

Voices of Poverty

Dunedin 2011



Has the Landscape Changed?



Presbyterian Support Otago



Acknowledgements

Presbyterian Support Otago gratefully acknowledges the many people who have contributed to the production of this publication.

The eleven families who allowed us to share their experiences, hopes and dreams.

Otago Community Trust for help with research and publication costs.

Melanie McNatty, Lana Morrison, Dennis Povey, Nicola Libergreen and Lisa Wells for their involvement in design, oversight and analysis of research results.

Michael Gaffney for his generous consideration of research tools and design.

Gillian Bremner for her commitment to the project and for advice and oversight throughout.

Kaye Burns, Suzy Werata, Christine Thomas and Nina Claridge for their involvement in interviewing participants and tireless transcription of audio files.

Su Anderson for proof reading and editing assistance.

The team at T&D Marketing for turning words and pictures into a publication.

Voices of Poverty
Dunedin 2011

Has the Landscape Changed?

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Published by Presbyterian Support Otago
P O Box 374
Dunedin 9054.

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publications@psotago.org.nz

ISBN 978-0-473-19581-6

Presbyterian Support Otago



Foreword

“A fair, just and caring community for the people of Otago”.

Presbyterian Support Otago started a food bank almost 20 years ago. Ten years later we published our first report on life below the poverty line in Dunedin, *How Much is Enough?* We were hopeful that decision-makers would hear how their policies impacted on the lives of real people; and, in doing so, consider changes which would give back dignity to many of our citizens.



What has changed since then? The Working for Families package introduced in 2004 had significant potential to alleviate poverty, but the way in which it has been applied has meant that those most in need will never access it fully. More recently the Global Financial Crisis and resulting recession have impacted our economy in ways we never anticipated. Income tax reductions and GST increases have not cancelled each other out as promised.

At a local level our food bank has never been busier and most clients access advocacy and budgeting services because income inadequacy is a component in the story of almost all of the people who seek assistance. As we enter a general election campaign phase we are hearing a lot about the “burden” that welfare puts on our country. “Welfare to Work” has become a populist call and there is an expectation that all beneficiaries can and will work. But will there ever be enough jobs to deliver a sustainable income to all working age people?

Has the landscape changed? I would have to say that many of the people we serve are too busy looking at the step right in front of them to take much notice. They have an awareness of the larger economic and social environment, but are too busy coping with today’s challenges to look out at the changing landscape.

A handwritten signature in black ink that reads "Gillian Bremner". The signature is written in a cursive, flowing style.

Gillian Bremner,
Chief Executive

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Executive Summary

Between July 2010 and April 2011, Presbyterian Support Otago interviewed eleven families who were representative of our client base. The intent was to gather information on the changes they either experienced or put in place to mitigate the effects of the increase in GST (1 October 2010, from 12.5% to 15%), rising prices and an uncertain economic environment as New Zealand moved out of its recession ¹.

The report includes extensive verbatim comments from the participants in order that the full complexity of their histories, their present reality and their aspirations for the future might be communicated without the filter of paraphrase.

During the course of the interviews the government instituted the Future Focus policy direction and, allied to this, the Welfare Working Group reported on possible directions for consultation. Behind both of these initiatives was an expectation that all people of working age who are currently dependent on the government can, and will, be encouraged into paid employment. How realistic these expectations are in a fragile economy remains to be seen, but we note the consternation such debate causes for people who are unwell or incapacitated. The contribution an individual makes to the economy is not the only way of measuring his or her worth.

As in previous reports we have noted that juggling income, debt, inadequate housing, health and transport difficulties and parenting responsibilities is how people below the poverty line live their lives. With unprecedented increases in the cost of food over the year, we have seen more families seeking assistance with budgeting, advocacy with Work and Income and the practical response of a food parcel.

The report concludes with recommendations for action by government, local bodies and the public sector. Has the landscape changed? For New Zealand - yes; we have been through a recession and survived. For the “voices of poverty” – no; for many, their landscape is as bleak as it ever was and for some the future doesn’t look great either.

1. NZ Institute of Economic Research, December 2009, *Recession Over, but Brace for a Bumpy Ride*, <http://nzier.org.nz/media/quarterly-predictions-december-2009>

Introduction

In 2002, Presbyterian Support Otago asked the question: “How Much is Enough?” When your income doesn’t cover your reasonable living costs, how do you cope? We concluded that even with superb budgeting skills, daily prioritising between housing, health, electricity, education, transport and food became a near-impossible juggling act. In 2003, and then again in 2008, we posed a similar question and found that little had changed. We concluded that we could do much better for the people who live with disadvantage every day. As a Social Service agency founded on Christian principles and values, we are concerned that some people live in poverty when there is “already enough food, talent and work in Aotearoa New Zealand for everyone to live an adequate, safe and secure life”².

The effects of the Global Financial Crisis of 2008 are still being felt in Dunedin, with redundancies and a flat economy giving lie to the economists’ assertion that the recession ended in mid-2009³.

TOWARDS A DEFINITION OF POVERTY

Compared with other countries, New Zealand is a wealthy country. Poverty is therefore not accounted in absolute, but relative terms. This definition is a good starting place: “Individuals, families and groups in the population can be said to be in poverty when they lack the resources to gain the type of diet, participate in the activities and have the living conditions and amenities which are customary, or at least widely encouraged, or approved, in the societies to which they belong. Their resources are so seriously below those commanded by the average individual or family that they are in effect excluded from ordinary living patterns, customs and activities.”⁴



Illustration 1: First published in The Listener in 2002 and used with permission in our first publication researching poverty, this cartoon continues to be very relevant.

2. Presbyterian Support Otago, *How Much is Enough*, 2002, p16

3. Refer note 1

4. Peter Townsend, *Poverty in the United Kingdom*, 1979, p31 (cited in *How Much is Enough*, see note 2)

In New Zealand there is no official measure of poverty but the one most commonly used is 60% of the median household income after housing costs are deducted. In 2009 the median household income after tax and housing costs was \$42,700. According to Statistics New Zealand there has been a very slight reduction in this in 2010. Therefore the “poverty line” would be \$13,000 for a one adult household, and around \$29,500 for a two adult, two child household. In terms of weekly income this amounts to \$343 for a sole parent with one child, and \$531 for two parents with a couple of children.

Of those surveyed, none of the two adult families was above this line. Three of the six one adult families surveyed were above the poverty line for brief periods over the year when they were in work and had received in work tax credits in addition to wages. The family on the highest income (\$539) achieved this by living with a parent, free of rent, so there was no deduction for housing costs. The family on the lowest income (\$310) received a Sickness Benefit and a Disability Allowance.

Poverty is more common in benefit dependent households and even more common when there is only one adult in the family. Beneficiary families with dependent children have a hardship rate of five times that for working families with children, and sole parent families are four times more likely to experience hardship than two parent families⁵.

INCREASED COMPLEXITY OF NEEDS

Organisations like Presbyterian Support Otago have noted that the needs of the people we serve are increasingly complex. The data presented here would certainly affirm this. The accepted definition of complex needs is: “Having involvement with three or more government departments and involving secondary poverty related issues such as abuse, violence, addiction, illness and social disconnection”⁶.

Initiatives like “Strengthening Families”, a MSD funded initiative that works by bringing all the agencies and departments associated with a family to the table at the same time, have an important role to play. The resulting strategies build on each family’s strengths and are most likely to achieve lasting change because they accept this concept of “complexity” and look at the multiple influences on each family’s situation.

DIFFERENT WAYS OF LOOKING AT “DEPENDENCY”

When we talk about “welfare dependency” there is an inherent implication that dependency is a negative thing and that the preferred action is to encourage independence. But where do we recognise that we are all interdependent and it is those connections that make the substance of community?

For those people who have achieved independence (whatever that means), the dependant are easily demonised and political gain can be made from characterising them as lazy, shiftless and somehow to blame for their circumstances.

5. Ministry of Social Development, 2008 Living Standards Survey – Background and Key Findings, <http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/monitoring/living-standards/living-standards-2008.html>

6. “The complexity is of different kinds. Some of it arises because there are several individuals and family groups involved, some because a variety of social and behavioral issues are present, some because of a mixture of agencies and legal and official responsibilities.” Malcolm Payne, *Complexity and Social Work Theory and Practice, Social Work Now*, April 2008. <http://www.cyf.govt.nz/documents/about-us/publications/social-work-now/social-work-now-39-apr08.pdf>

The media eloquently show the politicisation of this subject with horror headlines like “11% of people on benefits for over 10 years”. You would think this was a massive group of people, but in fact it represents only one percent of the working age population at the end of December 2010 and is comprised in the main of people for whom work is not an option due to chronic or congenital illness and disability.

When we use the figures we are careful to take people on age-related benefits out of the equation. Somehow a retirement benefit seems earned (I paid taxes, I earned this) and more worthy than a Domestic Purposes Benefit (I can't support myself, so someone else has to). As our population demographic changes, it is not the number of welfare beneficiaries who are increasing exponentially, but the over '65s.

However the subjects of this research study are all under 65 years of age and that is the area that the government has highlighted in recent policy changes and proposals in the Welfare Working Group Discussion documents.

Organisations like PSO talk about offering a “hand up” and sometimes add “not a hand out” – but often we provide both. If we don't respond with compassion to immediate need of food, then it is hard to engage in a conversation about “how you got to today”.

Before we consider making any more changes to our welfare system, let's take time to listen to the voices of those most affected by those policies. What is it really like living below the poverty line in Dunedin in 2011? How have some of them met rising food, fuel and housing costs? How positive are people on a low income about the future? What are the barriers to improving their situation?

The voices of poverty seldom have the opportunity to be heard. We have tried to capture the essence of the stories of a representative few. What is it that will really make a difference to these families?

The names used for individual clients in this publication have been changed to protect their privacy.

Methodology and vital statistics

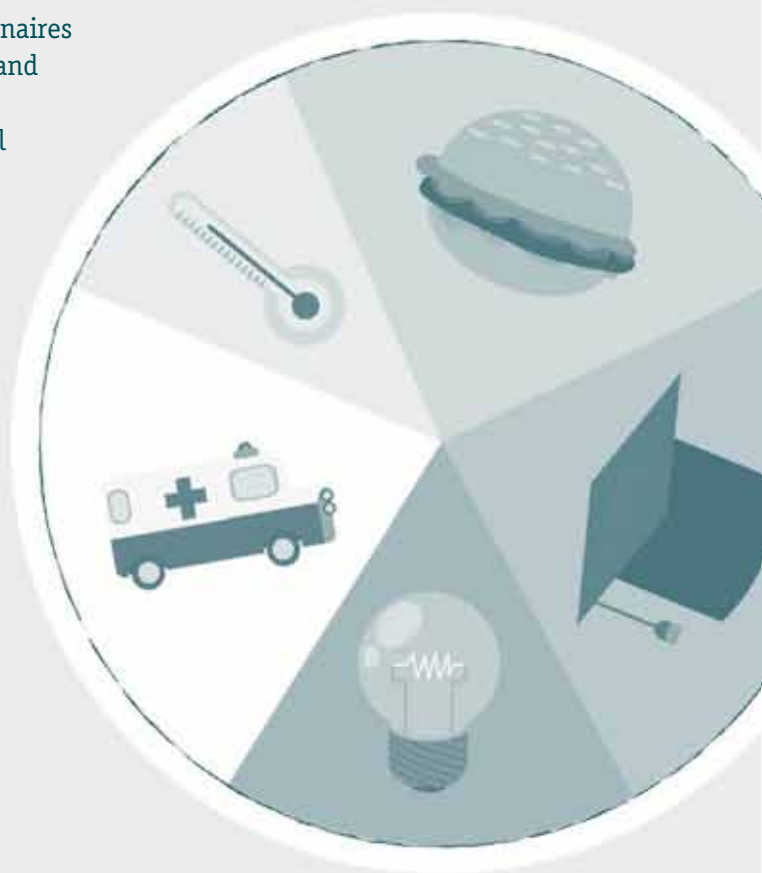
The purpose of this research study was to increase our understanding of how eleven families that were existing clients of Family Works coped with the cost of living increases during the period 1 July 2010 and 30 April 2011.

The families were interviewed in their own homes where possible. The intention was to align, as best possible, the sample group as a microcosm of 157 families seen more than twice in the previous twelve months.

Families were interviewed six times using questionnaires designed to explore financial challenges, physical and mental health, key relationship breakdown or loss, parenting issues, historic debt, and crime and legal issues, among others.

The questionnaires included a range of research methods: open-ended questions to draw out personal narrative, positive reflection on the past⁷, the Life Events Questionnaire⁸, a modified Oxford Happiness Survey⁹ and data on current income and expenditure.

As a result of this study we report on strategies Presbyterian Support Otago Family Works clients utilise to meet financial challenges and what they see as barriers to positive change. We also make comment on the role taken by support agencies to develop mechanisms to support people in managing their complex individual situations.



7. A series of questions exploring "last time things were OK" adapted from "Social Capital: Family Support Services and Neighbourhood and Community Centres in NSW". Paul Bullen with Jenny Onyx, Neighbourhood and Community Centres in NSW and Family Support Services in NSW.

8. The LEQ is an 82-item inventory-type questionnaire in which subjects mark the life events or changes which have occurred during the past year; indicate whether the event was considered "good" or "bad"; and rate the impact of the event on a 4-point scale. Sarason, I.G., Johnson, J.H., & Siegel, J.M. (1978). *Assessing the impact of life changes: Development of the life experiences survey*. *Journal of Consulting and Clinical Psychology*, 46, 932-946.

9. Hills P, Argyle M. (2002). *The Oxford Happiness Questionnaire: a compact scale for the measurement of psychological well-being*. *Personality and Individual Differences*. *Psychological Wellbeing* 33: 1073-1082.

	Family Works clients	Sample interviewed
Family composition	Couple = 4% Couple + children = 26% Extended family = 6% Single = 5% Sole parent = 59%	Couple = 0 Couple + children = 27% Extended family = 9% Single = 0 Sole parent = 64%
Gender	42% male, 58% female	28% male, 72% female
Ethnicity	79% pakeha, 16% Maori	63% pakeha, 37% Maori
Age grouping		Children under 5 = 5 Children 5-12 = 8 Children 13-17 = 10 Adults 18-34 = 2 Adults 35-44 = 7 Adults 45-54 = 3 Adults 55 and over = 2
Housing status (during interview period)		Private rental = 45% NZHC = 37% Both = 18%
Income source		Employed full-time = 1 (7 months only) Employed part-time = 2 Sickness benefit = 3 DPB = 5 Widow's benefit = 1 ACC = 1 Invalid's benefit = 1 Family Tax Credit = 3 Accommodation Supplement = 5 Temporary Additional Support = 3 Disability Allowance = 3 Student allowance = 2

Despite the fact that families were self-selected, this small sample is relatively representative of the overall Family Works client group in terms of family composition, but less so for gender and ethnicity where the proportion of female and Maori interviewed was higher.

part 1

The voices

Between 1 July 2010 and 30 June 2011, the Presbyterian Support Otago Family Works team provided budgeting, income related advice and tangible support to 2,921 families and individuals. The total interventions for our core services (emergency assistance, budgeting, community welfare and counselling) were 8,253. The previous year this figure was 5,860 and in 2008/09 it was 5,150. Therefore we have seen a 60% increase in activity over these three years. Our staff have little sympathy for the view that the recession is over. Its influence on some of the most vulnerable families in our community will continue, as will the need for social service agencies to provide wide-ranging support, assistance and encouragement.

INTRODUCING THE FAMILIES

How people cope with the type of financial and other stresses that brings them to our doors is as unique as each individual and family situation.

Early interviews established that all families had more than their share of stress and trauma. For many the cascade of adverse events was overwhelming: few were entirely within their control or choice.

Here are some examples of these sequences which formed the backdrop to the family's first visit to Family Works:

Shelley's family

Managing debt has played a big part in my life over the past year. I want to see my debts paid off. My teenage daughter and I were homeless for six weeks. My injury-related health issue has had a major effect on our well-being. It has meant I'm unable to continue working. ACC declined further treatment or surgery. I've finally won a review in my favour. I look forward to getting that out of the way, reducing debt and getting back to work.

Alison's family

The last twelve months have been the toughest for us ever. Our second child was diagnosed with asthma. The Housing NZ house was cold, my partner lost his job and I was pregnant with our third child. All attempts to get a larger house seemed to fall on deaf ears. We both became stressed and very angry; shouting down the phone at them. Our social worker showed us how we could look at renting privately. This is an ex Housing NZ place but is way better. Since we've moved we're all eating and sleeping better, and this has been the easiest pregnancy ever. My partner started work again in May. It was a real struggle to survive those months on a benefit. Getting some of our debt under control has also needed hard work.

Tara's family

I've just got my driving license – and my first ticket. It's a big step forward. Fourteen months ago I lost my life's partner. With four children under sixteen to care for, my shock and grief got put on hold. ... A friend mentioned Strengthening Families. I went

there and they just wheeled in everything. My father-in-law stood behind us when we'd no money for five weeks. I've since repaid arrears in rent with Housing NZ. We just had to get through a day at a time for a long while. Now I think we're living from week to week... I'd like to get some sort of work because I'm certainly not staying on a benefit.

Maureen's family

I lost my partner and found myself fighting with WINZ. They asked all kinds of questions. I'd been on a benefit before and knew something about entitlements. I was just surviving financially. I got a job but got done for secondary tax. I didn't get paid for two weeks and had nothing. It was poor quality work and a poor quality employer. Some weeks I found I had worked for just \$7. Billions of things were going wrong; I felt lost. The four of us are in a Housing NZ house. It's very cold. We've an open fire but no fireguard. We've got debt and I've been through a no asset procedure¹⁰ which has helped. We've a protection order against the guy I was seeing.

Barry's family

I'm a solo Dad at the moment with a 16 year old daughter living with me. My partner and I were together 13 years. She brought in a very nice income. I've been on a sickness benefit for the past 8 years. Things were going from bad to worse and we came for help. She moved out soon after that. I built up a circle of people by having a small Marijuana patch on the go. I was dobbed in and I also cold turkeyed off codeine to which I had become addicted. My daughter will move out soon and I won't be able to keep this place on. I'd like to have more income but the pressure to get a job when you're disabled is not welcome.

Melissa's family

I've two children at home. My boy is at a good school. My youngest is 2 and a half. I used to work late shifts on a good job and friends looked after the children. The job is gone. They've downsized in Dunedin. Three days before a planned move to Christchurch and a job, I learned we couldn't go. We had to stay in Dunedin so my child's father could have access; what a shock. Three days to find somewhere else to live. My landlord recommended me to this place. It's expensive but with accommodation grant and special benefit I can just make it. Housing NZ couldn't help at the time. I went and got my budgeting sorted, some food and support. I don't have a car. I'd like a service career but will have to wait until the children are older.

Ngaire's family

I've eight children aged from 21 to two and a half. One of these lives with me in a rental home. My oldest daughter is in Australia and my son has his basic army training. His ADD condition has left a legacy of dishonesty. My little ones are now being cared for by our whanau. I miss them but because of my diabetes it's possibly better for all of us. The

10. The No Asset Procedure (NAP) presents debtors experiencing financial difficulties with an alternative to the usual form of bankruptcy. Unlike bankruptcy, the NAP lasts one year. Debts are frozen on the date of entry, and the debtor is released from those debts on discharge. Creditors cannot pursue you for debts included in the NAP.

best thing I did was to realise I needed help. Debts and feeding the family had me beat. I've done the Women's Refuge course four times and it's taken me that long to get a good understanding of things and what I can do to make things better.

Shona's family

I'm living with my two daughters aged 6 and 9. Our marriage broke up in 2007. We've done our best to make sure this affects the girls as little as possible. I struggled on a sickness benefit. Our housing wasn't good. At the same time I'd learned I was going before the court. Sentencing took a long time and waiting was stressful. It was quite a while before the girls noticed my ankle bracelet "because of Mummy's mistake". I've done a number of courses with social services agencies and am in counselling. Some people treat me differently because of my conviction. I still shudder at times when I think of the girls if I'd gone to jail.

Tame and Tui's family

We believe we've turned a major corner. At the time we came for help we had a new baby and were determined they were not going to take her away. No one believed we could be good parents. We'd been into drugs and are still on a methadone programme. The daily transport costs to the chemist use up over \$100 a week. We've had food parcels in the past but aren't having budget or social work support. There's still some left over wreckage from the past. The discrimination shown towards us doesn't help. The baby has changed our lives and we've made some new friends. We've still got debt, and a suspended sentence.

Stacey and Tom's family

We've been through some rough and tough times. Before linking up I was in Women's Refuge a number of times and finally agreed to a protection order. About that time I had an accidental house fire. No insurance. All that we own is now on HP. After we got together we got done by WINZ for supposedly living together and so now we have more than \$30,000 debt. Managing that is the biggest problem. I'd always had whatever I wanted. Difficulty in finding work, some school difficulties, an injury fall, conflict, decrease in income, custody issues and court cases have added to the complex struggle we now face.

Jennifer and Mac's family

We've been together four years and support each other. I'm now a full time carer for my husband. He's had health problems since birth. He's also had strokes, heart attacks and surgery. I've three children, none of whom live at home now. My youngest daughter (13) visits occasionally. I do volunteer work through the Bipolar Support Network. Housing was very difficult. Neighbours were violent. After a couple of unsuitable Housing NZ moves we've been in this house over a year and find it much better. I went to Family Works when we got together. We've had budget advice and food when my daughter is staying. We'd like to get back into work but there are real health barriers.

WHY DO PEOPLE SEEK SUPPORT?

Falling below the poverty line is generally not a sudden event. It is subtle and insidious. It is cumulative. The most common reason clients give for approaching Family Works is because they have financial problems. The tipping point has been reached when they can no longer cope. Families may present as requiring a food parcel to tide them over, advocacy with Work and Income to ensure entitlements are accurate, counselling or a combination of these and more.

I didn't actually know Presbyterian Support did the whole food parcel thing, and I thought "if I can get just a little bit to kind of see us through"... So that's what I started doing for starters and eventually I went into the budgeting, which was a huge help. Even though I still didn't have any money left over to be able to buy groceries or food with.

*We were able to have meals again.
Food on the table. Bread in the freezer.*

I came in and got a few food parcels, then was offered to do some budgeting and stuff, and I jumped at the chance. I thought it was about time I got my shit together, and started getting things sorted out.

I'm in debt, I had to HP everything after the house fire, I thought "I'm going to lose all my stuff if I don't go and get budget advice from somewhere and help from somewhere".

It was the help of Family Works, Emergency Psychiatric Services, Police, and Housing NZ that got us out of [a bad situation in] South Dunedin, and into a State House.

In addition to the practical assistance both sought and provided, what could be loosely termed "**emotional support**" was of great importance to the interviewees.

I wanted to talk to someone that wasn't a friend. Someone who knew nothing. Like an outsider to it.

They just helped a lot. To be able to talk about all my crap, 'cos I had a lot going on.

When you miss seeing [our social worker] then it seems that you have heaps to ask them and to talk about.

Not only does this intervention provide a neutral listening ear and a source of answers to questions that no one else seems to have the time to answer, but it provides very real support in the midst of complex issues.

[I first came to Family Works] when I was pregnant with Maggie, and her Dad left and went to Australia, and I was working full time and trying to juggle a full time job, being pregnant and a child that had just started school. And my hours weren't child care friendly, they were like three o'clock in the morning until eleven o'clock in the morning that was five days a week, so that was quite hard.

Having to ask for help brought out a range of feelings. Some resented the exposure:

It's like having to explain your problems all the time, and then it becomes more of a problem.

These families did not access Family Works lightly, but usually when all other avenues of coping had been exhausted. Some people find it deeply humiliating, especially when changes in employment or family circumstances have driven them to their limits.

part 2

The weekly struggle

Not having enough income to cover the basics means that juggling priorities is a way of life for the people interviewed. Most people were realistic about the fact that they had to make short-term choices. Ignoring a disconnection notice, not collecting a prescription, or advising Work and Income of a change in circumstances; may seem useful short term juggling, but often had consequences.

1. MAKING ENDS MEET

Living below the poverty line means living with the daily frustration of trying to make ends meet. Unexpected costs can be disastrous. Most of the families had completed a budget of some sort. Sometimes this identified where savings could be made; for most it simply confirmed insufficient income to meet their commitments.

You know I think I am fairly competent and resourceful and I just, it just wasn't working.

The budget I have is very rigid. I can keep to that budget but the bills don't necessarily get paid... like the \$10 a week that I have to pay for my phone... on a five week month I have to find the extra \$10 to cover the \$50 a month. I have to scrounge around and find the difference. It's like, you can keep to your budget, except when the unexpected costs come in, and then everything else has to move around.

I don't think we get enough money to get budgeted if you know what I mean. Sometimes we think we're better doing it ourselves, 'cos we've got it down, we're saving more than we really should be able to. 'Cos we've put our own diet down to eating bugger all. And we still get everything for [the baby] that she needs, food and clothing and everything. We've got everything down to basics.

Before I had kids I didn't care, I spent my money. It was pay day and it was gone on junk and my Social Worker back then, she pretty much sat down and wrote it all out for me and just sort of looked at it and thought junk food like \$150 or something like that and I just thought "oh my God". Yes, seeing it written down is so much different than... [otherwise] you just go and spend it you know?

I'm going in to see [Family Works] next week because I've changed to fortnightly pay, which I find very difficult. I was budgeting weekly and now I have to do the big shop fortnightly and pay the majority of my bills fortnightly... change all my automatic payments... So we're going to write up a new budget next Friday.

Some had developed other ways to **stretch their budget**.

[We use the barter system] and it's probably increased. One friend's a hairdresser, and I bake for her and she cuts the hair for the girls and me. Another friend has a beautiful garden and certainly over the last two or three months I have sewed for her and I get the fresh vegies from her garden. It certainly helps at the supermarket.

It was a power bill we were lacking on so we got a WINZ food grant so that we could use our food money onto that. We were juggling.

I have gone to a girlfriend's whose children are slightly younger than mine. She'll buy the girls' clothing for her own [children], and that's \$20 a bag. Usually with the change of the seasons there's a couple of bags for that and some of the girls' old toys... some people will buy them. So slowly things are being sold off. And it's sort of got to the stage that um there's nothing left [to sell]. I'm just waiting for the next growth spurt or the next season.

I can survive, and I can still pay my bills. So that's a good thing. With the help I have got from Presbyterian Support, I feel comfortable. I'm currently getting a food grant from here every week. I'm not spending much at the supermarket at all.

When I've not been able to meet my weekly expenses I've gone into WINZ for a food grant. Not gone somewhere because of the gas. Just gone without.

There are a lot of us single mothers and we have a lot of pot luck meals. We all just make something and get all the kids together at someone's house. We'll do it a couple of times a week actually. Just because it - it adds variety - still making the same meal but someone's coming and it adds companionship really.

Others spoke of friends who purchased second-hand goods to sell on Trade Me.

When asked what they could do to reduce their outgoings, most felt that this was a tension they had to confront each and every week. Hard decisions had to be made, such as giving away their family pet because it cost too much to feed him. **Constantly cutting down becomes a way of life.**

I can't imagine [what I could do to reduce costs further]... I eat poorly, I don't go out, I don't smoke cigarettes, I can't afford things.

[To reduce costs] I would have to get rid of the car. I'd have to start putting more pressure on Housing NZ, to help with accommodation, the children would have to stop [clubs and sports].

I turn everything off at the wall when I leave the house or go to bed. The fridge is probably the only thing that's run. The only heating I've got is my fire. I haven't got a big load of wood. I've been spending about \$40 a fortnight for a boot load and that's been getting me through - I can't complain at that. I've been buying coal as well to keep it going overnight so it's warm for the kids in the morning. But other than that I don't use any other heating. That's probably why my power's not dear. And I don't have a dryer. I've always refused to buy one because of the power.

I learn to live off what we get. When I got that big power bill of \$600 I cut back on power, petrol and groceries and we lived off what we had. And I got it paid. I hate owing money.

The big costs mostly come from food and housing... and gas. And you need those things.

I don't know, at times I feel our finances are almost right out of control...the bloody power bills...

One of the biggest lessons I have learnt [from] coming to Family Works was managing my finances... just [paying] \$5 or \$10 dollars each week means you don't have to find that bulk \$400 pay right now, when they are demanding it or they are on the phone or they've given you a disconnection letter.

2. DEBT IS INEVITABLE

Debt means that there is less money available for current expenses. For some this was related to hire purchase or credit cards, because it is hard to purchase second hand goods without ready cash, but easy to buy new on credit. A number of the people interviewed had fines, mainly related to vehicle offences, and again there was a linkage with short-term decisions made in the past. Some of the offences were for unlicensed, unwarranted vehicles and the driver not having a full licence. Two of the people interviewed were undertaking community service hours which, when completed, would wipe a proportion of their fines. Some debt was innocent overpayment debt from Work and Income and ACC.

Shona's weekly budget (for a mum and two children under 10)

Income	Expenditure	
Domestic Purposes Benefit, Accommodation Allowance, Temporary Additional Support, Disability Allowance	Rent	\$260
	Petrol	\$17
	Power	\$20
	Regular expenses	\$42
	Debt repayment	\$35
\$498		\$374
	Available for food, clothing, firewood, medical, school expenses etc	
		\$124

Without the other unbudgeted expenses, according to the University of Otago Department of Human Nutrition¹¹, Shona should be spending around \$160 per week to feed her family of one adult and two children under 10. If this was the case she would require at least another \$36 per week. This is \$1,872 per year. It does not take account of one-off costs. **This weekly drift means there is never quite enough.** Her car's starter motor seized and she has a \$300 debt with the mechanic to pay off now. Her isolated housing situation away from public transport means that she needs the car to take her children to school.

11. Student dietitians collect data from four different supermarkets in New Zealand's five main centres. They take the shelf price of the lowest-priced product and average the cost out across the stores then create diets based on NZ Food and Nutrition Guidelines. <http://nutrition.otago.ac.nz/consultancy/foodcostsurvey>

Three months ago the starter motor went on my car and that was \$300 on top of \$1000 that I was already paying off. [The mechanic's] happy for us to pay that off and if that wasn't available then the car wouldn't be fixed. Although it's still money I don't have, there is something available. My budget for petrol is \$17 a week which doesn't put a lot in the car, that's why I do a lot of walking. It's just a real [drain], I'm an asthmatic and I've run out of ventolin and I need to go to the doctor and I don't have the money so that doesn't happen. I mean I'm a lot more chesty than I normally am, but it's a lot colder and so yeah, you get on with it.

It is therefore not surprising to know that the average amount of debt owed by Family Works clients is around \$3,000. It is remarkably easy to get to that total when you don't have enough money for the regular costs, let alone the emergency ones. **Loans are relatively easy to get, but don't solve the problem of income inadequacy.**

Last year we had access to money, before we got the bigger loan, and we could go into the bank every two months or so and [borrow] a few hundred bucks, and that's how we got by last year so it was quite easy. But now we've reached our limit they just want us to pay that back before we do it again.

I found that I couldn't survive financially on what I was getting from Work and Income and I had made an appointment with Housing NZ about going onto their waiting list. At the time I was receiving \$460 from Work and Income, and I paid \$260 in rent, so you know to pay for phone, power, warrant, petrol, food... [was too hard]. Other people might do it but I couldn't.

For those families who do manage to work their way out of the debt trap, there is a great sense of accomplishment.

Coming to Family Works and getting the Budgeting Advice [meant I could start paying off debts]. I'd, like, start on the little ones, I think that my smallest debt was something like \$30, go figure why don't you just pay that in one week, well, it's 'cos I didn't have \$30 to pay it! So I paid in little dribs and drabs, \$5 a week, got the small ones out of the way.

Yea, even if I don't have any money left on payday, it helps if you've got a bit of food left in the cupboards... then you sort of feel safe.

If you're caught up on bills things don't feel like you're climbing out of a pit. Nothing feels better than being ahead, eh?

A good thing about [Credit Union] Money Management, they make you do a compulsory save, I think mine's only \$10 bucks, I should put it up. I think I've got a \$1,000 with them now, I've been with them three years, probably four years. I went and consolidated all my debt, was the best thing I ever did, \$12,000 down to \$4,000.

However for those are not able to "get on top of the bills" there are feelings of failure and guilt.

I've been really stressed this week because it's my boy's birthday and before November again because it'll be [my daughter's] birthday. Look, I only have wee parties but it's still extra nibbles and - Christmas time's another one.

Sometimes I feel like a failure, like with the skiing [my boy] says "all the kids in my class are going" - I had to explain to him "Mum can't afford it. You know Mum doesn't work and you know it's just one of those things." I never got to go skiing when I was young and my parents both worked. But it is hard - I feel like a failure a lot of the time, just as a mother. That's why I try to set myself goals to get out of my little hole.

Well it seems that everything's come at once. Petrol has also increased and power increases every winter, but even Pam's tomato sauce, which I will buy as a luxury, before the increase it was \$1.80 and it's now \$2.05 to \$2.15. Which makes it now a once every six weeks luxury. Certainly my insurances have all increased, the registration has increased severely, but ACC charges also jumped up quite significantly. The rent hasn't increased with the GST, but even the basic food has. Pams milk is \$2.05 for one litre, before GST it was \$1.95 There have been a lot of increases that haven't coincided with GST, but things have increased since GST.

What else can you do? When you have been struggling for a while it seems as if every new situation you face has a financial implication.

3. HOUSING – COLD AND COSTLY

The cost of housing is the largest expense and the one least negotiable. State houses are keenly sought after, but difficult to get. Private rentals are subject to market rents driven by the per room price that landlords can get from students and thus high in relation to their condition and location. On average, the people we surveyed were paying 30.3% of their income in housing costs. The most expensive, at 52% of the family's income, was a private rental. The most affordable, at 16% of the household income, was for a Housing NZ rental. When individuals and even families are "between homes"; couch surfing (staying with friends and relatives), living in a car, or short-term boarding houses are options used by some of the families. None of the clients surveyed saw themselves as likely at present to be able to save the deposit to purchase a home.

House prices rose 180% between 1990 and 2007.¹² Currently an average home costs 5.5 times the average wage.

12. NZ Productivity Commission, Housing Affordability Issues Paper, http://www.productivity.govt.nz/sites/default/files/NPC3189-Housing-Affordability-Issues-Paper-June2011_2.pdf

The cost of housing went up 4.4% in the year ended 30 June 2011 with rents continuing to rise despite property values dropping slightly.¹³

I was lucky. When I applied for a [Housing NZ] house they said it could be up to 6 months wait, but 3 weeks later they rung me up with a house. I moved in two days before Christmas so it was a bit of a rush to get in but... I was just keen to start paying cheaper rent.

This is one of the areas that I wouldn't have chosen to live.

The houses have been sold so we have to move by the first of April. We've been into Housing NZ. With Christchurch and everything we've been put on hold until closer to 1 April because we'll have more points then... to get in the A category.

Housing choices also drive other choices. The more affordable parts of Dunedin tend to be less well serviced with public transport and neighbourhood amenities. Older housing stock dominates and many homes are poorly insulated and maintained. A few clients spoke of long waits to have issues resolved. Several participants felt damp and mould spores contributed to poor health.

And now I've got letters from my doctor to take in because my grandson gets bronchiolitis and my daughter gets bronchitis and I have to have a dehumidifier running 24/7 in the bedroom because its wet and of course that's the power bill... but Housing NZ still haven't done anything.

I'm still waiting on that corner of my son's bedroom to be fixed. Apparently all the bits and bobs have been approved, by Housing NZ maintenance, it's all been approved and ready to go, but nothing's happened.

[This Housing NZ house is] way cold. And we're still waiting for someone to come and putty up the windows. I've been waiting for like five and a half years for that. The windows don't close, just all the real basic things. And all the floor boards are dropping. And I've paid out my own money to paint in here and paint the two bedrooms and I shouldn't have to.

13. Statistics NZ, Consumer Price Index - June 2011 quarter, http://www.statistics.govt.nz/browse_for_stats/economic_indicators/CPI_inflation/ConsumersPriceIndex_HOTPJun11qtr/Commentary.aspx

Heating a cold or damp house means that more money needs to be spent on electricity, gas or fuel. A surprise winter electricity fuel bill is one of the most common reasons for financial stress. Some people try to “drip-feed” the energy provider and build up a credit in their account in anticipation of the higher winter usage and charges. Others try to restrict use, often choosing just to heat one room while children are present.

I don't put heating on in the house. I just can't afford it, to run a heater, and I can't afford wood to run the log burner.

We have just been living in the bedroom. We've moved the TV and it's warm in there. We are just heating those two rooms.

During the course of the study, **four households changed their housing situation for the better** and this was reflected in a more positive outlook.

We've got a new home and I am just loving the peace and quiet, no dramas or anything and it just feels so friendly. We didn't have a back yard for a long time so we're feeling quite [good]. We're looking forward to putting a vegie garden in this year.

Work and Income have come to the party as well in that they help us out with an Accommodation Supplement which is making it heaps easier, we're not paying a heap more, I think it works out to be only about \$60 more than what we were paying over the road [in a Housing NZ house].

My rent here has been valued at \$200 - that's the most it can ever go up to. At the moment it's \$91 and when my review is in it will go up to \$120-130 because it's income related. I'm quite happy with that, it's a good wee house.

4. GETTING PLACES

Where people live has an effect on their transport options. Homes distant from bus routes make a car more necessary. Owning an affordable car often means large unexpected bills. Many families reported this as the reason for new debt.

Petrol prices rose 20.1% in the year ended 30 June 2011¹⁴. A number of households restricted their use of cars to taking children to school and getting the weekly groceries. Others ran risks with overdue warrants and registration.

Limited affordable transport restricted families in their ability to maintain social connections.

14. See note 13

It's ages since I've been into Family Works, basically because of transport - I can't really get in there.

When we first [moved here] and bussing to town it went from \$2.50 to \$3.10, that was the first big jump, it went up heaps. Now it's only gone up another little bit. But you know, it just keeps going up and up all the time.

5. FEEDING THE KIDS

Between 1 June 2010 and 30 June 2011, food prices rose 7.0%, outstripping the pace of consumer price inflation, which stood at 5.3% as of June, according to Reserve Bank figures. Statistics NZ said June was the sixth consecutive month in which the annual increase in food prices was higher than the preceding month. This means that almost every weekly shop this year would have cost more than an identical one the previous week.

All categories of basic foods rose in price. This could not be attributed solely to the change in GST rate on 1 October 2010.

Price rises in year ended June 2011	% increase
Fruit and vegetables	12.4
(vegetables alone)	19.7
Grocery food	8.0
Meat, poultry, fish	6.5
Non-alcoholic beverages	7.6
Restaurant meals & ready to eat	4.4
Milk, cheese and eggs	8.6
Bread and cereals	5.5

Budgets

Families budgeted between 0% and 32% of their income on food. The average budget was \$100 a week. Families that budgeted \$0 for food tended to purchase food only after all other outgoings were covered or deferred, often relying on regular support from the food banks. Food for adults is viewed as a discretionary cost; food for children and paying other bills take precedence.

I stress about food just about every day. Everyday I'm thinking how much have I got left in the bank, and thinking, well what can I get with that, um maybe a bit of broccoli, a couple of carrots, I'm going to get some sausages for the guys and that will be about it.

[The biggest cause of financial stress] is food. It's just food, making sure that we've got enough. Other bills can wait but food can't. I juggle; it's just making sure that we've got food. I worry about my wee girl 'cos she doesn't understand restrictions. One week you've got everything and she's happy, the next week she's wondering why she's not getting the same thing. You can't tell a kid you've got no money. Yeah it's terrible. I can't stand hearing her tummy rumble... that's my biggest thing is food. 'Cos I know that I'm always going to pay the power, if the power's on we're warm.... But food...

We get our food parcel from Presbyterian Support every week, that helps out massively - that's about five bags.

Although my budget for food says \$100 the reality is I spend \$30... The food is really the only place that I can make adjustments.

I stress every week. Just every week when I go to the supermarket. Adding it up in my head and then putting stuff back because I don't have enough or substituting something for other stuff.

The price of basic food items generated a good degree of comment. Family Works clients often speak of watering down milk, until it is more water than milk, in an attempt to provide what they believe is a healthier option than the cheaper juices and soft drinks.

We used to give [our children] lots of cereal, but we've had to cut back on cereal because that's not cheap anymore. It's cheaper to buy a loaf of bread and feed them toast - get bread on sale 89 cents for a loaf and then have cereal three days a week and then one day they might get a cooked breakfast like spaghetti.

We spend about \$70 on food. Yeah and the stuff we get, it's only a bagful! When I said we're living on rice, I wasn't kidding! Every few weeks I'll make sure we do a good shop, say \$120, that's what I'd call a big shop for us. That's half our pay.

Milk - milk is so much dearer. And I do think it's ridiculous that milk is so much dearer and fizzy is so cheap.

Bread - I think bread's gone up. You used to be able to get it for \$1.00 now you're lucky if you can get it for \$2.00. Everything has gone up. Fruit and veg are seasonal. Oh mince, even mince. It was always one that we eat a lot of, it has iron and it was always one of the cheapest ones, but even mince, unless you can get it on special, is almost not worth buying. Chicken's on the up and up - to feed our family would be at least \$9.00. It's not worth it for one meal. We just don't eat it.

A high degree of resourcefulness is required to maintain a good level of nutrition from the contents of a food parcel. Barry was once a chef and he acknowledged the difference that training made to his ability to feed his family creatively.

I don't have meat a lot of the time. What I get from Family Works is four sausages and 250 grams of mince. That doesn't sound like anything. Well, it's remarkable. You put one in the freezer and you've got a second one with your mince and you throw in some beans and some lentils with it and bulk it and bulk it, and I get lots of tins of soup. Big thick things; I can turn this into a major production and that'll last me possibly five meals. A major production will have pastry around it and stuff.

I make my own bread. As a male I eat a lot of bread. I make my own bread every second day, and it's cheap.

Careful planning and shopping can also make a difference.

The main thing is that when I go to the supermarket I write down what I'm going to cook each night, but then I also work out which are the cheapest meats there and I make sure I've got a meal for every night. I do a lot of baking too so I [don't buy] all those biscuits and things that the kids want, I just bake in bulk and freeze a lot of it as well.

We hardly ever run out [of food] because we've got a vegie garden. If the kids are hungry they've got a carrot or whatever in the garden. People round here moan that they haven't got money for vegies and it's like "hello - you've got ground - put something in the ground!" Carrots do their own thing. I grow peas and the kids just eat those. I don't cook them because I don't think they taste the same. I grow them for the kids to eat. Kids in the neighbourhood think it's cool. They don't get to try fresh vegies much.

The University of Otago Department of Human Nutrition surveys food costs each year¹⁶ and provides an indication of how much it costs to provide family members with basic nutrition for a week. A woman caring for two children would have to spend \$160 a week to provide a basic diet. A couple with one adolescent and one child would likewise have to spend \$249. Of course it is possible to live on less, but the longer one does so, the greater the risk of nutritional deficit.

[I'd like] to be able to have the proper food for my diabetes... I just can't afford the proper food.

16. See note 11.

Kids first

Parents made conscious choices to ensure that the children did not miss out, often restricting their own diet to ensure that children had enough.

Sometimes I get through to a Sunday – I get paid on a Monday so I always do my grocery shopping on a Monday. I always put Kasey’s lunch away on a Sunday so he doesn’t miss out. I hide it – it’s tucked up in a wee corner. I don’t want him to miss out on lunch for school.

I always give [my son] more than I would eat myself, but you do because you know that they are growing and they need it and the last thing they want is going to school hungry and saying “I didn’t have dinner last night”. Which I know happens.

I’d often eat less before I started working. I’ve looked at the mince and thought “we could eat it all or I could halve it and just give it to the kids and make it last two nights.” A few times I’ve done that. I could always have a piece of fruit or a cup of soup or something like that or toast, marmite on toast.

I’ve got to the last two nights and have had toast for tea because there’s just enough food for the kids. It doesn’t worry me. It doesn’t affect me in any way, but I’d rather my kids got a nice nutritious meal.

Sometimes if we are having a real poor week we’ll live on porridge or a cake with porridge in it, you know? That’s what we do. And we’ll just get a few potatoes and pumpkin and milk for [the toddler]. And we’ll have a soup day with vegies.

Looking at the budgets of the families interviewed, there is no clear pattern of increase in spending on food over the course of the year, except a modest change in the case of those two families who improved their circumstances. **Rather than increasing the food budget to accommodate rising prices, the families made further cutbacks in their consumption, visited food banks more often or employed creative ways of feeding their families.**

Struggling with poor family health

Dealing with health problems is an issue for almost all the families interviewed. Some have chronic conditions and disabilities to contend with. Others have injuries that affect their quality of life. Dental problems featured regularly. Childhood illnesses may precipitate frequent visits to the doctor for worried parents and then, when the GP no longer extends credit, there is the Urgent Doctors or an overburdened Hospital Emergency Department. Again we note that people also get sick at weekends and the costs of urgent medical attention impact heavily on the poor.

The Children's Social Health Monitor¹⁷ undertakes research into children's health and has recently produced work on Child Health During a Recession. It highlights the disparities in children's health for socioeconomically vulnerable children, even during periods of economic prosperity. As families make adaptations to family income in a recession, unintended health consequences for children may follow, such as a rise in infectious and respiratory diseases, and the results of exposure to family conflict. Low family income has been associated with a range of negative health outcomes including low birth weight, infant mortality, poorer mental health and cognitive development, and hospital admissions from a variety of causes. This extends to adolescence and may increase the risk of leaving school without qualifications, unemployment, early parenthood and criminal activity.

Continuing costs

I've had health problems since I was born. I had a seizure when I was three hours old. I've had four heart attacks, I've had three strokes. I've lost most of my memory now.

And my teeth... I'm getting them ripped out. They are sore. And they are just too sore.

Cost is a big reason we don't go to the doctor. [When we don't] have the money to go I just stay at home and lie in bed for a week. ... At my doctor at the moment I have a \$400 bill. That's crazy! Well my doctor is taking me to Baycorp.

A fortnight ago I couldn't get my heart tablets; I just didn't have the money. So I went three days without my heart prescription. ...It comes as a three month supply, \$16, and I didn't have \$16.

We've found that with my 12 year old in particular, just in his first year, he went to the doctors 64 times, and 42 of those times were after hours.

17. Children's Social Health Monitor New Zealand: http://www.nzchildren.co.nz/child_poverty.php

Accidents and big ticket items

I was working full time 3 years ago and unfortunately injured my back at work, and I couldn't give my job 100% anymore. It was quite a physical job ... so I resigned. One of the hardest decisions I have ever, ever had to do, ... having to make the decision to resign was one of the hardest decisions I have ever had to make, 'cos as far I was concerned I was going to be doing that job for the rest of my life.

[My son] cost \$3000 in January for an ear operation before going to school. We had to go private because they weren't going to put him through public before school started - he's paying better attention at school now so that's good. His father was supposed to pay half but he's not going to ...

Those who are coping with this expense are **reliant on GPs who are prepared to accept flexible payment terms** outside of the norm.

I've got a really good doctor. I'm drip feeding him \$10 a week. If I need to see him urgently then I don't even need to have the money, then it's fine, it will go on the account. It's working out that I'm just in credit.

I've got an automatic payment set up of five bucks a week so I know if we ever need to go and see a doctor that we can.

People who are on a Sickness Benefit must be **work tested** each 13 weeks.

I don't know why they want to push someone like me into work, where my doctor is forced to say that perhaps in three months' time I am able to do some part time work. That's absolute nonsense. I do community work, and I probably take twice as long as anyone else to do the work. I do it fairly well but if I was in normal health I would be able to do it in half the time and I don't feel an employer would be justified in taking me on at all. [By the end of the interview period, Barry felt fit and ready to return to work.]

For some people the Total Money Management¹⁸ budgeting process helps clarify what is important and in this case it had a marked positive effect on this client's health.

My diabetes is a lot more under control than it has been. I'm doing what I'm meant to be doing. Which is exercising, taking all my medications on time, and I'm actually going to the doctors now rather than trying to save a dollar. Because at the end of the day that's what's been the hardest, getting my medication and paying doctors' fees.

18. Total Money Management (TMM) is a fully managed budget process for clients who have a moderate to moderate-severe mental health issue. Provided by PSO in collaboration with CORPAC and fully funded by the Southern District Health Board. TMM services are also made available to other clients as needed.

The connection between physical and mental ill-health is not always sharply defined and a number of the stories we heard involved a cascade of events that led to change affecting all aspects of the family's life.

My partner ended up getting lead poisoning from where he was working. People have worked there for 20 years and not got lead poisoning but he got it quite badly and had to leave. One of the biggest signs of lead poisoning is really bad depression and he started sliding down. He left his job and ended up on a sickness benefit. And then as he roller-coasted down further and further into this big hole sucking him up. We ended up splitting ways.

I suffer from depression. It got to a stage where I was in a place where I haven't been before. I talked to my doctor about that and ended up at psych services and am now on medication from them.

I'm agoraphobic and I feel more comfortable inside. I was basically locked in a room from when I was 8 years old, and then I went to prison... so it kind of makes sense.

Depression and lack of motivation go hand in hand- so I'm glad I've sought some help.

Poor health is a major contributor to social isolation. Coupled with harsh financial realities, people make choices about their lives which create patterns that are difficult to break out of.

I spend a lot of time in bed 'cos it's warm, and it's comfortable. I'm not in any pain, why get up? There doesn't seem a great reason to get up. Even if I do get up there's no petrol to put in the car to go for a drive or something. I haven't got the health to go for a walk.

Socially it's not so good. You see, I suffer from depression, and it doesn't feel that good socially to be limping, I've always been a bit of a social animal. I enjoy partying and what not, having fun, barbeques etc. Now they are virtually..., I sit down, and make excuses really.

My doctor believes I am severely depressed, I sleep a lot, and I don't have any interaction with the community. Aside from appointments like this one, or with WINZ or someone, umm aside from that I go to the supermarket or see my children. I have no other interaction, so he's got me seeing a counsellor at the moment. I've decided to sit inside my own home, suffering from depression, and being just nothing short of bloody sore, on my own. It's not a good thing to do, not to leave or have the heater on. I decided if I turn the heater on and give myself a bit of comfort. For God's sake surely I feel entitled to that as a human being, I find out at the end of the month if this is a bad choice.

Addiction featured in three of the families interviewed. In one family, prescription drug abuse had been conquered, but that has come at a cost of reverting to chaotic behaviour.

When I came off that blinking codeine, I spent my money and got into debt. And before that happened, I'd been really, really good, I'd paid my bills on time and everything was fine ... So [when I came off codeine] I didn't pay my electricity and my rent and, the internet is what I've got (I don't have TV) and I fell behind in that. I had to go to WINZ to get my electricity up to date. And to get that all back on track again has been difficult.

Tame and Tui had stopped taking hard drugs. They had come to the decision to change their lives when they found they were going to have a baby.

"We are on the methadone programme. If we didn't have a certain amount of drugs a day supplied by the government [to act as a stabilizer] we'd be running around with our baby looking for [drugs] and that would be pointless and shit.

[Changing our lives from hard drug use] was sheer determination; I was not going to lose my daughter. I lost my boys and I don't have them and I wasn't going to go through it again. No matter what happened. I wasn't going to have a baby to have it taken off me. There was just no way.

We were really struggling for a long time because being on the methadone programme and going to the chemist everyday means when we first got home with her [we were struggling]. We weren't getting a disability allowance, so we were only getting about \$130 to \$140 a week, that was to go to the chemist every day, um food, power, you know everything. Like it just wasn't [enough], we weren't coping at all."

They found coping with their former friends very difficult and when they cut all ties to their past life and isolated themselves, opportunities to form new social relationships were limited.

Struggling with the systems

1. EDUCATION IS IMPORTANT

We did not gather data on the educational attainment level of the adults. Conversations which covered this occurred when we were talking about current involvement in education.

Education was seen as important, both as a vehicle for self-reflection and skill-building but also because the interviewees recognised the role of education in achieving positive change, both for themselves and their children. Clients have a great sense of accomplishment when as adults they have a good experience of education, particularly when they may recall bad experiences in the past.

The Certificate of Social Services is the first time I've been in the academic thing for a long time, so it took a long time for me to retrain my mind and think. And because it was Social Services it brought a lot of skeletons out of the closet too, there was a lot of emotional drain at that time too. But also having different looks on life on the programme to share in a safe environment and to help give advice of how we... how things could have gone or how we can get help, so that's been a big [thing for me].

I have done a parenting course through the Catholic Social Services Tool Box which was really good and I've done the Assertiveness course at the same time. It was very helpful; I still need to work a lot with those. But both of those have really armed me with some great tools.

2. LIFE ON THE FRINGES OF THE LAW

A surprising number had experience with the justice system; mostly fines for traffic and other infringements. Jail and/or home detention figured in some stories. Here is part of Shona's.

"I was an idiot. I worked for about a year and a half and got the dole at the same time, and they caught me three years later. When they say they will eventually get you, well they do! ... My Police record [for fraud] is at the back of my mind and it will affect me getting employment. Even getting involved in community work or volunteer work... it has the potential to stop me from doing that... Luckily it was a home based sentence which you know had its challenges for me but you know I got to wake with my children every day."

One father was doing community detention to reduce his fines.

He had \$33,000 worth of fines and they go back about 12 years and so they gave him four months, seven to seven curfew. He was working at the mines so he lost his job 'cos they wouldn't allow him two hours each side to go to work. They will only allow you if it's death. So he lost his job because of that.

3. INTERACTING WITH AGENCIES

Living below the poverty line, you will almost certainly have contact with Work and Income and Inland Revenue regarding entitlements. The complex needs of Family Works clients means they are typically involved with three or more government departments. They are also likely to have interactions and a history with one or more of the various non-governmental social service providers. The most fraught interactions are, for a variety of reasons, with government agencies. This should come as no surprise and has generated comment in our previous research.



Illustration 2: "Falling between the gaps" is a common occurrence.

Changes in the system

They now have this system in place that if you go for financial help three or more times in a twelve month period you have to produce a budget and it's up to Manager's discretion or not. And that's irrelevant to whether it's a food grant or clothing.

[I hate it] when you go into WINZ and they say "you were only here last month blah, blah". I just ignore them now and say "I'm just here to ask for a food grant. Are you giving it to me or not? I don't want to hear when I was last here... I know when I was last here, what's that going to do? Am I meant to say sorry about that and leave?" Last time I went they said "Sorry can't help you, go to a food bank" I said "So I'll go there but I'll be back here in two days because they don't give you enough and I will have run out." They said "Discuss your situation with them".

This is my life we're talking about!

The fact is that you're already tearing your own ego down to go in there, why do they go and make it worse when you're there? It feels horrible. They make you feel like you don't deserve to eat. I don't want to feel like that!

And every three months I have to prove to them [that I haven't got enough to get by] and that I'm not lavish spending, buying booze and smokes.

I take them on! Damn right if I am not happy about something, I let them know. I have had to deal with Work and Income, when they left us homeless for six weeks, argh ACC, IRD... what other Government Departments... Housing NZ, that's probably about it really.

Inaccurate, inconsistent information

Not all experiences were bad, but the lack of consistency in how people are dealt with was particularly an issue with Work and Income. Where clients found a knowledgeable Case Manager they did everything they could to try and see them on their next visit. Unfortunately current policy is that clients are seen in the order of appointment, by the next available staff member. This means that clients will inevitably have to tell "their story" every time they visit Work and Income. This is experienced as frustrating and demotivating.

I said, "You know I'm working", and she said "Have you had a Transition into Work payment?" or something, a pay they give to you start off to get to work. I had already asked three months ago when I had a job [but been refused], so she gave me \$100 worth of petrol vouchers. It's been around for years apparently [but no one had told me.]

I am dealing with IRD at the moment, and as they owe me money, it's a long story, but anyway, I get one sort or type of information telling me that I am eligible and then the person who is working it out is saying I am not sure if you will or will not be eligible. And I'm like, "Well I have been told that I am eligible", and then when they do figure it out, they say "yes you are eligible". Then they say "Well we just don't want to get your hopes up in case, so that's why we have got to say that sort of stuff". Well sometimes a customer knows better. Their attitude often changes when you get their name, just about when they are about to hang up, "Now what was your name again?" Then they say "Is there anything else I can help you with?"

Hiding information

And when you go into places like Work and Income, and you ask them ('cos they will never tell you what you are entitled to) but you ask them they go "Ohh, well I will have to have a look into that". "Well can you look into that now 'cos I need to know whether I am entitled to it or not?" And with that they kind of say "Oh. OK then" and they get onto it. Now if you didn't push them I really don't think they would offer. It's almost like some of the time you go in, and ask for things it's almost like it's their money. And maybe they have been trained that way.

There are a lot of people who are afraid to ask.

Interacting with non-governmental providers was certainly experienced differently and often these agencies provided advocacy to smooth the relationship with the government agencies.

If it's to do with bi-polar and all that, [the Bipolar Network] know our situation. I will go up there for a coffee, and my support workers will start sharing their lunches.

I found out [through Family Works] that I could access a lot more through Work and Income, e.g. Fridge/Freezer... Coming to Presbyterian Support and when I eventually got to talk to one of the Social Workers, some of the suggestions were "have you tried this?" or "have you asked them about that?"

[When you first started interviewing me for this research] I thought that nothing much had happened, really it has, heaps has changed. It's kind of, I guess, made me also feel a bit stronger as a person to know that I can kind of get through it, and fight bloody Government Departments that think you're better off on the DPB than what you are getting ACC, IRD and all the rest of it.

The challenges of parenting

In August 2011 the government published a Green Paper for Vulnerable Children¹⁹ entitled *Every Child Thrives, Belongs, Achieves*. This consultation document seeks to test a number of ideas on how to improve leadership, policy and practice with respect to vulnerable children. The paper acknowledges that nearly 20% of children live in poverty, which is an important indicator of vulnerability. Living in poverty can interfere with a child's cognitive and behavioural development and readiness to learn at school. Children living below the poverty line also lack access to services and opportunities. Being Maori or Pasifika, or having some sort of disability, are all factors that increase the odds of a poor outcome. This is not to say that all children living in poverty are destined to a grim future. Loving, supportive parents, families and whanau play the greatest role in reducing vulnerability.

In the early years key risk factors are having parents with drug and alcohol issues, parents who experience mental health issues and caregiving that is abusive or neglectful.

A number of these risk factors are present in the households interviewed. Family violence was always in the shadows.

My first boy, he's 13 right; he saw the way I was for a while, and that affected him mentally. So I don't want that for my baby.

All of my three kids have seen violence thanks to my ex. They know what it's like.

Addiction

I lost it coming off the codeine and at one stage swept everything off the kitchen table onto the floor and the f word was used, and [my daughter] was frightened and that was the last straw for her... she didn't want to live in a house with someone like that. And I understand, I wouldn't want to live around someone like that.

Having [a baby] gave us a purpose. We were just sort of drifting through life with no purpose really I guess. Both of us had just been in and out of jail and what not... and drugs... but since [the baby was born] I've been to court once and that was for driving without a license... so nothing spectacular... and [my partner] had nothing so it's great. And that's a huge deal ... I mean he was going into jail all the time.

With the other major vulnerable group (12 to 14 year olds) we heard of risk-taking behaviours, truancy, cannabis use and early pregnancy.

19. <http://www.msd.govt.nz/documents/about-msd-and-our-work/work-programmes/policy-development/green-paper-vulnerable-children/green-paper-for-vulnerable-children.pdf>

Her getting kicked out of school has been quite good actually, for herself. The big picture is ugly but good for her. She got suspended for 2 months and that's what she needed. Just getting away from the scene has been good.

The people that need the help are the young ones. I know a couple of young ones who've just turned 20 and they are using drugs and they're on the sickness [benefit]. I think you're better off sending them to a rehab; they don't need to be on a sickness [benefit] for the next 20 years.

Being a parent has never been easy but in situations of poverty the stakes are so much higher. Mostly we heard of the familiar challenges: how to fill hungry teenagers up, how to find affordable child care, how to parent in separation, how to stand up to the "everyone else has one" arguments ...

And then my son came to live with me ... don't get me wrong it was great to have him back, but of course it was more expense... now he's 14 and boy can he eat! I rang the IRD once and said "why is it that the Family Tax Credit doesn't go up when our kids turn teenagers?" It goes up at 16 years old and guess what it goes up by? \$10, one child \$10.

I've been going through a home based child care because they're a lot cheaper. WINZ subsidises \$3.77 an hour so I'm only having to pay 40 cents an hour out of my own pocket. She goes to morning kindy and they pick her up from there.

Going without was pretty tough, especially when it came to going on a school trip where [my son] had to have \$2 for a bus, and it was the end of the week. My pay day was on a Tuesday and it was like there was no way that I had two dollars for the bus and feeling like he was going to be left out because of it. I did have a couple of run ins like that actually and I had to go in and explain and say "look I can't pay until next week", and they were pretty good. So I don't know if he actually missed out, but he did come pretty close to missing out on a couple of occasions. Like school camps.

When I have my daughter come to stay I don't have that extra to go out to take her to the movies and to do stuff. Trying to find that extra to just feed us all, between [my partner] and my daughter they eat me out of house and home. Constant eaters.

We [separated husband and I] still parent together and when things involve the children we still do talk things out. We've never come across any adversity or disagreement when it comes to the children.

My girl's not in Kindy anymore. It was free for 2 year olds and then it changed and they charged \$50 a week. They lost heaps of parents.

I haven't been able to [afford things]. Things that he wants, no I will rephrase that, things that he needs. Like socks, underwear, shoes, clothes, school supplies.

I do find this school is quite hard because I believe I am the youngest mother at this school; they're all older; they all seem to have husbands, big houses. I do try to explain that there are people who are less well off in the world and there are people who are [even] less well off than we are.

There was a sincere **desire to protect children as much as possible**; whether that was related to going without food or from being involved in the complexity of adult life.

We try not to [let it affect the children]... but no matter how we work it, for the children, it does ultimately impact on them. I try desperately to make it so there is as little impact as possible.

I had to put myself on hold [after husband's sudden death] for a while because the kids needed their mother. So I had to put my grief on hold, which did a lot of damage.

I got a lot of flack for not telling the girls what was going on. From family and friends for not telling the children. And not that I intend to find myself before the court again, but if, if it ever were to happen again with the children being so young I would do it all over again.

I always like to [have things for my children], even if it's sandwiches or something little to have and eat with them. ... sometimes ... it's not wanting to give them the world, but I just want to take them out somewhere sometimes and I can't always you know, I can't do that.

[I had to turn down a training opportunity which would have taken me away from my family] even though I was bettering my life, or stay here and decide to find a fulltime job. So that's what I decided to do. To try and keep my children together. So for my family it was a better decision.

I won't put a fire on if neither of [my children] are here, to make the firewood last longer, to ensure they are warm when they are here, that's when the fire will go on.

Parents often spoke of their **gratitude to their children** for helping them see things positively and this was reflected in the aspirations they had for the future.

Since she's been born it's been no prison; it's the first time I've been off probation in ten years. I'd been going to jail for ten years non-stop, and it's the first time I'm not even on probation. That says a lot in itself doesn't it.

I thank my kids for that [being happy]. I wouldn't be in the place I am now without them.

I'd sooner concentrate on the kid's future than my own.

I've told my kids if they leave school they are NOT going straight on the benefit, they've got to go and find something. I don't want them stuck at home all day!

My Dad's quite a good financial advisor. He's a great saver he's really good. But they're the things I drum into my kids as well. Hard work, it's done me well anyway.

part 6

Connections and relationships

The families we interviewed had **quite restricted social networks**. For some people this had happened deliberately, to protect themselves from disappointment and being let down. For others, lifestyle changes, both positive and negative, had led to a changed social network.

We don't share our lives with anyone; we're too worried about getting ripped off.

I lent [my cousin] thirty bucks, then gave her one hundred [dollars] and she never came back.

We don't really have any [family to help]... [my partner's] got a mum here and I've got a sister here but they're struggling as well... Apart from that we haven't really got any family. We want to protect [our child] from anyone we don't want around her. It's easier just to rely on ourselves.

When [my husband] died, I felt like I had a disease. Because people would walk away or they would turn away on me. Because they didn't know how to talk to me... and that's the worst thing you can do. I wish they'd just said "hi", or just nodded.

When you're in a relationship and you care about that relationship, I tended not to see or not to look at, or I didn't see things that I should have noticed, but during the collapse of the relationship I became very aware I was on my own. And in fact so much on my own that I realized the people around me... my friends... weren't actually real friends anyway.

Over the years I've sort of... I've got a big heart and it's been sort of hard to say no to helping others. So I've sort of got to the point where I've chosen not to have close friends. And if you can't trust your family, who can you trust, so I've sort of got to that stage.

We have a neighbour down there, he always gives us a wave when we're leaving but that's about it. We don't really talk to anyone.

Some of the families interviewed were **very conscious of what other people thought**, to the extent that it impacted on their desire to interact with others.

The school was offered free computer training to low decile schools. The parents could do training, which I did and at the end of the ten weeks they had a big presentation, certificates were given and a shared meal. I didn't go because I couldn't [take anything].

I'm sick of being looked at like some kind of bum, it totally pisses me off. 'Cos I'm on a sickness benefit people kind of look down their noses at you, it really gets up me. We try just as hard as the next person.

It's the kind of community where... God I find it a bit racist sometimes. We are the only two brown families down the driveway. There's another lot down there, and people look down the driveway and either cross over or they look down and quickly walk off away.

Some were **proud of their independence**:

I like the fact that we look after ourselves. We don't have anyone to thank, but then we don't have anyone to blame.

It's just easier to do your own thing. To rely on yourself. Or taking charity. It just feels better to do it off your own back.

I don't call on so many [people] now. I try to face my own problems. I just put in my head "I've got to do this" because if I don't it's still going to be there and there's no one else there to take over.

I could have gone into insolvency or where you do it all through the court system, nope I didn't want a bar of it. It was my debt, I wanted to be responsible for it, I wanted to pay my debtors, I didn't want to go bankrupt... 'cos I do want to own my home, and I do want to be able to access credit if I do need it. So that was my decision, entirely my decision.

Others had come to a **new self-awareness**:

The worst thing to believe is that you're a write-off yourself. 'Cos that's what I used to believe. People told it to me so often that I believed it.

I have to stop um beating myself up with the one or two things, like the criminal conviction and [realise] that... that life goes on. If I can't stop beating myself around the head, I can't expect other people to stop giving me a hard time.

Feeling that things were out of control was a common observation:

I don't even feel I've got much choice in moving or where I'm moving to. I feel that given the situation that I'm in, I have to take what's given to me.

Sometimes I don't like people making decisions for me. Then sometimes I feel that because I've got two children it's quite hard to make decisions for them, because any decision I make affects them.

Sustaining healthy relationships is never easy and the "give and take" balance is always shifting. What seems like too much control for some people may seem like a great relief to others. When people are stressed because of their living situation it is often easier to retreat from relationships.

Using emotional supports

Not all relationships provide emotional support. Agencies can also take the role usually taken by friends.

I've got a very, very close friend. And it's quite good. I talk to her a lot, she helps me out... [with] the kids and decisions as well, yea she does help me quite a lot.

One big support that I have had is I went to the Women's Refuge and I did the Women's Programme. I've completed that programme four times in the last five years and it's taken that fourth time to find that inner strength and to learn to stand tall. At the same time I had my children on the Tamariki Programme so we can all work the same way together. So that helped bring a lot of understanding for all of us about what we were going through and that it's OK to ask for help.

I was doing a couple of courses that were helping like Stopping Violence, I did that and they just helped a lot. To be able to talk about all my crap, cos I had a lot going on.

I just deal with my husband's death week by week. Like back [when it happened] I only lived hour by hour, you know, I couldn't think "what am I doing tomorrow". It's week by week now. Give me any more than a week and I can't deal with it. When he [husband] was here I could plan 6 months ahead, it was nothing, but now it's just week by week.

I think the assertiveness and the parenting course confirmed that there was a lot I was doing [that was] great, and I got rid of some of my excess baggage... people who I saw as friends who were putting me down, and that's been really good. And some other friends who were always there but who I didn't see as often, who now play a bigger role. They all have strong Christian values and they always seemed to be there to say, "Yes you did screw up but it's all over".

One of the tools used in the interviews was the modified Oxford Happiness Survey . It asked respondents to agree or disagree on a sliding scale with the following 15 statements:

1. I feel pleased with the way I am
2. I feel that life is very rewarding
3. I rarely wake up feeling rested
4. I am not particularly optimistic about the future
5. I think that the world is a good place
6. I am well satisfied about everything in my life

7. I don't feel particularly happy
8. I can fit in (find time for) everything I want to
9. I feel that I am not especially in control of my life
10. I often experience joy and elation
11. I don't find it easy to make decisions
12. I don't have a particular sense of meaning and purpose in my life
13. I feel I have a great deal of energy
14. I don't have fun with other people
15. I have happy memories of the past

Overall individual "happiness" scores were initially lower than those of a control group, however most increased over time as families' circumstances changed for the better. Those people who identified mental health issues consistently scored lower on questions 7, 10, 11 and 14, which is what could be expected.

part 8

Successes are to be celebrated

We hoped to observe changes in the lives of the families over the time we carried out the interviews. Change was not linear, in fact "volatile" better describes what we saw. Families who were settled and hopeful during one interview found their circumstances changed by the next interview with relationship break-ups, issues around the custody and care of children, and financial problems being the most common contributing factors.

Despite this, the families recognised positive change when they saw it. Sometimes the success was a seemingly small thing, but when success had been rare in the past it was embraced.

I graduated at the weekend. I received a Certificate in Social Services. That's the first time I've graduated from something. There was a gown, all the parade. I did it through Te Runanga's Te Reo. And it was free. I was on top of the world, I still feel on top of the world, at achieving that.

Even though I know that we have struggled over the years, I can see there's been a big change in a positive way too.

She struggled when she went to her new school, she came in there late, a term late and socially she found that difficult, and didn't achieve that first year. She's is a very bright kid, and had been achieving well at primary school prior to that. Her second year at intermediate she excelled, thanks to the teacher, she got into an excellent peer group and she is a seriously bright kid in this family.

We've got a couple of junkies in our lives who are on the methadone programme and they were astounded that I would even think about giving up the codeine and they had real negative views about me achieving this... but I feel really pleased that I am off that and I feel a real victory for me.

I've gone and talked to [my son's] teacher and he's starting to develop really good at school now. At first we'd had problems, they'd mentioned dyslexia - he was showing early signs of it... they put him into a reading recovery programme and he has just grown so much from it. So that's probably the best thing that's happened in the last year.

Yeah, I've just done the training 'cos I'm doing cleaning and checkout. They could only offer me 25 hours cleaning and I said at 25 hours I'm still going to have to job hunt for fulltime work, so they said "how about we give you 10 hours in another department and that gives you 35 hours a week?" so that's perfect for me.

I've actually enjoyed these meetings, even though I've got a big heart and I'm there for people, I've always put myself second. [These interviews] have helped me a lot and taught me to stand up and ask for help rather than others telling me "this is what you have to do." Thank you both.

I enjoy going to the supermarket now. I can plan it all out and I won't have to think "oh I can't get that now because I can't afford it" - Yes it's been quite nice to be able to do that.

Goals, dreams and the future

Recognising their present situation, the families who are most positive about the future are those who have determined that the current barriers to change can be overcome.

I am in a much better space than I was when I first approached Family Works. I've done a lot of Personal Development Workshops and Positive Parenting and Assertiveness courses and I still remain in counselling.

A goal of mine was to be able to own my own home by the age of 30, but that's gone, but the goal hasn't gone... if that makes sense.

We have to be on the de facto, it's legit. I mean, I'd love to be able to get more money or get two benefits or what have you, but it's just not worth it. We made a pact that once we had [our baby], that's it, that's the end of everything... all our vices and shady characters... everything we did from now on would be legit. We're just trying to do it right.

I don't want to be working under the table for anybody, I find that distasteful. I want to move away from the welfare system.

Surgery's coming up, and so I will be having back surgery this year and I want to get back into work, I want to get back into full time employment. I am a worker and I always have been, and that's why I like to get involved in these sorts of things, 'cos there's nothing worse than sitting at home 24/7 and thinking "what the hell am I doing with my life", so yep I would say work yep, obviously recovering after the surgery and then getting back into work again. I'm looking forward to it...

I am focused on the future, there's light at the end of the tunnel. I'm quite positive about it.

I would like to get my own garden but obviously with my back issue I'm not well enough to do a garden, not at the moment, but hopefully down the track I will be able to.

[My children] remark "oh how was your course today?", and it's quite exciting. I was always a partner or a mother but while I seem to have lost a sense of direction and a sense of purpose, I think I have put some things in place to help rectify that and move forward.

[Work] is my goal, that's why I'm doing voluntary work to get into a routine instead of just going straight out ... I'm not staying on a benefit! ... And I like being out and around other people.

It would be me in full time work, full time employment. Yep...Yep that's my plan anyway. Mainly because it financially betters my children, because it financially betters me, and without financial stress life seems to be that little bit easier.

It's also that I want to find a good job. That will be better.

I'd like my income to change, I'd like to improve my income ... that would change my life ... it would give me some options.

Because of my horrible experience with the court system and doing my sentencing - it was really horrific - I want to be able to in some way help someone who has had [a similar experience]. And I've looked at the Social Work Degree.

Ideally it would be to get into a full time job that I enjoy, not just purely for the financial rewards that that would give. But I am aware that I have a conviction that stays on file for so many years, so that is going to present its challenges.

IMPACT OF THE RECESSION ON FAMILIES

According to²¹ Dr Samantha Callan (Chair - Family Breakdown Working Group of the Social Justice Policy Commission, UK) major sources for stress for families in a recession are:

- Financial and debt pressure
- Fear of, or actual, unemployment
- Fear of, or actual, loss of housing

The drivers for stress are impacted by the coping mechanisms of the individuals and families, and the issues which emerge are most often multi-factorial and systemic in nature.

21. Samantha Callan, *Sandbagging the Family: the Impact of the Recession on Couple and Parenting Relationships*, published at http://www.maxim.org.nz/index.cfm/policy_research/article?id=1941

In light of this, the following are common responses to the stress engendered by the Recession:

- Increased irritability, leading to increased inter-personal conflict
- A sense of “depression”, particularly in males
- Poorer parenting – notably a shift to more authoritarian and less affectionate behaviour
- A tendency to work longer hours to relieve economic pressures, depriving the couple relationship the oxygen of time and similarly reducing the amount of quality time and involvement with children
- Removal of employment structure frequently results in less structured lives and the need for role adjustments further increasing stress
- Changes in physical health and even life expectancy

Some of this correlates with the stories of the families we interviewed. Callan’s work is based on research across a wide range of family backgrounds. It is not therefore surprising that some of these impacts are present for families who live daily with financial uncertainty and stress.

part 10

Becoming independent

With the recent government emphasis on reducing the number of people dependent on benefits²² there has been a focus on the sustainability of the current welfare structure. The answer, the Welfare Working Group claims, lies in enabling people to move into paid work through a mixture of incentives and supports. Policies need to be based on the assumption that most people of working age can work. This will result in a reduction in poverty, improved outcomes for children and greater social and economic well-being. It’s very simple. The report concludes - if people make better choices then they will be better off.

Prime Minister, John Key, reinforced this viewpoint²³ when he said in Parliament on 16 February 2011 that beneficiaries who resort to food banks do so out of their own “poor choices” rather than because they cannot afford food. He admitted that the global recession meant more people were on benefits.

Continuing in this vein, the Prime Minister stated, “but it is also true that anyone on a benefit actually has a lifestyle choice. If one budgets properly, one can pay one’s bills. And that is true because the bulk of New Zealanders on a benefit do actually pay for food, their rent and other things. Now some make poor choices and they don’t have money left.”

22. The Welfare Working Group was established by Cabinet to undertake an expansive and fundamental review of New Zealand’s welfare system. The Group’s primary task was to identify how to reduce long-term welfare dependency. It presented its recommendations to the Government on 22 February 2011. Welfare Working Group, *Reducing Long-Term Benefit Dependency*, February 2011.

23. http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=10706851

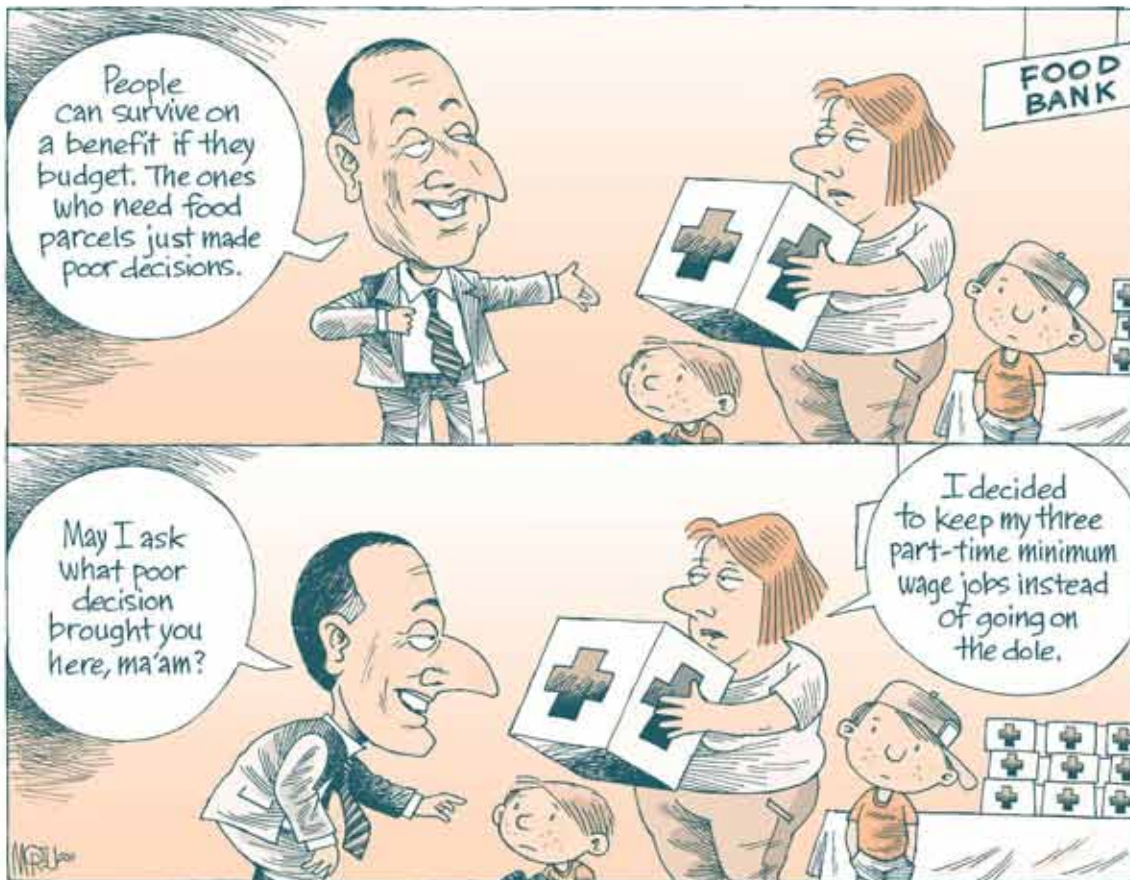


Illustration 3: used with permission of the artist, Mike Moreu

Opinions such as these encourage New Zealanders to see people who do not have paid work as being lazy or worthless. It also alludes to the old notion of “worthy” and “unworthy” poor, which is familiar to all who assist the vulnerable.

Not only is this viewpoint not fair; it is not true. The government acknowledges in its own reports²⁴ that ethnicity, parents’ educational attainment, structure of your family, physical disability, history of mental health, even where you live, has a significant effect on the options and choices you are born into. **This is not simply a matter of poor choice, but a reduced menu of options from which to make choices.**

If it was just a matter of lifestyle choice, then one would have to assume that the families we spoke to would be perfectly happy to remain in poverty and dependent on taxpayers. But this is not the case. All of the people we interviewed aspired to change their situation. Some acknowledged poor decisions in the past and the consequences. The majority were unlucky enough to encounter situations and stresses they were not equipped to cope with and which leave them numbered among New Zealand’s poor.

We will make further comment on the recommendations of the Welfare Working Group in Section 4 of this report, but what follows are again the voices of families who experience life under current policies and within a fragile economic environment.

²⁴. See note 22

CHOICES ARE RESTRICTED

The people we interviewed reported a wide range of emotions over the nine month period. We met people who were sad, lonely, haunted, angry, sick, courageous, disillusioned, strong; some hesitant, resilient, others defeated. Some expressed hope, some joy, some fear and anguish, acceptance, denial ... all part of individuals with a history and a future.

When income is restricted, other choices also become restricted. It is not so much an issue of poor choices, but a narrower range of options available.

I don't believe that people have the choices at all. I believe that because of our cultural and our environmental history we don't have the choices you can write down on a piece of paper. We don't have the choices. You tell an alcoholic that he's got choices, and he's not got a choice.

I don't believe my partner's got a lot of choices either, like given her sexual abuse; I don't believe she got those choices.

Within comments like these we hear a certain amount of emotional fatigue. Accounts of dealing with Work and Income have a "battle weary" flavour to them. These people are used to being knocked back. Like any stressor, it evokes the "fight or flight" response. Issues that are confronted in an assertive manner are sometimes resolved; but this depends as much on the situation as it does on the determination and resilience of the person.

When issues are not resolved, a sense of powerlessness sinks in.

INCOME INADEQUACY CREATES DEBT

When you are living on less than 60% of the average income you can't expect to have the same standard of living that other people have. When the cost of living²⁵ goes up 4.3% in a year, but benefits have only risen by just over 1% and wages by 1.9%, then purchasing power will naturally drop. What has previously been affordable will no longer be so.

According to the NZCCSS *Vulnerability Report*²⁶, "Tougher times are reflected in demand for hardship assistance via the Special Benefit and Temporary Additional Support which increased by 53% between March 2008 and March 2011 quarters". This represents an acknowledgement by Work and Income that the basic benefit, even when supplemented with other allowances or part-time paid income, is not enough to provide the basics.

²⁵. See note 13

²⁶. New Zealand Council of Christian Social Services, *Vulnerability Report 9*, June 2011, <http://www.nzccss.org.nz/uploads/publications/VRissue9.pdf>

The following graph illustrates the widening gap between the net average earnings and the main types of benefit.

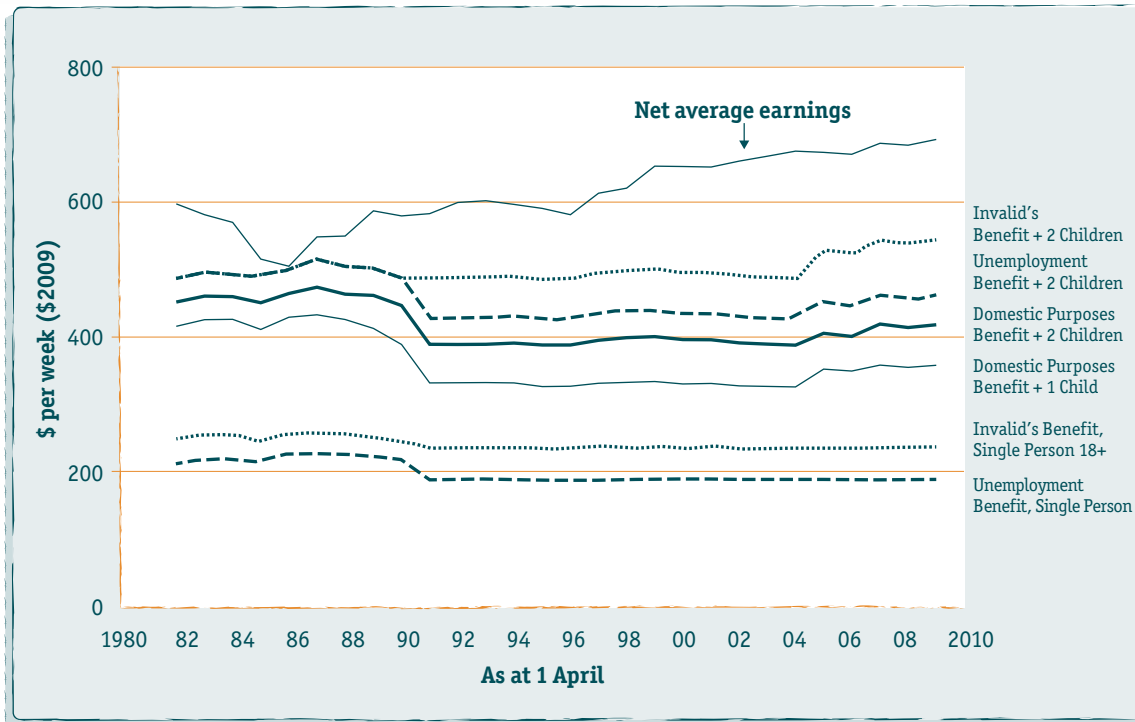


Illustration 4: Income-tested benefits (plus FTC) and average earnings in real terms for selected household types.²⁷

*My partner lost his job when [second child] was born, so for just over a year we were on a benefit. Which made it really hard as well... It was horrible, it was like... I mean you get enough to survive, you pretty much exist, you don't live, you **exist**. It was hard work, it was really hard work.*

I'm just getting poorer and poorer, I haven't brought a new piece of clothing for three years and I mean second hand clothing new. I haven't had anything.

Comments recorded in Part 2 of this report give ample examples of the choices that have to be made to live on a fixed income. The following are comments related to debt, which is in itself a significant barrier to change. Where people have been assisted to address this issue in their lives, it makes a real difference to their belief in their own ability to change things for the better.

No doubt about it, It was just so much debt and OK sometimes I created more by having to get myself a new car, but I would have been buggered if I hadn't.

27. Source for Figures- Information and Monitoring Unit, Ministry of Social Development, <http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/monitoring/household-incomes/index.html>

[My income] hasn't increased, but because I've changed the whole budget and gone to lower [debt] payments, it's made a big difference. At the end of the day I'm gonna be paying for it [in interest], but it's manageable.

My fines, my fines from when I was young and ... driving on learners license and driving unwarranted and unregistered cars, and it accumulates big time. I mean I think I only started off with one and a half grand and then over the years it's come to three.

[The finance company] helped to consolidate a lot of debt as well as being able to bring a lot of my gear down from Whanganui, and that was about six grand in total, bills and debts etc. That was all good, then about three months later, my car just blew, blew the motor, and I was like "oh no". I should never have bought the car in the first place; the day I bought it I regretted it. Even though it was like the car I wanted, it just caused me so many problems. So, with the six grand debt [from the finance company], I thought there is no way that they are going to give me more money for a car. No way. But I sat down and she said "Yep, go buy yourself a car." I said, "what?" "Yep" she said, "Go buy yourself a car." I said "Ha but I have already got debt with you guys." "She said "That's all right, we will just use it as collateral." Along with all my chattels and stuff that I had brought down from Whanganui. I was totally blown away, and she said "You have like six grand to spend on a car." Which brought my debt level up to about twelve grand. But it was only a bill. But silly me, although I was making all these payments I couldn't really, like I'm a smoker, I'm still struggling to put anything away. I'd go to the grocery shop and buy what I had to buy, whew... It increased that debt level, but because I couldn't afford to buy groceries or pay the weekly power bill, like I pay \$10 a week on the power, I had created more debt for myself. Which was really naughty of me. I've surely learnt now that you get your debt out of the way, which I am currently doing.

HOUSING AND TRANSPORT ARE BARRIERS

The families we interviewed are spending between 16 and 52% (or an average of 30.3%) of their income on rent. The 2011 Household Incomes Report²⁸ shows that the lower household income is, the higher housing cost will be in proportion.

Where you live determines your transport choices. If public transport is available it will have become more costly. If you have a vehicle then petrol²⁹ will have risen more than 20.1% in the past year. The impact of vehicle repairs and replacements figure strongly in the debt profiles of the people interviewed.

I've really had to watch the use of the car, and I often have to walk to the supermarket and back with groceries. Being up on the hill, that final ten minutes is a bit of a hike.

I try to go to the supermarket and buy my 7 two litres of milk at once. It's just logical to do it that way but if I haven't got the transport to get out to Pak n Save or even Countdown... if I have to bus home with the groceries, it's hard. But I have arranged with the neighbour to do it every Tuesday, and that's just the easiest way to do it.

HOUSING AND HEALTH ARE BARRIERS

Health issues are often compounded by housing choice. Old, cold homes in Dunedin contribute to respiratory illnesses, which particularly affect children. People surveyed who had mental health conditions noted that it was cheaper to stay in bed than get up and heat their home. It was one of the ways that they helped make ends meet, but it contributed to their social isolation and ultimately to their outlook on life.

A number of the families interviewed had a history of long-term illness or disability. Mental health conditions, primarily depression, dominated; but we also heard from people who were bipolar and those addicted to substances. Physically, we heard of asthma, epilepsy, ADHD, diabetes, back injury, stroke, heart disease and more. These people are typical of the population on Invalid's and Sickness Benefits. Statistically, 30% of those on the Invalid's Benefit have a diagnosed psychiatric condition as do 42% of those on a Sickness Benefit.

From May 2011, people on the Sickness Benefit assessed as being able to work 15-29 hours per week have an obligation to look for and accept any suitable part-time work. They are required to provide medical certificates after four weeks on the benefit and then every 13 weeks to prove on-going eligibility. What will this mean for the families we spoke to?

SUPPORTIVE RELATIONSHIPS AID CHANGE

To achieve long-term improvement in their situation, to rise over the poverty line, requires self-awareness and a desire to change. This is sometimes slow to emerge, but supportive relationships with family, friends and a wider social circle of support, which can include agencies like Presbyterian Support, community groups, churches, neighbours and others, will enable this change.

*I'm finding out who I am now.
They want the old Tara, but she's gone.*

At that stage [when I approached Family Works] my debt [was my biggest problem], so now I think it's more personal stuff than debt. 'Cos we've worked out the debt. Like she's [my social worker] done all that. It just comes out every week redirected, so we worked that out.

I just can't walk out because things are bad. 'Cos I know that things aren't always going to be bad...

28. See note 27

29. See note 13

The work status of each household interviewed did not remain static for the period of the interviews, most of which indicated that the families concerned were looking to improve their circumstances.

- One couple is on permanent sickness benefit but one partner is training for work
- One woman was made redundant and then found part time work with a large hardware store
- One woman with permanent ill-health had a small part time job
- One man moved from ill health back to part time work in another city
- One woman on ACC had surgery and prepared for return to work
- One woman did voluntary work at local school
- Two people were community workers paying off fines
- Two women at home, one with working partner for a period of time
- One couple with part time off-the-record work

When I left [for maternity leave], I handed in my notice then three weeks later they offered redundancies, and they wiped my shift completely. And there's no chance really that I can get back in there.

It's going to get worse because I've heard of so many being laid off lately, and I want to get back out there.

Ideally [my aim] would be to get into a full time job that I enjoy, not just purely for the financial rewards that that would give. But I am aware that I have a conviction that stays on file for so many years, so that is going to present its challenges. I know myself so well, because I do I still have these frustrations, unless I use [my skills] productively I'm going to continue being frustrated until I've got the [qualification], well you know, society seems to say unless you've got the bit of paper then... And you know at 45 I've got lots of life experiences and good qualities but without that bit of paper it's crap, and that annoys the crap out of me too. It's one of those wicked things!

Yep I went out and worked, but then I got done secondary tax, which made it even harder... Some weeks I was working for \$7 (laughs), it was ridiculous.

WINZ said all I have to do is 20 hours a week to be better off than I am now, but I don't want to just be better off, I want to have a wee bit more to make it worthwhile. I have to pay for child care and all those outgoings to consider as well.

I was working two jobs, cleaning in a restaurant and part time benefit to make it up and it was just horrible, just the secondary tax on it. It actually worked out for the hours I was doing and the child care I was paying for I was actually only getting an extra \$15 a week. Something really ridiculous like that, so it would have to be full time work if I did go back to make it worthwhile.

Who wants to give me a shot when they could give some 15 year old kid straight out of school with no record a shot?

Ideally getting a job would [make my situation better] and I have made some enquiries lately with some jobs in the paper. I'm very up front on the phone because I do have criminal convictions now and they don't seem to want to go any further.

It wouldn't be worth my while [getting a job]. It would cost me as much as I would earn to keep [the three toddlers] in child care. Even with the subsidy you'd be looking at \$80 for one child for a week, at least.

I've been job hunting for months. It's been hard. I don't think anyone wants to employ a single mother. I got quite a few job interviews. There were some where I got to the third interview but there was always somebody more qualified or...In some instances, well most instances, I just felt that it was when they got to questions about the kids, "who looks after the kids?", it was after that question that I felt that no one really wants to employ a single mother or they'd prefer someone who didn't have kids.

For families who are successful in accessing work that fits around their family, or can earn enough to cover child care, travel and other additional employment related costs, the gains are considerable, both financially and socially.

We're getting way more than when we were on a benefit and with the Family Tax Credits as well, they go up by \$60, which, I mean, some people say that \$60's not that much but I mean in our house, \$60 is a lot of money! For us that's three tins of formula and six packs of nappies or whatever. It's a huge amount of money...

Things are good, busy but good.... just working heaps, but good. Lila's all settled into daycare now, which is good, no I'm enjoying it. I'm just getting up to nearly 30 hours. They gave me school hours so I don't have to put Jayden into after school care and Lila's just in child care from 9-3.

*I've just got to get five more hours
and I'm off [the benefit]!*

For these families to make a change that includes employment, then the need is for jobs which are sustainable and which offer a decent living wage as well as the flexibility to enable people to balance work and family life. Unfortunately part-time and unskilled work can be insecure, and changed employment policies such as the 90-day trial period do little to improve this.

The transition from a benefit to work is also problematic. High abatement rates for extra income earned means that the effective marginal tax rates can be 92 cents for every extra dollar of income above \$80 (70 cents in abatement and up to 22 cents in secondary tax with ACC levy)³¹.

A more client-centred approach from Work and Income would certainly be helpful in managing this transition. Personal Case Managers, familiar with the circumstances and story of each family, have a role to play in helping clients negotiate the minefield of wicked dilemmas.

This would also assist in addressing the whole range of barriers to change, of which seeking paid employment is only one option. Although it did not come through in these interviews, our experience at Presbyterian Support through YouthGrow, an employment initiative for young people, is that basic literacy and numeracy is a barrier to participation in education, training and employment. 60% of the young people attending this programme require our assistance to improve their literacy and numeracy. We have had success by working towards goals the young people have identified as important; such as being able to read well enough to complete a written driving test. Despite our success with YouthGrow, its funding is uncertain and has decreased to a point where we can only offer the programme to a third of the number who benefited from it in the 2010/11 financial year.

WELFARE TO WORK?

The Welfare Working Group (WWG) was established by government in April 2010 to examine ways to reduce long-term benefit dependency in New Zealand for people of working age. Its terms of reference included a particular focus on promoting better work outcomes for sole parents, sick people, disabled people and other people at risk of long-term benefit dependency.

UNEMPLOYMENT – GOING DOWN

The present benefit system was described as outdated and unsustainable in the WWG Issues paper³². To support this assertion, the following two charts are offered. They show the relationship between the four core benefits (DPB, Sickness, Invalid's and Unemployment) and as a proportion of GDP. It was around 2% before the global financial crisis hit. This is significantly lower than the 4% high in the late 1990s. Budget forecast and projections indicate it will plateau at 2% for the foreseeable future.

31. Alternative Welfare Working Group, *Welfare Justice in NZ – What we heard*, page 23, <http://www.welfarejustice.org.nz>

32. Welfare Working Group, *Long-Term Benefit Dependency: the Issues*, August 2010, <http://ips.ac.nz/WelfareWorkingGroup/Index.html>

33. See note 32

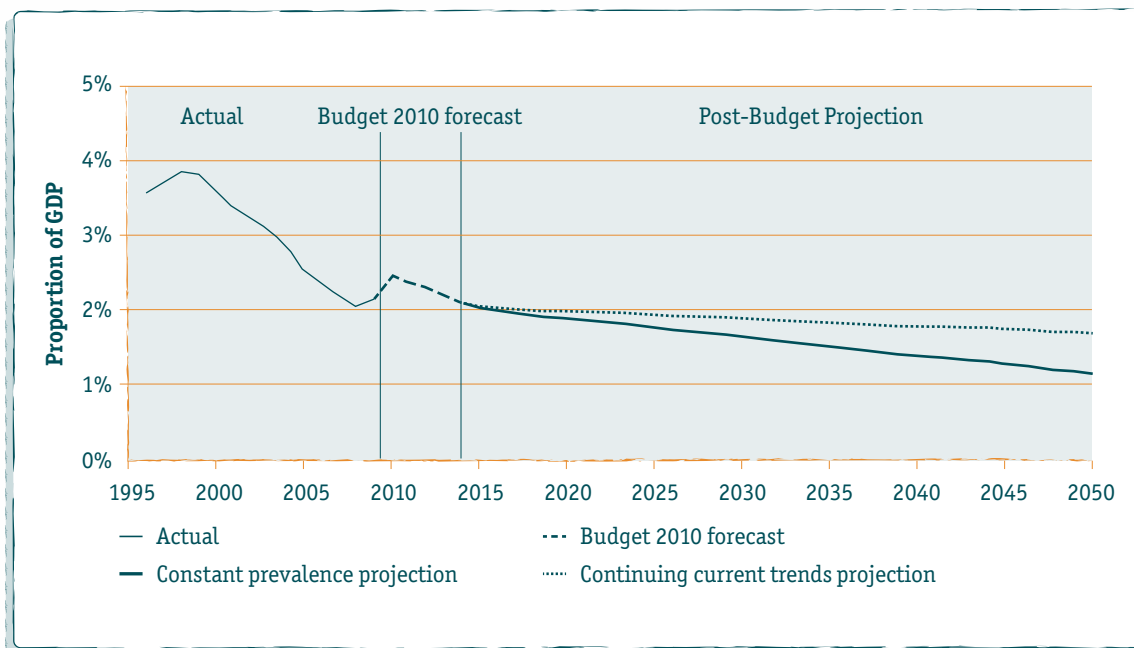


Illustration 5: Actual and projected expenditure on main benefits as a proportion of the Gross Domestic Product.

The public of New Zealand would be forgiven for thinking that there was a huge influx of people choosing to live on a benefit. This is not the case, as illustration 5 depicts.

In the year ended June 2011, 12% of the working age population received one of the four main benefits. This is only two percent more than the figure at 2008, prior to the recession, and 0.5% lower than the year ended 2010. The trend is towards plateau, rather than escalation.

154,000 people were unemployed at the end of the June 2011 quarter. There was an annual decrease of 6,000 (3.7%) in the number of people unemployed. This is the largest annual percentage decrease since December 2007. The annual decrease was solely driven by a decrease in male unemployment. Female unemployment remained unchanged over the June 2011 year.

EMPLOYMENT – GOING UP

Compared with others in the OECD, New Zealand's employment rates are high. Statistics NZ tells us that for the June 2011 year, employment rose 43,000 (2.0%). This is the largest annual percentage increase in employment since December 2007. Annually, male employment increased by 21,000 (1.8%) and female employment increased by 22,000 (2.2%). Full-time employment increased by 26,000 over the year, while part-time employment grew by 17,000. It is worth noting, however, that most employment growth was in Auckland.

Employment is an indicator of economic health and unemployment is a direct consequence of economic downturn. One would think that when a recession has ended, employment would return to pre-recession levels. This doesn't happen immediately; there is often a delay due to different skills being needed, or employers having made efficiencies and reducing their staffing need. The long-term effect of the Christchurch earthquake on employment has yet to show in the statistics.

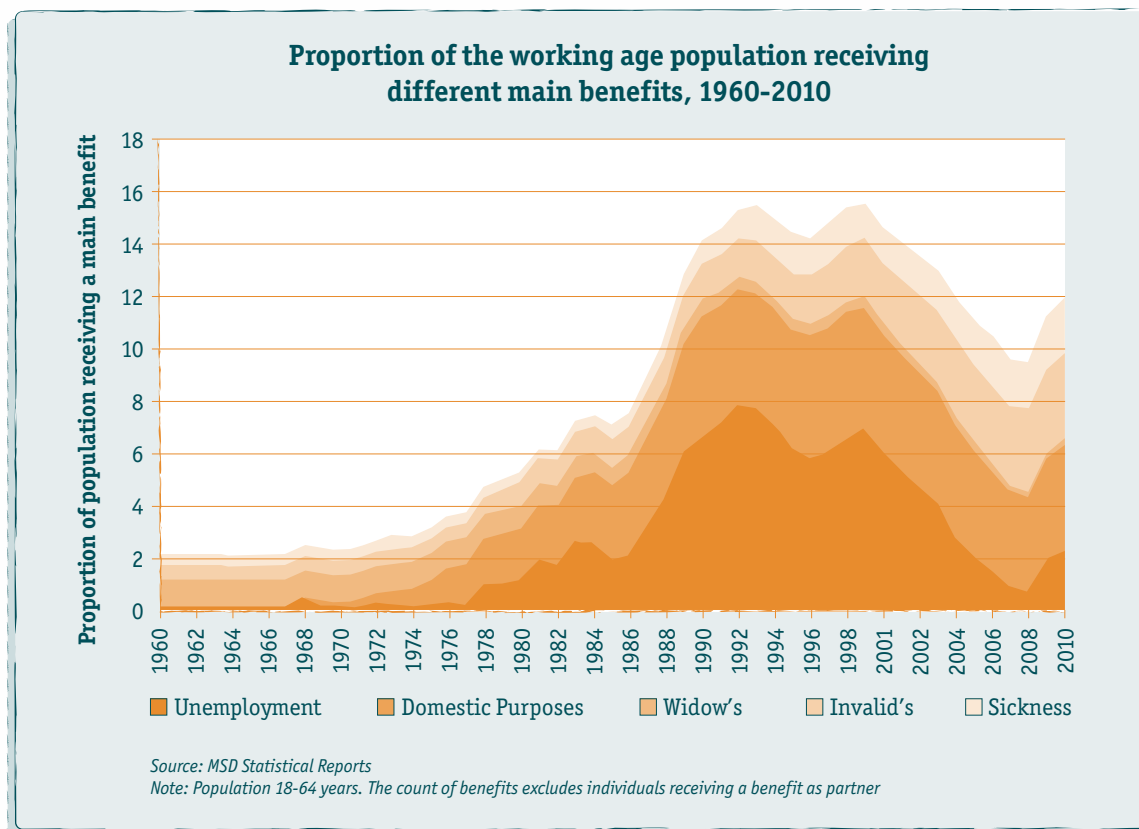


Illustration 6: People on benefits 1960-2010³³

WORK – THE ONLY WAY OUT OF POVERTY?

The WWG argues the importance of paid work and proposes a direction that assumes most people of working age can work, not that they cannot. Most of the people we interviewed would like to move into paid employment, because they recognise the benefits of doing so; but given the uncertain economy and the nature of jobs available to them, there are significant risks that could result in the former beneficiary being in greater poverty than before.

The recommendations of the WWG, some of which the current government has signalled it intends to pick up after the General Election, continue the direction of “Future Focus” that Work and Income already has in place. The “carrot and stick” approach means there will be more pressure for beneficiaries to enter paid employment, although there is no guarantee that this will substantially better their situation.

A government agency called “Employment and Support NZ” would be established and held accountable for “improving work outcomes” and “reducing the long-term costs of welfare dependency”. Benefits will be restructured into a Jobseeker Support payment. Within this there will be three streams: Jobseeker stream (most people would be expected to take immediate steps to securing paid work), Transition to work stream (to address vocational and non-vocational barriers and then transition to paid work) and Long-term support stream (for people with permanent and severe impairment, but also assuming that they may have the ability to work with the right supports in place.)

34. See note 32

35. Quoted in *Welfare and Social Sector Policy and Reform: Options and Alternatives*, Prof Paul Dalziel, AERU Research Unit, Lincoln University, 20 June 2011.

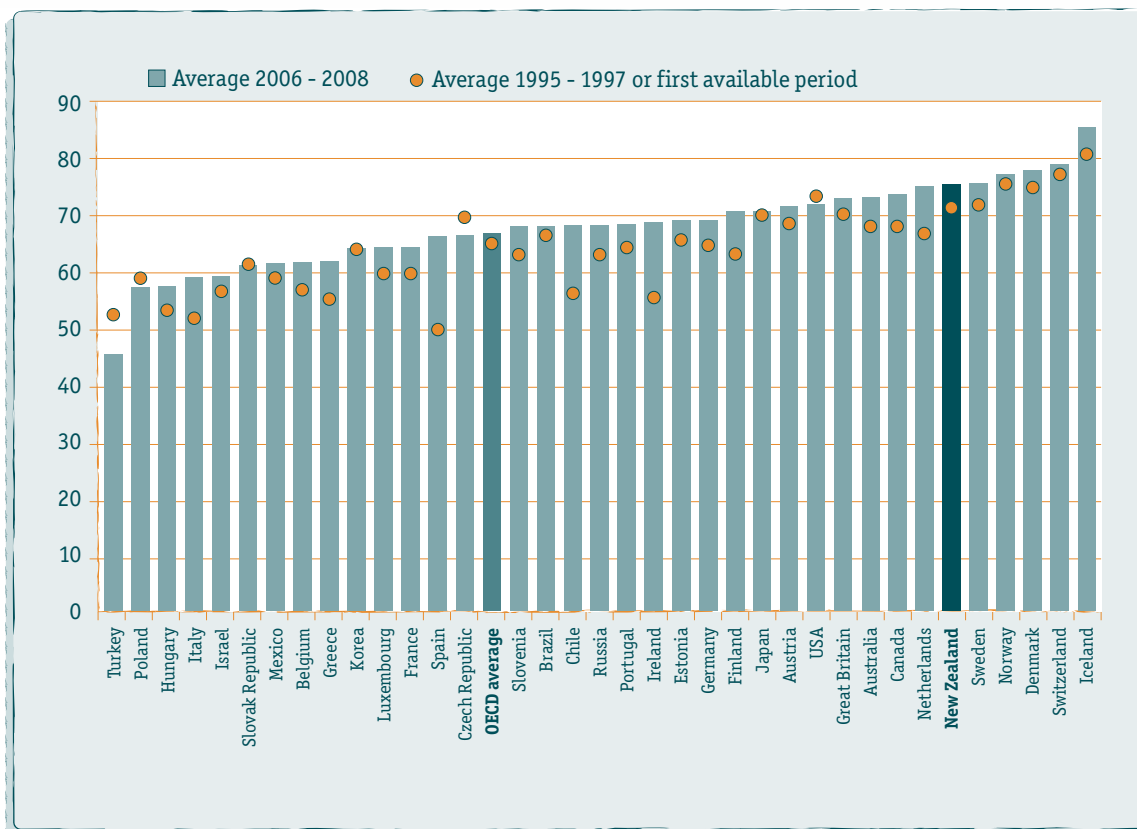


Illustration 7: Rate of working age population in employment. Note New Zealand compared with OECD average³⁴.

It is expected the private sector will provide this additional paid employment, increasing as the economy recovers. But this was not the expectation that policy makers had when the Social Security Act was passed in 1938. Bill Sutch³⁵, one of New Zealand’s most prominent civil servants at the time, had this to say:

“[The Social Security Fund] can only meet sustenance payments while there are comparatively few in need of it. This means the continuation of full employment by other means. If it is not provided by private enterprise, it must be provided by the State, either out of other taxation or by financing from the government’s Reserve Bank or from public borrowing.”

The design of New Zealand’s welfare state was founded on the premise that government policies would maintain full employment. At the time it was accepted that this applied only to men, as the breadwinners for their families.

The question we now confront, with women full participants in the employment market, is “will there ever be enough jobs created by the private sector to achieve full employment of all able-bodied people of working age?” The follow-up question is “how is that employment maintained?” because that is where we see real change in the lives of our most disadvantaged citizens.

If this is unlikely, then maybe the definition of “work” needs to be expanded.

There is no doubt that work can bring huge value to a household – beyond money. Through worthwhile work, people develop character, decision making and responsibility taking. They gain new networks of friends and acquaintances that extend their sense of community and self. We must balance this with the barriers identified by the families, because there is no easy solution here.

Conclusion

The purpose of the research we embarked on was to look at ways in which the various families adjusted their priorities to accommodate the changes to GST, rising costs and reduced opportunity for paid work.

All of the families received the majority of their income from a benefit. All fitted the profile of families who had either severe or significant hardship, according to the government's own Living Standards Index.



Illustration 8: Number of families / benefit units in receipt of working age income-tested benefits, 1986 to 2010: (30 June figures)³⁶

What we found was that each family responded to hardship in different ways. These responses were conditioned by their history, their capabilities, their successes and their aspirations. That is as one would expect. When social policy is designed, it seeks to address issues at a national level, and unless we hear the voices of those who are most affected by those policies, we can be forgiven for thinking that one size does fit all and political messages like “welfare to work” and “dependence is bad, independence is good” are true for all people. **We need both justice and mercy when we make decisions which affect other people.**

What we learned from the eleven families we interviewed:

- For the majority of the year they lived below the poverty line
- When income is restricted, choices are reduced

36. Source: NZ Living Standards Survey, Ministry of Social Development, <http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/monitoring/household-incomes/index.html>

- Electricity bills are often the stressor that tips the family to ask for help
- Benefits have not kept up with the cost of living
- Food is the discretionary item; purchased after the rest of the bills have been met
- It is difficult to admit that you can't afford to feed your family
- Parents put the needs of their children before their own
- Parents worry that their situation will disadvantage their children
- Juggling the bills and priorities becomes a way of life
- Change is usually sudden (a cascade of events leading to an unexpected outcome) and coping requires significant flexibility and a positive attitude
- Families find their own ways of coping with adversity
- Social isolation is a coping mechanism
- Ordinary joys, like owning a pet, are unaffordable
- There is a thriving hidden economy of bartering, selling goods on Trade Me and taking in tenants
- Private sector rentals are much higher than state rentals (but few can access Housing NZ rentals)
- Poverty and mental health issues are often found together
- Many are tired (not rested, weary) and think that the world is a hard place
- Supportive relationships are important
- Education is understood to be an important way to improve one's situation
- They lack confidence and, often, skills in a harsh employment market
- A criminal record impedes transition to work or even volunteering
- The abatement rate is punitive for people who want to transition to work
- Work and Income is found to be adversarial rather than helpful.
- People who are too unwell to work are concerned they will be forced to seek work or lose their benefit
- Organisations like PSO are valued for the practical and emotional support they provide
- There are no easy answers to complex social situations

HOW HAD EACH FAMILY FARED AT THE END OF THE STUDY?

Shelley's family

I've had my surgery and am now studying to take up a lighter form of my previous work. ACC are paying and I have student allowance so at last I have finances under control. I've quit smoking (again) and am repaying debt. My brother is boarding and picking my son up from school. Power and food are the biggest stresses. I think my weekly costs have increased significantly. I have a rehabilitation plan with ACC. We still run out of food quite often. I feed the guys meat and its vegetables for me.

Alison's family

My partner suffered a really bad depression and quit his job before he found out that it could have been caused by poisoning from the job. He left us because his moods were bad for all of us. He is massively improved after being treated and is in Australia where he's got work. He wants us to join him. Our rented house was sold and I moved in with Mum and Dad. We're just in a holding pattern at the moment; give it six months. He's been in regular touch with the children. When I need help I go to my family first. I've still got old fines that are worrying me.

Tara's family

I feel I'm in control of our finances except with a company that wants monthly payments and I do all our stuff weekly. I'm planning to go to a Community College course and I really want off the benefit. I've got a good garden and if the kids are hungry I say "go and get a carrot". A plate overflowing with vegies doesn't always impress a 13-year-old boy. We try to live on \$320 a week. If I need to talk about grief or stuff, I talk to my social worker.

Maureen's family

Everything's going smoothly. We've cut down my weekly payments. I got myself into credit on my power. I'm home-schooling the girls to hopefully improve attitudes to school. I shop around for stuff, but we still occasionally run out of food because I spend only what's left each week on food. The girls get annoyed that money's short. With \$117 going out in debt it's all tight.

Barry's family

I've come down from Christchurch to see my boy and girl. I've been working for my keep for a friend up there as a kitchen hand. He's got a café bar out of town and the business has taken off after the February earthquake. I'm looking for other accommodation for me and my partner. There are lots of opportunities for feeding the thousands of workers cleaning up Christchurch and I just need a registered kitchen to be able to take advantage. I want off the benefit as soon as possible. I got treatment for my depression and I'm feeling the best I've felt physically for a long time. I still find it tough to do an eight-hour stretch but I'm working up to it. I have so many dreams and schemes in my head.

Melissa's family

I've given up the idea of a service career and got a job with a hardware store. They're very good about giving me enough hours and working around my family needs. Housing NZ offered me this house in Caversham and I decided to take it and get a car. My Dad is my financial adviser and he says it's all good. My son can stay at his school and the wee one is in childcare. When things are a bit tight I don't take the kids to the supermarket. Five more hours a week and I'm off the benefit. With the car I can shop cheaper which balances out. The transition to work has been difficult but I keep letting WINZ know what I'm doing and they work it out. I'm feeling so good I went and got a tattoo! I raid my Mum's vegie garden. I'd like to get a sewing machine and set up making baby clothes. The lack of financial stress has helped my mental state a lot.

Ngaire's family

I've got more help from Total Money Management and faced up to a lot of bills I'd just let slide. I looked for the good in everything but I really had my eyes half closed. I've been doing a no asset procedure. I'm now visiting the doctor regularly for my diabetes and have got a grant to be able to buy more special food. This is making a big difference. Unfortunately my son is back in prison and no improvement in our relationship after all. We've shifted house and my daughter is doing well at school. I'm back now at my small job. My goals are to bring debt down and be more stress free. When I got to visit my children I like to be able to take something to eat with them or take them out somewhere. When I can't do that I'm sad.

(This client has since suffered a major stroke but is home again.)

Shona's family

My finances are way out of control. They (Family Works) think everything's on track and want to cease but I need those parcels every two or three months. With petrol going up I've had to walk more. I'm certainly feeling the consequences of my conviction now when I look for work or even community work. Keeping up with expenses on \$444 a week is just a wearing endless hassle.

Tame and Tui's family

(Tame) When I was 13 Shayne Walker took me and 12 other young guys off the street. There are only four of us still alive. My partner and I are living on rice at the moment. We only have the heat pump on when it's really cold otherwise we just wear more clothes.

(Tui) I've learnt a lot about how to deal with people after using drugs. When you're using it's like hiding behind a shield really, because you just don't worry about stuff. And I guess what we've had to learn is to stop feeling let down by people, because people are just people, and there are always going to be people way up here [gestures high] and people are always going to talk and be nasty or whatever but not everything's personal... it's not always personal. Our child's our focus now.

Stacey and Tom's family

I'm currently doing some community work to pay off fines. My partner has been on home detention to reduce his fines by \$12,000. We've had a rough spell going in and out of hospital to clinics. Our son was sick and I had tonsillitis. We spent \$120 that week on medical stuff. We do budgeting and Incredible Years at Family Works. Tom's taking steps to get into a course proposed by WINZ. Work's hard to find but it will happen some time.

Jennifer and Mac's family

We've shifted to another place. We've had a bit of trouble between us over some pushing and shoving but we're alright now. Mac's been told he's now permanently disabled and will not work again. This was a bit shattering. I'm doing a computing course through Auckland and hope it will get me work from home. I still don't know how we'll manage from week to week.

Recommendations

We sought in this study to discover the impact that the economic environment had on the eleven families we interviewed over the course of a year. We found that, for families living below the poverty line, not much had changed. Things were hard, but they had always been hard. Income redistribution via the Family Tax Credit had assisted, but had not enabled the families to improve their situation significantly. For these families, the landscape had not changed; it was more of the same.

The following recommendations are what we wish to bring to the attention of policy makers and implementers, be they at a national, regional or local level. They are provided as the starting point to effect real change in the lives of New Zealand's most vulnerable families.

INCOME ADEQUACY

1. Each family should have sufficient income to meet their basic needs. Adequate nutritious food, clothing, medical and dental care and warm secure housing must be placed at the top of all political party agendas.
2. The minimum wage should be indexed to the CPI, LSI or other cost of living standards benchmarks.
3. Benefits should be indexed to the CPI, LSI or other cost of living standards benchmarks.
4. Work and Income to reinstitute Case Management for clients to ensure consistency and that client needs are being met over time.
5. We support the WWG proposal of a single agency to cover employment and support and would hope that sufficient weight is given to the support aspect in particular.
6. The "in work tax credit", which is only available to families in paid employment, is discriminatory and should equably be applied to all family incomes.
7. Increase the threshold for abatement of benefits when transitioning to work. This is what makes work "pay" and is an incentive rather than a disincentive to work for more hours.
8. Identify strategies that support the creation and retention of sustainable employment.

HOUSING ASSISTANCE

9. Ensure no family pays more than 30% of its income in housing costs.
10. Increase investment in social housing, where rents are indexed to household income, either through more private/public partnerships, or the development of government or local body provided housing.

HEALTHCARE

11. In the absence of universal free healthcare for all New Zealanders, we urge the government to implement policies that remove barriers to healthcare to our poorest families, especially where there are children involved. This includes the cost of medication.
12. Primary healthcare professionals such as General Practitioners and Dentists to accept payments over time for essential services.

CHILD CARE

13. Government to implement funding models that encourage the provision of subsidised child care during atypical hours, to better fit with employment and training available.
14. Schools to accept payment of fees, “donations” and charges for extra-curricular activities like camps and sports, on a time payment basis. Also consider alternatives such as whether parents may engage in voluntary work at the school to offset their fees.

POWER AND HEATING

15. Encourage continuance, extension and review of criteria of Dunedin City Council Electricity Fund.
16. Encourage continued subsidy of insulation and efficient heating through the Energy Efficiency and Conservation Authority and local authorities.
17. Create a mechanism whereby this subsidy is targeted at rental accommodation as well as properties owned by low income families.

PARTNERSHIP WITH SOCIAL SERVICE PROVIDERS

18. Continue and strengthen initiatives such as “Strengthening Families” that are family-centred and achieve good outcomes.
19. In funding core client services, recognise that both the number of clients and the depth of their issues mean that more, rather than less, time is needed to support each family as they work to make changes.
20. Increase funding for employment initiatives that work, rather than devising and supporting programmatic responses that are unproven.

INEQUALITY

21. Recognise that “work” is not the only way individuals find meaning, purpose and value. Increasing incomes is only a start to changing a family situation.
22. Recognise that when things are more fair for our most vulnerable citizens, they will be more fair for all people.
23. Recognise that it is children who are the most vulnerable victims of poverty.

Almost 20 years after we opened our food bank, ten years after we first published research on income adequacy – what really has changed?

This is not a choice you know... I didn't expect my life to turn out like this... juggling, endless juggling... but it's my life... I mean you get enough to survive, but you pretty much exist, you don't live... I have to focus on the future, there's a light at the end of the tunnel, I'm quite positive about it.

No one chooses to live in poverty.

We all have a part to play in ending poverty. The most effective change rises up from the people. "You must be the change you wish to see in the world," Mahatma Gandhi said. Change happens when a community says "enough is enough". **It's just a matter of priorities.**



Presbyterian Support Otago

Presbyterian Support is trusted by New Zealanders and the government to deliver expert and caring community services. We have been helping New Zealand's most disadvantaged families for over 100 years.

Many of our services are offered from our base at Presbyterian Support Centre, 407 Moray Place, Dunedin. To learn more about Presbyterian Support Otago please visit www.psotago.org.nz



Family Works is Presbyterian Support Otago's services for children, young people and families. We provide lasting help for children and families in need.

"Tear out the heart of the flax, where will the Bellbird sit. Ask me what is the most important thing in the world, I will tell you – it is people, it is people, it is people."

"Hutia te rito o te harakeke, kei whea te Komako e ko. Ki mai ki ahau, he aha te mea nui o to Ao, maku e ki atu – he tangata, he tangata, he tangata."

The logo design concept is taken from a Maori whakatauki/ proverb with the harakeke/flax the main visual element because it represents to Maori a fundamental source of survival and well-being for a whanau/family to be able to flourish. Flax grows in the form of a genealogy/whakapapa or family/whanau, is diverse in its use and renowned for its strength.

Many of our services are offered from our base at Presbyterian Support Centre, 407 Moray Place, Dunedin. To learn more about Family Works Otago please visit www.otago.familyworks.org.nz



Presbyterian Support Otago



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ISBN 978-0-473-19581-6