

'Just Therapy': Working with Families in the Context of Economic Recession



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'JUST THERAPY' Questions

- What is good therapy when families are badly affected by the economic downturn?
- How do we address the fear and hopelessness that begins to set in when redundancies occur and people have to make major shifts in their lives?
- How do we respond to those families who were already marginalised as they address the extra stresses of service cuts and a tougher climate for getting jobs?
- How are relationships addressed when parents who struggle to feed their families are not able to access decent housing?
- How would a group of typical counsellors or therapists handle the problems differently from a group of typical community workers?



- Many families who come to therapists arrive with problems that include psychosomatic illnesses, violence, depression, addiction, delinquency, marital and partnership stress, psychotic illnesses, parenting problems, relationship stress and the like.
- Events like unemployment, fundamental changes in economic expectations, housing stress, substantial reductions in state provided income and/or services can be extremely depressing on-going experiences that may eventually lead parents and children into a states of stress that open them up to physical and mental illnesses and dysfunctional social relationships.
- When people come to therapists depressed in these sorts of circumstances, and their clinical or social problems are treated within the conventional clinical boundaries, they are simply made to feel a little better in poverty.
- Unintentionally, but nevertheless very effectively, they simply adjust people to poverty.



INEQUALITIES AND HEALTH

- Brenner's research on the effects of economic recession in the USA indicated that a 1% rise in unemployment in a given year is followed by:
 - 6% more admissions into psychiatric hospitals,
 - a 4% rise in suicides,
 - a 4% rise in state prison admissions
 - and 6% more homicides.



Studies on Health Status and Inequalities

- They show a distinct relationship between inequalities in society and physical and mental illhealth.
- Poorer people die earlier, consistently have the poorest health and the highest hospitalisation rates.
- Furthermore, when there is an overall improvement in a country's population health status, the health inequalities do not decrease.
- The evidence is overwhelming.



INEQUALITIES AND HEALTH Ctd

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THERMOMETERS OF PAIN

- Therapists, as a professional group, are the most informed 'experts' of the collective grounded levels of hurt, sadness and pain in modern countries.
- Those who live in deep pain are of course the primary 'experts' in the sadness and hurt they and their communities experience, but therapists are the professional helpers who continually witness that pain with many individuals and families and across a variety of communities week after week.
- Instead of withholding their knowledge in clinical vacuums, they can apply it contextually and relevantly in current social and economic circumstances.
- Their questioning around lived experience and conditions in therapy and affirmation of the survival and resilience of families under disadvantage and pressure can transform vulnerability into resilience and agency.
- They can also register the rise in the mercury level by quantifying, describing and identifying causality for all to see. Their voice in the public debate will add reality and depth.



Poor Families have been Badly Served by the Therapy Community in Three Ways

- Although such families are those most in need of therapeutic resources, they seldom receive such resources on their own terms.
- Therapists working with poor families typically constrain themselves within narrow clinical boundaries that avoid the prime contextual factors that are so basic to their daily survival.
- As the key profession most in touch with grounded pain in society, they would contribute substantially more to disadvantaged families if they :
 - contextualised their therapeutic work to the changed economic and social conditions
 - Were active in the public debates and policy discussions that impact on these families in modern democratic societies



What do you need to do in the therapeutic environment to allow the social and economic context to be fully explored?

What sort of questions would you ask?

How do you transform perceived failure into seeds of resistance?

How do you enable resilience while at the same time addressing identified problems?



Poverty in the 1990s

- 1991 Benefit Cuts - no official monitoring
- Small community studies, food bank growth
- Impact of market rents, after housing cost poverty and move to rural areas
- Poverty Measurement Project
- Role of medics and teachers



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Question

What do you think is the most realistic way to establish a poverty threshold?



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Some Focus Group Household Conditions

- The children of the family are assumed to be between 7 and 11 years of age
- “Income” includes the value of all money, goods and services received by the household regardless of the source;
- The financial circumstances of the household are not expected to change significantly;
- The members of the household are drawing on a common pool of resources (this can include, to some degree, people not living in the same house and exclude some who are);
- There are no costs relating to generating income;
- Work done within the household has no financial value;
- The goods and services that are available, including public services, will continue to be available at the same cost;



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Food

- Three meals a day for all members, plus snacks after school.
- Does not allow for meals for visitors.
- Food of supermarket price and quality sufficient to maintain health and normal development
- The children of the family are assumed to be between 7-11 years of age

Housing

- Private sector rents at the lower end of the market in the area for 3 bedrooms.
- The children of the family are assumed to be between 7-11 years of age
- There are no significant costs associated with household disruption or change

Power/Heating

- Continuous hot water supply and normal use of all appliances.
- One room warm during the day in winter.
- There are no significant costs associated with household disruption or change



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Minimum Adequate Weekly Expenditure Estimates by Low Income Panels, Lower Hutt, 1993

Table 1: Weekly Expenditure Estimates, Lower Hutt, 1993
Estimates of Minimum Adequate Weekly Expenditure for 2 Adults and 3 Children, by Low Income Panels

Expenditure Category	Focus Group Type					Average
	Maori	Samoan	Pakeha	Sole Parent	Wage Earning	
Food	\$100	\$ 150	\$ 100	\$ 130	\$ 90	\$ 114
Household operations	\$ 10	\$ 10	\$ 10	\$ 15	\$ 10	\$ 11
Housing	\$150	\$ 180	\$ 150	\$ 150	\$ 150	\$ 156
Power/Heating	\$ 30	\$ 20	\$ 20	\$ 25	\$ 20	\$ 23
Phone	\$ 11	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10
Transport	\$ 40	\$ 30	\$ 40	\$ 55	\$ 60	\$ 45
Activities/Recreation	\$ 15	\$ 10	\$ 25	\$ 21	\$ 30	\$ 20
Insurances	\$ 11	\$ 11	\$ 15	\$ 20	\$ 15	\$ 14
Life insurance/Super	\$ 20	\$ 10	\$ 20	\$ 10	\$ 5	\$ 13
Exceptional Emergency	\$ 10	\$ 20	\$ 10	\$ 10	\$ 5	\$ 11
Appliances	\$ 10	\$ 6	\$ 10	\$ 5	\$ 4	\$ 7
Furnishings	\$ 10	\$ 6	\$ 5	\$ -	\$ 3	\$ 5
Medical	\$ 15	\$ 5	\$ 15	\$ 5	\$ 15	\$ 11
Clothing/Shoes	\$ 37	\$ 10	\$ 20	\$ 20	\$ 15	\$ 20
Education	\$ 6	\$ 5	\$ 8	\$ 15	\$ 10	\$ 9
TOTAL	\$475	\$ 483	\$ 458	\$ 491	\$ 442	\$ 470

Minimum Adequate Weekly Expenditure Estimates by Low Income Panels, 2003

Using focus group food estimates (2A+3C)

		2A+3C	Equivalent estimate for 2A+1C (2A+3C/1.314)	Equivalent annual	Median annual	Equivalent % of Median
Maori	Auckland	634.5	482.88	25109.59	37590	66.8
Maori	Wellington	567	431.51	22438.36	37590	59.7
Pakeha	Auckland	591	449.77	23388.13	37590	62.2
Pakeha	Wellington	649	493.91	25683.41	37590	68.3
Pakeha	Christchurch	366	278.54	14484.02	37590	38.5
Average		561.50	427.32	22220.70	37590	59.1
Median		591.00	449.77	23388.13	37590	62.22

Minimum Adequate Weekly Expenditure Estimates by Low Income Panels Adapted Using Equivalised Nutrition Survey Food Figures, 2003

Using equivalised Nutrition Survey figures (2A+3C)

			Equivalent estimate for 2A+1C (2A+3C/1.314)	Equivalent annual	Median annual	Equivalent % of Median
Maori	Auckland	692.5	527.02	27404.87	37590	72.9
Maori	Wellington	575	437.60	22754.95	37590	60.5
Pakeha	Auckland	629	478.69	24891.93	37590	66.2
Pakeha	Wellington	637	484.78	25208.52	37590	67.1
Pakeha	Christchurch	444	337.90	17570.78	37590	46.7
Average		701.94	453.20	23566.21	37590	62.7
Median		664.75	478.69	24891.93	37590	66.22



Focus Group Budget Items 2005 - 2006

Maori 2005		Wellington 1	Wellington 2	Wellington 3	Average
	Food	\$123.00	\$130.00	\$120.00	\$124.33
	Housing	\$180.00	\$200.00	\$160.00	\$180.00
	Power	\$50.00	\$25.00	\$20.00	\$31.67
	Transport	\$30.00	\$25.00	\$20.00	\$25.00
	Clothing	\$30.00	\$30.00	\$5.00	\$21.67
Pacific Island 2005		Wellington 1	Wellington 2	Wellington 3	Average
	Food	\$110.00	\$120.00	\$200.00	\$143.33
	Housing	\$180.00	\$150.00	\$250.00	\$193.33
	Power	\$50.00	\$30.00	\$25.00	\$35.00
	Transport	\$30.00	\$30.00	\$25.00	\$28.33
	Clothing	\$15.00	\$15.00	\$15.00	\$15.00
Pakeha 2006		Tauranga	Palmerston North	Blenheim	Average
	Food	\$110.00	\$110.00	\$125.00	\$115.00
	Housing	\$260.00	\$200.00	\$250.00	\$236.67
	Power	\$25.00	\$45.00	\$30.00	\$33.33
	Transport	\$25.00	\$25.00	\$35.00	\$28.33
	Clothing	\$20.00	\$10.00	\$20.00	\$16.67



Incidence and Severity of Poverty, After Housing Costs

	People		Adults 18-64		Adults 65+		Children 0-18	
	1998	2001	1998	2001	1998	2001	1998	2001
Incidence								
Market	29.7	30.2	19.5	21.2	75.3	70.6	33.5	33.9
Disposable	20.3	21.9	16.7	18.8	12.3	10.8	33.5	35.0
Efficiency	31.6%	27.5%	14.4%	11.3%	83.7%	84.7%	0.0%	3.2%
Poverty Gap \$m								
Market	6059	7283	1059	1654	3222	3438	1778	2191
Disposable	1211	1589	422	626	146	115	643	848
Efficiency	80.0%	78.2%	60.2%	62.2%	95.5%	96.7%	63.8%	61.3%



INCIDENCE, STRUCTURE AND SEVERITY OF POVERTY, BY ETHNIC STATUS, 2000

60 per cent of Median Equivalent Household Disposable Income Threshold

Ethnicity	Incidence (pre-housing)			Structure			Incidence (post-housing)		
	Adult	Child	Total	Adult	Child	Total	Adult	Child	Total
European	11.6	20.3	13.5	64.7	57.4	62.4	14.5	31.3	18.2
Maori	22.1	32.9	25.6	18.6	24.1	20.6	27.5	39.3	31.4
Pacific	26.1	34.2	29.0	8.3	10.7	9.1	36.8	54.0	43.0
Other	17.6	25.3	19.6	8.3	7.8	8.1	23.9	39.4	28.0
Total	13.8	23.9	16.3	100.0	100.0	100.0	17.6	35.0	21.9



Food

Respondents rated the following food items as the six most essential:

Basic carbohydrates (potato, kumara, pumpkin, taro, rice, pasta); fresh fruit and vegetables; dairy products (milk, cheese, butter); packaged bread (white, brown and mixed grain); tea, coffee, cordial; and beef minced dishes (eg rissoles, meatloaf).

Over 60% of respondents who had rated these foods as essential had been unable to buy each of these six items at least once in the previous three months because of a shortage of money.

24% of all respondents said they could not afford to buy essential food items most times when they bought food.



49% of all respondents had been unable to provide a meal for their family at least once in the previous three months because they could not afford it.

28% had been unable to provide four or more meals in the previous three months for the same reasons.

72% of Pacific people, 48% of Maori and 38% of Pakeha households had been unable to provide a meal for their family.

80% of households said that the variety of foods they were able to provide for their family was limited because a shortage of money.

31% of households said that the variety of foods they were able to provide for their family was always limited because a shortage of money.



Health

56% of all households had members who did not visit a doctor when they needed to in the previous year because of a shortage of money.

40% had not been able to afford to visit the doctor when they needed to three times or more during the previous year.

59% of all households had members who did not visit a dentist when they needed to in the previous year because of a shortage of money.

22% had not been able to afford to visit the dentist when they needed to either three times or more, or when they had ongoing tooth ache during the previous year.



56% of households had members who had not been able to afford to pay for medicine or a prescription when they needed it at least once during the previous year.

34% of all households had been unable to purchase medicines three times or more times during the previous year.

47% of households had at least one member who suffered from a chronic illness.

26% said the costs of paying for their chronic illnesses prevented them paying other household bills.

The most common illnesses that households could not afford to have treated were colds and flu (44% of all respondents), headaches and migraines (32%), and more seriously asthma (17%) and internal conditions (17%).



When it comes to the doctor we are usually the last people to go. Mum doesn't go until she is just about crawling around on her hands and knees, and then you may go to the doctor.

10744-10748: Couples

I don't go.

Nope.

Avoid it as much as you can. You only go if you are pretty much dying.

1706: Couples

Women on their own put off going to the doctor themselves. There are a lot of things which are self-denial, but the thing is it takes it's toll. Anything that goes wrong is more serious, and if anything does go wrong it is very hard to get your child looked after if you actually need to go to hospital.



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"Well your power gets cut off, your phone gets cut off and you don't eat. But you've still got a roof over your heads."

"Your kids health suffers. Prescriptions. They just come up out of the blue. Well there's your meat money because it has just gone on prescriptions."



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“And then if it’s the food, and you feed the people who need it the most, like the ones who are sick are usually the kids. Then the adults are going to get sick because they haven’t eaten and there is going to be more medical bills.”

“And you find, I think, that with a lot of the beneficiaries, and especially the elderly, that is happening. They are cutting in places that they really need, their warmth and that, just to make ends meet.”

“Some kids are embarrassed to go to school with no lunch anyway because they have to sit there and watch everyone else eat.”



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“I get my rent paid before I get my benefit with automatic payment so that’s all done. I then go down to the food market and get what I have to get and then after that, what’s left I divvy up between the bills.”

“I find if you try and keep up with the bills then they are not stacking up and you don’t have all that upheaval.”

“That’s a worry if you’ve got the repo man coming down the road.” G2

“F What sort of things do you pay first? Which Bills?”

“Rent is the first one and then I do the power, telephone and then my food and then any little ones.”



F *"Is that the same for everybody? The same priorities?"*
"Yes. Yes."

"Phone and then food. The phone is my life-line." G4

"The one I classify as essential is school. The school activities because if they don't do it they can be penalised. If we don't pay for these school activities, the children will be penalised."

"Yeah"

F *"Do yours?"*

"Yeah but only with the help of birthright for example. So we just rely on charity basically. It's absurd." G 1



Assessing the Progress on Poverty Reduction Post 1999

Anti-Poverty Policies:

- NZ Superannuation:
 - lift rate to 67.3% average weekly earnings
 - Super fund
- Income-related State Housing, 25% household income
- Employment Strategy
- Primary Health Care
- Improving Child Assistance WFF



ADDRESSING CHILD POVERTY

The Working for Families package is targeted primarily at low-to-middle-income families with dependent children and will build to \$1.6 billion of new money by 2007. Its key goals are:

- to improve income adequacy for families with dependent children and 'make work pay'
- increased Accommodation Supplement rates
- Increased Childcare assistance.



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Population Rates

60% of Median Poverty Threshold (BHC) 2009

Turkey 2004	26	EU -27 average	16
Latvia	26	Ireland	15
Mexico 2004	25	Belgium	15
United States 2004	24	Switzerland	15
Lithuania	21	Luxembourg	15
Greece	20	Finland	14
Spain	20	Sweden	13
Australia 2003	20	France	13
Canada 2004	20	Denmark	13
Estonia	20	Austria	12
Italy	18	Hungary	12
Portugal	18	Norway	12
New Zealand 2009	18	Slovenia	11
United Kingdom	17	Slovakia	11
Poland	17	Netherlands	11
Germany	16	Iceland	10
		Czech Republic	9



**Child Poverty Rates
60% of Median Poverty Threshold (BHC) 2009**

Turkey 2006	36	New Zealand 2009	20
Mexico 2004	30	EU-27 average	20
United States 2004	29	Ireland	19
Latvia	26	Belgium	17
Canada 2004	25	France	17
Italy	24	Slovak Republic	16
Spain	24	Germany	15
Lithuania	24	Netherlands	15
Greece	24	Austria	13
Poland	23	Czech Republic	13
Portugal	23	Sweden	13
Luxembourg	22	Finland	12
Australia 2003	22	Norway	12
Estonia	21	Slovenia	11
United Kingdom	21	Denmark	11
Hungary	21	Iceland	10



Significance of the Research

- **Significant change in living standards experienced by lower income households in the late 80s and 1990s**
- **Research at arms length from government**
- **At time when government's research priorities did not include significant work on living standards of poverty**
- **Significantly advanced our understanding of the concept of poverty and the incidence of economic hardship in New Zealand**

Impact on Policy

- **Influenced political parties: eg. Labour's 1999 "Pledge card" included an undertaking to introduce income related rents, New Zealand Superannuation rate**
- **Contributed to more recent government initiated research on living standards**
- **Contributed to analysis that saw 2004 Budget investment in family incomes**

Given the struggles many families experience during economic crises, how can you in your situation enter or initiate the public debate on the social and economic determinants of health and wellbeing out of respect for the families you see?