

**What is the lived experience of austerity amongst
mortgagors at the individual, family and
community scale?**

**Are these experiences different in a rural or urban
context?**

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List of Abbreviations:

AIRO All-Island Research Observatory

BTL Buy To Let

CSO Central Statistics Office

DPD Basel Default Definition of 90 Days Past Due

ECB European Central Bank

ED Electoral District

ESRI Economic Social Research Institute

EU European Union

FTB First Time Buyer

GDP Gross Domestic Product

GNP Gross National Product

IMF International Monetary Fund

MRTI Mortgage Repayment to income Ratio

PDH Principle Domestic House

PRSI Pay Related Social Insurance

PSA Public Service Charge

QNHS Quarterly National Household Survey

SA Small Area (Statistics)

SILC Survey on Living and Income Conditions

USC Universal Social Charge

VAT Valued Added Tax

Chapter 1: Introduction

1.1 Origins of the austerity programme

Since the onset of the financial crisis in late 2007, the Irish State has struggled to manage its public finances. Due to an over reliance on revenue from the property sector, reduced tax intakes and increased spending (Hardiman et al, 2013) the financial crisis and bursting of the property bubble had an immediate effect on public revenues. The budget deficit rose to 7.3% of GDP in 2008 and to 14% in 2009 (Hardiman et al, 2013). By 2010 the Irish economy recorded the largest compound deterioration in GNP of all industrialised nations between 2007 and 2010 (Kinsella, 2012).

However it was the blanket bank guarantee and ensuing bank bail-outs of 2010 that resulted in the '*socialisation of [the banks'] losses by the taxpayer*' (Gillespie, 2012 pp.130) exacerbating the State's fiscal crisis (Hardiman et al, 2013) (Gillespie, 2012). With no access to the bond markets, by August 2011 banks were being part-financed by the Irish State and the European Central Bank [ECB] to the tune of €150m (Gillespie, 2012). With this cost combined with falling revenues, rising unemployment and growing social welfare expenditure, the State faced a sovereign debt problem and risked defaulting. Pressure from the ECB and the Government's own refusal to default consequently resulted in the EU-IMF Economic Adjustment Programme ['bail-out'] in late 2010.

The Economic Adjustment Programme was negotiated between the government of the time and a 'troika' of officials from the EU and IMF (Gillespie, 2011). The conditions of the loan imposed austerity policies to be in force for a period of four years (Kinsella, 2012). It has been estimated that between 2008 and 2015 budget adjustments will see a 20% cut, two-thirds of which is to be met by public expenditure cuts and a third by new or increased taxes (Hardiman et al, 2013).

This strategy has attracted much attention. For example, the Central Statistics Office (CSO) census of 2011, the Survey on Income and Living Conditions (2011) and the

Regional Quality of Life in Ireland (2013) report all highlight the drop in disposable income, a primary impact of austerity policies such as tax increases. Other organisations such as Social Justice Ireland have directly linked a noted increase in poverty to austerity measures such as cuts to child allowance and social welfare (Social Justice Ireland, 2013). There is a general consensus that austerity policies have had a negative effect on the economy. However the extent of such effects, particularly in relation to the social cost and the distributional affects (Callan et al, 2011 & 2013), is the subject of debate over who has borne the heaviest burden (Maitre et al, 2014).

1.2 Building a framework for Research

Ireland's crisis is "multidimensional across five inter-related spheres, namely a banking crisis, a fiscal crisis, an economic crisis, a social crisis and a reputational crisis" (Downey, 2014, pp. 121, citing the National Economic and Social Council, 2009). A crucial element of the crisis is the property crash starting in the second quarter of 2007. Ireland's apparent economic success from 2002 until the property price crash was based on access to cheap credit that fuelled a construction and consumer boom (MacLaran et al, 2014) and was attendant upon the rapid rise of neoliberalism in Ireland (Kitchin et al, 2012, see also MacLaran et al, 2014 and Fraser et al, 2013); an ideology that believes, "open, competitive and unregulated markets, liberated from all forms of state interference, represent the optimal mechanism for economic development" (Brenner et al, 2002, p350). This opening of the credit market, along with 'light-touch' regulation resulted in an almost uncontrollable expansion of the money supply. Aided by Government tax incentives to build and buy property, Ireland's illusory 'Celtic Tiger' was given life.

Between 2002 and 2006, annual housing completions rose from 57,695 to 93,419 (Williams et al, 2014). Lending by banks to speculative construction and property rose by over 800% to €35bn in 2007 (Williams et al, 2014). In total "the share of bank assets in property-related lending grew from less than 40 per cent before 2002 to over 60 percent by 2006" (Honohan, 2010, p.26). This expansion of credit drove house prices 429% higher than in 1991 (Hearne, et al, 2014). Thus, easy access to credit and soft

mortgage-lending criteria meant that almost 340,000 mortgages from a total stock of about 800,000, came into effect between 2004 and 2006 (McCarthy, 2014).

Given the high rates of home-ownership in Ireland, much of which came into effect at the height of the property boom, the economic collapse of 2008 has brought issues of negative equity, mortgage arrears, heavy indebtedness (FitzGerald, 2014) and increased affordability difficulties (Kennedy et al, 2011) to the forefront of debates surrounding Ireland's crisis. Taking account of lending rates often 11.9 times the average industrial wage during the boom (Hearne et al, 2014) and large drops in disposable income (CSO, SILC, 2011), it seemed logical to assess austerity's impacts on mortgagors who had bought at that time.

As will be discussed in the literature review, mortgagors who bought at the height of the boom are the most leveraged and thus the impact of increased taxation or cuts in social welfare have fostered a new economically vulnerable section of Irish society.

1.3 Objectives of the Research

Downey (2014) suggests that to comprehend fully the nature of Ireland's crisis, a new sphere inter-related with those already mentioned is required; *"that of housing and home as set and experienced with(in) the domain of the Irish residential built environment"* (p.121). Thus *"the lived experience of Ireland's crisis can be demonstrated at the level of the household as well as the macro scale"* (Downey, 2014, p.121). This research aims to document the lived experience of austerity, 'demonstrated at the household level' in an urban and rural 'built environment'.

Most analysis and research since the onset of the fiscal crisis has taken a largely quantitative approach using large N studies and/or national statistics to assess the effects of austerity at the national and county scale (Callan et al, 2011, 2013). Some research has taken a qualitative approach and conducted interviews that focused on exploring people's perceptions and experience of austerity (Carney et al, 2014) but has not examined the role geography might play in these experiences. Others have carried out surveys and used this data to assess the vulnerability of households in rural areas

since the onset of the housing crash and under conditions of austerity (Murphy et al, 2014a, 2014b), yet this research focuses on one particular scale, the household in one form of geographical space. Thus the objective of this research was to assess the lived experience of austerity amongst mortgagors at three different but inter-related scales, the individual level, the family level and the community level.

Geography may influence a mortgagor's financial vulnerability under conditions of austerity. Thus a comparative element to the research was decided on for a number of reasons that will be discussed in the literature review. There is a contention that complex and historical regional variation of development, poverty and employment opportunities exist in Ireland (Walsh et al, 2013) , issues surrounding negative equity and the higher rates of housing vacancy in rural areas (Kitchin et al, 2010, 2012) create spatial traps (Hearne et al, 2014). It is evident that in urban areas, particularly Dublin which experienced the highest house-price inflation (Williams et al, 2014), mortgagors are likely to be more heavily indebted, in simple money terms, than rural areas. By comparing responses from both regions an assessment of any spatial variation in austerity's affect can be assessed. For these reasons the second objective is to assess if differences exist at any of the three scales of experience encountered in a rural or urban context.

1.4 The Research Question

What is the lived experience of austerity amongst mortgagors at the individual, family and community scale?

Are these experiences different in a rural or urban context?

The methodology required interviews to be conducted in order to document the lived experience of austerity. In addition extensive research was done to find two places, one in a rural setting and the other in an urban, that were statistically similar to allow for comparative analysis of interviewees' responses.

The following chapters are structured as follows: Chapter 2 aims to give a clear and focused assessment of the current literature around austerity in Ireland. This will summarise the conceptual framework and rationale on which this research is based. Chapter 3 describes the methodology used to establish the participants and regions for study and the techniques used for data collection. Chapter 4 presents in their own words the 'lived experience of austerity' of mortgagors at three geographical scales. It will present any findings that suggest regional variations in austerity's affect. Results will be discussed in the context of the literature review and will examine any common themes, thoughts, experiences and spatial variations. Chapter 5 offers a brief conclusion of the findings.

Chapter 2: Literature Review

Since the onset of Ireland's crisis, structural adjustments have been put in place, one element of which is a programme of austerity (Fraser et al, 2013). Austerity first came into effect in 2009 under the Fianna Fail/Green Party coalition. The National Recovery Plan 2011 - 2014, announced in 2010 by the succeeding Fine Gael and Labour coalition government "*further entrenched the process of regressive austerity*" (Fraser et al, 2013, p. 47). Subsequent, government budgets have sought to reduce the deficit through austerity measures whereby two-thirds of the savings are to be met by public expenditure cuts and one third by tax hikes (Hardiman et al, 2013). Hence a literature review of relevant material across a range of academic disciplines regarding Ireland's financial crisis, resultant impacts and austerity was carried out. This was required to form a theoretical foundation on which the research was to be based. What follows is an account of relevant literature regarding the programme of austerity.

2.1 Austerity's Impact on Incomes

Since the onset of the recession in 2007, Irish incomes began to drop, even before those of other countries (McCarthy et al, 2011). Estimate of the drop in disposable income range from 8% between 2008 and 2014 (FitzGerald, 2014) and 11.6% between 2008 and 2010 (Downey, 2014). This is mostly as a result of job losses, wage freezes (Bergin et al, 2013), increased rates of part-time work and zero-hours contracts (Russell et al, 2013 cited by Maitre, 2104). However, this waning in incomes can also be attributed to new austerity tax measures. A new Universal Social Charge (USC) was introduced and changes in the Pay-Related Social Insurance (PRSI) ceiling. This brings those on the lowest incomes into the tax net (Oxfam, 2013) whilst further reducing all net incomes. For the public sector a Public Service Agreement (PSA) was also introduced under the Croke Park Agreement in 2010 which was later changed to direct pay reductions of 5.5% to 10% (Fraser et al. 2013). In 2012 a Household charge of €100 was introduced, the following year this was changed to a property tax based on the

value of property. Further direct austerity measures included an increase in the rate of VAT from 21% to 23% in 2012 and a new water tax to be introduced in early 2015. As a result of this, recent figures suggest over 38% of households find themselves in a position whereby expenditure exceeds income (Kearns, 2014).

Focusing on policy-induced losses (Keane et al, 2014 such as those mentioned) and using both the CSO *SILC* (2011) and the CSO *Household Budget Survey* (2012) data, researchers at the ESRI concluded that from 2009 to 2012 the “*distributional impacts (of austerity) show a strongly progressive pattern*” (Callan et al, 2013 p. 50). Up until 2012, the lowest income group saw a - 4-5% drop in incomes, the middle income group 7% and the highest income group recording a drop of 13% (Callan et al, 2013). However, subsequent research has found that since Budget 2012, distributional effects have been largely regressive (Callan et al, 2013, Keane et al, 2014). Although in percentage terms the greatest loss of income has been for the top deciles at 15 ½ % compared to 13% for the bottom deciles (Keane et al, 2014), proportionally a 13% income drop for the poorest 40% of households (Callan et al, 2012) is certain to have a greater effect on their quality of life, enhancing issues of ‘affordability’.

Accordingly, looking at disposable income Oxfam found that “*in 2010, those in the lowest income band saw their disposable income fall by more than 26%, while those in the highest income band saw their disposable income rise by more than 8%*” (Oxfam, 2013 p.3). Since these papers give a polarised account of who bore the burden of austerity, one needs to go beyond analysis of household incomes alone and assess other measurements such as deprivation and risk-of-poverty indicators to assess austerity’s impact on issues of inequality.

2.2 Deprivation and poverty rates - Austerity and Inequality

The CSO’s *SILC* (2012) illustrates the overall continuing decline in living conditions. Below is a summary of the main finding:

- “*In 2012, almost 27% of the population experienced two or more types of enforced deprivation. “The deprivation rate for those at risk of poverty was 46.8%*

in 2012 compared with 43.2% in 2011. The deprivation rate for those NOT at risk of poverty was 23.0% in 2012, compared with 21.0% in 2011”.

- *“An analysis of the rates by household composition shows that individuals living in households where there was one adult and one or more children under 18 continued to have the highest consistent poverty rate in 2012 at 17.4%. (SILC, CSO, 2012, p.6).*

These statements highlight the cumulative negative impact on incomes of the recession and of direct austerity measures. The latter have only added to the difficulties associated with the recession and property crash such as, unsustainable debt levels and increased housing costs (Maitre et al, 2014).

Studies such as Carney et al (2014) highlight the inter-generational support structures that exist in Ireland having a major part to play in people’s ability to cope with increased austerity. They argue those older generations who transfer money to adult children *“providing some security for people with access to family resources...reinforces inequality at societal level”* (Carney et al, 2014, p. 313). They also find that *“families absorb some of the impact of cuts....mitigate(ing) the impact of austerity on individuals”* (Carney et al, 2014, p. 329/330), for example older generations providing childcare.

Assessing the relationship between austerity and inequality Callan et al (2013) find a fall in inequality in 2009 only to be overturned by rising inequality the following years (up until 2011). This rising inequality is in part due to the concentration of cut-backs on state expenditure rather than increased income-based tax (Callan et al, 2013) This is highlighted in the rise of the Gini Coefficient, a measure of inequality that had remained stable at .0.30 since 2005 but rose between 2008 and 2011 to 0.34 (Nolan et al, 2012, 2013).

However, income-only measures and those discussed do not take account of the severity of debt problems experienced by households as a result of the economic crisis or the servicing of these debts. This rise in over-indebtedness came hand in hand with the economic downturn and not factoring this into analysis misses the central element of the financial crisis for Irish households which is the collapse in property prices. With home ownership at 80% (Nolan et al, 2013) in Ireland it seems logical to review

literature regarding mortgage indebtedness to assess further if a negative relationship exists between this and austerity's impact on households.

2.3 Mortgage indebtedness, increased economic stress in younger households

In September 2009 3.3% of mortgages, 26, 271 accounts were in arrears of over 90 days, by 2012 this had risen to 11%, 83, 251 accounts (Downey, 2014). As of late 2014, 15.5% of all mortgagors are in arrears (Central Bank, 2014) and nearly 60% of all those who bought between 2005 and 2010 are likely to be in negative equity (Duffy et al, 2011).

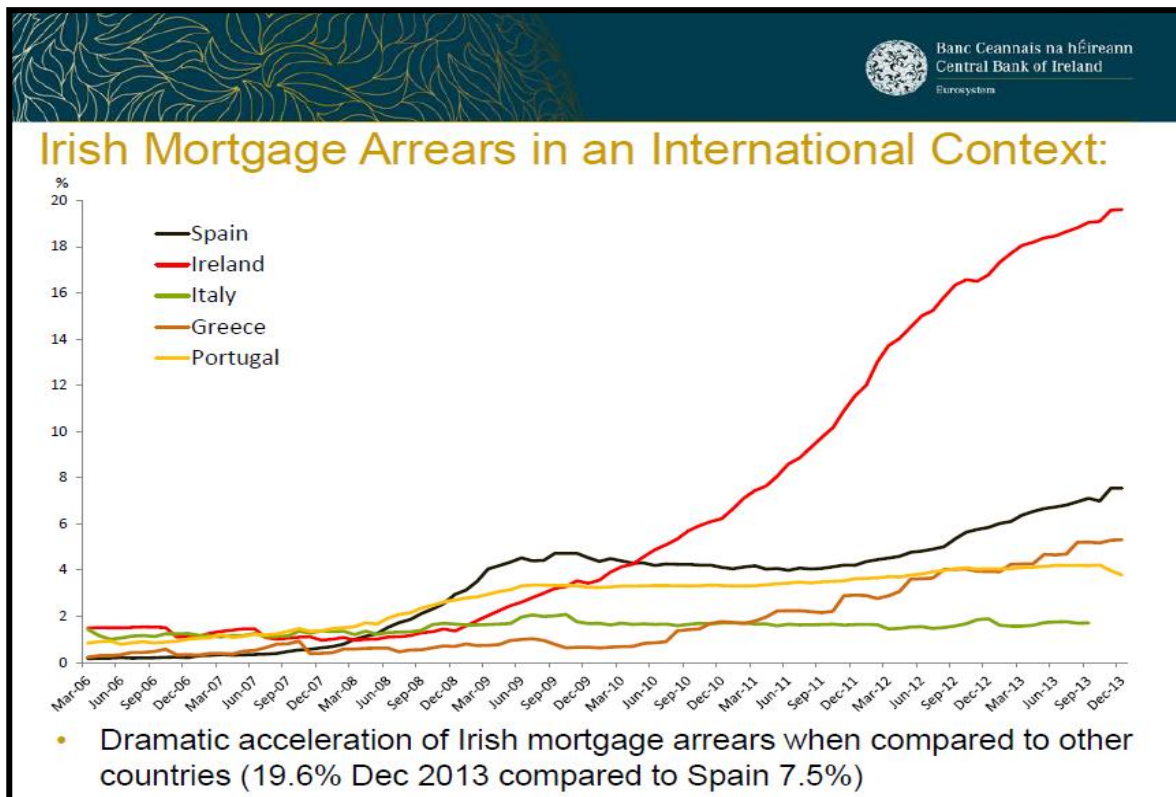


Fig.2.1. Irish mortgage arrears compared to other countries. Source Frost et al (2014)

The CSO Quarterly National Household Survey, Effect on Households of the Economic Downturn (Q3, 2012) found that 40% of the households surveyed had experienced difficulties with staying on top of bills and debts. Additionally, 82% of households surveyed cut spending “*on at least one of the listed categories of expenditure as a result of the economic downturn in the 12 months before the survey*” (CSO, QNHS Q3 2012, 2013 pp.1). Of this 82% nearly 24% had reduced spending on five or more of the categories of expenditure, such as pension contributions and health insurance (CSO, QNHS Q3 2012, 2013). This indicates increasing levels of economic stress amongst households in which debt levels are of increasing concern. Mortgaged households are particularly vulnerable to issues of over indebtedness, evident in the fact that by the second quarter of 2012, 84,941 households had their mortgage restructured with their lender (Downey, 2104).

Gerlach-Kristen (2013) suggests it is highly likely that arrears and thus increased economic stress is more prevalent amongst younger households given that the 25 to 44 year age group are “*regarded as being the prime house purchasing cohort*” (McCarthy et al, 2011 pp76). Research shows that “*unemployment, [mortgage] arrears and negative equity affect younger households’ more than older households*” (Gerlach-Kristen 2013, p.1). Data shows an unemployment rate of 14.2% in 2009/10 amongst singles aged under 45 years of age and 5.6% among those over 45 years (Gerlach-Kristen, 2013).

McCarthy et al (2011) also found that the heaviest burdened households are younger mortgagors. Developing a mortgage repayment to income ratio (MRTI) and “*examining its distribution across both household and mortgage characteristics*” McCarthy et al, (p. 92), find that younger mortgagors face longer mortgage terms than other households. Having bought at the height of the property boom the resulting crash left many of these households in negative equity. With banks commonly lending at boom-time rates often 11.9 times the average industrial wage (Hearne et al, 2014) it is not surprising that many younger households are so highly leveraged and so vulnerable to anything negatively impacting income.

The blight of negative equity also affects a mortgagor’s ability to access credit, creating further affordability problems (Kennedy et al, 2011) amongst younger borrowers. A recent study conclude that by 2014 mortgagors 360 days or more in arrears originated between 2004 and 2008 (Frost et al, 2014, see Fig.2).

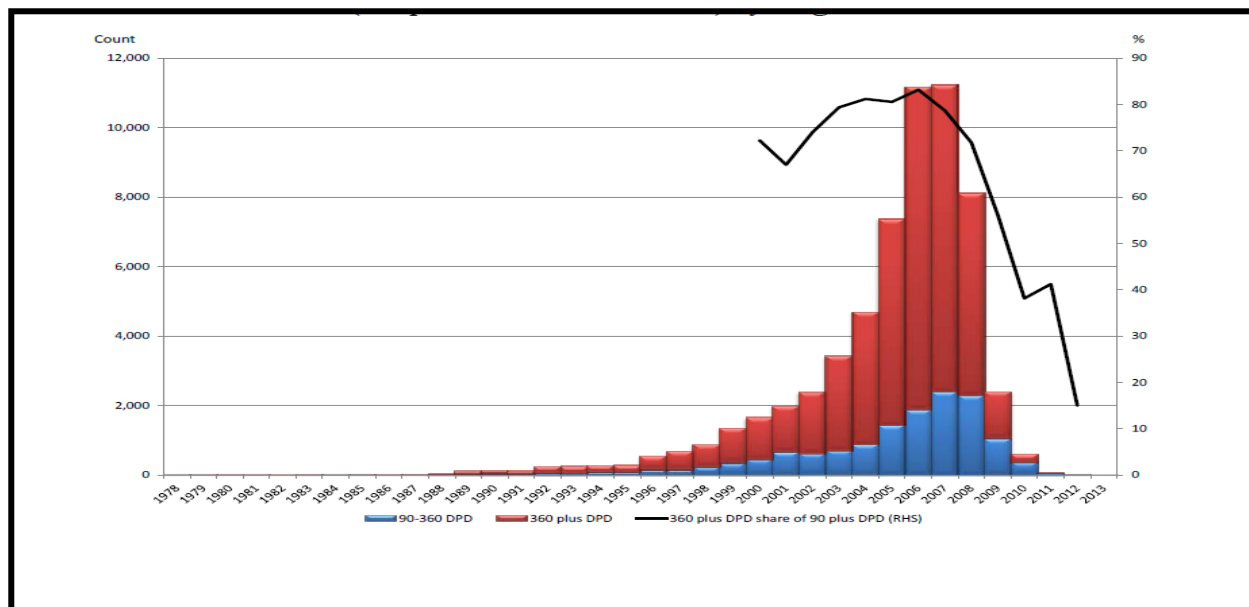


Fig. 2.2. Principle Dwelling Houses (PDH) in arrears plotted against the year these mortgages came into effect. (DPD = Basel Default Definition for arrears, blue represents those in arrear between 90 and 360 days, red represents those in arrear over 360days) Source Frost et al (2014)

Moreover, high MRTI ratios, which exclude other forms of debt, ie credit card or car loan, restrict a household’s ability to save, especially given the drop in disposable income across all deciles as discussed above. The percentage of those unable to save rose from 52% in 2008 to 65% in 2011(Maitre et al, 2014). Such factors also increase levels of economic vulnerability amongst younger mortgagors.

Despite unemployment and negative equity being the biggest drivers of mortgage arrears, research carried out by McCarthy (2014) found that “many borrowers experiencing arrears are currently employed” (p. 1). Income shocks, through increased

taxation, a reduction in pay and volatile employment, are found to be the reason why “75% of arrears cases include households where the head is currently employed” (McCarthy, 2014, p. 7). Accordingly, Whelan et al (2014) found that the profile of those economically vulnerable has changed. Additional taxes, unemployment, wage cuts and a collapse in consumer demand (Whelan et al, 2014) (a consequence of less disposable income and increased indebtedness), has created a middle-class squeeze.

Therefore the “*impact of economic vulnerability seems to be largely a consequence of its relationship to a wide range of socio-economic attributes and circumstance*” (Russell et al, 2013, p. 695) such as;

- Declining income due to fragile employment and/or increased taxation
- A household position in the life course/cycle and thus associated increased costs with having dependent children while also taking account of recent cuts in social benefits for children
- Property purchase year and the associated levels of indebtedness

Each of these factors has contributed to creating a new economically vulnerable group of those, particularly younger homeowners who bought at the height of the boom.,

2.4 Geography of the new economically vulnerable

Those mortgagors most highly indebted are, according to McCarthy et al, (2011) primarily based in urban areas. This is based on prices in these areas being higher than those in rural regions. The Dublin region historically has had the highest house prices and given the proportion of the population that resides there, the area inevitably accounts for the highest number of mortgages. However, the geography of mortgages originating during the Celtic Tiger was spatially varied and many came to be outside urban centres. For example, the Border region (Cavan, Donegal, Leitrim, Louth, Monaghan and Sligo) accounted for over 7% of the annual mortgages originating in the 1990’s increasing to over 10% the following decade (Kennedy et al, 2011). Over the same period mortgages originating in the Dublin region witnessed a drop from 38% in

the 1990s to 27% in the early 2000's (Kennedy et al, 2011) more than likely a result of increasing house-prices.

Unsurprisingly, given these statistics, 22% of properties in arrears by at least 90days are in Dublin (Kennedy et al, 2011). What signals a particular geography of younger mortgagors in arrears is that the Border region which accounts for only 11% of mortgages has 14% of these in arrears by 90 days or more (Kennedy et al, 2011). New data from the Central bank finds that compared to other regions, the Border (and Midlands) region has a higher proportion of loans that are 360 days or more in arrears (Frost et al, 2014, see Fig. 3). This emphasises the current geography of the mortgage arrears crisis.

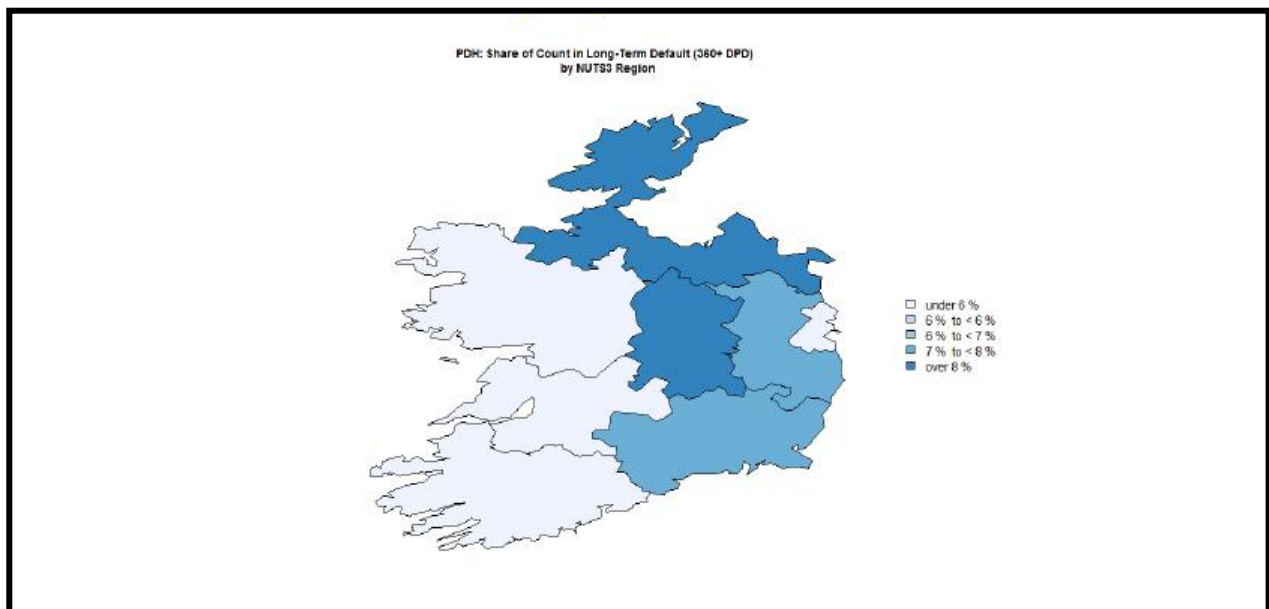


Fig.2.3. The Border and Midland Regions have the highest proportion of Principle Dwelling Houses in Arrears of 360 days or more. Over 8% are in long term arrears in counties highlighted in dark blue. Source Frost et al, 2014.

Therefore, it seems logical to assume that austerity's impacts on these mortgagors may also have a specific geography. Such differences in the geography of mortgage arrears could indicate that the Border and Midland regions are more susceptible to income

shocks such as job losses and/or that incomes are lower in the region such that increased taxation through austerity measures would impact harder on ability to cover mortgage repayments.

Further indications of different geographies in mortgage indebtedness are evident in that only 2% of properties in Dublin are simultaneously in negative equity. While the Border region (accounting for a small share of the loan book) had over 3.4% of properties experiencing both issues, with 14.8 % of all properties in negative equity (Kennedy et al, 2011). Therefore *“proportionally, a greater cohort of households outside of Dublin, such as the Midlands and Border, are facing negative equity and are in arrears distress on their mortgage loans”* (Kennedy et al, 2011, p. 32). One factor that is contributing to this is the high vacancy-rate (over-supply) in rural regions, arguably a consequence of the Rural Renewal Scheme that incentivised and sponsored new development particularly in regions near the Shannon such as Leitrim and Longford (Murphy et al, 2014, citing Gkartzios et al, 2011). Even if households grew at the same rate as they did between 1996 and 2006, it would still take over ten years to fill vacant houses in Leitrim and Longford (Kitchin et al, 2010). Thus the issue of high vacancy rates and continuing declines in house prices *“are leading to a deeper and longer housing market crisis in rural areas than the urban counterpart”* (Murphy et al, 2014, p. 41). Consequently this will also lead to a deeper and longer mortgage indebtedness crisis.

As Dublin house prices begin to rise, it can be expected that a drop in the numbers in negative equity and concomitant economic stress should decline also. However this house price increase in Dublin also has a geography in that it is ‘segmented and stratified’ (Downey, 2014b) applying only to specific locations. Therefore the so called ‘recovery’ in house prices asserted by the media, in fact shows a difference of geographies in the urban centre itself.

Outside of urban areas house price continue to decline. This continued decline in house prices and related issues of negative equity create a type of spatial trap (Hearne et al, 2014). Mortgagors in these regions are restricted in their ability to move locking them place both physically and economically. Moreover, house prices in rural areas are *“likely to remain entrenched in a depressed state in the short and medium term”* (Murphy et al,

2014 p. 41). Hence issues of 'spatial and social injustice' are manifested through the housing market in Ireland.

The new economic vulnerabilities experienced by mortgagors as a consequence of both the recession and austerity, require comparative analysis to assess their spatial context.

2.5 Conclusion

Scant critical academic literature exists (Fraser et al, 2013) specifically scrutinising Ireland's austerity programme and its impacts from a spatial perspective. For the most part, the available literature focuses on recessionary impacts. That which addresses austerity's impacts also focuses primarily on the financial impacts on individuals and households leaving an under-researched spatial element. In addition, though CSO data can be used for comparative analysis, few papers were found that were comparative in nature. Most have a solely rural (Murphy et al, 2014, 2014) or national spatial focus in assessing the geography of the recession and related austerity impacts.

Chapter 3: Methodology

For the reasons already discussed this research aims to document the lived experienced of austerity amongst the new economically vulnerable mortgagors on two inter-related scales, family and community. In addition given the spatial variations in mortgage arrears and negative equity, a second aim is to account for any spatial variations in austerity's impacts that may exist between rural and urban regions. What follows is a description of the methods used to accomplish these objectives.

3.1 A qualitative approach, methods and analysis

A qualitative approach to research was taken whereby "*the aim is less to test what is known than to discover new aspects in the situation under study*" (Flick, 2009 p.12). Qualitative or intensive research can assist in revealing the processes at work within or related to a particular case and from a geographic perspective (Dunn, 2010). Statistical analysis does not provide an opportunity for participants to express their experiences and thus interviewing was chosen as the instrument for data collection. Interviews are useful in that they can help uncover the story behind interviewees' experiences (Noonan, 2013).

The interview method allows participants to "*express all the complexities and contradictions*" (Valentine, 2005, p.110) surrounding the topic of study, in this case austerity and their perceptions of its effect, thereby letting the researcher discover what is relevant to the participants and allowing the participants to construct their own account/feelings and experiences (Valentine, 2005, Dunn, 2010).

Such an approach also gives scope for other issues or themes to be brought to light that the researcher may not have considered (Valentine, 2005). Given that it is hard to demonstrate statistically the "*distributional consequences of cuts in service (one form of austerity), the property collapse and related exposure to debt*" (Maitre et al, 2014, p.3),

qualitative research and specifically interviewing can facilitate the construction of a more rounded and comprehensive view of austerity's impact.

Analysis of qualitative data is often 'a creative process' whereby one seeks not just to describe data but to interpret, identify similarities, differences and understand how concepts interlink (Kitchin et al, 2000). Two forms of content analysis were used. Firstly, using Nvivo, textual content analysis whereby a tally of the number of times certain words were used, making it possible to visualise textual data. Secondly, latent content analysis, inductive thematic analysis (Boyatzis, 1998) was done by looking for themes that appear in the text, using a coding system to sort them into common responses and seek to establish underlying patterns (Dunn, 2010).

3.2 Interview design and the formulation of questions

Although unstructured interviews are often used so that the content is informant-focused and based on personal perceptions (Dunn, 2010), a semi-structured interview was designed for a number of reasons. Firstly, it was important that a distinction be made between the direct effects of austerity versus the effect of the downturn. A semi-structured interview is content-focused (Dunn, 2010) and provides room for the researcher to intervene if the discussion moves too far from the topic. Secondly a structured interview whereby each participant is asked the same question does not leave much room for conversational flow in which issues not previously thought of by the researcher might arise. For this reason an interview guide was designed with five topics for discussion, drawn from a review of the relevant literature.

An interview-guide is helpful in that data collected is similar, helping to keep a sense of order (Noonan, 2013) whilst also providing flexibility (Dunn, 2010). By not using a structured format the researcher has flexibility to depart from the interview guide and thus facilitate an opportunity for the participant to digress from the interviewer's topics which can be productive and informative (Dicicco-Bloom et al, 2006). Using Dunn's (2010) suggested primary question types, five questions were developed from four of the suggested six types, a descriptive question, storytelling prompts, opinion questions and

those that would allow for a “*comparison of experience by place*” (p. 106). Wanting to keep the interview informal and conversational in tone the interview-guide allows for free movement from topic to topic as it is addressed by the interviewee.

Given the fundamental relationship between the onset of the recession and the introduction of austerity measures in Ireland it was important that the first question reflected the nature of the study (Dicicco-Bloom et al, 2006) and provided a context from which the rest of the interview would flow. Thus the first question was “*What does Austerity mean to you?*”. This was done to avoid the interviewee being lead into what the researcher’s perception of austerity was and allowing them to think about and describe their own perceptions of austerity. This was followed by “*What are the biggest changes you’ve had to make in response to austerity?*” What and how questions were used so that the questions would elicit descriptions, whilst avoiding why questions that can seem confrontational or challenging (Gomez et al, 2010). The guide was designed so that the train of thought and conversation revolved around the participants’ understanding of austerity, its effect on them (individually), its effect on their family and finally its effect on their community. Having followed this line of discussion the last question asked was; “*Do think austerity has succeeded in mitigating the worst of the recession?*”. Having discussed the milieu of austerity’s impact on them, it was hoped that this question might encourage a more reflective response.

3.3 Choosing the geographical locations

As discussed in Ch.2 it was decided that younger mortgagors were to be sought for interviews. However before participant recruitment could begin the second objective whereby a comparison of responses from a rural and urban region could be done meant that research was required to find two regions that appeared statistically similar. Using CSO data such as ‘*This is Ireland – Highlights from Census 2011*’, ‘*County incomes and Regional GDP*’ (2012), ‘*Census Area Profile Results*’ (2011) and AIRO Maps, the locations of Kinlough, Leitrim and Tyrrelstown, Dublin (Fingal County) were chosen as the areas of study.

Leitrim: As discussed in Ch. 2 the Border and Midlands regions have the highest proportion of mortgagors in arrears and negative equity (Kennedy et al, 2011 and Frost et al, 2014 see section 2.4), The Border Region consists of Louth, Leitrim, Sligo, Cavan, Donegal and Monaghan. The Midlands consists of Laois, Longford, Offaly and Westmeath. Of the two regions, the Border regions has a higher amount of principal domestic houses and buy-to-lets then the Midlands region (see Fig. 4)

NUTS 3 Region	Composition	No. of PDH & BTL Mortgages in Loan Level Data
Border	Louth; Leitrim; Sligo; Cavan; Donegal and Monaghan	64,282
Midlands	Laois; Longford; Offaly; Westmeath	31,495
West	Galway; Mayo; Roscommon	58,696
Dublin	Dublin	180,439
Mid-West	Limerick; North Tipperary; Clare	59,862
Mid-East	Kildare; Meath; Wicklow	87,311
South-West	Cork; Kerry	94,350
South-East	Wexford; Kilkenny; Carlow; South Tipperary and Waterford	53,600

Fig.3.1 Amount of principle domestic house (PDH) and Buy to lets (BTL) in each region. Source Frost et al, 2014.

Both regions have high vacancy rates which as discussed in Ch 2, section 2.4, can create spatial traps and issues for continued negative equity. Leitrim (Border) and Longford (Midlands) have the highest vacancy rates and ‘ghost estates’ (Kitchin et al, 2010). Of these two counties, Leitrim has the higher rate of vacancy at 30.5% (Longford 21.6%) (IrelandafterNama, 2014). In addition, by 2012 Leitrim had a larger fall in house asking prices then Longford, a difference of 5% (Daft.ie, 2014 Q2) Further research suggests that by the second quarter of 2014 asking prices have risen by 7.1% in Longford but only 0.8% from a trough of -62.2% in Leitrim (Daft.ie, 2014 Q3).

Drawing on estimates calculated by the CSO in County Income and Regional GDP (2011), there was little difference in disposable income between the two counties,

(Leitrim, €20,949 – Longford, €20,376) at its peak in 2008. However Leitrim has had a slightly larger drop in disposable income post-crisis. Using the CSO '*This is Ireland – Highlights from Census 2011*' indicates that Leitrim was the more rural of the two. Of the five most rural counties Leitrim witnessed the highest increase in population (Leitrim: A County in Change, Leitrim Co.Co, 2008), and the seventh highest increase in the state. For these reasons, Leitrim was chosen as the rural location for research.

Dublin: The highest house prices during the boom were in Dublin, increasing up to 20% annually (Williams et al, 2014). Thus mortgagors are highly leveraged in this region (McCarthy et al, 2011) with 22% of mortgages 90days or more in arrears (Kennedy et al, 2011). Dublin County is divided into four separate administrative divisions. A decision was made to exclude Dublin City from analysis given it has a high percentage of apartments. Although a much larger proportion of apartments are in negative equity compared to other property types, 77% of first time buyers (FTB), 47% of which are in negative equity, bought semi-detached and detached houses nationally (Kennedy et al, 2011). In Dublin this figure is smaller at 38%, however those FTB that bought semi-detached/detached in Dublin are more highly leveraged. Also for ease of analysis, comparison and participant recruitment it was decided to concentrate on semi-detached/detached estates in Dublin. South County Dublin experienced the biggest drop in asking prices to a 2012 trough of 37.8% (Daft.ie, 2014 Q2). However a 'recovery' of the housing market has been taking place in Dublin County since mid 2013, of which the largest increase in asking prices has been in South County Dublin. Even though asking prices dropped the least in Fingal County (17%), prices have remained low in the region with the smallest increase, 15.9% in asking house price since the recent 'recovery' (Daft.ie, 2014 Q3). Thus those experiencing negative equity in that region are least likely to see any benefits in a housing price increase for the whole Dublin region. For these reasons the decision was made to focus on Fingal County, North Dublin as the urban location to be used for research.

3.4 Narrowing down to a specific area

Given the size of both these regions further analysis was needed to locate two areas that appear to be statistically similar. A list of estates exempt from the first Household Charge of 2010 and those exempt from the property tax in 2011 from the Department of Environment, Community and Local Government was used to try and narrow the locational choices further. Estates on this list are known as 'Ghost Estates: "*residential developments left abandoned or unfinished in the wake of the Ireland's property crash*" (O'Callaghan et al, 2014, p.121) It can therefore be assumed that houses completed on these estates were bought at the height of the boom. However no area in Dublin was exempt from the Property Tax in 2011 – so sampling was based on the Household Charge exemption list of 2010. The objective here was to locate areas that had unfinished but also had finished estates so that participant recruitment could take place in estates that were liable for the property tax, a Government austerity measure.

As a consequence of time restrictions reducing the capacity fully to assess and compare each area on the exemption lists, further work was needed to narrow the choices available. Notable tourist areas were removed from analysis in Leitrim as many housing estates recently developed were aimed at the holiday homes/rentals market. Of those remaining, research was carried out using CSO data, newspaper archives, Daft.ie (for house prices) and Leitrim County Council Reports to assess which witnessed increased development as a result of the Celtic Tiger., Kinlough Town saw a 106% increase in its population from 335 in 2002 to 690 in 2006, the largest population increase (of listed towns) in Leitrim (Leitrim: A County in Change, Leitrim Co.Co., 2008).

An additional tool, the Airo Maps Deprivation Index, was utilised to narrow the areas on the Dublin list down to Tyrrelstown and Baldoyle. Both regions range from 'affluent' to marginally below average on the deprivation index, similar to Kinlough. Others were discounted because they were disadvantaged areas, very affluent or too far out from the city, becoming large towns themselves like Balbriggan. Tyrrelstown was chosen over Baldoyle. A huge suburban development, it has become an extension of Blancherstown which witnessed the highest small-areas population increase in the country between 2002 and 2006 (CSO, Census 2006 – Preliminary Report, 2006). Originally a green field

site, it was specifically built to accommodate “the high demand for housing and the building boom which took place from 2002-2006” (Bailey et al, 2008, p.7). Similar to Kinlough vis-a-vis Sligo, Tyrrelstown was specifically developed to accommodate a rising population in Blancherstown.

Utilising AIRO/CSO Census National Mapping Viewer, a “toolkit that provides a national level visualisation of more than 130 census variables” (AIRO, 2014) comparisons were carried out between Kinlough and Tyrrelstown for statistical similarities such as population, housing completions, social class and principal economic status. Census Data can be viewed on two scales; by Electoral District (ED) or by Small Area Statistics (SA). Tyrrelstown is a part of The Ward ED which includes other regions such as Holymount. Hence a decision was made to compare SA statistics of each region. As a result, two SA’s were identified as the areas for study. For Tyrrelstown this was SA267158019 and in Kinlough, SA117058005 (see fig. 3.2 & 3.3).

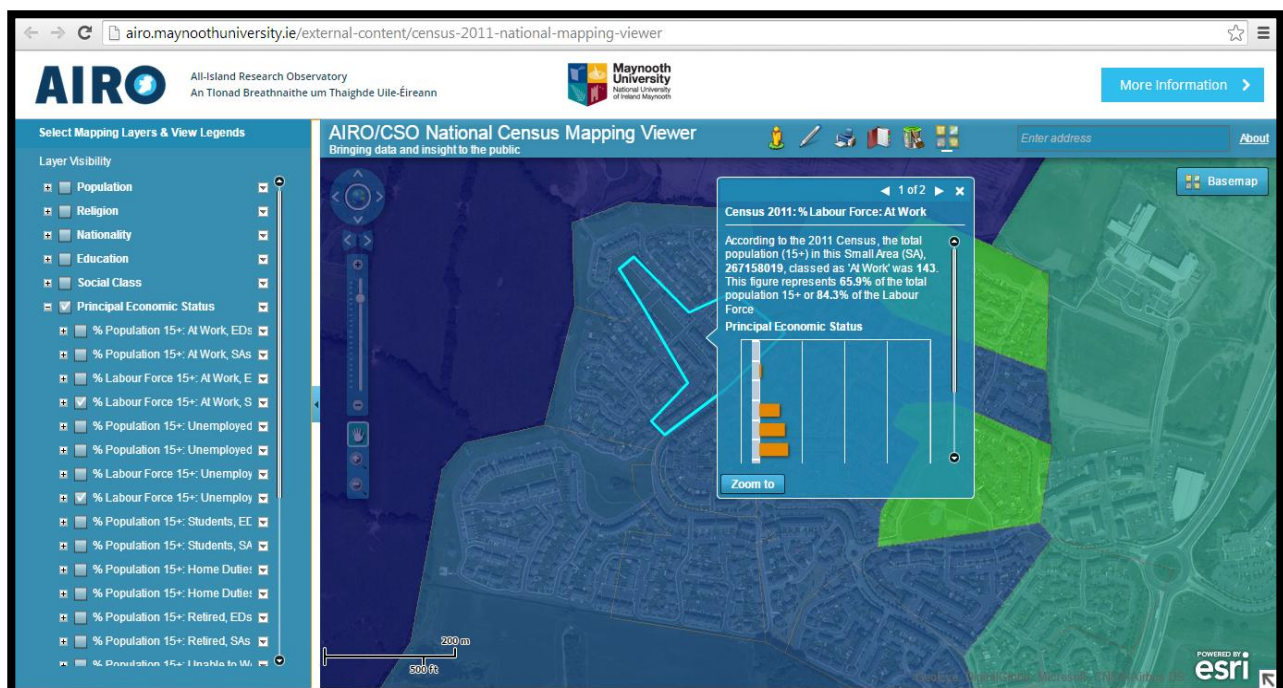


Fig.3.2. SA267158019, Area of Tyrrelstown to be used for study, By choosing options on the side panel one can see statistics and data for the area. **Social Class 3 & 4: 31.5%, Principal Economic Status, Population At Work: 84.3%, Unemployed/Looking for First Job: 16.9%**

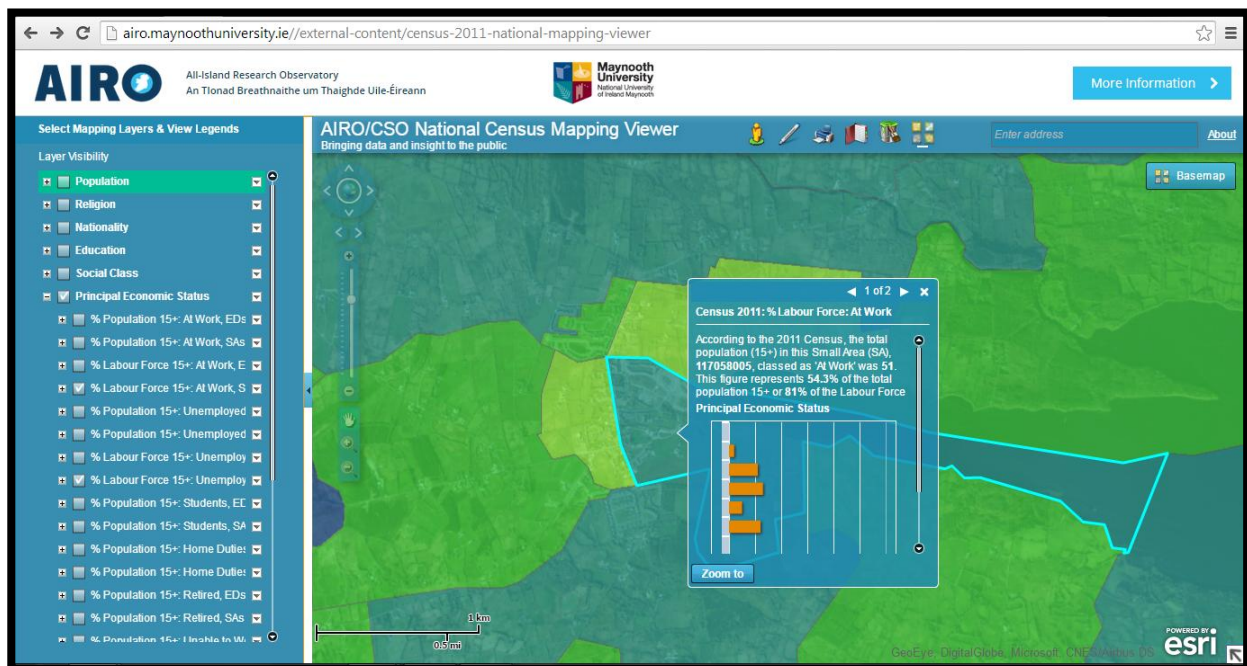


Fig. 3.3 SA117058005, Area of Kinlough to be used for study, Social Class 3 & 4: 31.9%, Principal Economic Status, At Work: 81%, Unemployed/Looking for First Job, 19%

The following statistics have been sourced directly from the AIRO/CSO National Map Viewer links to which can be found in the bibliography. Focusing on a comparison of owner occupation rates with mortgages; Kinlough SA has an owner-occupied rate of 57.4% of which 74% have a mortgage, Tyrrelstown SA is 67% owner-occupied of which 97% have a mortgage. In Kinlough SA the majority of houses (57.4%) were built between 2001 and 2011 In Tyrrelstown SA 97% of the houses were built between these years. Areas developed during the boom with high rates of mortgaged owner-occupiers were a criterion necessary for sampling the new economically vulnerable (Maitre et al, 2014). They bought at inflated prices and are more likely to be in negative equity (McCarthy, 2014) with ensuing issues such as heavy indebtedness (FitzGerald, 2014).

The principal economic status of both areas showed that a high percentage of the labour force was in employment. This was a necessary criterion for analysis as those in employment now pay increased tax as a result of austerity and may face issues of negative equity, fragile employment and mortgage arrears (McCarthy, 2011, 2014). Distinguishing five income categories and models that measure the absolute size of

economic stress increases over the population, Maitre et al (2014) found that the greatest increase was amongst the precarious and lower classes in the middle of the life course/cycle; *“both experienced a deterioration of their situation relative to classes both above and below them”* (Maitre et al, 2014 p. 47). These levels have not reached those experienced by the income-poor, however it does give evidence for the notion of the ‘squeezed middle’ (Maitre et al, 2014). The criteria were based on social class statistics by dividing the 6 types into 3; type 1 and 2 as upper-class, 3 and 4 as middle-class and 5 and 6 lower-class. Both SA’s have similar middle-class percentages: 31.5% for Tyrrelstown; 31.4% for Kinlough. This was essential so that the theory of the middle class squeeze could be assessed.

3.5 Participant Selection, Recruitment and Ethical Considerations

Participants were selected by criterion-sampling (Bradshaw et al, 2010). Based on the review of current literature, criteria were developed that participants needed to meet. Participants needed to be mortgagors who bought between 2004 and the first half of 2007. The age profile needed to be 30-45, the younger households most affected by unemployment, arrears and negative equity, as highlighted by Gerlach-Kristen (2013), McCarthy et al (2011, 2014) and Kennedy et al (2011). Each participant was asked to fill out a preliminary survey to ensure they were the owners of the property and were in the age-demographic needed. At this point they were invited to participate in an interview.

Further questions on the survey were used to assess to what extent having dependent children or not, being employed or unemployed changed one’s experience of austerity. Occupational status details were used so that social class could be assessed using CSO classification.

Once the geographical locations were chosen a number of ways were utilised to recruit participants. The first point of call was to contact local residents’ associations and post posters on forums and local town halls. This produced a number of contacts. However after waiting a fortnight, , a form of cold-calling, door to door was utilised. In some

circumstances a snowballing technique was used whereby one contact was used to help recruit another (Valentine 2005).

At the start of each interview each participant was asked to read a letter of introduction (Dunn, 2010) informing them what the research was about, that their responses were entirely voluntary and that they could withdraw from any part or the entire interview at any time. They were also informed that the interview would be recorded so that full attention could be given, that it was designed to be anonymous hence pseudonyms have been used throughout and that the recordings would remain with the researcher only, ensuring privacy and confidentiality. They were also asked to sign this form as confirmation of their consent to be involved in the research. This was done in order to reduce any risk of exploitation (Dicicco-Bloom et al, 2006).

3.5 Limitations of the Methodology

Issues of validity and authenticity surround the interpretative nature of qualitative research (Mansvelt et al, 2010). Therefore it is important that interpretation of interviewees' statements by the researcher is clearly discernible (Flick, 2009). Consequently direct quotations will be used. However the researcher's own bias or subjective position may still play a role in choosing what is and is not used. The researcher must therefore make explicit his/her own research agenda and assumptions (Mansvelt et al, 2010). To assess '*dependability, a process of auditing is suggested*' (Valentine, 2005 p. 112). Therefore, full transcripts will be available on request for reasons of validity, integrity and honesty (Mansvelt et al, 2010). It is also important to acknowledge the limits of transferability (Hay, 2010) for this research given the nature of participant selection. Qualitative research, furthermore is not meant to be representative but illustrative (Valentine, 2005). Accordingly, Smith et al (2009) cited by Pringle et al (2011) advised researchers to think about qualitative research and analysis "in terms of '*theoretical transferability rather than empirical generalisability*' (p. 21).

Chapter 4 Discussion of Results

A target of ten interviews in each location was decided on for analysis. However, only eight interviews were collected in Kinlough Leitrim and six interviews in Tyrrelstown Dublin. Due to time restrictions it was not possible to spend more time in the field collecting data. Analysis has been carried out on the 14 interviews collected.

As discussed, qualitative research is not meant to be representative but illustrative (Valentine, 2005). Using inductive thematic analysis, a presentation and discussion of the results is given under headings that illustrate the dominate themes and patterns that emerged during analysis. Using Nvivo's word frequency query, word clouds were developed helping to visualise some of these themes.

4.1 Demographics of Participants

Of the fourteen interviewees, nine were female and five male. The average age of the participants was 37 years, 38 years in Dublin and 36 years in Leitrim. Eleven participants were first time buyers the other three were second time buyers, with a higher proportion of first time buyers in Dublin. Over half purchased their house in 2006 and ten had dependent children. Using occupation and CSO classifications (Appendix 5, 2006) to determine social class, five participants came under social classes 2, four under social class 3, and four under social class 5, meaning most participants are or very close to social classes 3 and 4 understood to be 'middle class'.

4.2 Understandings of Austerity

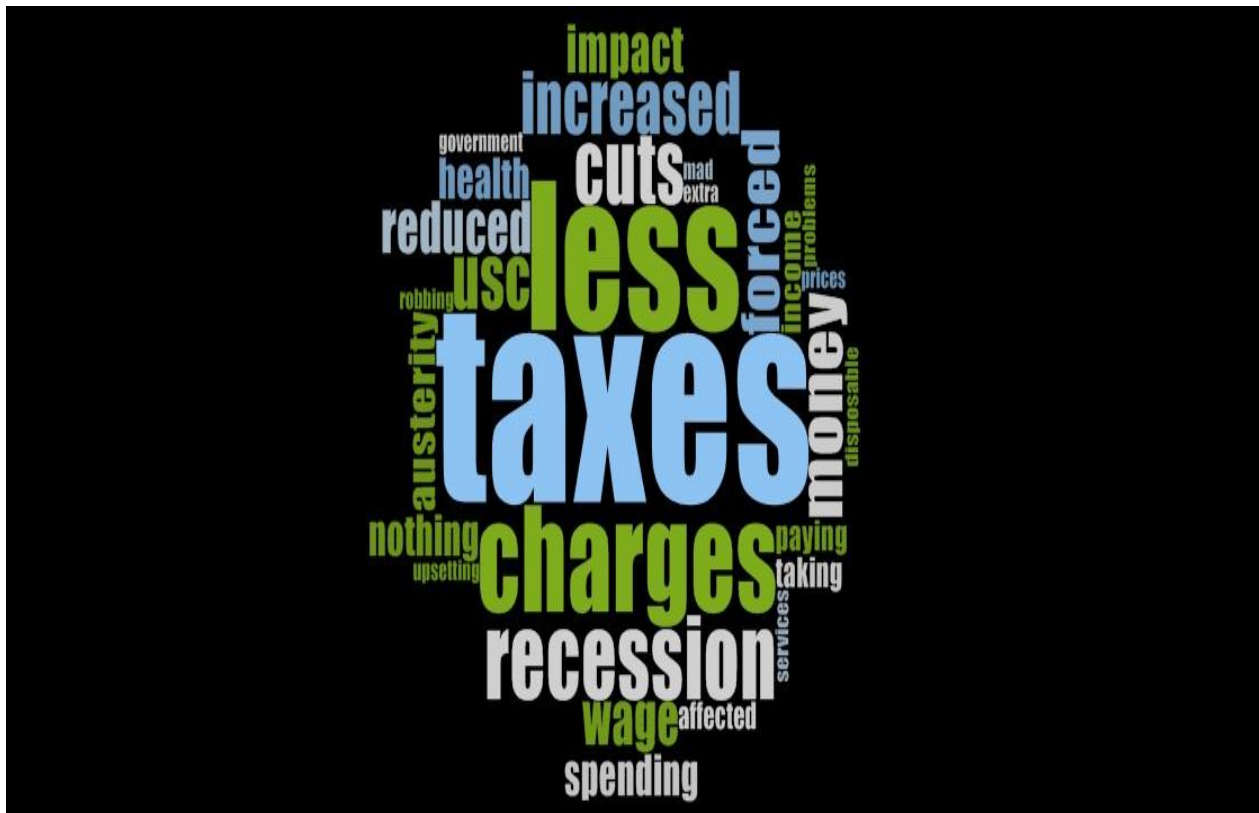


Fig. 4.1 Word cloud developed by Nvivo – Word frequency count carried out on Q1. What is your understanding of Austerity – What does it mean to you?

Each participant was asked “What is your understanding of Austerity – What does it mean to you?”. The most common response and conception of austerity across both regions was it meant more taxation and therefore less disposable income.

“It means I have less money every week – a lot less.” (Hannah, 34, Employed, FTB 04, Kinlough)

“Ah yeah, you know, it’s the property charges and now the water charges, it’s things like that and the USC and all that it’s just taxes and more taxes. It means I have less of a wage really.” (Bob, 38, Employed, FTB 04, Tyrrelstown)

“It means I have less money in my pocket after a hard day’s work.” (Carl, 44, Employed, STB 04, Tyrrelstown)

“My understanding of it would be its all these extra taxes now - the USC and Property and Water.” (Carla, 37, Employed, FTB 07, Tyrrelstown)

Only two participants expressed a different view. Take the following statement from Dee (33, Kinlough):

“for me the biggest impact has been on the health care system, that’s the stark reality of things.....It makes you so bloody cross.....my daughter’s life saving operation was cancelled 3 times in one week! 3 times because of staff problems! The cuts to front-line services like nurses are a disgrace! Health should never have been up for cuts!” (Dee, 33, Employed, FTB 06, Kinlough)

Dee spends a lot of time in the children’s hospital in Dublin and spoke at length of her experience in dealing with the public health care system. Her understanding of austerity was focused on the expenditure cuts in public services. One other person referred to expenditure cuts. Both Finn (40, Kinlough) and his wife are teachers and he expressed awareness of the cuts in public services;

“I think it means reduced spending on a lot of things it shouldn’t be on...I’m a teacher and so is my wife so we’ve seen the effect in the schools and that.....yeah, that’s my understanding of it - less money, cuts....an attack on everyone incomes” (Finn, 40, Employed, FTB 04, Kinlough)

Such insights offer evidence to suggest increased taxation has had the strongest bearing on people’s conception of austerity. However, for those like Dee who rely heavily on public provisions such as the healthcare service, her experience draws attention to the actuality that austerity targets comprise two thirds expenditure cuts in public services. Also, Finn’s statement drew attention to cuts in education at a local

school. Although each participant in both regions understood austerity to mean increased taxation, the two who drew attention to increased cuts in public services were from Kinlough. No participant in Tyrrelstown in response to this question mentioned increased cuts in public service. It is noteworthy that this element of austerity measures was more prominent for those in a rural area thus giving emphasis to spatial variations in understandings of austerity.

4.3 Lived experience of austerity at the individual scale

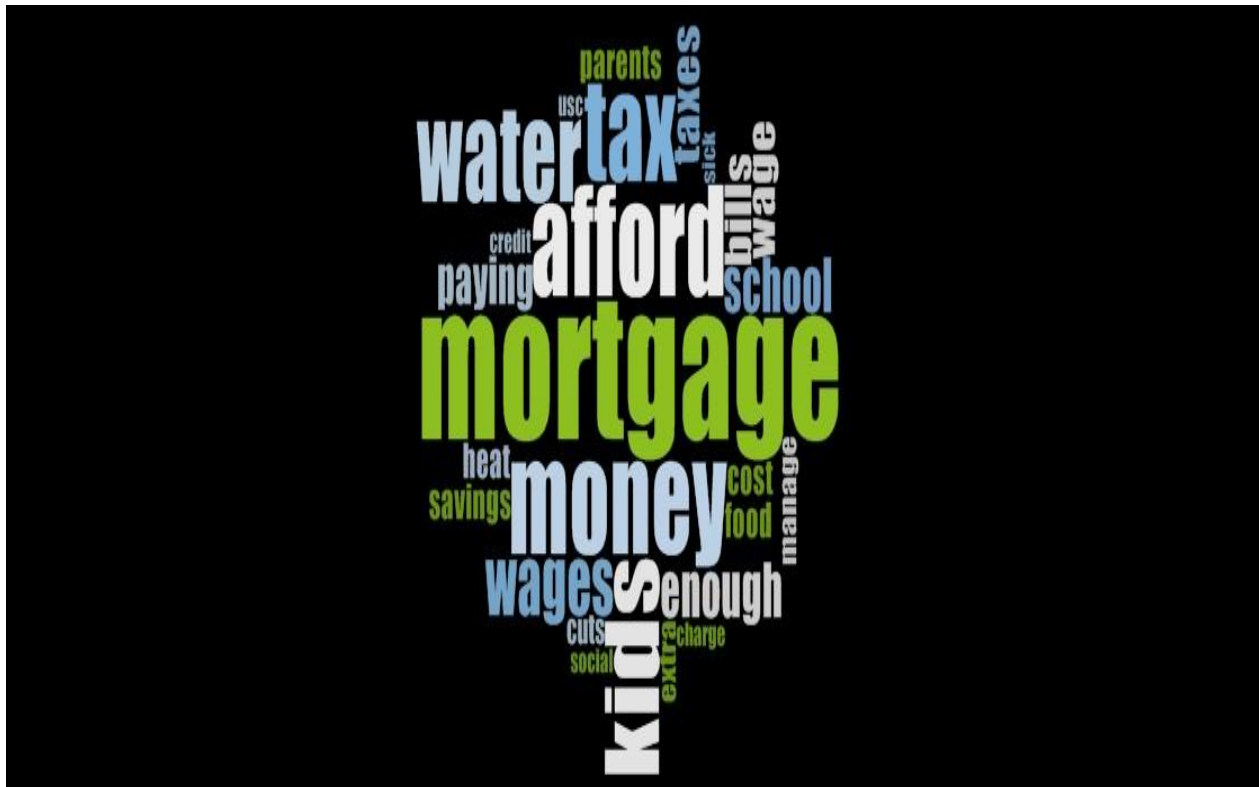


Fig. 4.2 Word cloud developed by Nvivo – Word frequency count carried out on Q2. “How has austerity impacted you, what is the biggest change you’ve had to make in response to austerity?”

Austerity and its impact on incomes: No clear spatial difference was evident in the lived experience at the individual level. Twelve of the fourteen participants spoke about

increased taxation and its effect on their income. Those whose incomes have diminished as a consequence of austerity have expressed anxiety, worry and apprehensions. For example take the following two statements from participants;

“Well as I said I live to work to keep everything paid – like, I start now at 5am instead of 7am so that I can get the extra few bob to pay everything....you know, with the property tax and now water..if I didn’t do that I don’t know...I can’t see how we’d manage.” (Bob, 38, Employed, FTB 04, Tyrrelstown)

“You just go from month to month and do the best you can....I had to get rid of private medical insurance....I’m paying tax at about 45%.... The one thing I did do is I took out payment protection. It’s costing me a bit of money but I don’t care.....I thought if I get sick and the mortgage isn’t paid we’ll lose the house. To me, that was more important than having the health insurance” (Farrah, 34, Employed, FTB 04, Kinlough)

Responses from participants emphasized the fact economic stress is highest amongst highly leveraged younger mortgagors (McCarthy et al, 2011, Maitre et al, 2014, Whelan et al, 2014). Moreover, increased economic stress exists in both regions. Indeed a participant in Tyrrelstown and Kinlough spoke about individuals who had committed suicide, one of which financial pressures was believed to be the reason;

“Last month in this estate a man my age took his own life. I think finances played a huge role in that, he obviously decided that he had had enough. Whether you can point that to the recession or austerity I don’t know, but they go hand in hand. The pressure was obviously too much for him, it’s just so, so sad.” (Dee, 3e, Employed, FTB 06, Kinlough)

The following quotations demonstrate incidents of economic stress due to increased taxation on incomes and the coping strategies people have employed;

“Well I had to get rid of the car because I couldn’t afford it and I’ve managed to get a deal with the bank on my mortgage for a reduced rate that will last for another 3 and half years but after that, I don’t know what will happen then. Maybe my parents will be able to help..... I have no backup plan or savings if anything unexpected came along - I already don’t know how I will managed in 3 and half years when the mortgage rate will go back up, I don’t know, I really don’t know how I’ll cope” (Breda, 44, unemployed, FTB 04, Tyrrelstown)

“The cuts to my wages, the USC and all those things... it’s tough sometimes to manage it all, some stuff you do need is pricey like heat and electricity but then I can buy cheap food, crap food, but cheap food. I’d love to buy good healthy food for me and my daughter but it’s about what you need not what you want.” (Hannah, 34, working, FTB 04, Kinlough)

“Savings, we have none. Well we have a small bit but we haven’t added much to it in the last few years. It’s the likes of the USC and the house tax that has hurt us the most, you have to be much more conscious now about our money and what we spend it on.” (Carl, 44, Employed, FTB 04, Tyrrelstown)

During analysis no apparent spatial variation in the lived experience of austerity at the individual scale was established. However, what is apparent from analysis is the strong correlation between these mortgagors’ levels of indebtedness and having less disposable income as a consequence of austerity, thus increasing issues of affordability (Kennedy et al, 2011).

Austerity its impact on incomes and mortgage indebtedness: Further analysis brought mortgage indebtedness and consequently issues of affordability to the forefront of investigation into the lived experience. At the start of every interview each participant was asked to read an information form that described what the focus of this research was. No reference to mortgages per se was mentioned (see appendices). Nonetheless, the word mortgage appeared a total of 24 times using Nvivo’s word frequency query. Of the eleven participants who spoke of austerities impact on their income, eight referenced their mortgage to some degree when asked ‘How has austerity impacted you?’ This figure was evenly spread between the two regions.

Reduced incomes the result of increased taxation and for those in public service, the PSA, clear direct effects on issues of affordability (Kennedy et al, 2011) for heavily indebted mortgagors exists in both place;

*“My wage has been cut substantially by the PSA and Croke Parks Deals, to be honest if it wasn't for my husband working I wouldn't be able to afford this house.”
(Dee, 33, working, FTB 06, Kinlough)*

*“If I was still in a minimum wage job they is no way I'd be 'surviving', not a notion! My wage has nearly doubled in the last year and I'm not better off for it –and now straight away the bit extra I have will go on water charges! I can't afford to pay it!”
(Andy, 34, Employed, FTB 06, Tyrrelstown)*

As outlined in the literature review those who purchased a house between 2004 and 2006 are highly leveraged (McCarthy, 2014) having bought at the height of the property boom. Evident when taking account of the ages of participants, heavy indebtedness is most prevalent amongst younger households as concluded by Gerlach-Kristen (2013). Thus austerities impact on participants incomes has compounded issues of mortgage indebtedness and increasing affordability issues (Kennedy et al, 2011) in both regions further illustrated by the following quotations;

“Well, I suppose it's my mortgage. Like, my mortgage has gone up by about 500 euro in the last couple of years - I know that's not austerity but the added bills on top just because I have a house! My wage has dropped.....it's upsetting.....bills are another thing, my gas and electricity and stuff like that has gone up, but the mortgage that's the big drain.” (Aine, 33, working, FTB 06, Tyrrelstown)

“The mortgage crippled us. We went into our mortgage broker and asked if there was anything that could be done....they said what we could do was pay interest only but it just ends up being more and you still have to pay it at the end. Between mortgage, health insurance, life insurance, house insurance and everything we end up paying about €900 a month before you eat at all or even put shoes on a

child.....Another bill to pay now, water....what's next?." (Edel, 35, Employed PT, FTB 06, Kinlough)

At the individual scale, the lived experience of austerity is expressed by sizeable reductions in income. However for most paying one's mortgage is first and foremost. The following statements by participants from both regions illustrates how highly leveraged mortgagors can be 'consumed' by their mortgage commitments:

"I got a permanent office as a PHN, which was fantastic because you start off at about €46,000. It sounds great, but with the extra taxes now, it's not!! But sure what can you do? You cut your cloth to measure...my income now, to the very penny, is the bills....I'll tell you the truth, we've never gone into arrears with the mortgage. I know there are loads of people who just can't pay but we always pay the mortgage. We're never even a week over. I wouldn't be able to sleep. I'd do without." (Farrah, 34, working, FTB 04, Kinlough)

"You know clothing is a big thing, this jumper I have on is at least 7 years old!! Me and the wife can't afford to buy clothes for ourselves we just use what we have and repair what can be to make it last longer...it's things like that, you know...you look after the kids first and that it....well the house of course that's where all the money goes - the kids and the house.....we're living to work for our mortgage and for our kids and that's it....we don't go out" (Bob, 38, working, FTB 06, Tyrrelstown)

As Russell et al (2013) suggests "economic vulnerability seems to be largely a consequence of its relationship to a wide range of socio-economic attributes and circumstance"(p. 695). Declining incomes due to increased taxation, associated costs with having dependent children, taking account of recent cuts in social benefits for children, property purchase year and the associated levels of indebtedness are factors that have contributed to creating a new economically vulnerable regardless of their geography. The quotations above illustrate a group "experiencing the sharpest increase in their odds of being vulnerable" (Whelan et al, 2014, p. 483) thus a 'middle-class squeeze'.

4.4 The lived experience of austerity at the family scale

Participants were asked ‘has austerity had an impact on your family?’ and for the most part participants in Tyrrelstown referred to or repeated the impacts austerity had on them and their dependent children. The measures employed to deal with such impacts are demonstrated in the following;

“We don’t go out as a family as much – we can’t really afford to spend money like that – there are more important things to pay for like the mortgage and food.” (Carl, 44, Employed, STB 04, Tyrrelstown)

“Life is tight, we try to eat healthy but at the same time I have to buy whatever is cheapest, I have no social life, the kids don’t have hobbies because I can’t afford for them to have any” (Breda, 44, Unemployed, FTB 04, Tyrrelstown)

Tyrrelstown, before the property boom did not exist. It was a new development on a greenfield site that attracted individuals from other areas. Therefore it could be argued that many individuals here are geographically divorced from close family ties thus helping to explain why most participants referred to their partners and/or dependent children in answering this question. Only two participants referred to their parents. However, they too were geographically divorced from close family ties given neither parents lived close to the area.

On the subject of austerity impacts on ‘the family’ one striking description was from ‘Eddie’. His own lived experience of austerity in Kinlough had caused him to reflect on his children’s future

“I have three kids, aged 12, 10 and 6, all at school and I can safely see at least two of them having to leave when they’re older. I can’t see them staying here or being able to with all the extras costs on those of us that work. It’s impossible to have any quality of life here anymore.” (Eddie, 36, Employed, FTB 06, Kinlough)

Furthermore, three participants from Kinlough recalled the cuts in public services and spoke about its impacts in relation to their family:

“I suppose it has, my children now, they’re all in education. Mostly what I see is class sizes. They could have as many as 40 children in a class. As for secondary school, I have a boy with dyslexia. The cuts in resources that he so needs has been huge. He’s in leaving cert now so he’s been feeling austerity his entire time in school.” (Fiona, 44, Unemployed, STB 04, Kinlough)

“Health is a big one for my family. My mam and dad are getting old now and had a home carer but they (the government) cut the home care package, she (the carer) can only come now for a few hours during the week, no weekends so we had to employ a private care assistant ourselves...you know that sort of stuff, health and education are the things they should never had cut back on, never!” (Finn, 40, Employed, FTB 04, Kinlough)

These quotations from residents in Kinlough illustrate the degree expenditure cuts in public services have impacted on their family. Gradually as the discussion began to move beyond austerities impacts on the individual, spatial variations in the lived experienced of austerity became apparent.

4.5 Lived experience of austerity at the community scale

Geography of austerity, impacts on the health service: With only a few exceptions when asked ‘has austerity had an impact in your community?’ participants in Kinlough referred to cuts in the health service and the impact this has had in their community;

“The cuts to health service for this area have had a serious impact on people here. Sligo was a great hospital but it’s taken a big hit. I see and hear the health cuts first hand because I’m working in the health board. People having something as serious as chemotherapy having to travel hours on a bus for a ten minute

treatment they might need 5 days a week, for 5 weeks. From here many of them have to go to Galway now.” (Eddie, 36, Employed, FTB 06, Kinlough)

“Where I think its impacted most is the health services....there’s the loss of cancer services. That’s been huge. Sligo no longer has cancer services so people have to travel from here as far as Galway.” (Fiona, 45, Unemployed, STB 04, Kinlough)

“I work in a residential home and things have changed there, we have to watch the pennies big time – all you ever hear now is the budget and you can’t spend that and watch spending here etc. That’s the topics of all meetings – little about our residents alot about our finances.” (Hannah, 34, Employed, FTB 06, Kinlough)

“There’s no services here - sure even the GP from Bundoran doesn’t have a clinic here anymore. I now have to go further to the GP never mind all the trips to Dublin because we don’t have a children’s hospital down West.” (Dee, 33, Employed, FTB 06, Kinlough)

One participant in Kinlough who had been a local real estate agent during the Celtic Tiger period spoke at length about the effect the property crash had in the area. She also addressed its personal effects seeing as she had ‘walked away from’ her house in 2012 after losing her job thus not being able to afford her mortgage. She gave the opinion that the region never had good public service provisions. Such opinions are in accordance with the contention that complex and historical regional variation of development, poverty and employment opportunities exist in Ireland (Walsh et al, 2013);

“You talk about austerity, we’re talking about all the extra taxes and cuts to service but there wouldn’t be many services provided around here anyways, we have no public transport around here...in Sligo there has been cuts to the hospital there so that would really effect people in this area, there is not a whole pile of anything here, job wise there wasn’t ever much around the only reason people moved here was because it was cheaper to live then Sligo and the tax incentives to buy” (Geraldine, 33, Unemployed, FTB 06, Kinlough)

What of the differences in experience at the community scale? Residents in Tyrrelstown similarly to those in Kinlough referred to paying the property tax but not seeing where or how that money was spent in the region. Nonetheless, for the most part no participant spoke of major impacts in their community unlike participants in Kinlough;

“In general, no I haven’t noticed much change in the community... its Dublin so Dublin will always be busy, it will always be looked after because it’s the capital city, so it will always have services.” (Aine, 33, Employed, FTB 06, Tyrrelstown)

“Aw no, not really I haven’t seen any changes around here, it’s the same as it was in 2004 when I moved in.” (Bob, 38, Employed, FTB 04, Tyrrelstown)

“No, I don’t think so, I am here in this house 10 years now and I don’t see any differences really the same shops are still up there as before.” (Carl, 44, Employed, STB 04, Tyrrelstown)

“There hasn’t been any major changes in the area....things were quiet for a while there and the hairdressers closed down, but I heard that someone is looking to take over the place now so again that’s great....I don’t think the area suffered too badly.” (Carla, 37, Unemployed, FTB 07, Tyrrelstown)

The interviews suggest that regional variations in the lived experience of austerity do exist amongst participants, only becoming apparent at scales beyond the individual scale.

Chapter 5 Conclusion

Austerity's impact on income has been universal across both regions and both regions contained highly leveraged and heavily indebted mortgagors. As discussed in the literature review, issues of affordability difficulties (Kennedy et al, 2011) and incidents of increased economic stress (Maitre et al, 2014) amongst younger mortgagors is evident throughout chapter 4. For the most part the lived experience of austerity amongst participants in this study is precarious at best. Analysis revealed hardly any occasions where a clear relationship existed between social class and one's experience of austerity, each participant had experienced a negative impact. Furthermore while few incidents of 'spatial traps' (Hearne et al, 2014) as a consequence of negative equity were uncovered in this study, geography plays a key role in ones experience of austerity beyond the household.

Regional variations begin to surface once the participant has to utilize public services such as education but in particular healthcare services or has a family member who relies on such provisions. Therefore, based on a comparative analysis of the perceptions and lived experience of austerity as depicted by participants in Kinlough and Tyrrelstown, one can conclude that austerity has a specific geography, apparent once impacts beyond the individual are examined. This is particularly evident at the community scale where expenditure cuts in public services have amplified issues of historical regional variations of development and opportunities (Walsh et al, 2013). For those participants in Kinlough, austerity has only exacerbated inequalities in the provision of public services already associated with living in rural areas. It is critical for the future sustainability of rural areas like Kinlough that findings such as these are taken account of by policy-makers.

The results of this research regarding austerities impacts on incomes correspond with other quantitative studies such as those discussed in the literature review (FitzGerald, 2014, Keane et al, 2014). However, such insights into the lived experience of austerity beyond the individual as depicted by participants, particularly in Kinlough underscore the quality of conducting qualitative research, given that it is hard to demonstrate statistically the "*distributional consequences of cuts in service*" (Maitre, 2014, p.3).

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Appendices

Additional Notes:

Participants in Kinlough and one in Tyrrelstown spoke of not being able to afford childcare highlighting the mitigating role parents' play in providing childcare helping to lessen the financial pressures of an already highly indebted group.

“the kids go to school in Dublin 7 because her parents are there and they can collect the kids from school and mind them till we finish work and that. Otherwise we'd have to pay for childcare up this side and there's no way we could afford that.....childcare is just colossal we couldn't afford it” (Bob, 38, Employed, FTB 04, Dublin)

Although participants did not link this directly to recent austerity measures, such insights support Carney et al (2014) conclusion discussed in chapter 2 that inter-generational support structures exist in Ireland and have played a leading role in people's ability to cope with increased austerity and other recessionary effects.

Additionally without exception, participants in both regions spoke of the property tax as 'having no value' given that neither regions had seen any benefits in their community. In Tyrrelstown, this had few negative effects beyond the individual feeling there was no point to such a tax. However, in Kinlough this was a particularly sore point for some people given that having paid a 'property tax' to go towards services in the community, the housing estate still had no lights,.

Many participants referred to the water tax, those that did without exception stated they would not be paying it. Water tax in this instance is “the straw that broke the camel's back”, for those you spoke about it, it was one tax to many.

Furthermore, only one participant believed austerity had 'succeeded' in mitigating the worst of the economic recession. For the most part all other participants were either unsure, or felt very strongly that it hadn't 'worked'

Geographies of Recovery? No participant in Kinlough felt or witnessed any signs of 'recovery' – not that it was notable in Tyrrelstown, nonetheless many participants there had a more 'positive outlook'. The opposite was true for Kinlough.

Information and Consent Form – Questionnaire – Interview Guide:

Austerity - “The lived experience of austerity” in Ireland: A Rural and Urban perspective”

You have been asked to take part in this interview as part of a research project conducted by Sinead Moran, a student at Trinity College Dublin.

The research dissertation is called Geographies of Austerity: with the purpose of obtaining information on the lived experience of austerity amongst mortgagors from both a rural and urban area. The interview should take no longer than 30-60minutes.

Your responses are entirely voluntary, and you may refuse to complete any part or all of this interview. This interview is designed to be anonymous, meaning that there should be no way to connect your responses with you. The interview will be recorded so that the researcher can give full attention to you the interviewee. This tape will then be stored in a secure place until it has been transcribed by the researcher after which it will be destroyed. This tape will only be accessible to the researcher.

By taking part in the interview, you affirm that you are at least 18 years old and that you give your consent for the researcher to use your answers in their research findings.

If you have any questions about this research before or after you complete the interview, or have any concerns/questions about your rights as a participant in this research, the please contact Dr Martin Sokol, researchers supervisor at sokolm@tcd.ie.

Thank you for taking the time to read this.

Questionnaire:

Please give your age:

Are you currently:

Working Self Employed

Unemployed Other

Please give your occupation –

When did you purchase your house?

2001 – 2005 Yr: _____
2006 - _____

Is this your first purchase?

What is your current marital status?

Single Co-habiting Other

Married Separated

Do you have dependent children?

Yes

No

Interview Guide:

Topics for discussion -

Q1. What does austerity means to you – what is your understanding of it?

Q2. How has austerity impacted you? What are the biggest changes you've had to make in response to austerity?

Q3. Have austerity measures had an impact on your family

Q4. Has austerity had an impact on your community ?

Q5. Do you think austerity has succeeded in mitigating the economic recession or worsened it? Do you think we have come to an end of austerity measures?

*What is the lived experience of austerity amongst mortgagors at the individual, family and community scale?
Are these experiences different in a rural or urban context?*

Sinead Moran
