

# feeling the pinch

NATIONAL ECONOMIC AND  
SOCIAL IMPACT SURVEY 2018

## key findings



AUSTRALIA





# esis 2018 overview

The national Economic and Social Impact Survey (ESIS) 2018 is the seventh consecutive report by The Salvation Army exploring the challenges, hardships and disadvantage experienced by those who access our Doorways Emergency Relief (ER) services. This booklet is an adjunct to the ESIS 2018 report and is a summary of the main themes and key findings from this year's research.

Sample (n)=1,267 respondents also represented an additional 1,470 children.

In addition to the questionnaire, 16 interviews were conducted with people who have accessed The Salvation Army's Emergency Relief and case management services. This provided a deeper understanding of the experiences of hardship, with a particular focus on the cost of living and housing situations for participants. It enabled greater depth to the report and increased clarity about specific life circumstances and key turning points in participants' lives.





# esis main themes 2018

A large proportion of respondents who accessed The Salvation Army's Emergency Relief services experienced financial hardship and disadvantage due to:

- 1** Limited economic resources and multiple barriers to employment
- 2** Food insecurity, outstanding debt and increased cost of living expenses
- 3** Housing stress, inadequate housing conditions and transience
- 4** Reduced participation and access to opportunities for individuals and their families
- 5** Multiple daily challenges and social disconnectedness



## key findings income

“The bills keep getting higher and my income hasn't increased...things feel impossible [the] financial stress is making me lose unhealthy amounts of weight, I feel like I'm stuck in a rut.”

— Respondent



**95%** of respondents relied on government income support as their primary source of income



**\$435** Respondents had a disposable household income of **\$435 per week**,<sup>1</sup> which is less than one third of the average Australian median income

After paying accommodation expenses:



**\$21** Respondents were left with **\$21 per day**<sup>2</sup> to live on



**\$17** Newstart Allowance recipients had the least amount to live on with **\$17 per day**<sup>3</sup>

Income support payments have not increased to match the rising cost of living expenses such as utility bills, education, childcare fees and housing costs.



**95%** of all households were under the poverty line<sup>4</sup>

Single parents and couples with children experienced the lowest standard of living and experienced the biggest gap below the poverty line.



As the size of families increased with an **additional child**, it became more difficult for families to maintain an adequate standard of living.



## key findings employment

“The hardest points in my life [have been] homelessness and unemployment. I’m looking for employment...refusal often occurs due to my age and lack of skills.”

—Respondent



**51%** of respondents reported finding employment or getting into education and training was their greatest challenge on a day-to-day basis



**32%** were unemployed and actively looking for work; two thirds had been looking for employment for more than six months

Main barriers for **job seekers** finding work:



**46%** prolonged unemployment



**29%** parenting responsibilities



**28%** lack of and cost of transportation



**19%** of respondents were **out of the labour force completely**; of these, **almost 2 in 5** reported that mental health and physical conditions were the main barriers preventing them from working

“I want to start studying pathology...and work. It's not the lifestyle I want to stay on for my daughter and myself. It's just that I want to show her a good example... [At the moment] I can't do anything, I'm helpless. I don't want to show her all the time that when you struggle, you borrow money, you know.” —Angela\*



## key findings cost of living

I just can't afford to pay anything. I can't afford to pay my energy bills. I have to go to charities for those. A lot of the time I'm hungry because I can't afford to buy food. Sometimes it's food or petrol.

—Respondent

## Food



**\$148** Respondents spent **\$148 a week<sup>5</sup>** on food, accounting for **more than one third** of their weekly household income



**74%** of all households experienced food insecurity<sup>6</sup>



**67%** of respondents reported food affordability was the greatest challenge on a day-to-day basis



**61%** regularly went without meals



**44%** of households with children experienced food insecurity

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"It's a heavy load for me and the bills still keep rolling in... everything adds up." — Respondent

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### Households with children could not afford:



**38%** fresh fruit and vegetables every day



**20%** three meals a day for their children

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"As long as my children are fed it doesn't matter if I go without." — Respondent

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## Electricity and Power



**\$48** Respondents spent **\$48 per week**<sup>7</sup> on electricity and gas bills



**59%** could not afford to pay their gas, electricity or phone bills on time



**34%** could not afford to heat or cool their home

“Being on Centrelink is very difficult. Because of the high electric bills that you get and the rent, it all adds up.” — Respondent

## Transport



**\$50** Respondents spent **\$50 per week**<sup>8</sup> on transport



**3/10** Transport was one of the top barriers for nearly **3 in 10 job seekers** to find employment



Lack of transportation and/or internet access made it harder for respondents to find employment, especially for those living in unstable accommodation

“I actually sit at home a lot of the time because...I don't have any fuel. Even if I have a job interview, I can't afford to get there.” — Respondent



## Financial Stress



**\$48** a week<sup>9</sup> repaying debtors



**76%** of respondents were unable to raise \$500 in case of an emergency



**76%** experienced financial stress<sup>10</sup>



**72%** sought assistance from welfare and community organisations



**60%** of respondents reported managing financial stress and difficulties was their greatest challenge on a day-to-day basis



**55%** spent more money than they received



**47%** sold or pawned items

## Financial Situation

**Half** of respondents reported that they were ‘**in need**’ and **do not have enough money for basic necessities** like housing, food or electricity.

**More than half** reported their household's financial situation had become **worse** over the past 12 months.



## key findings housing

“We’re just moving day-to-day...it just spiralled down all the way...I was so desperate. There’s the insecurity and depression of not having your own place.”

—George\*

## Housing Stress

(Private rent and mortgage respondents only)



**\$250** Respondents spent **\$250 per week<sup>11</sup>** for housing



**>90%** More than 90% of households with children experienced extreme housing stress, paying **more than half** of their income on housing



**81%** experienced extreme housing stress,<sup>12</sup> paying more than half of their income on housing

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“After I pay my rent, I only have \$100 a week left...that’s ridiculous.”  
—Respondent

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## Living Conditions



**36%** of respondents reported the condition of their home was **not adequate**, where items did not work well and were in poor condition



**35%** of respondents reported finding a safe and secure place to live was their greatest challenge on a day-to-day basis

Of people living in temporary or share accommodation, **more than half** reported the condition of their home was **not adequate at all**.



## Homelessness



**11%** of respondents were homeless or living in temporary accommodation



**1/5** Almost **1 in 5** respondents who became homeless in the last 12 months, were previously living in private rental



**9/10** Respondents who were homeless or living in temporary accommodation were the most transient, with almost **9 in 10** moving in past 12 months; **a quarter** moved at least six times

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“I live in my car to save rent. Cook meals on a portable gas stove. Shower in cold water.” — *Respondent*

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## Mobility



**49%** of all respondents moved house in the past 12 months



**25%** moved due to family violence



**18%** moved due to community safety reasons

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“I’ve had 7 different addresses in the last 2 years ...I just can’t live on \$186 a week.” — *Respondent*

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## key findings children

Education can radically change the trajectory of a child's life. It can transform the possibilities of what a child can become and achieve. It can change a life, a family, a community forever.

—Eddie Woo, NSW Mathematics Teacher  
(2018 Australia's Local Hero Award)

## Going Without



**67%** of children experienced severe deprivation,<sup>13</sup> where parents could not afford more than five essential items for their children

Parents **COULD NOT AFFORD** items relating to **access and participation in social activities, education and technology** for their child:



**63%** regular leisure activities or hobbies



**63%** money to participate in school activities, trips and events



**55%** up-to-date school books and school uniforms



**61%** computer, laptop or tablet



**48%** an internet connection at home

ESIS respondent households with children are **10 times** more likely to live in high rent, low income situations<sup>14</sup> and experience financial hardships, compared to the average Australian child.

"They miss out...no fuel, can't take children to school and [have] no money for lunches or school activities." — Respondent



## key findings wellbeing

“Wellbeing cannot exist just in your own head. Wellbeing is a combination of feeling good as well as actually having meaning, good relationships and accomplishment.”

—Dr Martin Seligman

## Social Connections



**59%** of respondents reported managing their mental health and emotional wellbeing was their greatest challenge on a day-to-day basis



**54%** were unable to seek support from friends and family in a time of crisis



**43%** had very limited social connections and felt isolated most of the time

“I don’t go out, I don’t have any social life at all ... I remain alienated at my own home. I’ve given up my social life because I can’t afford [one], I can’t afford to go to the movies you know... I’ve just given up normal social activities until I get a job basically. Cause everyday living you’ve gotta put that first don’t ya, otherwise you can’t live.” —Julie\*

Respondents who were either living alone, homeless, single parents or unemployed tended to have **very limited social connections**.

“[I] tend to sit around home feeling isolated, bored and not good enough.” —Respondent

Lack of and/or **high cost of transport** and **no internet connection** at home further limits respondents’ social connectedness.

“It was very difficult to try and do everything and sort of get your life back on track and not have any resources or friends or family that were there to help.” —Respondent



## What made the Biggest Difference for Respondents



**65%**

Assistance paying power bills



**59%**

Access to healthy, affordable food



**40%**

Access to more affordable dental services



**37%**

Access to more affordable medical services



**36%**

Access to finding and maintaining meaningful employment



**35%**

A safe and secure place to live



**34%**

More affordable transport

"Food vouchers and parcels really helped relieve the high pressure...I would have starved without [The Salvation Army's] assistance." — Respondent

## Making a Difference

Many respondents and interview participants provided overwhelmingly positive feedback about their experience with our Doorways Emergency Relief services, and told us that **The Salvation Army is making a difference** in their lives.

"Without the Salvos, for support in all areas, life would be so much more difficult than it already is... The Salvos have helped and supported me in times of incredible stress and need, physically, financially and spiritually. We are so blessed to have such a fantastic organisation who really genuinely cares for the disadvantaged and marginalised people in this country. I know it is a cliché... but honestly... Thank God for the Salvos!"

— Rhonda\*



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Thank you to all the wonderful Salvation Army officers, staff and volunteers who make our Doorways Emergency Relief and Community Support centres a welcoming, safe and supportive place for people to come to during some of their toughest times.

This report demonstrates some of the hardships and challenges that many Australians experience and are forced to contend with every day.

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\*Name changed to protect the privacy of respondent.

## Endnotes

- Median per household, rounded to the nearest dollar.
- Median per person, rounded to the nearest dollar.
- Median per person, rounded to the nearest dollar.
- Poverty line used here and the comparison made to the Australian population for the poverty rate is based on the 2013-14 ABS data. According to ACOSS report, the poverty line (50% of median income) for a single adult in Australia before housing cost is \$426.30 a week. After housing cost, it is \$343.00 a week. The poverty line for other types of households are derived from this by applying the equivalence scale to estimate how much they need to achieve the same standard of living as the single person. For an example, the poverty line for a couple with two children after housing cost is \$720.30 a week (\$343 multiplied by 2.1).
- Average per household, rounded to the nearest dollar.
- Food security is defined as: All households—went without meals or not being able to afford enough food on a daily basis; Households with children—cannot afford three meals a day or fresh fruit and vegetables every day or at least one meal a day with meat, chicken or vegetables equivalent.
- Average per household, rounded to the nearest dollar.
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- Average per household, rounded to the nearest dollar.
- Australian Bureau of Statistics, 2017, Household Expenditure Survey, Australia: Summary of Results, 2015-16, 'Financial Stress and Spending', cat. No. 6530.0, viewed on 23 February 2018, at <http://abs.gov.au/ausstats/abs@.nsf/Latestproducts/6530.0Main%20Features?72015-16?opendocument&tabname=Summary&prodno=6530.0&issue=2015-16&num=&view>
- Median per household, rounded to the nearest dollar.
- Extreme housing stress is defined as respondents using more than 50% of their equivalised disposable income on rent/mortgage or accommodation expenses.
- Based on UNICEF Child Deprivation. Index UNICEF Innocenti Research Centre. (2012). Measuring Child Deprivation: New league tables of child poverty in the world's rich countries. UNICEF, Italy. [http://www.google.com.au/url?sa=t&rot=i&q=&esrc=s&frm=1&source=web&cd=1&ved=OCBOQFJAA&url=http%3A%2F%2Fwww.unicef-irc.org%2Fpublications%2Fpdf%2Frc10\\_eng.pdf&ei=d2\\_RVNXdNs7U8gXn-4KYAQ&usq=AFQjCNF159LsVPxi4bJEGZlbn0ML7-huw&bvm=bv.85076809,bs.1,d.dGy](http://www.google.com.au/url?sa=t&rot=i&q=&esrc=s&frm=1&source=web&cd=1&ved=OCBOQFJAA&url=http%3A%2F%2Fwww.unicef-irc.org%2Fpublications%2Fpdf%2Frc10_eng.pdf&ei=d2_RVNXdNs7U8gXn-4KYAQ&usq=AFQjCNF159LsVPxi4bJEGZlbn0ML7-huw&bvm=bv.85076809,bs.1,d.dGy)
- High rent and low income = proportion of children living in household where private rent is 30% or more of disposable household income, and in bottom two quintiles of equivalised disposable income (\$635/week—ABS 2013-14 data).



