Budget 2023:
An Anti-Poverty Budget?

Society of St Vincent de Paul

NERI Budget 2023 Seminar

5th of October 2022

Context Budget 2023 : The Experience of SVP in 2022

- Almost 147,000 calls for help so far this year – an increase of 20% compared to the same time last year.
- Food, energy and education are the most common presenting issues.
- 70% of calls are from households with children – almost half from those parenting alone.
- Second largest group requesting for help are single adults with an illness or disability.
- Mixture of households who are out of paid work, working part-time or full time.

The Cost of Surviving

With rent and bills going up, I can barely afford food shopping anymore. Some days I don't eat so my daughter can.

We haven't had heating oil for weeks now and that means no heating or hot water. This is really tough especially because my kids have disabilities.

The meter takes €7 a day and I don't even have heat on in the whole house just my bedroom before sleep. For the last two days I've had no money to top up.

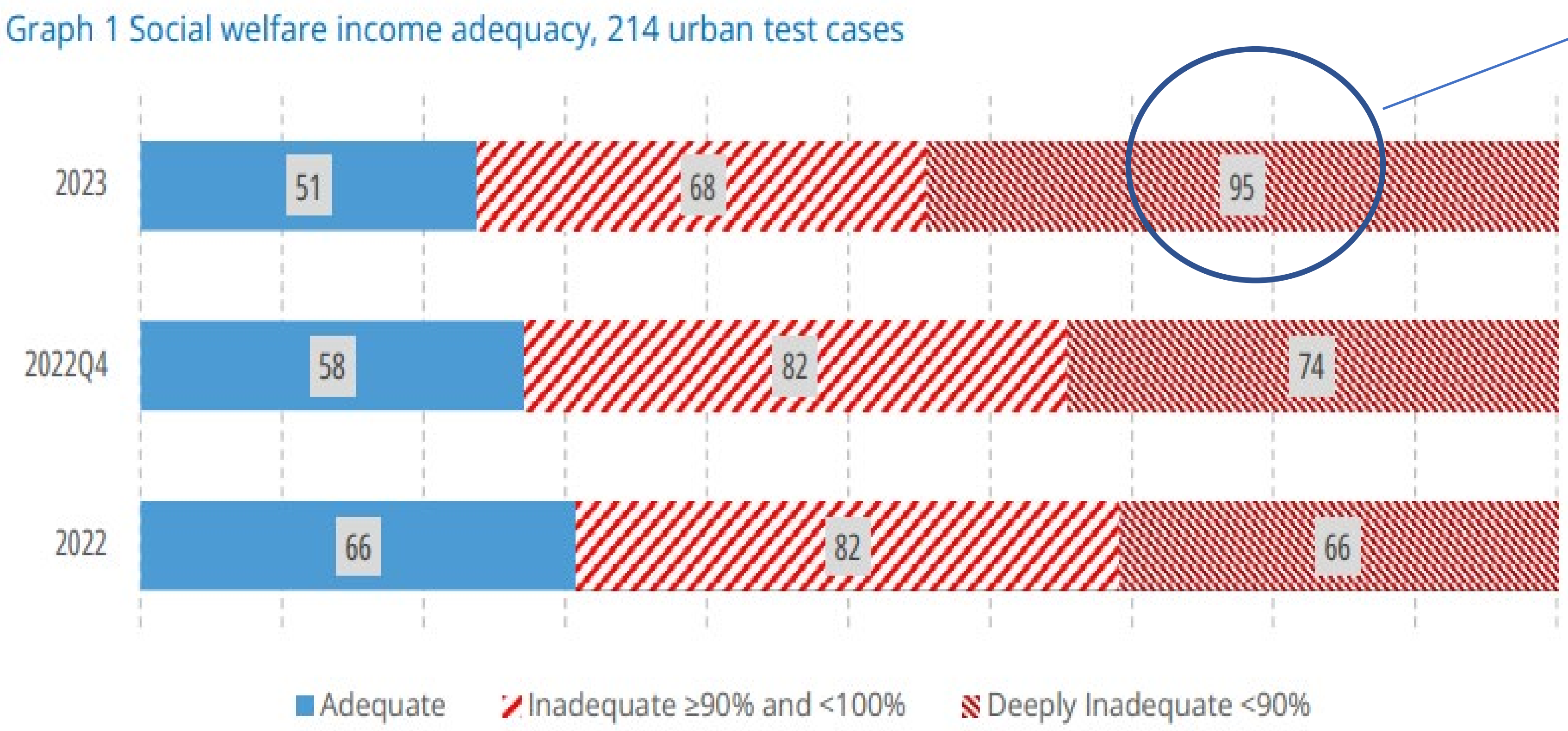
I can cover the bills and of course wanting to feed the kids, but it leaves me with nothing to cover their school costs. I'm really anxious, I'm losing sleep.

Income and Employment

Social Protection Assessment

- One-off measures will help people get through winter – social protection well targeted.
- But below inflation SW increases & increase of €2 for children wholly inadequate -> rise in deprivation e.g. lone parent with two children will see the inadequacy gap between their income and the cost of a MESL grow from €70.94 in 2022 to €93 in 2023 (Vincentian MESL Research Centre, 2022).
- No action on social protection measures in White Paper on Ending Direct Provision.
- No targeted supports for lone parents.
- No cost of disability payment.
- No additional funding for the Community Welfare Service to improve access to ANP.

Vincentian MESL Research Centre Assessment



"a potential ballooning of deep income inadequacy to 95 cases (from 66 in 2022)."

Source: Vincentian MESL Research Centre (2022) Budget 2023: MESL Budget Impact Briefing https://www.budgeting.ie/download/pdf/budget_2023_-_mesl_impact_briefing.pdf

Failure to increase thresholds to account for NMW

- WFP threshold increased by no changes to earning disregards, thresholds for targeted childcare subsidies, Back to School Allowance, or medical card.

- NMW increase = **7.6%**

- Working Family Payment threshold increase welcome but insufficient
  - EXAMPLE: Couple with 2 children working 60 hours (40+20) on NMW will gain €37 per week (USC change, WFP Threshold Increase & NMW) = **5.4%**

- Earning disregard for One Parent Family Payment frozen at €165
  - EXAMPLE: Lone parent with 1 primary school child – working 20 hours per **increase** week in NMW and in receipt of OFP will gain 19.50 per week (€16 in NMW and €3.50 in OFP) = **4.8%**

Need for Benchmarking Social Welfare Clear

- Most European countries benchmark social assistance to living standards e.g. Germany, Spain, Finland and the UK.

- Removes arbitrary nature of setting welfare rates through annual budgets.

- Which benchmark – prices, wages or living standards?

- An appropriate benchmark should aim to:
    - Combat poverty and social exclusion by establishing an adequate social protection floor
    - Ensure that everyone has an adequate income to meet the cost of living and live with dignity
    - Provide people with the means to access opportunities and to participate in society
    - Offer certainty to people on fixed incomes

Energy and Climate Justice

Energy and Transport Assessment

- One off payment of €400 in Fuel Allowance but no permanent increase in weekly rate.
- Fuel Allowance was not extended to those in receipt of the Working Family Payment.
- An additional €87 million funding for retrofitting homes will help those on the lowest incomes experiencing energy poverty but no measures for Private Rented Sector.
- No action on the pilot of the Programme of Community Energy Advisors.
- 20% reduction in public transport welcome but no detail on Rural Transport Programme.

Education including Early Years

Education and Early Years Assessment

- Welcome investment in childcare but measures don’t reach low-income families on targeted subsidies – rates & thresholds frozen.

- School costs- free schoolbooks for all primary school children is a major step forward. One – off increase in funding to schools is unlikely to end requests for parent contributions.

- Support for disadvantaged children - €8 million to address the impacts of COVID-19 on early school leaving, including a 5% increase in the funding for the School Completion Programme.

- NEPS will receive funding for an additional 54 psychologists to provide services to special schools and special classes. Very welcome and will help ensure that children with additional needs can get the support they need in the school setting.

- SUSI- fee cut, increase grant rate, one-off increase but not extended to part-time students.

Housing and Homelessness

Housing Assessment

- Social housing: welcome €61 million is being allocated to schemes to tackle vacancy and promote regeneration in urban areas by addressing vacant social homes.
- Limits on HAP and RS remain unchanged but uplift in discretionary rates in July 2022.
- Increase in funding for Homeless services but overall budget allocation for prevention is inadequate – growing issue of rent arrears.
- Housing First was not extended to families.

Summary

- One-off measures while welcome will be wiped out quickly – price hikes over winter & debt accumulated in 2022.
- Below inflation rates of social welfare increases in 2023 → rise in deprivation & income inadequacy is very likely unless further intervention is provided. Price unlikely to fall - concern for households with children in particular.
- Significant progress made in education – must be built upon in future budgets.
- Energy measures short-sighted and not targeted enough. One €200 energy credit = €400 million. Fuel Allowance to WFP recipients (net = €1324) = €68 million.
- Continued rise in homelessness is very likely unless emergency preventative measures are put in place.

Thank you.