

# Who Cares for Children and Families?



*Family First*



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## What the Constitution Says

**B**unreacht na hÉireann does not oblige the State to subsidise or provide childcare outside of the home. It does however, give due status to the family and the mother at home in the following articles:

**Article 41.1 1<sup>o</sup>** - The State recognises the Family as the natural primary and fundamental unit group of Society, and as a moral institution possessing inalienable and imprescriptible rights, antecedent and superior to all positive law.

**Article 41.1 2<sup>o</sup>** - The State, therefore, guarantees to protect the Family in its constitution and authority, as the necessary basis of social order and as indispensable to the welfare of the Nation and the State.

**Article 41.2 1<sup>o</sup>** - In particular, the State recognises that by her life within the home, woman gives to the State a support without which the common good cannot be achieved.

**Article 41.2 2<sup>o</sup>** - The State shall, therefore, endeavour to ensure that mothers shall not be obliged by economic necessity to engage in labour to the neglect of their duties in the home.

Despite these constitutional provisions, successive government policies have not even bothered to pay lipservice to full-time mothers, while legislative changes such as tax individualisation have levied an unconstitutional charge on single-income families.

The *Mother & Child Campaign* believes that the best interests of children, the needs of families and our shrinking birth rate must be looked at simultaneously by the *Minister for Family and Social Affairs* before the December 2005 budget is finalised. This booklet discusses these interdependent issues and makes several recommendations, which, we believe, will best serve all concerned.

## The Issue of Childcare

**B**y dint of much media prompting childcare has become a major political issue, and varying reports say that between six and eleven options dealing with financial assistance for childcare will be looked at by the Cabinet prior to the December 2005 Budget.


The question of who should care for the nation's children should not be allowed to become a political football. Furthermore, neither ideology-driven organisations such as the *National Women's Council of Ireland*, businesses providing child-minding services, nor employers' lobby groups, should be given exclusive access to the cabinet's ear. Labour and Fine Gael have rushed to greet an opportunity to score points against the Government, while ignoring the single income family, as have the market force-obsessed PDs. Only the Green Party have been outspoken in proposing to treat all families with parity. To date, Fianna Fáil have not been coherent on the issue.

Whether or not the taxpayer should pay for childcare cannot be looked at in isolation, and the needs of children must always be paramount. We urge

the Minister to look at the related issues - the need to protect the family and the demographic challenges faced by this country, and to examine the evidence in relation to extra-domestic childcare.

The *Mother & Child Campaign* also urges the Minister to ensure that the children and the families of the nation are treated equally. Single-income families and full-time mothers are becoming increasingly aware of the extent of the discrimination, financial and otherwise, which they endure. As the costs of changes in taxation are implemented, many families are now asking why they should carry the cost of a State benefit that would ignore their children and treat the spouse at home as a second-class citizen.

The irony of the situation is not lost on full-time mothers. The work they do in caring for children is deemed valueless by the State, yet the same State has already allocated €500 million to childminders to provide similar care outside the home. What the State considers to be the real cost of caring for children is reflected in payments to foster parents, who receive €297 a week for children under twelve years



of age, increasing to €324 weekly when the child is over twelve. The families of full-time mothers, on the other hand, are taxed an additional €5,460 annually simply because they perform the same function for their own children. Because of IT skills and

ease of communication full-time mothers at home are increasingly able to share information and to organise and respond to the inequity of the current taxation and benefit regime. They, and their families, are no longer content to suffer in silence.


## Related Issues : *The Family*

**A**rticle 41.1 of Bunreacht na hÉireann recognises the family as the primary and fundamental unit group of society. There is no society based on any other unit group to which we should aspire. Nations which have sought to “break” the family in favour of the State, such as the old Iron Curtain states, have suffered immensely in terms of sociological and individual hardship. The Minister should bear this in mind in considering policies that treat parents as mere economic units.

The recognition of the family's importance by the Constitution, and its ascription to it of “inalienable and imprescriptible rights” shows the level of importance which has traditionally been attributed to this fundamental

unit by Irish society. It has served us well. When the Constitution describes the family as “indispensable to the welfare of the Nation and the State”, it is not a statement to be taken lightly. Weakening the family, as has been the wont of the legislature in the past three decades in particular, has led to a situation where there are now many children and parents who have suffered unnecessarily because the State has failed in its obligation to protect the family unit and to afford it its due rights and privileges.

The State's introduction of policies, which successive Governments have pursued, to forcibly remove mothers from their homes and to financially penalise any mothers who take on the role of home-maker is a disgrace.



Recent policies have shown no understanding of, or desire to, maintain the family unit and encourage the growth of families. This government should reflect that, in order for the State to provide for the future, they must first realise that extinction faces the nation which does not produce adequate numbers of citizens.

Rising rates of marital breakdown, and the growth in lone-parent families, raise questions as to why family-friendly policies are not given more attention. Recent studies in the UK have revealed some disturbing trends. A 1996 study by *Centre for Policy Studies - Are Families Affordable: Tax, Benefits and the Family* - found that the traditional two-parent family tends to be most disadvantaged; of all those in the bottom 10% of the population by income, 46% were couples with families, while only 12% were lone parents.

The study identified changes in the structure of taxation as a prominent reason for the relative financial decline of the two-parent family, and said that since the 1970's the proportion of income paid in taxes has

increased for a couple with children; for those without children it had decreased. It found that another significant change has been the abolition of tax allowances for children and their replacement with Child Benefit; the value of child benefit in the 1990's was only half of the combined child tax/family allowance of the 1950's.

Today, in Ireland, we have a situation where a huge number of families are under pressure and suffering stress; we have relationships and families coming apart, and more and more troubled and troublesome children. Families in this State need support, financial and otherwise and some families must not be excluded to the benefit of others.

If the Minister wishes to help families and to lift children from poverty, he should ensure the punitive tax on families charged through tax individualisation is scrapped. He should give appropriate tax credits and benefits to families and release parents from the mortgage indenture driving so many mothers to work by providing affordable housing.



## Related Issues : *Europe's Population Crisis*


The socialist style of economics, which insisted both parents worked outside the home, and the free-market environment currently driving the Celtic Tiger, have both offered families only one option; to limit the number of children they can have. Thus, in the past 40 years, the number of children per family has constantly decreased. The “birth dearth” is what demographers call plummeting birth rates in most of the industrialised world. Throughout Europe and East Asia, the fertility rate is well below 2.1 births per woman - the minimum needed to maintain a stable population.

In Japan, for example, a birth rate that is barely half that of replacement level has forced the closure of more than two thousand schools in the past ten years, with hundreds more closures to come. It has left the government wondering who will support Japan's ageing population, and has prompted older Japanese to call their childless sons and daughters “parasite singles.” Europe faces a similar crisis. Throughout history, societies in demographic decline, usually as a

result of war or disease, face one of two unattractive options: a decline in their standard of living or the replacement of their native population with more fertile immigrants. Europe has, essentially by default, chosen the latter, and in Ireland we've been relying on immigration in recent times to boost our falling population and to solve our much lamented labour shortages. However, according to the EU Commission, immigration will, very shortly, be an inadequate solution. And, in any case, immigration brings its own demographic problems, since immigrants, following current birth and fertility trends will also add to our future pensions burden, without providing sufficient taxpayers to meet that burden.

The report of the EU Commission: *Confronting Demographic Change: A New Solidarity Between the Generations (2005)*, makes for startling reading. It confirms that the EU is facing an unprecedented demographic crisis and that immigration can no longer be relied on to mitigate the impact of falling birth rates. It also predicts that despite the rise of retire-





ment age, the falling population will cause annual growth to be halved by 2040. The report notes that European society is no longer conducive to child-rearing and that the natural population in Europe rose by only 0.04% in 2003. It also states that the fertility rate everywhere is below the threshold needed to renew the population, approximately 2.1 children per woman. In 2004 the Irish rate was 1.95.

Neither are the newer EU member states immune to the growing crisis; in fact, a year 2000 United Nations report, the *Economic Survey of Europe* has warned that population levels in Eastern Europe are likely to plummet by a third over the next 50 years due to a dramatic drop in birth rates. Estonia registered 16 live births per 1,000 people in the late 1980s

when it was under Soviet rule. In 2001, there were just 8.7 live births per 1,000 people. Similar declines in other European states have sparked a host of child-based incentives in Latvia and the Czech Republic.

Vladimir Spidla, *European Union Commissioner for Employment, Social Affairs & Equal Opportunities* has said that failure to address declining birth rates and family needs would directly hit Europe's future economic growth, and that Europe's work force is set to decrease by 20.8 million in the next 25 years. He has warned that "Now is the time to act. There are just six years before 2011, when a sharp decline in the active working population (aged 15-64) will coincide with a significant rise in the number of over 65s." He has also called for a removal of barriers to higher birth rates.







## Dealing with the Demographic Crisis


**A**cross Europe fertility rates are well below the minimum of 2.1 children per woman that is needed to prevent population decline. For Western Europe as a whole, the rate is 1.5. It's 1.4 in Germany, 1.6 in the UK, 1.3 in Italy and 1.2 in Spain.

In Ireland, a strange form of wishful thinking means that we continue to boast of our young population when our birth rate has, in fact, shrunk to below replacement level. Jan Hoem, a director of the *Max Planck Institute for Demographic Research* in Germany described the declining population in Europe as "a kind of creeping crisis." In fact, as the French Government has said, having two children is simply not enough; given naturally occurring infertility and other factors, it is necessary for as many women as possible to have at least three children to avoid a population crisis which will cripple growth and leave the next working generation with an insupportable pensions burden.

But at least in France, as in many other countries, the French govern-

ment is attempting to slow the population decline. Prime Minister Dominique de Villepin has recently unveiled measures which will yet again increase monthly welfare payments for parents who take unpaid leave to care for a third child. Similar incentives have been in place for ten years including generous child allowances and a calibrated income tax system which ensures that families with more children pay less. Mr de Villepin has also promised a discount system similar to the reduction for large families on the French railways for spending on goods and services. These measures are beginning to produce results. France's fertility rate has crept back up to 1.85 - still too low, but an improvement on the previous levels which threatened to shrink economic growth and increase population dependency.

Speaking at the French *Conference on the Family* in September 2005, de Villepin said that the birth rate "is still insufficient in our country." "If the number of families with three children doubled, the renewal of generations would be ensured." The Conference



is an annual event where the government consults with organisations representing families and the motto of the conference is “A free choice for families”. The number of French parents paid to stay at home with their children has risen from 493,763 in 2000 to 552,149 last year. The direct correlation between a rise in population and the freedom to care for children at home is obvious.

Other countries have launched similar initiatives to deal with the danger of shrinking populations. In Australia, the federal government's \$3000 baby bonus (increased to \$4000 in 2005) has helped to reverse the nation's declining birth rate, with the Australian Bureau of Statistics figures showing that the number of babies per woman rose to 1.77 in 2004, breaking a forty year period of decline.

Germany has introduced new tax incentives to encourage large families - along with a programme that would supply all women with “motherhood vacation” money of €200 a month for a full year after giving birth. These incentives are badly needed. Already in Germany, 18% of the population is over 65.

With birth rates at an all-time low in Italy, and retirees expected to outnumber active workers by 2030, the government has recently introduced various population-boosting incentives, including a monthly payment of €500 during the first two years of each child's life. It is hoped this may have the effect not previously achieved by tax-funded childcare and paid leave for both parents, an indication that incentives need to be child-based not market-focused.





## Who Will Pay Our Pensions?

**1** 0 years ago the prevailing attitude towards looming pensions payments was one of deep concern. Today, with birth rates at an unprecedented recorded low and the pension dependency ratio climbing yearly, it is more like panic. Ireland faces a likely pensions crisis brought on by the same factors causing this demographic nightmare elsewhere. The 2002 Census of Population brought forward more evidence of the likely cost going forward for the Exchequer, and for taxpayers in general, from an ageing population supported by a shrinking workforce.

The cost of the State-funded scheme for long-term nursing home care has increased 600% since it was introduced ten years ago. The *Mercer HR Consulting* report, commissioned by the *Department of Community and Family Affairs* into the future financing of long-term care, said an increase in PRSI contributions would be necessary and it has been reported that the Government is considering increasing PRSI contributions by 1.5% to pay for the long-term care of the elderly.

The numbers of citizens aged over 65 in need of moderate or high levels of care is set to almost double before 2050 according to the Mercer report. Although the 2002 Census showed that the average age of the Irish population is still relatively young at 35.1 years, our birth rate is steadily falling, and the average age is likely to start increasing at a faster rate over the next few years. This all has enormous implications for the dependency ratio, pension liabilities, and the overall cost of looking after the elderly.

In October 2005 the *Organisation for Economic Co-operation and Development* said that Irish people should be prepared to work until they are 85 and added that retiring or applying for disability payment should be made more difficult. A Euromoney conference in London in September 2005 showed that in France every ten workers will be supporting seven pensioners by 2040. Ireland will reach the same pension dependency ratios within 40 years unless a serious change in policy occurs which supports families and rearing children.

No one knows how well modern economies will perform with so many elderly people, heavily dependent on government benefits. Higher taxes are what most analysts forecast. But Europe's economy is already faltering and growth in the EU is falling. The lesson is simple: zero population growth equals zero economic growth.


In Ireland that lesson, and the experience of every other European state, is, unfortunately, being ignored. Our politicians still carry on with their disgraceful policies whereby mothers caring for their children, not only receive no help from the state, but are penalised through tax individualisation.



## What's Best for Children : *Evidence in Relation to Childcare*

The debate regarding childcare has shifted, in that we now discuss how damaging it may be - that it is damaging is widely accepted. Maureen Gaffney, the National Economic and Social Forum chair

was articulating a pipe-dream when she made her extraordinary statement in September 2005 that in relation to concerns regarding the best interest of the child in childcare "the argument was now settled".




All the major longitudinal studies suggest the complete opposite, and the sheer crassness of that statement was highlighted by the emergence, in the following month, of an academic childcare study by Dr Penelope Leach and others which found serious problems with children in extra-domiciliary care. The *Families, Children and Childcare* study for Oxford and London universities, which followed 1,200 children from three months until age four, concluded that those looked after by their mothers do significantly better in social and emotional development than those looked after by others, who are “definitely less good”. The study found that children fared best at home with their mothers, followed by nannies and childminders in a homely situation, then grandparents and other relatives, with day nurseries at the bottom as the “least good.” It also revealed that young children in nursery daycare tended to show higher levels of aggression or were inclined to become more withdrawn, compliant and sad.

In the mid-1990s a UK study by the National Children's Bureau into nursery care for children under three

found an alarming lack of personal contact between staff and children, which meant the child's need for attachment was not being met. Toddlers were often frightened, neglected and withdrawn.

Ten years later it would appear that not much has changed. A September 2005 study - *Transition to Child Care: Associations with Infant-Mother Attachment, Infant Negative Emotion and Cortisol Elevations* - undertaken in Berlin by Professor Michael Lamb of Cambridge University and others, showed that toddlers starting at daycare nurseries experienced high levels of stress in the first weeks after separating from their mothers, and showed continuing mild stress for as long as five months. Their levels of the stress hormone cortisol doubled during the first nine days. New Australian research published in 2005 also found elevated cortisol levels in infants and children in childcare centres, even up to the age of six.

Jill Kirby produced an insightful report - *Women Work and Family* - for the UK Centre for Policy Studies in 2003. She cited earlier research into non-




maternal care by the *Joseph Rowntree Foundation*, which showed that children whose mothers were employed full-time when the child was under five had reduced chances of obtaining qualifications, and were more likely to be unemployed and suffer psychological distress in early adulthood. This is especially bad news for poorer mothers who want their children to succeed academically to escape the poverty trap, but are being driven out to work through economic necessity

In their 2002 document entitled *Parents Under Pressure*, the child care agency *Barnardo's*, criticised the

current child care debate for being more concerned about gender equality and market forces than the welfare of children. They suggest that time poverty is one of the greatest threats to children's well being.

Dr Kay Margetts from the University of Melbourne found that when children attend centre-based childcare for more than 30 hours a week, they are at increased risk of lower levels of social skills and higher levels of problem behaviours and lower levels of academic competence in the first year of schooling. The *US National Institute of Child Health and Human Development Study of Early Child*





Care has collected data from birth to middle childhood for more than 1,000 children from 10 different American communities. It found that those children who had spent more than 30 hours a week in group childcare were almost three times as likely (17% as against 6%) to show aggressive behavioural problems, than those who had spent 10 hours or less, regardless of the quality of childcare.

Research undertaken by Professor Jay Belsky, Director of the *Institute for Studies of Children at Birkbeck College, London*, has found that there is no substitute for a child's parents, and especially for a mother in the early years of a child's life. He also says that children who spend more

than twenty hours a week away from their parents, in childcare, from an early age, are likely to be problem children, more aggressive and less well-behaved. Consider the likely effects then on children in a crèche for up 45 hours a week.


Most mothers want to rear their own children and certainly don't want to hand them over, day after day, to a succession of strangers. It is universally agreed that the best possible childcare is provided by the parent in the child's own home. The State should assist families to provide what is best for their children and should pay special attention to the growing evidence as to the damaging effects of extra-domiciliary childcare.

## Where Women Work

Much has been made of the *Quarter 2 2005 Quarterly National Household Survey (QNHS)* released by the *Central Statistics Office (CSO)* which recorded a 51.4% participation rate for married females in the labour force. An *Irish Times* editorial on October 10th

2005 spoke ominously of the peril to politicians who ignored family needs, but, in keeping with the paper's agenda, went on to completely disregard single-income families and mothers at home. A closer look at the QNHS and another CSO report - the *2002 Census* - reveals more pertinent data.





The QNHS reports that of the 819,100 women in paid employment outside the home, some 261,000, or 32%, work part-time. What the QNHS cannot tell us, however, is what proportion of women in full or part time paid employment are forced to work outside the home due to economic necessity.


Neither does the figure of 51.4% of married women in paid employment distinguish between married women with children and those without, a most important distinction. In fact, the QNHS shows that 28.5% of mothers of children under 14 work outside the home full-time, 23% are working part-time, 46% are working in the home, while 2.5% are classified as unemployed. **This means that 69% of mothers - as well as some fathers - are at home part-time or full-time.**

Table 23 of the QNHS shows that the number of married women working is significantly smaller where a married couple have at least one child aged less than 5 years and at least one child aged over 14, or where all children are aged 5-14. In fact, in analyzing 325,200 working married women

with children, Table 23 shows that only 1.3% had children aged under 5 years and over 14 years and only 14.5% had children aged between 5-14 years, indicating that women with more than one child are more likely to work in the home, while they perform the thankless service of providing the State with future taxpayers.

The 2002 Census gives a classification of females by age group, Principal Economic Status (PES) and distinguishes those with/without children of varying ages. It shows a marked increase in the numbers of women who state their PES as looking after home and family once those women become mothers - once they have 1 or more children of any age.

The total number of females of all ages looking after home/family increases threefold - from 131,984 to 417,633 - once women have at least one child. The 2002 Census then groups females into the following age categories: 15-24 years, 25-44 years, 45-64 years, 65years+. If it is accepted that ages 25-44 are child-bearing years for most women, then this age group will be most concerned with



childcare issues. In this grouping, the number of women described as looking after home and family increases almost ten-fold - from 13,308 to 141,661 - once women have at least one child.


The 2002 Census statistics also show that female participation in paid employment in ages 20-44 decreases significantly when women have children aged 0-5 years. This decrease is sharpest when women have three or more children - all future taxpayers and desperately needed to boost the flagging population. The figures suggest a return to paid employment when children are 14 years plus.

The media-created myth of women

clamouring for free childcare should be treated with caution. The *Irish Times*, in decrying the hardships faced by families who need to rise at ungodly hours to travel to work via the crèche, did not give due consideration to an important factor: Many parents wish to rear their own children in the safety of their own homes, and many parents are making sacrifices to do just that. In other families, despite Constitutional provisions obligating the State to do otherwise, mothers are forced to endure painful separation from their children due to state-engineered economic necessity.

Providing state-funded childcare will not ease the strain of separation or the hours spent travelling from home,





to crèche, to place of employment. Assisting families, on the other hand, would markedly improve this situation by offering real choices, as well as providing the nation with relief from the demographic crisis currently being shamefully ignored.

In any case, 544,600 parents care for their children in their own homes with another 261,000 women doing so on

a part-time basis. These families constitute an enormous section of the electorate who are being actively discriminated against by policies such as tax individualisation and proposals which would exclude single-income families and full-time mothers from additional payments to alleviate the cost of rearing and caring for children. These are the people politicians would ignore at their peril.

## Mothers at Home : *Their Value and Service*


### What Women Want

**S**urveys conducted by *BUPA*, *Top Sante*, *New Woman* and many others in recent years, have shown that a majority of mothers would prefer to raise their children at home. Mothers who make many sacrifices to provide their families with full-time care do the State an inestimable and unrewarded service. That the emotional well-being of children is vastly improved by their sacrifices, is now universally accepted.

A July 2005 report in the UK has found that mothers of young babies get 30% less sleep than their own

parents did and that permanent exhaustion has become a worrying feature of family life. The report is based on a survey of 2,000 parents, by the *Mother & Baby* magazine, and 2,000 grandparents by *Yours* magazine, which concluded that parents are struggling to get children to sleep, whereas their mothers found it considerably easier.

The sleep deprivation left two thirds of mothers feeling bad tempered (65%), tearful (61%), forgetful (57%), depressed or despairing (37%), more accident prone (34%), unable to function properly (27%) and irritable with



their baby (27%). The findings raised further questions as to the detrimental effects of the daily separation of mothers and babies, which is often driven by economic necessity and lack of State support for the family.


Eight out of ten mothers who recently returned to work after maternity leave thought they have the work-life balance wrong (78%). Almost half (46%) said that they would rather be a full-time mother, and 52% feel "pulled in too many directions".

The *Mother and Baby* findings are mirrored in surveys carried out by *BUPA* and *Top Sante* in the year 2000 which found that up to 81% of mothers with babies and pre-school children would stay at home if they could afford to do so. These are, of course, UK surveys but it would seem that an even greater amount of Irish women feel the same way. A 1993 MRBI poll, commissioned by the polling company to celebrate 30 years in existence, revealed that 75% of Irish women saw full-time mothering and home-making as the most important role for women.

No poll of this nature has since taken place in Ireland. The obvious question is, why not? **Because mothers at home are denied the enormous research grants given to the feminists in the *National Women's Council* et al, whose hostility to homemakers is barely concealed in their September 2005 report.** Irish political parties are likely to ignore these findings since they don't fit their own political ideologies. They are either stuck in a 1970's time-warp which insists that women want to leave their children, or are deliberately creating conditions which force women to work outside the home to satisfy short-term labour market demands.

### **Net Present Value of Our Children**

Politicians often speak of investing in children and given that we face an unprecedented population crisis they would be well advised to make this particular promise a reality. Yet Ireland has refused to put the financial incentives in place to assist families with children. Other jurisdictions have found that payments which favour the labour market - such as state-funded crèches - have not



boosted the birth rate while child-based incentives such as have been introduced in France and Italy, which allow full-time parenting, have begun to show results.

The Minister should undertake research which would calculate the Net Present Value of each child, as a future taxpayer, to the State. This value should be reflected in child-based incentives, such as the introduction of a child tax credit, universal child benefit payments, and accelerated child benefit payments for large families. Since mothers at home are providing the best possible care to the future taxpayers of the nation, the State should abandon the folly of implementing the *Lisbon Agreement* and introduce an allowance for full-time mothers.

### Funding

It is a disgrace that full-time mothers receive no State funding to assist them with research and representation. While the *National Women's Council of Ireland* (who describe care work at home as “a burden” in their report *An Accessible Childcare Model*) are in receipt of sufficient taxpayer's funds to allow staffing, offices and research, full-time mothers may as well not exist. Funding should be made immediately available to:

- o Allow full-time mothers representation and support,
- o Research what mothers actually want, as opposed to being told what they want,
- o Formulate the best combination of tax provisions and benefits to support families with children.





## Discrimination against the Single Income Family

### Tax Individualisation

**T**he December 2004 Budget continued the policy of tax individualisation which now punishes single-income families to the tune of a staggering €5,460 a year. It is, in effect, a punitive tax on families.

Single-income families begin to pay tax at 42% at an earning threshold of €38,400, and are denied the benefit of an extension of the 20% tax bracket to €58,800 which has been granted to double-income households. Neither do single-income families have the benefit of a double PAYE credit. The miserly Home Carers tax credit only provides €770 as any form of redress to full-time mothers.

Advocates of tax individualisation argue that this was necessary to achieve labour market objectives set by employers and by the *Lisbon Agreement*. They ignore the fact that meeting short term labour market objectives by forcing mothers out to work has been shown, in every jurisdiction, to reduce the birth rate, causing a labour market crisis, with enor-


mous financial repercussions for future generations. While political parties all too often think of the interim, surely Fianna Fáil do not want a political legacy of having stalled the economy by refusing to anticipate a demographic crisis.

Since the introduction of tax individualisation was staggered over several years, not all single-income families are aware of the injustice now inherent in the Irish tax system. As awareness of this invidious discrimination increases, a sense of outrage is growing throughout the nation.

### Capital Grants towards Childcare

Capital grants totalling some €500 million have already been paid to childcare providers. With a total of 1.9 million taxpayers, each taxpayer has paid €263 to date for this purpose. However, since double income families are net beneficiaries of this tax charge, it is single people and single income families who contribute with no return. They will also become the net contributors to solutions that favour benefits to families using extra-domiciliary care. In other words, fam-





ilies who care for their own children must pay for the cost of providing childcare for another family who wish to earn another income.

This form of invidious discrimination is unfair, unconstitutional and economically short-sighted. Families who care for their children at home, are having and rearing the future taxpayers of the nation. That they are being punished for doing so is causing enormous anger amongst these families.

### **Benefits denied to Families**

In October 2005, the Health Minister Mary Harney, ensured that single-income families were left out in the cold once again. When increasing income guidelines for medical cards Ms Harney allowed a change in the calculation of disposable income when applying a means test for medical cards. Childcare expense would now be an allowable deduction for the double-income family, but single income families were excluded, once again, from the benefit of change.





## Options

### The Six Reported Childcare Options

It has been widely reported that a key tax advisory group have prepared the following six options for Ministers to consider.

1. A payment of up to €120 per month per child under the PRSI system for working parents, at a net cost of up to €140 million per annum.
2. A tax credit of up to €1,000 to working parents with children, combined with a direct income payment to low-income families, at a potential cost of €195 million.
3. €50 per week subsidy per child to crèches - this would cost up to €470 million.
4. A universal payment on the same basis as child benefit of up to €120 per month per child - of both working and non-working parents - at a cost of up to €713 million, dropping to €572 million if it was taxed.
5. As above but the payment would be means tested to exclude high earners.

6. A tax credit and social welfare payments to all parents, regardless of work status, which could cost up to €322 million.

### The Only Equitable Option

A universal payment to all of the nation's children is the only equitable option currently before the government. The *Mother & Child Campaign* also strongly recommends:

- Tax individualisation must be scrapped,
- A child tax credit must be re-introduced,
- Any payments or benefits for families or children must be universal and not confined to double-income families,
- Affordable housing must be a government priority,
- Funding must be allocated to family groups and organisations representing full-time mothers to undertake research and provide representation.

## More Information

For more information, log onto our Website at [www.familyfirstireland.org](http://www.familyfirstireland.org)



## **Family *First***

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