

Services and supports for people living with inadequate income and experiencing financial exclusion

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December 2017

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Aim and scope of this report

This report aims to develop an understanding of the extent and implications of financial exclusion in Ireland and to outline recommendations for improving the current situation. Financial exclusion relates to the process whereby people face difficulties accessing and/or using financial services such as bank accounts, current accounts, credit, savings and insurance and this has a negative impact on their ability to fully participate in the normal life in the society in which they are living.

Financial exclusion is very connected to the wider issue of income adequacy and poverty which impacts on many people's lives. Chapter 1 of the report therefore looks at the extent of poverty in Ireland and the impact this has on people. It specifically presents a brief analysis of income adequacy whether people are out of work and dependent on access to social welfare supports or in work and need a decent adequate take home pay. It also maps the employment, education and training services that are available nationally to support people into the labour market.

The second chapter looks specifically at financial exclusion. It looks at what financial exclusion is and asks who experiences it. It then looks at how policy to address financial exclusion has developed in Ireland. Finally, this chapter describes the main services which are in place in Ireland to support people who are financially excluded including those providing advice and access to credit. It also explains the provision of Basic Bank Accounts by high street banks, which are the main policy response in Ireland's Financial Exclusion Strategy.

Chapter three looks very directly at the unmet need for people who are financially excluded and in debt. It highlights the failure of policy to fully get to grips with understanding and addressing the issues of debt and lack of access to affordable credit and the further problems this creates. Based on a short survey and interviews the chapter outlines the reality of what it means for people and families to live on an inadequate income and as a result to end up in debt. This debt is experienced across the spectrum of daily life such as paying household bills and in particular the challenge of paying unsustainable rent increases which result in rent arrears, a lack of rent certainty and ultimately the risk of homelessness for many people. The problem of indebtedness is exacerbated by the lack of access to affordable credit and or a bank account, making the situation worse for many people.

The concluding chapter outlines a range of proposals to address the current gaps that exist in addressing financial exclusion. It begins by highlighting the need for an integrated strategy to tackle the causes and consequences of poverty and which addresses access to an adequate income, quality services and decent work. It specifically outlines proposals aimed at ensuring that everyone has access to an adequate income, whether in or out of work. This is seen as a key factor in the prevention of financial exclusion. The remainder of the proposals focus specifically in addressing the current policy gap in addressing financial exclusion emphasising the need for a new strategy. This involves an interagency approach and addressing gaps in data which can help to better understand the issue and result in the correct policy responses. The need for political commitment is highlighted as critical to ensure the adequate policy responses are delivered. It also outlines proposals for the banking sector and for financial education both within and outside the education system as a means of better supporting people to improve their financial skills.

Chapter 1

The extent of poverty and income inadequacy in Ireland and current employment, education and training services

This chapter will highlight the extent of income poverty in Ireland, the implications and the effectiveness of current policies in raising people out of poverty. It will then briefly outline state and non-state services available to support people out of poverty and achieve a level of income adequacy, including access to a decent job. This includes services in the areas of education, training and employment and childcare.

1.1 Poverty in Ireland

The Irish definition of poverty is that:

“People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living which is acceptable by Irish society generally. As a result of inadequate income and resources people may be excluded and marginalised from participating in activities considered the norm for other people in society.”¹

This highlights that while adequate income is a cause of poverty, the challenge is really multi-faceted. It is also about access to a wider range of resources and crucially about having an unacceptable standard of living and being excluded from participating in society in a way which is the norm for others².

It is important to keep this broader understanding of poverty in mind when looking at the measurements of poverty.

Poverty levels

Poverty levels in Ireland are formally captured using three measures. These are:-

- at-risk of poverty – Those living under poverty line with an income which is less than 60% of the median (or middle) income³.
- material deprivation – Those who cannot afford two out eleven essential items⁴.
- consistent poverty - Those who are both at risk of poverty and in material deprivation.

As the table below shows poverty levels in general had been reducing before the economic crash in 2008 but increased rapidly afterwards. Since 2013 material deprivation has begun to reduce, at least for those with incomes below the poverty line, while levels of at-risk and consistent poverty have reduced only slightly.

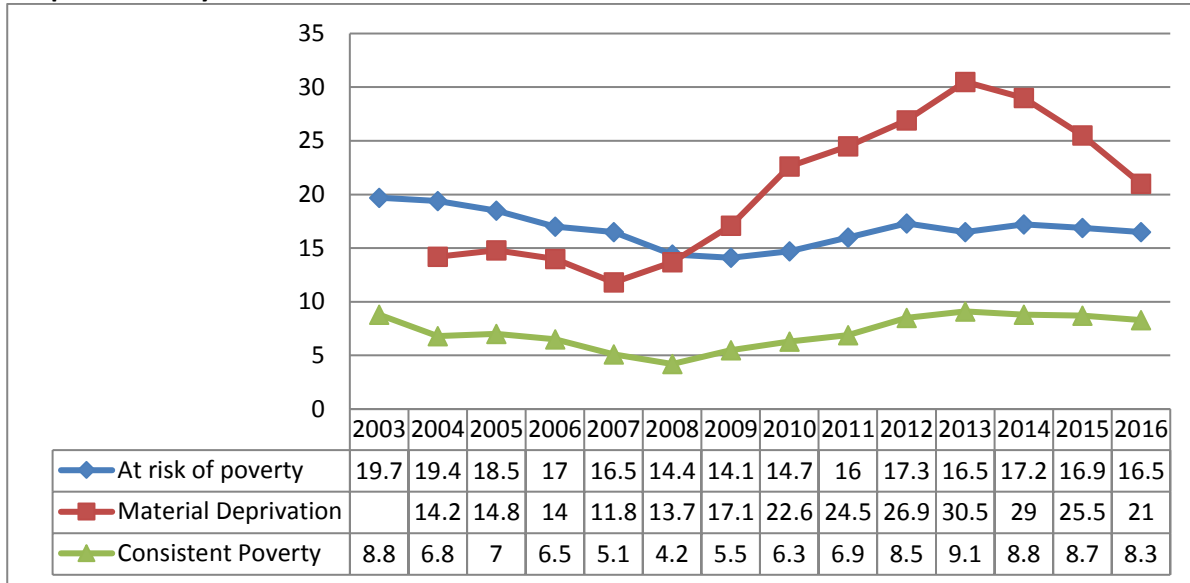
¹ Government of Ireland 2007. National Action Plan for Social Inclusion 2007-2016. <http://www.socialinclusion.ie/documents/NAPinclusionReportPDF.pdf>.

² EAPN Ireland Briefing on Poverty 2015 and Proposals for 2016-2021. <http://www.eapn.ie/eapn/wp-content/uploads/2015/12/eapn-ireland-briefing-on-poverty-2015.pdf>

³ An updated Briefing will be available from early 2018.

⁴ At-risk of poverty incomes in households are weighted depending on the number of adults and children to arrive at an ‘equivalised’ disposable income for each individual.

Graph 1: Poverty Levels in Ireland 2003-2016



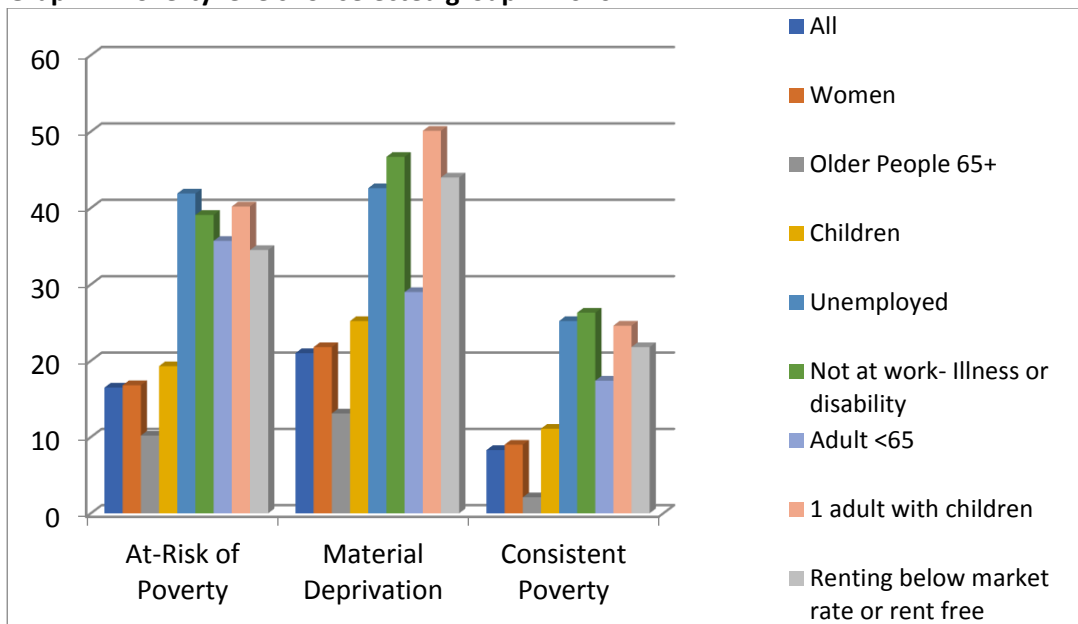
Source: CSO, Survey of Income and Living Conditions

The Government’s current poverty reduction target is to “reduce consistent poverty to 4 per cent by 2016 (interim target) and to 2 per cent or less by 2020, from the 2010 baseline rate of 6.2 per cent”. In 2015 8.7% of the population, or over 403,000 people, were in consistent poverty in Ireland.

In 2015 one in four of the population was in material deprivation and almost one in six were living below the 60% poverty line which was €227.97 per week in that year.

The Survey of Income and Living Conditions⁵, which captures the overall poverty levels in Ireland also shows that some groups in Ireland experience higher levels of poverty than others.

Graph 2: Poverty levels for selected group in 2016



⁵ The 11 deprivation indicators are: Two pairs of strong shoes; a warm waterproof overcoat; new not second-hand clothes; meals with meat, chicken, fish (or vegetarian equivalent) every second day; a roast joint or its equivalent once a week; go without heating during the last year through lack of money; keep the home adequately warm; buy presents for family or friends at least once a year; replace any worn out furniture; have family or friends for a drink or meal once a month; have a morning, afternoon or evening out in the last fortnight, for entertainment.

Groups in society with particularly high levels of poverty include those who are unemployed, lone parent families, those not in work due to illness or a disability and those renting at below the market rate or rent free, which includes those in social housing. There has been a noticeable increase in poverty among single adults under 65 years of age.

Poverty levels among children are higher than those for the general population. In 2014 the Government also set a child poverty target. This target is “to lift over 70,000 children (aged 0-17 years) out of consistent poverty by 2020, a reduction of at least two-thirds on the 2011 level”⁶. In 2016 141,700 or over 11% of all children were in consistent poverty, 34,700 more than when the target was set.

While official poverty statistics are an important way of understanding the levels of poverty they are also a very crude way of capturing what is in reality a very difficult experience for people, families, and communities where poverty is prevalent. Shame, low self-esteem and anxiety often accompany poverty, which has a disabling effect on people’s capacity to seek work and progress their lives.

Measurements of poverty can also miss some of the groups in society with high levels of poverty because they are too small in statistical terms to be captured. This includes people who are homeless, people with disabilities, Travellers⁷ and other minorities and people living in disadvantaged urban and rural communities. Some of the complexity of this reality is captured in the real life experiences included by the Community Platform in its report Now You See Us⁸.

The reality of poverty, social exclusion and inequality shows itself in many areas of our society. For example the exponential rise in family homelessness clearly shows how the lack of adequate income and quality services impacts negatively on those who lose their home. In November 2017 there were 8,857 homeless people, including 3,333 children in emergency accommodation⁹. It is also the case that those on lower incomes are more likely to find themselves in poor quality accommodation in the private rented sector which does not meet minimum standards.

The connection between poverty and health inequalities is less tangible but the reality is that poorer and more excluded communities experience much worse outcomes than the rest of society. Poorer health outcomes, worse morbidity and lower life expectancy are a result of the social conditions and life experiences of those who experience poverty and social exclusion, particularly if they persist for a longer period of time. For example the life expectancy at birth for male Travellers is 15.1 years less than men in the general population while life expectancy for female Travellers is 11.5 years less than women in the general population¹⁰. Another example of the relationship between poverty and health inequalities is the higher incidence of drug-related harm in communities with more concentrated levels of poverty¹¹.

Levels of income also have a direct impact on educational outcomes. By aged three children in higher income families perform better on average than children from lower income families with a difference of at least 10 points in the average scores on the Naming Vocabulary tests between children in the lowest income quintile and the highest income quintile. This inequality grows as children move up through the

⁶ Better Outcomes Brighter Futures: The national policy framework for children and young people 2014–2020. http://www.dcy.gov.ie/documents/cypp_framework/BetterOutcomesBetterFutureReport.pdf

⁷ ESRI Research Series, January 2017, A Social Portrait of Travellers in Ireland www.esri.ie/pubs/RS56.pdf.

⁸ Community Platform 2015. Now You See Us – The Human Face of Austerity in Ireland. <http://communityplatform.ie/publication/338/>

⁹ Department of Housing, Planning and Local Government. Homeless Data November 2017. <http://www.housing.gov.ie/housing/homelessness/other/homelessness-data>

¹⁰ UCD 2010. All Ireland Traveller Health Study – Our Geels. www.ucd.ie/t4cms/AITHS_SUMMARY.pdf

¹¹ Clondalkin Drug and Alcohol Task Force 2016. Outcomes: Drug harms, policy harms, poverty and inequality https://www.citywide.ie/download/pdf/cdatf_outcome_report_drug_harms.pdf

education system and by third level students from affluent areas have double the attendance rate at university as students from disadvantaged areas and half of those from affluent areas attend the 'top three' universities¹². As part of austerity cuts there were also cuts to educational supports for some disadvantaged groups with all the Traveller-specific educational supports being removed. The cut in career guidance support at second level impacted very negatively on those students from poorer households which is the cohort most in need of encouragement and guidance.

1.2 Strategies to address poverty and social exclusion

Since 1997 the Irish Government has committed itself to two ten year plans to address poverty, the National Anti-Poverty Strategy (NAPS) which ran until 2006 and the National Action Plan for Social Inclusion which finished in 2006 and was succeeded by an Updated plan. This Updated Plan is now at an end. The Programme for Partnership Government commits the Government to developing an integrated plan to address poverty and inequality and it is now in the process of developing this new strategy. Since 2000 Ireland has also been part of a wider EU process to coordinate plans to address poverty and social exclusion¹³.

1.3 Achieving an adequate income

While an integrated approach essential in addressing poverty it is critical that a first step is to ensure that everyone has access to an adequate income to live with dignity. An adequate income should be guaranteed whether this income is from work, from social welfare, or a mixture of both. An adequate income is the first line of defence in preventing people and families from falling into financial crisis and debt.

While some households have income from investments or profit on selling assets the vast majority are dependent on income from work often combined with some form of social welfare transfers¹⁴. These social welfare transfers play a very important role in contributing to household incomes and reducing poverty levels. In 2016 if social transfers were excluded 44.9% of the population would have incomes below the poverty line and so be at risk of poverty. Social Transfers reduced this to 16.5% of the population or around 785,000 people. This is still a very worrying large number of people living on incomes which puts them at risk of poverty.

1.3.1 An adequate social welfare level for all

The role of the social welfare system is to provide a safety net for those who have no independent source of income. It is important for ensuring that everyone has the opportunity to remain active in society, reconnect to the world of work and live in dignity. In order to do this it is essential that social welfare supports are adequate, comprehensive and accessible to everyone. The report of the Irish Minimum Income Network highlights many of the issues for Ireland¹⁵. Inadequate supports trap people in poverty and lead to greater social, health and economic costs for individuals and society.

There are two possible ways of assessing if current social welfare rates are adequate.

- i. The first is to see if they lift people above the 60% poverty line. The latest calculation for 2016 is €237.35 per week. Table 1 below shows that current welfare rates are not adequate to lift people out of poverty, even based on the social welfare rates that will apply from March 2018. This is particularly for younger recipients of Jobseekers payments who only qualify for the lower rate of €107.70 or €152.80 per week.

¹² TASC 2016. Cherishing All Equally 2016. Children and Economic Inequality in Ireland. https://www.tasc.ie/download/pdf/cherishing_2016_children_highlights_3.pdf

¹³ Lisbon Strategy from 2000-2009 and the Europe 2020 strategy for smart, sustainable and inclusive growth for 2010-2020.

¹⁴ Unemployment related payments, Old-age payments, Family/children related allowances including Child Benefit; housing allowances such as Rent Supplement and Fuel Allowance; other social welfare payments such as Disability, Survivor's and Sickness Benefits and other supports to address social exclusion.

¹⁵ Irish Minimum Income Network 2014. Report for Year 2. <https://eminnetwork.files.wordpress.com/2013/04/emin-ireland-2014.pdf>

Table 1: Adequacy of Social Welfare to lift people above the poverty line

Payment	Rate (March 2018)	Poverty line(2016)	Gap	% gap
Jobseekers Allowance, Disability Allowance, and One Parent Family Payment	€198	€237.35	-€39.35	-19.9%
Jobseekers Allowance age 18-24	€107.70	€237.35	-€129.65	-120%
Jobseekers Allowance age 25	€152.80	€237.35	-€84.55	-55%
Old Age Pension (Non-contributory) age 66-79	€232	€237.35	-€5.35	-2.3%
Old Age Pension (Non-contributory) age 80 +	€242	€237.35	€4.65	2%

- ii. The second is if welfare rates provide people with a Minimum Essential Standard of Living. This is calculated by the Minimum Essential Standard of Living Research Centre using a rigorous internationally accepted method to calculate the weekly budgets needed to provide a wide range of different family types with an income necessary to afford an essential basket of goods and services. Budgets have been calculated for hundreds of different family types. It then calculates the income for each family and if it is adequate to provide them with a Minimum Essential Standard of Living. There are different costs for urban and rural families¹⁶. The income needed to achieve a Minimum Essential Standard of Living depends very much on the costs of services and therefore reducing the cost of services reduces the level of direct income needed.

Table 2 presents the forecasted income adequacy for six urban family types which are dependent on social welfare based on the impact of Budget 2018. It shows that only the pensioner household is projected to have an income adequacy when the Budget changes take effect. For the other five households there will be an income inadequacy ranging from €10.26 to €88.72 per week.

Table 2: Forecasted income adequacy following Budget 2108 for selected social welfare dependent households

	Urban family		
	Income Needed	Actual Income	Gap
Two parents with 2 children , one in pre-school & one in primary school	470.28	447.24	-10.26
Two parents with 2 children , one in primary and one in secondary school	550.06	464.83	-85.24
One Parent with 2 children , one in pre-school and one in primary school	354.05	340.30	-13.74
One Parent with 2 children , one primary and one secondary school	433.83	345.11	-88.72
Single Adult of working age living alone	249.44	198.00	-51.44
Single Pensioner living alone (Non-Contributory)	250.65	255.18	4.53

¹⁶ Vincentian Partnership for Social Justice/Minimum Essential Budget Standards Research Centre 2016. Minimum Essential Standard of Living 2016. <https://www.budgeting.ie/publications/mesl-2017-update-report/>

Currently social welfare supports are not adequate to prevent people from falling below the poverty line or to provide them with an income to afford a Minimum Essential Standard of Living based on the current cost of goods and services necessary to live in dignity.

In order to address this, it is critical that social welfare supports are adequate that everyone who needs them can access them.

Current rules mean that many in society do not have access to supports. A number of examples of this include:

- **Some women** who only have access to welfare supports through their partner/spouse and receive a Qualified Adult payment. This results in a lack of direct access to individualised income for these women.
- **Those failing to satisfy the test of the Habitual Residence Condition (HRC)** including certain categories of non-EEA migrants and their children (undocumented migrants, international students and spouse dependents). The HRC also requires that applicants prove “a close link to Ireland”. This term is not defined in Irish law but rather discretionally interpreted by decision-makers and often implies a minimum of 52 weeks of insured employment prior to the application. Many migrant workers coming to Ireland, including from the EEA, and Irish people returning from living abroad often fail to meet this test.
- **Asylum Seekers in the Direct Provision system.** They are currently not allowed to work and are instead provided with basic accommodation and board in accommodation centres and living on an allowance of €21.60 per week for both adults and children. In May 2018 the Supreme Court found the ban on the right to work in asylum seekers to be unconstitutional. The Government is currently looking at how to respond to this finding.
- **Recipients of Jobseekers payments** must sign a Record of Mutual Commitments before they receive their payments. This includes the commitment to attend meetings requested by the Department and to participate in an appropriate employment support scheme, work experience or training. If a jobseeker does not keep to these commitments or to the other conditions of the jobseeker’s payment, particularly proving that they are genuinely seeking work, the payment can be reduced and or eventually stopped altogether for up to 9 weeks. A number of difficulties arise with this conditionality, in particular if the individual feels that the programme on offer will do little to enhance their employment prospects.

Additional to these barriers is the overall complexity of the means tested system in Ireland which results in people not accessing, or experiencing delays in accessing their welfare rights.

1.3.2 Adequate income for those in work

In 2016 one in eight of those at work experienced material deprivation and almost 2% were in consistent poverty. 5.6% of those in work were on incomes below the poverty line. Without social welfare payments this would have been the reality for one in five workers.

The causes of in work poverty are related to both the quality of the jobs people are in and the level of pay, bolstered for many by welfare supports. These both impact on the amount of household income a worker and their family has at the end of the week

Quality jobs

The low quality of many jobs has been well documented, including in the University of Limerick (UL) 2015 report¹⁷. The UL report highlighted particular issues, including the proliferation of ‘if and when contracts’ across a range of sectors. A previous report in 2012 by the Mandate Trade Union also highlighted issues among its members¹⁸. Issues related to decent work were also addressed in their wider context in the Joint

¹⁷ University of Limerick 2015. A Study on the Prevalence of Zero Hours Contracts.

¹⁸ Mandate Trade Union 2012. Decent Work: The impact of the recession on low paid workers.

Oireachtas Committee on Jobs, Enterprise and Innovation 2015 Report on Low Pay, Decent Work, and a Living Wage¹⁹. The problem of precarious work is a particular issue for women and migrant workers. The Government has announced proposals to address some of the issues raised in the UL report. The issue of job quality has not been addressed in past Action Plans for Jobs but is an important factor to address in future Action Plans.

Adequate take home pay

Incomes in Ireland are growing with median (middle) incomes in 2016 almost back at pre-crisis levels. However, the fact remains that Ireland is a low pay economy and has the third lowest wage levels in the OECD with 24% of workers on low pay²⁰. This compares to less than 10% in Finland and Denmark.

In 2016 the living wage for a single worker working full-time was calculated at €11.70 per hour²¹. This is what is necessary for a worker to live with dignity given the current cost of living and the goods and services they have to pay for such as housing. For those with children these costs are higher. Any policy measures which result in reducing the cost of services will lower the living wage levels. Budget 2018 will increase the national minimum wage to €9.55 in 2018, which is €2.05 less than necessary to provide a living wage. The Programme for Partnership Government commits to increasing this to €10.50 by 2021.

In-work social welfare payments such as the Family Income Supplement (now called the Working Family Payment) and access to jobseekers payments for some of those working part-time, as well as income disregards help increase take home pay, but as highlighted above, many working families are still living below the poverty line.

However, some of the conditions for access to these supports result in many low income workers not qualifying. For example:-

- part-time workers can only qualify for jobseekers' payments (Jobseekers Benefit and Jobseekers' Allowance) if their hours are worked within three days or less a week. Many low paid part-time workers, even if working only a small number of hours have their hours spread over more than three days. This creates hardship and poverty traps.
- many working parents who qualify for the Family Income Supplement (now called the Working Family Payment) do not get it for a range of reasons. This includes that it has to be applied for and not an automatic payment for those families with incomes below the threshold, a worker has to be working a minimum of 19 hours to qualify and the application form is complex and the employer must be involved and cooperate to fill it in.

Moving from welfare to decent work

Unemployment has fallen from over 15% in 2012 to 6.1% or 138,100 people in November 2017²². Long-term unemployment as a proportion of those unemployed continues to fall and is now under half of those who are unemployed. While unemployment for those 15-24 years of age has fallen to 14.8% from over 20% just two years previously.

While there are now over two million people in employment, some groups in society have lower levels of employment, and a higher level of joblessness, due to the range of barriers they face. Persistent joblessness is more common for women, older adults, those with lower levels of education, adults with a disability and in lone parent households. It is also higher in areas of greater socio-economic disadvantage. In mid-2016

https://issuu.com/mandate/docs/11536_mandate_way_forward_report_interior_a5

¹⁹ Joint Oireachtas Committee on Jobs, Enterprise and Innovation 2015. Report on Low Pay, Decent Work, and a Living Wage www.oireachtas.ie/parliament/media/committees/Low-Pay,-Decent-Work-and-a-Living-Wage.pdf

²⁰ OECD 2015 <https://data.oecd.org/earnwage/wage-levels.htm>

²¹ The Living Wage Technical Group calculated that a single full time worker in 2017 would require a living wage of €11.60 per week to have a decent standard of living. www.livingwage.ie

²² Central Statistics Office October 2017. Monthly Unemployment for November 2017. www.cso.ie/en/releasesandpublications/er/mue/monthlyunemploymentnovember2017/

the employment rate for people parenting alone 15-64 years old was 56.4% compared to 74.4% for all adults in couples with children and 64.7% for the full population²³. In 2011 just 11% of Travellers were in employment compared to a 66% rate for non-Travellers at the time²⁴. Older and longer-term unemployed people are facing ageism in the labour market, even when they have the right qualifications and work experience.

There are also a large number of people in Ireland living in households with low work intensity²⁵ where members of the household only have little paid work per week, month or year. Ireland has a high level of people aged 0-59 living in low work intensity households compared to the EU average i.e. 19.2% compared to 10.4% in 2015²⁶. This accounts for 715,000 people in Ireland and many are not considered to be unemployed as they have worked some hours. However, they also experience a high risk of poverty.

1.4 Employment, Education and Training Services and Supports

There are a range of services and supports available to people who are unemployed, or who are distant from the labour market due to the range of barriers they experience. These services and supports are funded by the state, but are provided by a mixture of state, private and community and voluntary bodies. This section will briefly outline the main supports available through national programmes and services. It does not, however, capture many of the employment, education and training supports provided by local community and voluntary groups in communities across the country. While other services and supports, particularly in relation to childcare, play an important role in improving the quality of people's lives and in supporting access to the employment and training, it is not possible to cover these here.

- **Intreo**²⁷ is a new service from the Department of Employment Affairs and Social Protection. Intreo centres provide a single point of contact for all employment and income supports. They provide advice on education, training and personal development opportunities, job search assistance as well as information on and access to our range of income supports. The first office opened in Sligo in October 2012 and there are now 61 centres throughout the country. Intreo offices initially focused on providing services to people on Jobseekers payments but are not expanding to support those on other working age payment as well as people who are not working but qualify for no payments.
- **JobPath** is an approach to employment activation which caters mainly for people who are long-term unemployed (over 12 months) to assist them to secure and sustain full-time paid employment or self-employment. JobPath is a national service provided on a contract basis by two private companies, Seetec Limited and Turas Nua Limited. Clients are referred to the JobPath companies by the Department of Employment Affairs and Social Protection. The country is divided in two separate areas with each of the companies providing services in one area. Seetec is responsible for Dublin and the northern part of the country and Turas Nua for the southern part. Information on Seetec is available at www.seetec.ie and for Turas Nua at www.turasnua.ie.
- **Social Inclusion and Community Activation Programme (SICAP)**²⁸ is a national programme involving fifty-one providers which aims to tackle poverty, social exclusion and long-term unemployment through local engagement and partnership between disadvantaged individuals,

²³ CSO 2016. QNHS Households and Family Units Quarter 2 2010 - Quarter 2 2016.

<http://www.cso.ie/en/releasesandpublications/er/qnhs-fu/qnhs-households-and-family-units-q2-2016/>

²⁴ ESRI 2017. A Social Portrait of Travellers in Ireland. <https://www.esri.ie/pubs/RS56.pdf>

²⁵ Persons living in households with very low work intensity is defined as the number of persons living in a household where the members who are of working age (aged 18-59, excluding students) worked less than 20% of their total potential during the previous 12 months.

²⁶ Eurostat. http://ec.europa.eu/eurostat/tgm/refreshTableAction.do?tab=table&plugin=1&pcode=t2020_51&language=en

²⁷ Department of Employment Affairs and Social Protection. What is Intreo? <https://www.welfare.ie/en/Pages/Intreo.aspx>

²⁸ Pobal, Social Inclusion and Community Activation Programme (SICAP).

[https://www.pobal.ie/FundingProgrammes/Social%20Inclusion%20and%20Community%20Activation%20Programme%20\(SICAP\)/Pages/default.aspx](https://www.pobal.ie/FundingProgrammes/Social%20Inclusion%20and%20Community%20Activation%20Programme%20(SICAP)/Pages/default.aspx)

community organisations and public sector agencies. The programme is managed by Pobal and implemented under contract by Local Development Companies and a number of other Programme Implementers. The current programme runs from 2015-2017 with a successor to follow in 2018 and succeeds previous local development and social inclusion programmes implemented by the Local Development Companies.

- **Local Employment Services (LES)**²⁹ provide jobseekers with free and confidential information, guidance and job-searching support as well as training and educational opportunities. The centres also provide employers with information and supports in recruitment. The LES works with people who are often most face many barriers to employment and need intensive support. Local Employment Services are run by twenty-two community based organisations under contract from the Department of Employment Affairs and Social Protection. There are fifty-five centres in twelve counties around the country.
- **Congress Centres Network**³⁰ is a network of twenty-two centres established by the Irish Congress of Trade Unions in the 1980s. There is one centre in Belfast and the others are in the Republic of Ireland. The centres provide a range of services including IT training, up-skilling/re-skilling and job seeking supports, information on rights and entitlements for unemployed workers and ongoing professional development for Community Employment Supervisors, their staff and client users.

Education and Training Boards (ETBs)³¹ are statutory bodies which cover the whole country which have responsibility for education and training, youth work and a range of other statutory functions. They are active in local communities through the direct provision of training and education programmes delivered in training centres, colleges and other training and educational settings. Sixteen ETBs were established in 2013 and they are constituted from the former VECs and FÁS Training Centres.

²⁹ Local Employment Service Network <http://www.localemploymentservices.ie/>

³⁰ Congress Centres Network www.ictu.ie/centres/about.html

³¹ Education and Training Boards www.etbi.ie

Chapter 2

Mapping Financial Exclusion

The term financial exclusion is defined and explored in this chapter. An overview is provided of Irish policy responses to date to the challenge of financial exclusion. The services and supports, both statutory and non-statutory, available to people who experience financial exclusion are described.

2.1 What is financial exclusion?

There are various definitions of financial exclusion. In 2006 the Irish Combat Poverty Agency³² described financial exclusion for the first time in the Irish policy context as

a lack of access to affordable and appropriate financial products including bank accounts, current accounts, credit, savings and insurance (CPA, 2006, p.xiv)

In 2008 a new definition of financial exclusion was offered by the European Commission

a process whereby people encounter difficulties accessing and/or using financial services or products in the mainstream market that are appropriate to their needs and enable them to lead a normal social life in the society in which they belong³³

It is commonly agreed that the most difficult element of being financially included is not having access to a current bank account as this is the financial product which

offers a range of services including access to cash, bill payment facilities and money transmission (through direct debits and standing orders)³⁴

Not having a current bank is the standard metric for being financial excluded. The term 'unbanked' refers to the cohort of people which do not have a current bank account. Current accounts give access to insurance products, credit facilities, information on important financial issues and products and access to legal credit. Lack of access to a transaction bank account (with access to the clearing system) leads to higher costs and difficulties in many aspects of life for individuals which compounds their exclusion from the normal range of financial transactions which others take for granted such as :

- being paid into an account
- having a social welfare payment lodged
- making payments for utilities and other commodities
- having access to financial products at a more competitive price
- accessing information on relevant and important financial products i.e. savings, pensions
- access to credit

Being able to pay bills such as utilities via direct debits can mean access to preferential rates of payment. Those who do not have a current account are disadvantaged as they pay more, often an added charge on each transaction, which they make in person either in a post office or a bank. A report from the ESRI in 2011 clearly states that people who don't have a bank account pay more to make transactions. In short, not having a bank account hampers people's access to economic opportunity and increases their risk of poverty.

³² Corr, C. (2006) Financial Exclusion in Ireland: An Exploratory Study and Policy Review. Dublin: Combat Poverty Agency.

³³ European Commission Directorate-Generale for Employment, Social Affairs and Equal Opportunities. (2008). Financial Services Provision and Prevention of Financial Exclusion. Brussels: European Commission. Available at: <http://www.bristol.ac.uk/media-library/sites/geography/migrated/documents/pfrc0806.pdf> (Accessed 13th December 2017).

³⁴ Tackling Financial Exclusion In Ireland, a Policy statement, September 2008, Combat Poverty Agency. Available at: http://www.combatpoverty.ie/publications/policystatements/2008_Policy_TacklingFinancialExclusionInIreland.pdf (Accessed 11th December 2017)

There is agreement from a range of authors that the problem of financial exclusion is complex and has multiple dimensions. These dimensions span both the demand side factors such as cost, geography, physical barriers, eligibility criteria, lack of access to technology and also the human element - the supply side issues - a person's individual situation, context, experience, understanding, behaviours and assumptions. Various subjective elements come into play within the supply side, many of them stemming from an individual's experience of not having an adequate income, their need to have cash on hand to cope with continual day to day demands and at times a reluctance and hesitancy to use banks.

2.2 Who is financially excluded in Ireland?

Statistics varied slightly regarding the actual number of financially excluded people in Ireland. The 2008 Survey of Income and Living Conditions survey (EU SILC)³⁵ estimated that approximately 17% of Irish people were living in households that did not have access to a transaction banking account compared to 2.1% or less in 11 of the then EU15 countries. That study showed that the groups less likely to have current bank accounts were those on low incomes, with low educational qualifications.

The 2011 Economic and Social Research Institute report³⁶ which drew on the SILC 2008 over-indebtedness and financial exclusion module put the number of Irish households which did not have a bank current account at 20%. This report found that the groups most at risk of financial exclusion and indebtedness were older people, unemployed, lone parents, social housing tenants and those on low incomes. This study found that the percentages of various vulnerable groups who experienced financial exclusion were as follows:

- People with long term illness and those with disabilities 52%
- Tenants in local authority social housing 50%
- People with low or no educational qualifications 40%
- 38% in bottom income decile
- Older people, aged 65-74 yrs 26% and aged over 75 years 36%
- Unemployed people and one parent families 34%

The report also showed the high correlation between poverty and financial exclusion with the percentage of households at risk of poverty which did not have a bank account measured at 36%, and at 60% for people living in consistent poverty. Low income and low educational attainment were shown to be strong factors in financial exclusion, while work status and housing tenure were weaker factors. It is important to note that this study did not measure or quantify the number of people who were having difficulties using services.

In 2015 the CSO published figures³⁷ from the 2013 module on financial exclusion and stated that 26% of unemployed people are credit constrained. This report also showed that 1 in 5 people in the general population are also credit constrained.

More recent research from Harris³⁸ explores the impact of financial exclusion and shows how access to both the banking and social welfare administrative systems results in a cohort of the population either self-excluding from banking or being unable to access a transaction bank account.

³⁵ CSO.ie, (2008), Available at CSO.ie, (2008), Available at <http://www.cso.ie/en/csolatestnews/pressreleases/2009pressreleases/surveyonincomeandlivingconditionssilcireland2008/> (Accessed 24th November 2017).

³⁶ Russel, H, Maître, B, Donnelly, N. (2011). Financial Exclusion and Overindebtedness in Irish Households. ESRI. Available at: <https://www.esri.ie/news/financial-exclusion-and-over-indebtedness-in-irish-households/SRI> (Accessed 30th November 2017).

³⁷ CSO (2015) Household Finance and Consumption Survey 2013. Available at: <http://www.cso.ie/en/media/csoie/releasespublications/documents/socialconditions/2013/hfcs2013.pdf> (Accessed 30th November 2017).

³⁸ Harris, G, 2016, 'A study of the causes and effects of living without a current account in Ireland 2016 as experienced by a sample of clients of the Money Advice and Budgeting Service', Masters in Social Research Skills, School of Criminology, Politics and Social Policy, Ulster University.

Harris succinctly summarises the above statistics on financial exclusion when she states

“Discrepancies of percentages considered, the unbanked Irish citizen appears to be from the marginalised and vulnerable sectors of society” (Harris, 2016, p.4)

On a more macro and recent note, the European Commission’s 2017 Irish Country Report, which closely monitors all facets of Irish fiscal, economic and social indicators³⁹ noted that Irish household debt, expressed as a percentage of disposable income, was 144.8% in Quarter 3 2016, down from 225.3% in 2008. The report also states that there was no correlating increase in household disposable income in the period 2008 to 2016 (European Commission, 2017, p.34), noting that the deleveraging of household debt has slowed as lending for consumer spending and house buying has started to rise in recent years.

Unfortunately for the cohort of interest for this study, those who remain outside the banked population and who do not have access to credit, these last indicators of Ireland’s economic recovery from a serious fiscal and social crisis bear little relevance to their situation, which remains tenuous and marginalised.

2.3 What is Irish policy on financial exclusion?

While the Money Advice and Budgeting Service was established in 1992 to begin to address the problems of debt and financial exclusion it was not until 2006 that the seminal Combat Poverty Report first addressed the issue with the gravity it deserved⁴⁰.

In the National Action Plan for Social Inclusion 2007-2016 (the Government’s strategy for promoting social inclusion) the need to improve access to financial services and greater financial inclusion as a means to improve social inclusion was highlighted.

In 2008 the banks were asked to take steps to provide and promote basic bank accounts to financially excluded groups and to promote encourage financially excluded people to open a bank account.

By 2011 the ESRI observed that progress on policy to provide free basic bank accounts to financially excluded groups was weak and that progress had been slow. Elsewhere, another key policy mechanism - the National Reform Programme - prepared under the Europe 2020 Strategy, provided another space in which various Departments and stakeholders could contribute to the achievement of the European poverty target of lifting 20 million people out of the risk of poverty and social exclusion.

In response to the high levels of people living in financial exclusion without access to a transaction bank account - and following on from a review by the Social Finance Foundation which concluded that access to transaction bank accounts was a pre-requisite to tackling financial exclusion as this facilitated access to other finances services such as insurance, savings and credit - the Irish Government launched its Strategy for Financial Inclusion⁴¹. A key cornerstone of this strategy was the design and provision of Standard Bank Accounts (SBAs) by Irish banks, the Post Office and Credit Unions with electronic fund transfer capability, to be rolled out nationally by the end of 2013. A Financial Inclusion Working Group was set up to oversee the implementation of the strategy’s recommendations, in particular the SBAs pilot which was to be trialled before the proposed national roll out.

The strategy set out what features the SBA should have:

- No fees, charges or stamp duty
- A monthly account statement
- Possibility to lodge cheques and to make deposits in cash

³⁹ Commission Staff Working Document. (2017). Country Report Ireland Including an In-Depth Review on the prevention and correction of macroeconomic imbalances. Brussels: European Commission. Available at: <https://ec.europa.eu/info/sites/info/files/2017-european-semester-country-report-ireland-en.pdf> (Accessed 12th November 2017)

⁴⁰Corr, C. (2006) Financial Exclusion in Ireland: An Exploratory Study and Policy Review. Dublin: Combat Poverty Agency.

⁴¹ Government of Ireland 2011. Strategy for Financial Inclusion.

- No overdraft facility
- No minimum or monthly balance
- A budgeting tool
- A buffer to cater for the withdrawal of small uneven amounts of money⁴²
- Online and telephone banking facilities
- An ATM/debit card (potentially with real time authorisation in order to suppress risks for the provider) without stamp duty
- Possibly direct debits and standing orders facilities – however the pilot did not include a direct debit

It is worth noting that this strategy did make reference to the low level of social welfare payments being made through bank accounts in Ireland, just 40% - with over half (52%) paid through the Post Office (45% electronic information transfer and 7% personalised payable order) and 9% paid by cheque. The strategy stated that strong incentives would be needed to achieve a shift to electronic payments. To expedite transition to electronic fund payments the National Payments Plan was launched in 2013 which set targets for electronic fund transfer. By the end of 2017 the Department of Employment Affairs and Social Protection reached 53% of all payments made by electronic fund transfer, 44% by electronic information transfer (paid out in cash in a Post Office on instruction from DSP) and the remaining 3% by personal cheque. In compliance with the Government's commitment to retain the Post Office network the Department will not be seeking to eliminate electronic information transfers.

In 2012 the Standard Bank Account pilot scheme ran in three locations New Ross, Tallaght and Tullamore, with a high degree of collaboration and cooperation from the various agencies involved. The pilot ran for 9 months and was evaluated. Findings included:

1. Low take up which, at only 205 accounts taken out, was below expectation
2. Social welfare benefits were not the primary income source for customers who set up accounts
3. Low use of standing order, mobile, telephone and internet banking features
4. Trigger event needed to start up process of opening account such as electronic social welfare payments
5. Preference for the unbanked to want to engage with more 'social' financial services providers which did not provide SBAs during the pilot

The findings and recommendations in the Report of the Financial Inclusion Working Group on the Standard Bank Account pilot project did not enjoy the unanimous agreement of all of its members, which damaged the report's credibility when it was published in November 2013. The report contained the following disclaimer:

“The views expressed in this report are those of the Steering Group on Financial Inclusion. The members of the Group support the recommended approach. They do not necessarily agree on all the detailed points made in the report” (p.2).

The Department of Social Protection attached its own annex to the report in which it disagreed with the recommendation that it should move to electronic transfer of social welfare payments as default, instead of as a matter of choice for customers. This annex went on to state that there was a clear attachment to being paid in cash instead of into a bank account, that the level of consumer confidence in banks was low and that there was a genuine disquiet that fees would become a problem if introduced. Another issue of concern for this Department was the lack of recognition, in the report, of the fluidity for their customers of moving in and out of welfare and work. The Department foresaw difficulties for customers, who if they had run into problems of managing their account in a period of unemployment, could be banned from having an account which in turn could interfere with them receiving electronic social welfare payments.

⁴² A buffer is a feature which allows the account holder to have a temporary negative balance up to the buffer amount

The three MABS offices which had been involved in the pilot also shared feedback given by their clients which offered useful insights into how future supports and tools for financially excluded people could be configured:

- Lack of perceived need, people happy with An Post bill-payment services, or by Credit Unions, income too small to be worth lodging
- No perceived benefit, this was an issue for over-indebted people
- Negative attitude and mistrust towards banks - some clients had had their accounts closed due to defaulting - and a more positive disposition to Credit Unions
- Dissatisfaction with level of bank charges

In summary, a nationwide roll-out of SBAs did not materialise after the publication of this report.

It took the transposition of the EU Payments Accounts Directive into Irish law in September 2016 for progress to become apparent on the provision of SBAs. This aim of this directive is to ensure that consumers who are legally resident in the European Union can access a payment account with basic features free of charge or for a reasonable fee. The Directive also gives Member States the right to take specific additional measures to ensure access to basic payment accounts for unbanked and vulnerable groups. The aims of the Directive include:

- Offer transparency and comparability of payment account fees with the aim of making it easier for consumers to compare offers for payment accounts from different payment service providers
- Facilitate payment account switching for consumers who want to move their payment account from one payment service provider to another
- Provide a payment account with basic features

This means that it is now possible for consumers to compare offers from different payment services providers and to be able to see which payment account suits them best. Banks and other credit institutions which offer payments accounts must provide consumers with a payment account with the following features:

1. Customers can make lodgements, withdraw cash, execute direct debits, credit transfers and payment transactions including on-line payment.
2. The account is free of charge for the first year, and will remain free to consumers lodging not more than a specified amount to the account
3. No overdraft facility is available.
4. The credit institution may refuse to provide a basic payment account where the consumer already has a payment account in Ireland.

Despite being available in Ireland since the take up of SBAs remains low. Data from the Central Bank Consumer Protection November 2017 Bulletin stated that 'the level of switching remains low'⁴³.

2.4 What services and supports are available for financially excluded people?

2.4.1 Money Advice Budgeting Service

The Money Advice Budgeting Service (MABS) is the State's free, independent and confidential service set up to help people with problem debt. MABS was established in 1992 and is funded by the Citizens Information Board. It is the only free independent and confidential Service for people who are in debt or at risk of getting into debt. Information and advice on all aspects of money management and dealing with debt is available on the MABS website www.mabs.ie

⁴³ <https://www.centralbank.ie/docs/default-source/Regulation/consumer-protection/compliance-monitoring/reviews-and-research/consumer-protection-bulletin---current-accounts-and-switching---november-2017.pdf?sfvrsn=5> (Accessed 12th December 2017).

Local MABS offices are managed by voluntary Boards which have a range of relevant and local stakeholders such as the Citizens Information Centres, Local Authorities, Social Welfare, Society of Saint Vincent de Paul and other local agencies which work with people in debt. These voluntary boards have no involvement with the day to day work of the office and no access to client details.

MABS has 51 Money Advice and Budgeting Services which work from over 60 offices around Ireland. There is an appointment service where clients schedule sessions with experienced and trained Money Adviser who work with people who have a wide range of personal debts. These debts can be personal loans, mortgages, credit card, debts, licensed money lender debts and hire purchases.

There is a Traveller MABS which works specifically with Travellers to offer financial education and to advocate on their behalf to effect change in policy and practice which excludes Travellers and other marginalised groups from accessing financial services. Traveller MABS also facilitate loans for new trailers to avoid Travellers getting involved in short term high interest loans www.ntmabs.org/ .

Specific information on all aspects of housing debt (rent and mortgage arrears) is available on www.keepingyourhome.ie

There is a national helpline 0761 07 2000 which operates Monday to Friday from 9am to 8 pm. offering information and immediate support on all aspects of money management and personal debt where people can speak, in confidence, to a trained MABS Helpline Adviser.

The MABS Helpline can also provide free self-help materials tailored to the caller's particular situation. With the caller's consent, MABS Helpline Advisers can also 'call-back' to provide callers with additional support with budgeting, preparing a financial statement, or making contact with their creditors. In many cases the MABS Helpline can provide the help and support people need to start to address their financial situation.

In cases where a client contacts a local office with an urgent financial problem (such as a threatened disconnection, legal proceedings for repossession, a threatened eviction, etc.) their situation will be assessed. MABS always tries to prioritise urgent cases.

The MABS Helpline offers help to clients over the phone. For the cost of a local call, MABS Helpline staff will call mobile callers back, if callers are worried about the cost of the call. These money advisers give help and support about money problems and can offer specific advice. They can provide material and information which people can use to solve their financial issues.

If users cannot deal with their problems after a discussion with a Helpline Adviser they can have a face to face appointment. MABS offices use an appointment scheduling system and it can be some weeks before clients have their first meeting with an adviser. MABS suggests that clients use the free self-help tools available to begin to assess their situation, while waiting for their first appointment

A wide selection of tools and calculators are available on line for clients, with various leaflets and brochures on various aspects of money advice and management. New brochures were produced in late 2017⁴⁴.

MABS services are in high demand with waiting lists for face to face interviews running to almost three weeks in some areas. The number of people waiting to be seen also varies with a higher number waiting to be seen in both rural and urban disadvantaged areas.

⁴⁴ https://www.mabs.ie/downloads/publications/17_11_24_Basic_Bank_Account_DL_WEB.pdf
https://www.mabs.ie/downloads/publications/17_11_24_Manage_Your_Money_Basic_Bank_Account_DL_WEB.pdf

2.4.2 'It Makes Sense' Initiative in Credit Unions

This scheme facilitates Credit Unions to give loans (between €100 and €2,000) at low interest rates to people on social welfare payments, including workers in low paid jobs who are entitled to Family Income Supplement. To facilitate the repayment of the loan the rules governing the Household Budget Scheme⁴⁵ were amended so that people receiving their social welfare payment have a deduction made at source before they receive their money at the Post Office. There are currently about 6,000 loans in operation and the average amount borrowed is €590.

There is a strong collective ethos in this initiative, which began in the pilot which ran in 2015. The evaluation of the pilot was overwhelmingly positive which led to a national roll-out in 2016, with a slightly tweaked product. There are seven bodies proactively involved in the Personal Micro Credit Steering Group, the official name for this initiative. Local MABS and SVP branches heavily promote the initiative to suitable clients they work with.

Currently there are currently 112 Credit Unions, operating in 240 locations actively engaging with borrowers. Borrowers are very enthusiastic. They communicated a strong sense of inclusion and self-esteem when they engaged with their Credit Union and were 'treated with respect'. An attractive feature of the product is the facility to overpay a loan and pay it back early.

Stakeholders regard this product as a key step on the road to financial management and inclusion for excluded groups, offering an alternative to moneylenders. The loan delivers clear tangible benefits:

1. Credit
2. A financial relationship
3. Deduction at source
4. Control

The 2016 evaluation of the initiative by Amárach Consulting yielded positive insights From Steering Group members:

"The product is a gateway product"

"This is a person's toe in the water into normal credit and banking"

"Think of where this can lead people to..."

"An ethical equivalent to money lending is needed .. With online access to expensive money lending has never been easier"

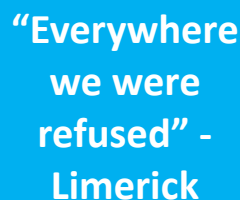
"For the sake of 24 hours, you could save €100 to €200"

"It brings Credit Unions back to their core purpose"

Borrowers, who had previously negative experiences from banks, gave very positive feedback, some saying that the initiative had a '9 out of 10' impact on their lives- not just their financial lives.



"I am embarrassed saving €10 at the top of a long queue in the bank" -



"Everywhere we were refused" - Limerick



"I'd be embarrassed walking into a bank" – Meath Street

2.4.3 Licenced Moneylenders

There are currently 41 licenced moneylenders in Ireland offering short term high cost credit to customers in Ireland, up from 40 in 2013. In 2013, 360,000 people had loans with licenced moneylenders with an outstanding loan amount totally €200 million.

Licenced moneylenders charge an interest rate much higher than other credit institutions, always over 23% and often a much higher amount, with some stakeholders working with vulnerable groups stating that it is as high as 187%.

In 2013 a report into licensed moneylenders found that there had been little change in the sector, that the numbers had dropped by one to 40 and that the rates of interest had remained static since the previous report in 2007. Some findings from the 2013 report include:⁴⁶

- The most common loan amount is €200- €500
- The most frequent term offered is approximately 9 months, with an APR of 125%
- A significant proportion (25%) of consumers surveyed experienced difficulties in making repayments in the past 18 months, with 63% of those reporting that repayment difficulties were caused by a drop in household income
- A majority (65%) of consumers reported that they have repaid a loan early. However, only 31% of those recalled receiving a rebate for doing so
- A sixth (16%) of consumers reported that they were repaying loans to two different moneylenders.
- A majority of consumers (84%) reported that they know the cost of credit on their loan and 65% reported that they understand the amount of interest charged on their loans

The Central Bank has a statutory objective of ensuring that the best interests of consumers are protected in relation to licensed moneylenders. It has published four newsletters to date offering information, feedback and guidance to the sector. It provides the sector with guidance and instructions to support its compliance with the Anti-Moneylaundering/Countering the Financing of Terrorism (AML/CTF) obligations.

A review of the Consumer Protection Code for Licensed Moneylenders was initiated in February 2017 with a view to finding out if the existing consumer protections are adequate or need to be enhanced. The Central Bank has issued a consultation paper to all licensed moneylenders.

The ongoing supervisory and annual licensing of money lenders is also a function of the Central Bank and this area will also inform the forthcoming review, as will an analysis of approaches adopted by other jurisdictions regarding legislation and regulation. From March 2018 licensed moneylenders will be required to enter any transactions they engage in with their clients over €500 onto the Central Credit Register.

By their nature moneylenders deal with low income with poor credit ratings who cannot access credit through official banking channels. The lack of choice for this cohort means that people are not in a strong position to negotiate low levels of interest repayment when they find themselves in near term financial need and a money lender is accessible to them in their locality. The Amárach evaluation gave some insights into how money-lenders are viewed by their customers:

"They pick on vulnerable people like me" Meath Street

"He is just an ordinary bloke... living in the estate... he will be parking at the entrance to the estate waiting for you to drive up... following you" Rathfarnham

"Provident loans are addictive (reference 8minutes 11 seconds in). I sometimes get them when I don't need them" Meath Street

"I borrow to ease stress" Limerick

⁴⁶ Central Bank of Ireland, (2013). Report on the Moneylending Industry. Available at: <https://www.centralbank.ie/docs/default-source/Regulation/industry-market-sectors/moneylenders/issue-1---september-2014.pdf> (Accessed 14th November 2017).

Apart from the call and collect type of moneylender there are other entities which engage consumers in higher purchase agreements often with a significantly high rate of interest and sometimes have which sound confusingly like banks. There are also catalogue companies which people buy goods through, at very high APR which cause problems if repayments become problematic.

2.4.4 St Vincent de Paul Society

The largest charity of social concern in Ireland offers friendship, support and assistance to those in need. It spends approximately €30,000 a year helping people through its many projects and initiatives. Most of the 10,000 volunteers visit individuals and households directly, and in some cases have an ongoing relationship with those they help. In these encounters they try and discourage people from engaging with illegal moneylenders. They advocate the Credit Union's 'It Makes Sense' scheme as appropriate with those they help, if it is available in their locality.

2.4.5 Basic Bank Accounts

All high street banks in Ireland have devised products which have features of the Standard Bank Account (SBA) pilot which was the cornerstone of the Government's Financial Inclusion Strategy. Stakeholders spoken to for this report indicate a concern that awareness and motivation to promote the products differ from bank to bank. It is anecdotally felt by some stakeholders that branches do not proactively promote them at potential customers.

An informal mystery shopper exercise carried out in the high street banks in a North Dublin suburb in mid-November yielded very low awareness by staff, and in one case by a branch manager, of the product being inquired about. In only one instance was the customer readily identified as someone who would benefit from a SBA and relevant information shared, in the other cases the customer was given information on a range of current accounts.

The Competition and Consumer Protection Commission (CCPC), previously the Consumers Association of Ireland, has a useful online comparative tool which facilitates comparisons between the various providers. It also explains the specific terms of use which differ slightly from bank to bank in terms of how much money must be in the account in order to avoid fees, what banking transactions attract fees and other small print conditions⁴⁷.

Four of the six banks require customers to ensure that their lodgements do not exceed the national minimum hourly rate of pay multiplied by 2080 (40 hours x 52 weeks), in which case their account will change to a normal current account.

In all accounts there were no ATM, debit card or quarterly charges. It is noteworthy that all of the banks have different names for SBAs and do not appear to market them proactively. Take up statistics have been requested but are not available as yet.

It is the case that the banks have delivered on their commitment to provide a Standard Bank Account and therefore they are in compliance with the EU Payment Account Directive. It is debatable whether these accounts are visible, are promoted and made attractive to relevant cohorts.

In contrast with the very low key provision of SBAs by high street banks, An Post has launched its own version called Smart Account which has useful features such as a 'wallet' for budgeting, money back arrangements with some everyday retailers and a mobile and online app. The account has a monthly charge of €5 and is promoted actively across an increasing number of Post Offices.

⁴⁷ www.ccpc.ie/consumers/financial-comparisons/current-account-comparison/

Chapter 3

Unmet needs for those who are financially excluded

3.1 Lack of data a barrier to progress

It is now over a decade since the previous analysis on the extent of financial exclusion was carried out. Stakeholders spoken to for this report point to the disappointing absence of current data on the extent, scope and scale of financial exclusion in Ireland. They also pointed to the apparent unwillingness to address this problem by investing in the gathering of data on which to design improved responses to meeting the currently unquantified need.

The lack of recent data is of very real concern for stakeholders. Two financial exclusion experts, Stamp and Joyce, published an article in 2017⁴⁸ in which they criticise the ‘apparent societal disinterest in framing an inclusive (operational) definition of household “over-indebtedness”’ and point out that this lack of concern about the broader problem as a whole...renders it difficult both to measure its full extent and nature, and to track changes over time’.

The authors note that there is no baseline for effectively evaluating policy measures such as money advice services and some insolvency initiatives. They contend that even when evaluation happens that there is more focus on the process in question rather than the household or person struggling with financial difficulties. They suggest that the removal of the Strategy for Financial Inclusion from the Department of Finance’s website indicates the current low priority the area attracts at a national policy level. They, like other commentators, express their disappointment at the lack of available periodic data on rent arrears, people struggling to pay utility bills and particularly on the lack of detail on the numbers who have defaulted on non-secured loans. They point to the concern expressed by the Insolvency Service of Ireland on the ‘dearth of statistical information available covering personal unsecured debt’. Dissatisfaction is apparent at the gap in measurement and analysis of the topic.

Their article goes on to cite three very real cases where delayed national policy implementation has had serious and negative consequences for people suffering financial exclusion in Ireland:

1. The five and a half year delay in the establishment of a system for paying fines in instalments due to ICT and payment mechanism issues has had a negative effect on the numbers of people who have gone to prison for this reason. Figures provided by the Irish Penal Reform Trust indicate that there was a 10% increase in imprisonment for non-payment of fines in one year alone, between 2014 and 2015⁴⁹.
2. The Central Credit Register, first mooted in 2012 as an integral component of the EU/IMF bail-out but only established in June 2017, could have acted as a brake on the high levels of reckless lending which was sanctioned prior to the global financial collapse, had it been established as promised. It should be noted that currently the register allows lenders visibility on loans over the value of €500.
3. Delayed issuing of the commencement order for the Civil Debt (Procedures) Act of 2015, abolishing imprisonment for civil debt, resulted in a man being sent to prison in March 2017 for this offence. This case was successfully contested by the Free Legal Aid Centres of Ireland.

The authors conclude their critique of financial exclusion policy and strategy by stating that even without the twin risks of the lack of current data - which hampers the development of evidence based policy - and

⁴⁸ Stamp, S. and Joyce, P. (2017). ‘Delay and Pray? Data deficits, policy implementation disorder, the downplaying of non-mortgage debt, and the prolongation of the Irish household debt crisis’. Briefing Paper, Centre on Household Assets and Savings Management, University of Birmingham.

Available at: <https://www.birmingham.ac.uk/Documents/college-social-sciences/social-policy/CHASM/briefing-papers/2017/BP7-2017-delay-and-pray-stuart-stamp.pdf> (Accessed 19 November 2017)

⁴⁹ 29 Irish Penal Reform Trust 2017: Facts and Figures. See: <http://www.iprt.ie/prison-facts-2> (Accessed 18th November 2017).

the flawed and delayed policy implementation, that it is explicitly the case that the State favours those who are in danger of losing their family home and are insolvent over those who are not homeowners and who have personal debt problems. They substantiate this by pointing to the various initiatives and processes established to support people struggling with mortgage problems:

- the Central Bank's Code of Conduct on Mortgage Arrears (CCMA)
- the Mortgage Arrears Resolution Process (MARP) which sets out how borrowers and lenders engage
- the Government's new scheme 'Abhaile', set up in 2016 and implemented via MABS, for people in mortgage arrears who are also insolvent

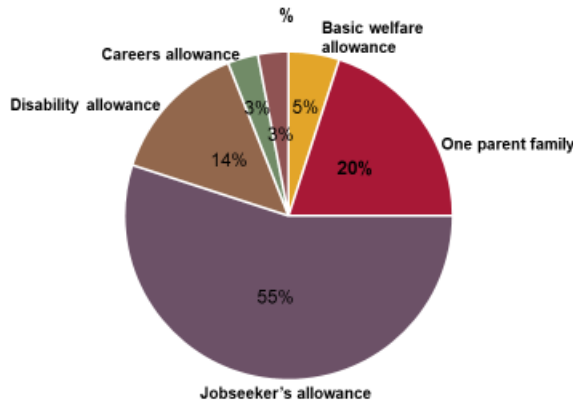
They contrast the above measures and level of information gathered by the Central Bank with the lack of actual data on other important elements such as how many tenants are in arrears with their rent in the private sector, how many people or households are struggling with unsecured debt and household bills. Like other commentators they question whether the lack of impetus to gather data on financial exclusion and unsecured debt stems from an indifference regarding those who experience these problems.

This query is legitimate given that in November 2017 the Central Statistics Officer indicated that it had no immediate plans to revisit the issue of financial exclusion despite the fact that Eurostat had committed to gathering data for a revised ad-hoc module of EU-SILC on Over-indebtedness and Financial Exclusion during this year. As the Irish national data collecting body, the Central Statistics Office is tasked with highlighting unexplored aspects of social inclusion by developing ad-hoc modules on a yearly basis to complement the variables permanently collected in EU-SILC. Given that the previous analysis (Household Finance and Consumption Survey 2015) yielded much rich data it is disappointing that a follow up analysis is not planned. The CSO has indicated that the modules it is planning include Material Deprivation, well-being and housing difficulties for 2018 and Intergenerational transmission of disadvantage for 2019. As yet no decision has been taken for module themes for SILC from 2020 onwards, as this will depend on whether a new regulation covering social statistics is implemented or not before 2020.

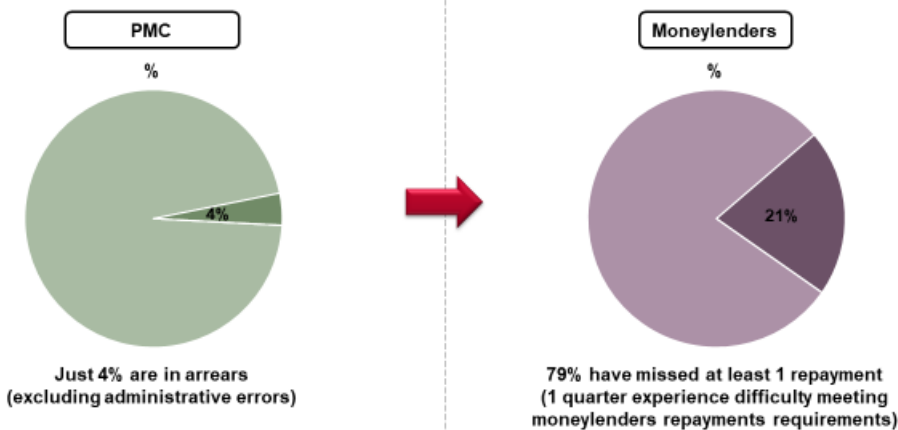
Lack of data and the absence of political ownership and momentum have led to a critical lack of evidence on the depth, scale and scope of financial exclusion in Ireland. This had led to the dangerous position wherein it is not possible to quantify current financial exclusion accurately. Without accurate data of current and emergent need it is more difficult to galvanise stakeholders to focus on making the best use of their collective resources to problem solve in innovative ways.

Another indicator of unmet need are the below slides from the Amárach Consulting pilot of the 'It Makes Sense' initiative which shows both the breakdown of clients who took up the pilot and their repayment records in comparison with money lenders.

In the below slide PMCs refers to the individual Credit Unions which engaged with the initiative.



Source Monthly Report PMC Project Team



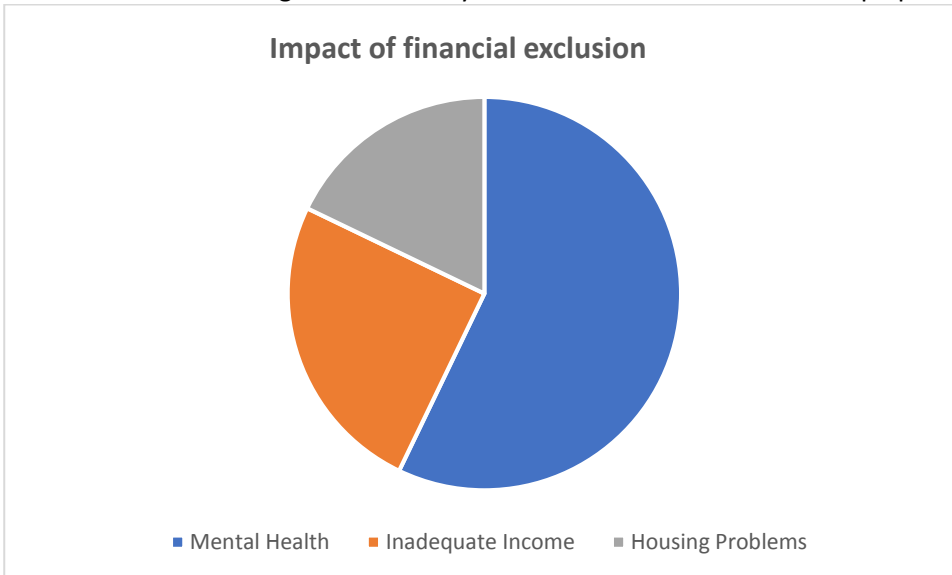
This is based on a comparison with the Central Bank of Ireland Report on Licenced Moneylending which was published in November 2014

3.2 What does it mean to be financially excluded?

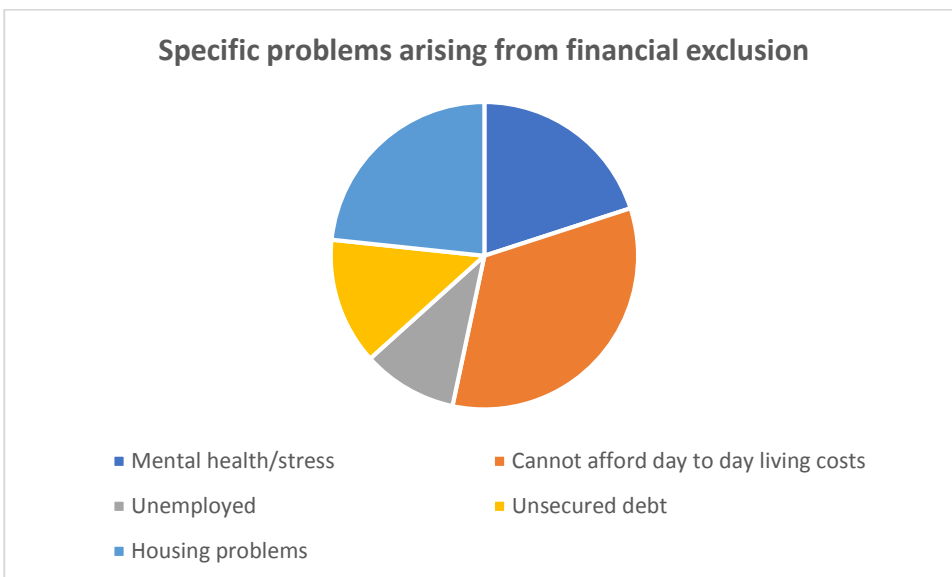
This section sets out the findings of a survey conducted by EAPN of its own membership and other organisations working with vulnerable groups. There were 21 responses to the survey from organisations across the country. The organisations are a blend of local and national organisations working with disadvantaged groups. The objective was to collect a snapshot of presenting issues and what the individuals experiencing the problems did to try and solve them. There was a striking degree of similarity in both issues presented as problematic and the organisations people went to for help. The information from the survey offers a sense of prioritisation of the presenting problems, with the organisations who responded listing multiple issues being presented by their clients. It was clear from the responses that clients approaching one organisation often engaged with other services also, depending on their particular

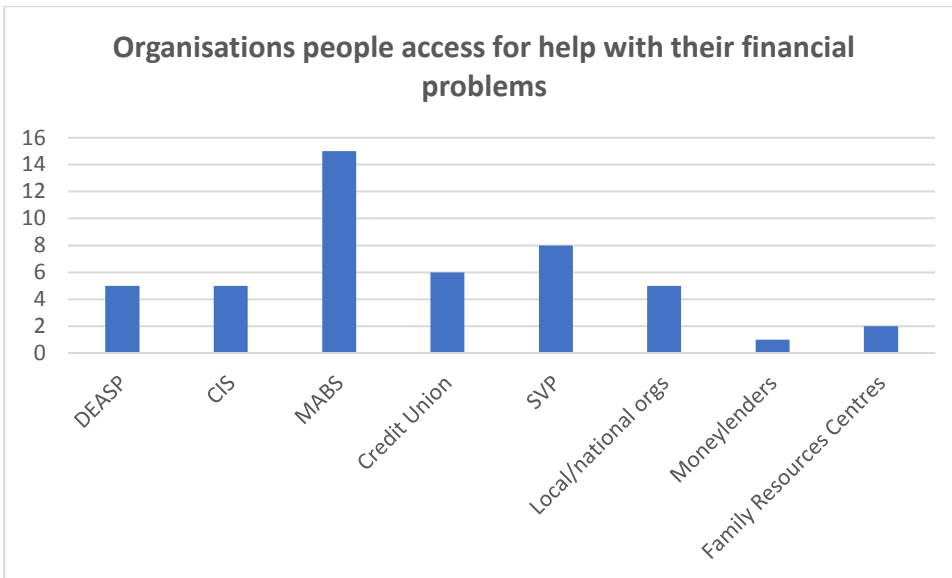
context and presenting needs. The listing of issues and organisations accessed are depicted in descending order of frequency with duplication not illustrated.

Poor mental health, in particular stress and anxiety, was the most commonly reported impact of being financially excluded, at 16 out of 21, by people who came looking for help to the organisations who completed this survey. Inadequate income and inability to meet day to day costs (heating, food, education, travel, health and childcare costs) ranked as the second most cited impact, at 7 out of 21, with accommodation related problems at 5 out of 21. The accommodation related issues included not being able to secure and keep private rented housing, deposit finding issues, unfit housing, administrative delays associated with Housing Assistance Payments and unsustainable rent top ups.

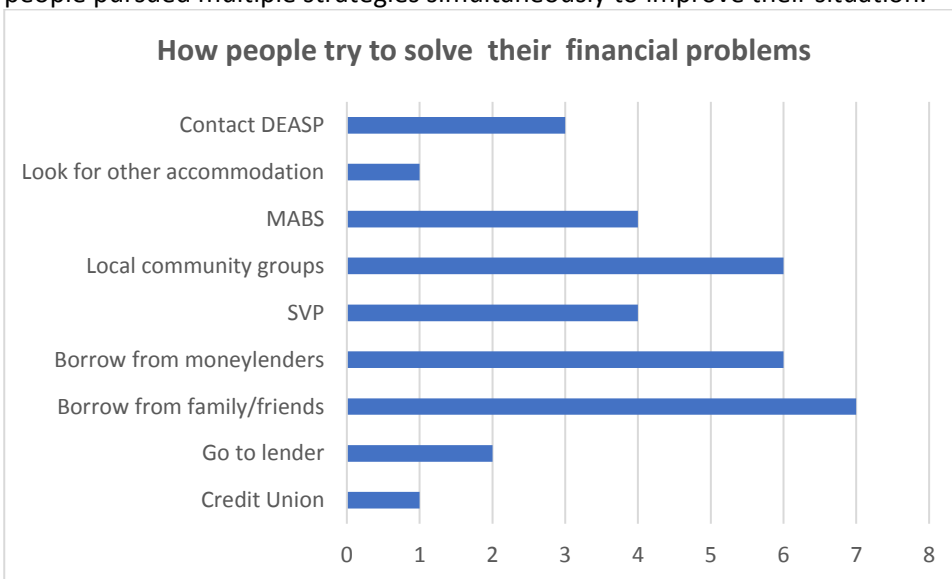


Organisations reported that not having enough money to cover day to day living was the most common reason for people to approach their service, followed by unaffordable rents, mental health problems and negative engagement with illegal money lenders.

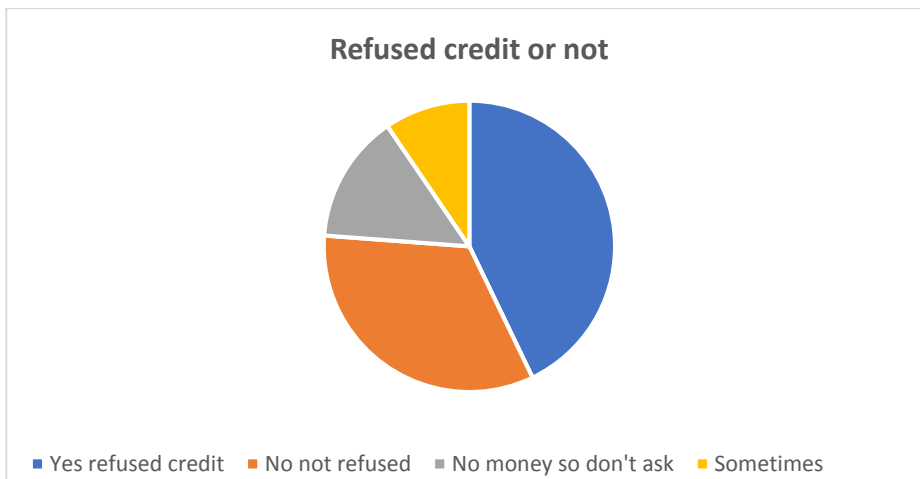




When faced with financial pressures the most frequent response, at 7, was to borrow from family or friends. This was closely followed by going to a moneylender, 6, with another 6 approaching a specific community group such as a Traveller group, while 4 asked MABS for help. Some organisations reported that people pursued multiple strategies simultaneously to improve their situation.



When asked if the people approaching their service had complained that they were unable to access credit 8 out of the 21 organisations said that this was the case, 7 said that their remit was not related to finance and 3 said that their clients were so disadvantaged that they did not even look for credit from institutions.



The above snapshot of a small cross section of both local and national organisations responding to need depicts an unintegrated and piece-meal landscape of various supports and systems where delays and inadequate policy responses contrive to create barriers of access for the financially excluded.

The current impossible situation with regards to escalating rents in the private sector and the inability of responses, both statutory and non-statutory, to solve the challenges show the fault line of slow and weak policy measures, poor data collection and lack of prioritisation.

Some of the organisations which responded to the survey, while immersed in local immediate problem solving, concurred with the stakeholders spoken to for this report, when they stated that solutions will not be achieved until institutionalised inequalities and disadvantage are dismantled.

3.3 What people say about being financially excluded

The below quotes have been sourced from 8 interviews a MABS money adviser had with clients who agreed to be part of a Master research thesis on living without a bank account in Ireland⁵⁰. Various views and insights are offered which illustrate the difficulties entailed, the effects of administrative systems and the impact of a low level of financial education.

“I would prefer it (social welfare payment) going into a bank, that way I could leave it there in the bank. I can’t leave it in the Post Office if you don’t collect it its gone back to the office and you’re locked out.... You wouldn’t have to be holding cash.....and I fell and people picked me up and they took everything I had on me. It was all cash. Wasn’t much it was about €80 or €90 but it was all I had and I didn’t really eat until the following week”

“I would love to get a bank account I really would. But now you need a passport and that, I don’t have one. There are days I can’t get out and am in hospital and I lose me few bob for weeks. Then you get it back”

“I pay my house insurance through my daughter’s account. Well I don’t have to pay fees (bank fees)”

“And now I have to cancel my life insurance until I get somewhere to bank (bank has closed her account since she has gone through bankruptcy.....bank still letting her get wages into account but not letting her pay bills out of this account). I just have to go in and wait, and you’re nearly an hour, because the girl has to go upstairs and then back down and to go in to the back of the bank before you can take any of your money out (to go and pay bills). I just pay by cash the problem is also that I am bussing it to pay too so I

⁵⁰ Harris, G, 2016, ‘A study of the causes and effects of living without a current account in Ireland 2016 as experienced by a sample of clients of the Money Advice and Budgeting Service’, Masters in Social Research Skills, School of Criminology, Politics and Social Policy, Ulster University.

have to have bus fare for everywhere now.....I have a little granddaughter and it's making it more obvious I do bring her out and have to bring her with me to pay my bills"

"The car insurance they want you to have a bank account as they want you to have direct debit every month. But my son has a credit card account and I use his credit card or whatever you call it to pay those types of bills and I pay him back"

"It's a small town and the boys in the shop know me. The Post Office is in the shop and the boys in the shop cash it for me (social welfare payment)"

"You have to pay to use a bank would it be much? Charges are too high I'd imagine. For someone on the labour. And then how would I get the cheque payment"

"Yeah I couldn't get it for years (Sky) but I have it now I pays by card"

"Yeah but if I had it (social welfare payment) paid into a bank account they would take it away from me whatever they wanted out of it and what would I live off of then?"

"Maybe opening up a bank account would be senseless as I would have nothing to stick in it. Sometimes you just need the cash here in your pocket, you need milk, the kids are there or if you need to get something in the shop it would be a long trip down to the bank for me"

"I am in full time employment so there wasn't a problem with wage slips or anything like that. The only thing is that I hadn't got a bank to put the wages into. I'd nowhere to get your wages put into for 6 to 8 weeks. I had no fixed abode at that time I was looking for a flat....never got a call back automated answer had to change me tax to this new address and the letter (the bank sent out) said that I had to have the last three wage slips which was hard to get at the time"

3.4 Conclusion

It can be clearly seen from the lived experience of people with debt and credit problems, and from feedback from national organisations working at a policy and practice level to alleviate financial exclusion, that there are clear links between income inadequacy and poverty. The survey findings of both local and national organisations working with financially excluded groups overwhelmingly corroborated the views expressed in the semi structured interviews of experts and national organisations spoken to for this report.

The stark message from both academia and the front line organisations working closely with vulnerable groups was that people are in poverty because they cannot access an adequate income to live a normal life. Their situations are exacerbated by the administrative and policy barriers which result in delays and inadequate responses. This is particularly evident in the difficulties facing households and individuals who cannot access or retain affordable fit for purpose accommodation. This occurs predominately in the private rented sector problems relating to inability to source deposits, poor unfit accommodation and administrative barriers regarding Housing Assistance Payments.

The above issues and challenges both arise and are further complicated by the fact that many in these vulnerable cohorts do not have access to a transaction bank account, namely an account which has access to a banking clearing system. In short, these groups are further penalised by being excluded from the benefits available to people who have access to a current account. These same groups of people are vulnerable to seeking short term loans with high interest rates to tide them over trigger points such as Christmas, birthdays, back to school expenses, bereavements, family events and ill health to name a few occasions when additional cash is required.

The above insights, comments and observations by individuals themselves, and the groups who seek to support them, show that they experience more difficulties managing the money they do have, are more

exposed to high-cost financial services and are more at risk of being in debt. They also struggle to get credit as they often have poor or no credit history with banks. These vulnerable cohorts are more vulnerable to theft and loss of cash, cannot avail of cheaper payment rates and deals as they do not have access to direct debits and can encounter difficulties paying for certain goods and services.

“In some cases they are unable to insure the vehicle and therefore lose their No Claim Bonus which in turn increases their insurance policy to an unattainable sum.”

“Clients are very apologetic when their homes are cold. Food poverty, shame, isolation, fear of money lenders....”

“There is a fear of going shopping with their children as they are faced with the task of saying ‘No you are not allowed that, or no we cannot afford that. Not being able to buy ‘new’ clothes for their children is something parents have difficulty with. Clients have said how they wish they could just go to Dunnes and buy new stuff for them once in a while.”

Chapter 4 Proposals

This report offers an insight and snapshot of the reality of financial exclusion in Ireland at the end of 2017.

The stark finding from this research is that living on an inadequate income is a reality for too many people in Ireland, with high numbers of them ending up in debt. The problem of indebtedness is exacerbated by the lack of access to affordable credit and or a bank account, compounding the problem for many people.

This report found that there is a need for financial exclusion to be addressed proactively and collectively by the Government in a cross-party manner, the banking industry and the voluntary sector. It is clearly the case that the financial exclusion of a sizable percentage of the population is simply not a political priority, or even on the list of key challenges to be tackled by the current Government. Notwithstanding the lack of recent data there is no evidence which shows that the numbers experiencing financial exclusion have decreased.

A particularly grave theme running through out this report is the tangible lack of financial information and education affecting those who experience financial exclusion. This deficit in financial skills exacerbates the already deeply embedded structural inequalities affecting this cohort and is an issue of deep concern for many stakeholders. Those spoken to for this report all spoke of the need to enable, empower and include core communities who feel disenfranchised and disabled in financial participation terms. They also spoke of building on what is there with regard to good practice in engaging with hard to reach target groups.

There are examples from other jurisdictions which illustrate how a strategic partnership approach can create the momentum and commitment to leverage results. In Scotland, for example, the Carnegie UK Trust has developed a report⁵¹, following on from a partnership process, which sets out a clear route map to success. Proposals include:

- ✓ Cross-sector Affordable Credit Group
- ✓ Minister for Financial Inclusion responsible for affordable credit amongst other issues
- ✓ Role of data and research explicitly recognised, for example borrower statistics will be available down to the postcode or district ward level and access to credit included in national and regional performance measurement frameworks
- ✓ Partnerships between public service providers, commercial, charitable and credit unions
- ✓ Local 'affordable credit partnerships' as part of local development structures
- ✓ Mainstream credit providers to refer refused loan customers to local credit unions or Community Development Finance Institutions

Some of the features of the Scottish approach already exist in Ireland, albeit in a more disjointed and piecemeal fashion. However, these potential partners and actors need to commit to a coherent strategy driven with strong political leadership with adequate resources.

⁵¹ Carnegie UK Trust. (2016). *The Final Report of the Affordable Credit Working Group* UK: Carnegie UK. Available at: <https://www.carnegieuktrust.org.uk/wp/wp-content/uploads/sites/64/2016/04/Gateway-to-Affordable-Credit.pdf> (Accessed 12th November 2017)

Another example of the need for a high level commitment can be seen in the fact that there is a House of Lords Select Committee on Financial Exclusion which ensures that the issue has profile at a senior level in the UK.

It is clear what is urgently required is a new Financial Inclusion Strategy. This must be a cross-sectoral collaborative initiative, based on the principles of partnership and collaboration.

The proposals below are offered as a first step to begin a national conversation to address the issue. Further discussion and a process is suggested where relevant stakeholders can engage on how to expedite a clear action map to achieve financial inclusion. The proposals fall into themes but the given is an initial commitment to a new strategy to eliminate financial exclusion which will need political prioritisation and deep and authentic commitment from a range of actors.

4.1 Addressing Income adequacy

Chapter 1 of this report outlined the extent of inadequate income in Ireland and the implications and effectiveness of current policy in raising people out of poverty. A number of clear proposals flow from this chapter:

1. The new national action plan for social inclusion being developed by Government needs to have an integrated approach to addressing the causes of poverty. This includes adequate income for all, whether in or out of work, access to quality services and access to a decent job for those who can work. This integrated approach has to take account of the different risks of poverty experienced by different groups and seek to address these through mainstreamed and targeted measures, including addressing the discrimination faced by many in trying to access an adequate income services and decent jobs. In order to be effective an integrated approach has to ensure that economic and budgetary plans support the implementation of anti-poverty strategies and the achievement of the poverty reduction target.
2. Social welfare rates need to be adequate and the barriers removed so that everyone who needs social welfare supports can access them. A benchmark for setting social welfare rates needs to be put in place which ensures that minimum supports are adequate to both lift people above the poverty line and provide them with a Minimum Essential Standard of Living.
3. Everyone who wants to should be able to access a decent job which enables them and their families to live with dignity. This involves i. ensuring that all jobs are of quality, including addressing the causes of precarious work and ii. ensuring that people have an adequate income from work through raising minimum hourly pay to the level necessary for a living wage (€11.60 in 2017). Where household income is still inadequate it is then critical that in-work welfare supports are accessible and sufficient to meet the shortfall.

4.2 Political commitment

The cause and effect of financial exclusion on the many thousands of Irish households, and the many ways it blights current and future generations must be acknowledged as a challenge which has not been adequately addressed to date. The locus of financial exclusion at the core of what it means to live in poverty must be recognised.

Financial exclusion is not, currently, a priority for any political party. It does not attract the level of interest and action that mortgage arrears and repossessions have received, although both are issues needing urgent attention. This sends a clear message regarding the levels of respect and acknowledgement attributed to some groups, and their problems, over other 'less deserving' cohorts. Similar urgency applied to putting in place a policy and programmatic response for those who struggle with unsecured debt and inadequate

incomes as exists for people in mortgage arrears. This would be progressed through a new financial inclusion strategy that would need to be championed by a Minister who is accountable to Cabinet.

4. Appoint a Minister with a brief on Financial Inclusion who reports to Cabinet.
5. Establish an appropriate representative structure – Task Force, Working Group whose membership includes relevant national level stakeholders such as MABS, Credit Unions, Social Finance Foundation, Banking Payments Federation Ireland, Departments of Finance and Employment Affairs and Social Protection and the Society of St. Vincent de Paul.
6. Create clear accountability and feedback mechanisms to this body.
7. Develop pathways for engagement by structures which facilitate participative democratic citizen engagement, Public Participation Networks, Local Economic and Community Plans etc.

4.3 Data deficits

The lack of longitudinal and comparable data on who is financially excluded hinders a deeper analysis and understanding of relevant variables. Much more information is needed in order to forge an effective approach to tackling the challenge of financial exclusion at the various levels: strategic, policy and programmatic.

The patchiness of the currently available data, coupled with a lack of commitment to prioritise this at a political level has resulted in poor accountability and a continued absence of much needed data. Addressing the deficit in data must be a central building block of a new financial inclusion strategy.

8. The need for an integrated approach to data collection and analysis must be prioritised by Government. It must become an important element of a Minister's portfolio.
9. The relevant Minister must spearhead a cohesive strategy and be accountable for progress on this at Cabinet level.
10. The Central Statistics Office must have a clearly accountable role in the gathering and analysis of relevant data, including relevant future and current EUROSTAT work plans, EU SILC, planning for future census.
11. The Minister for Department of Employment Affairs and Social Protection must play a pivotal role in ensuring that this Department plays a proactive role in providing real time data to the CSO to ensure quality provision of relevant intelligence. The collaboration of other Departments has a role to play here e.g. Revenue Commissioners.
12. Research should be carried out to find out from the unbanked cohort - which is clearly not a homogenous group - what products and services are needed by them. This will require sensitivity to ensure that appropriate channels are used to capture the needs of the target groups in question and will require a collaborative interagency approach.

4.4 Regulation, role of Central Bank and bank sector

The Central Bank's remit is to carry out the Government's policy in relation to banking and financial regulation. This body will not take a proactive role in designing and implementing measures and products to promote financial inclusion unless explicitly instructed to do so by the Irish Government. Financially excluded people have low levels of wealth and are clearly not attractive customers likely to generate a profit for high street banks. Given the cohort's lack of attractiveness in banking terms it is safe to say that ensuring that these households access appropriate and helpful financial education and services has not been uppermost on the banking sector's agenda.

While in theory all banks have complied with the Directive to create Basic Bank Accounts the take up of these accounts is still unknown. There has been no strong promotion within high street banks of this product, and indeed anecdotal evidence points to a lack of awareness and motivation at branch level to promote the product to potential and suitable customers.

13. Analysis on the take up of Standard Bank Accounts should be conducted. An appreciative inquiry approach to the level of take up and to the real and perceived barriers to take up by the targeted cohort should be carried out.
14. Individual high street banks must not be allowed into schools or any third or further educational institutions to conduct product placement under the guise of providing financial education. Legislation, regulatory changes and inter departmental collaboration will be needed to enforce this ban.
15. The role of catalogue companies, the standards within which they operate and the rules governing this sector need to be examined and improved.

4.5 Financial Education

The lack of financial education is an issue of concern for stakeholders who work closely with people struggling with financial exclusion. National organisations such as MABS, Traveller MABS and the Society of St Vincent de Paul point to the deficit in money management skills and knowledge which they see causing poor decision making and the likelihood of further unsecured debt. This lack of knowledge, experience and confidence regarding money management often stems from intergenerational disadvantage and exclusion where families have low trust in banking institutions and poor levels of financial literacy. MABS is very adamant that financial education can be learned and needs to be resourced coherently and appropriately. Skills and knowledge are the building blocks for better decisions, higher confidence and improved outcomes and esteem. It is important to distinguish between the provision of age and experience appropriate financial education and point of sale information on financial products which providers offer to various levels of clarity.

16. A multi sectoral approach to financial inclusion education must be prioritised, resourced and led by Government to include all relevant actors, statutory and non-statutory. Inter-sectoral approaches could be ensured with close liaison with the chosen representative structure alluded to in recommendation 10.
17. National and local NGOs engaged in financial education should operate within a cohesive, coherent and resourced strategy and funding line, answerable to the Minister in question. Priority should be given to building outreach competence at local and national levels. The learning and successful factors of successful initiatives - for example the 'It Makes Sense' initiative should be shared in a strategic and collaborative way.
18. The National Council for Curriculum and Assessment should develop age appropriate financial education modules for primary and second level students.
19. Prioritise the introduction of a financial education module in the current SPHE subject at second level and include it within the new Politics and Society subject in the Leaving Certificate cycle.

Financial exclusion needs to be addressed as part of a wider commitment to the issue of inadequate income. Tackling financial exclusion must be present in the next Programme for Government and in relevant strategies such as the forthcoming National Action Plan/ Integrated Framework for Social Inclusion to tackle inequality and poverty. Tackling this challenge in a systematic way and multi-sectoral way will lead to greater social inclusion and improved outcomes for people currently experiencing financial exclusion.

There is already much knowledge and experience among those working to address this issue on the ground and good-will to engage in a national collaborative process to bring about the necessary changes. What is required now is the political will to develop a deeper understanding of the challenge and multi-sectoral collaborative responses to create sustainable solutions.

Acknowledgements

EAPN Ireland would like to thank Audry Deane for her commitment and the detailed work she did for this report. We would also like to recognise the contributions of those she spoke to in her research and particularly to thank Gwen Harris, Money Adviser Coordinator Finglas/Cabra MABS, for her support and material generously offered for this report.

We would like to acknowledge those organisations who deal with these issues at the coalface and particularly those took the time to complete the survey, the responses of which are covered in Chapter 3. The list of organisations is below.

Finally to acknowledge the funding for the report from the Carnegie Trust and the staff in the Wheel who facilitated us in accessing the funding and in completing the report.

List of those spoken to for research:

- Lorraine Corcoran, Consultant, Project Manager It Makes Sense Initiative
- Carol Dunne, MABS National Development Financial Inclusion
- Gwen Harris, Money Advice Coordinator Finglas/Cabra MABS
- Finian McCluskey, Department of Social Protection
- Colette Power, MABS National Development Financial Inclusion
- Social Justice & Policy, St Vincent de Paul Society
- Dr Stuart Stamp, Independent Researcher and Research Associate Department of Applied Social Studies Maynooth

List of 21 responses to survey

- Cóbh Family Resource Centre, Co. Cork
- Crosscare Refugee Service, Dublin
- Employability, Cork X 2
- Galway Local Employment Service
- Galway Simon Community
- Gort Resource Centre Ltd, Co. Galway
- Longford Community Resources CLG, Longford X 2
- Lus na Greine FRC, Granard Co. Longford
- National Traveller MABS
- Offaly Traveller Movement
- One Family
- Pavee Point Traveller and Roma Centre
- Portlaoise Family Resource Centre, Co. Laois
- Society of Saint Vincent de Paul, National Office
- South and East Cork Area Development Partnership, Cork
- Southside Partnership, Dun Laoghaire-Rathdown, Co. Dublin
- Springlawn RCDG, Longford
- Threshold
- Vincentian Partnership for Social Justice

EAPN Ireland CLG is core funded by the Scheme to Support National Organisations (SSNO) funded by the Department of Rural and Community Development through Pobal.



