

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY THE DEPUTY OF ST. JOHN
ANSWER TO BE TABLED ON TUESDAY 23RD MAY 2017**

Question

Will the Minister advise how the child component of Income Support has been determined and why it is deemed necessary to pay a different amount to that of the adult component; and explain how the difference between the needs of a child and of an adult living in an Income Support household has been assessed?

Answer

Income Support is based on a series of components that are allocated to households, depending on the composition and needs of the household. A range of components deals with housing, childcare and care costs. In addition a component is allocated to each adult in the household, with a separate component for each child in the household, and a single household component.

Prior to the introduction of Income Support extensive modelling was undertaken to identify appropriate values for components that provided a reasonable match with the previous benefit systems and could be afforded within the available budget.

Today, the adult component is provided at £92.12 per week, the child component is currently £63.98 per week and the household component is £51.31 per week.

The table shows how these basic components are combined for different sized households:

	Adult components	Child components	Household component	Total value of basic components
Single adult	1 x £92.12	-	£51.31	£143.43
Couple with no children	2 x £92.12	-	£51.31	£235.55
Lone parent with one child	1 x £92.12	1x £63.98	£51.31	£207.41
Couple with two children	2 x £92.12	2 x £63.98	£51.31	£363.51

NB. This table does not include the additional support for rental, child care and health related costs that is also available to Income Support households.

Most systems for assessing household income will allocate different values to adults and children within the household. For example, the Statistics Unit looks at household income as part of the Income Distribution Survey. A process known as equivalization is used to compare the incomes of different sized households.

The scale used by the Statistics Unit are shown in the next table:

	Before housing costs (BHC)	After housing costs (AHC)
First adult in household	0.67	0.58
Any additional persons aged 14 years or over	0.33	0.42
Any children aged 0 – 13 years	0.20	0.20

The following table gives the weightings used in this equivalence scale for the various household types listed above.

	Modified OECD BHC	Modified OECD AHC
Single adult	0.67	0.58
Couple with no children	1.00	1.00
Lone parent with one child	0.87	0.78
Couple with two children	1.40	1.40

As can be seen,

- a single adult has the highest weighting of 0.67 (or 0.58 AHC)
- a second adult joining the household adds a lower weighting of 0.33 (or 0.42 AHC)
- with each child then adding a further, smaller weighting of 0.2

This pattern is generally reflected in the Income Support components, with

- a single adult receiving £143.43 in basic components
- a second adult joining the household adding an extra £92.12 in basic components
- each child adding a further £63.98.

The modified OECD equivalence scale is used widely but other scales which allocate different weightings to adults and children are also used internationally. Generally, the allocation to a child is always less than the allocation to an adult.

¹ The Organisation for Economic Co-operation and Development (OECD). This international organisation's aim is to promote policies that will improve the economic and social well-being of people around the world.