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## Introduction

One Family is Ireland's leading support organisation for people parenting alone, sharing parenting, separating and those with crisis pregnancy. We were established in 1972 as Cherish, and provide specialist parenting and family support services around Ireland; we train professionals on working with one-parent families and we promote policies that positively impact on one-parent families. Children are at the centre of our work.

One Family welcomes the opportunity to contribute to the Low Pay Commission's fourth call for submissions on the National Minimum Hourly Rate of Pay (NMHRP). We outline our concerns below with particular reference to the Commission's remit to attend to the challenges for low paid workers in a fair and sustainable way.

## Context

In Ireland, 25.4% of all families are headed by lone parents, whether they are separated, divorced, single or widowed, while 21.2% of all children live in one parent family units - approximately 356,203 children<sup>1</sup>.

## One-Parent Families: Welfare, Work and Poverty Traps

Lone parent households, with one or more children aged under 18, had consistent poverty rates of 24.6%, and the highest deprivation rates, in 2016, at 50.1%.<sup>2</sup>

Most recently, a report published by the ESRI on *Poverty Dynamics of Social Risk Groups across the EU*, assessing poverty trends between 2005-2014 across 11 EU countries, placed lone parents as the most at-risk group. It identified Ireland as having the highest absolute persistent poverty gap for lone parents, with increasing rates over the period of the study.<sup>3</sup>

Children living in one-parent family households are almost twice as likely to live in poverty as other children.<sup>4</sup> Child poverty rates have continued to increase since 2008 and the Taoiseach has committed to lifting over 100,000 children out of consistent poverty by 2020 as part of the *Better Outcomes, Brighter Futures* framework.<sup>5</sup> There is a roadmap for Government departments available on how to achieve this in the Whole of Government Approach to Tackling Child Poverty.<sup>6</sup>

The government-commissioned *Indecon Independent Review of the Amendments to the One-Parent Family Payment since January 2012* which was launched in late 2017 examined the impact of austerity measures on one-parent families. This report found a number of very concerning findings including the fact that many one-parent

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<sup>1</sup><http://www.cso.ie/en/csolatestnews/pressreleases/2017pressreleases/pressstatementcensus2016resultsprofile4-householdsandfamilies/>

<sup>2</sup> [http://pdf.cso.ie/www/pdf/20171221091911\\_Survey\\_on\\_Income\\_and\\_Living\\_Conditions\\_2016\\_full.pdf](http://pdf.cso.ie/www/pdf/20171221091911_Survey_on_Income_and_Living_Conditions_2016_full.pdf)

<sup>3</sup> <http://www.esri.ie/pubs/Poverty-Dynamics-EU-ESRI-DEASP-conference-31012018-v4.pdf>

<sup>4</sup> Ibid

<sup>5</sup> <http://childrensrights.ie/resources/major-child-poverty-conference-calls>

families are worse off in employment and in our view this is due to the precarious and low paid nature of the work.<sup>7</sup>

### **Lone Parents and National Minimum Hourly Wage Rate**

On average, 55.3% of lone parents were participating in the labour market in Q2 2017. Clearly, lone parents are engaging in, and seeking work outside the home.<sup>8</sup> We are aware that for many people parenting alone they want to be able to participate in the labour market, have a career and move out of social welfare and poverty. However they face significant challenges due to the lack of accessible high quality childcare for their children, out of school care for older children, as well as the unreliable nature of much low-paid employment.

Setting an appropriate National Minimum Hourly Rate of Pay (NMHRP) is a crucial element in a whole-of- government response to the poverty of lone parents and their children<sup>9</sup>. In the broader context of globalised shifts in working and living conditions<sup>10</sup>, the development of ‘flexicurity’ models<sup>11</sup> which integrate wage, and support incomes and services, provide best-practice and future-oriented means to sustain our economy and society .

The Vincentian Partnership for Social Justice’s Living Wage Technical Group, which takes into consideration consistent poverty and material deprivation rates across Irish society as a whole, proposes €11.40 per hour as a minimum hourly wage rate. This figure is required to establish a Minimum Essential Standard of Living (MESL) and will meet competitive European standards<sup>12</sup>. It suggests that the figure of “€10.50 by 2021” proposed in the Programme for Government is well below an effective rate.

Indeed, a Report from the Low Pay Commission itself, in 2016, observes that NMHRP workers are much more likely to be female, secondary earners, and confined to low-paid part-time work. It goes on to identify the prohibitive cost of childcare as a significant factor in creating this cul-de-sac.<sup>13</sup>

To reconsider this from the point of view of lone parents, again, who head 25.4% of all families with children in Ireland, CSO data indicates that 84% of all lone parents are female.<sup>14</sup> As is the case with male lone parents, they are **primary**, not secondary, earners. Females, however, suffer the additional burden of a 13.9% gender pay gap - exacerbating an already poverty ridden cycle for lone parents. The Commission’s report also notes that temporary and part-time contract workers face a greater ‘risk’ of being on the NMW.

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<sup>7</sup> <https://onefamily.ie/statement-response-to-indecon-report-on-one-parent-family-payment-reform/>

<sup>8</sup> [http://pdf.cso.ie/www/pdf/20171019095947\\_QNHS\\_Households\\_and\\_Family\\_Units\\_Q2\\_2017\\_summary.pdf](http://pdf.cso.ie/www/pdf/20171019095947_QNHS_Households_and_Family_Units_Q2_2017_summary.pdf)

<sup>9</sup> EUROFOUND - <https://www.eurofound.europa.eu/publications/report/2015/labour-market/upgrading-or-polarisation-long-term-and-global-shifts-in-the-employment-structure-european-jobs>

<sup>10</sup> EUROFOUND - <https://www.eurofound.europa.eu/publications/report/2015/labour-market/upgrading-or-polarisation-long-term-and-global-shifts-in-the-employment-structure-european-jobs>

<sup>11</sup> EU Outline - <http://ec.europa.eu/social/main.jsp?catId=102>

<sup>12</sup> <https://www.budgeting.ie/living-wage/>

<sup>13</sup> <http://www.lowpaycommission.ie/publications/women-on-nmw-report.pdf>

<sup>14</sup> [http://www.cso.ie/en/media/csoie/releasespublications/documents/population/2017/Chapter\\_4\\_Households\\_and\\_families.pdf](http://www.cso.ie/en/media/csoie/releasespublications/documents/population/2017/Chapter_4_Households_and_families.pdf)

## Recommendations

- Ensure that the NMHRP is at the living wage level as being on the NMHRP should not indicate a 'risk'. Lone parents are not in a position to work in extended, cumulative waged work - so every single hour counts in generating a living wage. The NMHRP, if raised to the level of the Living Wage of €11.40, will in fact become part of a move to allow movement into the work force and integrate wage, income support and services nationally. More fundamentally, One Family suggests that to fulfil its remit the Commission must acknowledge the reality that an "experienced adult employee", for the purposes of setting a minimum wage, is in fact rarely a 'lone' adult. Families form the basic structure of Irish society, but they are not uniform in social arrangement, position or condition.
- The Department of Social Protection should continue to unwind the cuts imposed on lone parents reliant on social welfare in Budget 2012 by restoring the level of the income disregard to at least €146.50; make participation in Community Employment schemes accessible as an entry point to the labour market; and ensure that lone parents can access all education supports irrespective of their housing tenure.<sup>15</sup>
- The Department should also target a number of supportive measures at their lone parent customers to ensure that they are able to transition to well-paid employment. These measures could include allowing Job Seeker's Transition recipients to be able to receive the Working Family Payment; ensure all DEASP staff are appropriately trained and resourced to be able to support the specific challenges of one-parent families; provide specialist bridging programmes for people parenting alone which support progression, job-readiness and incorporate wrap around parenting and family support services; ensure that the Working Family Payment is further developed to introduce a weekly working threshold of 15 hours per week.

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<sup>15</sup> [https://onefamily.ie/wp-content/uploads/2017/07/One-Family\\_Pre-Budget-Submission-2018.pdf](https://onefamily.ie/wp-content/uploads/2017/07/One-Family_Pre-Budget-Submission-2018.pdf)