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NDA Submission to the Department of Social Protection on a National Child Poverty Target

# Introduction

The National Disability Authority (NDA) is the independent statutory body providing evidence-based advice and research to Government on disability policy and practice and promoting Universal Design.

The NDA welcomes the opportunity to contribute a submission on the development of a new child poverty target in Ireland. Of particular interest to the NDA is the reduction of poverty among children impacted, directly or indirectly, by disability, and so this submission responds to the following question in the Consultation Guidance Document:

Is it feasible to set sub-targets within the child population (e.g., for specific cohorts or groups), which can then be monitored?

The submission proposes the inclusion of specific sub-targets aimed at reducing poverty among children impacted by disability. The intersection of disability and poverty presents unique challenges that require targeted measures to ensure effective poverty reduction for this at-risk group.

Further, in light of the available evidence of the burden of the cost of disability on individuals and households in Ireland, consideration is also given to the following consultation question:

Does consistent poverty remain the most appropriate basis for a national child poverty target or are there other indicators that could be considered?

The NDA argues that consistent poverty is not an adequate measure of the prevalence of poverty and low living standards among households impacted by disability in Ireland.

# Context and significance

In Ireland, households in which someone has a disability are one of the subgroups in society most at risk of experiencing poverty. These households are more likely to be below income poverty lines and are also at greater risk of experiencing material deprivation (1).

While an increased risk of poverty among households impacted by disability is not an issue unique to Ireland, there is evidence that Ireland fares particularly poorly in this regard relative to other European countries (2). Ireland is among the lowest-ranked EU Member States on a range of poverty and social inclusion measures for people with disabilities (3). For example, while Ireland ranks 14th of 27 EU countries overall on the At Risk of Poverty or Social Exclusion (AROPE) measure, we rank 24th of 27 in relation to the AROPE measure for people with disabilities. Similarly, Ireland ranks 14th of 27 Member States in terms of severe material deprivation, while ranking 22nd in terms of severe material deprivation for people with disabilities (3).

It is also important to recognise that relationships between poverty and disability can be bidirectional. For example, mental health difficulties can both impact and be impacted by income levels, and these interrelationships also have intergenerational effects. Parental depression is one of the best-established risk factors for child mental health difficulties. Research carried out using Growing Up in Scotland data has shown that poverty has a large effect on maternal mental health, which in turn impacts on the mental health and well-being of children (4). Poverty impacts children both directly, by limiting parents’ capacity to invest on their child's development, and indirectly by contributing to parental mental health difficulties (4). Evidence from Growing Up in Ireland also indicates that early exposure to economic vulnerability in childhood is associated with chronic illness or disability at age 9 and at age 17. The rate of disability or chronic illness among children aged 9 who have never experienced economic vulnerability (just over 10%) is approximately half that of children who have always been economically vulnerable (21%). The relationship is even stronger for the cohort at age 17 (5).

# The need for child poverty sub-targets

National child poverty targets are important for many reasons, including focusing policy action and resources, facilitating the measuring of progress, and focusing national attention on and raising awareness of the issue of child poverty. However, it is also the case that the setting and monitoring of headline national targets in isolation can mask the true picture of child poverty for vulnerable subgroups.

New Zealand is a country that has in recent years established national targets for reducing child poverty that also include consideration of poverty among the at-risk subgroups of ethnic minority (Māori and Pacific) children and children impacted by disability.

There has been significant progress in New Zealand in reducing overall child poverty since the establishment of these targets. For example, there has been a 7.4 percentage point reduction in the after-housing cost (AHC) fixed line rate of poverty, a 4.5-point decrease in the before housing costs (BHC) moving line rate, and a three-percentage point decrease in the material hardship rate in the period from 2017/2018 to 2021/2022 (6).

While these headline reductions are very welcome, because New Zealand made the decision to also monitor poverty levels among sub-groups of the population, it is possible to clearly identify that different sub-groups have experienced different child poverty trends over recent years (7). As shown in Table 1, for example, there has been much less progress in reducing child poverty among Pacific children than Māori children. For children impacted by disability, there was actually a 1.4 percentage point *increase* in the share of children below the before housing costs moving poverty line, and a 0.3 percentage point increase in the proportion experiencing material deprivation over the years since poverty among this group has been reliably monitored.

The experience in New Zealand underscores that it is unwise to focus solely on global targets in child poverty reduction efforts. Despite a positive picture at a national level, things have not been improving to an equal extent, and by some measures are actually getting worse, for some of the most vulnerable groups of children in that country. Awareness of this allows a country to ‘course correct’, and to allocate resources and target policy measures differently.

Table : Child poverty rates in New Zealand in 2022 by ethnicity (since 2018/2019) and children impacted by disability (since 2019/2020)

|  |  |  |  |
| --- | --- | --- | --- |
|  | After-housing-costs, fixed-line measure | Before-housing-costs, moving-line measure | Material hardship |
| All NZ children | 15.4% | 12% | 10.3% |
| Māori children | 16.8%  ↓ 5.6 percentage points\*  over the past 3 years | 14.5%  ↓ 3.4 percentage points | 18.8%  ↓ 3.8 percentage points |
| Pacific children | 19.4%  ↓ 2.1 percentage points  over the past 3 years | 19.5%  ↓ 0.9 percentage points | 25.6%  ↓ 2.6 percentage points |
| Children impacted by disability | 15.7%  ↓ 4.8 percentage points\*  over the past 2 years | 17.9%  ↑ 1.4 percentage points | 21.1%  ↑ 0.3 percentage points |

Use of **\*** indicates a statistically significant difference. Source: Stats NZ

New Zealand is not alone in this approach. In recognition that the risk of harm from child poverty is not equal and that children in some types of households are at greater risk, six household types have been recognised as ‘priority group households’ in Scotland’s child poverty strategy. These priority groups are minority ethnic households, lone parent households, households in which the youngest child is under the age of 1, households with three or more children, and households in which at least one member is disabled.

While New Zealand and Scotland have selected different subgroups of focus, the NDA emphasises that households impacted by disability have been selected in both jurisdictions.

# Child poverty measures

Existing child poverty targets in Ireland relate to reducing the consistent child poverty rate, defined as the percentage of children who are both at risk of poverty (AROP; having a household income lower than 60% of the median nominal equivalised disposable income) and experiencing material deprivation (defined as not being able to afford to buy two or more items on a list of 11 basic deprivation indicators). It is the NDA position that such a measure is insufficient to capture the prevalence of poverty among households affected by disability.

Analysis of SILC data by the ESRI showed that a majority of people experiencing material deprivation in 2021 were not deemed at risk of poverty (69% using an after-housing costs basis and 57% on a before-housing costs basis). Of this group who are not classified as income poor but were experiencing material deprivation, almost half were in households impacted by disability. Factors such as savings and debt, as well as inescapable costs such as housing, childcare, and those incurred by people with disabilities mean that households with equal incomes can vary widely in their ability to make ends meet and can have widely differing living standards (8). With respect to the cost of disability specifically, the authors of this ESRI report conclude:

Given that the extra costs incurred by households affected by disability are not accounted for by measures of BHC or AHC income, this raises questions about whether the official consistent poverty indicator – being both materially deprived and below the (BHC) income poverty line – is adequately capturing the incidence of very low living standards or poverty among households affected by disability (8)(p. 26).

The NDA urges inclusion of separate income and non-income measures of child poverty, acknowledging that any single indicator or combined indicator will not give the full picture of child poverty in Ireland. We note that New Zealand use nine child poverty indicators (three primary and six supplemental measures), while Scotland uses four. Both countries have recognised the importance of including income and non-income measures of child poverty separately, while also combining them into a single measure as is the current approach in Ireland. The NDA advises that the inclusion of non-income measures will be particularly important for capturing low living standards among children in households affected by disability.

# Recommendations

Recommendation 1: The NDA advises that national child poverty targets can mask the true picture of child poverty for vulnerable subgroups. The NDA recommends setting child poverty subtargets for children in households affected by disability.

Recommendation 2: The NDA advises that the current measure of consistent poverty in Ireland does not adequately capture poverty among households impacted by disability. The NDA recommends the inclusion of separate income and non-income measures of child poverty in future.

# Conclusion

The NDA welcomes this important work on tackling child poverty. We will be happy to engage with officials from the Department of Social Protection on any of the points raised in this submission.

# References

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