



NYCI BRIEFING PAPER 2

JOBSEEKERS' ALLOWANCE

KEY DATA FROM REDC/NYCI NATIONAL SURVEY ON YOUNG PEOPLE

INTRODUCTION

The National Youth Council of Ireland commissioned Red C to conduct a national survey of young people between the ages of 18 and 25 to ascertain their attitudes, aspirations, and concerns about a range of issues in 2014.

The purpose of this research was to gain a better understanding of their lives as it currently stands as well as their behaviours and attitudes. The objective of the opinion poll was also to obtain data to advocate for better outcomes for young people on a number of key policy areas in advance of the forthcoming budget.

This briefing paper is the second of a series of documents which will be published over the coming months. It focuses on the data relating to young people's views on Jobseekers' Allowance.

BACKGROUND

Jobseeker's Allowance is a means-tested payment and one's means must be below a certain income threshold to qualify.

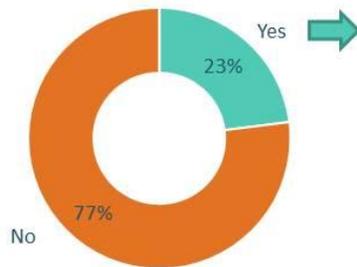
From 15 January 2014, further reduced age-related rates of Jobseeker's Allowance (JA) were introduced which NYCI have strenuously opposed. Post Budget 2014, we argued that reducing JA for those under 26 was a regressive measure. Such a step would make life extremely difficult for many young jobseekers in receipt of JA and would exacerbate the rate of poverty and social exclusion amongst young people in this age cohort.

KEY FINDINGS

- 1 in 4 of respondents surveyed is currently receiving JA.
- Amongst respondents, there is strong disagreement with the cuts made to the JA in previous budgets.
- 67% of respondents strongly disagreed with the cuts to JA introduced in the last Budget.
- 39% state they are now struggling to make ends meet, which rises to 54% for those living in Dublin
- 1 in 4 stated that they were unable to move out of the parental home as a result of the cuts made to JA.

Receipt Of Jobseekers Allowance

(Base: All Aged 18-25 – 412)



TOTAL	23%
Male	26%
Female	22%
18-21	20%
22-25	27%
ABC1	10%
C2DE	38%
Dublin	28%
ROL	30%
Munster	19%
Conn./Ulster	13%

TOTAL	23%
Urban Residence	25%
Rural Residence	18%
Primary Education,*	
Junior Cert	55%
Leaving Cert	20%
Technical Training*	44%
Undergrad	13%
Postgrad*	12%

*Small Base Size

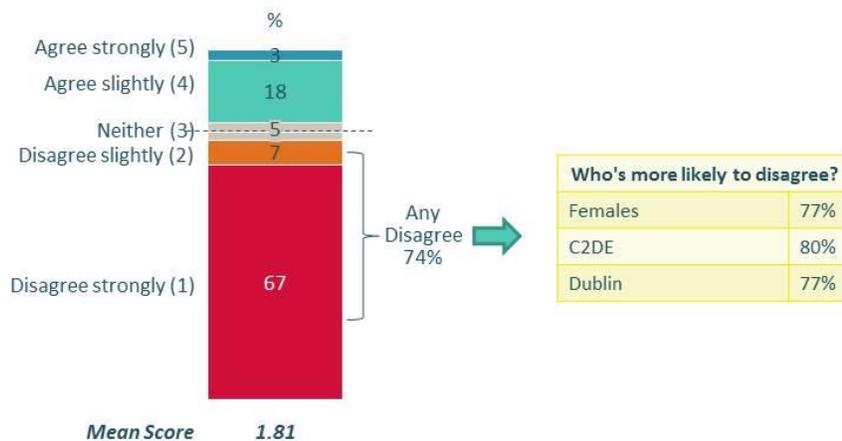
ANALYSIS

NYCI data shows that in line with the youth unemployment rate of 25.3%, one in four of respondents surveyed were in receipt of JA.

67% of respondents disagree strongly with the cuts that were made.

Attitudes Towards Recent Cuts To Jobseekers Allowance Under The Age Of 26

(Base: All Receiving Jobseekers Allowance – 97)



Almost 2 in 5 (39%) young people stated that the cuts to the JA had impacted significantly on their lives and had left them struggling to make ends meet. 1 in 4 stated that as a result of the cut to JA, they could not afford to move out of their parent's home.

NYCI data corresponds with statistics published earlier this year by the **European Foundation for the Improvement of Living and Working Conditions** for the **Improvement of Living and Working Conditions** which found that two thirds of unemployed young people in Ireland live with their parents and more young people described as inactive are likely to live with their parents now than before the economic crisis.

We contend that cuts in social welfare for young people in successive budgets have made it increasingly difficult for young people to afford to leave home and live independently. This proposition is confirmed by the data collected by Red C on our behalf.

The prevalence of significant numbers of young people *having* to live at home with their parents because of financial necessity is concerning both for them and for their parents. This finding reflects a lack of economic independence which in turn impacts on their personal independence. Furthermore, research conducted with young jobseekers in 2010 found that young people are postponing significant milestones in their lives as a result of their status as unemployment (NYCI, 2011).

CHALLENGES FACING YOUNG PEOPLE

One of the biggest challenges currently facing young people is the lack of employment opportunities. The reality is that young people in Ireland, faced with a very significantly shrunken jobs market and increased competition for the opportunities that are available, are struggling to obtain relevant and secure jobs. Ireland exhibits the fourth highest number of young people who are 'Not in Employment, Education or Training' (NEETs) in the European Union with 18.4% of young people not in education, employment or training compared with the EU average of 12.9%. Despite the fact that nearly half of those between 25 and 34 years of age have completed tertiary education – one of the highest rates in the OECD, Ireland has a significant number of young people with limited skills. There is an obvious mismatch between the demands of the labour market and the skill sets of some young unemployed people.

Impact Of Recent Cuts To Jobseekers Allowance Under Age Of 26

(Base: All Receiving Jobseekers Allowance – 97)



CONCLUSION

Recession has had devastating social and economic consequences for Ireland. The impact of recession, however, has been particularly acute for young people in Ireland and this is reflected once again in the most recent data.

The cuts in welfare were partly justified on the basis that it would incentivise young people to take up education, training and/or work experience opportunities. This argument is undermined by the fact that the various welfare payments and training allowances to young people under 25 have also been cut in recent Budgets. As a result of budget decisions young people under 25 moving from welfare to education, training and work experience have had their allowances cut. The training allowance for young people participating on VTOS, Youthreach, Community Training Centre Programmes and other SOLAS training has been reduced from €188 per week to €160 per week. From January 2014, the payment to those participating on the Back to Education Allowance Programme has been cut to €160

per week and for JobBridge interns who were on €100 prior to participation they end up on a €150 per week while working a full 40 hour week.

In our Pre-Budget submission, NYCI is calling on the Government **to restore the adult rate of €188 per week for all young people participating on an education, training and work experience programme.** Such a step would serve to reduce the rates of poverty and social exclusion amongst young people and provide an additional financial incentive, particularly to the most disadvantaged young people to participate in education, training and work experience opportunities.

METHODOLOGY

Red C conducted 412 face-to-face interviews with a representative sample of young people aged 18-25 throughout Ireland from the 17th June to 6th July 2014. Of these 51% were female and 49% were male. 50% were classified as being from the ABC1 social demographic group, 48% were classed as belonging to the C2DE social demographic group and 2% in the F category. 93% of the participants in the survey identified themselves as Irish. The margin of error in the results is +/- 4.9%.

Respondents were asked to respond to the following questions:

- Can you tell me if you are you currently in receipt of Jobseekers Allowance?
- In the most recent budget, the Jobseekers' Allowance for those under the age of 26 was reduced. Prior to the budget changes, a young person aged 23-24 years was in receipt of €144 per week, and those aged 25 received €188. This payment was reduced to €100 and €144 per week respectively. To what extent, if at all, do you agree or disagree with the budgetary decision to cut social welfare payments to anyone aged 26 or under?
- How have the cuts in Jobseeker's Allowance in Budget 2014 affected you, if at all?