



Budget 2022

“Progress on Youth Work but Youth Issues ignored again”

Post-Budget Analysis

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National Youth Council of Ireland**

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Budget 2021: NYCI Response

Introduction

In its Pre-Budget submission (PBS) entitled *'Restore, Restart, Renew'* NYCI called on Government to invest in policies and measures in Budget 2022 to achieve a number of objectives. First, we called on Government to invest in measures to facilitate youth work organisations to restart their supports and services to young people. Secondly, we wanted actions to restore hope and confidence for our young people, particularly those who are unemployed or homeless, and lastly, we wanted Government to renew the social contract and deliver economic and social fairness and justice for this generation. NYCI focused on a number of key issues affecting the lives of children and young people, and outlined our proposed budget proposals for 2022. We identified four budgetary priorities, which we urged Government to address in Budget 2022. The four areas were:

1. Invest in Voluntary Youth Organisations and Youth Work Services

- Invest an additional €10m in youth work services to restart, restore and renew youth work services for young people isolated and impacted over the last eighteen months as we move from pandemic response to pandemic recovery.

2. Address the High Levels of Youth Unemployment

- Provide a stimulus package of €200m to deliver additional education, training and apprenticeship opportunities and other employment measures and support the youth work sector to enhance the employability of young people furthest from the labour market.

3. Equality for Young Jobseekers

- Allocate €64.8m to restore the full rate of Jobseeker's Allowance to young people under 25 years, by increasing the rate from €112.70 to €203 per week.

4. Tackle Youth Homelessness

- Invest €3m to resource and implement the National Youth Homelessness Strategy.

NYCI Analysis & General Commentary

The impact and consequences of covid-19 and the transition from pandemic response to pandemic recovery overshadowed Budget 2022. According to Government the additional spending and tax cuts amounted to €4.7bn. For the first time in a number of years, the budget contained a significant social welfare package of an additional €558m. There were also tax cuts in the region of €500m. We welcomed the additional investment of €5m in youth work for 2022. On youth issues, while we note positive measures with regard to transport, third level education and young women's health, this Budget, did not answer the call in our Pre-Budget Submission entitled '*Restore, Restart, Renew*' for Government to invest in policies and measures which support young people now and into the future as we emerge from this current challenging period for our country, and as such this Budget was a missed opportunity.

Youth Work

We warmly welcome the additional investment of €5m in youth work in Budget 2022, this comes on top of the additional €5m in Budget 2021, so amounts to an accumulative investment of €15m in the last two budgets. After many years or little or no increased investment, an increase in the region of 8% in both 2021 and 2022 is a welcome boost for the sector in supporting young people at this challenging time. This followed a coordinated and sustained campaign led by NYCI and the youth work sector and in that we also acknowledge the role of Minister O'Gorman and his officials.

Youth Unemployment

With continued high levels of youth unemployment, and in particular long term youth unemployment as we emerge from the pandemic, we are disappointed with the Budget 2022 measures to address this major issue for young people, as there was little of substance in the Budget to deal with it.

Equality for Young Jobseekers

There was no progress on restoring the full rate of Jobseekers' Allowance to young people aged 18-24 in the Budget. We will campaign for the commitment in the Programme for Government to address this issue to be progressed.

Youth Homelessness

We are disappointed that there was nothing in the Budget to directly assist young people who are homeless and those at risk of homelessness. We will campaign for the commitment in the Programme for Government to develop a National Youth Homelessness Strategy to be progressed in 2022.

Summary of Budget Measures

Invest in Voluntary Youth Organisations and Youth Work Services

Recommendation:

- Invest an additional €10m in youth work services to restart, restore and renew youth work services for young people isolated and impacted over the last eighteen months as we move from pandemic response to pandemic recovery.

Budget 2021

We warmly welcome the additional investment of €5m in Budget 2022, in their statement, the Department noted that *“The Minister has also secured an additional €5 million in current funding for youth services to continue to implement the new targeted youth funding scheme, UBU Your Place, Your Space and provide for additional new services in 2022. The additional funding will also enable further support of national youth organisations and local youth clubs, helping them to resume full service delivery after Covid restrictions.”* Minister O’Gorman added *“The additional funding secured for Youth Services is particularly important given the disproportionate impact Covid-19 has had on young people. This additional funding will allow us to re-engage young people in youth services, re-engage and train volunteers, and provide new youth services where needed.”*

Rationale

In our Pre-Budget Submission, we noted that young people have suffered and endured severe disruption to their education, employment, family and social life, as well as the impact on their well-being, future careers and life plans as a result of the pandemic. We pointed out that it is clear from national and international reports that young people, and particularly the most disadvantaged and vulnerable young people have been affected disproportionately. We highlighted the consequences and scarring of the lives and prospects of young people arising from the pandemic will be damaging for many. We stated that youth work services have a crucial role to play in supporting young people as we move from pandemic response to pandemic recovery. We called on the Government to invest in youth work, as it had the potential with investment in Budget 2022, to play a key role in delivering on the *“New Deal for Young People”*¹ which the Taoiseach has committed to. We emphasised that the youth work sector can support young people to catch up and get back on track, as our society reopens

¹ Dáil Éireann, Taoiseach Questions, Houses of the Oireachtas, April 21st 2021
<https://www.oireachtas.ie/en/debates/debate/dail/2021-04-21/17/>

and recovers in the coming months and years. As noted by the OECD² the COVID-19 crisis has proven that youth workers and youth organisations can be partners in providing support to people's well-being, especially for vulnerable groups and for people that are unlikely to be aware of relevant government services and support.

NYCI highlighted that there is a commitment in the 2020 Programme for Government with regard to youth work, which states that over the lifetime of the administration it will: *"Continue to invest in community and voluntary family support services and youth work, recognising their value in preventing harm and in responding to the needs of vulnerable families"*³

Research on Impact of Pandemic on Youth Services in 2021

In our submission, we detailed the research we had commissioned in early 2021 to examine the impact of the pandemic on youth services over the last year. While it was not possible to include the full report in the submission as it had not been completed, we provided preliminary and headline data. These initial findings (based on responses from 54 managers) indicated that the impact of the pandemic on the participation of young people in youth work, and the number of volunteers and clubs/groups active remain quite significant. The preliminary report found that in absolute numbers, the numbers of young people engaged has declined from 164,616 in the year to February 2020 to 88,114 in the year to February 2021 or by 46.5%. This highlighted the need for additional support for the youth sector to re-engage with thousands of young people in the pandemic recovery period. We also provided additional information of the impact of the pandemic on the number of volunteers and youth clubs/groups/branches active. We also provided information of the impact of the pandemic on the financial situation of youth work organisations.

Additionality provided by increased investment

We argued that the youth work sector has a key role to play in supporting young people to recover the lost ground since March 2020. Before the pandemic, youth work services in Ireland were significant in scope and scale by international standards. The track record, credibility and reach of the youth sector is also demonstrated by the fact that we had the highest level of involvement in youth services in the EU, with 26% of young people active in a youth club/organisation.⁴

² Youth and COVID-19, Response, Recovery and Resilience, OECD, June 2020

<https://www.oecd.org/coronavirus/policy-responses/youth-and-covid-19-response-recovery-and-resilience-c40e61c6/>

³ Programme for Government, 2020 <https://static.rasset.ie/documents/news/2020/06/draft-programme-for-govt.pdf> P81

⁴ European Commission 2011, "Youth on the Move" - Analytical Report of Flash Eurobarometer Number 319a

We stated that the youth work sector wants to recover the lost ground and wants to “restart, restore and renew” its supports and services, so as to reach the maximum number of young people.

Dealing with impact of cuts and underinvestment

We acknowledged that the youth work sector has received increased funding in the last number of years however, but stated that the sector endured very steep cuts in the 2008-2014 period. In that seven-year period, investment in youth work services from the then Department of Children and Youth Affairs (DCYA) decreased by 31.8%, from €73.1m in 2008 to €49.8m in 2014. Since then, the investment from DCYA has increased. We highlighted that in 2021 youth work funding from DCEDIY stands at €66.8m, however, this means that financial support for youth work is still €6.3m below that of thirteen years ago, which does not account for inflation in that period, the increased number of young people in our population and the fact that the sector is now dealing with the consequences of a pandemic. We noted that even before the pandemic, many voluntary youth organisations were already under pressure, as they stretched already diminished budgets to meet ever growing governance and compliance requirements such as Children First, vetting, charities regulation, the companies act, lobbying regulation, GDPR, etc. while also responding to the changing and growing needs of young people in their programmes and activities.

Investment in existing services and supports

We also argued that in light of the challenging environment created by the pandemic and the pressures on organisations to restart, restore and renew their services and meet the needs of young people impacted by the pandemic in a socially distanced way, we proposed that the bulk of any additional funding is allocated to existing services. While we appreciated that there is always a need and demand for new services, we propose that consolidation of existing youth work services should be prioritised over the development of new services in 2022.

Address Youth Unemployment

NYCI Budget Recommendation

- Provide a stimulus package of €200m to deliver additional education, training and apprenticeship opportunities and other employment measures and to support the youth work sector to enhance the employability of young people furthest from the labour market.

Rationale

With high levels of youth unemployment, and long-term youth unemployment, Budget 2022 was very disappointing. In our Pre-Budget Submission, we noted that young workers are always disproportionately badly affected by recessions and shocks to the economy, as demonstrated by the last recession when youth unemployment reached over 31% in 2012, even when the safety valve of emigration was available. We highlighted that all the evidence to date indicates that the impact of the measures necessary to protect public health have been devastating for young people in the labour force. We quoted data from the CSO which indicated a COVID-19 adjusted rate (upper) of youth unemployment of 28.6%⁵ in July 2021. We noted that a DEASP Working Paper⁶ also states that *“those who have lost their job due to the COVID-19 pandemic, or who have been temporarily laid-off, are more likely to be young, low-skilled, female and part-time than the population average”*. We further evidenced an OECD report⁷ which stated that *“COVID-19 has the potential for long-term effects on youth unemployment, based on previous large economic shocks”*. We also referenced a further CSO report⁸ on COVID-19, found that 15–24-year-olds experienced the highest rates of loss of employment and temporary layoff, with 46% of 15–24-year-olds temporarily laid off and over a fifth (22%) experiencing loss of employment.

Action Required Now

We called for action now as the corrosive impact of unemployment on young people is well known. We stated that without the appropriate state response of a tailored suite of options to take account of the varied skills and training needs required, and adequate income support, it has the potential to demoralise and diminish young people’s aspirations.

⁵ Monthly Unemployment Report, CSO, July,

<https://www.cso.ie/en/releasesandpublications/er/mue/monthlyunemploymentjuly2021/>

⁶ “The Initial Impacts of the Covid-19 Pandemic on Ireland’s Labour Market”, Irish Government Economic & Evaluation Service, Department of Employment Affairs and Social Protection, May 2020

⁷ Covid-19: Protecting People and Societies <http://www.oecd.org/coronavirus/policy-responses/covid-19-protecting-people-and-societies-e5c9de1a/#figure-d1e216> OECD, June 2020

⁸ Employment and Life Effects of Covid-19

<https://www.cso.ie/en/releasesandpublications/er/elec19/employmentandlifeeffectsofcovid-19/> CSO, June 2020

We highlighted that NYCI and its member organisations have been working to support young people to access the labour market for many years, as we are very concerned at the impact of this crisis on jobseekers, particularly for those furthest from the labour market. We argued that the stark statistics outlined in several reports require an immediate policy response. We noted that young jobseekers are facing a grim social and economic outlook, reminiscent of the last recession. We stated that this time around youth emigration, in the short to medium term, is unlikely to provide an escape route for those unable to secure employment or trapped in precarious employment situations. We argued that as a society and an economy, we cannot afford to make the mistakes of the past, where young people were left to linger on the dole queues for years on end and the then Governmental response was slow and inadequate.

We noted both the EU Resilience and Recovery Facility, the Economic Recovery Plan and Pathways to Work had the potential to address youth unemployment. We noted the commitment to reduce youth unemployment to 12.5% by 2023, the allocation of an additional 150 Case Officers (Job Coaches) during 2021 to provide greater resources for engagement with young jobseekers, the widening of support measures to target young jobseekers aged 25-29 years in line with the Reinforced European Youth Guarantee and the expanded Jobs Plus scheme. We noted the development of a new Work Placement Experience Programme, with a target of up to 10,000 participants by the end-2022 and the development of a new Youth Employment Charter. We looked forward to learning more about the contents and benefits of these initiatives for young jobseekers. We noted that these measures are complemented by the 50,000 additional places in Further and Higher Education, which were announced in 2020. We stated that while these announcements and measures are welcome, we believed given the scale and scope of the problem, that they fall far short of what is required. That is why we were calling for much more to be done. We also highlighted the role of youth work in enhancing young people's employability.

Taskforce on Youth Employment

We again called for the establishment of a Taskforce on Youth Employment to bring together key stakeholders and experts in the field to develop an evidence-based policy response and to develop a suite of measures to address this issue. We noted that in order for the Taskforce to be effective it must have sufficient resources to undertake its work. And that is why NYCI called for a stimulus package of up to €200m to be set aside in Budget 2022 to implement the recommendations of the Taskforce.

We are disappointed with the outcome of Budget 2022, with regard to addressing youth unemployment, as there was no additional resources or initiatives announced. NYCI will continue to campaign on this important issue into 2022.

Equality for Young Jobseekers

NYCI Budget Recommendation

- Allocate €64.8m to restore the full rate of Jobseeker's Allowance to young people under 25 years, by increasing the rate from €112.70 to €203 per week.

Budget 2021

NYCI is disappointed that there was no progress to reversing the discriminatory cuts to young Jobseekers in Budget 2022.

Rationale

We outlined in our PBS that we support full equality for young people and we opposed the decision of previous Governments to reduce welfare payments to young unemployed persons under 26 years of age and we want the full rates to be restored. We welcomed the commitment in the Programme for Government to; *"Improve jobseeker supports for people aged under 24 over the lifetime of the Government"*⁹ We noted that while this commitment is positive, almost a year into the lifetime of this Government, we have not seen any progress on addressing the lower rate of Jobseeker's Allowance which is applied to young people under 25 years. This must change in Budget 2022.

We restated our commitment to the full equality for young people. We noted that we had opposed the decision of previous Governments to reduce welfare payments to young unemployed persons under 26 years of age and we want the full rates to be restored and that we have been advocating on this issue for twelve years. While we acknowledged the decision of the then Government in Budget 2020, to restore the full rate of €203 to young people aged 25, we stated this does not redress the existing inequality that exists for those under 25. We argued that it is unacceptable that young people aged 18-24 years are on a lower rate of weekly support. We argued that the imposition of lower rates on young jobseekers is contrary to the provisions of Article 40.1 of the Constitution,¹⁰ which dictates that all citizens should be treated equally.

We outlined that the most recent data available to us indicated that 73% or 12,011 of the 16,384 young people aged 18-24 years in receipt of Jobseekers' Allowance (JA) in

⁹ Programme for Government, 2020 <https://static.rasset.ie/documents/news/2020/06/draft-programme-for-govt.pdf> P74

¹⁰ Irish Constitution http://www.taoiseach.gov.ie/eng/Historical_Information/The_Constitution/February_2015_-_Constitution_of_Ireland_.pdf

June 2021 were on the €112.70 a week, with 18% on other rates, with only 1,319 or 8% on the full adult rate of €203 per week.¹¹

We detailed the findings from the Vincentian Partnership for Social Justice (VPSJ), study, which NYCI had commissioned to do a detailed analysis of the Minimum Essential Standard of Living for young people on Jobseekers' Allowance aged 18-24 years in 2018. We emphasised that the results from the MESL of young people aged 18-24 years indicates that the current levels of Jobseekers' Allowance payments create economic poverty, hardship and social exclusion. The analysis by VPSJ outlined in our PBS demonstrates that for all those aged 18-24 years on the lower rates of Jobseeker's Allowance, the current payments are wholly inadequate. For the vast majority of recipients, the current payments are a fraction of what is required to live with dignity. In our Pre-Budget Submission we called on the Government to reverse these cuts in Budget 2022. We recommended that the Jobseeker's Allowance rate for 18-24-year olds be restored to the full rate, from €112.70 to €203 per week at a cost of €64.8m in a calendar year.

Outcome

We are disappointed that there was no progress on this issue in Budget 2022 given the commitment in the Programme for Government and the evidence that this policy is causing poverty and economic hardship for many young people. While young people under 25 on JA will receive the general €5 per week as provided to all core social welfare rates, the Budget did not address the fundamental issue of discrimination and social exclusion which this policy imposes. We will continue to advocate for the reversal of these cuts.

¹¹ Dáil Éireann, Parliamentary Questions 157, 158, 159, June 2nd 2021
https://www.oireachtas.ie/en/debates/question/2021-06-02/157/#pg_157
https://www.oireachtas.ie/en/debates/question/2021-06-02/158/#pg_158

Tackling Youth Homelessness

NYCI Budget Recommendation

- Invest €3m to resource and implement the National Youth Homelessness Strategy.

NYCI is disappointed that there were no specific measures to tackle youth homelessness in Budget 2022. We will continue to advocate for the development and implementation of a National Youth Homelessness Strategy, but that strategy needs to be resourced to become a reality.

Rationale

In our Pre-Budget Submission, we welcomed the commitment in the Programme for Government to develop a National Youth Homelessness Strategy. We noted that NYCI welcomes the commitment in the Programme for Government to: *“Develop a National Youth Homelessness Strategy¹²”*. We highlighted that in May 2021, 7,991¹³ people were recorded as homeless, which included 5,843 adults and 2,148 children under 18 years. We further noted that the number of young people aged 18-24 recorded as homeless in May 2021 was 780, representing a 10% increase on the numbers of young people recorded as homeless in May 2020¹⁴.

We detailed the many reasons a young person can experience homelessness, issues such as reduced social welfare supports, young people being a lower priority on housing waiting lists, unsuitable emergency accommodation and inadequate support services, especially for those leaving care are major contributory factors. We noted that many young people have difficulty accessing affordable and quality housing in the private rental market and/or social housing sector. In addition, we highlighted that the current levels of youth unemployment and cuts in social welfare for young people in successive budgets has made it increasingly difficult for many to be able to afford to leave home and live independently. Finally, we argued that these cuts and lack of supply have made it very challenging for young people leaving care to access housing.

NYCI called on Government to ringfence €3m in Budget 2022 to resource and implement the National Youth Homelessness Strategy. We stated that there are numerous reasons why young people end up homeless and therefore we need a package of measures to end youth homelessness. We argued that this investment is

¹² Programme for Government, 2020 <https://static.rasset.ie/documents/news/2020/06/draft-programme-for-govt.pdf> P55

¹³ The Department of Housing, Planning, Community & Local Government Homelessness Report, May 2021, <https://www.gov.ie/en/publication/fbd27-homeless-report-may-2021/>

¹⁴ The Department of Housing, Planning, Community & Local Government Homelessness Report, May 2020, <https://www.gov.ie/en/publication/af07c-homelessness-report-may-2020/>

worthwhile because a situation where a young person become entrenched in homelessness, is not only detrimental for the young person involved; it is also costly for the state.

Outcome

While there was some investment in social housing in Budget 2022, none were particularly targeted at young people and therefore there was no progress on this recommendation in Budget 2022. We note that Minister O'Brien has stated that the National Youth Homelessness Strategy will be developed in Quarter 1, 2022. We will continue to campaign as part of the Irish Coalition to End Youth Homelessness for the development of this strategy and for resources for its implementation.

Other Budgetary Measures of Interest

Overall Budget Measures

- Overall Budget Package of €4.7bn

Tax Measures

- Tax package of €520m
- Standard tax bands increase by €1,500
- Second USC band up to €21,000
- Carbon tax up €7.50 to €41 per tonne
- Enhanced working from home tax relief, up to 30% of cost of vouched heat, electricity and broadband costs
- Excise on pack of 20 cigarettes up 50c to €15

Children, Equality, Disability, Integration and Youth

- A €716m childcare package, including a €69m scheme to freeze creche fees
- Additional €41m for Tusla
- €28 million allocated to begin the process of transitioning direct provision applicants out of the current system of accommodation and into more appropriate housing in the community.
- Additional 10% in funding for LGBTI+ organisations through the Community Services Fund, for research and for implementation of the National LGBTI+ Inclusion Strategy.
- Additional 6% increase in funding for Traveller and Roma organisations and programmes, bringing the total to €5.6m.
- Parent's Benefit extended by two weeks

Further, Higher Education, Research, Innovation and Science

- Overall package of €3.7bn
- Additional 3,200 CAO places
- SUSI Maintenance Grant up €200
- SUSI qualifying income thresholds for grants up €1,000
- SUSI Non-Adjacent distance reduced from 45km to 30km
- Abolition of €200 levy for PLC course to benefit 10,000 learners
- €22m for college mental health services and for the student assistance fund
- Funding for a new employer apprenticeship grant
- Funding for the establishment of a new Apprenticeship Office

Education

- 980 more teachers to reduce teacher pupil ratio from 25 to 24 at primary level
- Additional 1,165 Special Needs Assistants
- €4m for the hot school meals programme
- Additional €18m for DEIS Schools
- €50m for school computers
- €30 million to increase investment in the school transport scheme.

Enterprise, Trade and Employment

- Minimum wage increased by 0.30c to €10.50 per hour.

Social Protection

- Overall package of €558m
- Core social welfare rates up €5 a week from January 2022
- Increase of €10 in the Back-to-School Clothing and Footwear Allowance
- €4m for the hot school meals programme-additional 16,000 students
- For young people aged between 25-28 to qualify for Treatment Benefit, the minimum requirement being reduced from 5 years (260 weeks) PRSI paid contributions is reduced to 9 months (39 weeks) to access this benefit, effective from June 2022.

Housing

- €6bn total funding with €2.5bn for social housing
- Help to Buy Scheme extended for 1 year, to end 2022.
- A zoned land tax to be introduced at 3% in a two to three year period.

Transport

- €25m to provide half price fares for young people aged 19-23 years

Health

- Core funding of €20.38bn, up to €22.2bn when covid & capital funds included
- Extension of free GP care to 6- and 7-year-olds
- Free contraception for young women aged 17-25 as part of €31m women's healthcare package
- Reduction in hospital charges for under 18s
- €37m for mental health services
- Additional €6m for drugs and alcohol services.

Justice

- An additional €6.7m to fund interventions under the Youth Justice Strategy
- Establishment of the new Community Safety Innovation Fund to reflect the success of the Criminal Assets Bureau and other agencies by funding local projects that improve safety

Environment, Climate and Communications

- €202m for home energy upgrades
- €174m for home energy efficiency

Rural and Community Development

- Funding for the Scheme to Support National Organisations (SSNO Scheme) to increase from €5.9 million to €6.7 million.

Foreign Affairs and Trade

- Increase of €140m in Ireland's overseas development aid budget, raising it to over €1 billion for the first time.

Conclusion

In our Pre-Budget Submission, we noted that the last eighteen months have been very difficult for our people and country and it will take time for our society and economy to recover, but we argued that we can rebound and grasp the opportunity to deliver economic equality, social justice and environmental sustainability. We noted that the pandemic has been very difficult for young people. We acknowledged that Budget 2022 would be challenging for Government, but it also offered a great opportunity to restart, restore and renew our society and economy. We stated that it is vital that the Government follows through on its commitment to put *“recovery and renewal”* at the heart of their budget and truly delivers a *“new deal for young people”* programme with clear policies, measures and investment in young people and the youth sector, who with support, can be the drivers of that agenda.

Our submission was entitled *“Restart, Restore, Renew”* because we were calling on Government to invest in policies and measures in Budget 2022 to achieve a number of objectives. First, we were calling on Government to invest in measures to facilitate youth organisations to restore their supports and services to as many young people as possible as we move from pandemic response to pandemic recovery. Secondly, we wanted actions to restore hope and confidence for our young people, especially those who are unemployed and homeless and thirdly we wanted Government to renew the social contract and deliver economic and social fairness and justice for this generation. Our submission was a clarion call on Government to invest in policies and proposals in Budget 2022, which support young people now and into the future to achieve their full potential as we emerge from this current challenging period for our country.

The Minister for Children, Equality, Disability, Integration and Youth, Roderic O’Gorman T.D. delivered on the first of these asks. We warmly welcome the investment of €5m in youth work, following a coordinated and sustained campaign by the youth work sector and acknowledge the role of the Minister and his officials. From our perspective, this was one of the few bright points in Budget 2022, otherwise this budget contained little for young people struggling with unemployment, homelessness and on low incomes. We do note and welcome the measures for young people with regard to transport, third level education and young women’s health. However, in large part, this Budget did not invest in policies and proposal to support young people now and into the future as we emerge from this current challenging period for our country, and therefore this Budget overall was a missed opportunity.