

# Working Paper no. 9:

## The Realities of Child Poverty:

### Case studies

Expert Advisory Group on  
Solutions to Child Poverty

August 2012

### Purpose

1. This paper was prepared to provide the EAG with some context of how real families are experiencing poverty. The cases are real but names have been changed to protect the identities of the families and children involved.
2. This paper has informed the direction and recommendations of the EAG's Solutions to Child Poverty in New Zealand: Issues and Options Paper for Consultation. These are preliminary findings, and a final report will be published in December 2012. The findings in this paper do not necessarily represent the individual views of all EAG members.
3. The EAG wish to acknowledge Strive Community Trust in Mangere for providing these case studies as examples of the reality of child poverty for children in New Zealand today.

### Case Study 1

---

#### **Teen mother (Kayla)    Teen father (Caleb)    Kayla's mother (Joanne)**

4. Kayla is a 15 year old teen mum living in Mangere with her mother Joanne. She doesn't go to school because the nearest Teen Parent Units are in Otara and Manurewa. There are waiting lists for these Teen Parent Units and there is not one established in Mangere.
5. Caleb, the father of Kayla's baby, is living with his own family. He isn't working and has no income. He can't qualify for Independent Youth Benefit as he is living at home and no training benefit because he's not in training.
6. Caleb spends time at Kayla's house with her and the baby and often has meals there; he has practically moved in. Joanne has Kayla and now baby included in her family tax credit. The family tax credit does not always reach Kayla and therefore Kayla is not able to buy necessary things for baby. Joanne is a sole parent herself and is finding it hard to make ends meet with another mouth to feed - Caleb doesn't contribute to their household financially.

8. Kayla's age restricts her from getting a benefit with baby until she turns 16. The difference in the tax credit amount Joanne receives is not enough for Kayla to raise baby and often Joanne keeps it to cover the shortfall of the expenses like:
  - baby's nappies and milk powder
  - transport costs to and from doctors
  - clothing
  - health and hygiene costs for Kayla
  - electricity (heating in the room where Kayla and baby sleep)
  - water and food.
9. This situation:
  - does not encourage relationship building between Kayla and Caleb because of the financial constraints and restraints of living together without any income of their own.
  - provides no available benefit for Kayla to adequately financially support herself and the baby.
  - provides no available benefit for Kayla and Caleb to adequately financially support themselves and the baby.
  - continues to keep Joanne living in deficit in her own situation, trying to spread the family tax credit amongst two - three more mouths to feed.
10. The child poverty situation is that this baby is already existing in a 'financially deficit' environment. This deficit spreads into emotional and physical when those basic needs are not met adequately. This 'financial deficit' means that:
  - Kayla cannot take baby to the doctor because she cannot afford the transport costs there and back. Catching public transport with a sick baby is not advisable.
  - Some creams and lotions for baby's skin irritations are not subsidised and therefore not bought due to lack of funds. Baby's skin irritations become sores eventually. She is not receiving a benefit so cannot request a special needs grant or advance to assist her with expenses.
  - Baby eventually has bronchiolitis due to no heating in the room and the house is cold and damp.
  - Baby is on formula milk for three months then is fed cow's homogenised milk from four months onwards because it is more affordable.
  - This leads to the baby being fed watered-down chocolate and strawberry flavoured milk and watered-down raro juice because of affordability.
  - Baby's baby teeth rot before they are due to pop out.
  - There is every likelihood that baby will have diabetes and will be obese due to what she's been fed from birth.

## Case Study 2

---

### **Grand Aunty (Christine)    Mother (Shona)    Child (Bradley)**

11. Shona has been in prison for 18 months and was released recently. While she was in prison her grand-aunty Christine had care of two year old Bradley, Shona's son. When Shona was imprisoned Christine applied for Unsupported Child Benefit (UCB) as Bradley's primary caregiver.
12. One of the conditions of Shona's release was that she had to give a permanent address and so Christine's address was given as a place of residence. Shona was not in a position to resume care for Bradley due to rehabilitation and was declared unfit to provide care at that time. Because Shona's address was the same as Bradley's address, there was an assumption that Shona had resumed care for Bradley and the UCB paid to Christine was cancelled. Christine was expected to still care for Bradley without any further financial support from UCB or Shona.
13. This is a common scenario for grandparents looking after their grandchildren. The child poverty situation is that the children are already existing in a 'financially deficit' environment. This deficit spreads into the emotional and physical when those basic needs are not met adequately. This 'financial deficit' means that:
  - There is a financial strain on the relationship between grandchildren and grandparents.
  - There is resentment towards the parents of the children as they are usually not in a position to contribute financially, physically or emotionally to the care of their own children.
  - Grandparents are often not financially prepared to re-live the expenses of young children again; *Beginning all over again syndrome*.
  - The children cannot be included in the National Super payments thus making it hard to financially support them.
  - If the grandparents are working, there is often the sacrifice of giving up the income of employment to care for their grandchildren. Often the replacement income (benefit) is not adequate to sustain the caregiving required for young children.
  - If the children are sick and have specific medication that is not subsidised, again they are often ignored due to lack of funds. These situations get worse, the expenses accumulate and the grandparents are stuck with the costs, with no further assistance available to them.

## Case Study 3

---

### **Mother (Mary)**

### **Father (James)**

### **Baby**

14. Mary is 17 years old and has a baby with James who is 20. They both come from dysfunctional families who are long-term beneficiaries with severe alcohol and drug addictions. Mary was known to Child, Youth and Family from the time she was 11 years old until she was 16.
15. Mary has tried living with James with extended whānau, but, with James not working and continuing to live the only life he knew - alcohol, drugs violence - Mary moved away from her home area to Auckland. She initially moved in with her mother but that did not work as she believed her mother was on P and there was a constant stream of people coming to the house. She went searching desperately for help for her and her six month old baby.
16. She was assisted to find accommodation and to ensure she was receiving her entitlements, along with mentoring support. Within six weeks, after frequent communication, James decided to move to Auckland to be with Mary and their baby and he too sought help from the agency to get work. They both want to escape the 'spiral into nothingness' they have lived thus far and they both love their baby girl very much and want a better life for her.
17. They both agreed to be on a total money management arrangement with a community agency, undergoing weekly mentoring and budgeting advice, including healthy cooking and living, housekeeping tips, dress for success and general advice as would be received from responsible parent(s). Over several months they paid off second hand furniture and saved and bought a reliable car with no debt.
18. Mary has had a long term contraceptive inserted in her arm and when baby turns one she wants to get a part-time job and go into part-time study to be an administrator.
19. With the assistance of the community agency James now has a 30 hour per week job at \$13.50 per hour and has completed his restricted license as well as his forklift and reach license. On the recommendation of the agency and in discussion with both of them James hopes to take up a motor mechanics apprenticeship with the community agency's vehicle servicing agent and will know in several weeks if successful; the pay will be low until his apprenticeship is completed in three-four years.
20. They understand that they are not permitted to live together whilst Mary is in receipt of a Domestic Purposes Benefit but their fear is that they will not be able to live on James's income solely. They have considered not living together because they are financially better off in terms of income but they both fear that living apart will be the end of their

relationship as James is likely to get back into his old ways of drinking and smoking cannabis and will no doubt lose his job.

21. Mary believes James loves her and their baby and if they are forced to live apart, he will definitely go off the rails as he is easily influenced by others, mates and whānau and she fears too he is likely to get involved with other girls and there would be every likelihood another baby will come along and the cycle be repeated.
22. She admits that although she loves her baby very, very much that she is likely not to be as good a mother on her own as she is with James because he provides support for her in raising their child. And for all his faults and often immature ways she knows he is trying very hard. He has not hit her once since being mentored by the agency weekly.
23. She says overall they are very happy but that they cannot afford to be together if she does not get her benefit as they cannot afford to live on his wages. She says if they live apart she will be so filled with worry about where and who he is with, that she knows in herself she will suffer a terrible sense of loss and slip into a state of depression without him. She is very worried as to how that would impact on their little girl.

*"We are a family and we truly want to do the right thing by the government, the people of NZ and especially the agency who has helped us get this far. Without their help I don't know where we would be or maybe I do and I just can't bear the thought."*

### **Options for James and Mary**

24. What is the best option for James and Mary:
  - in order for them to stay together
  - to be gainfully employed
  - to be loving parents and raise their little girl in a safe and positive home?
25. The best option in terms of relationships is for James and Mary to stay together and to raise their child together. In order for them to stay together, they would have to give up a 'DPB' (\$293.58) and 'Single UB' (\$170.80) and survive on a 'Married Rate with 1 child UB' (\$341.60). The difference equates to \$122.78 less than living apart and receiving two separate benefits. This does not encourage young people to stay together.
26. To be gainfully employed requires assistance from the Work and Income case managers and other agencies in the community. If James is unskilled, there is an option to enroll in further training and receive either a Training Benefit or Student Allowance.
27. To raise their child in a safe and positive environment requires more intervention than a parental course. The young people learn better through interactive programmes, in-home programmes where they get to see it work first-hand, possibly delivered by people who have been through their journey and made it.

28. We need to consider how government policies can be more supportive of young couples, young families or families in general. There are many cases within our community where women are receiving a DPB and still living with their partners on UB. It is a survival tactic in order to get sufficient funds to cater to their basic living needs. The same children are still within homes that are below the poverty line. The same children are the ones receiving breakfast and lunch at school.
29. Currently couples with children who stay together on a benefit receive a lower TOTAL rate of benefit than if both separated and received separate benefits. They benefit financially but are in deficit relationally and emotionally, which leads to a whole lot of other issues within our homes and impacts long-term in our communities.