

# Child Poverty Target Consultation

To: Department of Social Protection

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## Introduction

The Society of St Vincent de Paul (SVP) welcomes the opportunity to make a submission to the Department of Social Protection on the new child poverty target. As the largest charity of social concern in Ireland we work to provide practical assistance to those experiencing financial hardship and work to address the root causes of poverty through our policy and advocacy work.

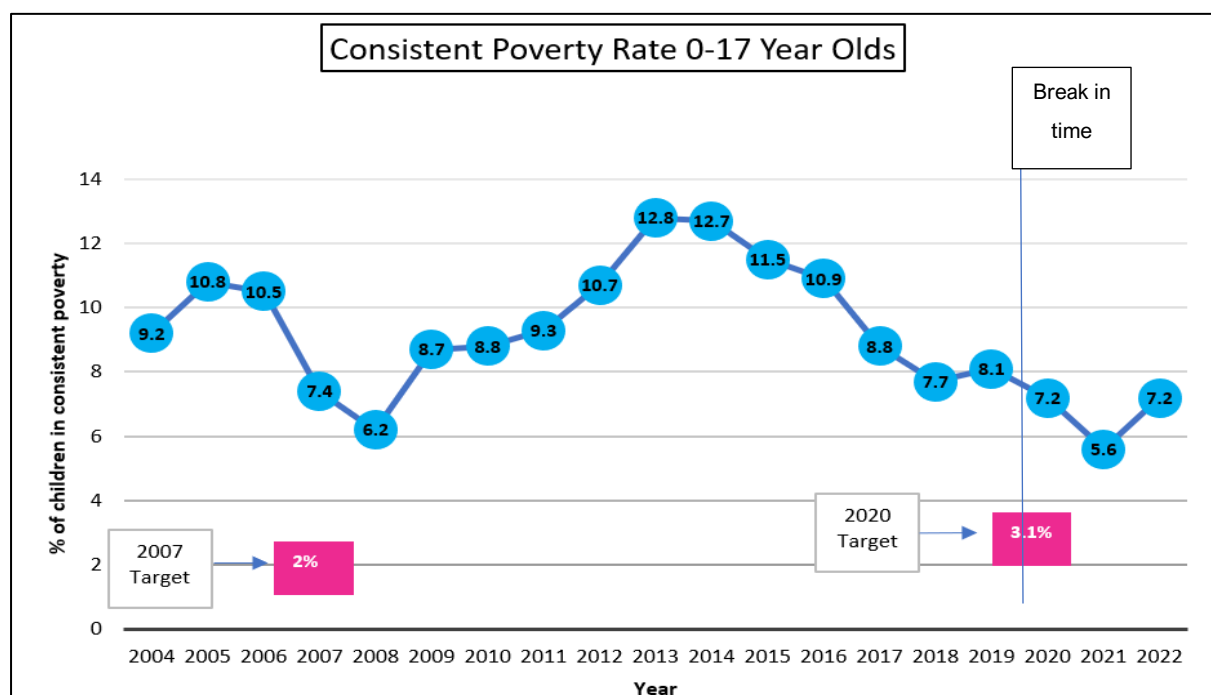
Child poverty is a core issue of concern for SVP as last year we received over 250,000 requests for assistance and almost 70% of those requests were from families with children.

In this submission we outline the need to for an ambitious child poverty target and supporting indicators and actions to drive a comprehensive and cross-departmental National Child Poverty Plan. Importantly, a child poverty target is only effective when it is supported by clear actions across Government and robust monitoring mechanisms. These factors are also covered in this submission.

## Progress on reducing child poverty

At the outset of the last economic recession, the rate of consistent poverty among children was 6.2% in 2008 - the lowest rate since the measure was first introduced as a national indicator in 2003. During the recession, the rate more than doubled between 2008 and 2013 and peaked at a record high of 12.8% in 2013. SVP welcomed the Government's subsequent child poverty reduction target outlined in Better Outcomes, Brighter Futures: The National Policy Framework for Children and Young People 2014-2020, which sought to reduce the number of children living in consistent poverty by 70,000 to 37,000 or 3 % of all children by 2020. While this target was in place, significant progress of reducing child poverty was made. From 2014 onwards as some austerity cuts were reversed, unemployment fell, and income supports to families were increased as child poverty become a focus of Government budgets, there was a welcome decline in the numbers of children living in consistent poverty. Between 2014 and 2018, over 60,000 children were lifted out of consistent poverty.

**Figure 1: Consistent Poverty Rate and Target for Children (2006-2022)**



The 2019 figures see a reversal of this positive trend when the rate increased marginally for the first time in five years. In 2019, the rate of consistent poverty among children stood at 8.1 %, which equates to approximately 97,000 children – an increase of 5,000 children compared to 2018. This compares to a rate of 5.1 % for adults aged 18-64 and 2.3 % for those over the age of 65. The rate of consistent poverty increases to 17% among one-parent families, highlighting how if we are to be successful in tackling child poverty, we must support lone parents. The increase in consistent poverty in 2019 was primarily driven by an increase in deprivation among children, rising from 19.7 % to 23.3 % between 2018 and 2019. The 2020 data, which is not directly comparable with previous years due to a break in the time series, shows there were an estimated 88,000 children living in consistent poverty, equivalent to 7.2% of all children under 18. The rate fell to 5.6% in 2021 which may be attributed to Covid-19 income supports before rising again to 7.2% in 2022 as the cost of living crisis began to take hold.

To-date no Government has been successful in reaching their poverty targets. For example, in 2002, the National Anti-Poverty Strategy pledged to reduce the number of children experiencing consistent poverty to 2% and, if possible, to eliminate child poverty by 2007. However, the rate only reduced to 7.4%.

Nevertheless, it is important to note that when poverty was rising rapidly among older people in the late 1990s, successive governments acted to reverse the trend, with the proportion of older people at risk of poverty falling from 27.1% in 2004 to 9.6% in 2010 and the proportion in consistent poverty falling to a low of 0.9% in 2010.<sup>1</sup> Similar focus and ambition is now needed to address child poverty.

## Response to consultation questions

*Does consistent poverty remain the most appropriate basis for a national child poverty target or are there other indicators that could be considered? Is it feasible to set sub-targets within the child population (e.g. for specific cohorts or groups), which can then be monitored?*

The consistent poverty measure is a robust and important indicator to track progress on child poverty and SVP supports its retention for the new child poverty target. However, as outlined in the consultation document there are limitations to this measure as it does not adequately capture inequalities in access to services or broader well-being issues. Notably, when the rate of consistent poverty among children was falling from 2014 onwards, the number of children experiencing homelessness increased by over 300%.<sup>2</sup>

To have a more complete picture of child poverty, to assess the impact of investment in services, and to assist with targeted measures that will help achieve the overall reduction to 2%, it is recommended that additional indicators are included to capture the multidimensional nature of child poverty, depth and persistence of poverty and

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<sup>1</sup> Data extracted from the CSO Statbank and Survey of Income and Living Conditions <https://data.cso.ie/#>

<sup>2</sup> Focus Ireland 'Family Homelessness Data', available at [https://www.focusireland.ie/resource-hub/latest-figures-homelessness-ireland/?t=\\$2#Family](https://www.focusireland.ie/resource-hub/latest-figures-homelessness-ireland/?t=$2#Family)

the increased risk of poverty among certain groups of children. Sub-targets for children living in one parent families (rate currently 2.7 times the rate of other families types) and children in households where a family member has a disability (not currently reported by the CSO) should be reported annually and the target set to an equivalent level of ambition for all children (See Q1). Efforts to include data on the living standards of Traveller and Roma children, asylum seekers and children in emergency accommodation should also be made to ensure those not counted in official poverty statistics are represented.

These indicators should form the basis of a 'child poverty dashboard', requiring annual reporting by Government to monitor progress across several domains. It is proposed that the consistent poverty rate remains the basis for the target with the dashboard a supporting monitoring mechanism to capture areas of children's lives that require further attention. This would be a similar model to the Social Inclusion Monitor but would form part of an annual reporting process on the headline child poverty target. The reporting process should be a joint initiative by the Department of Social Protection and the Child Poverty and Well-being Programme Office in the Department of An Taoiseach. We note that the Child Poverty and Well-being Programme Office commits to an annual report documenting progress across its key six priority areas. This is an opportunity to align the reporting process across a range of child poverty related indicators to highlight key areas of priority for the following year.

SVP recommend that at a minimum the following indicators are included in the proposed "child poverty dashboard":

**Table 1: Proposals for a Child Poverty Dashboard**

Measure	Source	Frequency
<b>Headline indicator</b>		
% of children living in consistent poverty (headline indicator and target) Report number of children	CSO – Survey of Income and Living Conditions	Annual
<b>Monitoring indicators</b>		
% of children experiencing enforced deprivation Report number of children	CSO – Survey of Income and Living Conditions	Annual
% living below the poverty line (60%)  Broken down by age group: 0-6, 7-11, 12-17	CSO – Survey of Income and Living Conditions	Annual
% of children living below the poverty after housing costs	CSO – Survey of Income and Living Conditions	Annual
% of children vulnerable to consistent poverty <sup>i</sup>	CSO – Survey of Income and Living Conditions	
% of one parent families living in consistent poverty	CSO – Survey of Income and Living Conditions	Annual
% of children at risk of poverty/ experiencing deprivation in households where a person has a disability	CSO – Survey of Income and Living Conditions	Annual
% of households with children at risk of persistent poverty <sup>ii</sup>	EUROSTAT – Survey of Income and Living Conditions	Annual
% of one parent families working below the poverty line (in work poverty rate)	EUROSTAT – Survey of Income and Living Conditions	Annual
No. of children experiencing homelessness/ housing insecurity	Dept. Of Housing, Department of Children, Integration, Disability, Equality and Youth  Include children in DV refugees, DP and unsuitable Traveller accommodation	Monthly (report year-on-year changes)
No. of household cases with children who cannot afford a Minimum Essential Standard of Living	Vincentian MESL Research Centre at SVP	Annual
% of households with children experiencing food poverty (ESRI measure)	Department of Social Protection and CSO	Annual
Number of children receiving hot school meals (% of total student population)	Department of Social Protection	Annual
% of children living in energy poor households (subjective measures and expenditure based measures)	ESRI/ CSO/ Household Budget Survey	Annual
% of children in consistent poverty/ at risk of poverty with a medial card	CSO - Survey of income and living conditions	Annual
% of children from one parent families, children for whom English or Irish is not a first language and Traveller and Roma children attending early years services	Pobal - Annual Early Years Sector Profile Report	Annual

*Should the target be set on an absolute (number of children) or rate (per cent) basis, or both?*

*What is the most appropriate timeframe for the target?*

SVP recommends that the new target is based on the percentage of children in consistent poverty rather than the absolute number. This makes it easier to track progress over time as it is not sensitive to changes in population levels. Another issue arises when the change in absolute numbers are reported even if there isn't a statistically significant changes in poverty rates, which distorts the trend over time. However, while the percentage should be the basis for the target, it is also important to continue to report the estimated number of children in poverty.

The target should be tied to existing policy frameworks and international commitments in relation to children and poverty.

**Proposed new target:** Reduce the number of children living in consistent poverty to 2% or less by 2028 (linked to the new strategy for children and young people), with the goal of eliminating consistent poverty by 2030 in line with the UN Sustainable Development Goals.

This target should not differ for children in one parent families or households where a family member has a disability. For example, by 2028 the rate of consistent poverty for children in one parent families should be 2% or less. It is acknowledged that this is more challenging as the rate for these children currently stands at 14.1% but it is important that we have the same level of ambition for all children and do not have a higher acceptable level of poverty due to family status or disability status. Significant resources, attention and focus is required across Government to meet this ambition for all children.

*Are there specific actions required related to meeting the target?*

### **Policies and measures**

In SVP's submission on the [EU Child Guarantee](#) we outlined the ways in which the poverty target can be reached in terms of children's access to service. Promoting

access to good quality services must go hand in hand with adequate income supports and measures to support parental employment.

A summary of SVP recommendations are found in appendix A.

### **Monitoring mechanisms**

- Introduce a Poverty Act to make targets legally binding. Similar to New Zealand, the purpose of this Act would be to help achieve a significant and sustained reduction in child poverty by provisions that—
  - encourage a focus by government and society on child poverty reduction:
  - facilitate political accountability against published targets:
  - require transparent reporting on levels of child poverty.
- All Government departments should be required to produce an assessment on proposed budgetary measures on levels of poverty across households. The requirement to do so should be incorporated into the Finance bill, whereby the Department of Public Expenditure and Reform take a leading role ensuring that the management of public expenditure is evaluated against the impact it has on reducing child poverty. To strengthen the legal underpinning for poverty proofing it would be important that socioeconomic status is added as a ground in our Equality legislation to ensure that it gets equal consideration in the design of policy as the other ten grounds currently laid out in legislation.
- Establish a well-resourced parliamentary oversight committee to monitor action on child poverty.
- Publish and report on the “child poverty dashboard” annually and take action on areas where progress is lagging.



## Appendix A: Measures to reach child poverty target

### Recommendations for an Adequate Income for Families:

- Benchmark social welfare rates to the cost of the Minimum Essential Standard of Living. Based on the 2023 MESL costs the QCI would need to be €57 for under 12 and €108 for 12 & over in order to meet the minimum costs for raising a child. From the forecast inflation for 2024, that would rise to €64 (currently €46) and €115 (currently €54) respectively this year.<sup>3</sup> This analysis also underlines the importance on increases in adult rates to improve the adequacy of the family overall, and the extra costs faced by families with teenagers.
- Develop an action plan to support one parent families through the provision of adequate, comprehensive, and streamlined in-work income supports and an effective system of child maintenance.
- Introduce a cost of disability payment.

### Recommendations for Free Early Years including School Aged Childcare:

- Unlock free early care and education including afterschool care to all low-income families, including one parent families (i.e., eligibility based on satisfying a means test for existing state benefits). Ensure all disadvantaged children can access early years care and education by expanding access to all children regardless of their parents' employment status (i.e., via Medical Card eligibility).
- Exclude Child Benefit and child maintenance as reckonable income for the purposes of the National Childcare Scheme. Raise income thresholds for the NCS in line with rises in the National Minimum Wage.
- Prioritise addressing the lack of availability of childcare for low-income families accessing further training and employment opportunities, particularly for lone parents.

### Recommendations for Free Education:

- Deliver on the Programme for Government commitment to provide additional supports for students who are homeless, resident in family hubs, or in direct provision.

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<sup>3</sup> Correspondence with Vincentian MESL Research Centre 18<sup>th</sup> of January 2024

- Develop and resource a 5-year action plan to provide genuinely free and secondary primary education to all children.
- Provide free schoolbooks at primary and secondary level by 2024 (achieved until junior cycle).
- End the practice of “voluntary” contributions by increasing the capitation grant to reflect the real running costs of schools.
- Monitor the implementation of the 2017 school costs circular.
- Establish an in-school and extra curricular activities discretionary fund to ensure schools can support participation of all students in activities and target those who may be excluded due to costs.

#### **Recommendations for Free Healthcare:**

- Provide free access to GP care to all children under the age of 18.
- As we transition to a system of universal health care, ensure everyone on a low income can access care by increasing the medical card income thresholds to the equivalent of the highest means-tested welfare payment and expand eligibility to families in receipt of the Working Family Payment.
- Reduce health-related costs for low-income households by abolishing prescription charges for all medical card holders.
- Increase the annual allocation to the hospital discretionary funds, to support low-income individuals and families under financial pressure due to health and hospital-related charges.

#### **Recommendations for Adequate Housing:**

- Develop and resource a child and family specific homelessness strategy with a strong emphasis on homeless prevention particularly targeted at the needs of one parent families and members of the Traveller community.
- Increase the social housing targets from 10,000 to 15,000 per year to meet current demand and reduce the reliance on housing supports such as RAS, RS and HAP to accommodate low-income households.
- Complete a full review of the Housing Assistance Payment (HAP) and its interaction with the Private Rented Sector. Issues that need to be examined include, the use of HAP top-ups among low-income households, insecurity of tenures, private rented accommodation standards, refusal of some landlords to accept HAP, support with HAP arrears and the increasing cost of the

programme to the State Exchequer relative to investment in the build of new housing.

- Extend the “Warmth and Well-Being” programme nationwide to ensure all children with respiratory issues can live in warm and energy efficient homes.
- Develop and resource a strategy to introduce minimum energy efficiency in the private rented sector. Begin by piloting the extension of the Warmer Home Scheme to HAP tenants, conditional on the landlord providing a longer-term lease.
- Increase funding to Local Authorities to ensure existing stock is adhering to minimum standards and are energy efficient.

#### **Recommendations for Adequate Nutrition:**

- Recognise the drivers of food poverty and set a target to benchmark social welfare payments and the national minimum wage against the cost of the Minimum Essential Standard of Living.
- Develop and rollout a national action plan to ensure that all children have access to a hot nutritious meal every day in education settings. The action plan should include annual targets including sub-targets for the named groups of children in the EU Child Guarantee without creating stigma.
- Expand access to a hot meal to non-formal education settings incrementally over a number of budgets. This should include early years settings, youth and alternative education settings.

#### **Recommendations for Accessible Public Transport**

- Child and poverty proof transport policy ensuring the needs of children, parents and young people living in poverty are met in the design of integrated systems of public transport in rural and urban areas.
- Invest in the Rural Transport Programme, increasing the range of public transport options, promoting social inclusion for children living in rural areas, and improving access to services. • Provide free school transport to all eligible children.
- Increase funding to the school transport scheme to support and facilitate access to sports, play, recreation, and activities for children in isolated areas.
- Optimise the use of the school bus fleet by mobilising it for use in the summer months and outside of school times.

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<sup>i</sup> the child population experiencing basic deprivation and living in a households with an income between 60 and 70 per cent of the median)

<sup>ii</sup> The persistent at-risk-of-poverty rate is measured as the share of persons with an equivalised disposable income below the at-risk-of- poverty threshold in the current year and in at least two of the preceding three years.