

Social Transfers and Deprivation in Ireland: A study of cash and non-cash payments tied to housing, childcare, and primary health care services

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Background

- Social transfers are designed to support households and reduce income poverty and inequality. Adjust income to needs & life cycle circumstances. Buffer to consequences of economic shocks.
- Tied Social transfers often target vulnerable families who cannot easily access important services (like medical care or childcare options). Without these transfers, they would face a greater risk of social exclusion.
- Poverty researchers tend to focus on the impact of social transfers on income poverty but few have looked at their impact on deprivation (Notten 2015,2016; Nelson, 2012).
- We look at three social transfers/benefits in kind tied to:
 - Housing support
 - Healthcare
 - Childcare

Research questions

- What is the coverage of these three forms of support?
- Are those most in need most likely to receive them?
- What is the association between these social transfers and material deprivation across social risk groups and social classes?

Data and analysis

- **Data**

- SILC (Statistics on Income and Living Conditions, 2017)
- PCRS (Primary Care Reimbursement Service)

- **Methodology**

- Use SILC 2017 to examine access to housing support, medical and GP cards, and formal childcare use.
- Using the ESRI's SWITCH model (Simulating Welfare Income Tax Childcare and Health) and details from the PCRS, we assign cash values to childcare & medical supports respectively.
- Following Notten & Guio (2016), we use ordinal logistic regression to estimate the association between income and deprivation, controlling for several important measures.
- We then simulate the effects of the transfers by considering deprivation rates with and without the transfers.

Material Deprivation

- Material deprivation is the inability to afford 2 or more of 11 basic goods and services:
 - Clothing (shoes, coat, new rather than second-hand)
 - Food (protein meals, roast once a week, if desired)
 - Home heating (going without heat, able to keep home warm)
 - Replace any worn out furniture
 - Social engagement and leisure (presents, meeting family/friends for meal or drink, having morning/afternoon/evening out)

Vulnerable groups

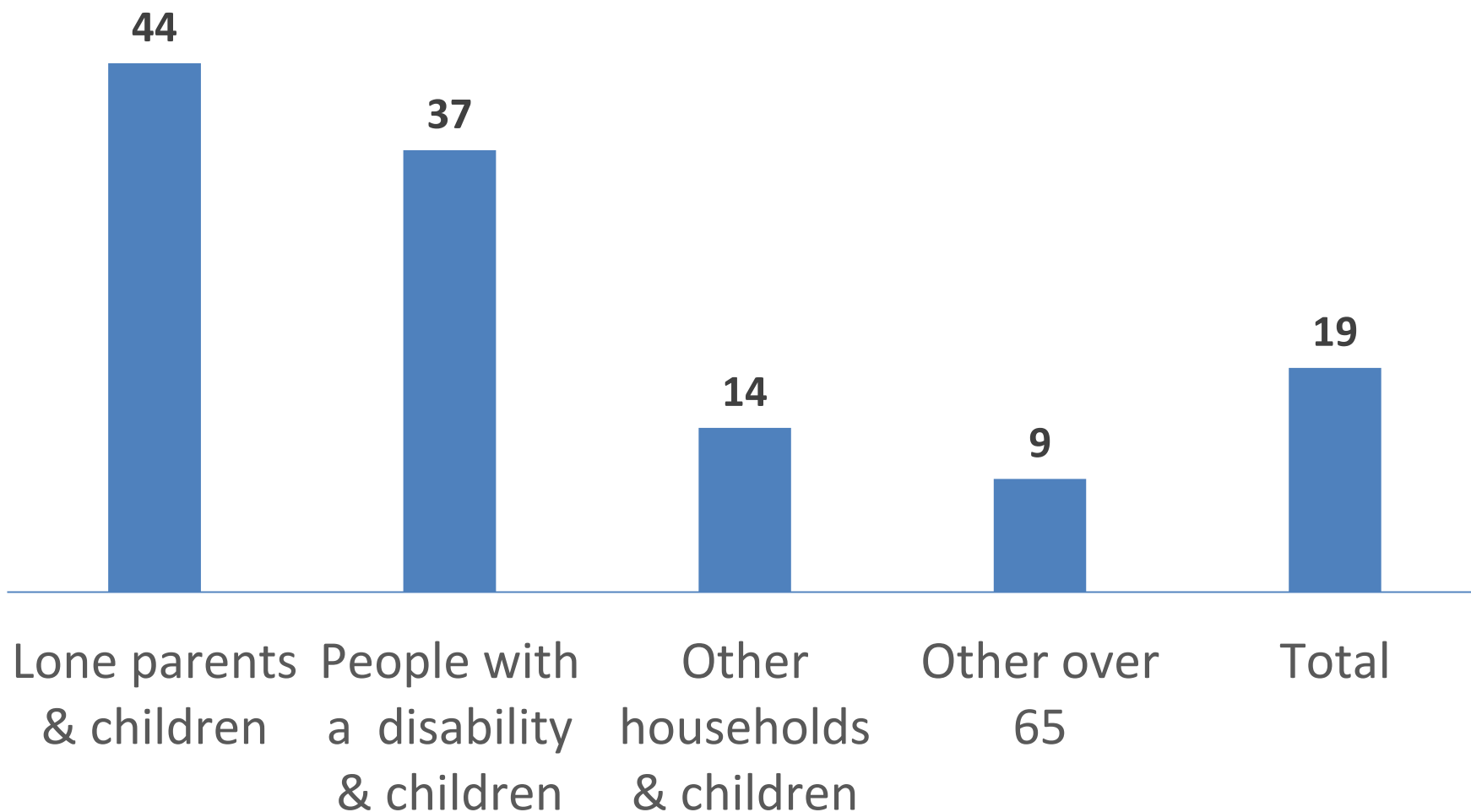
Social risk groups: differ in access to the labour market because of non-market factors like

- Personal resources (disability, illness)
- Non-work caring responsibilities (parents, esp. mothers & lone parents, home carers)
- Life-cycle stage (children, those beyond retirement age)
- 4 groups (lone parents; households with someone with a disability; other working age households; older households)

Social classes: differences in resources from market activities.

- Based on occupation of the householder
- Discussed in detail in the report, omitted here

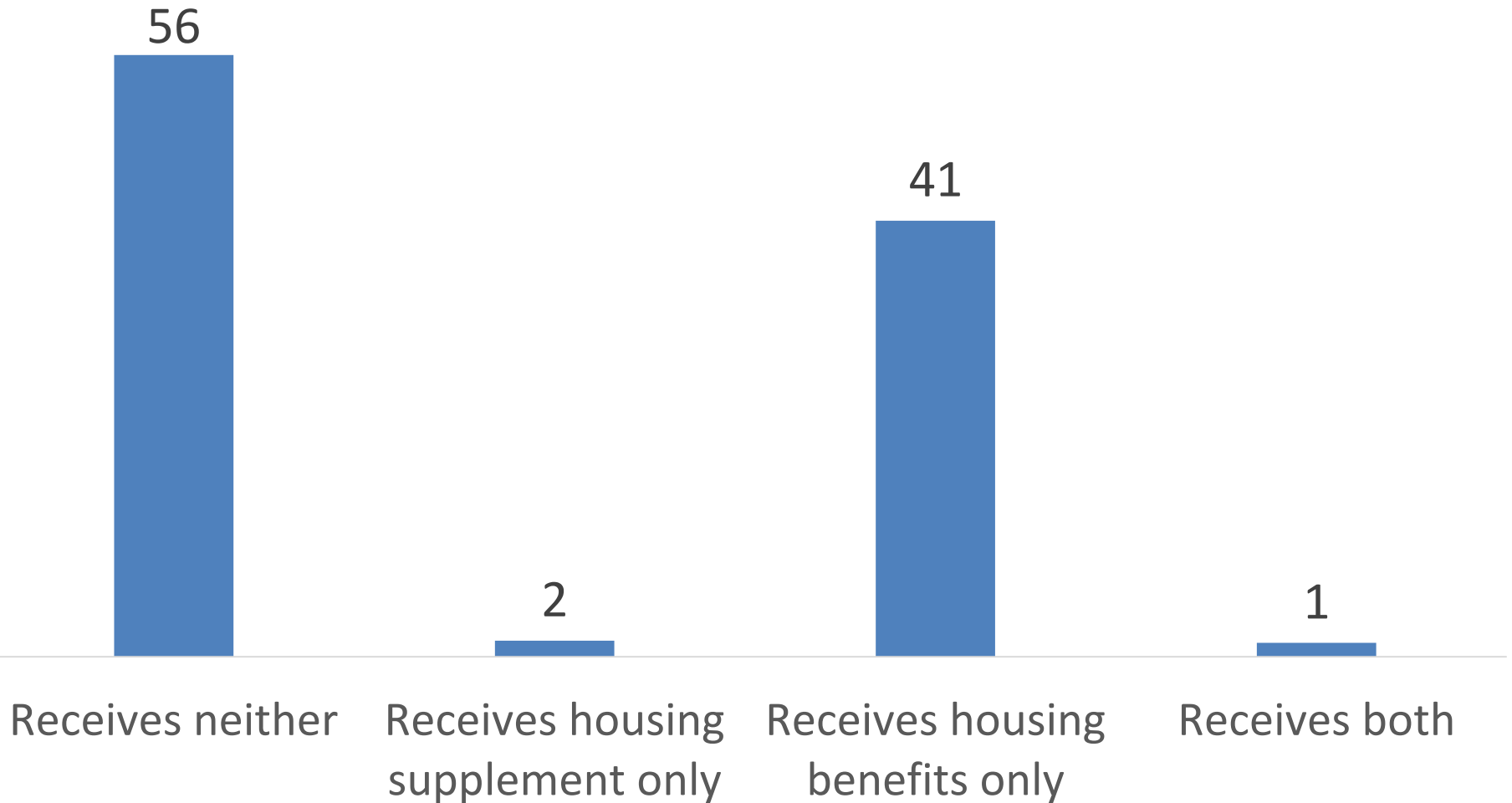
Material Deprivation (2+) by Social Risk (%), SILC 2017



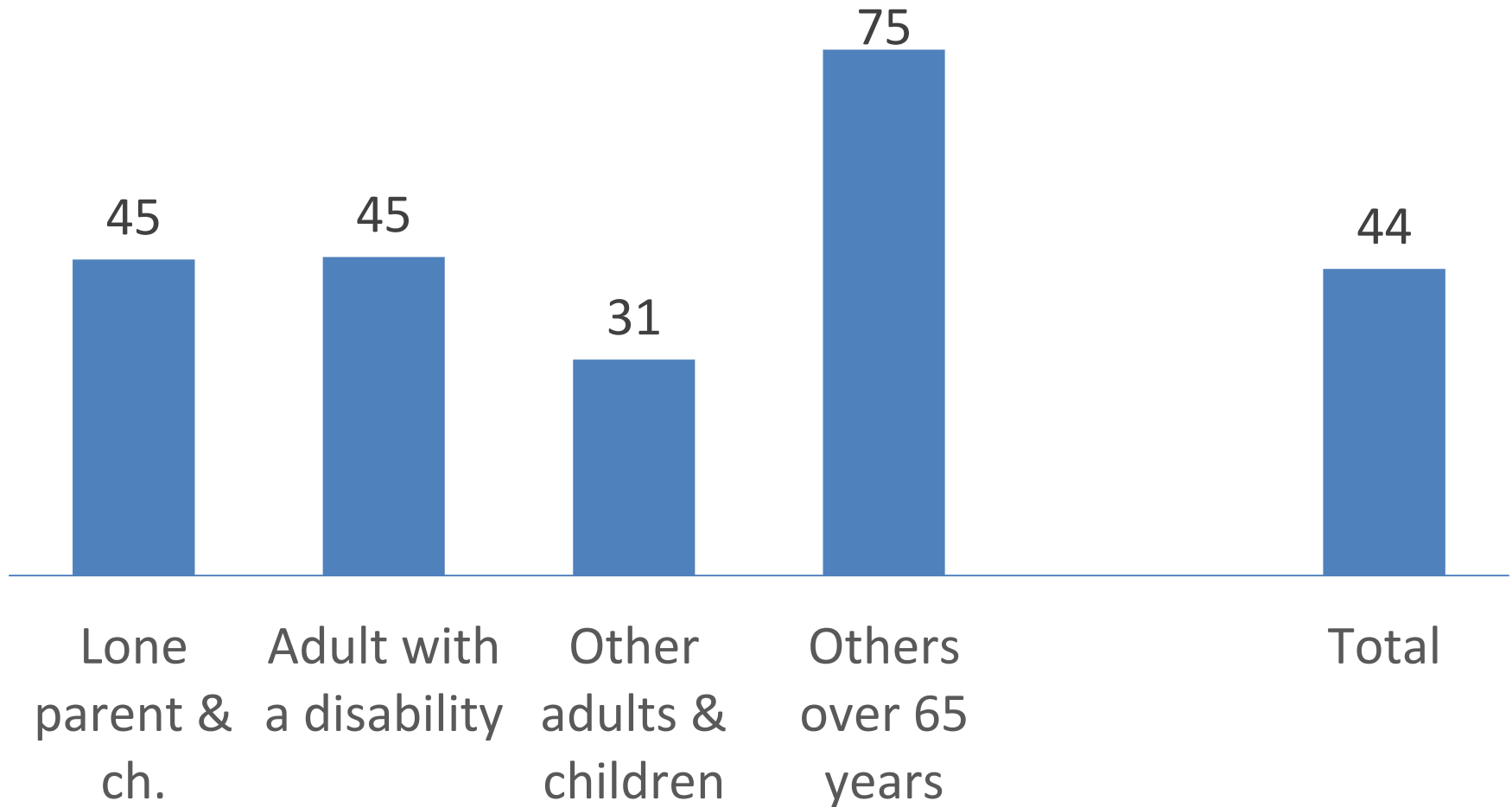
Housing Supports

- **Housing supplements** are payments tied to larger housing cost like rent and mortgage interest.
 - Rent Supplement – the largest number of recipients
 - Mortgage Interest Supplement payments ended in December 2017
 - Rent Allowance is a small scheme containing very few households
 - Information on HAP (Housing Assistance Payments) is not available in SILC 2017
- **Housing benefits** are smaller payments tied to specific expenses (TV license, electricity or gas allowance). SILC data also considers additional payments in this measure including fuel allowance, telephone support allowance.

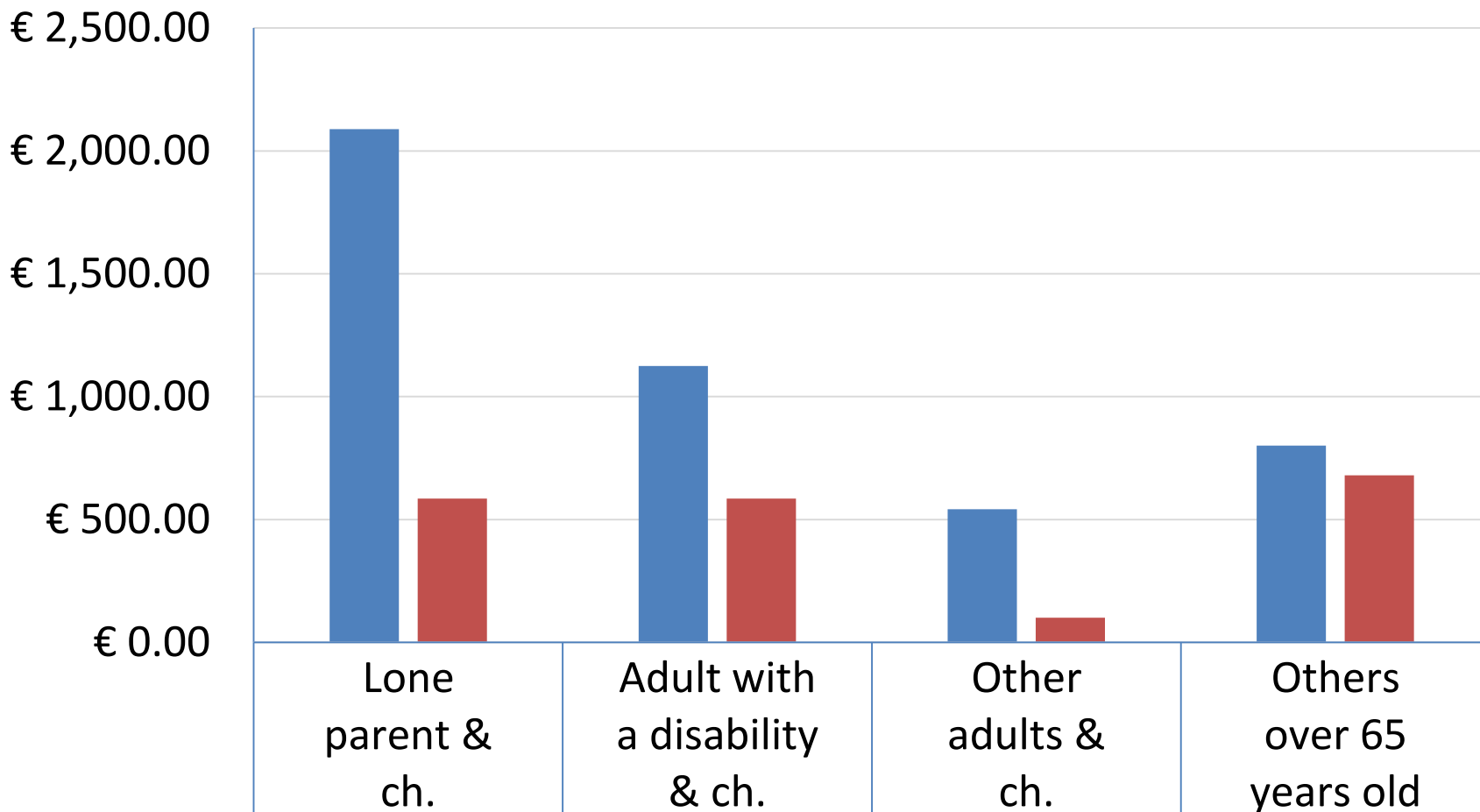
Percent Of Households Receiving Housing Transfers Considered, SILC 2017



Receipt Of Housing Transfers By Social Risk (%), SILC 2017



AVERAGE ANNUAL TRANSFER BY SOCIAL RISK, SILC 2017



■ Mean transfer	€ 2,089.00	€ 1,125.00	€ 542.00	€ 801.00
■ Median transfer	€ 585.00	€ 585.00	€ 100.00	€ 680.00

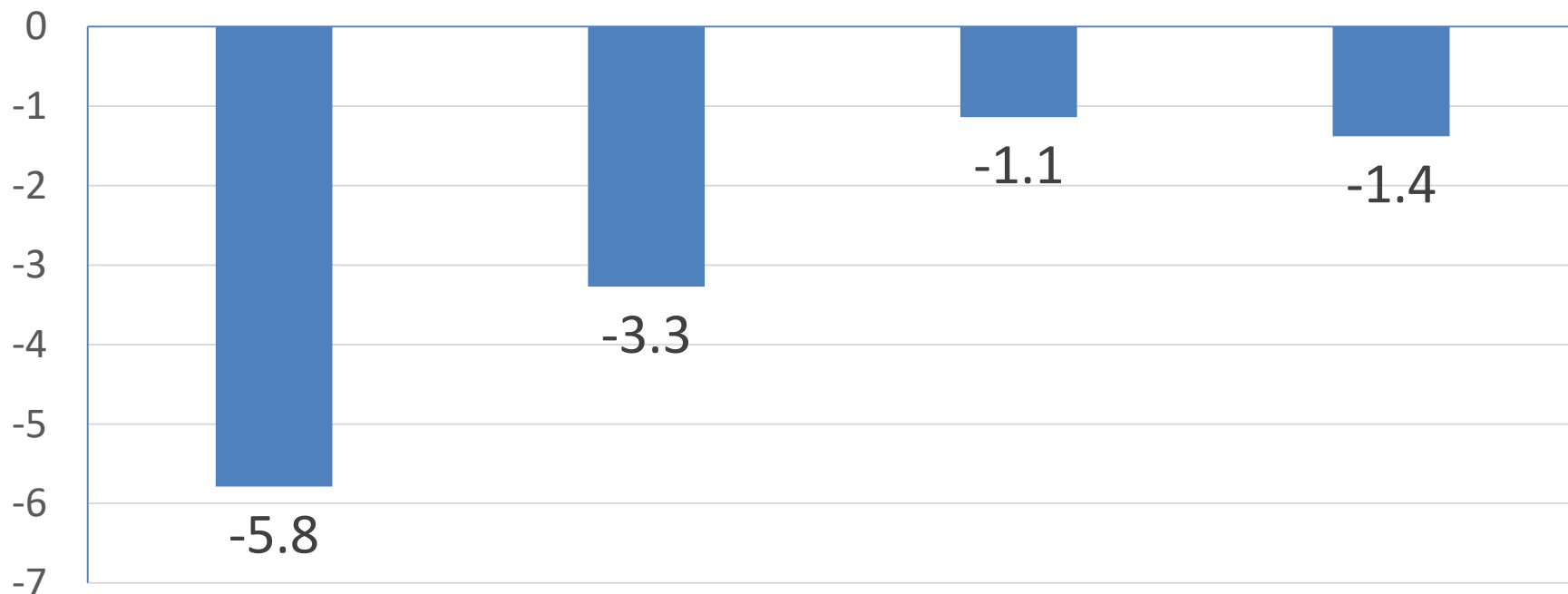
CHANGE IN PREDICTED PROBABILITIES ON BASIC DEPRIVATION AFTER HOUSING TRANSFERS BY SOCIAL RISK (%), SILC 2017

Lacking 2+ Basic Goods Services

People with a
Lone parents &
disability &
children

Other
households &
children

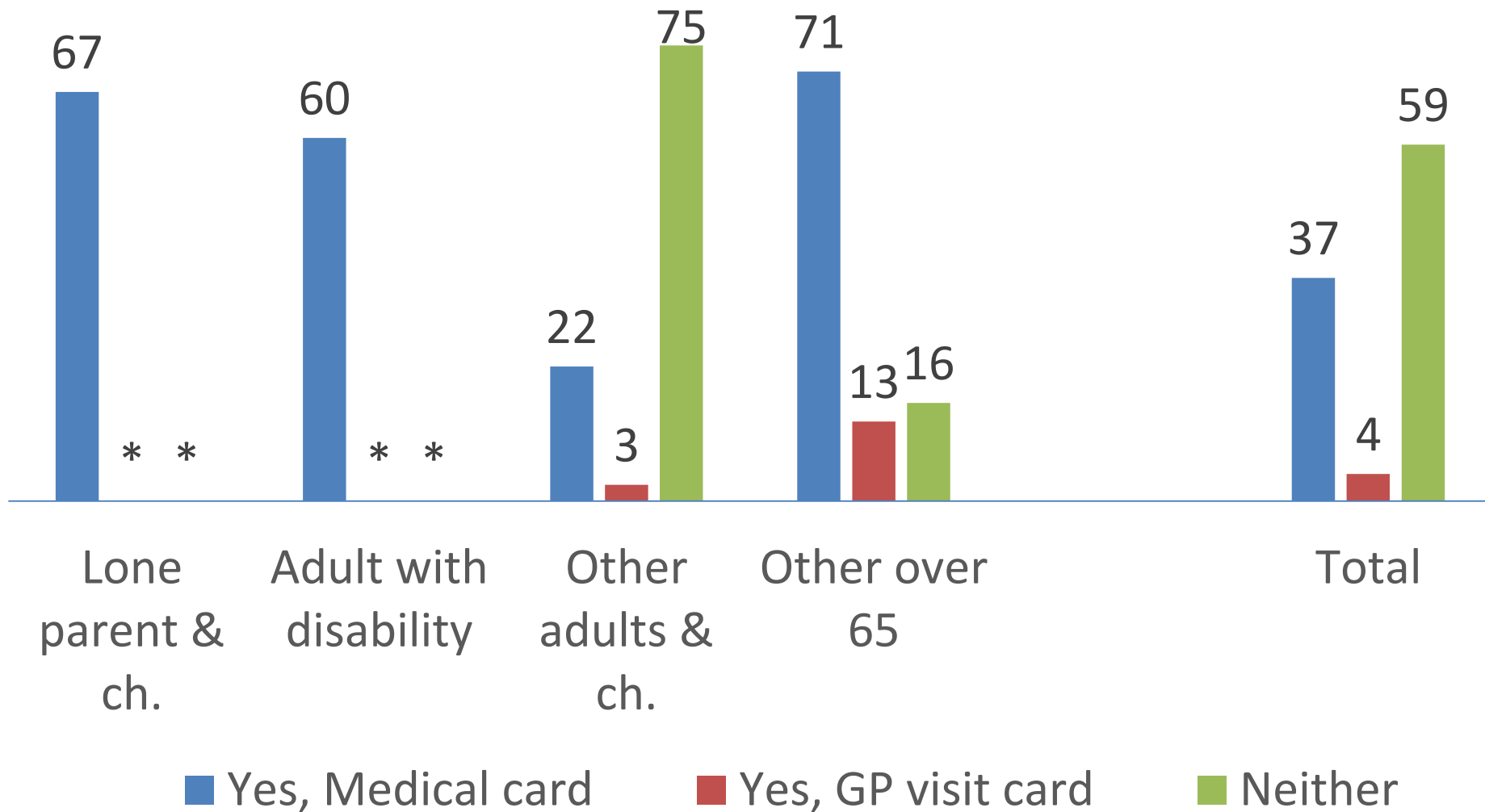
Other over 65



Supports for Health Expenses

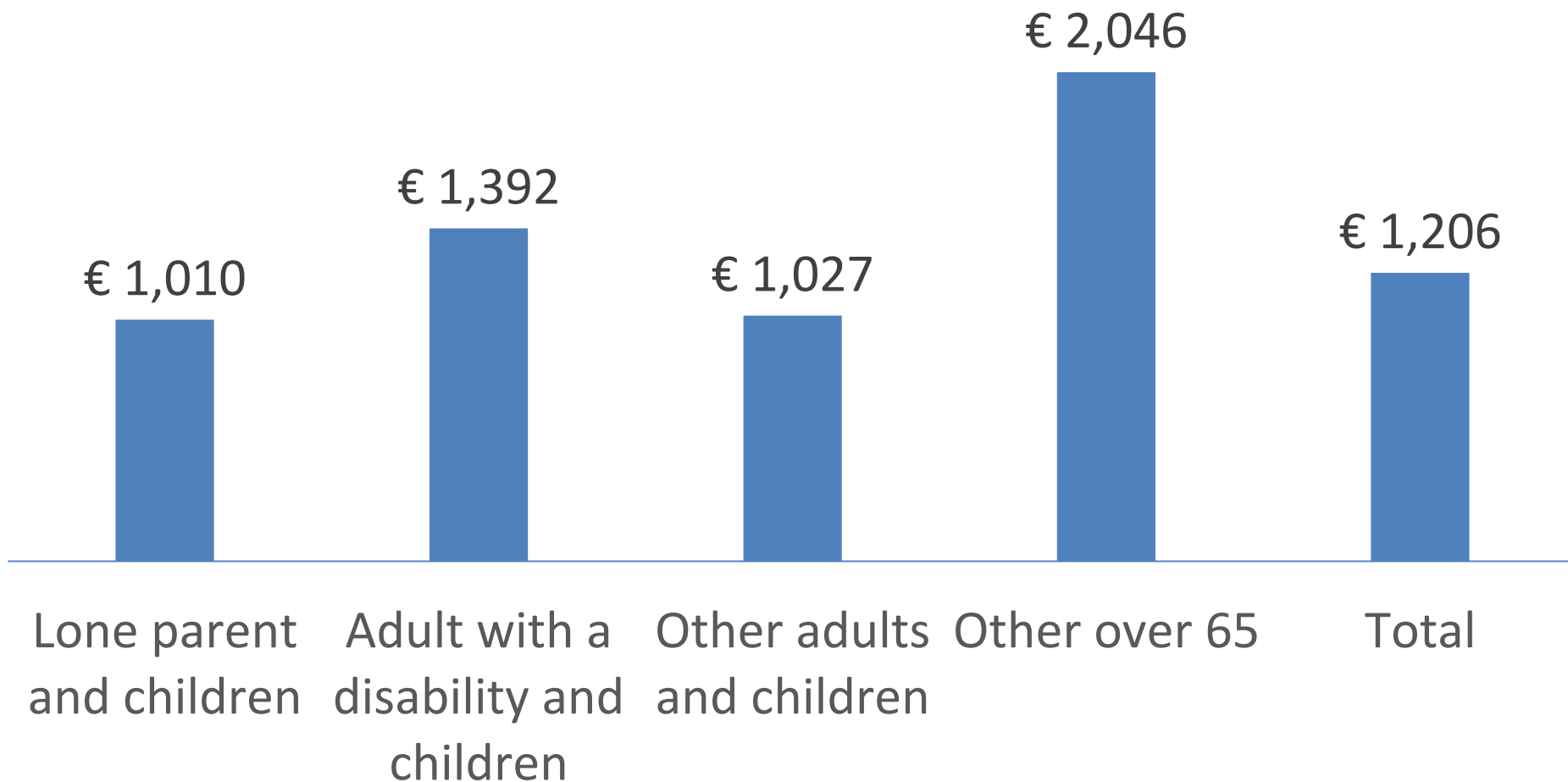
- Medical Cards give means-tested households access to medical services, prescription medicines and hospital care for free. GP visit cards cover the cost of GP visits, but not the costs of medicines and other medical services.
- Monetary value of medical card/GP visit card estimate methodology
 - Several approaches (cost per capita, usage method). Risk related based on average expenditure by gender and age (Savage et al., 2016; Russell and Nolan 2000)
 - Annual statistics from Primary Care Reimbursement Service ('PCRS') to construct age related weights used for estimates of hospital nights, cost of medicines and medical card/ GP visit card.

PERCENTAGE OF PERSONS AGED 16 AND OVER IN RECEIPT OF MEDICAL CARD OR GP VISIT CARD BY SOCIAL RISK, SILC 2017

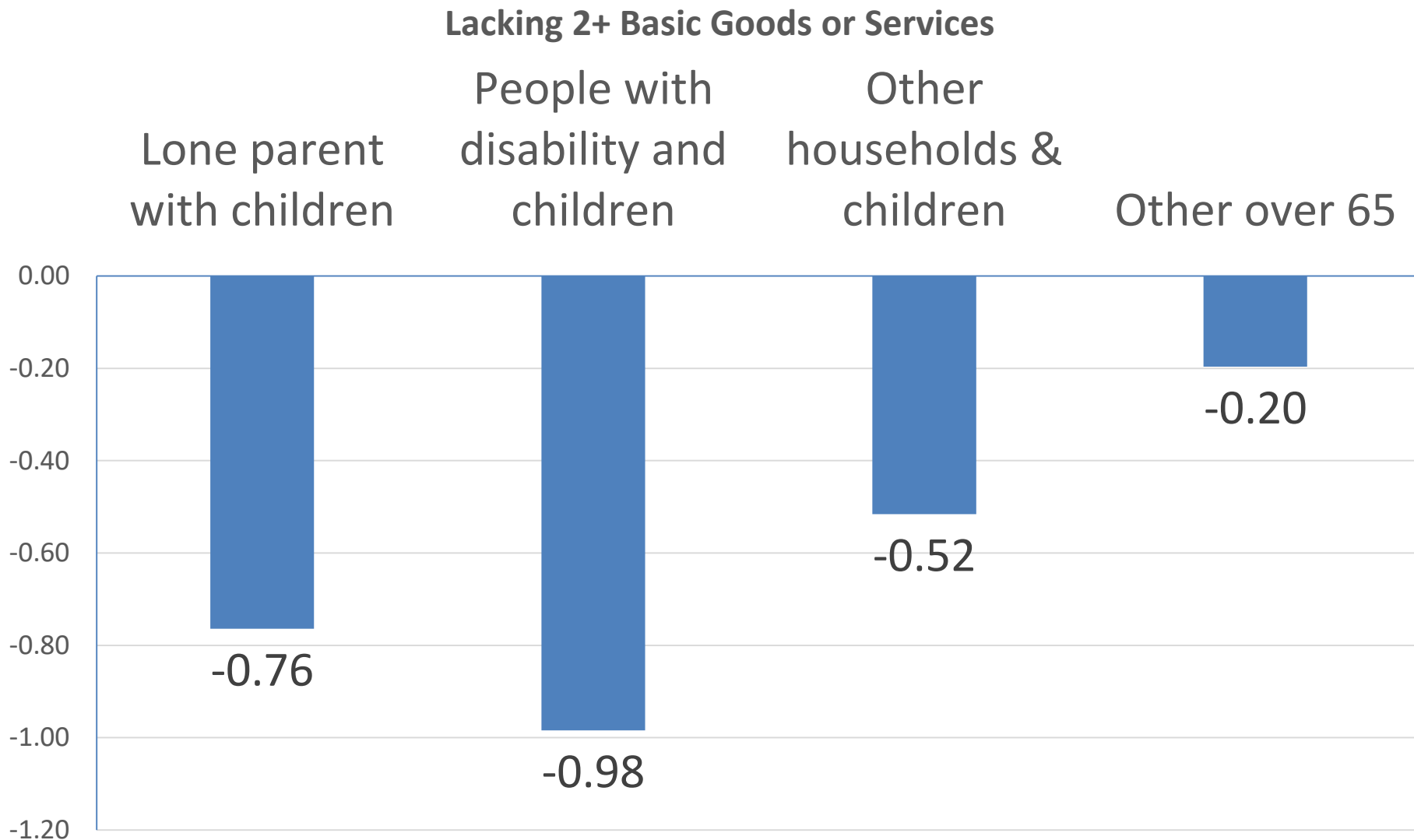


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MEAN ANNUAL VALUE MEDICAL CARD AND GP VISIT CARD SUBSIDIES BY SOCIAL RISK , SILC 2017



CHANGE IN PREDICTED PROBABILITIES ON BASIC DEPRIVATION AFTER MEDICAL TRANSFERS BY SOCIAL RISK, SILC 2017



Childcare Support

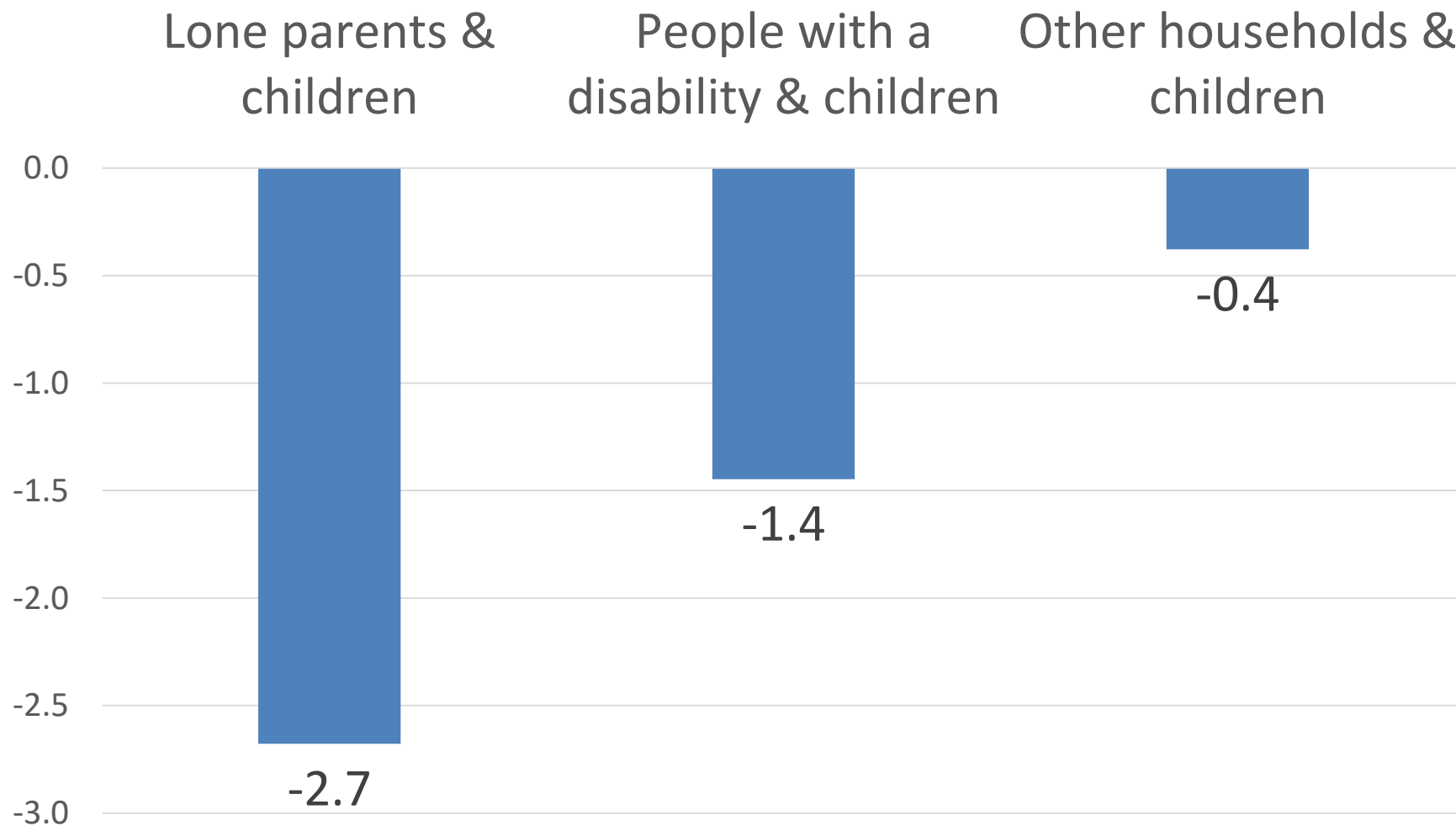
- Provision of support through various schemes available in 2017 (ECCE, CCS & CCSPlus, CETS, CEC ASCC)=> Affordable Childcare Scheme/National Childcare Scheme.
- ESRI's SWITCH model to simulate value of ECCE & a cash value of subsidies available to families entitled to care under the Affordable Childcare Scheme had it been made available in 2017 as announced in Budget 2017.

MEAN HOURS OF FORMAL CHILDCARE AND ANNUAL EQUIVALENT CHILDCARE SUBSIDIES BY SOCIAL RISK, SILC 2017

Social Risk	Mean weekly hours formal childcare (children aged 0-12 years)	Mean annual childcare subsidies
Lone parent and children	19.8	€3,244
Adult with a disability and children	*	*
Other adults and children	23.3	€1,357
Total	22.4	€1,638
*cell size is too small to report the statistic		

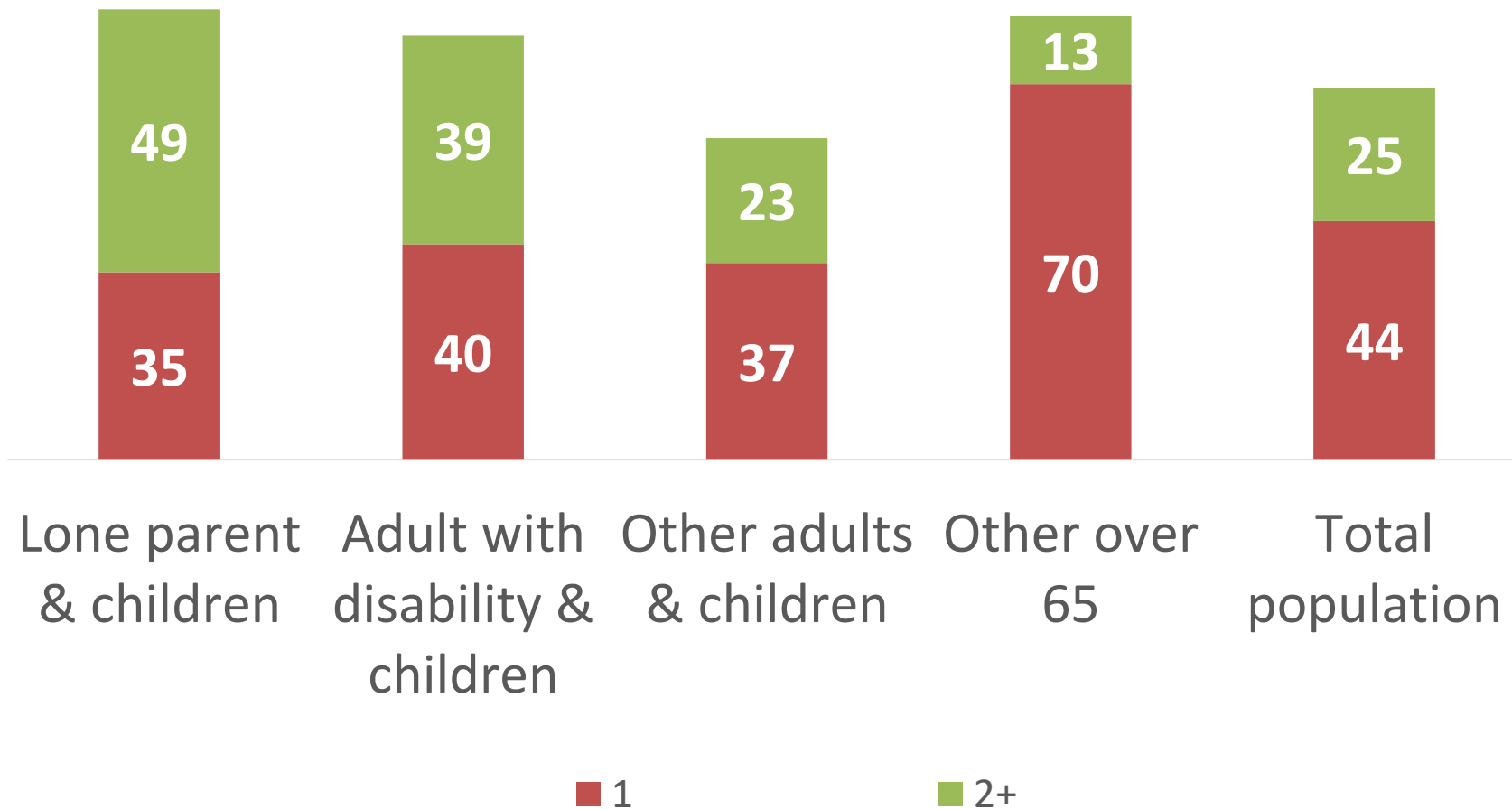
CHANGE IN PREDICTED PROBABILITIES ON BASIC DEPRIVATION LEVEL BY SOCIAL RISK GROUPS (%), SILC 2017

Lacking 2+ Basic Goods or Services



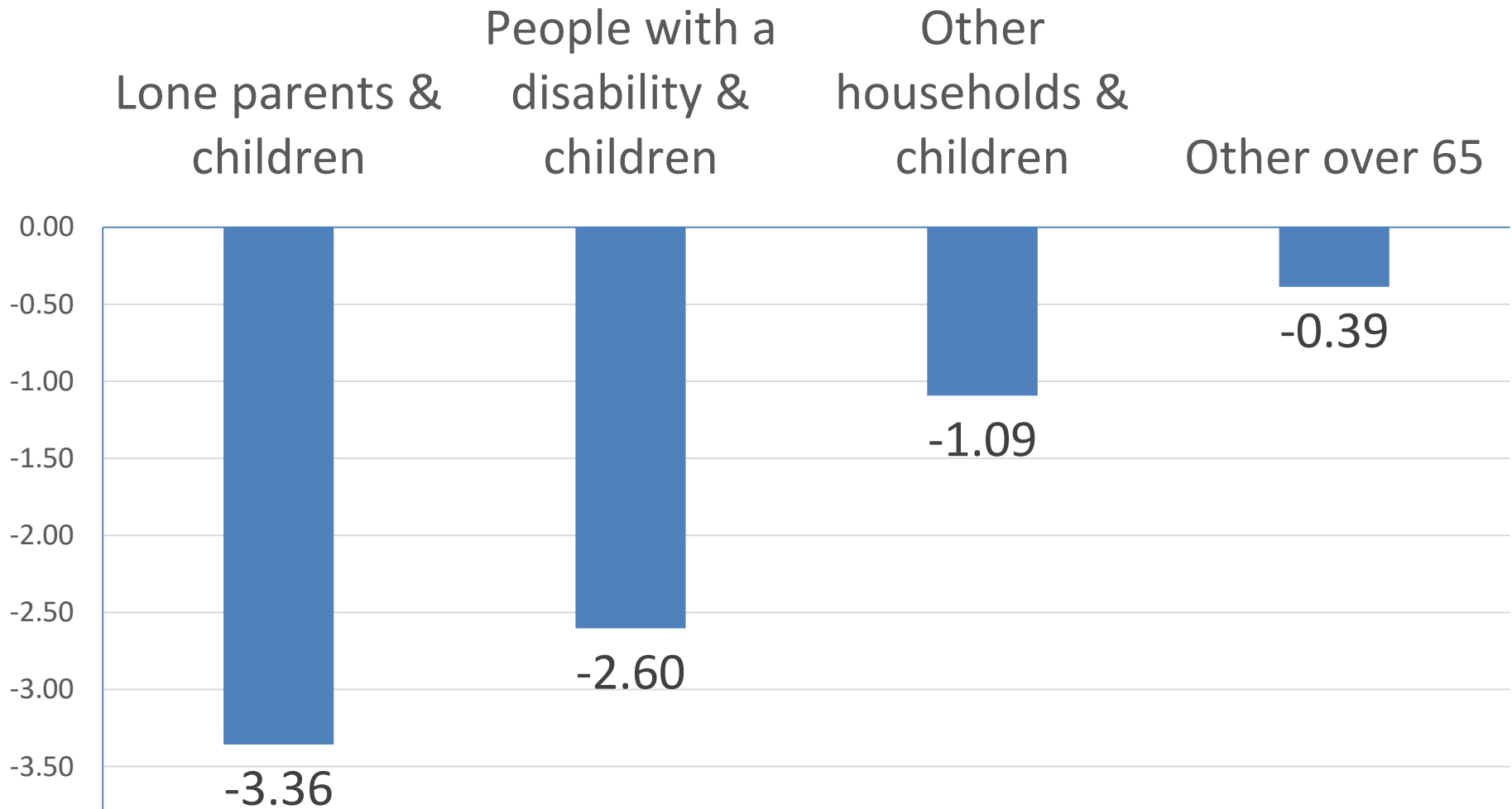
Cumulative Effect of Transfers

NUMBER OF SCHEMES RECEIVED BY SOCIAL RISK GROUP (%), SILC 2017



- The most common combinations of tied transfers were Housing transfers and Medical or GP cards
 - 35% of lone parents and children received these
 - 34% of households with a person with a disability received these
- Single transfers were more common among the other social risk groups
 - 35% of working age adults received just one transfer
 - 70% of older adults received one transfer

CHANGE IN PREDICTED PROBABILITIES OF BASIC DEPRIVATION AFTER RECEIPT OF 2+ SCHEMES BY SOCIAL RISK, SILC 2017



Summary and policy implications

- Social transfers/benefits in kind have a role to play in social exclusion policy as they contribute to reduce deprivation and facilitate a “customary life” by providing services to most vulnerable.
- Variable impact of difference schemes across social risks and social class groups. Importance of housing transfers for lone parents, households with a person with a disability; childcare supports for the former and medical card for the latter.
- Most vulnerable social risk groups are the most deprived and benefit the most from the schemes but remained groups with high deprivation levels. Role of other policy strategies to reduce deprivation and social exclusion.

Thank You!