



Budget 2023 Round-up

Youth work

In our pre-Budget submission, NYCI outlined the significant impact the cost-of-living is having on youth work organisations and young people, the efforts the sector is taking to support young Ukrainians fleeing war, and the residual impact of COVID-19 on the sector and the communities it serves.

We outlined the need for investment of €12m to support the sector in dealing with these challenges, along with the need to resource the new national policy framework for children and young people, due to replace “Better Outcomes, Brighter Futures” in 2023.

Overview

- There will be a €2,360,000 increase across current and capital funding for youth services in 2023. This is broken down into €1.2m in capital funding and €1.16m in current funding;
- The increase in current funding is a 1.6% rise on 2022, nowhere near enough to keep up with inflation;
- The total budget for youth work in 2023 will be €74.1m. This is the first time it has moved past pre-austerity levels of €73.1m in 2008 and represents a 49% increase in funding since 2014, however the level of investment in 2023 remains inadequate;
- No clear funding line has yet to be made available for the next iteration of “Better Outcomes, Brighter Futures”, nor has there been additional funding to support the sector in assisting the over 13,000 young Ukrainians fleeing war.

Analysis

NYCI has made clear that this is inadequate for a sector that is dealing with the residual impact of COVID-19 and struggling with increasing demand and rising overheads as a result of the cost-of-living increases.

Meanwhile, we know from our engagement with members, young people in their communities are facing increased deprivation. Our recent survey of members

showed that 73% of members either agreed or strongly agreed they had seen an increase in deprivation amongst young people in the communities they work in, as a result of the increase in the cost of living, while 72% had experienced an increase in demand for their services in the last 6 months.

It also highlighted the impact inflation is having on youth organisations throughout the country, and the stark need for investment in the sector to support it through the cost-of-living crisis, with:

- 72% saying that their heating costs have increased;
- 41% saying increased energy costs have resulted in a reduced budget for the organisation;
- 55% agreed or strongly agreed that ‘the increased cost of living has negatively impacted on the organisation’s ability to deliver youth work’;
- 86% of respondents agreed or strongly agreed that ‘the increased cost of living has made it difficult for the young people they work with.’

NYCI response

NYCI continues to work on behalf of its members to ensure your voices are heard and have voiced our disappointment and frustration to Government, along with working towards solutions to ensure members aren’t completely overlooked.

- [Voiced our frustration](#) both publicly and to Minister O’Gorman and Department officials at the inadequate funding for youth work in Budget 2023;
- Had the issue of underfunding for the sector raised during a Seanad debate on the impact of the cost-of-living on young people;
- We have written to Ministers Roderic O’Gorman, Heather Humphreys and Joe O’Brien calling for them to work together to ensure youth work organisations are eligible for a Department of Rural and Community Development fund to help community and voluntary with rising costs, including energy;
- Engaged with officials from both Departments to press home this message;
- Rallied members to support this work online;
- We will continue to publicly highlight the impact of the cost-of-living crisis on youth work.

Supports for young people

In our Pre-Budget Submission, NYCI highlighted the challenges facing young people in education, employment and those seeking work.

Despite some progress in Budget 2023, most of this came in the areas of further and higher education, with fewer supports for young workers and jobseekers, aside from an extension of existing public transport subsidies and tax relief for renters.

Overview

- There was welcome progress with a one-off reduction of €1,000 in higher education contribution charges for students in 2022 and a €500 reduction in 2023;
- Contribution charges for apprenticeships were reduced by a third;
- Government also introduced a one-off double SUSI maintenance payment in December 2022;
- There was an increase of €500 in the Post-Graduate Contribution Grant;
- The Young Adult travel card was extended to the end of 2023, but not extended to a wider group of young people (currently 19-23);
- No progress was made on the equalization of rates of Jobseekers' Allowance for u-25s or on the removal of sub-minima rates of minimum wage for u-20s;
- Tax relief for renters of €500 in 2022 and €500 in 2023.

Background

Our recently published survey, undertaken by RED C, provided important context ahead of the Budget, outlining the very specific pressures young people are facing as a result of the cost-of-living. Additionally:

- Over 7 in 10 18–24-year-olds said they're considering leaving Ireland for a better quality of life elsewhere;
- 8 in 10 respondents said they're fearful for the future;
- 1 in 2 said the rising cost of living had an impact on their mental health;
- More than 4 in 10 stated that they were not as happy as they were 6 months previously;
- More than 1 in 4 said their experience with housing in the past six months had gotten worse.

Meanwhile, young people spent a higher proportion of their income on housing/accommodation, education fees and public transport than the rest of the population.

Analysis

There was a mixed picture for young people in Budget 2023. Despite some welcome measures, particularly around higher and further education fees, many were left out and didn't see requisite support in dealing with the cost-of-living and other pressures.

In our pre-Budget submission we sought investment in the form of a targeted package of measures of €163.6m to address the impact of the cost-of-living on young people and to address specific inequalities for that exists for young jobseekers and workers.

For **young people in further and higher education**, there was good news with significant one-off reductions in contribution charges of €1,000 this year and €500

in 2023. This will help lessen the financial burden for many, however, NYCI believes there is a need to make these reductions permanent, as part of a phasing out of such fees.

The reduction of contribution charges for apprentices by one-third is a welcome start, however we had called for the abolition of these charges (€1,000 for craft- and consortia-led courses) to support apprentices.

Other welcome supports included the inclusion of a one-off double SUSI maintenance payment in December 2022 and a €500 increase in the Post-Graduate Contribution Grant.

For **young jobseekers'**, there was a €12 increase in weekly payments of Jobseekers' Allowance from January 2023, but no equalisation of rates between under-25s and those aged 25 and up. This is particularly disappointing and means that young people aged under-25 will still receive over €90 less per week compared to their friends and family aged 25 and older.

In the context of the current cost-of-living crisis, the new rate of €129.90 p/w is simply inadequate for young people to survive on.

Despite Cabinet signing off on an increase in the national minimum wage of 80 cent from January 2023, there has been no progress on the removal of sub-minima rates of the minimum wage for young **workers**.

This is particularly disappointing for the over 10,000 young people earning below the national minimum wage, and still means that some young workers will be earning as little as €7.91 per hour.

Age	Minimum Wage Rates (per hour)		% of minimum wage
	2022	2023	
20 years old+	€10.50	€11.30	100%
Aged 19	€9.45	€10.17	90%
Aged 18	€8.40	€9.04	80%
Aged 16 or 17	€7.35	€7.91	70%

Other supports

The young adult travel card, which ensures **public transport fare reductions** of 50% for young people aged 19-23, has been extended to the end of 2023, and this will provide relief to young people who spend a larger proportion of their income on public transport.

It is, however, unfortunate that the opportunity wasn't taken to bring more young people into the scheme by expanding the upper age limit.

One measure in relation to housing that we hope will offer some support to young renters is the introduction of **tax relief for renters** to the value of €500 this year and €500 in 2023.

While we welcome this measure, we recognise its limitations. The standardised average rents in new tenancies in Q1 2022 were €1,460 per month nationally, and €2,015 in Dublin. Full tax relief of €500 equates to 2.9% of a standardised average rent in new tenancies in Q1 2022.

More needs to be done to increase the housing supply and to support renters in a high-cost rental market.

Likewise, additional supports, including for young people in homelessness are needed and we are awaiting further detail from the Department of Housing on the breakdown of their €215 in new funding for homelessness services, along with publication of the Youth Homelessness Strategy in November.

NYCI Response

- NYCI is seeking clarity from the Tánaiste, as to whether progress will be made on the Low Pay Commission's recommendation to prepare a report examining the issues around retaining, removing, or expanding youth rates of the National Minimum Wage;
- We are engaging with partners to get clarity on the allocation of funding for youth homelessness services for 2023;
- Had concerns about the impact of the cost-of-living on young people raised by a number of Senators during a recent debate on the issue.

We will also begin a process of planning to Budget 2024, including:

- Meeting with policy directors in political parties and party spokespeople in the next two months;
- Seeking guidance from our Policy and Advocacy Committee as to direction of our Budget submission for 2024 and;
- Continuing to publicise the impact of the cost-of-living crisis on young people.