

The Living Alone Allowance as a Policy Response to Tackling Poverty: a sociological perspective

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Abstract

Using the minimum essential budget approach, living alone is calculated to cost 80 per cent of what it costs a couple to live. The Living Alone Allowance (LLA) is an Irish Government provision designed to address the risk of poverty in older people who live alone. This Allowance is currently €7.70 and although the cost of living has been rising sharply it has not been increased since 1996. This study examines the experience of older people who live alone and documents the frugal lives many of them live. Both the National Action Plan for Social Inclusion and the Social Partnership Agreement recommend that every older person should have access to an income which is sufficient to sustain an acceptable standard of living. This study recommends increasing the Living Alone Allowance to redress the financial hardships reported by older people living alone.

Key words: older people; living alone; the Living Alone Allowance.

Disclaimer

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Executive Summary

- Research has shown that older people living alone are at greater risk of poverty and have twice the rate of poverty of those who live with someone else
- Since 1977 the Irish Government has expressed concern for the position of older people living alone by providing them with a Living Alone Allowance
- Despite ongoing expressions of concern for the position of older people living alone, including social partnership agreements the Living Alone Allowance has not been increased since 1996
- Older people who live alone can experience both relative income poverty and consistent poverty
- This current research has demonstrated that living alone costs approximately 80 per cent of what it costs a couple to live
- Respondents in this study who lived alone revealed that
 - They had to live frugally and eke out their resources to cover the cost of basic physical needs (e.g., food, heat and clothes)
 - Many could not afford to have social outings or entertain friends
 - On average 26 per cent of respondents' income is spent on food which was more than they spent on other items (e.g., heating, transport, etc.)
 - Many who own their own homes cannot afford to maintain, repair and clean them
 - Those who live in local authority housing consider they never get an increase in their income. As soon as the pension increases so does their rent
 - All respondents are negatively affected by inflation. Already struggling financially, when the cost of living increases, it is not easy for them to cope with spiralling prices on low fixed incomes
 - Living alone has its challenges though it is preferable to living with family or moving into a nursing home

- Widows experienced considerable trauma on the death of their spouse. Their trauma was exacerbated, especially for those living solely on a State pension, by having their income greatly reduced
- The Living Alone Allowance, although inadequate, is considered an important addition to pensions.
- To provide older people who live alone, with an income which would allow them to have access to an income which is sufficient to sustain an acceptable standard of living, The Living Alone Allowance would need to be increased to between €46.50 (Callan, Nolan, Walsh, Whelan & Maître, 2008 data) and €69.68 (Vincentian Partnership for Social Justice, 2007 data) per week. This would cost the Exchequer approximately between €255 and €433 million annually excluding the €54 million which is already spent on the existing Living Alone Allowance in 2008.
- In order to avoid income poverty and also consistent poverty and deprivation the pensions of older people, especially those living alone, need to be index linked.

Foreword

The Combat Poverty Agency's *Strategic Plan 2005-2007* recognised that the Social Context has witnessed an 'increase in lone parenthood, older people living alone and care needs'. Furthermore, The Combat Poverty Agency, in collaboration with others, is committed to providing evidence to inform policies for a fairer distribution of income. It will develop tax and welfare policy proposals aimed at raising the incomes and living standards of those at risk of poverty. It will also support anti-poverty community and voluntary sector groups to inform budget and other submissions.

The Lifecycle approach adopted by the Social Partnership in *Towards 2016* (Department of the Taoiseach, 2006) highlighted the need for every older person to have access to an income which is sufficient to sustain an acceptable standard of living. Irish social policy is committed to reducing the risk of poverty of marginalised groups, including older people and particularly those who live alone. We can now ask is this policy, with regard to older people who live alone, achieving the policy aims or is there a gap between policy and the experiences of older people who live alone?

This document, reporting the results of research into the Living Alone Allowance as a Policy Response to Tackling Poverty, is as a result of funding provided to Age Action Ireland by the Combat Poverty Agency under its Poverty Research Initiative (PRI) Specialist Projects Awards, 2006.

Much research concerning older people and their risk of poverty is conducted from an economics perspective. This research aims to broaden the understanding of the risk of poverty for older people¹ by conducting research from a sociological perspective to discover the experiences of older people who live alone.

¹ The term 'older people' in this report refers to those who are over 65 years of age.

1 Introduction

Every older person would have access to an income which is sufficient to sustain an acceptable standard of living (Government of Ireland, 2007, p. 48).

Irish social policy, outlined in the social partnership agreement *Towards 2016* (Department of the Taoiseach, 2006), is committed to the ideal that all older people should have an income that allows them to maintain an acceptable standard of living. Additionally, in recognition of the risk of poverty faced by older people living alone, the National Anti-Poverty Strategy 2003 - 2005 (Department of Social and Family Affairs, Undated) stated that older people require special measures, especially those living alone.

The Governments *Green Paper on Pensions* (Government of Ireland, 2007) claimed:

Social Welfare pensions are the main source of income for Irish pensioners; they account for 53% of overall gross income (before taxes) (p. 36).

and furthermore that:

A key objective of the pensions system is to ensure people have an adequate replacement income in retirement. For some, the Social Welfare pension will provide an adequate replacement income and the main policy objective for this group is alleviation of the risk of poverty (p. 46).

However, the gross incomes of older people living alone are about half that of those of pensioner couples and Social Welfare pensions 'form a much higher share of single pensioners average incomes than of couples incomes (62.2% compared to 45.9%)' (Government of Ireland, 2007, p. 36).

The National Economic and Social Council (2005), citing the Joint Report by the Commission and the Council on Adequate and Sustainable Pensions, 2003, stated:

The state takes direct responsibility for setting a floor to pensioners' incomes and alleviating poverty among them; it takes only indirect responsibility for shielding people from a drop in their accustomed living standards on retirement (income replacement). Ireland, in fact, is the only EU 15 Member State with no mandatory, income-related pension scheme (p. 57).

This document examines, from a sociological perspective, if social policy in relation to older people, particularly those who live alone, is translated into measures to ensure they 'have access to an income which is sufficient to sustain an acceptable standard of living' (Government of Ireland, 2007, p. 48). The measure put in place by the government in 1977 in an attempt to reduce the poverty faced by older people living alone - namely the Living Alone Allowance (LAA), sometimes referred to as the Living

Alone Increase² (Department of Social and Family Affairs, undated) is the focus of attention in this research.

The document contains seven chapters (including this one). Chapter 2 examines the different definitions of poverty and the risk of poverty among older people. Chapter 3 provides the history of and the philosophy underpinning the LAA; gives information on the number of older people who are in receipt of the LAA and investigates whether living alone costs more than living with others.

Chapter 4 gives details of the methodology used to provide qualitative and quantitative information on the experiences of older people living alone who are in receipt of the LAA. Chapter 5 presents the results of the fieldwork and Chapter 6 contains a summary and discussion of the findings. Chapter 7 contains the conclusions and recommendations derived from the study.

² Hereinafter referred to as the LAA.

2 The Risk of Poverty Among Older People

This chapter examines the definition and measurement of the risk of poverty in general and the risk of poverty among older people in Ireland in particular, followed by an analysis of poverty among older people who live alone, paying particular attention to gender and marital status. Finally, comparisons of the risk of poverty among older people in the EU and Ireland are provided.

2.1 Defining and Measuring the Risk of Poverty

According to the Government of Ireland (2007):

People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living which is regarded as acceptable by Irish society generally. As a result of inadequate income and other resources people may be excluded and marginalised from participating in activities which are considered the norm for other people in society (p. 20).

The measurement of poverty can be taken from several standpoints. According to the Government of Ireland (2007):

There is no one measure that gives a complete picture of the situation regarding deprivation, poverty and social exclusion (p. 43).

Bearing this caveat in mind, attempts to measure poverty must be undertaken to measure the phenomenon. The Government of Ireland (2007) recommend a 'multi-dimensional analysis' which includes some or all of the following indicators: life expectancy; deprivation levels; and real and relative income levels. According to Prunty (2007) and the Vincentian Partnership (2006) there are two methods widely used for defining and measuring poverty in Ireland these are: Relative Income Poverty and Consistent Poverty and Deprivation.

2.1.1 Relative Income Poverty

Definition: According to the Irish Pensions Board (2005):

Relative poverty attempts to measure poverty by reference to the income of others rather than by an absolute measure of what income is required. Probably the most common measure of relative poverty is the risk-of-poverty line, which is often presented as 60% of the equivalised (i.e. adjusted for family size) median household income (p. 28). It can therefore be said that people who have incomes that are less than a particular threshold are (in relation to those above the threshold) income poor.

Results of Previous Research: Cori Justice (2008) estimated that in 2006 13.6 per cent of older people fell below the 60 per cent median income poverty line which, using the Central Statistics Office (CSO) Census (2006) data, amounts to 63,638 persons.

2.1.2 Consistent Poverty and Deprivation

Definition: This method of determining poverty is used by the Irish Government. In addition to measuring income, it also recognises the enforced lack of non-monetary items resulting from lack of money in the form of deprivation. Deprivation is defined as the enforced lack of material items that are seen by the majority of the population as attainable and the exclusion that this can lead to (Department of Social and Family Affairs, 2002).

Overall 13 items are used as indicators of consistent poverty. These are:

- Having had no substantial meal on at least one day in the previous two weeks
- Being without heating at some stage in the previous year
- Experiencing debt problems arising from ordinary living expenses
- Unable to afford:
 - Two pairs of strong shoes
 - A roast once a week
 - A meal with meat, chicken or fish every second day
 - New (not second-hand) clothes
 - A warm, waterproof coat
 - To keep the house adequately warm
 - To buy presents for friends and family once a year
 - To replace worn-out furniture
 - To have family or friends for a meal or a drink once a month
 - To have an afternoon/evening out for entertainment in the previous two weeks.

The first eight items were used in the European Union Statistics on Income and Living Conditions (*EU-SILC*³), (Whelan, et al, 2003). These items have since been reviewed by the ESRI and five indicators have been added to be included in the next *EU-SILC* round of data collection.

³ This is an instrument aimed at collecting timely and comparable cross sectional and longitudinal multidimensional microdata on income, poverty, social exclusion and living conditions (Eurostat, 2008).

Results from Previous Research: Callan, Nolan, Walsh, Whelan and Maître (2008) stated that older people have lower than average risks of consistent poverty because of home ownership, drawing on financial assets and family support. However, the *Government of Ireland* (2007) warned that:

Pensioners do not have the same level of opportunities as people of working age to supplement their incomes, since their scope for savings or participation in the workforce is likely to be more limited (p. 47).

2.2 The Risk of Poverty Among Older People Who Live Alone

Evidence that older people who live alone in Ireland are at greater risk of poverty than older people who live with someone else is well documented (Callan et al., 2008; Layte, 2001; Prunty, 2007; Stratton, 2005; Stratton, 2004, Vincentian Partnership for Social Justice, 2006).

Relative Income Poverty: The Irish Pensions Board (2005) showed that in 2003 older people living alone in receipt of the Old Age Contributory Pension (OACP) plus the Living Alone Allowance had fallen below the risk-of-poverty line. The Board commented:

Reaching the NPPI⁴ recommendation of 34% of GAIE⁵ would not, of itself, have made a decisive impact on risk-of-poverty levels for people living alone on OACP⁶ (p. 31).

Using the ESRI's *Medium-Term Review* (2005, p. 66), Cori Justice (2008) updated the 60 per cent median income poverty line for 2008 to €218.59 for a single person. They claimed that: 'In 2008 any adult below this weekly income level will be counted as being at risk of poverty' (Cori Justice, 2008, p. 24).

Prunty showed that concerning relative income poverty 37.1 per cent of older people who live alone as opposed to 21.4 per cent of those who live with others experience income poverty. In a re-analysis of the abovementioned EU-SILC data, Prunty demonstrated that 'people who live alone have twice the rate of poverty of those who live with someone else' (p. 30). Additionally Prunty calculated that in 2004, 51,105 men and 71,155 women were experiencing income poverty.

⁴ The National Pensions Policy Initiative Report (1998).

⁵ The general average industrial earnings.

⁶ Old Age Contributory Pension

Consistent Poverty and Deprivation: Prunty (2007) found that deprivation rates were higher for those who lived alone than for those who lived with someone else. For example:

- 4.7 per cent had to go without heating in the previous 12 months
- 16.2 per cent could not afford to replace worn-out furniture compared to 8.7 per cent of those who lived with someone else
- 6.7 per cent could not afford to buy presents for friends or family once a year.
- 8 per cent do not have hot water
- 6 per cent do not have a bath or shower
- 3 per cent do not have an indoor toilet.

According to Prunty (2007) although older people, especially those living alone, experience relative income poverty, they tend to have lower rates of deprivation and consistent poverty than other age groups (i.e., those in the 0-14 and 15-64 age groups). However, rates of consistent poverty are higher among older people who live alone than those who live with someone else (5.3 per cent as opposed to 2.2 per cent) (Prunty, 2007).

2.3 Living Alone - the Demographics

In 2006 there were 467,926 older people living in Ireland. Of these 207,095 (44%) were men and 260,831 (56%) were women (CSO, 2007b). The CSO's analysis of household types reveals that 121,157 or 26 per cent of older people lived alone in 2006 (CSO, 2007a). Table 2.1 gives a breakdown by gender of older people in Ireland in 2006.

Table 2.1: Number and Percentage of Older People Living Alone in Ireland by Gender in 2006

Men		Women		Total	
N	%	N	%	N	%
41,939	35	79,218	65	121,157	100

Source: CSO (2007b)

This table shows that over two-thirds of older people living alone are women, which is not surprising given life expectancy data in most western countries. For example, in Ireland, at 65 years of age women have a life expectancy of 18.7 years whereas men of the same age have a life expectancy of 15.4 years (CSO, 2007b). The longer a person lives, especially women who live in Ireland, the greater the risk of poverty (Zaidi, 2007).

Marital Status: Research has shown that widows (men and women) 'are much more likely than couples to be poor' (Ahn, 2004). The Census 2006 data (cited in the *Government of Ireland, 2007*) revealed that 'one third of people aged 65 - 69 are single or widowed while two thirds of people aged 75+ are single or widowed' and that widows account for a larger share of the older age categories. Although we know how many widows there are in Ireland to date we do not know how many of them live alone. The data on widows by gender are provided in Table 2.2.

Table 2.2: Widows by Age and Gender 2006

Age	Men		Women		Total
	N	%	N	%	
65 - 69	4,957	23	16,799	77	21,756
70 - 74	5,864	20	22,885	80	28,749
75 - 79	6,306	19	26,923	81	33,229
80 - 84	5,901	19	25,474	81	31,375
85 years and over	5,444	19	23,617	81	29,061
Total	28,472	20	115,698	80	144,170

Source: CSO 2007b

This table reveals that overall there are considerably more women widows than men in the population. There is a rise in the number of males in the population over 65 between the ages of 65 and 79 years of age. However, the percentage of males in this population declines after the age of 69 and after 75 years of age remains static. Part of the reason for these findings is that women have a longer life expectancy than men and widowed men tend to re-marry more frequently than women (Net Industries, 2008). Given that widows, especially women, are at greater risk of poverty it is worth noting this in the analysis that follows.

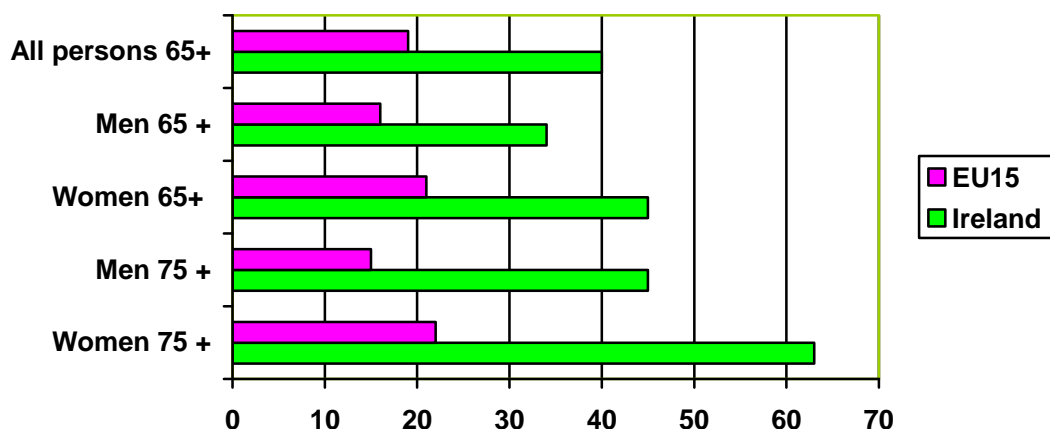
2.4 Older People and the at Risk of Poverty Rate in the EU and Ireland

The Government of Ireland (2007) claimed that the at risk of poverty measure is the 'the best known and quoted as it affords some comparisons with other countries' (p. 43), but warns that the method does not measure poverty but the proportion of people below a certain income threshold. This threshold can vary, for example the EU threshold is 60 per cent of the median income while the Organisation for Economic Co-operation and Development (OECD) and the United Nations (UN) both use a threshold of 50 per cent.

The General Situation: In an analysis of the at risk of poverty rates and restricting himself to relative income poverty and using the 60 per cent of median income measure, claimed the average poverty risk for older people in EU15 was 19 per cent,

whereas in the new Member States (EU10) the poverty risk for older people was 9 per cent (Zaidi, 2006). This author also identified Ireland as second only to Cyprus in the 25 EU member States with the highest poverty risk for older people at 40 per cent.

Gender Differences: Zaidi (2006) showed gender differences in the risk of poverty especially for older women aged 75 years and over in EU15. These data are summarised in Figure 2.1.



Source: Zaidi (2006) using EUROSTAT and CRONOS databases

Figure 2.1: At Risk of Poverty Rates for Older People (in percentages) EU15 and Ireland in 2003

This diagram clearly shows that the at risk of poverty rate for the population of Ireland who are 65 years and over is much higher than for the average in EU 15. The at risk of poverty rate, particularly for women in Ireland, compared to the EU 15 is considerably greater. However, Callan et al. (2008) claimed that 'at risk of poverty rates for older people in Ireland have declined from under 30 per cent to about 14 per cent between 2003 and 2006' (p. 74). These authors noted that the at risk of poverty rates for older people are 'quite volatile' (p. 74). The reason for this is:

The volatility of the risk relates in part to the fact that many older people are heavily dependent on the state pensions, contributory and non-contributory. If these payment rates are close to the poverty threshold then a small change either way (or a small additional income) can move many people above or below the threshold (Callan et al., 2008, P. 74).

Zaidi (2006) claimed:

Since women live longer than men, the erosion of the value of pensions during old age will affect women more than men (p. 9).

Zaidi (2007), in relation to guaranteeing adequate pensions for women, stated that women who interrupt their employment to rear children or care for family members will

need special attention in relation to pension provision because by engaging in these unremunerated tasks they suffer a reduction in their pensions. He believes women should be 'given pension credits for their contribution to society in bearing and caring for children' (p. 2). In relation to widowhood Zaidi suggested:

In the absence of ones own pension rights, adequate survivors benefits are to be guaranteed so as to avoid poverty entry for older women on widowhood (p. 7).

2.5 Summary

Two different methods are used to measure the at risk of poverty rates for population sub-groups including older people. The consistent poverty and deprivation method uses both economic and social indicators giving a more in-depth picture of at risk of poverty among older people than the relative income poverty measure that uses solely a monetary indicator.

In both measures of at risk of poverty older people who live alone are shown to be at much greater risk of poverty than those who live with someone else.

In the EU15 women, especially those 75 years of age and over are at greater risk of poverty than men in that age bracket. When data for Ireland are compared to those for EU15 the at risk of poverty rate for both men and women is considerably greater and the at risk of poverty rate for women in Ireland aged 75 years of age and over was a staggering 63 per cent in 2003.

Many women aged 75 years of age and over are probably widowed and in the absence of adequate survivor pensions which take into account the role they played in rearing children and caring for family members, their risk of poverty will continue.

3 History and Philosophy of the Living Alone Allowance

This chapter provides a brief history of and the philosophy underpinning the Living Alone Allowance (LAA). It gives details of the demographics of older people who live alone and are in receipt of the LAA, examines whether living alone costs more than living with someone else and describes two different metrics in use for measuring this phenomenon. These sections are followed by a chapter summary.

3.1 History and Philosophy of the LAA

In 1977 the then Parliamentary Secretary to the Minister for Social Welfare, Mr. Frank Cluskey, at the Second Stage of the *Social Welfare Bill* informed the *Dáil* that:

As an expression of the special concern of the Government for the position of elderly pensioners living alone, this Bill also provides for the payment of a special increase of £1.00 a week to social welfare pensioners who have reached pensionable age and who are living alone. This special increase will apply, therefore, to old age pensions, both contributory and non-contributory, retirement pensions, widows contributory pensions, deserted wife's benefit, invalidity pensions and death benefit pensions under the Occupational Injuries Acts, where the age and living alone conditions are met (Dáil Éireann, 1977, pp. 8-9).

This allowance was subsequently enshrined in the *Social Welfare Act, 1977*⁷ which came into operation on the 1st October 1977.

The LAA is still paid to the above-mentioned social welfare recipients. By 1996 this payment had been increased to IR£6.00. With the Euro changeover in 1999 there was a slight adjustment in the Allowance bringing it to €7.70 per week (Stratton, 2005). Since then the LAA has not been increased.

The criteria for being eligible for the LAA are set out by the Department of Social and Family Affairs (Department of Social and Family Affairs, undated) and are contained in Appendix A to this document.

3.2 The Living Alone Allowance - the Demographics

In January 2006, there were 130,990 older people in receipt of the LAA⁸ which was greater than the number of older people living alone in Ireland of 121,157 recorded in the 2006 Census (CSO, 2007b) - a difference of 9,833 (130,990 - 121,157). This puzzle

⁷ *Social Welfare Act 1977, Section 14 (2).*

⁸ Personal communication, P. O'Connell, Statistics Section, Pensions Office, Department of Social and Family Affairs, 22nd February, 2008

can partially be explained because in 2006 the LAA was paid to 'just over 7,500'⁹ people living abroad. This leaves a difference of 2,333 the number of people living in Ireland and those living abroad in receipt of the LAA¹⁰ and the population of older people living alone in Ireland recorded in the 2006 Census.

Stratton (2005) demonstrated that it is virtually impossible to determine how many older people are in receipt of secondary benefits including the LAA at any one time because of fluctuations in the rate of entry (people reaching pensionable age) and exits (e.g., moving to a nursing home or in with a family member or death). Stratton also revealed that it was impossible to determine the non-uptake of secondary benefits for older people and commented:

If older people, for example have not received an increase in their LAA since 1996 then, in terms of priorities, one could hardly expect the government who has ignored their poverty to be proactive in ensuring that they are receiving all the benefits they are entitled to (p. 18).

Table 3.1 provides a breakdown by gender and type of pension of older people in receipt of the LAA in August 2008.

Table 3.1: Number of Older People in Receipt of the LAA by Type of Pension and Gender in August 2008

Type of Pension	Number of Recipients of the LAA				Total
	Men		Women		
	N	%	N	%	
Old Age Contributory ¹¹	30,708	31	69,544	69	100,252
Old Age Non-Contributory ¹²	11,778	34	22,399	66	34,177
Total	42,486	32	91,943	68	134,429

Source: Department of Social and Family Affairs (2008¹³)

This table shows that overall 134,429 older people were in receipt of the LAA in August 2008, 75 per cent (100,252/134,429) of whom were in receipt of an Old Age Contributory Pension and 25 per cent (34,177/134,429) were in receipt of the several different types of Old Age Non-Contributory pension. When the data for those in receipt of the LAA are analysed by gender, it is evident that over two-thirds of recipients of the

⁹ Personal communication, P. O'Connell, Statistics Section, Pensions Office, Department of Social and Family Affairs, 31st March 2008.

¹⁰ Calculated thus: (130,990 - 7,500 = 123,490 - 121,157 = 2,333).

¹¹ Including: the following State Pensions: Old Age Contributory; Transition; and the Widows Contributory Pension

¹² Including the following State Pensions: Widows Non-Contributory; Deserted Wives; Blind Persons Pension; and Death Benefit.

allowance are women (91,943/134,429 = 68%), demonstrating the difference in the proportion of older women living alone compared to men in the population.

Widows (men and women) account for over one-third of those in receipt of the LAA (46,885/134,429 = 35%)¹⁴. Furthermore, of those in receipt of the Widows Contributory and Non-Contributory Pension and the LLA, women account for a considerably larger percentage than men at 93 per cent (43,587/46,885)¹⁵ of the total. Part of the reason for this large percentage of widowed women was explained by Ahn (2004) who claimed that for the European Union in general:

This gender difference in widowhood proportion [sic] is due to the differences in age at marriage and in life expectancy between men and women. Age at marriage is on average about 3 years younger and life expectancy is about 7 years longer for women than men. This difference is also reflected in the duration in widowhood between men and women, women staying much longer time in widowhood than men (p. 2).

3.3 Does Living Alone Cost More than Living with Someone Else?

There are several ways of exploring this question, two of which are: The minimum essential budgets approach (Vincentian Partnership for Social Justice, 2006) and the use of household equivalence scales (Callan, et al., 2008).

The Minimum Essential Budgets Approach: The Vincentian Partnership for Social Justice, worked closely with the Family Budget Unit, University of York (FBU) and the Centre for Research in Social Policy (CSRP), University of Loughborough to develop a new base for Ireland for low cost but acceptable budgets reflecting shopping patterns of specific household types. According to the Vincentian Partnership for Social Justice in their 2006 study they used a combined approach designed by the two abovementioned universities: The FBU approach:

... used documented guidance, expert opinion and statistics to determine what items should be included in the budget to achieve a given living standard, informed by recognised standards (e.g., nutritional and heating standards), subject experts (e.g., dieticians), consumer surveys, manufacturers evidence (e.g., about product lifespans), and expenditure and consumption data (Bradshaw, et al., 2008, p. 3).

¹³ Personal communication, S. Howe, Department of Social and Family Affairs, 17th September 2008

¹⁴ Personal communication, S. Howe, Department of Social and Family Affairs, 17th September 2008

¹⁵ Personal communication, S. Howe, Department of Social and Family Affairs, 17th September 2008

The CRSP approach is similar to the FBU but:

... instead of panels of professional experts, ordinary people representing different family or household types were brought together to form budget standards committees considering minimum needs (Bradshaw, et al., 2008. p. 3).

The rationale for this combined approach according to Bradshaw et al. (2008) was that 'people living in a particular household type are best placed to construct a budget for such a household' (p. 3).

The European Anti Poverty Network (EAPN, 2007), citing Bradshaw (2005), described the aims of the research of these two UK university departments as:

... to develop a standard which will be rooted in social consensus about goods and services that everyone in Britain should be able to afford, while at the same time drawing on the expert knowledge about basic living requirements and expenditure patterns (p. 5).

In 2006, using this combined approach the EAPN attempted to devise minimum income standards on a Europe-wide basis (EAPN, 2007). Unfortunately consensus was not achieved. However these authors reported:

There was general agreement that a step by step process is most useful, building consensus with public debates and social impact assessments, rather than presenting a complete set of social standards from the project (EAPN, 2007, p. 38).

In its examination of minimum essential budgets the Vincentian Partnership for Social Justice (2006) designed budgets for six specific household types, two of which were: a woman 70+ years of age; and a pensioner couple¹⁶. The research showed that a woman 70+ years of age living alone¹⁷ on a widows non-contributory pension faced a weekly shortfall of €56.21 per week (in 2006) if she were to maintain an acceptable standard of living.

When the budget breakdown for the woman of 70+ who lives alone is compared with the budget breakdown for a pensioner couple it is evident that many costs are quite similar for both single people and couples. Table 3.3 gives a breakdown of the Minimum

¹⁶ The couple are in receipt of a non-contributory pension and do not own a car and the woman 70+ living alone is in receipt of a non-contributory widows pension and does not own a car

¹⁷ The Vincentian Partnership for Social Justice (2006) utilised a series of focus groups to design case studies for every family type for which they were constructing a budget standard among which was a woman of 70+ years of age living alone in receipt of a non-contributory widows pension and a pensioner couple aged between 66 - 69 years of age in receipt of a non-contributory pension and payment for a qualified adult.

Essential Budget¹⁸ (MEB) formulated by the Vincentian Partnership for Social Justice (2006) for a pensioner couple and a 70+ year old woman living alone.

Table 3.2: Comparison of Minimum Essential Budgets¹⁹ Pensioner Couple and Woman 70+ Living Alone in 2006 and 2007²⁰

Budget Content	Household Type			
	Pensioner Couple	70+ Woman Living Alone	Difference in Costs ²¹	
	€	€	€ ²²	% ²³
Food	81.05	66.15	14.90	82
Clothing	23.57	14.87	8.70	63
Personal Care	15.81	10.95	4.86	69
Household Goods	23.45	21.34	2.11	91
Household Services	21.24	20.75	0.49	98
Social Inclusion & Participation	55.08	38.08	17.00	69
Housing	40.52	27.85	12.67	69
Transport	00.00	00.00	00.00	00
Household Fuel	32.00	32.00	00.00	100
Pet Costs	-	6.73	+6.73	-
Personal Costs	5.00	6.83	+1.83	+27
Savings/Contingency Costs	36.92	23.46	13.46	63
Total Costs in 2006	334.64	269.01	65.63	80
Total Costs in December 2007²⁴	351.04	282.19	68.85	80

Source: Vincentian Partnership for Social Justice 2006 and CSO 2008

This table demonstrates that living alone does not cut household costs in half, in fact for the woman living alone costs are approximately 80 per cent of what it costs a couple to live. A note of caution is advised here because the Vincentian Partnership for Social Justice only collected data in the Dublin area. Because of this strategy the prices the quote reflect shoppers ability to source and buy cheaper brands in large supermarkets

¹⁸ A Minimum Essential Budget is one on which a person can have a low cost but acceptable standard of living to cover the cost of basic physical, social and psychological needs and to allow for contingencies and payments into savings schemes.

¹⁹ Budgets calculated per week on March-June 2006 prices. Budgets exclude healthcare costs covered by medical cards and include Household Benefits Package and LAA for woman 70+.

²⁰ The couple are in receipt of a non-contributory pension and do not own a car and the woman 70+ living alone is in receipt of a non-contributory widows pension and does not own a car

²¹ The difference in the cost of the budget contents between the pensioner couple and the 70+ woman living alone.

²² Amount for woman 70+ living alone/pensioner couple

²³ Amount for woman 70+ living alone/pensioner couple 100.

²⁴ Between 2006 and December 2007 the Consumer Price Index increased by +4.9%.

which is not an option for many shoppers living in rural areas who may be constrained to shop in small local stores where prices can be considerably higher.

Based on these figures, we can say definitively that living alone costs an individual more than if they were living with others. Table 3.4 gives details of the social welfare income of the pensioner couple and woman 70+ described above together with the MEB they would need to meet the budget requirements calculated above.

Table 3.3: Social Welfare Income²⁵, MEB Costs and Shortfall by Household Type

Household Type	Social Welfare Pension €	Total MEB Budget Costs €	Shortfall/ Discretionary Income €
2006			
Pensioner Couple	325.40	334.64	9.24
Woman 70+ Living Alone	212.80	269.01	56.21
2008			
Pensioner Couple	352.10 ²⁶	351.04	+1.06
Woman 70+ Living Alone	219.70 ²⁷	282.19	62.49

Source: Vincentian Partnership for Social Justice 2007

This table demonstrates how far the social welfare pension together with the LAA and Household Benefits Package falls short of the Vincentian Partnership for Social Justices MEB in 2006. The social welfare benefits described above for 2006 do not provide the woman 70+ years of age with an income that could in any way be deemed to give her a standard of living to cover the cost of basic physical, social and psychological needs and to allow for contingencies and payments into savings schemes. The increase in 2008 in State pensions for older couples has given them a minute amount of discretionary income. However, the woman 70+ living alone in 2008 has an even greater shortfall than she had in 2006. These figures demonstrate that this hypothetical woman 70+ living alone, according to the MEB metric is living in poverty.

Unfortunately, the Vincentian Partnership for Social Justices MEB approach is flawed because their budgets are based on the experiences of focus group members living in the Dublin area. This did not take into account the higher costs associated with living in

²⁵ Social welfare income calculated per week between March and June 2006.

²⁶ Personal rate of €212 plus €140.10 for qualified adult = €352.10.

²⁷ Personal rate of €212 plus €7.70 LAA = €219.70.

a rural area (e.g., higher food costs because of the necessity of shopping in small local stores and higher transport costs).

The Household Equivalence Scales Approach: Another metric for measuring household costs is called household equivalence scales. According to Lewbel (2004): ‘equivalence scales are defined as the income required by one household to be as well off as another’ (p. 1). Lewbel expanded this explanation suggesting:

... rather than attempt to compare the standards of living of different households, equivalence scales are proposed that compare the indifference curves attained by the same or comparable individuals in two different settings, namely living alone versus living with a spouse (pp. 1 - 2).

According to the Organisation for Economic Co-operation and Development (OECD, undated), using equivalence scales, every household type in a population can be assigned a value in proportion to its needs. These authors claim that the factors which are commonly taken into account to assign values are: (a) size of household and (b) age of members (i.e., adults or children). There are many equivalence scales, the most common of which are: the OECD Equivalence Scale; the OECD Modified Scale and the Square Root Scale. Table 3.5 gives details of these scales for single adult and couple households.

Table 3.4: Household Size and Common Equivalence Scales

Household Size	OECD Scale	OECD Modified Scale	Square Root Scale
1 Adult	1	1	1
2 Adults	1.7	1.5	1.4

Source: OECD (undated)

This table demonstrates how needs are assumed to change as household size increases. The OECD (undated) warns that:

The choice of a particular equivalence scale depends on technical assumptions about economies of scale in consumption as well as on value judgements about the priority assigned to the needs of different individuals such as children or the elderly (p. 2, emphasis in original).

These authors suggest that ‘there is no accepted method for determining equivalence scales, and no equivalence scale is recommended by the OECD for general use’ (p. 1).

The Department of Social and Family Affairs (1999) claimed that ‘the Commission on Social Welfare recommended an equivalence scale of 1/.6’ (p 189). That is ‘if the basic

payment for a single person is 1.0 then the appropriate scale is 0.6 for the related adult' (p. 189).

Using the *SWITCH* tax-benefit model which is a form of household equivalence scale in which a single adult is rated as 1 and a couple as 1.66, Callan et al. (2008) suggested an alternative approach to the living alone allowance which they call the Living Alone Supplement (LAS). The LAS would replace the LAA when the older person living alone reached 70 years of age. The Supplement would provide a higher level of income support for persons over the age of 70 who are living alone. For those under 70 the LAA would continue. These authors considered three rates of payment for the LAS:

- €46.50 per week
- €30.00 per week
- €20.00 per week

Unfortunately, Callan, et al. (2008) do not provide any rationale other than the use of the *SWITCH*²⁸ tax-benefit model for these proposed rates or why the LAS should only apply to people living alone when they reach 70 years of age. These authors claimed that this supplement would be considerably reduce the at risk of poverty rate (at 60 per cent of median income) for this cohort, especially at the €46.50 per week rate but even at the €20.00 rate. The greatest reduction in the at risk of poverty rate is for older people over 80 years of age.

3.4 Summary

The LAA was initiated in 1977 because of the then Governments concern for older people who live alone which has been reiterated in many different policy documents since 1977, the latest of which is *The National Action Plan for Social Inclusion 2007 - 2016* (Government of Ireland, 2007). Notwithstanding the statements in many policy documents, the LAA has not been increased since 1996. This suggests that the Governments concerns for older people living alone and its commitments to provide them with 'an income which is sufficient to sustain an acceptable standard of living' (Government of Ireland, 2007, p. 48) are not being implemented. It could be said that currently there is a gap between social policy and its implementation in Ireland.

²⁸ *SWITCH* is also a form of household equivalence scale in which a single adult is rated as 1 and a couple as 1.66.

Twenty-six per cent of the population of Ireland who are 65+ years of age live alone, but it is virtually impossible to differentiate between those who are ineligible for the benefit and those who are ignorant of its existence and therefore have not applied for it.

It is clear that living alone costs the individual more than if s/he were living with someone else. The actual difference in the cost of living alone depends on how this is calculated - using the minimal essential budgets approach or one of the household equivalence scales. In 2006 the State pension did not provide couples or those living alone with what the Vincentian Partnership for Social Justice (2006) formulated as a minimum essential budget. By 2008, with the increases in the pension but also increases in the cost of living, some pensioner couples have an infinitesimal discretionary income whereas an older woman living alone is worse off than she was in 2006. Unfortunately, the Vincentian Partnership for Social Justice approach is flawed because it is based solely on data collected in the Dublin area.

The *SWITCH* analysis and outcome suggesting a considerable rise in benefits for older people living alone is welcome. However, the rationale for limiting this payment to the over 70s is puzzling.

4 Methodology

This chapter describes the methods used to collect and analyse the data on the lived experience of those in receipt of the LAA.

4.1 Methods

It was decided to use a combination of qualitative and quantitative methods of data collection. Qualitative data were collected by conducting focus groups. Quantitative data were collected in two ways by:

1. Questionnaire
2. The completion of the Money Advice and Budgeting Service (MABS) *Weekly Spending Diary*²⁹.

4.2 The Focus Groups

Membership: The criteria for being a member of a focus group were that the individual should be:

- Over 65 years of age
- Solely in receipt of a contributory or non-contributory State pension
- Willing to discuss aspects of their weekly budgets, including shortfalls, etc.

It was decided to accept individuals to participate in the focus groups whether living alone or living with others. Those not living alone were included to act as a control group for the research.

4.2.1 The Composition of the Focus Groups

Overall four focus groups were held; two in Dublin - one Southside and one Northside; one group was held in a city in the west of Ireland (population circa 70,000); and the other in a small town in the Midlands (population circa 1,500).

The Dublin Southside Group: The focus group took place in a Health Service Executive Day Care Centre. This group consisted originally of 11 older people but after the introduction one woman left saying she did not want to be tape recorded and one man decided he was ineligible because he had several pensions, leaving nine respondents - . One woman who stayed was in receipt of a Civil Service pension. All but three of the respondents lived alone and almost all are elderly and infirm. Two women volunteered to complete the MABS *Weekly Spending Diary* and one diary was returned.

²⁹

See <http://www.mabs.ie/process/spend.html> for a copy of the *Weekly Spending Diary*.

The Dublin Northside Group: The group comprised four women who meet in a local community centre. Three respondents live alone and one respondent lives with others and is the recent recipient of a State pension. One respondent was quite frail. The local Community Worker who had organised the meeting and a student on placement stayed for the session. All four respondents volunteered to complete the *MABS Weekly Spending Diary*, one diary was returned.

The West of Ireland City Group: The focus group was arranged by the Regional Representative of Age Action West and took place in a restaurant in the city centre. The group consisted of seven older people, six men and one woman who are subsidised to have a two-course lunch every day. One man was on a UK pension and another was younger than 65 but was on a disability pension - both of these men stayed in the group. All respondents in this group live alone. Four respondents, three men and one woman, volunteered to complete the *MABS Weekly Spending Diary*. Three returned the diaries.

The Midlands Group: The focus group was arranged by the Regional Representative of Age Action South and took place in the towns Community Hall. The researcher initially addressed a room of approximately 40 women from an active retirement group to ask for volunteers to take part in the focus group. Nine women agreed to participate. All of them live alone. Six respondents volunteered to complete the *MABS Weekly Spending Diary*, and all six returned completed diaries.

Conduct of the Groups: The researcher began each focus group by distributing a handout giving details of the research and assurances of confidentiality and anonymity. The groups were asked for permission to record the session and assured that this strategy was being used for note taking purposes only. Members of each focus group were given a number which was used to identify them when speaking. The technique of numbering respondents was used in order to protect their anonymity.

Focus groups were conducted using a modified version of the Emic Technique³⁰. This technique was developed and used by anthropologists, phenomenological sociologists

³⁰ Emic and its opposite Etic both come from the field of linguistics. Emic is a foreshortened version of the grammatical term phonemic, signifying meaning, as opposed to Etic, from phonetic, denoting structure.

and ethno-psychologists (Gregersen, 1977; Pike, 1954). Researchers using the Emic technique attempt to shed personal biases and those derived from their culture to view the world through the eyes of the group or individual being interviewed. The philosophy behind this technique is that the description of the form and meaning of a culture or subculture will necessarily differ from the description and interpretation of that culture by outside observers whose own culture or subculture has imparted a different set of values. Other forms of research (e.g., those using questionnaires and structured interviews), may depict a subculture quite differently from the way its members view it, possibly placing great importance on items that the members would normally ignore, while overlooking items that the members would never omit (Clifton, 1968). In other words, the Emic interview does not impose categories on the topic under investigation, but allows the cultural system to generate its own. The interviewer at all times tries to be a neutral vehicle for the expression of the system (for descriptions of Emic techniques, see Pike, 1967; Berlin, 1970; Goodenough, 1970; Hoebel & Frost, 1976).

In this type of focus group, the researcher might ask the respondent(s) to tell him/her about her/his [the respondents] attitude to being in receipt of a State pension. In this research the initial request was: 'Tell me about the positive aspects of having a State pension'³¹. Based on the replies and using only the respondents words and concepts as keywords for further exploration, the interviewer continues: *You mentioned [keyword]; can you tell me a little more about that?* The interviewer persists with this technique until all keywords have been investigated. This strategy potentially offers a culturally unbiased worldview of an individual's frame of reference. Following on from this first prompt the researcher, moved on to the next prompt devised to address issues related to the LAA if it had not been addressed in the exploring the first prompt.

The reason for using prompts in this type of focus group is because this technique may not generate all the information the research brief requires. However the researcher attempts to reduce prompts to a minimum, especially if the information is being generated spontaneously. Additionally, because this researcher has found throughout the course of many research projects using this technique (Lundström-Roche, 1982; Lundström-Roche, 1985, Lundström & McKeown, 1994; Lundström, 1996, Lundström,

³¹ It was feared that using the prompt 'Tell me about living on a State pension' would generate only negative responses.

2006; Lundström, 2008) that information on respondents hopes and wishes for the future are not readily forthcoming. Therefore prompts such as promoting the group to the status of Government minister as was the case in this study does access this type of information.

A copy of the pre-focus group handout and the prompts designed for use in the focus groups are provided in Appendix B to this document.

4.3 The Questionnaire

Design: A questionnaire was designed to elicit demographic information and in addition incorporated the *EU-SILC* (Whelan, et al, 2003) questions and the five additional items added for use in the next *EU-SILC* round (see Chapter 2). An extra question, not in the *EU-SILC* series of questions, was added. This question was suggested when the questionnaire was being piloted and asked whether respondents had been able afford a visit to the barber/hairdresser every four to six weeks.

Administration: When all the above focus group topics were explored the members of the group were asked to complete the questionnaire. The number given to each respondent at the beginning of the focus group was used as their identity number on the questionnaire in order to be able to collate the focus group members' comments and their responses to the questionnaire. A copy of this questionnaire is provided in Appendix C to this document.

4.4 The MABS *Weekly Spending Diary*

After the questionnaires had been completed, the researcher asked for volunteers to complete a *MABS Weekly Spending Diary* for the coming week. A sum of €10 was offered as an inducement to volunteers to complete the Diary. The number given to each respondent at the beginning of the focus group was written on the cover of the diary so these data could also be incorporated into the data set derived from focus group comments and responses to the questionnaire. A copy of the *MABS Weekly Spending Diary* and the instructions provided to volunteers for its completion is contained in Appendix D to this document. Overall 15 members of focus groups volunteered to complete the diary 11 respondents (10 women and one man) returned completed diaries. It should be noted from the outset that the standard of completion of

these diaries was patchy to say the least. Some volunteers³² completed their diaries meticulously, others less so. This outcome means that the data from the diaries are not as complete or accurate as one would wish. Having said that; the *Diaries* are quite small and the print is equally small with minute spacing between lines, therefore it must have been quite tedious to record information in them.

4.5 Data Analysis

The focus group comments were transcribed verbatim and analysed³³ and the quantitative data were entered into a data matrix and analysed using SYSTAT (a data analysis package).

The results of the data collected during the focus group are provided in Chapter 5.

³² The participants in the focus groups who volunteered to complete a MABS *Weekly Spending Diary* are referred to as volunteers to differentiate their responses from those of the focus group members who are referred to as participants.

³³ The methodology used for analysing the qualitative data is contained in Appendix E to this document.

5 The Results

This chapter provides the results of the field work conducted in four locations. The data are both qualitative and quantitative. The quantitative data comprised information gathered by using questionnaires with focus group members for the purpose of deriving demographic data and issues relating to consistent poverty and deprivation. The qualitative data were collected from focus groups using prompts. Additionally, some data were derived from focus group respondents who volunteered to record their weekly spending in a Money and Budgeting Service (MABS) *Weekly Spending Diary*.

5.1 The Quantitative Data

This section provides information on the data gathered from the questionnaire and from an analysis of the 11 returned MABS *Weekly Spending Diaries*.

5.1.1 The Results from the Questionnaire

Two different types of data were generated from the information provided by respondents when they completed the questionnaire, these are: Demographic data and data on consistent poverty and deprivation.

The Respondents Demographics: Table 5.1 gives a breakdown of the respondents by gender.

Table 5.1: Gender Profile of Focus Groups by Number and Percentage

Gender	Number	%
Men	9	31
Women	20	69
Total	29	100

This table shows that overall 29 people participated in the focus groups, slightly less than one-third were men. It should be noted that it was particularly difficult to recruit men to take part in the focus groups. Those who did partake were almost a captive audience (i.e., they were already present for another reason).

Unfortunately the questionnaire designed for this project did not ask about marital status to determine how many and the gender of the respondents who were widowed.

Table 5.2 gives a breakdown by gender of the areas in which members of the focus groups live.

Table 5.2: Areas in Which Members of Focus Groups Live by Gender, Number and Percentage

Area	Men		Women		Total	
	Number	%	Number	%	Number	%
Dublin	3	33	10	50	13	45
Other	6	67	10	50	16	55
Total	9	100	20	100	29	100

Overall, slightly more respondents came from outside Dublin. In two of the focus groups, one in Dublin and one in the midlands, no men were present.

Unfortunately the questionnaire neglected to ask respondents their marital status and therefore these data are not available. However, many of the women in the focus groups volunteered the information that they were widows and spoke about the impact of the death of a spouse on their income. We can surmise that many of the respondents in the focus groups (both men and women) were widowed.

Table 5.3 provides information on the number and percentage of respondents who are living/not living alone.

Table 5.3: Members of Focus Groups Living/Not Living Alone by Gender, Number and Percentage

Status	Men		Women		Total	
	Number	%	Number	%	Number	%
Living Alone	8	89	17	85	25	86
Not Living Alone	1	11	3	15	4	14
Total	9	100	20	100	29	100

The majority of the focus group participants live alone. Only 14 per cent, four respondents, one man and three women live with a spouse or other people.

Table 5.4 gives a breakdown of the number of respondents in receipt/not in receipt of the LAA.

Table 5.4: Members of Focus Groups in Receipt of/Not in Receipt of the Living Alone Allowance by Gender, Number and Percentage

Status	Men		Women		Total	
	Number	%	Number	%	Number	%
In Receipt	4	44	16	80	20	69
Not in Receipt	5	56	4	20	9	31
Total	9	100	20	100	29	100

Overall nine respondents are not in receipt of the LAA. As reported above, four of them are not living alone; therefore they were not entitled to the Allowance, leaving five respondents living alone not in receipt of the Allowance. Of the five respondents (three men and two women) not in receipt of the Allowance two of them were ineligible - one man because he is in receipt of a UK pension and one woman because she was in receipt of a Civil Service Pension. This leaves three respondents, two men and one woman all of whom were unaware of their entitlement to the Allowance. The phenomenon of older people who are unaware of their entitlements is discussed below.

The Household Benefits Package³⁴: Table 5.5 gives a breakdown of the focus group members in receipt of the Household Benefits Package.

Table 5.5: Members of Focus Groups in Receipt of /Not in Receipt of the Household Benefits Package by Gender, Number and Percentage

Status	Men		Women		Total	
	Number	%	Number	%	Number	%
In Receipt	5	56	18	90	23	79
Not in Receipt	3	33	2	10	5	17
Missing values	1	11	0	0	1	4
Total	9	100	20	100	29	100

This table shows that five respondents overall were not in receipt of the Household Benefits Package. The reasons for this were not provided by respondents and as it was not the subject of this study this area was not explored in the focus groups. However, respondents did discuss some other aspects of the Household Benefits Package (e.g., the fuel allowance) information on which is provided below.

Table 5.6 gives a breakdown by gender of the types of accommodation in which the respondents lived.

³⁴

The Household Benefits Package consists of three separate allowances which are: a fuel and telephone allowance and a free television licence. For more information on this package see Appendix F.

Table 5.6: Members of Focus Groups by Type of Accommodation, Gender, Number and Percentage

Type of Accommodation	Men		Women		Total	
	Number	%	Number	%	Number	%
Owner Occupier	3	34	14	70	17	59
Private Rented	2	22	1	5	3	11
Local Authority Rented	2	22	5	25	7	24
Other	1	11	0	0	1	3
Missing values	1	11	0	0	1	3
Total	9	100	20	100	29	100

Over half of the of respondents live in their own homes, three live in private rented accommodation and seven in local authority rented accommodation. The respondent who lived in other accommodation had signed his house over to his son.

Table 5.7 gives a breakdown by gender of car ownership among the focus group respondents.

Table 5.7: Members of Focus Groups by Car Ownership Gender, Number and Percentage

Car Ownership	Men		Women		Total	
	Number	%	Number	%	Number	%
Owens	1	11	8	40	9	31
Does not own ³⁵	8	89	12	60	20	69
Total	9	100	20	100	29	100

Two thirds of respondents do not own a car. The majority of those nine respondents who do own cars are mainly based outside of Dublin (three car owners in Dublin, six in the other locations) which is to be expected given Irelands infrastructural problems, particularly in rural areas.

³⁵

It should be noted that one man outside Dublin reported he owns a motorbike; this information is not recorded in the above table.

5.2 Consistent Poverty and Deprivation

This section provides information on responses to the questions measuring consistent poverty and deprivation. This information was derived by using the updated *EU-SILC* items as outlined in Chapter 3 above. As far as this author is aware, this is the first time these questions have been used for research purposes.

Substantial Meal: The first question asked if in the previous two weeks respondents were able to have at least one substantial meal each day. All respondents answered yes.

Heating: Table 5.8 gives a breakdown by gender of those who were able/not able to afford heating when it was needed in the previous year.

Table 5.8: Members of Focus Groups Able/Not Able to Afford Heating when it was Needed in the Previous Year by Gender, Number and Percentage

Able to Afford Heating	Men		Women		Total	
	Number	%	Number	%	Number	%
Yes	7	78	19	95	26	90
No	2	22	1	5	3	10
Total	9	100	20	100	29	100

Overall, three respondents, two men and one woman, reported they were unable to afford heating when it was needed in the previous year.

Debt: Table 5.9 provides details by gender of participants' experience of debt problems arising from ordinary living expenses.

Table 5.9: Members of Focus Groups Experiencing/Not Experiencing Debt Problems by Gender, Number and Percentage

Debt Problems	Men		Women		Total	
	Number	%	Number	%	Number	%
Yes	3	33	1	5	4	14
No	6	67	13	65	19	65
Missing values	0	0	6	30	6	21
Total	9	100	20	100	29	100

Four respondents, three men and one woman, reported they had or were currently experiencing debt problems arising out of ordinary living expenses.

Other Items: Table 5.10 gives a breakdown by gender of those respondents who reported they were unable to afford various items.

Table 5.10: Members of Focus Groups Unable to Afford Various Items by Gender, Number and Percentage

Item	Men		Women		Total	
	Number	%	Number	%	Number	%
Two pairs of strong shoes	2	22	4	20	6	21
New clothes	2	22	6	30	8	28
A warm, waterproof coat	1	11	2	10	3	10
A roast once a week	1	11	4	20	5	17
A meal with meat every second day	1	11	0	0	1	3
Keep house comfortably warm	3	33	3	15	6	21
Buy presents for friends and family	2	22	10	50	12	41
Replace worn-out furniture	3	33	12	60	15	52
Entertain once a month	4	44	15	75	19	66
Outing every two weeks	4	44	12	60	16	55
A visit to barber/hairdresser	1	11	7	35	8	28

The items respondents were least likely to be able to afford (in descending order) are: entertain once a month; have an outing every two weeks; replace worn out furniture and buy presents for friends and family. There are apparent gender differences in this table especially in relation to respondents ability to entertain, replace worn out furniture, have an outing every two weeks and buy presents. More women than men reported they were unable to afford these items. Concerning a visit to the barber/hairdresser five women from Dublin as opposed to three respondents (one man and two women) in other locations were unable to afford this item. This finding may reflect the higher cost of a visit to the hairdresser in Dublin.

The results of this table suggest that most respondents are able to afford clothing, food and heat. However, many are unable to afford to buy presents, socialise or refurbish their homes. It could be said therefore that living on a State pension does not cater for recipients social and psychological needs which are an essential component of mental health.

5.3 The Analysis of the MABS Weekly Spending Diaries

Income: The data reveal the average weekly income for the volunteers was €246.47 with a range of between €192.00 and €356.00. Only two respondents reported having the same weekly income of €249.00 per week.

Regular Weekly Outgoings: This variable measured outgoings for rent, electricity, home heating, home insurance, etc. The average weekly outgoings for the volunteers were €131.01 with a range of between €49.19 and €334.24 per week.

Weekly Spend: The average amount of money these volunteers spent in a week (the sum of the cost of the items they bought each day, i.e., groceries, etc.) was €172.65 with a range of between €69.69 and €313.00 per week.

What Was Bought: The items which were bought (including regular weekly outgoings and weekly spend) by most volunteers were as follows as shown in Table 5.11:

Table 5.11: The Items Purchased Over the Course of a Week, Number of Volunteers, Average, Maximum and Minimum Weekly Cost

Item	No of Volunteers	Average Weekly Cost	Maximum	Minimum
Food	10	€64.07	€154.00	€17.46
Rent	5	€30.05	€38.00	€20.00
Heating	6	€25.00	€46.00	€12.00
Transport	2	€18.00	€30.00	€6.00
Pet food	2	€14.29	€26.00	€2.58
Entertainment	5	€21.79	€40.00	€10.00
Cigarettes	1	€52.85	€52.85	€52.85
Miscellaneous ³⁶	8	€28.31	€49.20	€9.90
Total		€254.36	€436.05	€130.79

This table shows that overall (including regular weekly outgoings and weekly spend) the volunteers spent on average €254.36 every week with a range of between €436.05 and €130.79 per week. They spent more money on food than on any other item (€64.07). This is similar to what Vincentian Partnership for Social Justice (2006) found in their study. In this instance, food accounted for 26 per cent of the average income for the group. The one woman who smoked spent more on cigarettes (€52.85) than she spent on food (€40.79). The next item volunteers spent most money on was: rent (€30.05);

³⁶

Including: personal care; newspapers; paper towels; dry cleaning; laundry, etc.

followed by miscellaneous items (€28.31); and heating (€27.60). The results of this analysis suggested that some of the volunteers were living beyond their means.

Lily³⁷ reported spending €154.00 on food noted in the 'Scribble Box' which is provided at the end of each page noted:

Family come to stay for week-ends, extra food, heating, etc.

Nancy's outgoings were more than her income for the week (income €252.90; outgoings €334.24). However she explained that she had to buy presents for two confirmations and two birthdays which ran up her outgoings considerably. She commented:

I would have liked something new for [her granddaughter's confirmation] big day but relented.

Another volunteer also had outgoings greater than her income during the week in which the Diaries were in use but in this instance no explanation was provided.

An analysis of the kind of food volunteers reported buying revealed that only small amounts of meat, fruit and vegetables were bought during the week in question. The Vincentian Partnership for Social Justice (2006) noted that it was very difficult for older women living alone to provide themselves with adequate amounts of fruit and vegetables because of the expense of buying small amounts and large amounts deteriorate before they can be eaten.

5.4 The Data from the Focus Groups

Prompted by the researcher, the 29 members of the four focus groups discussed: the positive and negative aspects of living on a State pension; living alone; and the Living Alone Allowance. Finally, participants were promoted to Government Minister status for a few minutes and were asked to discuss what policies they would put in place for: (a) pensions; (b) the LAA and if it were increased should it be means tested; and (c) other policies they would put in place for older people who live alone.

³⁷

All volunteers have been given fictitious names to protect their identity; these names are also used in reporting the comments of the focus group respondents.

5.4.1 Living on a State Pension

This section explores participants' positive and negative perceptions about living on a State pension, their experience of living frugally and the impact local authority rents, repairs and inflation has on their pensions.

The Positive Aspects of Living on a State Pension: As a warm-up prompt, the groups were asked if there was anything positive about living on a State pension. The few who did respond to this prompt stated that the pension is a guaranteed income and:

If you overspend you know that you are going to get the same amount again the following Friday ... you are looking forward to every Friday and you don't feel it (Jenny³⁸, rural respondent).

The Negative Aspects of Living on a Pension: Quite spontaneously, negative responses to this topic were being aired while the positive aspects of living on a State pension were being explored. Geraldine responded by saying:

It's dreadful!

This sentiment was echoed in many different ways, the more salient of which are recorded below.

Living Frugally: It was evident that many eked out a living as best they could, which some did not see as completely negative, for example Molly, another rural respondent who commented:

I go off and collect sticks and that means I don't have to buy as many firelighters. I do the woods with friends of mine and ... its not that I wouldn't be looking at the buttercups and violets and all, that's the plus side of it. I think you have to look at the good side.

On the other hand, Joe stated:

I just get my pension and I keep it under control, that's all.

Lily also has to live frugally:

So now threes only just myself, I've got to budget for that and watch what I spend and put away so much for coal and ESB and all your bills actually. And you must put away so much every week or you won't be able to pay it.

Repairs: Respondents who live in their own homes reported having problems maintaining their property, cleaning them and keeping their gardens under control.

Dorothy who lives in Dublin said:

³⁸ Respondents have been given fictitious names in order to protect their identities.

If a bulb came down I've no means of putting it back up and I'm waiting to see somebody and I mightn't know them at all. 'Excuse me, would you be so kind as to put up the bulb' ... and with that I feel very humiliated. Then I have a problem with the grass - grass is an awful problem.

Agnes's problem is:

I'm not able to do the cleaning now. I'd like somebody to clean. I did get someone from the Health Board but I had to pay them and I resent that.

Those who were aware of Age Action Ireland's Care and Repair scheme were fulsome in their praise of it. Nancy was one respondent who benefited from this scheme:

They are marvellous, they did my attic. They were marvellous, no doubt about it.

Local Authority Rents: Respondents living in local authority housing had a particular problem because every time their pension was increased their rent was increased.

You can barely afford to live, especially if your rent goes up every time you get an increase. The rent in council houses goes up as well so the increase you get is gone into the council for rent (Eve, rural respondent).

This problem was mentioned by both Dublin and rural respondents. For example Breda who lives in Dublin stated:

Not very often we get a rise in the pension but the minute we get that rise the rent goes up. But not only rent goes up but food goes up, so in fact we don't really gain from it. This is the bad part about it.

Inflation: Rising inflation impacts negatively on those living on fixed incomes. Molly explained:

The cost of everything is going up, like we will say, a tank of gas. It is what, €25 now, and the bag of coal? Everybody has to fight with this problem even for people who work - pensioners, maybe more so, because they are on a limited amount of money.

It is obvious from these comments that the negative aspects of living on a State pension far outweigh the positive ones. It seems that life is a constant struggle to maintain an acceptable standard of living, especially as one becomes more frail.

5.4.2 Living Alone

This section describes respondents' experiences of living alone, the challenges faced by them, especially when they become frail including: loneliness; safety; and widowhood.

Loneliness: Those who were frail were more likely to mention loneliness, Frank commented:

Loneliness is the biggest problem. All my friends are dead and I find I can't relate to anybody, the neighbours are younger people and you can't relate to them. ... Loneliness is the greatest thing of all, loneliness.

Safety: Older people face extra challenges, especially those who live alone and are frail. Dorothy is afraid of falling:

I took to falling about two years ago and I got very heavy severe falls and injured myself rather badly. ... Well I'm afraid of my life that I'd fall in the bath, break a bone or something or get stuck in the bath. Like nobody would miss me the way I'm situated at the moment.

Molly, who is not frail, had another kind of safety issue:

We haven't talked about security for older people. I live in a Corporation estate and I honestly can say that in the last three to four weeks, I haven't even seen a squad car. ... There's no trouble in the estate but there isn't a Garda presence, so if you did have a problem, the Garda wouldn't have a clue.

Widowhood: The experience of losing a spouse and then having ones income reduced considerably came as a double blow to some respondents. Connie explained:

It is dreadful, maybe it is because you are so traumatised - when you lose your partner, your husband, maybe you are more vulnerable.

This respondent also believes that widows are discriminated against.

My husband paid Social Welfare for 44 years and I paid a full stamp when I was working part-time and you are only allowed one Social Welfare pension. So I get nothing as a widow but as a woman that went out to work. I get my own stamps but his stamps went by the board. It's the law; I know it's the law. I've lost out and so have hundreds of others like me. ... I was speaking to a girl in Sligo and she said that widows were treated very badly.

Olivia is a case in point when it comes to discrimination:

I'm 88 years of age and he [her husband] is two years dead. I wasn't given a Widows pension. I wrote to Sligo and I didn't get a page back, I got a booklet back and you'd want a degree to be able to fill it all in. I just threw it aside. The pension that I have now is €129.40. I don't know what it comes in under or where the allowance comes from, as such.

Olivia, on being questioned by other members of the group revealed that the LAA is included in the pension she receives.

5.4.3 In Receipt of the Living Alone Allowance

Asked if everybody who was living alone was in receipt of the LAA, it became apparent that some older people did not know of their entitlements. Phil for example is in receipt of a UK pension and did not know if he is eligible or not for the Allowance. Additionally, Fred commented:

But I have a contributory pension; I didn't know you could get the Living Alone Allowance.

Claire was also unaware of her entitlements until recently:

I didn't get the Living Alone Allowance because I didn't know about it until recently so I have applied for it now. I'm a widow since 2000. It's my own fault, if you don't read up. [A representative of Age Action] was giving talks and helped a lot, but I wasn't here on the day. We are not informed enough I suppose.

In discussing aspects of the LAA, respondents were asked to discuss if the Allowance were increased would it lead to older people cheating (i.e., while living with somebody else) or living alone longer than was appropriate (i.e., for their own safety).

Cheating: Asked if the Government were to increase the LAA would older people be inclined to cheat was mainly greeted with derision. Mary's comment was typical:

How could we cheat, the only thing they have to do is check up?

Living Independently: Respondents were asked to comment on whether the Governments alleged belief that the LAA should not be increased because older people might continue to live alone longer than they should. Most respondents reacted negatively. Being independent and making one's own choices about one's living arrangements was very important to them. Lily commented:

Older people don't want to go into nursing homes. When we have our own house, we want to stay there.

As reported above, most respondents lived alone. The less frail respondents considered living alone preferable to living in a nursing home or with relatives. Nancy who is a widow commented:

You are far better on your own. You can get up when you like and go to bed when you like. ... You can get up and go where you like when you like.

Even those who were frail valued their independence. Nancy again explained:

My poor husband ... used to say to me 'Mum, when I go you will always have someone [their children] to go to'. But I said 'no, Dad, Ill stay here'. ... I want to do my own thing.

Connie concurred:

I wouldn't like to be dependent like that. Good and all as they [her children] are I don't think it would suit.

The veracity of the above comments about older people valuing their independence has been borne out by the findings in many studies conducted in Ireland (Delaney, Cullen & Duff, 2005; Finucane, Tiernan & Moane, 1994; Kenny, 2004; Layte, Fahey & Whelan,

1999; Lundström & McKeown, 1994; National Council for Ageing and Older People, 2005; Stratton, 2005; Quill, 2004). These studies also demonstrate that being independent is very important to older people and, for most, living with relatives or in a nursing home should only be contemplated as a last resort.

5.4.4 Becoming a Government Minister

In order to encourage respondents to formulate policies to address the issues reported above, they were 'promoted' to government ministers for a few minutes. This device has been used by the researcher on many occasions because it is difficult to get respondents to engage in this type of discussion without using these or similar kinds of prompts. Respondents, as government ministers, were prompted to discuss: pensions; the Living Alone Allowance; whether it should be means tested; and any other issues for which they would formulate policies, especially for older people who live alone.

5.4.5 Pensions

Predictably, respondents considered that pensions should be increased and index-linked to compensate for inflation. Len recommended:

They should keep in line with things and keep you at a level, not to be going up and down like a yo-yo. They give you an increase and then they increase the rent and your milk and your bag of coal and they say you are well off - people don't even realise this.

Molly suggested:

I would try to up the pension within manageable levels but then it would depend on Bertie, how much he makes available for the pension.

5.4.6 The Living Alone Allowance

Many respondents commented on the importance of the LAA even though it is a small amount. Rose claimed:

The Living Alone Allowance is only €7.70 but it's very important.

Naturally, all respondents living alone believed the LAA should be increased - but by how much? Michael commented:

As soon as we get an increase very soon after it disappears. You would want to be getting €300 a week for any comfort really, not in five years time.

Nancy thought it should be trebled.

Should the Living Alone Allowance be Means Tested? Two groups, one from Dublin and one from the Midlands town, (comprising, overall, three men and 15 women) stated

categorically that the LAA should **not** be means tested. For example, Theresa, talking about a hypothetical bank manager, said:

If he [the bank manager] paid his PRSI the same as we did and paid taxes all the time for the amount he is getting ... the best of luck to him.

However, two groups, one from Dublin and one from the West of Ireland city, (comprising six men and five women) considered the LAA **should** be means tested. These respondents compared the LAA to the Children's Allowance. Molly explained:

The Living Alone Allowance should definitely be means tested. If you own your own house, your social setup should be considered. It's like giving the Children's Allowance to everyone. It should be means tested; otherwise it just doesn't seem fair.

5.4.7 Other Policies for Older People Living Alone

In response to this prompt, respondents mentioned: loneliness; local authority rents, help with the upkeep of their homes; the fuel allowance; medical and other entitlements.

Loneliness: In order to alleviate the loneliness experienced by some older people living alone, Breda suggested that:

... for people living alone they definitely should have somebody calling from an organisation. If it's only once a week, they would be looking forward to that person calling.

5.4.8 Upkeep of Homes

When older people become frail they struggle to keep their homes in the condition they were used to. Connie claimed:

It would be nice if you wanted something done, an electrician - or something ... it's very hard to get anybody. You are afraid to open your door and you don't want to get anybody unless you know they are OK. It's very hard to get anybody to do anything - even to clean your windows.

Local Authority Rents: Len, a rural respondent, suggested a solution to the problem experienced by local authority housing tenants - when pensions are increased, so are their rents:

I think the Corporation should standardise the rate for old age pensioners. There should be a set amount each year.

The Fuel Allowance: As Government Ministers, respondents considered that the fuel allowance should not be stopped for the summer because older people need to keep warm. Maeve, a rural respondent explained:

I use it for cooking and it heats the water but that's costing over €30 a week for briquettes.

Emer, a Dublin respondent, considered that the fuel allowance period should be extended:

You are still in April and the weather can still be pretty bad. I think they cut it [the fuel allowance] very short. Why cut it off in April? April is a dreadful month most of the time and May is not much better. I think it should be extended at least two months more and what you don't use you can save and have it for the beginning of the winter.

5.4.9 Medical Entitlements

Helen believes that all medication for people on pensions should be free:

When I reach 70 I get everything free regardless of how much money I have earned or how much pension I'm getting a week. ... I as an old age pensioner have to go over there [to the pharmacy] and have to hand out €90 out of a €220 odd pension for my tablets.

Breda recommended:

All senior citizens should know what they are entitled to on the medical card, because they are going around in a haze and they are missing out on a lot that they should be getting.

5.4.10 Other Entitlements

It was evident from the responses of all four groups that there were respondents who were not aware of their entitlement to benefits including the LAA (discussed above), the Household Benefits Package and allowances for specific illnesses (e.g., diabetes). Concerning allowances for specific illnesses two respondents reported not knowing about this benefit. Molly recounted the plight of her friend:

There should be allowances made for specific illnesses. I visited a lady yesterday ... and she is a borderline diabetic and they have special dietary needs. There should be an allowance made for them. She has to eat a lot of fish and fish is expensive now.

5.5 Summary

The respondents in the four focus groups provided a picture of their experiences of living alone and for most of them coping financially with a State pension plus the LAA and the Household Benefits Package.

These data were derived from a purposive sample (as opposed to being generated from a random sample). Additionally, the sample size is very small - just 29 people - therefore the results should be treated with caution. What is now required is a quantitative sociological study which uses the variables generated by the respondents

in this bottom up approach. Attention must also be paid to the questions in the EU-SILC questionnaire as they relate to older people who live alone.

In conducting a quantitative sociological survey of older people who live alone a more accurate picture of the issues faced by the respondents in this study can be generalised to this population.

6 Summary and Discussion

In this chapter, the strands of what the literature on the financial status of older people living on State pensions reveal, and the research documenting the lived experiences of those who are in receipt of State pensions, most of whom are living alone, are drawn together. Additionally, we examine what the Government might do in relation to the LAA in order to allow older people living alone 'to sustain an acceptable standard of living' (Government of Ireland, 2007, p. 48).

6.1 Summary

The Literature: Chapters 1 and 2 revealed that Governments from as far back as the 1970s recognised that older people were a vulnerable group, many members of which were at risk of poverty. Social policy documents reflect a concern that older people's incomes should allow them to maintain an acceptable standard of living. Some measures taken by the government have reduced the at risk of poverty rate for older people, especially couples. However, older people who live alone, although they can avail of the LAA, if they are aware of its existence, are at greater risk of both relative income poverty and consistent poverty and deprivation than those who live with someone else.

In Chapter 3 we discovered, using the Vincentian Partnership for Social Justice (2006) *Minimum Essential Budgets*, that living alone costs approximately 80 per cent of what it costs to live as a couple on a State pension. When the increases in the State pension for 2008 were taken into account, a hypothetical 70+ year old woman had a weekly shortfall of €63.11 if she were to buy all the items mentioned in the *Minimum Essential Budget* in order to avoid poverty and deprivation. This finding can be generalised to all older people on non-contributory State pensions who live alone.

It is evident that the States response to older people living alone is not adequate to alleviate the incidence of poverty and deprivation as the statistics outlined in Chapter 3 demonstrate.

The Quantitative Data: Twenty-nine older people recounted their experiences of living on a State pension. Over two thirds (20) of the respondents were women. It was difficult to recruit men to take part in the study. Slightly more than half of the respondents lived outside Dublin. Unexpectedly, ninety per cent of respondents lived alone which made comparisons between those living alone and those living with others impossible. Over half of respondents owned their own homes and almost a quarter of them were in local

authority rented accommodation. Almost one-third of respondents owned a car; those outside Dublin were more likely to own a car.

From the quantitative data, confirmed by the qualitative interviews, it was revealed that some respondents were not aware of their entitlements to a Living Alone Allowance and other benefits.

Using the *EU-SILC* list of questions it was found that: (a) all respondents were able to have a substantial meal each day; (b) most were able to afford heating when it was needed; (c) a small number had experienced or were experiencing debt problems arising from ordinary living expenses; (d) less than one quarter of respondents were unable to afford two pairs of strong shoes, a roast once a week, a meal with meat, chicken or fish every second day, new (not second hand) clothes and a warm waterproof coat. When it came to the newly formulated *EU-SILC* list of questions for use in the next round of data collection, the picture was quite different. Between 40 and 65 per cent of respondents (mostly women) were unable to afford to: (a) buy presents for friends and family; (b) replace worn-out furniture; (c) entertain once a month; and (d) have an outing every two weeks. The question about being able/unable to afford a visit to the barber/hairdresser every six weeks, which was added on while the questionnaire was being piloted, revealed that over one-quarter of respondents could not afford this item.

The results from these newly formulated questions, apparently designed to explore social deprivation did actually reveal considerable deficiencies, which in turn could lead to isolation and loneliness.

6.1.1 Comment on the Newly Formulated EU-SILC Questions

Cori Justice (2008) claimed to be uncomfortable with the original range of deprivation measures designed for the *EU-SILC* survey. They consider that a 'whole new approach to measuring deprivation needs to be taken' (p. 41). In this study, problems with some of the questions as they relate to people living alone were encountered as outlined below.

Heating: It may seem that asking two questions about heating was duplication. However, being able to afford some heating and being able to keep ones house comfortably warm could be construed as very different aspects of heating ones home. Strangely, there was only one respondent who answered both questions in the

negative. Another respondent ignored the second question. From the responses to these questions it could therefore be interpreted that most respondents saw them as different types of questions.

Food: Asking respondents who live alone about being able to afford a roast once a week may not be appropriate. Several respondents were heard to comment while completing the questionnaire that cooking a roast for one person was not cost effective or appropriate.

However, the five new items yielded insight into the social deprivation and possible social exclusion experienced by older people living alone.

Caution is advised when interpreting the data from this study because it is small and exploratory. However, this study provides a sociological perspective on what is generally an area reserved for economists. Additionally, the data provide a platform from which a larger more quantitative sociological study could be conducted using the information provided by the respondents in questionnaire format. Data on the experience of widowhood and finances would be especially relevant.

The MABS Weekly Spending Diary: The completion of these diaries was rather patchy. There was quite a wide fluctuation in weekly incomes and expenditure overall. Although the average weekly food bill accounted for 26 per cent of average weekly income, the food that was being bought revealed a scarcity of meat, fruit and vegetables. In two instances, expenditure exceeded income for the week in which the Diaries were kept.

The Qualitative Data: It is evident that respondents were struggling to eke out their resources to cover the cost of basic physical needs (i.e., heat, food and clothes). From the data which measured consistent poverty and deprivation and the qualitative responses, it is evident that the provision for respondents' physical needs were somewhat adequate if frugal but that the social and psychological needs of many of the respondents were not being met by the income provided by their pensions and the other benefits to which they were entitled. Additionally, the qualitative data confirm the quantitative data that some respondents were unaware of these benefits.

Like everybody else, pensioners were negatively affected by inflation. Already struggling financially, when the cost of living increases, it is not as easy for them to cope with spiralling prices on low fixed incomes.

The qualitative data also revealed that living on a State pension poses different challenges for those living in different types of accommodation. Older people, especially those who are frail and live alone were becoming unable without help, to maintain, repair and clean their homes. Finding somebody trustworthy to do these tasks at a reasonable cost is a worry. Only one group had knowledge of Age Actions Care and Repair initiative and were fulsome in their praise of this service.

When older people renting local authority housing get an increase in their pensions their rent is increased too. This is frustrating for them because they feel they never get a real increase in their income.

Living alone, although preferred by all respondents to alternatives such as living with family or going into a nursing home, has its challenges and difficulties, living with others (i.e., relatives) or moving into a nursing home was something these respondents considered should only be contemplated as a last resort. They valued their independence and wanted to stay living in their communities and homes for as long as possible.

The trauma of losing a spouse while at the same time having ones income greatly diminished was a source of distress for widows in this study. Additionally, they are angry with w

Loneliness, security issues and the cost of medicines (for those not yet eligible for medical cards) are also issues for older people living alone.

The LAA, although a small sum, was considered an important addition to pensions. When asked to comment on rumours that the Government was not in favour of increasing this Allowance because recipients might cheat, respondents were derisive in their remarks that this could occur, especially if the situation was monitored. The allegation that older people might continue to live on their own longer than was safe for them to do so, was considered inappropriate because it is their wish to live in their own homes and communities, with support, for as long as possible. This fact has been confirmed by many studies over the years.

The fieldwork for this study was conducted in the spring of 2008 close to the time when the fuel allowance was due to be suspended for the summer months. Respondents believe it should be continued until the end of May. Some respondents, resident outside

Dublin, use fuel for cooking and heating water and therefore consider the Allowance should continue throughout the year.

When considering what policies they would initiate if they were Government Ministers, all respondents were in favour of increasing pensions and the LAA. However they were divided as to whether the LAA should be means tested or not.

Respondents, as Government Ministers, also formulated policies for many of the other issues they had mentioned in describing living on a State pension including: loneliness; local authority rents; the upkeep of their homes; the fuel allowance; medical and other entitlements.

6.2 Discussion

It is clear that the LAA of €7.70 (with an annual cost to the Exchequer in the region of €54 million annually) does not sufficiently increase the income of those older people who are in receipt of a State pension and live alone to a level which would allow them to have an acceptable standard of living. Without a major overhaul of the State pension in its various forms, together with the ancillary allowances (i.e., household benefits package, LAA, etc.), the LAA is the only way to recognise that older people who live alone are in danger of experiencing relative income poverty and consistent poverty and deprivation. Therefore this Allowance must be retained and increased.

6.2.1 Retaining the LAA

Should the Government, in the light of the evidence presented above, maintain its special concern for the position of older persons living alone and therefore increase the LAA it should make it a viable means for older people to have an acceptable standard of living. In this event, the LAA, according to the Vincentian Partnership for Social Justice would need to be increased to approximately 80 per cent of the income of a couple living on a non-contributory pension. The Government therefore needs to adopt the following strategies for those in receipt of: (a) the Non-Contributory Old Age Pension; and (b) the Contributory Old Age Pension:

Retaining the Allowance for those Living on Contributory State Pensions:

Providing an LAA of €69.60 would increase the weekly income of those in receipt of a Contributory Pension to €292.98³⁹. This would incur an additional cost to the Exchequer

³⁹ €223.30 + €69.60 = €292.90.

of €323 million per annum⁴⁰ or €363 million in total. If the Allowance was means tested this would incur additional costs to cover the bureaucracy involved, but decrease the cost to the Exchequer. If the Allowance were paid to all those who live alone in receipt of the Contributory Pension, irrespective of income, and their income is taxed, this would eliminate bureaucracy and reduce the overall cost to the Exchequer while ensuring that all those living alone who need a top-up to their income would receive it.

Retaining the LAA for those on Non-Contributory Pensions: To bring the income of those living alone on non-contributory pensions to 80 per cent of the income of a couple living on a Non-Contributory State Pension (Personal Non-Contributory Pension €212.00 plus Qualified Adult Allowance €140.00 = €352.10) thus increasing the weekly income of older people living alone to €281.68 (an increase of €69.60⁴¹). This increase would cost the Exchequer in the region €110 million extra annually⁴² or €124 million in total.

As the Non-Contributory Pension is already means tested it would not be necessary to means test the LAA. However a modicum of policing might need to be undertaken to prevent fraud.

Table 6.1 below provides a breakdown of the approach outlined above showing the annual cost to the Exchequer it would entail. If this option were adopted by the Government, given the considerable rise in the cost of living in 2007 and again in 2008, the LAA and State pensions in general must be index-linked in order to avoid another descent into poverty and deprivation for older people who live alone.

Table 6.1: Outcome if the LAA were Retained and Increased

Retain and Increase the LAA				
Type of Pension	Current Amount	80% Increase in LAA	Amount	Annual Cost to Exchequer Excluding the current LAA €million
Contributory	€223.30	€69.60	€292.98	€323 ⁴³
Non-Contributory	€212.00	€69.60	€281.68	€110 ⁴⁴
Total Additional Cost of Retaining and Increasing the LAA				€433⁴⁵

⁴⁰ €69.60 * 100,252 (the number of older people in receipt of the various Contributory State pensions in January 2008) = €6,977,539 * 52 = €362,832,038 minus (the current LAA of €7.70 * 100,252 * 52 = €40,140,901) = €322,691,137.

⁴¹ €352.00 * 80 / 100 = €281.60 - €212.00 = €69.60

⁴² €69.68 * 34,177 (the number of older people in receipt of the various Non-Contributory State pensions) = €2,378,719 * 52 = €123,693,389 minus (the current LAA of €7.70 * 34,177 * 52 = €13,684,471) = €110,008,918.

⁴³ Minus the existing LAA of €7.70 per week.

⁴⁴ Minus the existing LAA of €7.70 per week.

This table reveals that overall, the cost to the Exchequer of increasing the LAA by €69.60 to older people living alone on the Contributory and Non-Contributory State pensions would be in the region of €433 million.

The SWITCH Tax-Benefit Model Approach: Callan et al. (2008) estimated that the expenditures on the Living Alone Supplement (LAS) are as follows in table 6.2.

Table 6.2: Various Costs to the Exchequer if the LAS were Introduced

Rate of LAS per week	Expenditure on LAS per annum €million	Increase in Total Social Welfare Expenditure per annum €million
€46.50	255	211
€30.00	165	121
€20.00	110	66

Source: Callan et al. (2008)

These data reveal that the annual cost to the Exchequer of the Callan et al. (2008) approach would range from €66 to €211 million.

Callan et al. (2008) suggested that ‘balancing this benefit with the cost requires further fine tuning of the analysis, and of possible income or means-testing aspects of the proposal’ (pp 82 - 83).

6.2.2 An Alternative Approach

Should the Government decide to abolish the LAA there would need to be fresh thinking to provide older people who live alone with an income which would allow them to have sufficient means to sustain an acceptable standard of living. Formulating an alternative approach is beyond the remit of this study and has been formulated in Callan, et al. (2008).

⁴⁵

Minus the existing LAA of €7.70 per week.

7 Conclusions and Recommendations

This chapter contains the conclusions and recommendations arising from this study.

These conclusions have been drawn from the literature review and the data provided by the 20 women and 9 men who took part in this study. From the information derived from the data, it was evident that the current LAA is inadequate and that an approach more in line with ongoing Government sentiments of concern for older people living alone should be adopted to improve the standard of living of this group.

7.1 Conclusions

The literature review revealed that in 1977 the Government expressed special concern for older people living alone and therefore introduced the LAA. However, this Allowance has not been increased since 1996 although research from many different perspectives has shown that those living alone are at greater risk of poverty than those living with others. Additionally, living alone costs approximately 80 per cent of what it costs a couple living on a State non-contributory pension. A re-analysis of the 2006 *EU-SILC* data revealed that older people living alone are more likely to experience both relative income and consistent poverty than those living with someone else.

From the information generated in the four focus groups, it is evident that older people living alone are living frugally and have to watch every cent they spend. This situation can only get worse for them with spiralling fuel and food costs which has been a feature of 2007/2008. The situation in relation to their social and psychological wellbeing is even more worrying because a large proportion of them cannot afford to entertain family and friends, buy presents or have an evening's entertainment every two weeks. This is truly a bleak way to have to live.

In order to address the issue of poverty among older people living alone the Government would need to increase the LAA to approximately 80 per cent of the income of a couple living on a State non-contributory pension plus a qualified adult allowance. Failure to do this in the current climate of rising inflation may witness even greater poverty and deprivation among this group of older people.

7.2 Recommendations

- Index-link State pensions so that older people do not descend into poverty and deprivation every time the cost of living increases

- Increase and index-link the LAA to between €40 and €60 per week. This strategy would ensure that older people living alone have a better standard of living to cover the cost of basic physical, social and psychological needs and to allow for contingencies and payments into saving schemes
- Acknowledge in some way the plight of older people when newly widowed and make some extra monetary provision recognising their new status
- Pay the fuel allowance throughout the summer months. This is particularly important for frail older people
- Ensure that every older person is aware of their benefits and entitlements, even if this means mailing them a booklet when they first become eligible for a pension and every time their pension status changes this booklet should be re-issued
- Strengthen community supports especially for older people living alone whose status should be identified in their local health centre to ensure they can live as long as is feasible in their own homes and community
- Consider further, more quantitative research, incorporating the relevant information about the financial aspects of living alone which the respondents in this survey provided, particularly including the financial situation of widows.

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Appendices

Appendix A

Criteria for Eligibility for the LAA

In addition to living alone or 'mainly alone in certain circumstances' (Department of Social and Family Affairs, undated, p. 3) a person will qualify for the Allowance if they are getting one of the following social welfare payments:

a) if they are under the age of 66

- Invalidity Pension
- Disability Allowance
- Blind Pension
- Incapacity Supplement
- State Pension (Transition)

b) of if they are aged 66 or over

- State Pension (Contributory)
- State Pension (Non-Contributory)
- Widows or Widowers Contributory Pension
- Widows or Widowers Pension under the Occupational Injuries Benefit Scheme
- Incapacity Supplement

And

- They live completely alone in a self-contained house, apartment, flat or mobile home, or
- They live mainly alone

Living 'mainly alone' is defined as:

- They live alone but a relative with a permanent address elsewhere comes to stay at weekends to assist them or,
- They live alone but **occasionally** take in a paying guest, for example during a local festival [emphasis in original] or,
- They live alone by day but, for security reasons, either they sleep in a neighbours or friends home or the neighbour or friend sleep in the older persons home. The neighbour or friend must have a separate permanent address and they should not stay in each others home each day or eat main meals together regularly.

Living in a Granny Flat: A person is eligible for the Allowance if they live in a granny flat or in separate accommodation within a private dwelling. There must be separate sleeping and living areas. Provision for cooking, eating and washing up must be within the living area of the granny flat. However, the occupant of the granny flat may share bathroom and toilet facilities or an external entrance with the other persons living in the private dwelling.

Hostel Accommodation: If a person lives in a single room within a sheltered hostel or home and does so independently of the other residents they are eligible for the

Allowance. People in shared dormitory accommodation in a hostel or those who have round-the-clock nursing care or supervision are not eligible for the Allowance.

Residents of Nursing Homes: Persons in nursing homes are not eligible for the Allowance.

Appendix B
Pre Focus Group Handout
and
Prompts Used in Focus Groups

[On Age Action Ireland Headed Notepaper]

The Living Alone Allowance as a Policy Response to Tackling Poverty

Age Action Ireland has been funded by the Combat Poverty Agency to conduct research into the Living Alone Allowance which older people who are in receipt of certain types of social welfare payment receive.

In order to gain an insight into the experience of budgeting solely on a State pension (contributory or non-contributory) and (for some people) living alone, Age Action Ireland are holding a series of focus groups.

Thank you for agreeing to take part in this focus group. After we have conducted the focus group, we would like you to provide us with some information about yourself by filling in a questionnaire. Any information you provide will be kept in the strictest confidence and will not be revealed to anybody else. The information from the questionnaire will be analysed to form part of the information contained in the report on the Living Alone Allowance.

The identity of all focus group members and any information they may provide also will be kept in the strictest confidence and not revealed to anybody else. The information from all participants in focus groups held in Dublin and in other parts of Ireland will be analysed to form part of the information contained in the report on the Living Alone Allowance.

Focus Group Prompts

1. Tell me about the positive aspects of having a State pension.
2. Are there any negative aspects?
3. Are any of you living alone? Tell me about it.
4. Anybody now living alone who used not to live alone and shared a pension with another person. Tell me about it.
5. If the Government were to increase the LLA substantially, would this lead to cheating or older people deciding to live alone when they could live with someone else?
6. If you were the Government Minister in charge of pensions what would you do about:
 - Pensions
 - The living alone allowance
 - Should it be for everyone - should it be means tested?
 - Are there any other things you would do for older people who live alone?

Appendix C
Questionnaire Used in Focus Groups

QUESTIONNAIRE

ID _____

NB: The identity of all focus group members and any information they may provide also will be kept in the strictest confidence and not revealed to anybody else. The information from all participants in focus groups held in Dublin and in other parts of Ireland will be analysed to form part of the information contained in the report on the Living Alone Allowance.

Instructions: Please place a ✓ opposite the answer which applies to you.

- | | | |
|--|------------------------|--------------------------|
| 1. Are you | Male | <input type="checkbox"/> |
| | Female | <input type="checkbox"/> |
| 2. Do you live alone? | Yes | <input type="checkbox"/> |
| | No | <input type="checkbox"/> |
| 3. Are you in receipt of the Living Alone Allowance? | Yes | <input type="checkbox"/> |
| | No | <input type="checkbox"/> |
| 4. Are you in receipt of the Household Benefits Package? | Yes | <input type="checkbox"/> |
| | No | <input type="checkbox"/> |
| 5. Is your home | Your own | <input type="checkbox"/> |
| | Rented privately | <input type="checkbox"/> |
| | Rented local authority | <input type="checkbox"/> |
| | Other | <input type="checkbox"/> |
| 6. If you ✓ Other please say what your living arrangements are: | | |
| <hr/> | | |
| <hr/> | | |
| 7. Do you have a car? | Yes | <input type="checkbox"/> |
| | No | <input type="checkbox"/> |
| 8. In the last two weeks have you been able to have at least one substantial meal each day? | Yes | <input type="checkbox"/> |
| | No | <input type="checkbox"/> |
| 9. In the previous year, were you always able to afford heating when it was needed? | Yes | <input type="checkbox"/> |
| | No | <input type="checkbox"/> |
| 10. Have you experienced or do you currently experience debt problems arising from ordinary living expenses? | Yes | <input type="checkbox"/> |
| | No | <input type="checkbox"/> |

Are you able to afford the following?

- | | | |
|--|-----|--------------------------|
| ○ Two pairs of strong shoes | Yes | <input type="checkbox"/> |
| | No | <input type="checkbox"/> |
| ○ A roast once a week; | Yes | <input type="checkbox"/> |
| | No | <input type="checkbox"/> |
| ○ A meal with meat, chicken or fish every second day | Yes | <input type="checkbox"/> |
| | No | <input type="checkbox"/> |
| ○ New (not second-hand) clothes | Yes | <input type="checkbox"/> |
| | No | <input type="checkbox"/> |
| ○ A warm, waterproof coat | Yes | <input type="checkbox"/> |
| | No | <input type="checkbox"/> |
| ○ To keep your house comfortably warm | Yes | <input type="checkbox"/> |
| | No | <input type="checkbox"/> |
| ○ To buy presents for friends and family once a year | Yes | <input type="checkbox"/> |
| | No | <input type="checkbox"/> |
| ○ To replace worn-out furniture; | Yes | <input type="checkbox"/> |
| | No | <input type="checkbox"/> |
| ○ To have family or friends for a meal or a drink once a month | Yes | <input type="checkbox"/> |
| | No | <input type="checkbox"/> |
| ○ To have an afternoon/evening out for entertainment in the last two weeks | Yes | <input type="checkbox"/> |
| | No | <input type="checkbox"/> |
| ○ A visit to the hairdresser/barber every four to six weeks | Yes | <input type="checkbox"/> |
| | No | <input type="checkbox"/> |

THANK YOU FOR YOUR HELP!

Appendix D

Instructions for Completing the MABS Weekly Spending Diary

Instructions for Completing the MABS Weekly Spending Diary

Thank you for agreeing to complete the MABS Weekly Spending Diary for the research.

Even if you are not living alone, the information you provide will be invaluable for comparing the weekly budgets of those living alone with the budgets of those who do not live alone.

The information you provide and your identity will not be divulged to anybody. The information from the all the diaries will be analysed as part of the research on the Living Alone Allowance.

Instructions

1. On the inside of the front cover (i.e., page 2) please complete the information on your household's income. (This information will be completely confidential.)
2. On page 3 write in the amounts for ongoing household expenses. If you pay your rent on a monthly basis, divide this amount by four to give the weekly cost. If you pay your telephone bill every two months divide the amount by eight and so on with other household expenses (e.g., TV licence, etc.). Use the most recent bill; you do not have to wait for the next one.
3. Start keeping the diary on Monday (i.e., page 4) and write in your expenses for the week up to and including Sunday. If you have any comments (e.g., things you would like to have bought but could not afford) make a note of them in the scribble box at the bottom of each page).
4. On page 11 there is also space for writing in notes, feel free to use this space too.
5. If you have any questions or get into difficulty please phone me - Francesca Lundström - at 01 8390 935 and I will be glad to help.
6. When you have completed the week's diary, return it to Carmel Sheridan who will pay you €10.00 for taking part in the research. Carmel will ask you to sign a receipt. The receipt is only for bookkeeping purposes and your name will not be added to the information you have provided.

WELL DONE AND THANKS!

Appendix E
Methodology Used for Analysing Qualitative Data

The data from the focus groups were transcribed verbatim onto computer text files; the qualitative data set was derived using three-step data classification procedure. This entails identifying: (a) segments (derived from the prompts) and (b) themes and (c) variables. Figure 3.1 shows the structure of the analysis.

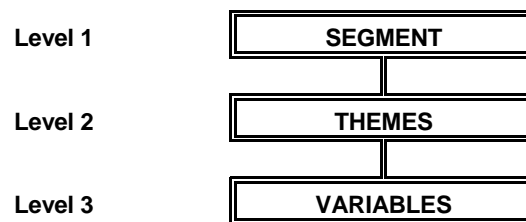


Figure 1: *Structure of the qualitative data analysis*

This framework was used heuristically to impose structure on the free-flowing, open-ended nature of the data within the different parts of the focus group schedule. Analysis was conducted in three steps: the first defined segments—general headings in the data derived from the prompts provided in Appendix B. The second step in the analysis identified themes—more specific headings in the emerging data and the third and final step identified variables within themes where the nuanced information emerged. In analysing the data using this method, it was possible to create a logical structure for the data and thereby identify elements common to all respondents and those specific to the different categories of respondent (e.g., gender, area - rural/urban).

Appendix F

The Household Benefits Package

This package consists of three allowances:

1. **A Fuel Allowance** which can be an:

- Electricity Allowance: covering normal standing charges and up to 2,400 units of electricity each year.
or
- Natural Gas Allowance: covering normal standing or supply charges and a certain amount of natural gas kilowatt hours each year.
or
- Group Account Allowance: this is paid to people living in self-contained accommodation (flat or apartment) which has a slot meter.
or
- Bottled Gas Allowance: consisting of a monthly payment to the recipient's nominated financial account or post office.

2. **A Telephone Allowance**

This allowance provides a payment towards the telephone bill - either landline or mobile phone.

3. **A Free Television Licence**

Eligibility

To be eligible for the Household Benefits Package a person must be:

- 70 years of age or over;
- In receipt of the Carers Allowance
or
- In receipt of a Prescribed Relatives Allowance or Constant Attendance Allowance
or
- Under 70 years of age and in receipt of a qualifying payment **and** live alone or only with certain excepted people (qualifying payments are those in receipt of a State Pension Contributory, Non-Contributory, Transition, Widows Contributory, Widows Non-Contributory and several other less common state or EU pensions).
or
- Are aged between 66 and 69, satisfy a means test **and** live alone or only with certain excepted people (qualified adult who is a spouse or partner for whom the pensioner is getting an increase in their social welfare payment **or** they are in receipt of a social welfare payment in their own right).

Source: Department of Social and Family Affairs leaflet SW107

For further information see: <http://www.welfare.ie/publications/sw107.html>