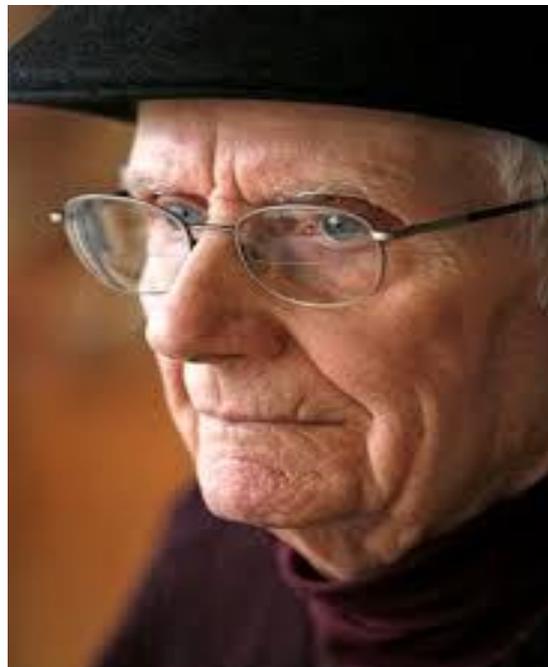


Feeling the Pain of Austerity

The recent spell of cold weather which accompanied the storms and severe floods highlighted the plight of many older people, in particular those struggling with poverty or living alone. This edition of Just.Now focuses on the impact of the recession on their lives.

There is a perception that older people have by and large escaped unscathed from the recession. State Pension rates have been maintained and this is used as evidence that older people have been protected from the worst of the economic crisis. This is not the complete picture. There have been multiple cuts to benefits and services and increases in charges which cumulatively have had a very negative impact on older people. The most recent statistics from the CSO show that in 2011 approximately 45,000 people aged 65 and over were at risk of poverty. Moreover, over 11% of those aged 65 and over experienced deprivation. They were excluded and marginalised from participating in activities that are considered the norm for other people in society.



The Vincentian Partnership for Social Justice consists of

The Society of St. Vincent de Paul, The Vincentian Congregation, The Daughters of Charity and The Sisters of the Holy Faith. Working for social and economic change, tackling poverty and social exclusion

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Older People in the Recession

Article by Gráinne Weld, Vincentian Partnership for Social Justice.

The question is rarely asked 'What level of income is needed for a minimum acceptable standard of living?' Since 2001, the Vincentian Partnership for Social Justice (VPSJ) has been seeking answers to this question and conducting research on the cost of a minimum acceptable standard of living. This is a standard of living that meets a household's physical, psychological and social needs. This is calculated by identifying the goods and services required by different household types in order to meet their minimum needs. It is a standard of living that no one should be expected to live below.

This article draws on the research of the VPSJ and looks at how the last number of austerity budgets have affected older people in Ireland. It demonstrates the stark reality for those solely reliant on the State Pension and supports for their income.

The Erosion of Social Supports

When people reach retirement, they have very little scope, if any, to increase their income. Many older people depend on the State Pension and supports to meet their needs. Unfortunately, because of the crisis many older people are facing financial insecurity and cannot afford a minimum standard of living. Since 2009, older people have seen supports and services, which they expected to be able to rely on in retirement, eroded.

Moreover, many are now faced with taxes and charges that they never anticipated. Coupled with this, is the rising cost of essentials such as gas and electricity.



The 2014 Budget had a number of age specific measures which will impact heavily on older people:

- Tightening the eligibility criteria for medical cards
- The increase in the prescription charge
- Reduction in tax relief on private health insurance
- The abolishment of the Telephone Allowance and the Bereavement Grant.

Without social welfare transfers 88% of people age 65 and over in Ireland would be at risk of poverty. The cuts to the Household Benefits Package in Budget 2013 and 2014 mean a loss of €19 a week for older people. The average weekly income of the poorest 20% of older people had already fallen by 11.5% between 2009 and 2011. The cuts in all of the recent budgets are particularly severe for older people with an already grossly inadequate income.

Against this backdrop, many older people are trying to manage a finite income and make do with less. While the State Pension rates have remained unchanged (€230.30 for the Contributory Pension and €219.00 for the Non Contributory Pension), the cost of living is rising and as a result the real value of the State Pension is declining.

The Plight of Older People Living Alone

The VPSJ research has repeatedly demonstrated the particular plight of older people living alone. Older people living alone receive an additional €7.70 per week on top of their pension. However, research by the VPSJ has shown that this payment is insufficient, and despite repeated calls by the VPSJ and other organisations, this payment has not been increased since 1996.

One of the main issues facing older people living alone is fuel poverty. Research by the VPSJ has shown that older people living alone face many of the same costs as a household with two people and home heating fuel is just one example of this. An urban based pensioner living alone in a three bedroom house and using gas to heat the home needs to spend €32.38 (averaged over the year) per week to ensure that their house is adequately heated. For rural dwellers, oil is the fuel most predominantly used, and costs are higher again for a lone pensioner at €43.73 per week.

The cost of home heating is the same for a single person as it is for a couple household, demonstrating that those living alone face a significant additional financial burden in comparison to couple households, yet the Living Alone Allowance does not adequately compensate for this.

Home heating fuel is just one of many costs that pensioners have to meet, there are also many other essentials such as food, clothing and personal care, to name but a few of the costs. The VPSJ research shows that in 2013 a pensioner living alone in an urban area has a shortfall of almost €10.00 per week. For rural pensioners, the higher cost of home heating fuel and the need for a car due to the lack of public transport in rural areas results in a considerable shortfall for this household of almost €87 per week, which when calculated on an annual basis is €4,500.

<u>Urban - weekly costs+</u>		<u>Rural - weekly costs</u>	
Food	€70.29	Food	€68.83
Clothing	€10.56	Clothing	€12.07
Personal Care	€9.80	Personal Care	€10.13

Example of some of the costs for pensioners living alone (data for 2013). The cost of goods and services are broken down to give their weekly costs.

Weekly Expenditure+	Weekly Income++	Weekly Shortfall
<u>Urban</u>		
€257.82	€248.00	- €9.82
<u>Rural</u>		
€334.63	€248.00	- €86.63

+ Includes local authority rent of €30.00 per week

+ + Contributory Pension, Living Alone Allowance & Fuel Allowance

As a consequence of inadequate income, many older people living alone are vulnerable to poverty and social exclusion. While the State Pension has not been cut in the last number of budgets, a move which the VPSJ very much welcomes, older people, in particular those who live alone, are not immune from poverty and social exclusion.

As we begin 2014 it is important to remember that:

"Overcoming poverty is not a gesture of charity. It is an act of justice. It is the protection of a fundamental human right, the right to dignity and a decent life" Nelson Mandela

Reflection

Each January presents us with the challenge or opportunity to reflect on our dreams, hopes and aspirations for the coming year. As this edition of Just.Now is the first for 2014 we present God's Dream by Charles Peguy

God's Dream

And the Lord God said,
" I myself will dream a dream within you,
Good dreaming comes from me you know
My dreams seem impossible
not for the cautious man or woman
a little risky sometimes
a trifle brash perhaps.
Some of my friends prefer
to rest more comfortably
in sounder sleep
with visionless eyes.

But from those who share my dreams
I ask a little patience
a little humor
some small courage
and a listening heart – I will do the rest.
Then they will risk and wonder at their daring
Run and marvel at their speed.
Build, and stand in awe at the beauty of their building
You will meet me often as you work
in your companions who share the risk
in your friends who believe in you enough
to lend their own dreams
their own hands
their own hearts
to your building.
In the people who will stand in your doorway
stay awhile and walk away knowing they too can find a dream.
There will be sun-filled days
And sometimes it will rain
a little variety!
both come from me
So come now,
Be content
It is my dream you dream
my house you build
my caring you witness
my love you share
And this is the heart of the matter".