



## *A Dynamic Perspective on Child Poverty in Ireland*

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## *Outline*

- *Aims of Study*
- *Income Poverty Persistence*
- *Poverty Spells*
- *Inter-generational Transmission*
- *Next Steps*



## *Why Study Dynamics?*

- *Being on low income or in poverty for a short period has a very different impact to prolonged exposure*
- *So snap-shot picture partial – looking at experience over a number of years tells us much more*
- *And also allows “entries into” and “escapes from” poverty to be studied*



## *Aims of the Study*

- *To develop our understanding of the dynamics of child poverty in Ireland between 1994 and 2001.*
- *To compare the dynamics of child poverty in Ireland with those in other EU countries.*
- *To investigate the inter-generational transmission of poverty and disadvantage.*
- *To provide policy recommendations regarding child poverty.*



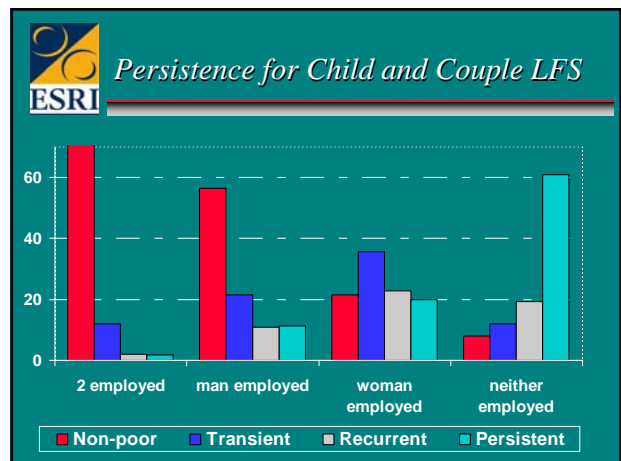
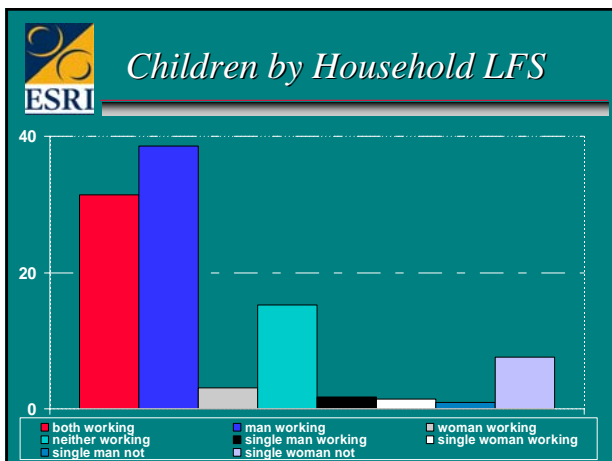
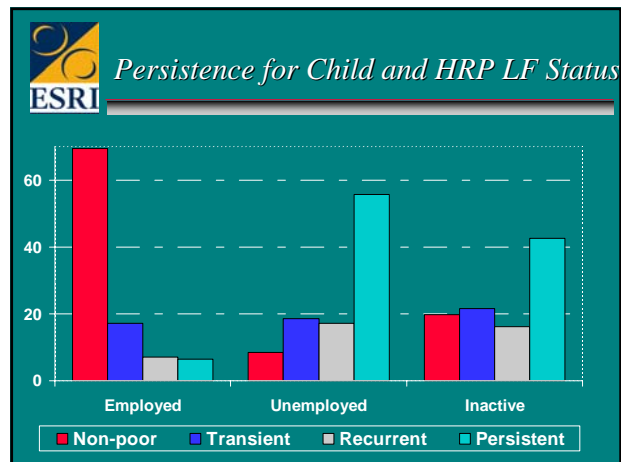
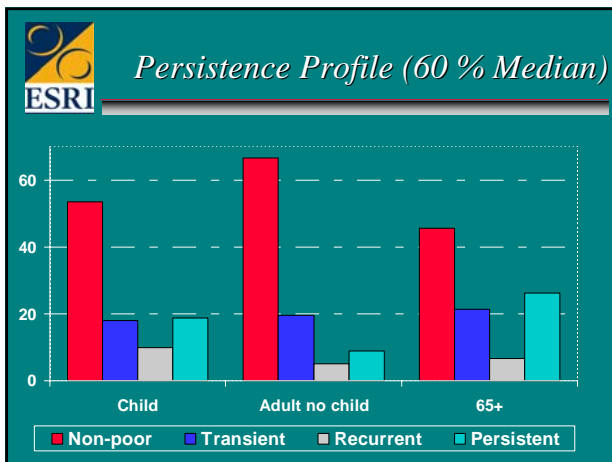
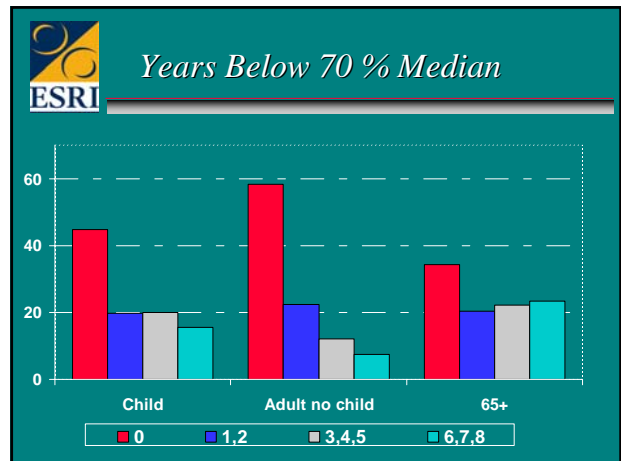
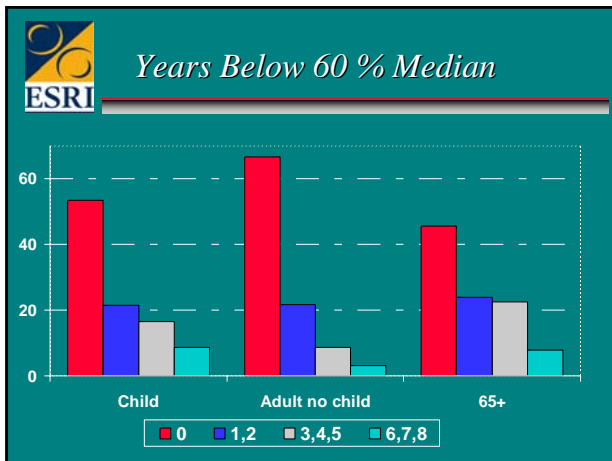
## *Cross-Sectional Context*

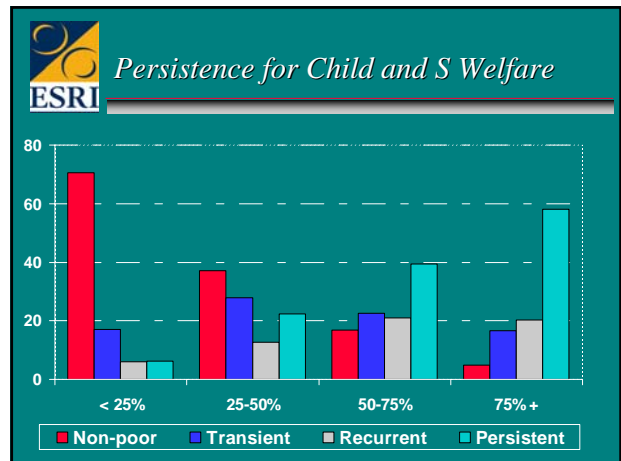
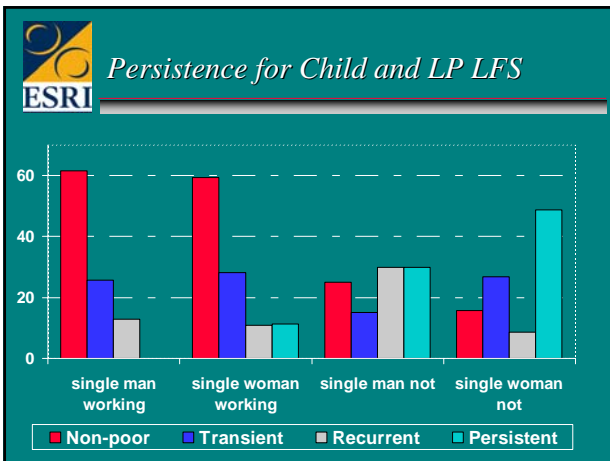
- *One-quarter of Irish children below 60% relative income threshold in 2001*
- *Still higher than for working-age adults, though gap has narrowed over time*
- *High compared with other EU countries*
- *Previous CPA studies include Nolan and Farrell (1990), Nolan (2000)*



## *Persistence Versus Spells*

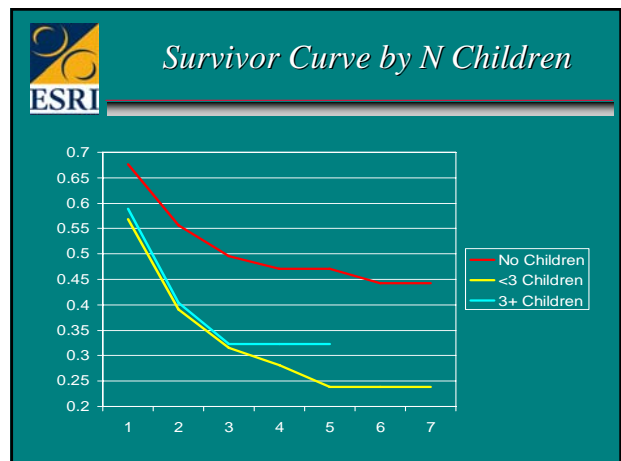
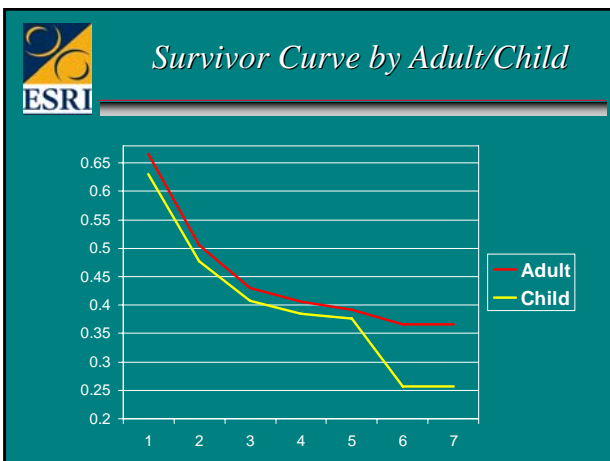
- *With data on income for the same people for a number of years can take two approaches to studying dynamics*
- *One focus is on “spell” in poverty and how it begins and ends*
- *Complementary focus is on overall number of years below threshold, and whether one or more periods below*

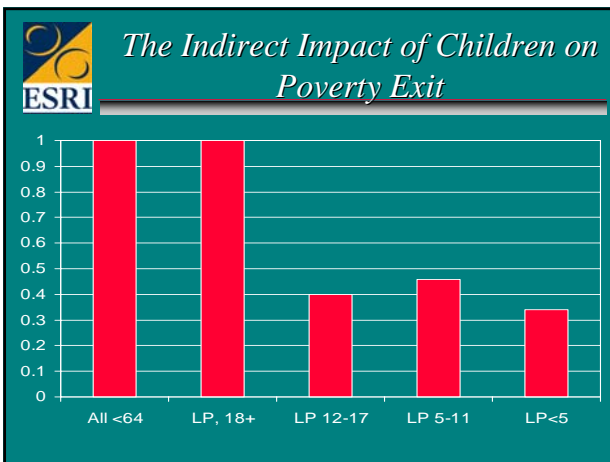
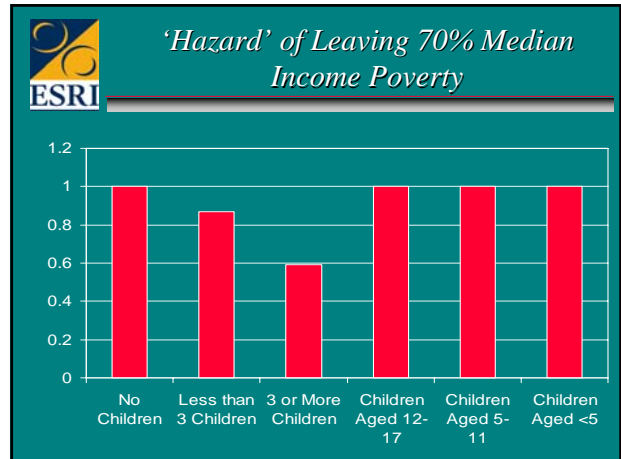
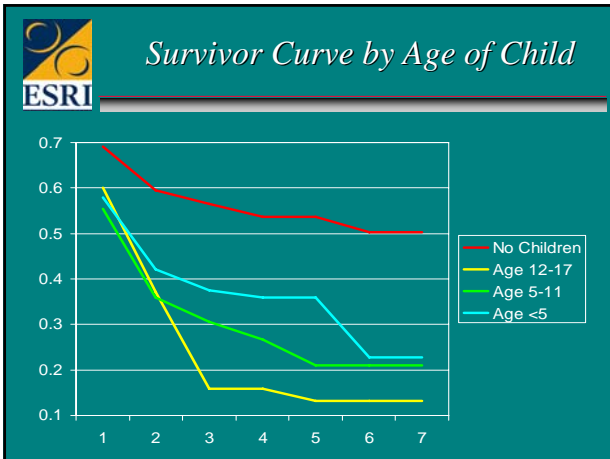




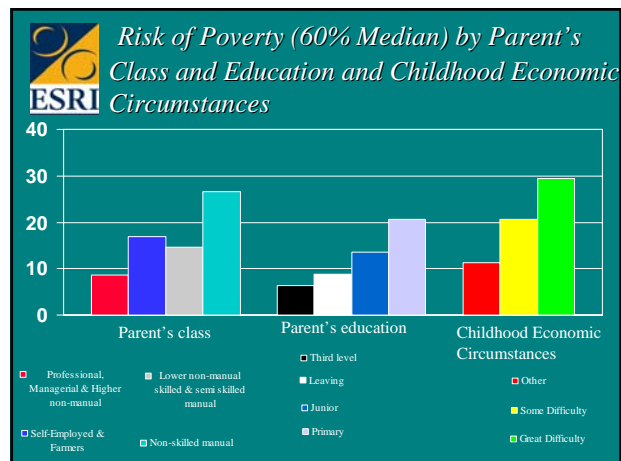
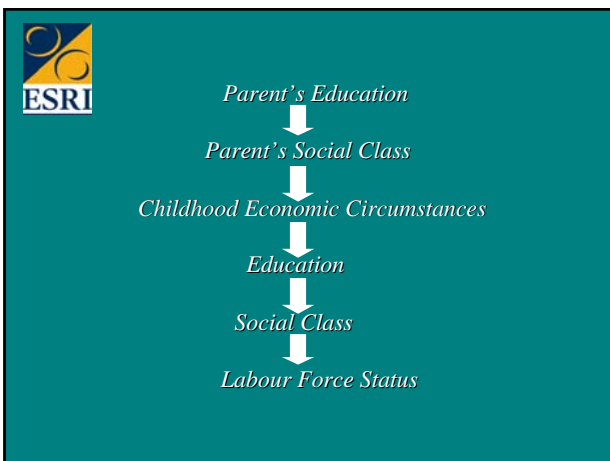
- ### Statistical Analysis of Persistence
- Estimate model predicting which persistence category person is in
  - Results show child faces higher risk
  - Lower education of HRP strongly predicts more persistence
  - Also unemployed/inactive, number in household in work, ill-health
  - Also having 3+ children, teenagers

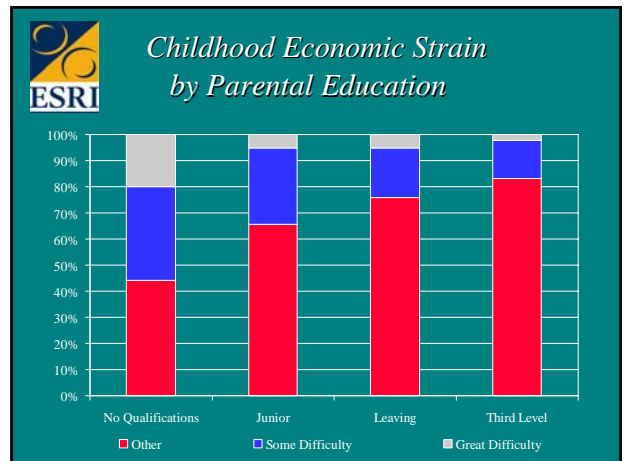
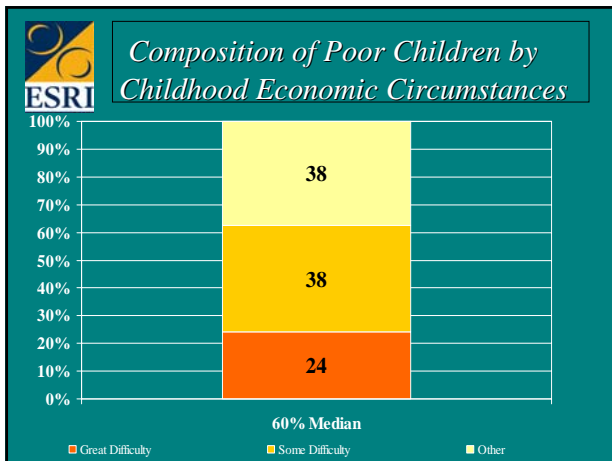
- ### Persistent Versus Consistent Poverty
- 73% of children spent no time in "consistent" poverty
  - But 15% had 3 or more years
  - Children now more exposed than older
  - Most of consistently poor children in 1994 then had persistent low income
  - Persistent income poor had 3 years in consistent poverty on average



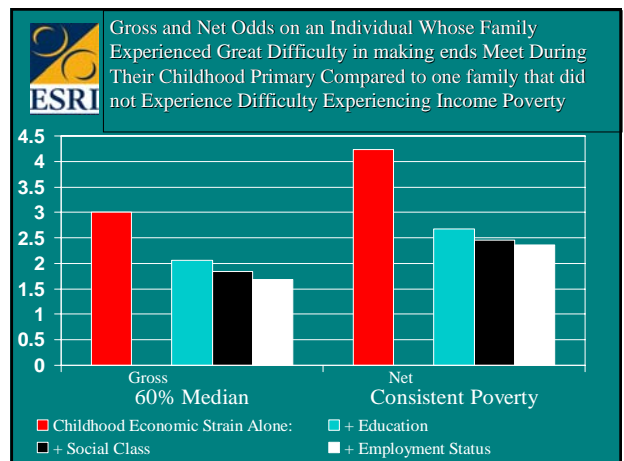
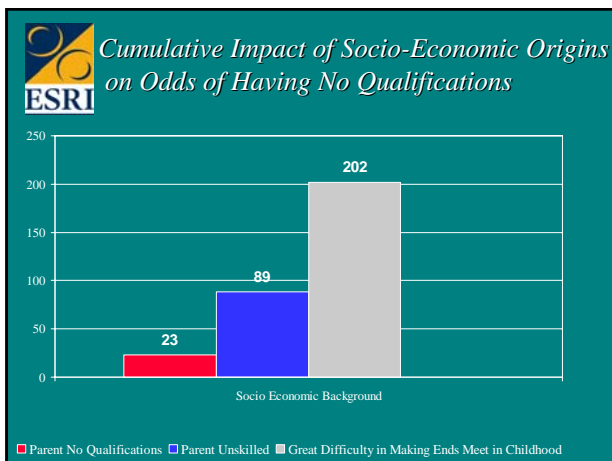
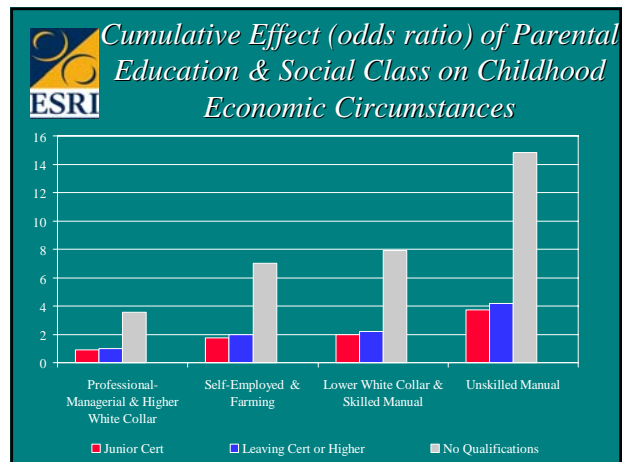


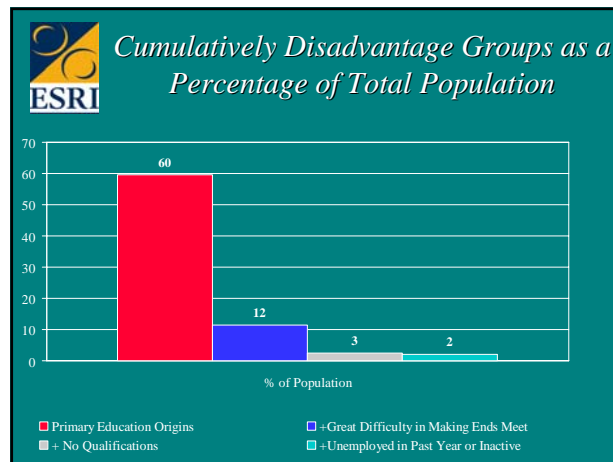
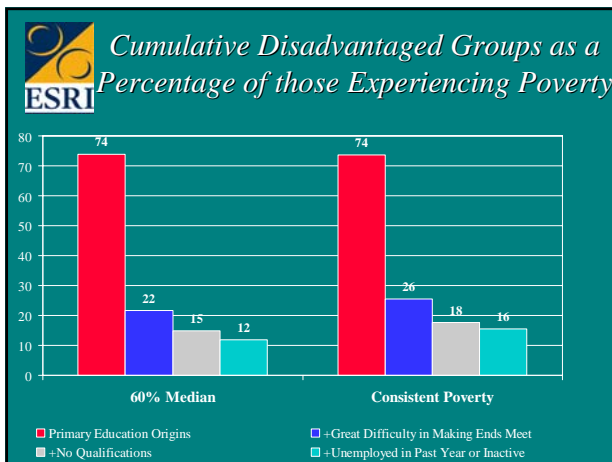
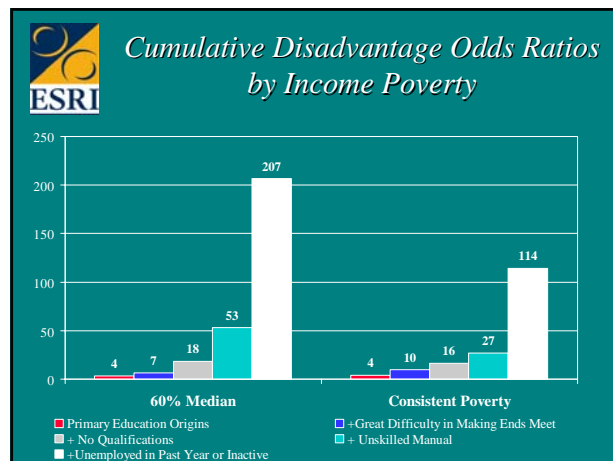
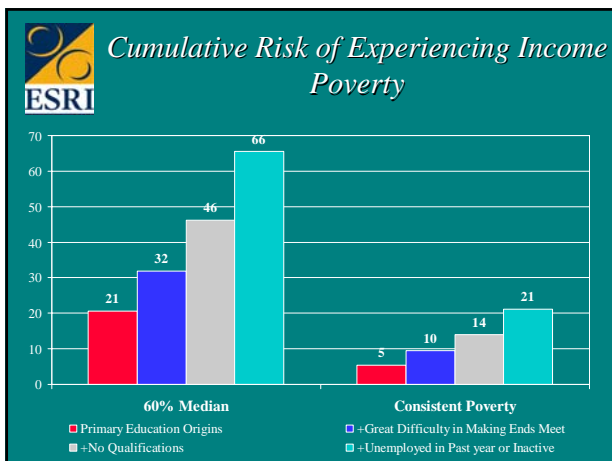
- ### Poverty and Socio-Economic Origins
- Resurgence of interest in inheritance of inequality
  - Socio-economic origin characteristics
  - Current socio-economic status
  - Direct and indirect effects
  - Pathways to poverty
  - Gross and net effects
  - Cumulative effects





- ### ESRI Odds Ratios
- 20% poor equivalent to (.2/.8) or .25 odds being poor 4:1 odds of not being poor.
  - Comparing odds of being poor
  - Primary education origin odds (.206/.794) or .259.
  - Leaving Cert + origins odds (0.087/.913) or .068
  - Odds ratio summarising comparative disadvantage of primary group (.259/.068) or 3.8





### Implications for Policy

- 1 in 4 children spent significant time below income threshold
- Parental education, work critical
- 2 parents working insulates, neither working means very high risk
- Lone parent in work not at heightened risk of persistent low income

### Implications for Policy

- 3+ children heightens risk – reflect in income support
- Excess risk for child per se not esp. high in Ireland - so strategy has to look well beyond child income support
- Intergenerational transmission is deep-rooted
- But policy can address key barriers to progression, as well as scale of inequalities



## *Summary*

- *Effects of social origin*
- *Relationship between origin characteristics*
- *Gross and net effects*
- *Cumulative risk*
- *Cumulative odds*
- *Cumulative disadvantage – composition perspective*