

## CHILDREN AND ECONOMIC INEQUALITY IN IRELAND

Report Highlights: November 2016

### The impact of economic inequality on children

Ireland's social, economic and state institutions and systems reinforce and reproduce economic inequalities. These have extremely detrimental impacts on children, particularly (but not exclusively as inequality affects all groups in society) those from lower-income backgrounds.

Children in unequal societies such as Ireland suffer worse infant mortality rates, lower levels of participation in further education, are more likely to be overweight and victims of bullying. As adults, they are more likely to suffer socio-emotional problems and low income. Social mobility is also lower in more unequal societies, making it difficult for children to escape from inter-generational cycles of poverty and deprivation.

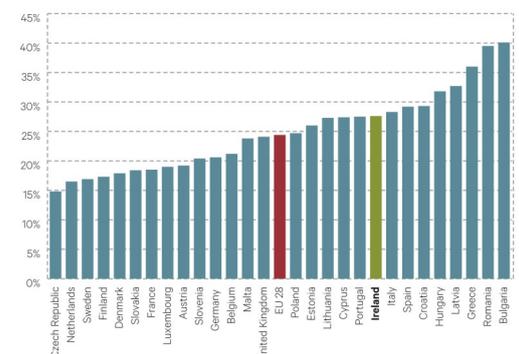
### Child poverty doubles during recession & austerity

During the recent period of economic crisis followed by budgetary austerity measures (2008 - 2014), the proportion of children living in consistent poverty in Ireland almost doubled from 6.3% in 2008 to 11.2% in 2014. This equates to 138,000 children, or one in eight, living in consistent poverty. Over a third of children (36.1%) experience deprivation, double the 2007 rate of 15.9%. Using the Eurostat measure, 27.6% of children in Ireland are at risk of poverty or social exclusion - which is higher than the EU average of 24.4% and significantly higher than rates in countries such as Sweden, the Netherlands and Finland.

**Cherishing All Equally 2016** is the second report in an annual series and is part of a long-term project by TASC to monitor trends in economic inequality in Ireland. It presents key economic inequality indicators in Ireland. This Report Highlights provides an overview of the key findings in relation to the extent and impact of economic inequality on children in Ireland

*Cherishing All Equally 2016 provides evidence of worrying levels of child poverty in Ireland along with structural inequalities which disadvantage children from birth. The research shows that children are not, on average, born unequal. It is economic inequality that lays the foundation at a young age for the huge inequalities that emerge later in education and life.*

Chart 35: Children (0-16 years) at risk of poverty or social exclusion in the EU 28 (Source: Eurostat)



## RESEARCH HIGHLIGHT 1: EDUCATIONAL INEQUALITIES

Economic inequality influences educational attainment inequalities from an extremely young age. For example, at nine months old, the level of household income a child is born into has no correlation with their inherent cognitive potential (educational ability).

But by aged three children in higher income families perform, on average, better educationally than children from lower income families with a difference of at least 10 points in the average scores on the Naming Vocabulary tests between children in the lowest income quintile and the highest income quintile. We can see this social gradient in results of educational tests at age just three years old in Chart 38.

At age nine children in the bottom income deciles are disproportionately more affected by learning disabilities. The incidence of speech and language difficulties amongst children aged nine in the bottom three deciles are double the incidence for children in the top three deciles. And the impact of their disability is much greater on children at the bottom.

By age 13, the educational inequality divide has grown even more acute with a 1% increase in household income predicted to lead to a 6.5% increase in verbal scores, a 5.2% increase in numerical scores and a 5.8% increase in the total Drumcondra Test scores.

Children aged 13 from lower income households have a three times higher rate of long-term school absenteeism than children from the top income decile. Those in lower income households also tend to spend less time on homework and get less parental support than those in higher income households.

With the result that by third level we can see a significant level of inequality in levels of attendance of university by income and social class background. Students from affluent areas have double the attendance rate at university than students from disadvantaged areas.

Chart 41 shows that 50% of students from affluent areas study at one of the 'top three' universities in Ireland. This is four times the rate of those from disadvantaged areas. Within some disadvantaged areas no students attend a 'top three' university (see Table 7).

The period of the recession (2008-2013) saw educational inequalities worsen as increasing numbers of families and children suffered from poverty and, therefore, faced difficulties covering the costs of education at all levels, costs which wealthier families could afford. The average cost of sending a child to a public primary school in Ireland is €390 per annum whereas the welfare payment to cover this cost for lower income families is just €100. One in ten primary school parents and nearly one in five (19%) of secondary school parents have to resort to taking out loans to cover school costs.

Austerity cuts to educational services for children with learning disabilities, language supports for immigrant children, and Traveller-specific educational supports, have all had a considerable impact on inequality.

### Key finding:

**Educational inequalities for children are a manifestation of, and result from, economic inequality in society. They are a mechanism by which wider societal inequality is reproduced and reinforced as those with higher incomes and wealth use their multiple advantages to achieve higher outcomes.**

Chart 38: Average ability scores of 3 year olds by household income quintile (Source: Growing up in Ireland 2013)

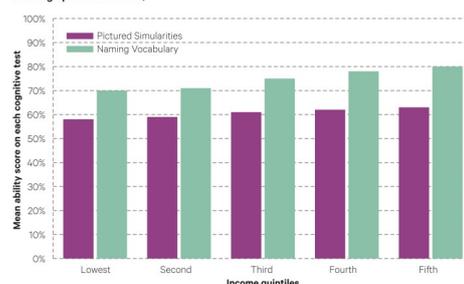
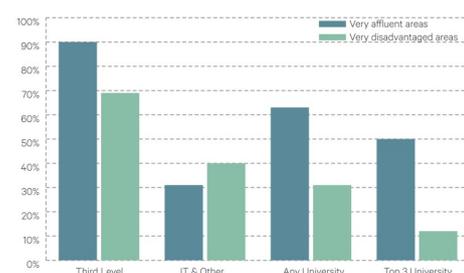


Chart 41: Percentage of students from affluent and disadvantaged areas attending third level, by institution, 2014 (Source: Indecon/Barnardos 2015)



**Table 7: Percentage of students from selected disadvantaged areas attending third level, by institution, 2014 (Source: Indecon/Barnardos 2015)**

Electoral Districts	Third Level	An Institute of Technology & Other*	A University	A Top 3 University
<b>Total</b>	<b>69%</b>	<b>39%</b>	<b>29%</b>	<b>12%</b>
Ballymun D- Dublin	42%	21%	21.2%	0%
Blanchardstown-Corduff	29%	19%	9.6%	0%
Dundalk Urban- Louth	73%	41%	29.1%	16%
Farranferris A-Cork	29%	0%	8.8%	9%
Hacketstown- Carlow	56%	44%	12.0%	4%
Galvone - Limerick	19%	13%	6%	0%
Tallaght-Killinardan	33%	30%	3.7%	2%

## RESEARCH HIGHLIGHT 2: CHILDREN AND HEALTH INEQUALITY IN IRELAND

Economic inequality is linked to, and results from, inadequate public expenditure on public services like health and education and wider economic inequalities in Irish society. For example, there are strong links between economic inequality and children's health outcomes. The proportion of infants in the bottom decile born with a low birthweight (7.5%) is double the proportion of the highest decile (3.82%) while children in lower income deciles suffer more from chronic illnesses than higher income deciles. At age of just three years children in the bottom decile have a 10% higher rate of being overweight than the top decile. Obesity rates for the bottom decile are double those at the top.

Ireland's two-tier health system exacerbates economic inequalities for children; those reliant on the public health and hospital system face long waiting lists for certain treatments and high costs (e.g. dental, various pharmacy medicines) while those who can afford to pay privately (or for private health insurance) can access timely and more extensive treatment and health care. At aged three, 8% of children in the lowest income decile did not get medical treatment because they were still on a waiting list compared to 3% in the highest income decile. Furthermore, households with children in the highest income decile spend almost eight times as much on medical expenses (including private insurance) as those in the lowest income decile.

### **Economic inequality and mental health**

- The Growing Up in Ireland Study shows that in Ireland, children from higher social class backgrounds (professional and managerial) have a significantly more positive self-image at the age of nine in terms of behaviour, are more confident as learners, are happier, and less anxious. In contrast, children from more disadvantaged backgrounds are more anxious, less happy and reported poorer behaviour.
- Children whose families were in the lowest income quintile (fifth) report the poorest behaviour.
- Children in the bottom two income groups display the highest levels of anxiety.

Chart 44: Percentage of children (3 years) that are overweight or obese, by income decile (Source: Indecon/Barnardos 2015)

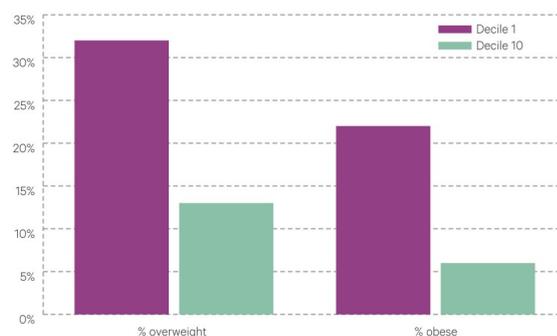
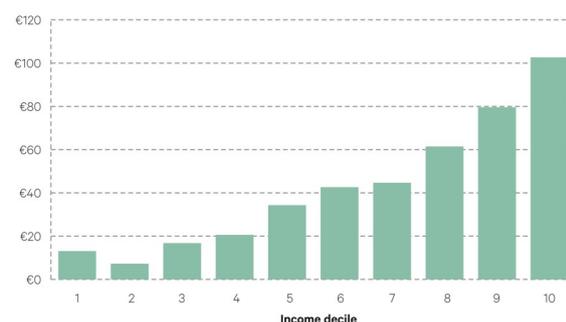


Chart 45: Average weekly spend on medical expenses (€), by income decile – households with at least one child under 18 (Source: Indecon/Barnardos 2015)



## RESEARCH HIGHLIGHT 3: HOUSING INEQUALITIES

Housing inequalities also have a number of significant impacts on children. At the most extreme end of housing inequality, being homeless can have a deeply profound impact on the life of a child. There were 1,185 children in homeless accommodation in Dublin in July 2015, but this had almost doubled to 2,020 children by July 2016. Homelessness can cause immediate risks in terms of safety and physical health but also raised levels of anxiety, socio-emotional problems, family relationship stress, and impacts on educational development. Insecurity of tenure (facing threat of eviction and being in mortgage or rent arrears) can have similar impacts, as can the impact of financial stress on a family as a result of high housing costs. Substandard housing conditions (dampness, mould, unsafe environment) can also have detrimental health impacts on children. They can also affect a child's self-esteem, self-worth and ability to form friendships.

Children growing up in disadvantaged areas face multiple inequalities in comparison to children growing up in more affluent areas. These include sub-standard housing, poorer quality community facilities, local services and amenities, higher levels of anti-social behaviour and higher levels of poverty, unemployment and economic deprivation.

Chart 46: Numbers of homeless children in emergency accommodation in Dublin (Source: Dublin Homeless Regional Executive)



## IRELAND'S MARKETISED MODEL

Chart 48: Public spending on family benefits in cash, tax and services, % of GDP, 2011 (Source: OECD Family Database)

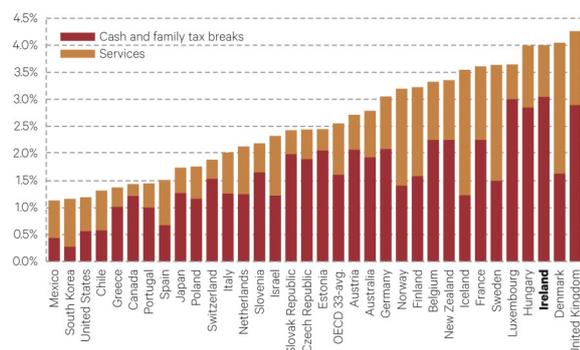
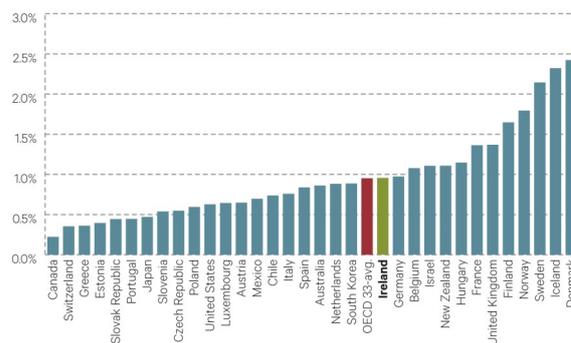


Chart 49: Public spending on services for families, % of GDP, 2011 (Source: OECD Family Database)



Public investment in early years care (childcare and early education) amounts to less than 0.2% of GDP in Ireland. The average for OECD countries is 0.8% and the UNICEF international benchmark is 1% of Gross Domestic Product (GDP). Ireland focuses on a 'market' approach which provides relatively high levels of cash and tax breaks in family benefits (see Chart 48) and very low levels of investment in public services for families relative to the Nordic countries (Chart 49). This 'marketised' model results in very high costs to access basic goods and services for families and thus worsens inequality.

### Political focus required to reduce child economic inequality

The evidence suggests that to reduce child inequality and improve levels of child wellbeing the following approaches are required:

- Developing high-quality universal public services for children and families in the key areas of health care, childcare, social and affordable housing, education (ensuring all levels are free and equally accessible), social work, family support services, and area-based childhood anti-poverty programmes.
- A human rights approach to ensuring children's economic and social rights are fulfilled and placed at the centre of policy development.
- Significant reductions in Ireland's high level of economic inequality including market income and wealth inequality .
- A move away from neo-liberal and marketised economic policies and instead pursue equality and rights based 'social' economic models based on higher investment in public services and state regulation of markets.

In this centenary year, *Cherishing All Equally 2016* provides an important contribution towards understanding economic inequality in Ireland one hundred years after the 1916 Proclamation, which declared "equal rights and equal opportunities" to all citizens, and, particularly, "cherishing all of the children of the nation equally".

References and sources for the data are available in the full report *Cherishing All Equally 2016*, available here, <http://www.tasc.ie/publications/cherishing-all-equally-2016/>

All the charts in these Report Highlights are taken from the full report.

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