

# Budget 2024 round up

## Youth Work

In our pre-budget submission for 2024, [NYCI argued for a €9.4m increase in youth work funding](#). This investment would have helped to address the issue of recruitment and retention in the sector, assist services in dealing with rising costs, ensure more young people could access youth work, and supported the sector to support delivery of the new Action Plan for Youth Services.

### What has been announced:

What we know so far is that the level of current funding for youth work organisations will rise by €5m. However, there is no provision for capital funding in 2024.

The devil is in the detail in respect of the additional current funding provision, with only €1.5m provided for existing services, along with:

- €2.5m in new funding to expand universal services
- €1m for a new youth employability scheme

### Analysis

While it is positive that NYCI and the sector's message that a much-needed boost for universal youth work services has apparently been heard with the provision of €2.5m to support the expansion of universal youth services, a limited increase has been made available for existing schemes in the form of €1.5m.

This will be disappointing for youth work organisations struggling with rising costs and demand, organisations which are also expected to support delivery of new Action Plan on Youth Services. This also means that there will only be a 2.1% rise in funding for existing schemes, which will not provide relief.

Unfortunately, it appears that there is no capital budget available in Budget 2024.

This highlights the continued volatility of the capital funding stream for youth work (see table one). While small pieces of capital funding were not always the top priority for organisations who want to address bigger infrastructural challenges, the provision of no capital funding will make 2024 more difficult.

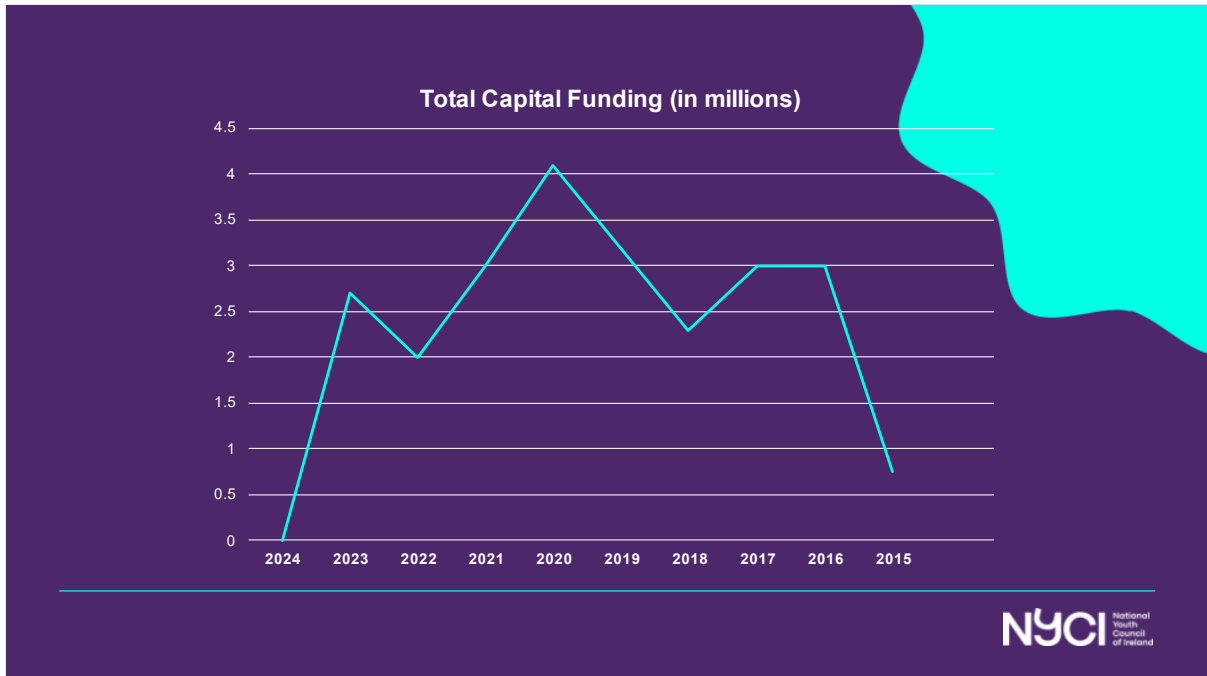


Table1: Capital funding provision for youth work 2015 - 2024

This means the total increase in the budget for youth work organisations has only seen a 2.83% rise in real terms.

We are very aware of how disappointing this news is to many of our members who have made significant inroads into raising awareness of the value of youth work with Oireachtas members over recent months.

It is important to recognise despite that disappointment, the strong connections built by our members within communities has had a strong impact and will continue to do so. We are stronger together and will work to ensure Budget 2025 is a positive one for youth work.

#### **NYCI next steps**

- We will stay in contact with our members to reflect on Budget 2024, ensure we hear their views on its impact and to highlight their response in discussions with DCEDIY.
- We will work with DCEDIY to further understand the breakdown of new funding, and keep our members informed.

# Support for young people

NYCI argued that Budget 2024 was an opportunity for the state to renew its social contract with young people by addressing issues that young people are facing such as cost of living, lack of accommodation, homelessness and discriminatory policies facing young people in the workplace and young jobseekers.

We proposed several targeted measures which we believed would have had a positive impact on the lives of young people.

One-off and cost of living measures announced such as the expansion of the young adult travel card, and reduction in some further and higher education costs are very welcome and will have a positive impact on many young people.

However, despite positive measures, Budget 2024 lacked the ambition needed to address many critical challenges for young people, including those at risk of being left behind.

The lack of action taken to equalise the rate of Jobseekers' Allowance for under-25s, to abolish sub-minimum rates of the national minimum wage for under-20s and, to date, a lack of clarity on funding available to tackle youth homelessness means many have been left behind by Budget 2024.

## **Key Budget 2024 announcements:**

- The extension of the young adult travel cards to 24- and 25-year-olds.
- Continuation of the one-off reduction of €1,000 on the student contribution charge for those eligible for free fees.
- Reduction of contribution charges for apprentices by one-third.
- Tax relief for renters was extended and raised from €500 per year to €750 per year.

# NYCI response

## Cost of living measures:

The **extension of the young adult travel card** to 24- and 25-year-olds, is very welcome and will mean more young people can access cheaper public transport. This also comes with confirmation the young adult travel card scheme will be extended for two years and the 20% reduction across the board in public transport fares for a further year.

Recent research conducted by Red C for NYCI showed that 18–24-year-olds spend a much larger proportion of their income on public transport than the general population, which shows the real need for this investment.

NYCI has campaigned extensively for the extension of the card up to 25-year-olds for the last two years, and we believe that this change will have a positive impact on many young people.

Along with acting as a practical measure to provide support to young people struggling to deal with the soaring cost of living, the expansion of the young adult travel card will help young people establish strong sustainable mobility habits and support the Climate Action Plan's target of 500,000 public transport and active travel journeys per day by 2030.

The **continued one-off reduction in Third Level fees by €1,000**, the new €500 student contribution grant and one-off reduction of 33 per cent in the contribution fee for apprentices are positive steps to reducing financial pressure on young students.

In our pre- budget submission, NYCI argued for the student contribution to be reduced by €1,000 in 2024 and phased out in 2025, and an abolition of apprenticeship charges.

Budget 2024 goes some way to deliver on these, but a longer-term commitment to complete abolition of fees is needed to give young people and their families the financial support needed.

Other measures announced, such as the further €8.1 million investment in the Student Assistance Fund for the 2023/24 academic year, the removal of Post Leaving Cert (PLC) fees from September 2024; and student contribution fees being abolished for all incomes under €55,924 are welcome and will make a difference to some young people.

Finally, in terms of cost of living supports, our pre-budget submission made the case for a €200 **Culture and Media Card** for young people to support them to engage with cultural activities. This proposal, despite a positive reception from the arts sector, media and some in the Oireachtas, was not adopted by Government this year.

Our proposal was based on schemes introduced in other EU countries which have helped foster more engagement with culture, arts and media post-pandemic. Young people's ability to interact with the arts was severely curtailed during periods of COVID restrictions, and it was dealt a further blow by the cost-of-living, which has restricted the ability of many young people to take part in culture activities.

We have already heard concerns expressed by the Arts Council and others in the sector about a worrying drop-off in the number of young people attending events they support. The Culture and Media Card would have gone some way not only to addressing this, but to fostering a lifelong habit of participation in arts and culture.

Our proposal also would have supported small and medium creative enterprises in communities which have been struggling post-pandemic, along with the Government's own "Creative Youth Plan".

While we are disappointed that this proposal wasn't funded in 2024, we do hope to continue our engagement with Government and Minister Catherine Martin in the coming months to help build support for the measure and further investment in young people's participation in arts, culture and media.

### **Strategic supports to improve wellbeing and address basic needs:**

Investment of €242 million was announced for the delivery of homeless services in Budget 2024. This will be kept under review during 2024, with a commitment to respond to any arising challenges and provide any necessary funding required.

Clarity is needed as to the specific level of support which will be provided for the **Youth Homelessness Strategy** in 2024, following its publication at the end of 2022.

With 1,520 young people (aged 18-24) in state emergency accommodation (as of the end of August), and many more in 'hidden homelessness', there are huge challenges which must be addressed for young people, especially those leaving care.

NYCI is a founding member of the Coalition to End Youth Homelessness and played an active role in ensuring publication of the Youth Homelessness Strategy. We will be working with the Coalition to ensure that adequate funding is provided for the full implementation of the youth homelessness strategy in 2024.

The Youth Homelessness Strategy contains 27 distinct actions aimed at young people who are experiencing or at risk of experiencing homelessness, with many targeted at preventing youth homelessness and ensuring the many young people currently in emergency accommodation can access safe, secure and stable accommodation.

### **Advancing equality for young workers and jobseekers:**

The €12 increase in weekly social welfare payments from January 2024, along with proportionate increases for qualified adults and people getting a reduced rate, is welcome for many.

However, there will be **no equalisation of Jobseekers' Allowance (JSA) rates for those under 25, and the over 25 rates**. Rates of Jobseekers' Allowance were €90 less for those under 25 before Budget 2024, and despite a €12 increase for all claimants, no change in this policy means young people under 25 will receive 39% less per week compared to friends and family aged 25 and over.

Despite developments in recent years affecting under-25s, including the restoration of the full JSA rate to young people engaged in education, training and work experience, and an increased rate for those on the Work Placement Experience Programme, 3 in 4 young people are still on the reduced rate for under-25s.

This suggests that additional activation measures are not working, as only 1 in 20 young people under 25 receive the full rate of JSA. It points to the need not only for additional targeted measures to support those further from the labour market, but the need for a removal of reduced rates of JSA

for under-25s. As it stands, lower rates of JSA are pushing young people who need additional support to get into work, education or training further into disadvantage.

Budget 2024 has recognised that those on low pay needed support, and an **increase of the national minimum wage (NMW) to €12.70 was announced.**

This is welcome, however the continuation of sub-minimum rates of pay mean that young workers under the age of 20 may be on less pay than their counterparts over the age of 20.

NYCI believes bringing about an end to the policy of paying young workers aged less than 20 will bring benefits to society and the economy and, to the quality of life and financial wellbeing of young workers and their families.

The current situation whereby young workers under 20 can earn rates of the NMW below their colleagues aged 20 and over is discriminatory, leaves young workers open to exploitation, and puts many young people providing for themselves and for their families in financial difficulty.

With the introduction of new rates of the NMW, an 18-year-old worker will earn €4,600 less per year (gross) compared to a 20-year-old doing the same job.

We made a detailed [submission to the Low Pay Commission](#) earlier this year on this issue, and await a review by the Low Pay Commission and ESRI on Sub-Minimum Rates.

### **Other announcements:**

There were some other measures announced in Budget 2024 that are relevant to young people. The tax relief for renters was raised from €500 per year to €750 per year, which is welcome. However, recent analysis showed that only half of eligible renters had claimed the credit.

Issues with landlords not being registered with the RTB have been sighted as reasons why some tenants have not availed of the measure. NYCI believe that target supports are needed to ensure all renters can avail of this increased tax credit.

The establishment of a Climate and Nature Fund, where up to €3.15 billion can be drawn down for large green infrastructure projects which will reduce emissions is very positive and is an investment in the future for young people, however it will not be available for drawdown until 2026.

### **NYCI next steps**

- We will work with partners to ensure that the youth homelessness strategy is funded in 2024.
- We will continue to advocate on issues contained within our pre-budget submission that have not been resolved by Budget 2024, including monitoring the outcomes of the Low Pay Commission/ESRI report on Sub-Minimum rates closely.
- We will conduct research at the end of 2023 to update our understanding on the main policy issues facing young people. This research will inform our policy and campaign work for 2024, including for Budget 2025.