

Working For Families: Can Government Policy Reduce Inequalities?

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The Research

Three year HRC/FRST-funded project

Reducing Inequalities: Analysing the Effect of Government Policy on Whānau Ora

Aim: to explore the effects on whānau of the government's Working for Families (WFF) policy and determine whether the policy has contributed to the achievement of whānau ora

Background to WFF Policy

A number of key objectives in the WFF package (Cabinet Office, 2004) including:

- Making work pay
- Ensuring income adequacy
- The achievement of a social assistance system that supports people into work

Research Design

A mixed methods approach

Four stages of data collection:

- Key informant interviews/literature review
- Identifying households within the Te Hoe Nuku Roa (THNR) dataset who qualify for WFF
- Analysing changes in households over time
- Face-to-face qualitative interviews with 40 of these whānau

Progress Thus Far

Literature review and analysis/ongoing

Qualitative interviews with 36 families receiving WFF

Interviews with key policymakers - results presented at Maori Association of Social Science late 2010

Quantitative data currently being collected from THNR household study

Qualitative Interviews

42 households selected from the THNR household study

- Open ended interview schedule
- Face to face interviews
- All family members could participate
- Interviews recorded and transcribed
- Inductive thematic analysis

Qualitative Interviews

Three themes in particular were explored:

1. How additional income was received and used
2. The impact that receiving WFF had on the whānau
3. Links between financial assistance and self defined whānau ora or wellbeing

Results

For the majority of participants, receiving WFF assistance made a significant, and positive, impact on their family.

Income received ranged \$60-300 per week

Lump sum payments were in the order of between \$4,000 and \$6,000 per year

Results

Additional income a vital part of their core income, and without it whānau would find it difficult to manage

Positive impact on stable and “healthy” housing; healthy food choices, and enhanced educational opportunities

Opportunities to participate in family and community-based activities

Results

In general, families agreed that whānau ora was achieved when the family was happy, healthy and financially secure

Additional income received as a consequence of the WFF policy had made a contribution to their family's whānau ora

Other evidence of impact

In the year to June 2009, 15 percent of the population was living below the 60 percent threshold, down from 18 percent in 2007 (Social Report 2010)

From 2004 to 2009, incomes for households in the low to middle income range rose more quickly than incomes for higher income households (Social Report 2010)

Other evidence

In 2009, just over one in three poor children were from households where at least one adult was in full-time employment, down from around one in two before WFF (2004)

This fall (in the order of 51%) reflects greater income assistance is available to working families than to beneficiary families (2010 Household Income Report)

Other evidence

New Zealand 23rd out of 30 OECD countries for income inequality (2008)

A 2008 survey of living standards reports 19% of children are experiencing "serious hardship" and "unacceptably severe restrictions on their living standards"

Other evidence

The Working for Families package was welcomed as the first major redistribution of income in favour of poorer New Zealanders in 30 years

However, as the analysis in the Cut Price Kids report showed, there were serious design flaws in the package that effectively left around 175,000 of the country's poorest children behind (CPAG 2008)

Other evidence

The Māori and Pacific Island population are disproportionately disadvantaged by WFF as they have a younger demographic structure and a lower socio-economic status than the general population

So is it a policy that reduces inequalities?

For those in receipt of WFF it has decreased the gap between income brackets

For those not in receipt, i.e. Beneficiaries, it has increased income inequalities

Overall it has made NZ less equal as a society and this has major implications for a range of social problems

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