

## Chapter 35 Finance

### Introduction

- 35.1 The information available to the Commission about the finances of the different institutions is set out in the relevant chapters. The most detailed financial information available is from Dunboyne as the Good Shepherd Sisters provided the Commission with audited accounts for nearly every year of its operation (see Chapter 24). The Congregation of the Sacred Hearts of Jesus and Mary was unable to provide detailed financial information about its three homes (Bessborough, Sean Ross and Castlepollard - see Chapters 17-20). At some stage (it seems likely to have been from 1947), the congregation was required to provide the Department of Health with audited accounts each year so that the capitation rate for the women and children could be set. It seems that they did this for at least some years as the records provided to the Commission by the Department of Health contain copies of some audited accounts. Similarly the Sisters of Bon Secours were unable to provide financial information for Tuam (see Chapter 15). There is no evidence that there were ever audited accounts for Tuam but information about its capitation rate was collected from Department of Health files.
- 35.2 Very little is known about Pelletstown's (Chapter 13) finances as they cannot be distinguished from the general finances of the Dublin Union and its successors; it was not financed on a capitation basis. There is some limited information about the amount it charged other local authorities who were responsible for residents in Pelletstown and there is information available about what its staff were paid. The county homes were directly financed by the health authorities and it is not possible to distinguish the amounts involved in housing unmarried mothers and their children. The members of religious orders who staffed Pelletstown and the county homes were paid as public servants; this was not the case with the homes financed by capitation. The smaller homes and hostels all had different methods of financing and these are described in the relevant chapters.
- 35.3 In 1943, the Joint Committee of Women's Societies and Social Workers sent a memorandum to Government (and others) on the issue of children in institutions. In this they argued that the money being paid to institutions should instead be paid to the mother. This chapter tries to put the amounts paid in respect of women and

children in the institutions under investigation in context by comparing the capitation rates with the payments which the State made to families living in the community, including payments made in respect of boarded out children, the payments made to some other institutions, and, to a limited extent, the contemporary rates of pay of workers. It is clear that the payments made in respect of women and children in the institutions financed by capitation payments were considerably more generous than the State payments available to a parent and child in the community before the Unmarried Mother's Allowance was introduced.

### **General financial situation**

35.4 The Commission has seen no evidence that the religious orders which ran the institutions which were financed on a capitation basis made a profit from so doing. All the evidence suggests that they struggled to make ends meet particularly when occupancy rates declined. In some cases, the work of the individual members of the orders was not taken into account in setting the capitation rate. Payments by local authorities were quite often late. An allegation has been made that local authorities were billed for mothers and children after they had left the home. The Commission has found no evidence of inappropriate billing. Local authorities were usually billed monthly in arrears so it is reasonable that some would have left before the payment was made.

35.5 The capitation rates were set on the basis of expenditure in the previous year. The financial records seen by the Commission show that earnings from farms or the letting of land were taken into account and the capitation rate reduced accordingly. From a financial point of view, this method of setting the capitation rate seems to have worked reasonably satisfactorily when there was relatively little inflation and when the women stayed for longer periods. Even though the numbers in the institutions increased in the 1960s, the women stayed for much shorter periods. This combined with inflation meant that the finances became more difficult to manage.

### **Payment by the women**

35.6 Apart from Denny House and Bethany, there is no evidence that women who were supported by public assistance/health authorities in other institutions were asked to make a contribution towards their stay. Legally, they could have been charged if

they had an income. Before the introduction of maternity allowance in 1953, it is unlikely that they would have had an income. After that, those who had been employed would have had an income for 12 weeks. The *Institutional Assistance Regulations 1954*<sup>1</sup> provided that people receiving institutional assistance in any institution could be required to make a contribution towards the cost. The health authorities could require people who had an income of more than 10s a week to make a contribution towards their maintenance. This was increased to £1 in 1965.<sup>2</sup>

35.7 County home residents did have to contribute under these regulations. Older people who were resident in county homes would generally have been receiving either an Old Age Pension (Contributory) or an Old Age Pension (Non-Contributory). Generally people with disabilities in institutional care did not have an income; the Disabled Person's Maintenance Allowance was not payable to people in institutions until the 1990s (when it was renamed Disability Allowance).

35.8 When unmarried mother's allowance was introduced in 1973, there is no evidence that the large institutions sought payments from the women. At this stage some women in the institutions would have been receiving maternity pay from their employers; again, there is no evidence that they were expected to contribute in the large institutions. Later, some women in the institutions were receiving training allowances from AnCo; in general, these allowances were higher than the prevailing social welfare rates.

## 1920s

35.9 Until the introduction of Unemployment Assistance and Widows' Pensions in the 1930s, the only payment that a parent and child living in the community was likely to get was home assistance (see Chapter 1). The Report of the Commission on the Relief of the Sick and Destitute Poor in 1927 recorded that 632 widows with one child were in receipt of home assistance in 1926; only three were getting more than 12s 6d a week.<sup>3</sup> The vast majority of all home assistance recipients were getting less than 12s 6d a week. The 1927 report recognised the inadequacy of this and recommended the introduction of pensions for widowed and deserted mothers but did not mention unmarried mothers.

<sup>1</sup> <http://www.irishstatutebook.ie/eli/1954/si/103/made/en/print>

<sup>2</sup> *Institutional Assistance Regulations 1965*: <http://www.irishstatutebook.ie/eli/1965/si/177/made/en/print>

<sup>3</sup> *Sick and Destitute Poor report* (1927), p. 560.

- 35.10 The capitation rate at the time was £1 a week for a mother and child in Tuam and £1 1s for a mother and child in Bessborough. In 1925 an official from the public health section of the Department of Local Government and Public Health told the Commission on the Relief of the Sick and Destitute Poor that the cost of maintenance per person in Denny House (then called the Magdalen Asylum) was £1 12s 6d a week.
- 35.11 In December 1928, Frank Duff (see Chapter 21), who was a former senior official of the Department of Finance, considered that outdoor relief of 15s a week would be necessary to enable an unmarried mother and her child to live in the community. It is not known if he was aware of the capitation rates in the mother and baby homes but it seems likely that he was. This, interestingly, was the rate set for a mother and child when the Widow's Contributory Pension was introduced in 1935.
- 35.12 When St Vincent's, Cabra was being established as a home for children with disabilities in 1925, the Daughters of Charity agreed to accept children from the Dublin Union at a rate of £26 a year (10s a week); Dublin Union children above that number and children from other areas would attract a capitation rate of £39 a year (12s 6d a week).
- 35.13 The payments for boarded out children varied widely between the various health authorities and sometimes within the same health authority. In March 1927, a number of counties were paying 5s a week; the highest rate was £1 10s a month and the lowest was 2s 6d a week.
- 35.14 Foster parents recruited by the Protestant Nursery Society received £1 14s 8d a month; foster parents recruited by Bethany received £1 10s.
- 35.15 In 1924, a superintendent in Pelletstown was paid an annual salary of £90. A temporary midwife (a lay person) was paid £2 5s a week for night duty in Pelletstown. In Kilrush, the General Attendant Porter was paid £104 a year, or £2 a week.

**1930s**

- 35.16 Unemployment Assistance was introduced in 1933. There were different rates depending on where the recipient lived. Until the 1990s, women qualified for lower rates than men. The rates quoted in this chapter are the highest rates available for one adult and one child. In practice, most women with small children did not qualify as they were regarded as not being available for work.
- 35.17 Widow's Pensions (Contributory) and Widow's Pensions (Non-Contributory) were introduced in 1935; by definition, unmarried mothers did not qualify.
- 35.18 The maximum Unemployment Assistance payable for one adult and one child was 12s a week from 1933<sup>4</sup> and 14s a week from 1938.<sup>5</sup> The maximum rate of the Widow's Contributory pension was 15s a week from 1935 and the maximum rate of the Widow's Non-Contributory pension was 11s a week.<sup>6</sup> The capitation rate in Tuam at this time was £1 for a mother and child and it was £1 1s in Bessborough.
- 35.19 In discussions over the change of status of Pelletstown in the 1930s, the Daughters of Charity were prepared to accept a capitation rate of 12s 6d for each child. At this time, the capitation rate for St Vincent's, Cabra was 15s a week for each child.
- 35.20 As always, rates for boarded out children varied widely. In 1933 Tipperary North Riding paid a weekly maintenance rate of 7s for children aged two to four; 6s for children aged four to ten; and 5s for children aged ten to 15.

**1940s**

- 35.21 Children's Allowances (now called Child Benefit) were first introduced in 1944 but only for the 3<sup>rd</sup> and subsequent children in a family; in 1952, they were payable for 2<sup>nd</sup> and subsequent children.
- 35.22 The maximum weekly rate of Widow's Contributory Pension for a woman and child as £1 2s 6d from 1948.<sup>7</sup>

<sup>4</sup> Unemployment Assistance Act 1933: <http://www.irishstatutebook.ie/eli/1933/act/46/enacted/en/html>

<sup>5</sup> Unemployment Assistance (Amendment) Act 1938.

<sup>6</sup> Widows' and Orphans' Pension Act 1935: <http://www.irishstatutebook.ie/eli/1935/act/29/section/10/enacted/en/html#sec10>

<sup>7</sup> Social Welfare Act 1948 <http://www.irishstatutebook.ie/eli/1948/act/17/section/41/enacted/en/html#sec41>

- 35.23 The capitation rate in Tuam was £1 2s for a mother and child in 1944; £2 5s in 1948 and £2 7s in 1949. In 1946, Bethany was charging Monaghan county council 15s a week. It was claimed that this would cover approximately half of the maintenance cost of each mother.
- 35.24 In 1943, the capitation rate for each child in St Philomena's was 12s 6d. Its capitation rate was increased to 17s 6d from 1 January 1948 and to 19s from 1 April 1948.
- 35.25 In 1945, the Cork board of assistance sought foster parents for boarded out children at a rate of £1 10s a month and a clothing allowance of £4 10 a year; there was a very poor response. In 1947 the average payment per child nationally was just under 7s, weekly payments to foster parents in Monaghan ranged from 8s 6d to 11s, the highest payment was for infants; Galway paid 5s weekly for children up to the age of ten, and 4s weekly for older children.<sup>8</sup> In 1949, Limerick city paid foster parents 8s a week whereas Co Limerick paid foster parents 14s a week.
- 35.26 In 1944, a nurse in Bethany was on a £75 per year salary; the housekeeper had a salary of £52. They lived in the institution.

## 1950s

### Maternity Allowance

- 35.27 Maternity Allowance was introduced in 1953. It was based on a woman's or her husband's social insurance contributions and was payable for six weeks before the birth and six weeks after. The initial rate was £1 4s a week.<sup>9</sup>
- 35.28 The maximum weekly rate of Widow's Contributory Pension for a woman and child was £1 11s from 1952.<sup>10</sup> The maximum weekly rate of Unemployment Assistance for an adult and child was £1 3s from 1952 and remained at that level until 1960.
- 35.29 The capitation rate in Tuam in 1950 was £1 12s a week for a mother and child in 1950, £1 16s a week in 1952; £2 in 1953 and £1 5s for a mother and £1 for a child in 1956.

<sup>8</sup> Department of Health, RM/INA/0/505478.

<sup>9</sup> Social Welfare Act 1952 <http://www.irishstatutebook.ie/eli/1952/act/11/schedule/3/enacted/en/html#sched3>

<sup>10</sup> *ibid*

- 35.30 Gardeners in Dunboyne were being paid £5 a week in 1955.
- 35.31 In the mid-late 1950s Bethany was receiving £2 a week for each mother in the home from the Public Assistance Authorities. The capitation rate in the Sacred Heart homes was £2 a week for mothers and £1 a week for children in the early 1950s. In 1956 the capitation rates were £2 5s a week for mothers and £1 2s 6d for children.
- 35.32 In 1956, the weekly rate for boarded out children varied between 8s and £1 3s.
- 35.33 In 1953, general trained nurses in Pelletstown had a starting salary of £310 a year while people in charge of areas such as stores, laundry, kitchens, workrooms started at £130 a year. In 1957, Denny House recruited a qualified nurse at £150 a year; the matron recognised the 'smallness of the salary'. This nurse left within a year.
- 35.34 In 1955, Denny House advertised for a porter, but the matron reported that 'total wage of £4 with meals does not exceed unemployment benefit enough to make it worthwhile to do it 7 days a week'. In 1952, a man came to do polishing and cleaning in Denny for three hours most mornings was paid 5s a day.

### **1960s**

- 35.35 The maximum weekly rate of Unemployment Assistance for an adult and child was £1 7s from 1960 and increased to £2 4s in 1965. The maximum weekly rate of the Widow's Non-Contributory pension was £1 16s from 1960 and increased to £2 16s in 1965.<sup>11</sup>
- 35.36 The capitation rate in Dunboyne for 1967/8 was 6s 5d a day for children (£2.5s per week) and 12s 10d a day (£4.10s per week) for women. In Dunboyne, the institutional records show that the private patients who were there in 1965–68 paid between £5 and £6 a week for their stay.

### **The 1970s onwards**

- 35.37 In 1972, Denny House sought to have the capitation rate for mothers and children doubled from £4 and £2 (which had been the rates since 1967) respectively to £8

<sup>11</sup> Social Welfare (Miscellaneous Provisions) Act 1960 and Social Welfare (Miscellaneous Provisions) Act 1965.

and £4. The Department of Health reviewed their accounts for the years 1970 and 1971 and concluded that the average weekly cost per patient in 1971 was £12.60; the department described the capitation rate of £4 per week for a mother as 'highly unrealistic'. The department decided on a rate of £7 for the mother. At this time, the rate for a mother in Bessborough was £10. Denny's rate was increased to £10 in 1973 when Bessborough's was £12 and to £12 in 1974.

- 35.38 The Unmarried Mother's Allowance was introduced in 1973 at the same rate as the Widow's Non-Contributory Pension - £8.15<sup>12</sup> a week for a mother and child.<sup>13</sup> It increased to £11.80 in 1975<sup>14</sup> and to IR£27.90<sup>15</sup> in 1980.<sup>16</sup>
- 35.39 The capitation rates in Dunboyne were £2.10 a day (£14.70 a week) for mothers and £1.05 a day (£7.35 per week) for children in 1973/4 and £1.58 and £3.15 respectively (£11.06 and £22.05 per week) from January 1975.
- 35.40 In 1983 the capitation rate in Dunboyne was £9.75 a day (£68.25 per week) for mothers and £5 a day (£35 per week) for children.
- 35.41 In 1981, it was estimated that it cost between £6,000 and £7,000 for each mother and child maintained in Pelletstown. At this time the rate of Unmarried Mother's Allowance was £27.90 or approximately £1,450 a year.
- 35.42 In March 1978, the capitation rates at Bessborough, which were £3.00 per day for women and £1.50 per day for infants, were increased to £25.20 a week for mothers and £12.60 a week for infants.

<sup>12</sup> The changeover to decimal currency happened on 15 February 1971.

<sup>13</sup> Social Welfare Act 1973.

<sup>14</sup> Social Welfare Act 1975.

<sup>15</sup> The link with sterling was broken in 1979.

<sup>16</sup> Social Welfare Act 1980