Child Poverty in a Period of Austerity

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Importance of Child Poverty

- Child poverty is not just an immediate issue of the well-being of children,
  - It has long term effects, so implications for ...
    - future of the economy
    - future demand on public services
    - important in breaking the cycle of disadvantage.

- How has child poverty been affected by the Great Recession and what were its consequences?
Outline

1. Data and Measures
2. Trends in Poverty for children and adults
   - Income poverty, basic deprivation
3. Ireland and the EU15
   - Income poverty, material deprivation
4. Economic Vulnerability dynamics
5. Consequences for children’s socio-emotional development
6. Conclusions and Implications
1a. Data

- **Survey of Income and Living Conditions (SILC)** – conducted annually by CSO on sample of over 4000 households
  - Main purpose is to measure household income, income poverty and deprivation

- **Growing Up in Ireland Survey (GUI)** – survey of families with children. Two waves and Two cohorts -
  - One born in 1998 (child aged 9 at first wave in 2007-8; 7,423 families responded in both waves)
  - One born in 2008 (child aged 9 mo. at first wave in 2008-9; 9,793 families responded in both waves)
1b. Measures

- **Income poverty** (SILC) – people living in HH with disposable income (adjusted for HH size and composition) below 60% of the median

- **Basic Deprivation** (SILC): people living in a household that cannot afford 2 or more of 11 basic goods and services
  - Food, heating, clothing, furniture, social participation

- **Economic Vulnerability** (GUI): people living in a HH with a disadvantaged risk profile in terms low income, household joblessness and economic stress.
  - Identify the vulnerable group using latent class analysis.
2b. Basic Deprivation in Ireland: 2004-2013
3a. Ireland and the EU15, Income Poverty: 2005-2013

**EU 15**

**Ireland**
3b. Ireland and EU15, Material Deprivation (3+): 2005-2013

- EU15
- Ireland

- Working-age
- Elders
- Children

4a. Economic Vulnerability (EV) in Irish families

- GUI Data, two cohorts, same families at two points in time.
  - ‘08 cohort: 2008 Q3, 2010 Q4
- EV based on:
  - low income,
  - joblessness &
  - economic stress (difficulty making ends meet)
- Latent Class Analysis to identify EV group
- Difference between the cohorts mainly due to timing of 1st wave (before vs. at start of recession).
4b. Economic Vulnerability Dynamics – Did the same families remain EV in both waves?

- There was persistence and also movement
  - into EV (‘Recession EV’) 
  - out of EV (‘Transient EV’) 

- Change in the profile of the EV group – economic stress more central in recession
4c. Risk factors for Economic Vulnerability

- **Family type:** higher rate of EV for
  - Lone parent families
  - Larger families
  - Cohabiting couples vs. married couples

- **Education:** Primary care-giver (PCG) lower education

- **Age of PCG:** PCG younger at child’s birth

- **Differences by whether EV Persistent or ‘Recession’**
  - Associations are strongest with Persistent EV
  - Associations somewhat weaker for ‘Recession EV’
  - Those becoming EV in recession were a broader group
5a. Consequences for Children

- **Child socio-emotional development**: Strengths & Difficulties Questionnaire (SDQ, Goodman et al. 1997)
  - Designed to assess emotional health & problem behaviours among children and young people.
  - Included measures of emotional problems, conduct problems, hyperactivity/inattention, peer relationship problems
  - Questionnaire completed by Primary Care Giver (PCG, usually the child’s mother)

- Used to identify group at risk of socio-emotional problems (top 10 per cent of cases)
5b. EV & Socio-emotional Difficulties

Adjusted Risk of Socio-emotional Problems by Economic Vulnerability

- Not EV: 7%
- Transient EV: 12%
- Recession EV: 12%
- Persistent EV: 15%

Adjusted risk = from model, with other characteristics controlled:
- child gender, cohort, family type, PCG education, PCG age at child’s birth, change in family composition (e.g. separation, additional children)

• EV has similar association with socio-emotional problems for
  • the two cohorts and
  • for boys and girls.
5c. Protective Factors

- There are ‘protective’ factors for both EV and non-EV children.

- Children less likely to have socio-emotional problems where ...
  - PCG in 30s at child’s birth
  - PCG not emotionally distressed (at wave 1)
  - Good relationship between parents in couple families (vs. couple with problems)

- Some protective factors differ by presence/absence of EV:
  - PCG education - even more important in EV families (Lower PCG education has more negative impact in EV families.)
  - Lone parent families: SDQ high whether or not family is EV
6a. Summary

- Poverty & deprivation higher for children than adults, even before the recession.
- Economic Vulnerability (EV) increased for families during recession (reaching 25%)
- Risk factors for EV include: lone parenthood, low levels of education
  - Risk factors more strongly related to persistent EV
  - Those becoming EV in recession had less disadvantaged profile
- EV associated with higher risk of child socio-emotional problems
  - Except in lone parent families where risk was high with/without EV
- Protective factors: parental emotional wellbeing, parental higher level of education, mother in 30s at birth of child, good relationship between parents in couple family
6b. Policy Implications

- Attention to economic vulnerability of children warranted, especially persistent vulnerability
  - But even non-persistent EV linked to negative outcomes
  - Child-specific poverty targets established in Ireland in 2014
- High risk groups identified (family type, education, parental age)
- Core policy issue is to find the optimal mix of income support, education/training & support for employment
  - Child care likely to be particularly important for lone parents
- A broader group became vulnerable in recession
  - Need for policies to address wider issues
  - Not just income support but childcare, housing
Thank You.
GUI – Timing of Fieldwork & Recession

- '98 cohort
  - 9 years
  - Wave 1
- '08 cohort
  - 9 months
  - Wave 1
  - 3 years
  - Wave 2
- '98 cohort
  - 13 years
  - Wave 2

Unemployment

Yearly data from 2007 Q1 to 2012 Q4.