Health impacts of recession –
Emerging evidence and implications
for energy poverty

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Institute of Public Health in Ireland
Outline of presentation

- Evidence on health impacts of economic recession

- What are the opportunities and challenges for improving health through healthier housing, in the context of Ireland’s burst property bubble?

- 8 observations and 2 questions
Health Impacts of Employment
a review

IEA/EEA workshop on health benefits of energy efficiency - Copenhagen April 17/18 2013
Evidence: significantly higher risk of ill health

• Strong correlation with increased suicide, alcohol poisoning, liver cirrhosis, ulcer, mental disorders**

• Increase of suicide incidence: 17% in Greece and Latvia, 13% in Ireland***

• Associated with a doubling of the risk of illness and 60% less likelihood of recovery from disease*

• Anticipation of job less as a result of early indicators of crisis also having a negative effect***

• 

**NEVERTHELESS**, we also know that active labour market policies and effective social safety nets can mitigate most of these adverse effects, according to evidence from Sweden and Finland during their financial crisis in the early 1990s)

Other mediators

- Changes in government spending on health and social care services, eligibility
- Changes to personal health spending – eg health insurance, prevention, primary care, home care
- Changes in government spending on capital investment programmes – foundations for public health – housing, infrastructure, transport, schools
- Social welfare reform
- Policy initiatives to deal with debt and insolvency
Housing in Ireland – boom

- April 2011 – 1,994,845 dwellings
- Prosperity, tax incentives and bank lending policies - a culture of property investment
- Housing stock increased by 21.2% in the period 2002-2006 and by 12.7% between 2006-2011
- Variety in the type, size and quality of housing built
- Increases in people living alone
- Multiple property buyers, buy to let, ‘property pension’ among middle-aged purchasers
- Housing retrofits - SEAI schemes & BER introduced
Housing in Ireland - bust

- Ghost estates
- Mortgage arrears (graph)
- Repossession (? on the way)
- Debt – including utility debt
- Increases in the proportion of the population living in private rented accommodation (Census 2011)
- Increases in the demand for social housing but limited funds to build it
- Boom time buildings - compliance with health and safety (and energy efficiency?) standards?
Mortgages at Risk (ex <90 days arrears)

*numbers of mortgages and linear trend forecast*

Mortgages at risk are defined as mortgages officially in arrears, restructuring but not in arrears and reposessions to-date

Source: Central Bank of Ireland
Late stage mortgage arrears in European countries

14% of the total balance

- Ireland
- UK Prime
- Greece
- Spain
- Portugal
- The Netherlands
- Italy

Data: European ABS Outlook 2013, Deutsche Bank

Ritchie King | Quartz
Non-boom, non-bust

- Groups in relative income poverty & deprivation – change or the same?
- Poor quality energy inefficient housing lacking central heating remained concentrated among older people (table)
- Demographic backdrop - population ageing, increases in older people living alone, child poverty
- Concentration of fuel poverty among lone-parent households
### No central heating

Private Households in Permanent Housing Units (Number) by Type of Central Heating, Age Group of Reference Person and Census Year

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 25 years</td>
<td>1,081</td>
</tr>
<tr>
<td>25 - 29 years</td>
<td>1,562</td>
</tr>
<tr>
<td>30 - 34 years</td>
<td>1,660</td>
</tr>
<tr>
<td>35 - 39 years</td>
<td>1,506</td>
</tr>
<tr>
<td>40 - 44 years</td>
<td>1,624</td>
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<tr>
<td>45 - 49 years</td>
<td>1,868</td>
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<tr>
<td>50 - 54 years</td>
<td>2,216</td>
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<tr>
<td>55 - 59 years</td>
<td>2,471</td>
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<tr>
<td>60 - 64 years</td>
<td>2,789</td>
</tr>
<tr>
<td>65 years and over</td>
<td>10,175</td>
</tr>
<tr>
<td>65 years and over not living alone</td>
<td>5,597</td>
</tr>
<tr>
<td>65 years and over living alone</td>
<td>4,578</td>
</tr>
</tbody>
</table>
Concurrent health trends

- Population ageing – increases in number of people with conditions affected by living in cold homes ‘vulnerable’
- Rates declining, numbers increasing – CVD
- Rates static(?), numbers increasing - COPD, respiratory disease
- Rates increasing, numbers increasing – childhood asthma, allergic diseases (GUI, ISAAC studies)
- Rates increasing, numbers increasing – mental illness, depression and anxiety
- Falls among older people
WARMER HOMES
A Strategy for Affordable Energy in Ireland
Estimated No. of Energy Poor Households in 2009

Energy Poverty Rate – Energy Poor as % of All Households by Composition

Source: CSO, Household Budget Survey 2004-05 and analysis of movements in energy prices and incomes between 2004/05 and 2009
Private Households in Permanent Housing Units (Number) by Type of Central Heating, Age Group of Reference Person and Census Year

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peat (incl. turf)</td>
<td></td>
</tr>
<tr>
<td>Under 25 years</td>
<td>750</td>
</tr>
<tr>
<td>25 - 29 years</td>
<td>2,091</td>
</tr>
<tr>
<td>30 - 34 years</td>
<td>3,679</td>
</tr>
<tr>
<td>35 - 39 years</td>
<td>5,027</td>
</tr>
<tr>
<td>40 - 44 years</td>
<td>6,029</td>
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<tr>
<td>45 - 49 years</td>
<td>7,677</td>
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<tr>
<td>50 - 54 years</td>
<td>9,236</td>
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<tr>
<td>55 - 59 years</td>
<td>9,648</td>
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<tr>
<td>60 - 64 years</td>
<td>9,123</td>
</tr>
<tr>
<td>65 years and over</td>
<td>25,378</td>
</tr>
<tr>
<td>65 years and over not living alone</td>
<td>9,434</td>
</tr>
<tr>
<td>65 years and over living alone</td>
<td>15,944</td>
</tr>
</tbody>
</table>
Observations

• Improved energy efficiency has the potential to act as a protective factor for the health and wellbeing of vulnerable householders in difficult economic times – a healthy affordable home is a real asset

• Incentivising governments to invest in improved energy efficiency will be a challenge when departmental budgets are constrained, particularly when this area might be considered ‘non-core’ work

• Incentivising householders to invest in improved energy efficiency is an even bigger challenge when family budgets are constrained
Observations

• Constrained governmental budgets should lead to an increase in partnership working, but this depends on high level commitment and belief in its value across several key departments.

• Healthy Ireland, Ireland’s new public health strategy proposes increased cross-sectoral responsibility for health and a Health In All Policies Approach.

• The direction of health policy and health service reform could present opportunities for increased partnership around a common priority – better prevention and management of chronic disease.
Observations

- Changes are afoot in terms of social welfare and health reform as well as in energy policy - need to keep an eye on many policy targets – damage limitation for fuel poor householders may be key!
Impact of modelled tax and benefit reforms in the UK: 2011-2014

- Income change
- Net income decile group

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Observations

- Better consideration of local fuel poverty implications of European and global policy directives can be important in terms of not creating additional vulnerabilities.
• Tackling the worst housing, improving private rented

• Ensuring adequate energy efficient homes for social housing applicants

• Integrating energy efficiency into policy responses to unemployment, housing repossession, debt and ghost estates

• Integrating energy efficiency considerations into ageing policy

• Demonstrating the case for further investment within a harsh fiscal climate

• Leveraging cross-departmental engagement and budgets

• Developing appropriately nuanced approaches to European policy

• Regularly refreshing data and misconceptions about fuel poor households
Question

• Can policy responses to the economic crisis be oriented to protect the health and wellbeing of vulnerable and fuel-poor householders?

How can we realise opportunities for improving energy efficiency into -

• Policy response to personal debt, PIP, mortgage arrears and repossession
• Policies and programmes addressing unemployment
• Social welfare reform
• Health service reform
• Health service frameworks on relevant conditions
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