Poverty and deprivation - 15th October 2025

Good morning and thank you for the opportunity to discuss poverty and deprivation in Ireland. I am joined by my colleague Robert Thornton, who is the manager of the MESL research team. This is an extremely important discussion in light of the increase in deprivation evidenced by the CSO SILC report from March showing consistent poverty increased by over a third last year to now stand at 5% of our population in consistent poverty, including almost 105,000 children.

The SILC data showed over 15% of the general population experienced deprivation, however, some groups were more at risk. Lone parents and their children had the highest deprivation rates at 46.3%, but people with a disability, children, and single adult households also experienced much higher levels of deprivation than the general population.

The **Minimum Essential Standard of Living (MESL)** data for 2025 starkly illustrates the inadequacy of current social protection rates. For example, a one-parent household with a primary and secondary school-aged child requires €555 per week to meet MESL needs. However, social welfare payments only meet 82% of this threshold. For households with older children, the gap is even more severe: the cost of a 12-year-old's needs is €158 per week, yet social welfare covers just 64% of that. Single adults living alone also face a shortfall of €43 per week in urban areas and €109 in rural areas.

The **housing crisis** continues to be a major driver of poverty and deprivation. The SILC 2024 data shows that when housing costs are factored in, the AROP rate jumps from 11.7% to 17.9% in the general population. For renters in receipt of HAP, RAS or rent supplement, the situation is even more stark, their 'At Risk of Poverty Rate' rises from 21.5% before housing costs to 57.3% after housing costs. This underscores the structural impact of HAP rates not meeting the market rates and the burden HAP top-ups place on low-income households, who qualify for social housing, but are expected to pay rent and a top-up.

At the sharp end of the housing crisis, in the first 8 months of this year, we have seen a net increase of 1,849 people in emergency accommodation. That is made up of 1,166 people in families, including 635 children and 683 adult only households. Family homelessness is driving the homeless crisis, and this is due to economic issues around poverty, affordability and supply. In the same period, there was a net increase of 299 families into homelessness and 213 of these were one parent families.

Despite these challenges, **Budget 2026** fails to deliver a strategic response to poverty. While there are welcome changes — historic increases in child support payments (€16 for children over 12 and €8 for those under 12)—these are undermined by the withdrawal of temporary cost-of-living supports, a €10 per week increase in the core social welfare rate and a €5 increase in the fuel allowance, which does not keep pace with inflationary pressures and the real purchasing power of low income households will be reduced in 2026. It is extremely disappointing that the withdrawal of one-off payments to recipients of a disability payment was not mitigated by the introduction of a Cost of Disability payment, despite experiencing the highest consistent poverty rate of 19%. The Parliamentary Budget Office's analysis shows that the poorest 10% of households will see a 1.8% decrease in income in 2026, once inflation and the removal of one-off supports are accounted for.

Moreover, income poverty is forecast to rise across vulnerable groups. The ESRI has said the Budget will also have little effect on child poverty, in large part because of the removal of government measures that had been in place to help in paying the bills previously.

According to their post budget analysis, at the household level, measures announced as part of Budget 2026 will result an average 2% loss of disposable income.

In summary, the gap between household needs and income supports is widening. The MESL data confirms that many households—especially those with older children, lone parents, and single adults—cannot achieve a dignified standard of living on current welfare rates. The housing crisis exacerbates this, pushing more people into poverty after housing costs are considered. Budget 2026, while offering some targeted supports, does not go far enough to address the structural inadequacies in income and housing policy. Without a commitment to benchmarking social welfare to the cost of living and addressing housing affordability, many households will face even greater hardship in the year ahead.