The research places an emphasis on “needs not wants” and produces comprehensive, transparent, and itemised lists (over 2000 goods and services) detailing what is required to meet minimum needs and enable an acceptable standard of living.

This current project engages directly with households to shine a light on their struggle to make ends meet when income is insufficient, and to demonstrate the consequences of bringing up a family on an inadequate income. The aim of this report is to explore the lived experiences of families with an inadequate income, in the context of the wider MESL research, in order to give context and depth to the reality behind income inadequacy.

The executive summary deals with the following three areas:

- › Methodology
- › Findings
- › Conclusions and Policy Implications

“I can’t get control, we can’t make plans, it’s like being in a deep hole, no matter what we do we can’t get out of it, we climb up and fall back in.”

METHODOLOGY

The fieldwork for this study consisted of in-depth interviews with 30 households – 15 urban and 15 rural. The households consisted of both one-parent and two-parent families and a mixture of unemployed and employed parents. The income of the households ranged between 3% - 39% below that required for an MESL. This section in the main report deals with the following:

- › The selection process.
- › Particulars of households – composition, income, employment status, accommodation type.
- › The interview process and content.
- › Brief outline of the process used to analyse the data.

Summary of Households

- › 17 one-parent families, 13 two-parent families
- › 15 employed, 15 social welfare
- › 14 private rented accommodation, 7 social housing, 7 mortgage, 2 homeless.

Outline of Interview Content

- › Present experience, duration and cause.
- › Coping strategies, including sources of support.
- › Household expenditure - priorities, choices and substitutions.
- › Dealing with shortfall, including borrowing and the financial, emotional, physical and social impact of an ongoing weekly shortfall.
- › Perceptions of the ways out of their current situation.
- › Supports and resources considered most beneficial in the interim.

“I find life very hard, not being able to pay all my bills, always putting some on the long finger. The stress makes me sick. I’m always worrying knowing that my kids have to go without.”

3% – 39%

THE GAP BETWEEN HOUSEHOLD INCOME AND THE EXPENDITURE REQUIRED FOR AN MESL

30

HOUSEHOLDS



15

RURAL



15

URBAN



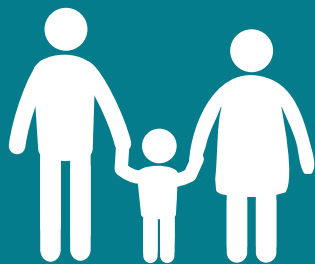
17

1 PARENT



13

2 PARENTS



15

EMPLOYED



15

SOCIAL WELFARE



14

PRIVATE RENTED ACCOMMODATION

7

SOCIAL HOUSING

7

MORTGAGE

2

HOMELESS

FINDINGS

This section is divided into the following:

- › Three Stories of Struggle
- › Drivers of Income Inadequacy
- › Strategies to Cope with Income Inadequacy
- › Differences between Urban and Rural Households
- › The Social, Emotional and Physical Impact of Income Inadequacy
- › Finding a Way Out of Income Inadequacy

This project engaged directly with families, to shine a light on their struggle to make ends meet when income is insufficient, and to demonstrate the consequences of bringing up a family on an inadequate income. The research also focuses on the extent of choice and constraint in people's lives and how families continue to cope in this context.

THREE STORIES OF STRUGGLE

The 30 families that participated in this study had different stories to tell about their experience of living with an inadequate income. Families varied in terms of their composition and duration and depth of inadequate income.

There were other factors that helped, or hindered, their ability to make ends meet. Families living below an MESL are not a homogenous group; they experience different levels of poverty and social exclusion. While each household's experience was unique, common themes and similar stories emerged. The content of the interviews indicated that the stories of families fell into one of three groups, those who cannot make ends meet, those who are struggling to make ends meet and those who are making ends meet with difficulty.

“I found a job as a Carer but I had to travel and I had to work days and nights. I couldn't continue working because of the different hours, I started with twenty hours a week and this went down to just eight. I couldn't afford childcare and travel. A combination of childcare and travel is a big expense for the odd hours.”

01.

the first story... cannot make ends meet

The first story describes the reality of the greatest number of households - half of the families interviewed. They are all experiencing deep income inadequacy¹ and the majority have been in this situation for over nine years.

The task of making ends meet was very difficult because there was simply not enough income to cover their outgoings. Parents spoke about times that their family have gone without sufficient food or heating, and did not have enough money to cover their housing costs and household bills. They discussed the reality of living from hand to mouth. They did not have any money at the end of the week to prepare for upcoming expenses and felt a lack of control over their lives. Their situations were unstable, and deteriorating, with some families having recently become homeless.

“I do as much planning and budgeting as I can. I’m happy if the rent, ESB and food bills are paid. I wish I could plan for months ahead... but it’s difficult to plan when you’re unsure about the basics.”

1. Families ranged between 11%-37% short of an MESL.

02.

the second story... struggling to make ends meet

The second story describes families who were able to more frequently afford adequate food and heating, as well as pay more household bills. They were partially making ends meet but with difficulty. Families continued to make sacrifices to ensure their basic priorities were covered (food, heating, housing costs and household bills); their wider MESL needs were neglected. Occasionally, their income stretched to cover other upcoming expenses, but this type of spending was minimal because this small amount of money would need a long period of time to accumulate.

Parents expressed that they felt “trapped” and “stuck” in their current circumstance. They were continuously scrimping and longer term expenses were accumulating. There was great uncertainty around the future as their situation was static and they focused on the weekly struggle to meet their short-term expenses.

03.

the third story... making ends meet with difficulty

A smaller number of households (four families) were in a more stable position than their counterparts in the previous groups; they could plan for some short and medium term expenses. The third story describes families whose situation seems to be slowly improving. They believed their situation to be temporary, and discussed recent, or forthcoming, positive changes that would increase their household income.

They are in the process of realising a plan that will improve their income. Despite future prospects of change, at the time of the interviews they were making sacrifices and substitutions in order to make ends meet, and were vulnerable to the unexpected. The long-term repercussions of living in this way would worsen their situation; however they could see the possibility of a “way out.”

For half of these families their income has only recently dropped below MESL level and they have financial resources to draw on to top-up their short-term income inadequacy. These resources are finite and will run out, so they draw on them sparingly thereby going without many of their wider MESL needs.

DRIVERS OF INCOME INADEQUACY

The high cost of housing impacted families' household income, and was the single most cited driver of income inadequacy, followed closely by family break-up, unemployment and low pay.

Families discussed the discrepancies between rental supports and actual rent prices. Annual rent increases meant families' incomes were falling further below the cost of their needs each year. Families were dissatisfied with accommodation in the private rented sector, because of problems with security of tenure, poor quality properties, overcrowding and much more.

The reasons families separated were often multi-faceted and complex. The majority of parents separated because of domestic abuse or drug and alcohol addiction problems. Some families were facing the financial fall-out from a separation.

Parents expressed high levels of motivation to take up work but faced barriers to employment. These included, but were not limited to: fearing the loss of social transfers, the associated demands on families with children, or a parent, with a disability, illness or behavioural problem and not being able to afford high childcare fees for young children.

Precarious work makes it difficult to plan and manage household finances. Additionally, families were employed in various low earning roles. Employed one-parent families were working on a part-time basis only, and this also lessened their earning potential.

For half of the households in this study, they were dependent on social transfers as their only income, and this income was not sufficient to meet their needs.

“I’m worried the car might break down, or the children will become ill, I’m praying the fridge won’t break. I don’t have enough money to plan for these uncertainties. What will I do? I don’t like borrowing.”

STRATEGIES TO COPE WITH INCOME INADEQUACY

Prioritising

Families endeavoured, firstly, to pay for food, housing costs and household energy. These items are referred to as their “basic priorities” throughout the report. Food is predominantly healthy home cooked meals but of a limited variety, repeating the same affordable recipes every week. Families discussed these priorities, in terms of a checklist, paying for them first before addressing any other urgent or out-standing bills.

Parents ensured they were meeting their children’s needs before addressing their own. This meant that parents’ needs were often severely neglected in the process. Families strongly prioritised the expenses associated with their children getting “a good education” and enjoying school.

Going Without

Families went without many of the goods and services required for an MESL. There was not any MESL budget area in which parents were not cutting back and making substitutions (food, clothing, personal care, health, household goods, household services, communications, social inclusion and participation, education, transport, household energy, personal costs, childcare, housing, insurance and savings and contingencies). This section of the main report highlights the recurring theme that rather than spend outside one’s limited means, families would make sacrifices. Families were not just going without these items on a weekly basis but over an extended period of time.

Developing Alternatives

This section of the main report examines the ways in which families find another method of meeting a basic need. Families had developed cheaper alternative methods that helped them to at least partially meet their needs, in the areas of food, clothing and social inclusion and participation activities. In spite of good management of limited resources, there were immediate and long-term repercussions for parents and children who continued to only partially meet their needs in this way.

Juggling, Borrowing and Saving

Going without goods and services that are deemed essential for a socially acceptable standard of living was the most common method adopted by families to deal with their ongoing weekly shortfall. This was combined with juggling payments, household bills and expenses.

An ongoing weekly shortfall meant that these tactics were not always successful, which led to families borrowing. There is a perceived hierarchy of different types of credit: the worst was moneylenders, followed by formal institutions (banks and credit unions) and then borrowing from friends and family, which is deemed the best method. Families borrowed “rarely” and if they were “stuck” or “desperate.” Although in the minority, some families borrowed regularly from family and friends, and were reliant on them on a weekly basis. Some parents that had borrowed from a bank or moneylender in the past, discussed their experiences of managing their debt.

Families discussed saving strategies. Their interpretation of saving was the ability to put money aside for predictable but less frequent costs. After their basic priorities were covered, then small amounts of money were put aside over an extended period of time to meet these costs. This enabled families to buy things outside of their immediate needs. Some families had successfully put aside money, from their weekly income, for the following: upcoming educational expenses, children's activities, summer camps, birthdays and Christmas.

Getting Support from Family, Friends, Schools and the Community and Voluntary Sector

The MESL budgets are based on meeting the needs of a household as a self-contained unit, and as such do not make any assumptions of support that can be drawn on, such as support from friends or family. In reality, families were better able to cope as a result of the ongoing practical, emotional and financial support they were receiving from their extended family members, friends and the community and voluntary sector. The availability of this type of support, especially from family, can make a considerable difference by meeting needs that would otherwise have gone unmet, due to affordability or competing budget demands. This form of support also acted as a "safety net" for families, especially those that had become homeless.

Families also praised the effectiveness of the supports in DEIS primary schools, and discussed the variety of supports available to them. Parents, with children in both primary and secondary school, illustrated the impact of the withdrawal of these supports, at second level.

“The children look for money for school trips, and we often have to say no to even five euro, we just don't have it, even though we budget carefully. We have to say “sorry we can't”... they are very good kids and we hate that they feel different.”

DIFFERENCES BETWEEN URBAN AND RURAL HOUSEHOLDS

This section outlines the differences for families living in a rural area, compared to families living in an urban area, with an income below that required for an MESL. The main differences are in the areas of transport, social isolation, heating and employment opportunities.

THE SOCIAL, EMOTIONAL AND PHYSICAL IMPACT OF INCOME INADEQUACY

The range of goods and services that parents are going without combined with the length of time they have not been able to afford them had a cumulative impact on families.

Going without goods and services that are deemed essential, at a minimum level, has both short and long term repercussions. This is combined with the helplessness of knowing that it is not likely that their situation will improve in the near future, especially for families in group one (cannot make ends meet) and group two (struggling to make ends meet). A concern for all families was the long-term implications of just getting by, for their children, making sacrifices and not meeting their basic needs.

The most commonly cited symptoms of income inadequacy were high levels of stress and constant worry. Two-thirds of the families interviewed described how their health, mental or physical, had deteriorated as a direct result of living on a low income. Having limited resources and a strict household budget also meant that parents felt they were constantly disappointing their children. They talked about the emotional distress of not being able to provide for their children. Moreover, families were concerned about their children “not fitting in,” in terms of clothing or technology items. Families often felt lonely, sad, ashamed and embarrassed because of their low income. They isolated themselves on occasion because of this embarrassment.

Families are living on a day-to-day basis, and are confronted with difficulty when planning. They are vulnerable when confronted with the unexpected. There was great uncertainty surrounding the future, and they voiced their frustration at this matter.

The following are among the consequences for households, with children, living with an income that does not allow for weekly expenditure on the goods and services required for an MESL:

- › The decision of parents to “do without” in order to give priority to the needs of their children, and the long term impact on their physical, social and psychological needs (health, social participation and personal appearance).
- › The pressure to meet immediate expenses to the detriment of longer term and significant expenditure (insurance, household maintenance).
- › The guilt of letting children down (peer group pressure, education potential).
- › The strain of seldom or ever having a break (evening or day out, holiday).
- › The constant stress and strain of always struggling to make ends meet and knowing that there was little prospect of being able to do so in the current situation.
- › The cumulative impact on quality of life in which there is ongoing shortfall in all areas of household expenditure.

FINDING A WAY OUT OF INCOME INADEQUACY

Households held specific views regarding the way out of their distinctive situation. This section of the main report outlines the most commonly sought means of improving families' quality of life and increasing household income: housing, employment, childcare, and education.

Families who were homeless or renting privately had a long-term housing need and discussed how obtaining social housing would better their situation. Families who were repaying their mortgage also had issues with housing; they were struggling with repayments. Some of these parents wanted to "get rid" of their mortgages and pay a reduced rent for this reason.

The way in which employment could improve families' circumstances differed. Some parents simply wanted to "get a job." Other households viewed better paid employment, an increase in hours and more stable employment as their "way out."

Families emphasised the need for affordable and good quality childcare, to enable parents to gain employment, or increase their hours. Parents also requested access to childcare so that they could further their education.

One third of parents requested an opportunity to further their education. They added that the cost of going back to education was too high, and there is a need for more supports in this area. It was also important that the training they received matched the current skills required by employers, and would help them to find quality employment. The majority of parents emphasised the importance of their children's education and how it would be their "way out," in the long-term. Parents carried this hope for their children and actively promoted their children's interest in education

Interim Supports

The focus of this section is supports that would help to alleviate these families current struggles by immediately and effectively helping them to cope. The most common response from families was to reiterate their need for employment, social housing and affordable, accessible and good quality childcare. In this way, many of the interim supports requested overlapped with the longer term supports required by families to find their "way out." They highlighted the urgency of their need. Other interim supports listed included: "help with the basics," counselling, help with educational costs and greater supports for children in the form of affordable children's activities.

"I only wish I had not been so stupid, every day the debt hangs around my neck. I'm always worrying about how I'm going to get money and how am I going to pay back the loans and look after the girls? When will I be free?,"

CONCLUSIONS

- › Families living on an inadequate income work very hard to make ends meet by adopting a myriad of coping strategies to help deal with the shortfall. Dealing with income inadequacy requires discipline, resilience and sacrifice. The prolonged experience of not being able to make ends meet, in spite of their best efforts, can erode these personal qualities overtime, as living with an inadequate income is very stressful and emotionally draining. For some households it can be an overwhelming experience.
- › Many of the themes that emerged from the interviews reflect the social and economic developments in Ireland, which impact more negatively on the lives of people who struggle to make ends meet. Among these developments, there are the “drivers of income inadequacy” – the increase in the incidence of family break-up, lack of affordable childcare, the housing crisis and precarious employment.
- › Parents were aware of the importance of healthy eating, budgeting and the high cost of borrowing from sources such as moneylenders. However, having an inadequate income meant that, in spite of their best efforts, families simply could not always eat healthily, were sometimes unable to avoid high cost debt and often could not stretch their income to meet all of their needs.
- › The level of income in a household is only one of the factors explaining the extent to which a family is struggling to make ends meet. Having rent/mortgage arrears, debt, lack of savings, the extra costs associated with illness and living on a low income for a long period of time contributed to the difficulties facing families. On the other hand, having savings, access to effective public transport, selling or inheriting something useful and strong supports from family, friends and schools helped families with low incomes to make ends meet, albeit with difficulty.
- › Families without a network of support whether that is from families, friends, charities or schools particularly struggle to make ends meet.
- › Living below an MESL has an impact on the well-being of parents and children, with implications for mental and physical health, educational attainment, loss of confidence and erosion of resources such as savings. Feelings of guilt, shame and embarrassment are all too common for parents who continually prioritise the needs of their children over their own and try to make sure they aren't missing out on experiences which others take for granted.
- › Parents were able to identify the supports and opportunities which they needed to achieve a better quality of life. However, the longer families have been living with income inadequacy, the harder it is for them to see or realise a way out.
- › The current rates of social welfare payments and the National Minimum Wage are inadequate, particularly for families with older children. While families experienced many non-financial benefits from employment, a job was not necessarily enough to ensure that a family could afford an MESL and would avoid struggling to make ends meet.
- › The expenditure patterns of the households in this study indicate clearly that they are living in poverty because they do not have an income which allows them to have an MESL – a standard of living generally regarded as one below which nobody should be expected to live.

Government of Ireland² definition of poverty and social exclusion:

“People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having 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 other people in society.”

“My eight-year old daughter said “mummy I want a birthday party” and I had to say “you’re a big girl now; you don’t need a birthday party.” It was very difficult to see the disappointment on her face. I had to explain that we don’t have the money.”

“My daughter, who is such a good child, asked for €5 for lunch on a school trip. I could not find €5 in the house. All she said was “don’t worry, I’ll manage”.”

2. Government of Ireland (2007), National Action Plan for Social Inclusion 2007-2016 www.socialinclusion.ie/documents/NAPinclusionReport.pdf

POLICY IMPLICATIONS

- › Social welfare payments and the National Minimum Wage should be benchmarked against the cost of a socially acceptable Minimum Essential Standard of Living (MESL). This is a standard which meets physical, psychological and social needs at a minimum but socially acceptable level.
- › Recognise the higher costs faced by families with older children by introducing a higher rate of Qualified Child Increase for children aged over 12.
- › Progress made in recent national budgets to improve the rates of social welfare payments and the National Minimum Wage need to continue, and accelerate.
- › The Minimum Income Standard and the MESL data complement other poverty measures and should be considered in addition to the “at risk of poverty” and “consistent poverty” measures.
- › Families should be prevented from enduring prolonged periods of income inadequacy through the timely provision of information and supports such as education, training and affordable childcare.
- › There is a need to invest in high quality, affordable and accessible services, including housing, education, childcare, healthcare and transport in order to mitigate the impact of income inadequacy and to help families to find a way out of income inadequacy.
- › Both DEIS and non-DEIS schools at primary and second level should adopt cost effective practices which reduce the costs associated with education for parents, as outlined in Circular 0032/2017.
- › End the voluntary contribution system in non-fee paying primary and secondary schools, beginning with the restoration of the capitation rates to 2010 levels.
- › Additional financial supports and reforms to the SUSI grant criteria are needed so that mature, part-time and non-traditional learners can take up educational opportunities.
- › Continued work is needed so that families on low income can access affordable, low cost credit such as the “It Makes Sense” loan being provided by some Credit Unions
- › Families must be supported to balance paid employment with family life, recognising the challenges faced by lone parents and the need for family-friendly employment practices as well as affordable, good quality childcare and afterschool care.
- › The challenges faced by families in rural areas, including lack of employment opportunities and high transport and fuel costs, must be addressed.

“Children should have happy memories and photographs of happy times, my daughter hasn’t any. People need happy memories, don’t they, especially children?”

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