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POVERTY, INCOME INEQUALITY AND LIVING STANDARDS IN IRELAND: SIXTH ANNUAL REPORT

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Poverty, income inequality and living standards in Ireland: Sixth annual report

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This report has been accepted for publication by the Institute, which does not itself take institutional policy positions. It has been peer-reviewed prior to publication. The authors are solely responsible for the content and the views expressed.

Foreword

Economic growth alone does not guarantee social progress. That is one of the clearest messages for policymakers from this sixth *Poverty, Income Inequality and Living Standards in Ireland* report by the Economic and Social Research Institute (ESRI) in partnership with Community Foundation Ireland.

We live in a society where income inequality remains an everyday reality. A rising tide does not lift all boats. This latest edition of the research shows that even in times of recovery and prosperity, when average household incomes rise, many families are still left behind, particularly families with young children.

At Community Foundation Ireland, as a philanthropic hub working to advance equality and strengthen communities, we see this reality every day. Through our network of voluntary, community and charitable partners, we hear directly about the hardship experienced by people and families.

The ESRI researchers have again shown that child poverty remains an urgent concern, not only because of the challenges it creates today, but because of the long shadow it can cast into adulthood.

Children experiencing sustained deprivation face greater risks in relation to educational attainment, health, wellbeing and future employment prospects. The consequences are far-reaching, impacting not only individual life chances but also the social and economic wellbeing of society as a whole.

With that in mind, policymakers must view poverty not only as an immediate need, but as a long-term social and economic challenge with consequences that can stretch from childhood into adulthood. Viewed through that prism, the arguments for action are not merely persuasive, they are compelling.

The case for reforming Child Benefit has not diminished. If anything, the findings of this report make it stronger. Additional supports are needed for many households, including lone-parent households, larger families, migrant families, and households experiencing unemployment or lower levels of educational attainment.

The recommendations presented here point towards a more inclusive society, where children are placed at the centre of public policy, supports for families experiencing disadvantage are strengthened, and economic progress translates into genuine social progress.

For Community Foundation Ireland, reducing child poverty is therefore both a moral imperative and a practical investment in future prosperity, equality and social cohesion. It is also a reminder that the true measure of economic success is not growth alone, but whether every child has an opportunity to thrive.

Denise Charlton,

Chief Executive, Community Foundation Ireland

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Abbreviations

AHC	After housing costs
AROP	At risk of poverty
BHC	Before housing costs
CSO	Central Statistics Office
CSP	Child Support Payment
ECHP	European Community Household Panel
ESRI	Economic and Social Research Institute
EU	European Union
HAP	Housing Assistance Payment
LFS	Labour Force Survey
LIIS	Living in Ireland Survey
OECD	Organisation for Economic Co-operation and Development
RMF	Research Microdata File
RS	Rent Supplement
SILC	Survey on Income and Living Conditions
WFP	Working Family Payment

Executive summary

Key findings

This report is the sixth from an Economic and Social Research Institute (ESRI) research programme in partnership with Community Foundation Ireland and Trinity College Dublin which seeks to address gaps in our knowledge and understanding of poverty, income inequality and living standards in Ireland.

The key findings of this year's report are as follows:

Income growth and inequality

- **The latest Survey on Income and Living Conditions (SILC) data indicate that 2024 saw the resumption of real growth in household incomes after several years of stagnation.** Average disposable (after tax and transfer) household income – adjusted for household size and composition – rose by 4 per cent between 2023 and 2024, surpassing its 2021 level for the first time since the sharp rise in prices following the 2022 invasion of Ukraine.
- **However, this growth has been uneven, with incomes rising faster at the top of the distribution than the middle or bottom.** Incomes grew by more than 7 per cent for the top tenth of households compared to 3 per cent for the bottom half. This contrasts with the experience between 1987–2007 and 2014–2020, when income growth was highly progressive: stronger at the bottom than the top of the distribution.
- **This recent pattern of growth has translated into a rise in income inequality.** The Gini coefficient – which summarises the level of income inequality as a number between 0 (where everyone has the same income) and 1 (where one person has all income) – rose from 0.257 to 0.265 between 2023 and 2024. While this should be seen in the context of a sustained decline in income inequality over the longer run, the economic growth experienced since the COVID-19 pandemic has failed

to deliver the same benefits for the bottom of the distribution as seen during the Celtic Tiger period and the 2014–2019 recovery.

Poverty and material deprivation

- **Income poverty rates rose from 12.2 to 12.9 per cent before housing costs, and from 14.6 to 15.6 per cent after housing costs between 2023 and 2024.** This amounts to increases of 52,000 and 69,000 people respectively, concentrated among those in households with children. Poverty rates have risen sharply and consistently since 2018 for those whose youngest child is aged 0–5, from 10.7 to 20.3 per cent on a before housing costs basis and from 17 to 27 per cent on an after housing costs basis.
- **The Government is very far from meeting its target for reducing child poverty to 3 per cent by 2030.** This is defined in terms of the share of children both experiencing material deprivation and who are below the poverty line before housing costs are accounted for, which currently stands at 8 per cent. This measure fails to capture a large number of children who experience material deprivation but have incomes just above the poverty line, meaning it fails to capture many of those facing high housing costs. The Government should consider instead using an after housing costs income measure for its child poverty target.
- **However it is defined, new policy measures will be needed for the Government to meet its official child poverty target.** A means-tested second tier of Child Benefit would reduce child poverty more effectively, per euro spent, than increasing existing supports. This is because many low-income families with children are not eligible for – or do not take up – existing means-tested supports and so do not benefit from increases to these supports.

Child-specific deprivation

- The measure of material deprivation developed for monitoring poverty in Ireland captures the lack of items by the household or the adults within it. However, the distribution of resources can differ within households and children may experience deprivation in a different way to their parents. Measures of child-specific deprivation aim to address this by focusing on child-related items such as access to sports equipment, children's books, etc.
- Drawing on special SILC module data from 2009, 2014, 2021 and 2024, we find that there is a clear recession and recovery pattern in child-specific deprivation reflecting the economic downturn and subsequent recovery on family living standards.
- There is a clear pattern of families shielding their children from poverty evidenced by low rates of child-specific deprivation even amongst those experiencing household deprivation or living below the poverty line. However, not all families have the resources to provide this protection to their children. Children living in lone-parent families, in supported rental accommodation, households with weak labour attachment or headed by an individual born outside the EU, have the highest rates of child-specific deprivation.
- In measurement terms, very few children who experience child-specific deprivation are found in non-deprived households, suggesting that the current deprivation measure encompasses most of this group. However, adult- and household-centred measures may not pick up the particular experiences of children. The deprivation items collected in SILC and used in this analysis are reported by adults. Collecting information directly from children may provide a more accurate account of their lived experiences.

Chapter 1

Introduction

Barra Roantree, Helen Russell, Bertrand Maître and Eva Slevin

This report is the sixth from a research programme in partnership with Community Foundation Ireland exploring the evolution of poverty, income inequality and living standards in Ireland. The programme seeks to advance our understanding of the nature and determinants of poverty and inequality in Ireland, building on a strong history of such work at the Economic and Social Research Institute (ESRI).¹

Tracking changes in income, living standards and poverty is crucial not only for understanding the quality of life of those living in Ireland but also how well we are performing as a society. The experience of poverty and deprivation, especially during childhood, has wide-ranging and long-lasting consequences for health, wellbeing, educational and labour market outcomes (Cooper and Stewart, 2020; National Academies, 2019). For children, this includes a much higher risk of poverty, poor health and unemployment in adulthood as outlined in last year's report (Roantree et al., 2025). Previous research in the series also highlighted the relationship between poverty and reduced social integration and civic participation (Roantree et al., 2024). These negative outcomes also have costs at the societal level, in the form of a greater need for public spending on health and welfare, but also through reduced societal cohesion (Lleras-Muney et al., 2025; OECD, 2019). The level of income inequality at the societal level has been linked to education and health outcomes, and to economic growth, although the empirical evidence of direct effects is mixed and often context dependent. Attitudinal surveys show that there is distaste for high levels of income inequality, and greater support for redistributive policies in countries with higher inequality (Velev and Schmidt-Catran, 2024).²

¹ See, for example, Callan et al. (1988); Nolan and Maître (2000); and Roantree (2020).

² Three in every four people in Ireland agree that the government should take measures to reduce differences in income. This proportion is slightly higher than the European average (Capistrano et al., 2026).

Tracking changes since the mid-1980s covers a period of significant economic and social change, taking in the recessionary period of the late 1980s, the boom in the early 2000s, the subsequent bust in 2008 and more recently, a global pandemic. The period also covers the less dramatic peaks and troughs of the economic cycle. This year's monitor is published in a period of continued economic uncertainty due to war in the Middle East and Ukraine, which have resulted in high energy prices and fluctuating inflation. At the same time, employment rates in Ireland have remained high, though the rate of employment growth has slowed and even reversed slightly for the youngest age group. This report considers how cost-of-living pressures have affected the standard of living of households over the last year. It asks what has happened to the income distribution and poverty levels for different households and regions. It also places these recent results in a longer-term perspective. Each edition of this report includes a chapter on a special theme; this year's focuses on child-specific deprivation.

1.1 Methodology

Central to the programme is the construction of harmonised data over a prolonged period of time. Although the Central Statistics Office (CSO) has – through the Survey on Income and Living Conditions (SILC) – collected comprehensive information on the living standards of households annually since 2003, these do not cover the period of rapid economic growth seen in Ireland over the 1990s. And while comparable surveys – the 1987 ESRI Survey of Income Distribution, Poverty and Usage of State Services (the 1987 Survey) and the Living in Ireland Survey (LIIS) – were conducted by the ESRI over these years, the indicators of poverty, income inequality and low living standards derived by researchers using these data are not directly comparable with those produced subsequently.³

This research programme aims to help address some of these gaps by constructing – and providing analysis of – a harmonised set of indicators that can inform debate about issues relating to poverty, income inequality and living standards by policymakers,

³ See, for example, Callan et al. (1989), Nolan and Maître (2000), and Nolan (2003). This is for reasons as varied as differences in the definitions of income, deprivation, inflation and equivalence scales used across studies, in addition to revisions to the weights used to make these data representative of the underlying populations they are designed to measure.

academics and the wider public alike.⁴ These are derived from the three high-quality, large-scale household surveys mentioned above, which are described in greater detail in Appendix A along with the approach used to construct the measures of poverty, deprivation, income inequality and living standards used in the report.

While much work has been done by the data collectors to maintain the comparability of these surveys over time, there were some methodological changes which nevertheless may affect estimates and which we flag here. The first is that the LIIS adopted a longitudinal design with household members followed up in subsequent waves of the survey. By Wave 7 (2000), attrition was deemed to be a cause of concern and the original sample of individuals still in scope of the survey (i.e. who had not died, moved to an institution or outside of the EU) were supplemented with a booster sample of more than 1,500 individuals selected via a similar procedure as that used for the first wave of the survey. However, to avoid potential concerns about the representativeness of these later waves, we use only Waves 1–6 of the LIIS, spanning the years 1994–1999.

Second, 2020 saw some changes to SILC, most notably in the reference period about which respondents were asked about their incomes, from the 12 months prior to the date of interview to the calendar year prior to the date of interview. This means that respondents in 2025 – the latest year of data available – reported their incomes for the calendar year 2024, whereas respondents in 2019 reported their incomes for some period over 2018 and 2019 depending on when they were interviewed. In addition, there was also a change to the definition of a household from an address concept to a shared income and expenditure concept.⁵

Finally, as with any household survey, there is likely incomplete coverage of the very top of the income distribution by the household surveys we utilise due to non-response and under sampling (Atkinson et al., 2011; Callan et al., 2021). In addition, like in many countries, neither SILC nor its predecessors collect information on capital gains (realised or unrealised), which are more prevalent towards the top of the income

⁴ A spreadsheet containing the data underlying the figures presented in this report is being published at <https://doi.org/10.26504/jr17>, which will be updated for the duration of this research programme (2023–2026).

⁵ Further information on these and other changes to the SILC are detailed at www.cso.ie/en/releasesandpublications/in/silc/informationnote-breakintimeseriessilc2020.

distribution, in part because of their preferable tax treatment relative to employment or dividend income (Björklund and Waldenström, 2021; Kakoulidou and Roantree, 2021).

Previous editions of this series have reported findings using this harmonised data from 1987 through to the present. The first annual report in the series (Roantree et al., 2021) highlighted how long-run disposable income growth in Ireland had been exceptionally strong, particularly for those in the bottom half of the income distribution. This resulted in a reduction in inequality, as measured by the Gini coefficient and other measures, despite a ‘lost decade’ of income growth between 2007 and 2017 due to the global financial crisis. However, the report also pointed to rates of income poverty and material deprivation remaining high among lone-parent families and those in households without anyone in paid work. The most recent reports highlighted how the onset of rapid inflation following the war in Ukraine had brought an end to a decade of uninterrupted growth, with incomes falling for those in the bottom half of the distribution and stagnating for others (Roantree et al., 2024; Roantree et al., 2025).

This latest addition to the series provides an up-to-date view with the latest data available from the Survey on Income and Living Conditions. Chapter 2 studies developments in income growth and inequality for the entire population. Chapter 3 then focuses in on those with the lowest level of resources, considering trends in poverty and material deprivation. Chapter 4 places a special focus on childhood-specific measures of deprivation using data from a special module in the Survey on Income and Living Conditions. The report concludes in Chapter 5 with a summary of the key findings and some reflections on their implications for policy.

Chapter 2

Income growth and inequality

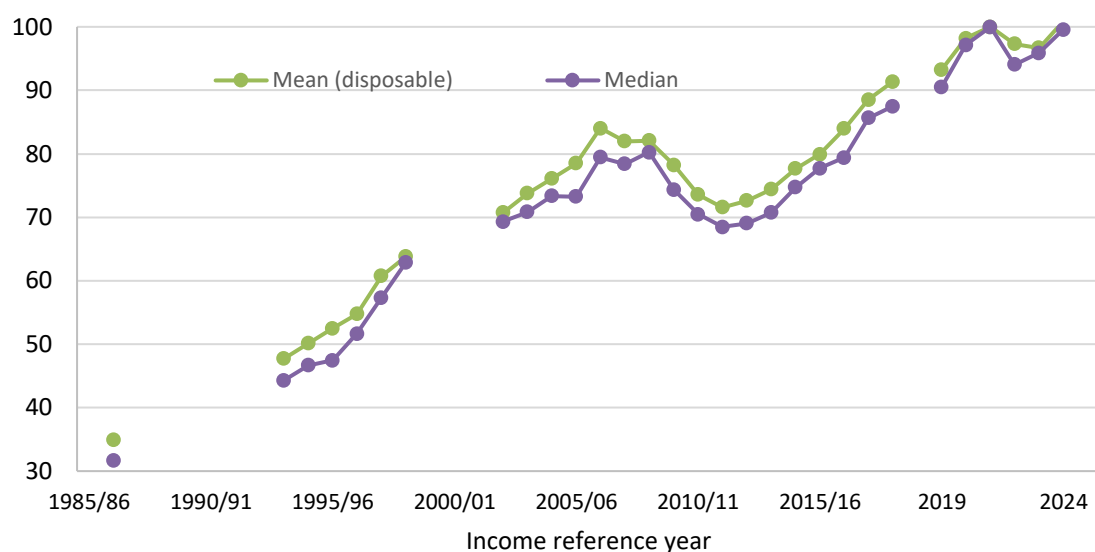
Barra Roantree

Recent editions of this report have highlighted how the sharp rise in prices following the 2022 invasion of Ukraine resulted in average household disposable income stagnating (Roantree et al., 2024; Roantree et al., 2025). This represents a stark contrast with the robust 3.4 per cent per year growth that was experienced between 2011 and 2021, and the even stronger 6 per cent per year growth experienced over the 1990s.

However, the latest Survey on Income and Living Conditions (SILC) data indicate that 2024 saw the resumption of real growth in household incomes. Figure 2.1 plots the evolution of both mean and median real disposable household income – adjusted (equivalised) for household size and composition – relative to their 2021 level. This shows that both measures of average incomes fell sharply in 2022, but had recovered to and – in the case of mean incomes – surpassed their 2021 level by 2024, recording real growth of 4 per cent between 2023 and 2024. Appendix Figure B.1 shows that measures of income deducting the recurrent or ongoing cost of housing shown the same recent patterns.

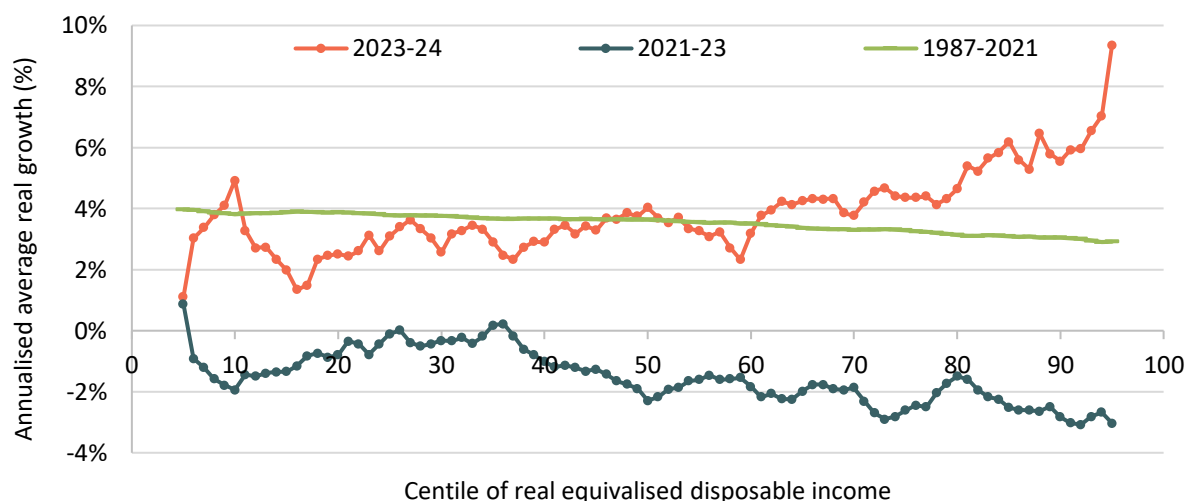
However, changes in average incomes can mask very different experiences at different levels of income. Figure 2.2 plots the annualised average real growth rate across the distribution of equivalised disposable income for a selection of periods. It shows that while real growth averaged 3 per cent between 2023 and 2024 for the bottom half of the distribution, it was far higher for the top half of the distribution at 4.6 per cent, rising to more than 7 per cent for the top tenth. This contrasts with both the experience between 2021 and 2023 when incomes fell or stagnated across the distribution (falling slightly more at the top), and between 1987 and 2021 when incomes grew rapidly and progressively (faster at the bottom than at the top).⁶

⁶ Appendix Figure B.2 shows that there have been similar patterns of growth in measures of after housing cost income.

Figure 2.1 Average real equivalised disposable income (2021=100)

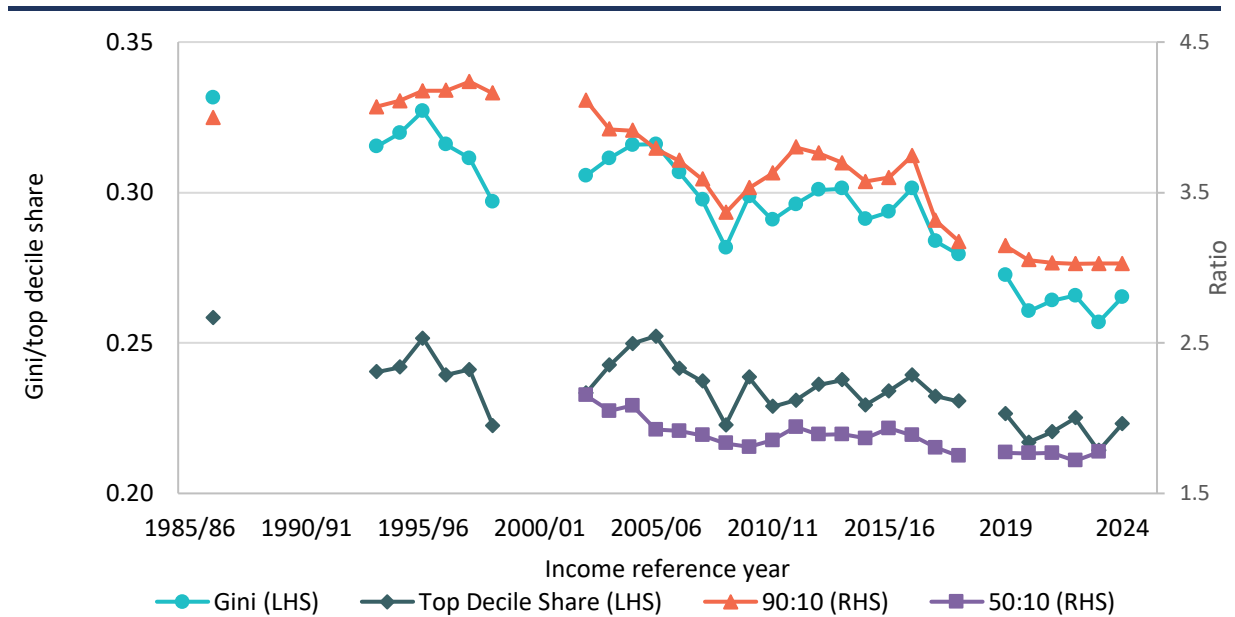
Sources: Authors' calculations using the ESRI Survey of Income Distribution, Poverty and Usage of State Services, the Living in Ireland Survey (LIIS) and the Survey on Income and Living Conditions (SILC) Research Microdata Files (RMFs).

Notes: Incomes adjusted for household size and composition using the modified OECD equivalence scales and expressed in 2024 prices using the all-item Consumer Price Index (CPM02). Income reference period refers to previous calendar year from data year 2020, and previous 12 months before.

Figure 2.2 Real equivalised disposable income growth

Sources: Authors' calculations using the ESRI Survey of Income Distribution, Poverty and Usage of State Services, the LIIS and the SILC RMFs.

Notes: Incomes after direct taxes paid and benefits received, but before housing costs. Adjusted for household size and composition using the modified OECD equivalence scales and uprated to 2024 prices using the all-item Consumer Price Index (CPM02). Excludes a small number of observations with non-positive values for disposable income. Income reference period refers to previous calendar year from data year 2020, and previous 12 months before.

Figure 2.3 Disposable income inequality

Sources: Authors' calculations using the ESRI Survey of Income Distribution, Poverty and Usage of State Services, the LIIS and the SILC RMFs.

Notes: Incomes after direct taxes paid and benefits received. Adjusted for household size and composition using the modified OECD equivalence scales. Excludes a small number of observations with non-positive incomes (see Appendix A). Income reference period refers to previous calendar year from data year 2020, and previous 12 months before.

These patterns of growth have translated into a rise in common measures of income inequality. Figure 2.3 plots these, showing that the Gini coefficient – which summarises the level of income inequality as a number between 0 (where everyone has the same income) and 1 (where one person has all income) – rose from 0.257 to 0.265 between 2023 and 2024, reversing a similarly sized decline seen the previous year.

The top decile share – the share of total disposable income held by the top tenth of the distribution – also rose from 0.214 to 0.223, reversing the small decline seen the previous year. There were also small increases in the 50:10 and 90:10 ratios – the ratios of income at the middle of the distribution compared to that of the person at the 10th percentile, and of people at the 90th percentile and 10th percentile respectively.⁷

These small increases in inequality should be seen in the context of a sustained – if unsteady – decline in income inequality over the longer horizon covered by our data. The Gini coefficient, for example, has fallen from 0.332 in 1987 to 0.265 in 2024: a decline of a fifth. Such a decline is relatively uncommon internationally, and was driven

⁷ Appendix Figure B.4 shows similar patterns in terms of after housing cost measures of income inequality.

by factors including tax and transfer reforms, a rise in two-earner couples and a fall in the average size of households (Roantree and Barrett, 2024; Thewissen et al., 2018). However, much of the decline in income inequality was driven by the period of strong, progressive growth seen in the late 2010s, with recent trends suggesting that the level of income inequality has plateaued since the COVID-19 pandemic.

To explore what underlies recent patterns of growth, Table 2.1 shows the composition of real income for the lowest- and highest-income fifths (quintiles) of the distribution in 2023 and 2024. This shows that disposable income averaged €38,021 for the lowest-income fifth and €141,580 for the highest-income fifth in 2024: 2.0 per cent and 8.8 per cent higher than their values in 2023 respectively.

While net transfers – payments from the government (e.g. Child Benefit, social welfare payments) less direct taxes (e.g. income tax, USC and PRSI) – have contributed to slower growth for both groups, the key source of the faster growth at the top is market income, which rose by 7.9 per cent for the highest-income fifth (an average of €197,494 in 2024) compared to 4.3 per cent for the lowest-income fifth (an average of €22,267). Employment income made up the majority of market income for both groups, again growing faster for the highest-income fifth than the lowest-income fifth (at 5.3 per cent and 1.9 per cent respectively). However, both groups also saw strong growth in self-employment income and other income: that from rent, dividends, interest and regular inter-household cash transfers.

Such ‘other income’ is particularly important for the highest-income fifth, with almost a third of households in this quintile reporting receipt of rental income compared to just 3 per cent in the lowest-income quintile. Overall, this suggests the recent patterns of income growth documented above are driven by a combination of transfers not keeping pace with inflation (i.e. falling in real terms) and market incomes increasing more rapidly for higher income households.

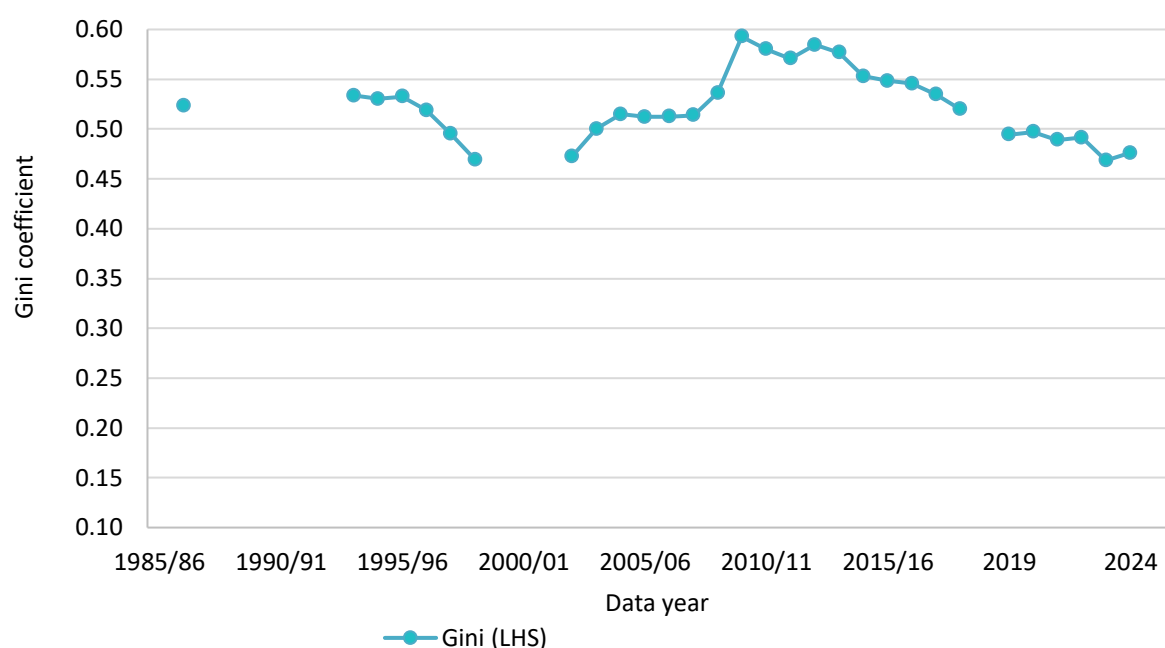
Table 2.1 **Composition of average real disposable income**

	Lowest-income quintile			Highest-income quintile		
Data year	2023	2024	Change	2023	2024	Change
	€	€	%	€	€	%
Disposable income	€37,270	€38,021	2.0%	€130,166	€141,580	8.8%
Net transfers	€15,913	€15,754	-1.0%	-€52,909	-€55,914	5.7%
Market income	€21,358	€22,267	4.3%	€183,075	€197,494	7.9%
Of which:						
Employment income	€17,490	€17,813	1.9%	€137,777	€145,091	5.3%
Self-employment income	€3,514	€3,994	13.7%	€32,383	€34,727	7.2%
Other	€354	€460	29.9%	€12,915	€17,677	36.9%

Sources: Authors' calculations using the SILC RMFs.

Notes: Quintiles based on incomes adjusted for household size and composition using the modified OECD equivalence scales. Figures uprated to 2024 prices using the all-item Consumer Price Index (CPM02) and rounded to the nearest euro. Other income includes that from rent, dividends, interest and regular inter-household cash transfers.

These patterns of growth are reflected in the Gini coefficient for (equivalised) market income, shown in Figure 2.4. This increased from 0.468 to 0.476 between 2023 and 2024, although this remains below the 0.50 level that the Gini coefficient stood at from 2019 to 2022. Research has shown that in Ireland, measures of market income inequality are closely linked – and sensitive – to the share of the working-age population living in a household without anyone in paid work (Nolan and Maître, 2021; Roantree, 2020). This share increased sharply during the 2007–2012 recession, but has fallen steadily since as the economy and employment recovered.

Figure 2.4 Gini coefficient for market income inequality

Sources: Author's calculations using the ESRI Survey of Income Distribution, Poverty and Usage of State Services, the LIIS and the SILC RMFs.

Notes: Incomes before direct taxes paid and benefits received adjusted for household size and composition using the modified OECD equivalence scales. Excludes non-positive values. Income reference period refers to previous calendar year from data year 2020, and previous 12 months before that.

Another important – and understudied – aspect of income inequality is the geographical dispersion of income.⁸ While this is largely due to the achieved sample sizes of survey data being insufficient to provide reliable estimates of income and the distribution of income at sub-national level, the CSO has recently combined administrative data with 2022 Census records to produce such estimates at Local Electoral Area (LEA).⁹

Figure 2.5 presents these estimates for average market income, average tax and social contributions, average social transfers and average net income: the sum of the previous three components, all unadjusted for household size and composition. The figure shows average market incomes are highest in Dublin and the surrounding parts of Wicklow, Kildare and Meath, and lowest in the north-west, with the same geographic pattern holding for average tax and social contributions. Conversely, social transfers

⁸ A notable exception is Walsh (2023) who uses data from the 2016 Geographical Profiles of Income in Ireland data published by the CSO. The analysis in this chapter uses the 2022 edition of these data.

⁹ In Ireland, counties and cities are subdivided into Local Electoral Areas (LEAs). There are 166 LEAs with populations ranging from approximately 11,000 to 75,000 persons. The average LEA population is approximately 31,000 persons.

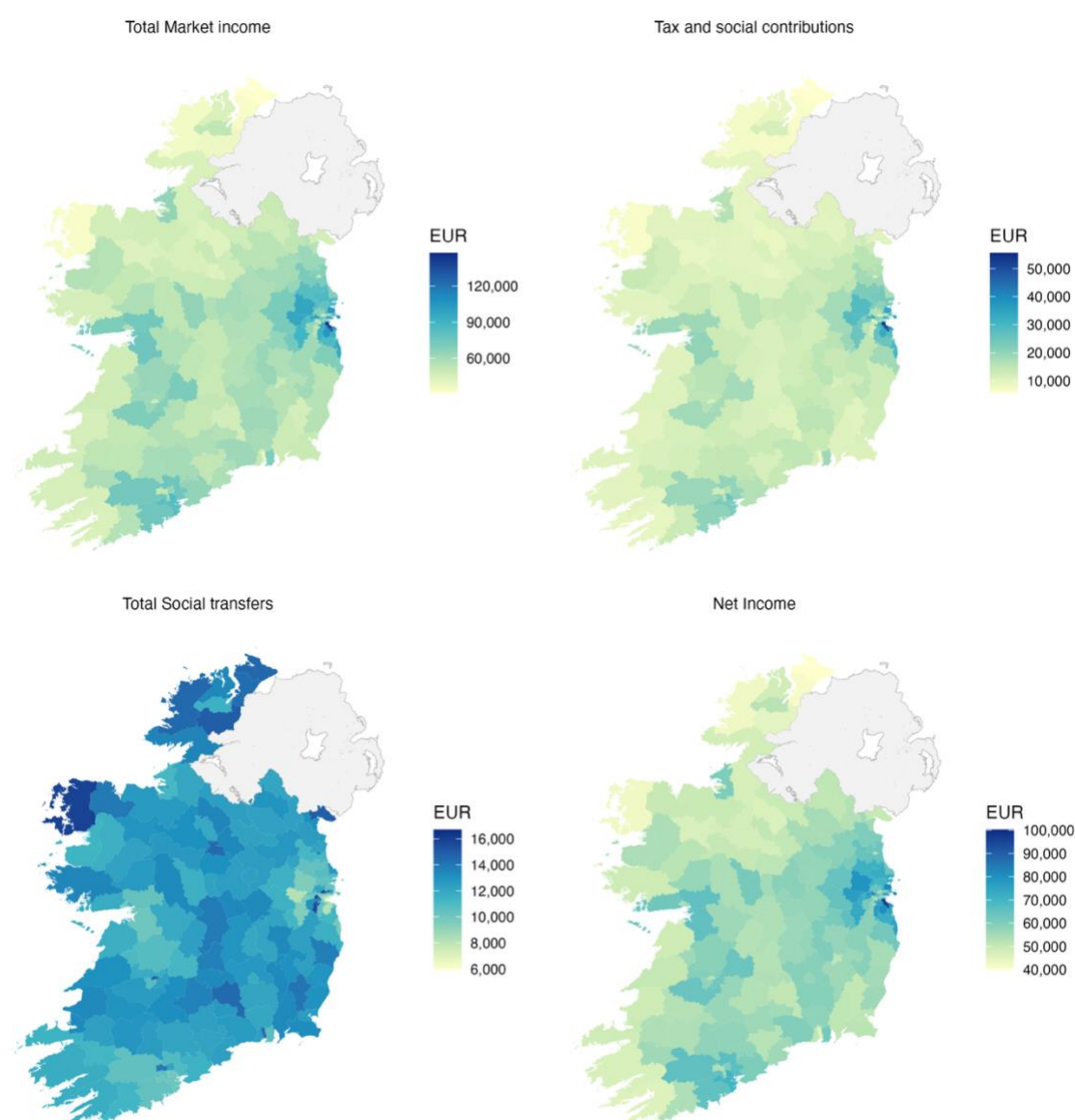
are highest in the north-west and lowest in the areas surrounding Dublin. Net income shows a similar geographic pattern to market income, highest in the areas surrounding Dublin and lowest in the north-west.

Figure 2.6 shows there is also substantial variation in these components of income within Dublin. While average market incomes exceed €100,000 in 9 Dublin LEAs,¹⁰ they are about half that in others (particularly the suburbs to the north and west of the city). Average tax and social contributions as well as net income follow a similar geographic pattern, with social transfers following almost the opposite pattern (highest in the suburbs to the north and west of Dublin city).

In addition to substantial geographic differences in the average of these components of income, there are substantial geographic differences in the shares of households with very high and very low incomes. This is shown in Figure 2.7, which plots the share of households with incomes from €1–€19,999 and above €200,000. The share with very high incomes is again largest in Dublin (more than 10 per cent in 11 Dublin LEAs), while the share with very low incomes is largest in the north-west (more than 20 per cent in 7 LEAs across Mayo, Donegal and Leitrim as well as Bantry-West Cork).

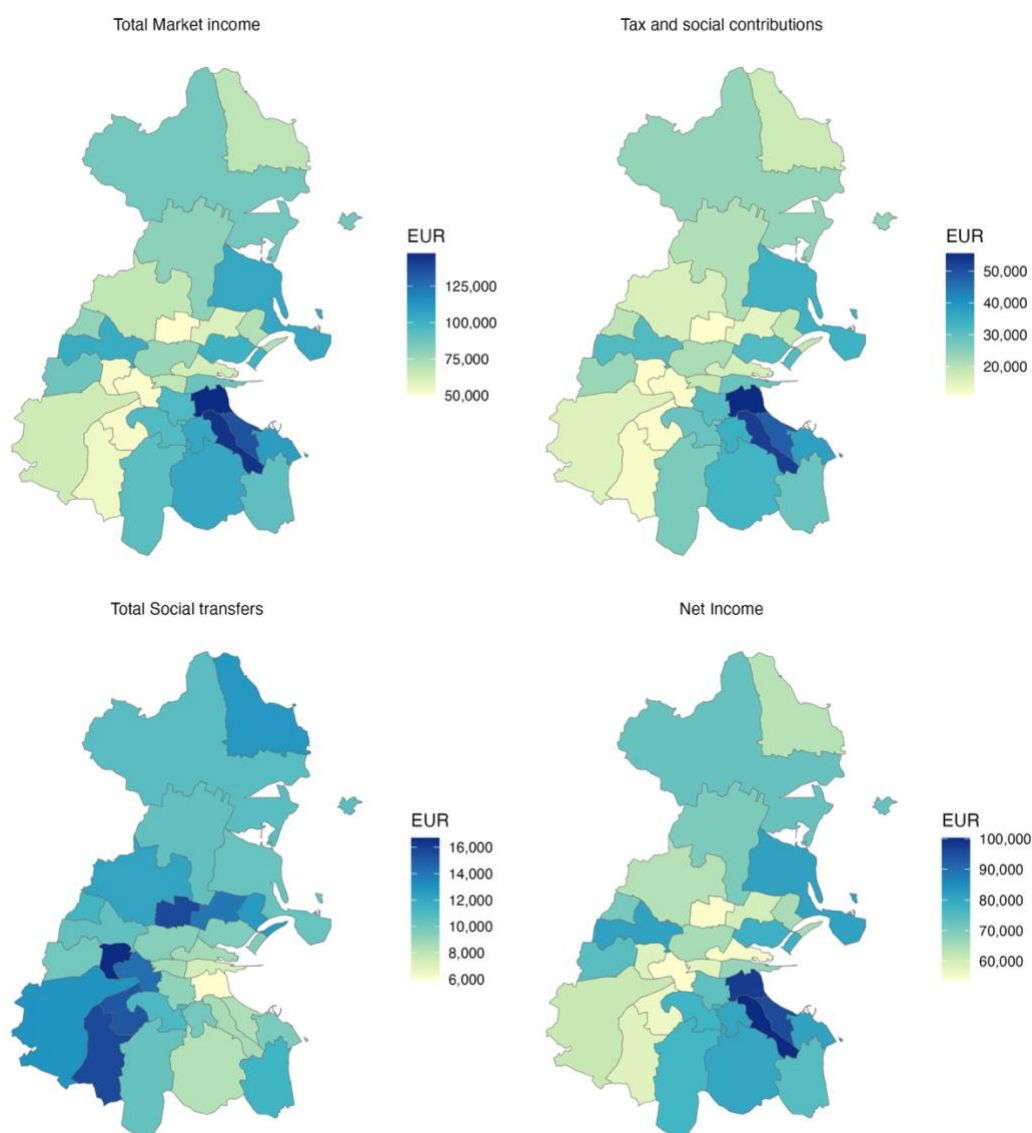
¹⁰ These are Pembroke, Howth-Malahide, Castleknock, Clontarf and most of the LEAs in Dún Laoghaire-Rathdown.

Figure 2.5 Geographic income inequality, Ireland (2022)



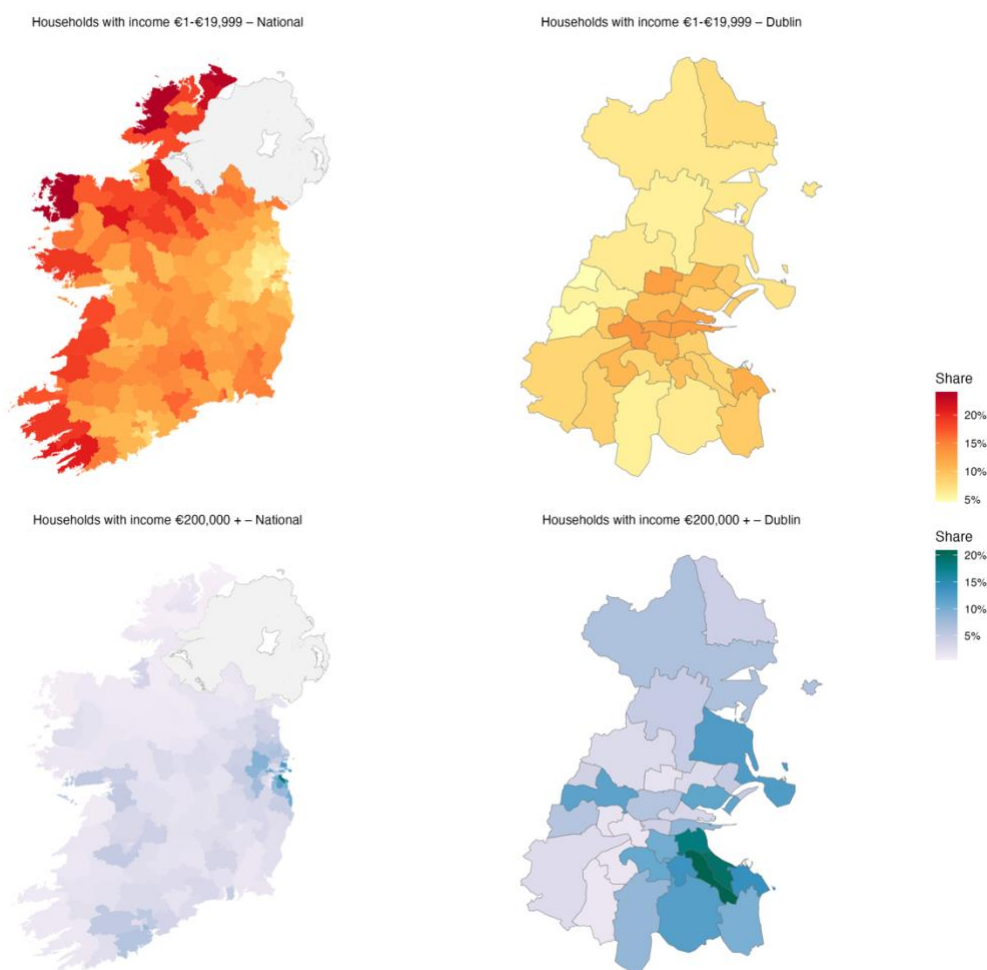
Sources: Authors' calculations using the Geographical Profiles of Income in Ireland 2022 (series GPIIA08).

Notes: Annual gross income before deductions such as tax and social insurance, including income from social welfare and education grants but excluding investment income from saving accounts, bonds, stocks and shares. Figures expressed in nominal terms, unadjusted for household size or composition.

Figure 2.6 Geographic income inequality, Dublin (2022)

Sources: Authors' calculations using the Geographical Profiles of Income in Ireland 2022 (series GPIIA08).

Notes: Annual gross income before deductions such as tax and social insurance, including income from social welfare and education grants but excluding investment income from saving accounts, bonds, stocks and shares. Figures expressed in nominal terms, unadjusted for household size or composition.

Figure 2.7 Geographic income inequality in Ireland (2022)

Sources: Authors' calculations using the Geographical Profiles of Income in Ireland 2022 (series GPIIA06).

Notes: Annual gross income before deductions such as tax and social insurance, including income from social welfare and education grants but excluding investment income from saving accounts, bonds, stocks and shares. Figures expressed in nominal terms, unadjusted for household size or composition.

Having examined how average incomes have grown in recent years, how this growth has been distributed, and how incomes are dispersed across people and place, we now turn to a different lens on living standards: measures of poverty and material deprivation.

Chapter 3

Poverty and material deprivation

Barra Roantree and Cian Mowlds

Policymakers may have particular concerns about the living standards of those with the least resources. In this chapter, we look at some key indicators of low living standards, and how they have changed over time.

Income-related measures of poverty conceptualise low living standards as not having sufficient resources to buy essential goods and services. However, what constitutes an essential good or service is a subjective question, with the answer evolving over time, reflecting changes in average living standards, technology and the views of society more generally. Because of this, most income-related measures of poverty are defined relative to average incomes which set a ‘poverty line’ under which individuals are deemed to be poor if their incomes fall below.¹¹

While such measures of poverty are widely used, they are not without shortcomings. For example, Whelan et al. (2019, p.684) argue that their limitations include ‘the failure to take account of longer-term command over resources, unusually high expenses, accumulated debt, the distinctive circumstances of the self-employed and the role played by state services’. In part because of these limitations, researchers working in the area of poverty and social exclusion also use non-monetary indicators.

Material deprivation is one such non-monetary indicator that also conceptualises low living standards as not having sufficient resources to buy essential goods and services. However, this approach involves directly asking people whether they are able to afford certain items which might be considered essential. We construct an indicator which classifies people as being materially deprived if they are unable to afford two or more of

¹¹ This is true even for what are sometimes called measures of ‘absolute poverty’ that define the poverty line in relation to average incomes in some fixed year as opposed to contemporary average incomes.

ten such items that are consistently recorded across the Living in Ireland Survey (LIIS) and the Survey on Income and Living Conditions (SILC).¹²

Table 3.1 presents our estimates of these measures from the latest two years of SILC data. Measures of poverty – on both a before housing costs (BHC) and an after housing costs (AHC) basis – refer to incomes in 2023 and 2024 respectively, while measures of deprivation refer to the time of survey (late 2024 and 2025 respectively).

While the overall rate of material deprivation was around the same at 14.6 per cent in 2025 compared to 14.7 per cent in 2024, there were substantial increases for those aged 65 or older living alone (up from 10.6 to 16.8 per cent) and those in households where someone had a disability (up from 20.9 to 26 per cent). These increases were offset by (proportionally smaller) declines in households with two or more adults in paid work who make up a large share of the population. Deprivation rates remained high for lone parents and renters receiving support for housing costs, at almost 50 per cent for both groups.

Rates of income poverty both before and after housing costs both rose overall, from 12.2 to 12.9 per cent for BHC poverty and from 14.6 to 15.6 per cent for AHC poverty. This equates to an additional 52,000 people below the BHC poverty line and 69,000 below the AHC poverty line: a total of 692,000 and 835,000 individuals respectively.

The estimates show that poverty rates for some groups are particularly sensitive to whether housing costs are deducted from incomes or not. For example, while the BHC poverty rate for renters – both supported and unsupported – surveyed in 2025 stood at around one-in-four, it is two-in-five on an AHC basis. Similarly, while BHC poverty rates for single parents declined by almost 12 percentage points, AHC poverty rates rose by almost 5 percentage points.

¹² Section A.3 in Appendix A provides a detailed description of these ten items, as well as how our indicator differs from the 11-item variant used by the CSO in its annual SILC release.

Table 3.1 Poverty and material deprivation rates, 2024 and 2025 surveys

Measure	Material deprivation		BHC poverty		AHC poverty	
Survey year	2024	2025	2024	2025	2024	2025
Household type						
Single adult, no kids	16.1%	18.8%	38.4%	34.4%	40.3%	37.9%
Single adult, w/kids	45.5%	48.8%	32.6%	21.0%	43.8%	48.7%
2 adults, no kids	12.4%	9.5%	8.4%	8.0%	8.0%	7.6%
2 adults w/kids	15.2%	13.3%	11.7%	13.5%	16.0%	18.5%
3+ adults, no kids	8.2%	11.1%	5.3%	5.7%	6.5%	6.2%
Others	20.6%	19.4%	10.9%	17.5%	13.5%	17.8%
Housing tenure						
Owned outright	6.4%	6.5%	11.8%	10.9%	8.4%	8.1%
Owned w/mortgage	10.1%	8.5%	4.1%	4.6%	3.2%	3.0%
Unsupported renter	15.8%	18.8%	17.5%	25.3%	29.6%	39.3%
Supported renter	46.7%	47.8%	28.0%	24.4%	41.1%	41.3%
No. workers in HH						
0	26.4%	28.7%	38.5%	30.8%	36.0%	32.6%
1	19.2%	19.7%	15.8%	19.8%	22.7%	24.3%
2+	9.4%	7.7%	3.1%	4.0%	4.8%	5.9%
Age group						
0–17	19.7%	19.3%	14.9%	17.4%	19.0%	22.7%
18–64	14.9%	14.5%	9.5%	10.4%	12.9%	13.8%
Aged 65+	7.4%	8.8%	18.9%	16.9%	15.1%	13.1%
of which...						
Live with another	5.6%	4.5%	7.8%	6.6%	5.1%	4.4%
Live alone	10.6%	16.8%	39.1%	36.3%	33.1%	29.7%
Has children						
No	11.4%	10.1%	12.7%	11.5%	12.9%	12.5%
Yes	17.2%	17.9%	11.8%	14.0%	15.8%	17.8%
Age of youngest child						
0–5	17.4%	18.5%	14.8%	20.3%	20.8%	26.6%
6–11	19.2%	19.5%	12.3%	13.2%	16.4%	20.8%
12–17	20.7%	16.7%	10.7%	10.5%	12.4%	10.1%
Disability in HH						
No	12.2%	9.1%	10.6%	11.3%	13.9%	14.1%
Yes	20.9%	26.0%	16.0%	16.3%	16.3%	18.6%
Total	14.7%	14.6%	12.2%	12.9%	14.6%	15.6%

Source: Authors' calculations using the Survey on Income and Living Conditions (SILC).

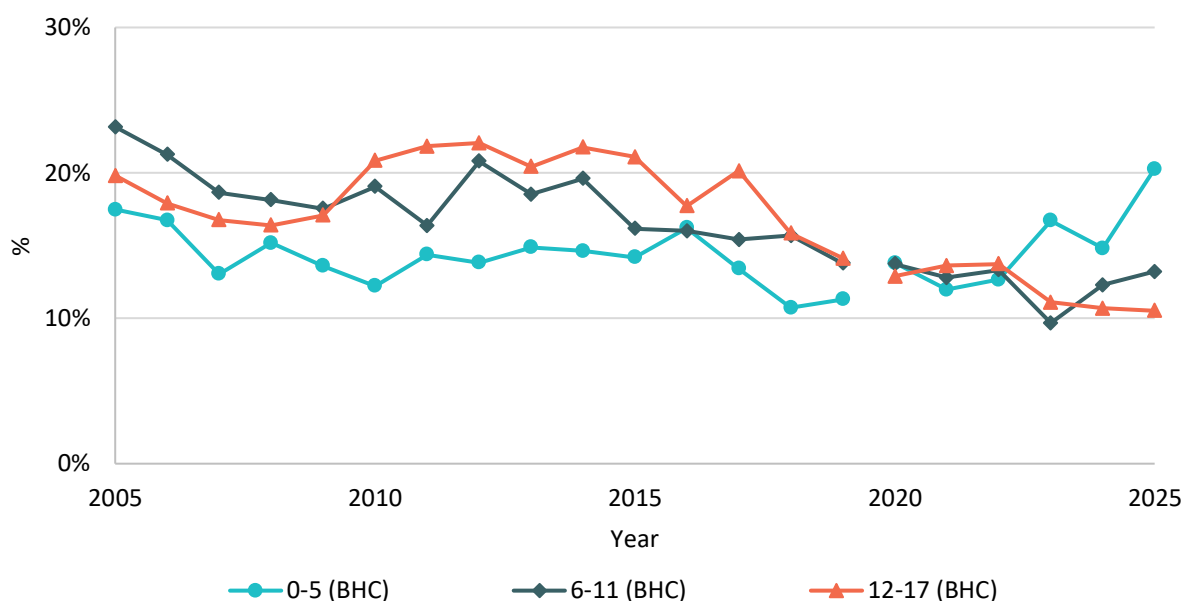
Note: Material deprivation as defined in text above and refers to year of survey. BHC poverty refers to before housing costs poverty and AHC poverty refers to after housing costs poverty, both using incomes from previous calendar year.

The increase in overall poverty rates was driven by a 2 percentage point rise for those in families with children, to 14 per cent BHC and 17.8 per cent AHC. While rates of poverty – and material deprivation – fell for families whose youngest child was aged 12–17, they rose substantially for families where the youngest child is aged 0–5: from 14.8 to 20.3 per cent BHC and from 20.8 to 26.6 per cent AHC.

The divergence in poverty rates between families whose youngest child is aged 12 or older and aged under 12 represents a relatively recent development. Figures 3.1 and 3.2 show that while poverty rates for those in families whose youngest child is 12 or older have declined steadily in both BHC and AHC terms, poverty rates for those in families where the youngest child is 0–5 have increased significantly since 2018, from 10.7 to 20.3 per cent for BHC income and from 17.5 to 26.6 per cent for AHC income. This amounts to 200,000 and 260,000 people respectively: about a third of those below the poverty line.

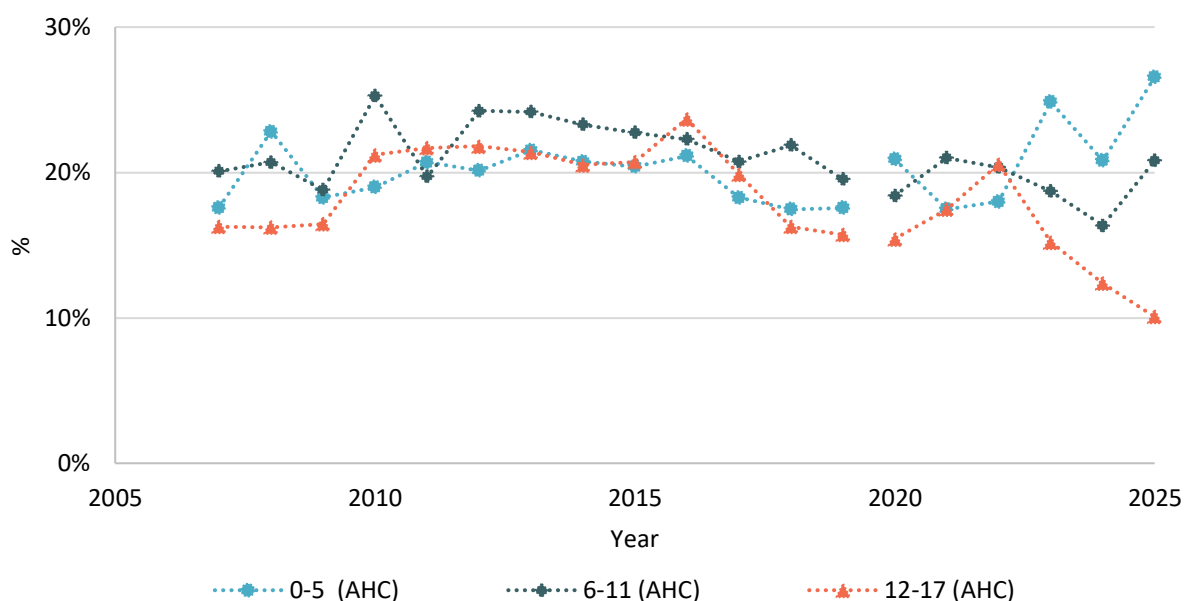
This rise in poverty among families with young children is of particular concern given the well-established evidence that experiencing poverty in childhood – particularly when it starts in early childhood and persists throughout – can have significant, lifelong impacts (National Academies, 2019; Duncan et al., 1998; 2018; Cooper and Stewart, 2020). This includes outcomes ranging from educational attainment, employment, health and the likelihood of engaging in risky behaviours and criminal activity (Bailey et al., 2021, 2024; Hoynes et al., 2016; Milligan and Stabile, 2011; Carneiro et al., 2025). Recognising this, the Government have recently set ambitious targets to reduce child poverty to 3 per cent or less by the end of the decade (Government of Ireland, 2025). This target is defined in terms of the share of children who both experience material deprivation and are below the BHC poverty line.¹³ While this approach – which the Government calls ‘consistent poverty’ – has long been used for official measures of poverty and poverty targets (e.g. Government of Ireland, 1997), it has a number of shortcomings.

¹³ The official measure of consistent poverty also uses a slightly different measure of income, equivalised using the CSO’s national scale rather than the modified OECD scale. Appendix Figure B.3 shows this makes little difference to the estimated rate for children (although it does for those aged 65+).

Figure 3.1 Child poverty rates before housing costs, by age of youngest child

Sources: Authors' calculations using the SILC RMFs.

Note: Poverty line defined as 60 per cent of median equivalised disposable income before housing costs, that is after direct taxes paid and benefits received but before housing costs, adjusted for household size and composition using the modified OECD equivalence scales.

Figure 3.2 Child poverty rates after housing costs, by age of youngest child

Sources: Authors' calculations using the ESRI Survey of Income Distribution, Poverty and Usage of State Services, the Living in Ireland Survey (LIIS) and the SILC RMFs.

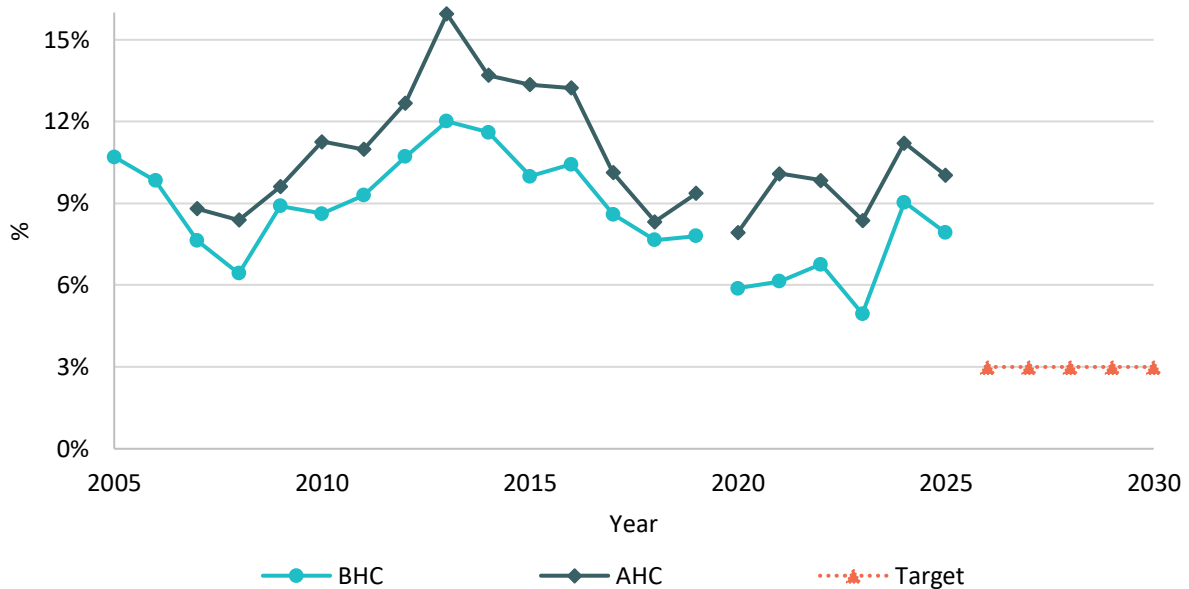
Note: Poverty line defined as 60 per cent of median equivalised disposable income after housing costs, that is after direct taxes paid and benefits received and housing costs paid, adjusted for household size and composition using the modified OECD equivalence scales.

Firstly, the material deprivation component of the measure relies on a self-reported inability to afford items deemed essential. Concerns exist that there is stigma attached to admitting such difficulties, particularly for families with children (e.g. Ridge, 2002). As a result, measures of material deprivation are likely to understate – to some extent – the true share of people below the poverty line and experiencing material deprivation, although there is no evidence on the magnitude of this understatement for Ireland.

Second, by requiring a child be in a family that is both materially deprived and below the poverty line, the ‘consistent poverty’ measure excludes children in families who are materially deprived but who are marginally above the poverty line. The latest 2025 SILC data suggests this is a significant shortcoming, with over 130,000 children who lived in families experiencing material deprivation but who were above the BHC poverty line, most by less than €100 a week. This shortcoming applies to any ‘headcount’ measure of poverty based on a poverty line – such as the AHC and BHC measures discussed above – which treat incomes just above and just below that line as fundamentally different even though they reflect almost identical living standards.

However, it is a particular concern for the official child poverty measure because it is based on a Before Housing Costs (BHC) measure of income. Slevin et al. (2025) show that accounting for housing costs ‘almost doubles the number of children categorised as consistently poor’. This sensitivity of poverty rates for children to whether or not housing costs are deducted from income is largely due to the position of these families in the lifecycle. Such families are disproportionately likely to be renting privately or paying down a large mortgage with housing costs absorbing a bigger share of their income than is typical for older households, most of whom – of the current generation of older households – own their homes outright (Doolan et al., 2022). This means many of the children recorded as materially deprived but just above the BHC poverty line may in fact fall below an AHC poverty line, making the group excluded from the official measure larger – and its exclusion more consequential – than the BHC-based figures alone suggest.

Figure 3.3 ‘Consistent poverty’ for children, before housing costs and after housing costs



Sources: Authors' calculations using the SILC RMFs.

Note: Poverty line defined as 60 per cent of median equivalised disposable income, that is after direct taxes paid and benefits received adjusted for household size and composition using the modified OECD equivalence scales. See appendix Figure B.4 for version of this figure using CSO national scale.

This is confirmed by Figure 3.3, which plots the evolution of the consistent poverty rate over time using an AHC as well as a BHC measure of income. It shows that in recent years the level of ‘consistent poverty’ for children has been between a quarter and two-thirds higher (between 2 to 4 percentage points) using a measure that accounts for housing costs (AHC income). Given the importance of housing costs for families with children and the difference it makes to estimates of poverty, there is a strong case that the child poverty target should be defined in terms of an income measure that accounts for housing costs.

Regardless of which measure is used, the Government is very far from meeting its 2030 target. Notwithstanding a percentage point drop in the latest year of data (reflecting a fall in rates of material deprivation despite a rise in poverty rates), meeting the target of 3 per cent will require a reduction of around two-thirds in the number of children classified as being in consistent poverty. This would require at least 55,000 children to be taken out of consistent poverty under the BHC definition, and around 80,000 children under the AHC definition. Such reductions are of a similar magnitude to those

seen between 2013 and 2020, when the economy was rapidly recovering from the economic crisis of 2007–2012. However, as shown above, the rate of consistent poverty has been trending upwards in both BHC and AHC terms since 2020, suggesting that new measures will be needed if the Government is to meet its official child poverty target.

Previous research – including earlier editions of this report – have considered various options for reducing child poverty available to policymakers (Roantree and Doorley, 2023; Doorley et al., 2025). This work showed that introducing a second means-tested tier of Child Benefit – as recommended by the Commission on Taxation and Welfare (2022) and the National Economic and Social Council (NESC) (2007; 2020), among others – would enable policymakers to reduce child poverty more effectively than increases to existing payments, notably the Working Family Payment (WFP, paid to low-income families with dependent children where an adult works at least 19 hours per week), Child Support Payments (CSPs, paid to recipients of most working-age social welfare payments with dependent children) and Child Benefit (a universal payment to families with dependent children).

Roantree and Doorley (2023), for example, found that such a reform – implemented by integrating the WFP with CSPs – would reduce the poverty rate for children by 3.8 percentage points, a quarter, lifting 40,000 children above the poverty line at a cost of €691 million per year. This was a larger effect than spending a similar amount increasing either Child Benefit, CSPs or the WFP, which would reduce the poverty rate for children by 1.2, 1.9 and 3.2 percentage points respectively. It would also have larger effects on the poverty gap: how far below the poverty line those considered at-risk-of-poverty are.

The Government has recently held a public consultation around introducing a second tier of Child Benefit. One issue raised in responses to this consultation was whether such a payment could be introduced alongside, rather than replace, existing entitlements to the WFP or CSPs. This would allow a second-tier payment to be introduced without a wider overhaul of the existing system, or as part of a slower transition from the current system.

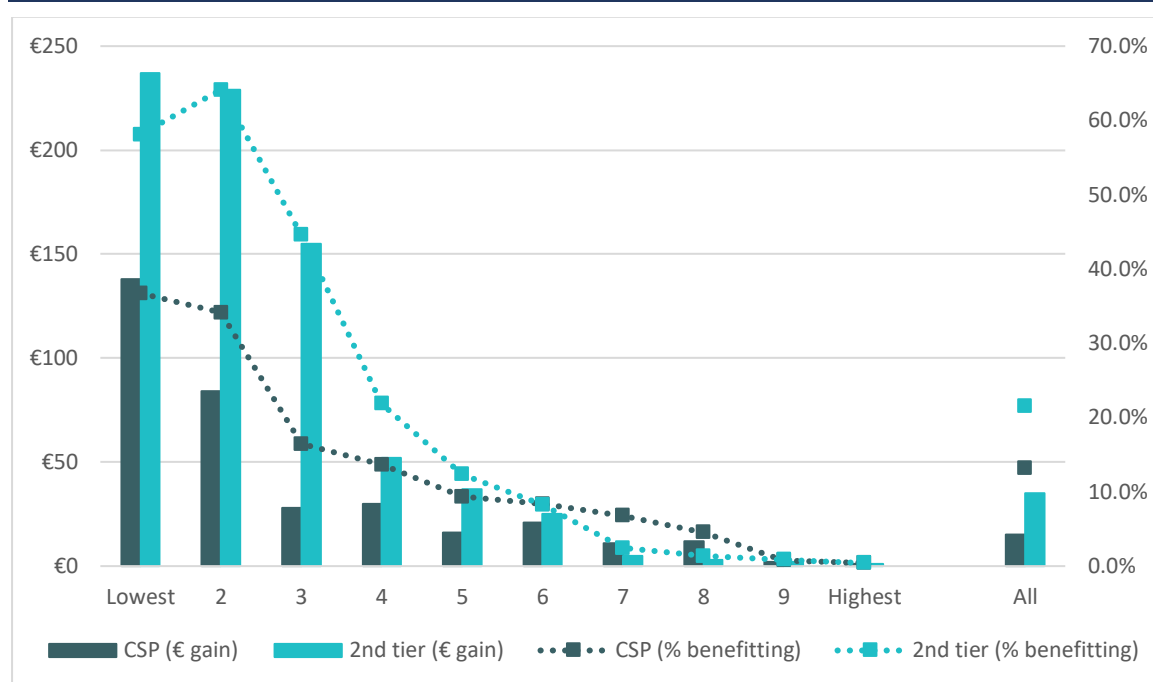
Table 3.2 Estimated impact of second-tier payment and CSP increases

	Second-tier payment	CSP increases
Number of beneficiaries		
Households	284,572	205,891
Individuals	1,113,973	681,160
Average gain for beneficiaries (€/year)		
Households	€821	€616
Individuals	€193	€148
Effect on poverty rate (pp):		
0–14	-1.6pp	-0.2pp
15–24	-0.9pp	-0.2pp
25–49	-0.6pp	-0.1pp
Overall	-0.7pp	-0.1pp
Effect on poverty gap (pp):		
0–14	-0.3pp	-0.2pp
15–24	-0.2pp	-0.1pp
25–49	-0.1pp	-0.1pp
Overall	-0.2pp	-0.1pp
Net fiscal cost	€215 million	€100 million

Source: Authors' calculations using SWITCH run on the 2024 EU-SILC.

Note: Means-tested second tier of Child Benefit of €10/5 per child aged 12+/u12. PP stands for percentage point.

Table 3.2 summarises the estimated impact of such a reform paid in addition to – rather than instead of any WFP or CSP entitlements – at a rate of €10 for children aged 12+ and €5 per week for children under 12, means-tested against other household income at a rate of 60 per cent (mirroring the existing taper for WFP). These estimates use SWITCH – the ESRI's tax and benefit microsimulation model – run on data from the 2024 EU-SILC, and are presented alongside similar estimates of the impact of increasing CSPs by the same amount (€10/5 per week for children over/under 12). The second-tier reform would benefit more than 1 million individuals in almost 300,000 households with an average gain among beneficiaries of €193 per person (€821 per household) per year, compared to €148 (€616) per year for the 578,853 people (205,891 households) who would benefit from increases to the CSPs.

Figure 3.4 Impact of second-tier payment and Child Support Payment increases

Source: Authors' calculations using SWITCH run on the 2024 EU-SILC.

As a result, the second-tier reform would cost more, at €215 million compared to €100 million for the CSP increases.¹⁴ However, it would also reduce poverty among children by proportionally much more: the poverty rate by 1.6 percentage points (c.18,000 children) among those aged 0–14 compared to 0.2 percentage points (c.2,000 children) for the increases to CSPs. The differences in the effect of the reforms on the poverty gap for children is less pronounced, but the CSP reform also reduces the poverty gap by more (0.3 compared to 0.2 percentage points).

Figure 3.4 shows that a key reason for this is that a larger share of those in the lowest-income deciles benefit from the second-tier reform than from increases to the CSPs. Indeed, more than half of all individuals in the two lowest-income deciles gain from the reform compared to a third and a fifth of individuals for the increase to CSPs. This suggests that a large share of low-income households with children are not entitled to receive payments linked to the CSPs and so do not benefit from any increases to them. Alongside the higher gain per beneficiary, this results in much larger average cash gains

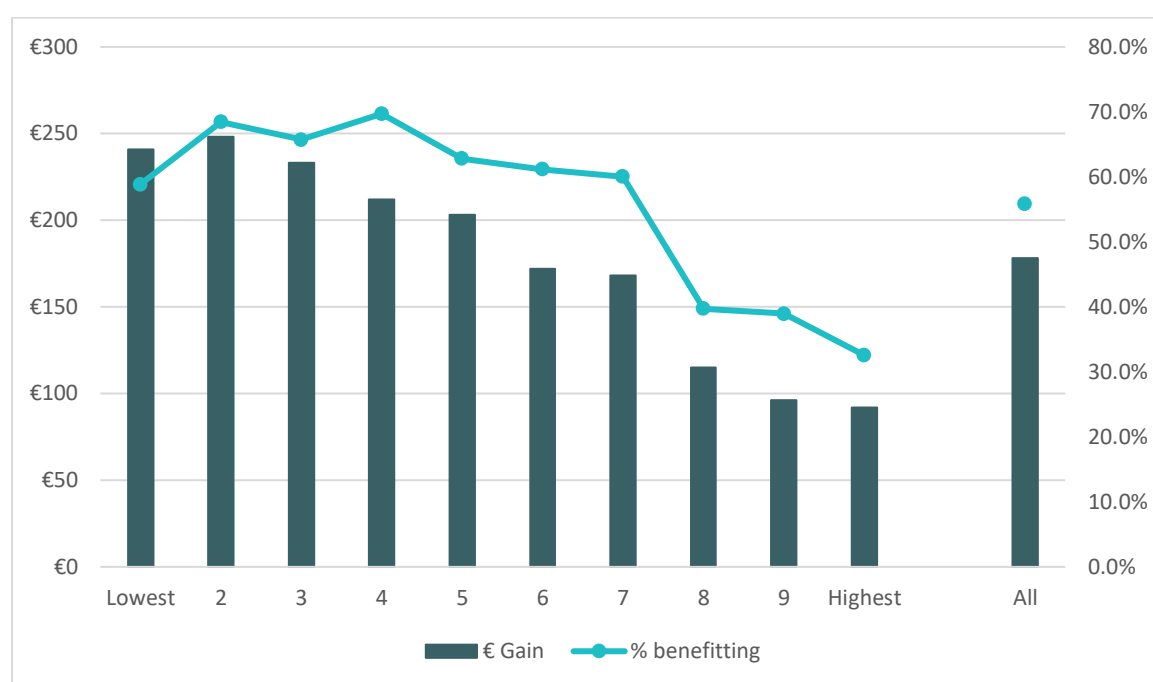
¹⁴ This costing differs from that of Roantree and Doorley (2023) because it involves the introduction of a standalone second-tier payment at €5/10 per week rather than the full integration of WFP and CSPs.

from the €5/10 second-tier payment for those in the bottom 40 per cent (four deciles) than from €5/10 increases in CSPs.

While this means-tested second-tier payment would reduce child poverty by far more per euro spent than similar increases in the CSP, it would not be without complications. Means-testing the payment as modelled would require either the Department of Social Protection to apply a new means test to a larger number of claimants who have not previously interacted with the Department, or – more feasibly – Revenue to apply an adjustment to tax credits/thresholds for those whose income exceeds the disregard. In either case, applying a separate means test to withdraw the payment could leave those already receiving other means-tested benefits facing high marginal effective tax rates (for example, if also receiving WFP, Housing Assistance Payment (HAP) and paying income tax).

One way of avoiding this issue would be to make the payment taxable, so that it is (partially) withdrawn through the regular income tax system rather than via a separate means test. Figure 3.5 presents estimates of the distributional impacts of a taxable second tier of Child Benefit, maintaining the existing universal component but paying parents of children aged 12+/u12 an additional €10/5 per week.

Although the taxable payment continues to benefit lowest-income families most – with an average gain of €241 per year (1.5 per cent of income) for those in the lowest-income decile – its effects would stretch much further up the income distribution. Unlike the means-tested version of the payment, a third of individuals in the highest-income decile would benefit, with an average gain of €92 per year (0.1 per cent of income). This is because of the slower withdrawal of the payment at income tax rates of 20 and 40 per cent instead of the 60 per cent taper for the means-tested payment considered above.

Figure 3.5 Distributional impact of taxable second-tier payment

Source: Authors' calculations using SWITCH run on the 2024 EU-SILC.

As a result, there are far more beneficiaries of the payment – 2.9 million individuals across 744,600 households – and it also costs much more: €515 million compared to €215 million for the means-tested version. However, it still reduces child poverty by 1.6 percentage points and while less well targeted than a means-tested second-tier payment, would be far simpler to introduce, avoiding issues of overlapping means tests while ensuring that children in low-income households who do not currently receive CSPs also receive support. It could also, over time, come to subsume CSPs, allowing for a more gradual reform of payments to families with children.

Taken together, these results suggest that a second tier of Child Benefit – whether means-tested or taxable – could help the Government make progress towards its child poverty target of 3 per cent by 2030 more effectively than continuing to rely solely on increases to CSPs or the WFP. Whatever approach is taken, it is clear that achieving this ambitious target will require new policy measures, and a significant fiscal outlay. This report now turns to examine the issue of deprivation among children in more detail.

Chapter 4

Child-specific deprivation

Bertrand Maître, Helen Russell and Eva Slevin

As discussed in the previous chapter, a wealth of evidence suggests that experiencing poverty in childhood – particularly when it starts in early childhood and persists throughout – can have a detrimental impact on children’s lives with long-lasting effects for their educational, health, wellbeing and labour market outcomes (National Academies, 2019; Duncan et al., 1998; 2018; Cooper and Stewart, 2020). While poverty is generally measured at the household and family level, there can be differences in the way that children and adults experience poverty. Parents may try to shield children from the impacts of low income, ‘going without’ themselves so that their children do not miss out.¹⁵ And while measures of deprivation and income poverty conceive of poverty as exclusion from the normal way of life of society, the norms of what is necessary for participation are likely to differ in some ways for children, young people and adults (Cortés-Morales and Main, 2021; Main and Bradshaw, 2012).

For these reasons, there have been efforts to examine child-specific measures of deprivation. In this chapter, using the EU-SILC ad-hoc modules on child-specific deprivation for the years 2009, 2014, 2021 and 2024, we examine a set of indicators adopted at an EU level to measure child-specific deprivation (Eurostat, 2025; Guio et al., 2018), addressing the following research questions:

1. How have levels of child-specific deprivation changed over time from 2009 to 2024?
2. Have the characteristics of children experiencing child-specific deprivation changed over time?
3. What is the overlap between income poverty, household-level deprivation and child-specific deprivation? Is there evidence that children are shielded from household-level deprivation? Are there children experiencing child-specific deprivation but not living in deprived households?

¹⁵ Differential access to resources within households has also been examined from a gender perspective, though the evidence of whether this leads to significant intra-household income inequality is mixed (Watson et al., 2012).

4.1 Background

Poverty is defined at the EU level as not having enough resources to be included in the minimum acceptable way of life in the Member State in which they live. This is inspired by Townsend (1979), who describes poverty in the context of relative deprivation, where an individual lacks the resources required to participate fully in society. It is widely accepted that income level alone does not adequately capture the long-term living standards and poverty exposure of households. Material deprivation indicators were developed to address this limitation and operationalise a more multidimensional concept of poverty. The set of indicators used in earlier chapters and in the wider body of Irish and EU research were developed to move beyond income alone to measure the enforced absence of basic necessities, including items relating to food, clothing and heating. A key feature of these items is that they are measured at the household level and are not differentiated for sub-groups of the population. Household-level deprivation is useful in examining trends, comparing deprivation across population groups, and will capture many children who experience a lower standard of living. However, researchers have found that the needs and living standards of children can be different from adults in their own household (Main and Bradshaw, 2012; Lanau, 2023) and household deprivation is insufficient for characterising deprived children (O’Hanlon, 2026; Kerrins et al., 2011).

Kerrins et al. (2011) argue that solely examining deprivation for adults in a household can lead to an imprecise measure of child poverty. Child-specific deprivation measures allow for factors that specifically impact children to be considered. While research has found that most children experiencing child-specific deprivation will also experience household deprivation (Watson et al., 2012; Whelan and Maître, 2012), centring children in narratives of poverty and examining their direct experience of poverty can be relevant outside of purely measurement-based aims (O’Hanlon, 2026).

Child-specific deprivation indicators were asked as part of the EU-SILC for the first time in 2009 as part of an ad-hoc module. The indicators were derived from the 2007 Eurobarometer survey on poverty and social exclusion. This asked citizens from across Europe to consider how important different items would be for children to enjoy a good standard of living (European Commission, 2012). Child-specific items were asked again

in 2014. In 2018, Guio et al. (2018) refined and recommended a new set of 17 indicators, described in more detail in section 4.2. These items are now asked as part of a three-year rolling module in the EU-SILC, asked in 2021 and 2024, with the next module due to take place in 2027.

There is relatively little analysis of child-specific deprivation measure in Ireland using these data. An exception is Watson et al. (2012), who – using the 2009 data – find that children in lone-parent households, households where the mother has no educational qualifications or the household reference person has never worked, and households in the bottom income quintile are at the highest risk of experiencing child-specific deprivation. They find that 13 per cent of children in 2009 were in households experiencing child-specific deprivation, while 24 per cent were in households experiencing basic deprivation.¹⁶ There was considerable overlap found between these groups, with less than 3 per cent experiencing child-specific deprivation only.

A core benefit of the EU-SILC measure is the ability to do cross-national comparison and identify macro-level drivers of child-specific deprivation across the EU. Guio et al. (2020) examine this for 31 countries captured by EU-SILC. They find that generally, income, self-employment, education, debt burden and migrant status are significantly associated with higher child deprivation, with needs such as housing costs, bad health and housing tenure accounting for additional variation. When countries are clustered by income and deprivation intensity, Ireland is positioned as having a medium-high rate of child deprivation alongside Croatia, Italy, Lithuania, Malta, Poland, Slovakia, Spain and the UK. The explanatory power of different variables differs by country, with household needs (housing tenure, health) most important for less deprived countries and resources most important for the most deprived countries.

¹⁶ The national measure of basic deprivation is based on an enforced lack (cannot afford) of 11 basic items. This is the official Irish measure of material deprivation (for more details about the measure, see [Background Notes Survey on Income and Living Conditions \(SILC\) 2025 – Central Statistics Office](#)).

Child-specific deprivation has additionally been applied in single country studies. For example, Celardo, et al. (2025) examine child-deprivation in Italy using the 2017 and 2021 EU-SILC modules. They note that across the EU, parental education has a strong impact on child-specific deprivation (39.1% of children whose parents had a lower secondary education were deprived compared to 3.8% of children whose parents had a tertiary education). Child-specific deprivation in Italy was 13.5 per cent in 2021, higher than the Irish level (12.1%). It also saw regional variation, with higher deprivation in the south. Factors associated with higher deprivation were older children, living with a single parent, number of income earners in the household, and reliance on pensions and public transfers.

Several studies have operationalised multidimensional measures of child deprivation based on a child's rights-centred approach. These approaches are best described by UNICEF's Multidimensional Overlapping Deprivation Analysis (MODA) framework (UNICEF, 2026), which approaches deprivation from several dimensions, including housing, sanitation and nutrition. Some, like Chzhen and Ferrone (2017), use the EU-SILC child-specific measures as a starting point but include additional measures such as overcrowding and sanitation. In Ireland, much of this research uses Growing Up in Ireland (GUI) longitudinal data. Williams et al. (2014) and Madden (2022) both find that primary caregiver education is significantly associated with higher risk of multidimensional deprivation, and Madden (2022) also notes that maternal education is associated with fewer transitions (change in number of deprivations) across GUI waves. Williams et al. (2014) also note number of siblings, lone-parent families, and household social class as being risk factors.

O'Hanlon (2026) also uses GUI data to create dimensions on health, nutrition, protection from violence, access to information and housing. Being in lower income quintiles, lone-parent families and having a parent with lower educational attainment is associated with higher rates of multidimensional deprivation. Girls at age 13 are also at a higher risk of deprivation than boys, highlighting the importance of within-household dimensions of deprivation which is not possible in the SILC data.¹⁷ Kasakova et al. (2024) use a similar approach applied to a French dataset, examining five dimensions,

¹⁷ SILC takes all children in a family to be deprived if one is deprived.

including housing, material deprivation, extreme living conditions, parenting and health. Migrant status is associated with higher housing or material deprivation (aligning with EU-SILC variables). They also find a gender dimension, where boys are more likely to experience material deprivation than girls. Parental education, migrant background and employment status is also significantly associated with child material deprivation.

While these approaches are important in the child poverty scholarship, it is difficult to engage in comparative analysis as researchers apply different dimensions. It can also be difficult to separate cause and effect, particularly with regards to educational performance or health. Furthermore, the issue of enforced lack (don't have because cannot afford) is not included in these dimensions.

The development of child-specific deprivation indicators are grounded in the view that household resources are not always shared equally, and that children will experience deprivation along different dimensions to their parent(s). Main and Bradshaw (2012) highlight research that examines this perspective, particularly examining how allocation of resources differs across gender and age dimensions. Resources will often be shared unequally between men and women (Findlay and Wright, 1996), and the gender of the head of household may impact on the distribution of resources, including to children (Pahl, 2005; Daly et al., 2012; Cantillon, 2013). Researchers comparing this across Europe¹⁸ corroborate this (Lanau, 2023; Karagiannaki and Burchardt, 2024). Lanau finds that children are almost universally prioritised across households in different contexts, with parents among the most likely to be deprived (Lanau, 2023). Using EU-SILC data, Karagiannaki and Burchardt (2024) find that in non-nuclear families, children are more likely to be protected from deprivation.

Main (2018) examines intra-household sharing using a longitudinal dataset of UK families, and notes that there is a prioritisation of children's needs when families are in a vulnerable financial position. In a series of qualitative interviews with parents and children, she also finds that children will often change their behaviour in response to

¹⁸ Note that Ireland isn't included here as the analysis of the 2009 and 2014 ad-hoc modules had a high number of missing cases.

constrained financial circumstances too, such as contributing to family resources or going without to save money.

Recently, Abe (2026) examined a dataset of mothers and children in Japan. The dataset asks both children and mothers about deprivation, finding that child-reported child deprivation is higher than the deprivation reported by mothers. The research finds that low-income mothers engage in protecting behaviours, but only for items they deem necessary. It also finds that higher-income mothers are more likely to engage in exposing behaviours (not providing an item to a child when they themselves have them). They do not find any difference between life satisfaction of protected children and deprived, not protected children.

European research examining the incidence of intra-household distribution of resources in non-traditional family structures¹⁹ such as living with grandparents or adult siblings also find that adults engage in protective behaviours (Karagiannaki and Burchardt, 2024). Co-residence with grandparents is particularly associated with higher protection from deprivation, while children in lone-parent households are at a higher risk of deprivation. The researchers use 2014 EU-SILC data on child-specific deprivation and examine the rates by country and across different country categories. Ireland's rate of multi-family households is lower than the European average, and the protective impact of grandparents is lowest in Ireland (3 percentage points difference) compared to the highest in Greece (40 percentage points difference).

The experience of poverty is linked to many adverse outcomes for children, including life satisfaction, behavioural difficulties and labour market outcomes (National Academies, 2019; Duncan et al., 1998; Cooper and Stewart, 2020). In Ireland, this topic has predominantly been researched using the Growing Up in Ireland dataset, as this provides longitudinal information on specific outcomes unavailable in cross-sectional data (Li and Chzhen, 2024; Maître et al., 2021; Gibbons et al., 2023).

In the UK, Knies (2022) examines both child- and household-level deprivation and its association with life satisfaction (in both cases, reported by the adult). She finds some

¹⁹ Children in these households face higher deprivation risks generally due to deprived families selecting into this family structure.

evidence that higher material deprivation during teen years is associated with lower life satisfaction, where young people are potentially more aware of their family's financial situation. Schenck-Fontaine and Panico (2019) also use UK data to examine material deprivation and financial stress generally, finding that all indicators of financial or material deprivation are associated with higher behavioural problems for children between the ages of 3 and 7. They also find that combined poverty and material deprivation, as well as financial stress, increases the risk of both internalising and externalising behaviours for this group.

In the Irish context, Gibbons et al. (2023) examine the impact of poverty and deprivation on child behavioural difficulties using the Growing Up in Ireland dataset. Household deprivation²⁰ (asked to the parent) is found to predict externalised behavioural difficulties in teenage boys, and internalised behavioural difficulties in younger boys. They found no significant relationship between material deprivation and girls' outcomes. Similarly, Li and Chzhen (2024) use the Growing Up in Ireland dataset to examine the link between child poverty and outcomes. They find that experiencing at least one spell of poverty is related to worsened behavioural and health outcomes.

Chzhen et al. (2020) examine the impact of poverty and material deprivation on intra-family conflict. They use a 2018 nationally representative survey of children in England, specifically examining the mechanisms through which poverty impacts on children directly. The deprivation measure used is a set of items that children want but do not have, including shoes to fit in with peers, a smartphone, and a computer. This research also operationalises economic pressure, which includes items such as going hungry or wearing old or worn-out clothes. Chzhen et al. (2020) find that child deprivation is significantly associated with higher likelihood of experiencing distress (score based on questions such as 'I wish I had a different kind of life', and 'my life is worse than most other young people my age'). Child-reported deprivation is also associated with higher intra-family conflict about money. The results are also significant across low- and high-income households, wherein economic hardship and pressure has a link with increased family conflict at all income levels.

²⁰ This takes the threshold of lacking one or more items on the household material deprivation scale as being deprived, which differs from the EU measure.

4.2 Data and methodology

This analysis utilises variables collected as part of the European Statistics on Income and Living Conditions (EU-SILC). Data on child-specific deprivation for children aged under 16 years was collected in 2009, 2014 and since 2021 is collected every three years as part of a rotating module. The EU child-specific deprivation rate is calculated from 17 items, where a child is considered to be deprived if they suffer from an enforced (household wants but cannot afford) lack of at least three of the 17 items. The questions are answered by the head of household only, rather than by the children themselves. The questions are asked about children under 16 in the household, but are not recorded for each child separately.²¹

The 12 child-specific deprivation items are as follows:

1. Some new (not second-hand) clothes
2. Two pairs of properly fitting shoes (including a pair of all-weather shoes)
3. Fruits and vegetables once a day
4. One meal with meat, chicken or fish (or vegetarian equivalent) at least once a day
5. Books at home suitable for their age
6. Outdoor leisure equipment
7. Indoor games
8. Regular leisure activities
9. Celebrations on special occasions
10. Invite friends round to play or eat from time to time
11. Participate in school trips and school events that cost money
12. Go on holiday away from home at least one week per year

²¹ If there is only one child, the format is 'Does this child have [item]'. If there is more than one child, the format is 'Does each child have [item]'. If the response is 'no', the respondent is asked if this is because the household cannot afford it or for another reason. Only those who cannot afford it are counted as deprived.

The four household deprivation items are:

- 13. Replacing worn-out furniture
- 14. Capacity to being confronted with payment arrears (on mortgage or rental payments, utility bills, hire purchase instalments or other loan payments)
- 15. Ability to keep home adequately warm
- 16. Have access to a car/van for personal use

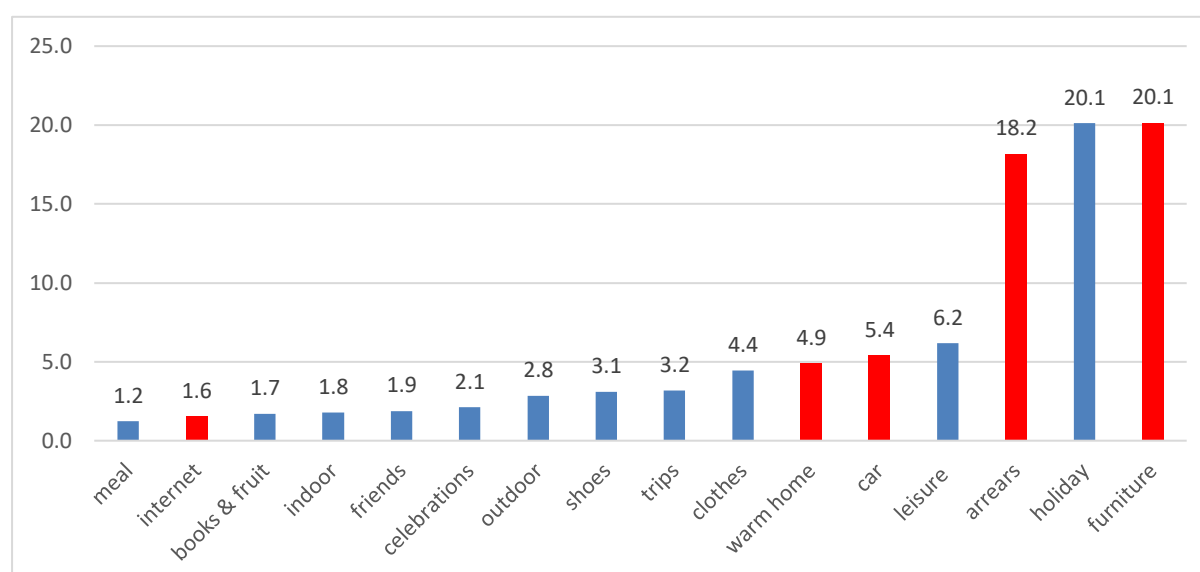
The adult deprivation item (people aged 16 and over) is:

- 17. Having internet connection (if at least half of the adults in the household are deprived of this item, the child is considered deprived of the item)

All these 17 deprivation items were available in the 2021 and 2024 child deprivation ad-hoc modules.

Figure 4.1 presents the proportion of children lacking each item, or living in households lacking these items, based on the pooled 2021 and 2024 data.²² Among the six most commonly reported deprivation items, three relate to household circumstances, with two household items ranking among the top three most deprived items. The arrears item was observed for 18 per cent of children while inability to replace worn-out furniture was the most prevalent deprivation item overall at 20 per cent. The deprivation rates fall sharply for the remaining items, ranging from less than 1 per cent for children's books and fruit consumption to 5.5 per cent for children's participation in leisure activities.

²² We pooled both years in order to have enough cases for providing reliable statistics. The books and fruit items are added together (lacking at least one of them) in order to have enough cases.

Figure 4.1 Percentage of children under 16 lacking specific items, 2021 and 2024

Source: SILC data.

Notes: In order to have enough cases, we added the 'books' and 'fruit' items together. The red bars are household-level items, the blue bars are children (aged under 16) related items.

Figure 4.1 shows that household-level items account for a substantial share of measured child-specific deprivation. Given the focus of this analysis is on children's direct experience of deprivation, we restrict the measure to items specifically related to children's lives. In addition, there is a strong overlap between the child holiday item and the household holiday item, since in practice few children have a holiday without other adult household members.²³ For this reason, and to restrict our focus on child-specific deprivation, the household holiday item is also excluded.²⁴

It is important to be aware that measures based on information provided by parents or guardians have limitations in fully capturing children's lived experience. Moreover, social desirability bias may mean parents are unwilling to report that their children are going without something because they cannot afford it.

²³ For example, in 2024, almost 12 per cent of children not deprived on the child holiday deprivation item lived in a household deprived on the household-level holiday item. In reverse, 99 per cent of children deprived on the child measure were also living in households deprived on the household-level measure.

²⁴ In their multidimensional analysis of child poverty, Chzhen et al. (2015) also excluded the holiday item, as it did not fit with the child deprivation dimensions they identified.

Table 4.1 Distribution of child-specific deprivation (%), 2009 to 2024

N of items	2009	2014	2021	2024
0	88.6	77.3	87.9	89.9
1	6.5	12.0	6.3	5.3
2	2.3	5.2	1.9	2.2
3+	2.5	5.5	3.9	2.5
Total	100.0	100.0	100.0	100.0
1+	11.4	22.7	12.1	10.1
2+	4.8	10.7	5.8	4.8

Source: SILC.

Notes: Minor differences may occur between the sum of the percentages and the total reported at the bottom of the table due to rounding. Percentages for children under 16 only

Focusing on the set of 11 child-specific items that were also available for the years 2009 and 2014, Table 4.1 shows that overall, a very large majority of children experienced no child-specific deprivation. There is also a recession and recovery pattern for child deprivation over time. Between 2009 and 2014, the percentage of children lacking at least one item doubled to almost 23 per cent to then falling gradually to its lowest level in 2024 at 10 per cent. Among those experiencing deprivation, the large majority of children experience only one deprivation item and very few children experience multiple deprivation (lacking two items or three or more items) apart from in 2014 during the economic recession. The resulting child deprivation measure used in this paper is therefore based on eleven items directly targeted at children and we consider a child as being deprived when the child is lacking at least one item out of 11.

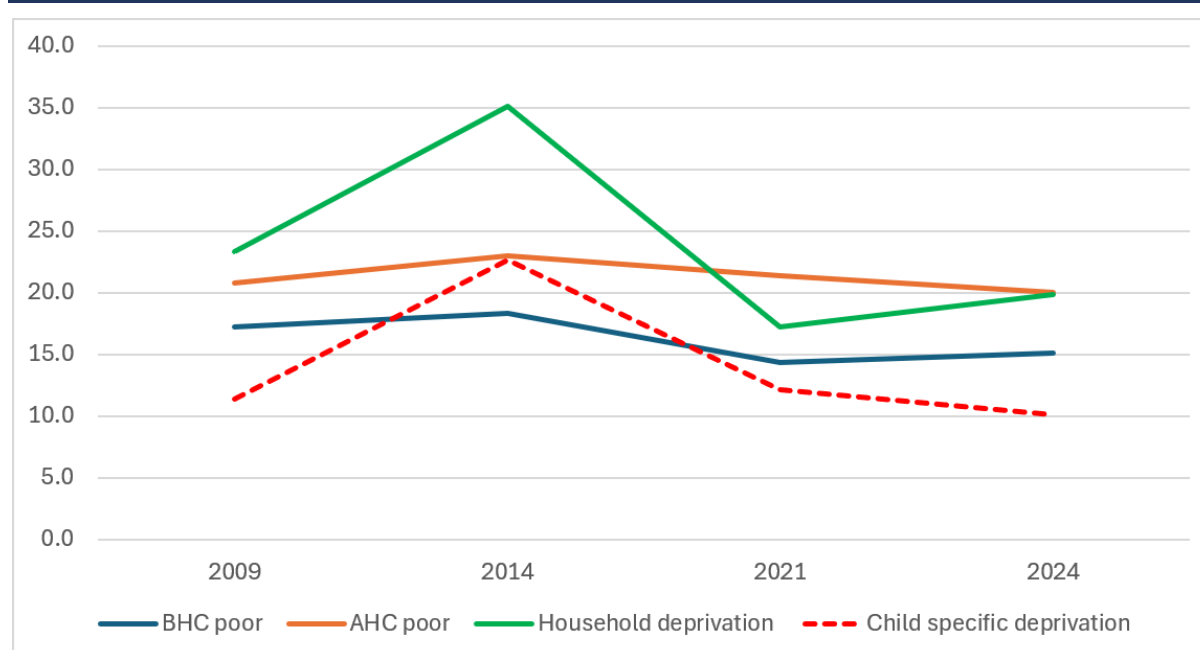
In this chapter, the term ‘child-specific deprivation’ refers to the measure based on the 11 items relating to children under the age of 16 while the term ‘household deprivation’ refers to the standard indicator of material deprivation measure used in Chapter 3, which is based on 10 items which asks about items lacked by the household. All the analysis that follows is restricted to those aged under 16.

4.3 Child poverty and deprivation over time

In Figure 4.2, we compare child-specific deprivation with some of the poverty measures seen in the previous chapters. Figure 4.2 shows that, with the exception of 2014, child-specific deprivation rates are consistently lower than the other poverty measures. The

gap is largest when compared with household deprivation, followed by income poverty after housing costs (AHC) and before housing costs (BHC).²⁵ A comparison of the trends of the child poverty rates across the various measures indicates a broadly similar pattern across all indicators, with increases observed between 2009 and 2014 followed by declines thereafter. However, some divergence emerges in the last period (2021–2024).

Figure 4.2 Child poverty over time, 2009–2024 (under 16s only)



Source: SILC.

Notes: Rates for children under 16 only.

The changes in both poverty measures were relatively modest during the initial period, while household deprivation and child-specific deprivation showed more pronounced increases and subsequent decreases. Child-specific deprivation increased from 11 per cent to almost 23 per cent between 2009 and 2014. For household deprivation, it was 23 per cent and 35 per cent respectively. This suggests that deprivation-based measures were more sensitive to the effects of the recession and subsequent recovery on living standards than the income poverty measures. In the latest period, household

²⁵ For ease of communication and to distinguish between the child-specific deprivation measure and the material deprivation measure (used in Chapters 2 and 3), we refer to the latter as household deprivation.

deprivation rose by 3 percentage points, while child-specific deprivation declined by approximately 2 percentage points.

4.4 Child-specific deprivation and other poverty measures

Figure 4.2 highlighted differences in the level of child poverty across the various measures used. We now examine the overlap between poverty, household deprivation, consistent poverty and child-specific deprivation. In particular, we assess whether poverty, household deprivation and consistent poverty succeed in capturing children who are experiencing child-specific deprivation.

Table 4.2 Child-specific deprivation composition by poverty measures (%) under 16 only

	2009	2014	2021	2024
BHC poverty				
Not child-specific deprived	65.6	57.1	70.5	66.3
Child-specifically deprived	34.4	42.9	29.5	33.7
Total	100.0	100.0	100.0	100.0
AHC poverty				
Not child-specific deprived	68.5	55.8	68.7	68.1
Child-specifically deprived	31.5	44.2	31.3	31.9
Total	100.0	100.0	100.0	100.0
Household deprivation				
Not child-specific deprived	64.1	43.4	50.3	56.7
Child-specifically deprived	35.9	56.6	49.7	43.4
Total	100.0	100.0	100.0	100.0
Consistent poverty				
Not child-specific deprived	50.8	32.4	47.5	43.2
Child-specifically deprived	49.2	67.6	52.5	56.9
Total	100.0	100.0	100.0	100.0

Source: SILC.

Notes: Percentages for children under 16 only.

Table 4.2 presents the percentage of children experiencing child-specific deprivation for those that are below the poverty line, household deprived and in consistent poverty. Examining the composition in the lower panel of Table 4.2, we note that the consistent poverty and household deprivation measures have the greatest overlap with the child-specific deprivation measure, suggesting that these are the most effective measures for

identifying children experiencing child-specific deprivation. Across all the years on average, almost 57 per cent of children in consistent poverty are also experiencing child-specific deprivation and it reaches almost 68 per cent in 2014. On average, 46 per cent of children experiencing household deprivation also experience child-specific deprivation compared to just over one-third of children below the BHC poverty line.

This may suggest that, while these children are living in households experiencing poverty or (and) household deprivation, parents may adopt strategies to protect them from experiencing child-specific deprivation. It also suggests that protecting children from child-specific deprivation is more feasible when households are income poor, whereas experiencing deprivation in the household may reflect more severe and persistent forms of poverty, making such protection more difficult. An alternative explanation is that the child deprivation items may not adequately capture children's lived experiences, explaining the low deprivation rates observed across these child-specific items.

4.5 Profiles of children experiencing child-specific deprivation

Table 4.3 presents the risk of child-specific deprivation by socio-demographic characteristics of children and their families. Overall, the risk of child-specific deprivation increased sharply between 2009 and 2014, before declining substantially by 2021 and 2024. For all children, the rate rose from 11 per cent in 2009 to almost 23 per cent in 2014, before falling to 10 per cent in 2024.

Over the period examined, the distribution pattern of child-specific deprivation risk across all household characteristics remains broadly stable. Focusing on child age, the rates tend to be higher amongst older children and lowest amongst children under the age of 5. This is consistent with previous research which suggested the measures were more suited to school-age children (Chzhen et al., 2015). In the latest year, there is no difference between the under-5s and those aged 5–11 years. However, child-specific deprivation is 3.7 percentage points (41%) higher for children aged 12–15 years.

The disparities in child-specific deprivation risk are much larger by household size. Children in larger families face a higher risk, rising from 8 per cent for one-child

households to almost 20 per cent in 2024 for children in households with four or more children.

Overall, children in lone-parent households have also a higher deprivation risk, followed by those in households with three or more adults. The risk for children in lone-parent households is 21 per cent in 2024 compared to 7 per cent for those in two-adult households. Similarly, children in households headed by women face higher risks. It is almost 13 per cent in 2024, while it is half that for children in households headed by men. There are also large differences by the household heads' country of birth. Children in households headed by an adult born outside the EU experience the highest risk of child-specific deprivation at 26 per cent in 2024, followed by half that risk in those headed by an adult born in the EU or UK, compared to just 5 per cent where the household head is Irish-born.

Educational attainment of the household head is also strongly associated with child-specific deprivation risk. Children in households where the head has lower education level have a risk of almost 21 per cent, compared to 6 per cent among those with post-secondary or tertiary education in 2024.

Table 4.3 Child-specific deprivation risk by socio-demographic characteristics

	2009	2014	2021	2024
Age of child				
0–4	10.6	20.9	9.5	9.1
5–11	12.5	22.2	13.4	9.1
12–15	10.2	25.6	12.7	12.8
All age groups	11.4	22.7	12.1	10.1
Number of children				
1	7.5	21.7	7.2	8.2
2	9.7	20.9	9.9	8.1
3	15.5	24.3	12.5	10.3
4+	16.7	28.0	25.0	19.6
Household type				
Single adult, w/children	25.5	39.4	28.8	21.4
2 adults w/children	8.0	19.8	10.1	7.1
3+ adults, w/children	10.8	23.3	11.6	14.4

HOH gender				
Female	16.9	33.3	14.0	12.6
Male	8.0	16.0	9.6	5.8
HOH country of birth				
IE	11.1	19.2	8.9	5.3
EU or UK	9.5	24.0	16.0	17.0
Non-EU	17.2	50.8	35.0	26.3
HOH education				
Primary and secondary	14.8	25.7	15.5	20.8
Post-secondary and tertiary	6.7	19.4	9.6	6.3
HOH principal economic status				
At work	6.0	14.2	6.5	5.7
Not working	21.2	41.6	26.5	25.4
Number of workers in HH				
0	28.2	51.5	39.1	43.9
1	8.6	25.1	13.6	15.1
2+	3.0	8.8	4.9	3.5
Disability in HH				
No	10.0	19.5	10.1	9.5
Yes	17.7	39.3	21.3	13.1
Housing tenure				
Owned with/without mortgage	4.4	12.8	4.5	2.1
Unsupported renter	20.9	30.2	15.9	14.5
Supported renter	31.3	51.1	32.2	34.0
Location				
Cities	11.3	21.8	13.7	9.4
Towns and suburbs	12.1	25.9	12.3	11.6
Rural areas	10.8	21.4	10.8	9.5

Source: SILC.

Notes: Percentages for children under 16 only.

Children where the household head is not working have a child-specific deprivation rate of 25 per cent, compared to almost 6 per cent where the household head is working in 2024. This pattern is also strong with the number of working-age adults in the household as the child-specific deprivation rate is almost 44 per cent in households with no workers, compared to only 4 per cent in households with two or more workers. Children living in households where someone has a disability also face higher risk of

child-specific deprivation at 13 per cent, while it is 10 per cent for those without a disability in 2024.

Finally, while there are few differences in risk of deprivation by location, it is quite substantial by housing tenure. Child-specific deprivation is lowest among homeowners at 2 per cent and it highest among supported renters at 34 per cent and it is half that for unsupported renters in 2024.

In summary, while child-specific deprivation has fallen significantly since its peak in 2014, substantial inequalities persist, particularly by family structure, labour market attachment, education, housing tenure and migrant background.

4.6 Child deprivation typology

Focusing on measures of deprivation, Table 4.2 showed that a substantial proportion of children living in households experiencing deprivation (named previously as ‘household deprivation’) are not identified as deprived according to the child-specific measure. This may reflect the extent to which parents adopt strategies to protect children from the effects of limited resources. By contrast, there is a small group of children experiencing child-specific deprivation that are not classified as household deprived, highlighting potential limitations of the household-based measure of deprivation in capturing children’s lived experiences of poverty.

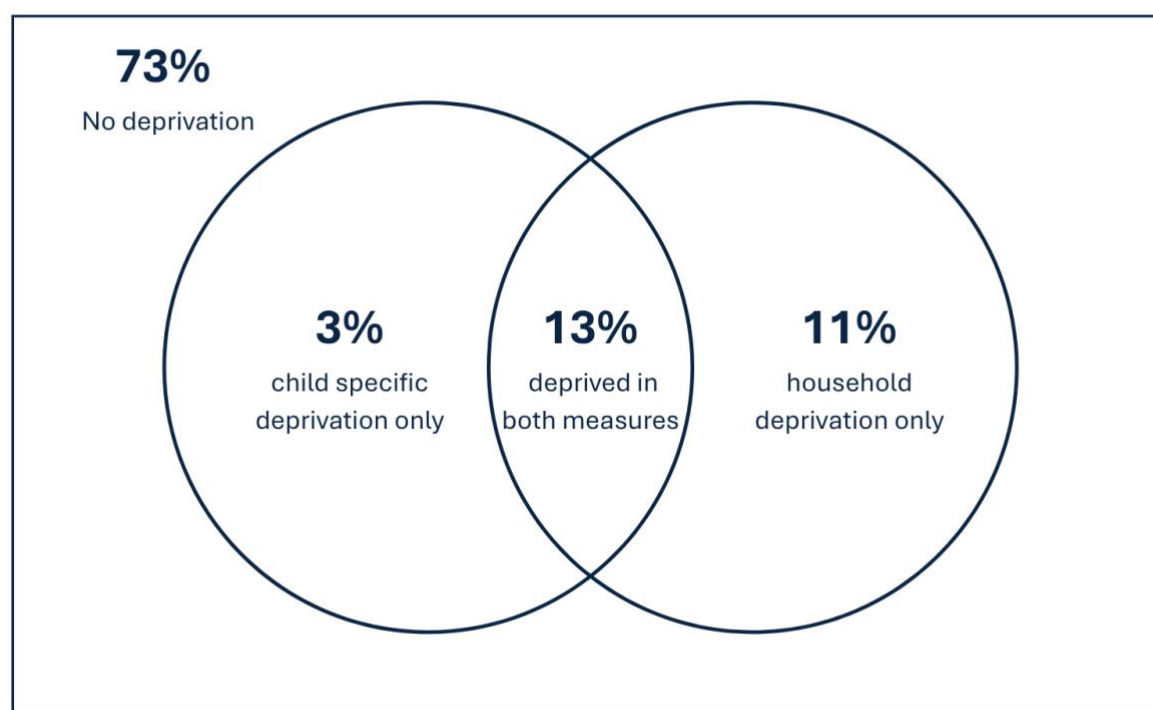
Table 4.4 presents the distribution of children across all combinations of these two deprivation measures. With the exception of 2014, between 74 per cent and 79 per cent of children are not exposed to either form of deprivation. A larger proportion of children experience household deprivation only, while relatively few experience child-specific deprivation only. Over time, there has been a decline in both measures as the proportion experiencing household deprivation only fell from 15 per cent to 11 per cent, while child-specific deprivation only fell from 3 per cent to 1.5 per cent. Excluding 2014, the proportion experiencing both forms of deprivation has remained broadly stable, averaging around 8.5 per cent. Figure 4.3 shows a graphical representation of the correspondence between the household and child-specific deprivations.

Table 4.4 Child deprivation typology (%), 2009 to 2024

	2009	2014	2021	2024
No deprivation	73.7	62.1	79.2	78.7
Child-specific deprivation only	3.0	2.8	3.6	1.5
Household deprivation only	14.9	15.3	8.7	11.2
Deprived on both	8.4	19.9	8.5	8.6
Total	100.0	100.0	100.0	100.0

Source: SILC.

Notes: Under 16 years only.

Figure 4.3 Venn diagram child deprivation typology, pooled years 2009–2024

Note: Uses pooled years because of small number of cases in the child-specific deprivation category.

Table 4.5 presents the socio-demographic profile of children across the typology of deprivation outlined above. It also includes the profile of all children and in the description of the results, references to a category being ‘under-represented’ or ‘over-represented’ are based on comparisons with the overall population distribution shown in the total column.

The age profile of children in these deprivation groups differs only modestly from the overall distribution (total column). Children aged 0–4 are slightly under-represented in

all deprivation categories and over-represented in the not deprived category. Children aged 12–15 are slightly more prevalent among those experiencing child-specific deprivation only (30%) and, to a lesser extent among those in household deprivation only, in both types of deprivation (28%) than in the total population (26%).

Larger families are more common among deprived groups. Households with four or more children account for 24 per cent of those experiencing child-specific deprivation only and 18 per cent of those deprived on both child-specific and household deprivation, compared with 12 per cent overall. In contrast, children in one- or two-child households are under-represented in deprived groups.

Children in single-adult households are substantially over-represented among those experiencing any type of deprivation, particularly where both types occur (26% vs. 12% overall). In contrast, those in two-adult households are under-represented across all deprivation categories (53% to 64%) compared to the total (68%). Households with three or more adults show little variation across all groups.

Children in female-headed households are more prevalent among deprived groups, especially where both forms of deprivation are present (64% vs. 49% overall).

Children in households headed by someone born outside Ireland are over-represented among those experiencing any type of deprivation. In particular, non-EU-born household heads account for 22 per cent of those deprived on both measures, compared to almost 10 per cent overall. Similarly, EU- and UK-born heads are more prominent in the child-specific deprivation group (29% vs. 16%). Irish-born heads are under-represented in these deprivation categories, especially for child-specific deprivation (51% vs. 75%).

Lower levels of educational attainment are strongly associated with all types of deprivation. Children in households where the head has primary or secondary education account for a majority of children experiencing child deprivation (56%) and around half of those deprived on both measures (50%) and slightly less for child-specific deprivation only (45%) compared to 34 per cent overall.

Children in households where the head is not working are over-represented among deprived groups. Among those deprived on both measures, 62 per cent are in

households where the head is not working, more than double the overall figure (29%). There are no differences between the two other deprivation groups, both at about 47 per cent.

Children in jobless households are disproportionately concentrated among deprived groups. Households with no workers account for 47 per cent of those deprived on both measures and around one-third of those in other deprivation categories, compared to 16 per cent overall. In contrast, households with two or more workers are strongly under-represented among all deprived groups (15% to 29%) relative to the total (50%).

Children living in households with a disability member are more prevalent among deprived groups. This is particularly evident for those deprived on both measures, where almost 30 per cent live in such households compared to almost 18 per cent overall.

Housing tenure also shows strong differences across groups. Children in supported rented accommodation are substantially over-represented among deprived groups, especially those deprived on both measures (almost 48% vs. almost 17% overall). Unsupported renters are also more prevalent in some deprivation categories. Finally, home ownership is much less common among deprived groups (24% to 40%) compared to the total (63%).

Differences by location are relatively modest across groups. Children in towns and suburbs are slightly over-represented among those deprived on both measures (31% vs. 28%), while rural areas are marginally under-represented across deprivation groups compared to the total.

**Table 4.5 Socio-demographic profile of children by deprivation typology (%),
pooled years 2009 to 2024**

	No deprivation	Child-specific deprivation only	Household deprivation only	Deprived on both measures	Total
Age of child					
0–4	30.3	25.4	24.1	26.3	28.9
5–11	44.9	45.0	47.9	46.0	45.4
12–15	24.9	29.7	28.0	27.7	25.7
Total	100.0	100.0	100.0	100.0	100.0
Number of children					
1	23.3	18.9	21.1	17.3	22.3
2	43.4	27.9	35.7	38.1	41.4
3	22.9	29.6	28.4	26.2	24.2
4+	10.4	23.7	14.7	18.4	12.2
Total	100.0	100.0	100.0	100.0	100.0
Household type					
Single adult, w/children	7.2	14.6	23.8	25.7	11.6
2 adults w/children	72.5	64.1	56.5	52.7	68.1
3+ adults, w/children	20.2	21.3	19.8	21.6	20.4
Total	100.0	100.0	100.0	100.0	100.0
HOH gender					
Female	45.4	58.2	58.0	63.6	49.4
Male	54.6	41.9	42.0	36.4	50.6
Total	100.0	100.0	100.0	100.0	100.0
HOH country of birth					
IE	77.8	51.3	75.1	61.6	74.9
EU or UK	14.6	29.2	17.1	16.4	15.5
Non-EU	7.5	19.6	7.9	22.0	9.5
Total	100.0	100.0	100.0	100.0	100.0
HOH education					
Secondary or lower	27.9	44.6	55.6	50.1	34.0
Post-second and tertiary	72.1	55.4	44.4	49.9	66.0
Total	100.0	100.0	100.0	100.0	100.0

HOH principal economic status					
At work	79.9	52.6	52.4	37.7	70.9
Not working	20.1	47.4	47.6	62.3	29.1
Total	100.0	100.0	100.0	100.0	100.0
N of workers in HH					
0	7.1	33.2	35.0	46.7	15.8
1	32.5	37.8	40.0	38.4	34.2
2+	60.4	29.1	25.1	15.0	50.0
Total	100.0	100.0	100.0	100.0	100.0
Disability in HH					
No	85.5	79.7	76.6	70.3	82.5
Yes	14.5	20.3	23.4	29.7	17.5
Total	100.0	100.0	100.0	100.0	100.0
Housing tenure					
Owned ¹	73.7	34.4	40.4	24.4	62.8
Unsupported renter	18.0	41.0	25.5	28.2	20.7
Supported renter	8.4	24.6	34.1	47.5	16.5
Total	100.0	100.0	100.0	100.0	100.0
Location					
Cities	30.5	35.4	30.6	29.8	30.6
Town/suburb	27.8	27.4	29.7	31.4	28.4
Rural areas	41.7	37.3	39.8	38.8	41.0
Total	100.0	100.0	100.0	100.0	100.0
N	8,276	275	1,233	1,232	11,016

Source: SILC.

Notes: ¹ Owned with or without mortgage.

4.7 Modelling the risk of child deprivation

Table 4.6 shows the marginal effects from a multinomial model of children's risk of experiencing (1) child-specific deprivation only (group missed by household deprivation), (2) household deprivation only (protected group), or (3) both forms of deprivation, relative to experiencing no deprivation.²⁶

Compared to 2009, there is little systematic change in most deprivation risks over time. However, the probability of experiencing both forms of deprivation increased significantly in 2014 (by almost 12 percentage points (pp)) and then declined, while household deprivation only was significantly lower in 2021 (4.9 pp). By 2024, there is a small but significant reduction in child-specific deprivation only (1.5 pp).

Children in income-poor households have a significantly higher risk of experiencing all forms of deprivation but particularly both forms of deprivation together (8.2 pp), while it is lowest for experiencing child-specific deprivation only. Older children (aged 5–15) are more likely to experience household deprivation alone (between 2.4 pp and 2.8 pp), but age differences are not significant for the other forms of deprivation. Children in larger families face higher risks of deprivation. Indeed, those in households with three or more children have significantly higher risk of both child-specific only (1.7 pp) and household deprivation only (3 pp), with the largest effects for households with four or more children (respectively, 4 pp and 4.2 pp).

Children living in single-adult households or in households with three or more adults have a higher risk of experiencing both forms of deprivation together (respectively 6.1 pp and 2 pp) but not child-specific deprivation alone. The risk of experiencing household deprivation only is also higher for children in single-adult households (5.8 pp).

Children living in non-EU-born-headed households are significantly more likely to experience both forms of deprivation (8.7 pp), but also to a lesser extent for the other forms of deprivation. Children in EU/UK-born-headed households are more likely to experience child-specific deprivation only (3.1 pp). Other household head

²⁶ A marginal effect represents the percentage point change in the probability of an outcome associated with a one unit increase in a predictor variable.

characteristics are also associated with higher risk of child deprivation. Indeed, children living in households where the household head has a lower level of education are facing higher risks of deprivation. This is particularly true for both forms of deprivation among those with primary education (6.9 pp) and for household deprivation only among those with secondary education (6.1 pp).

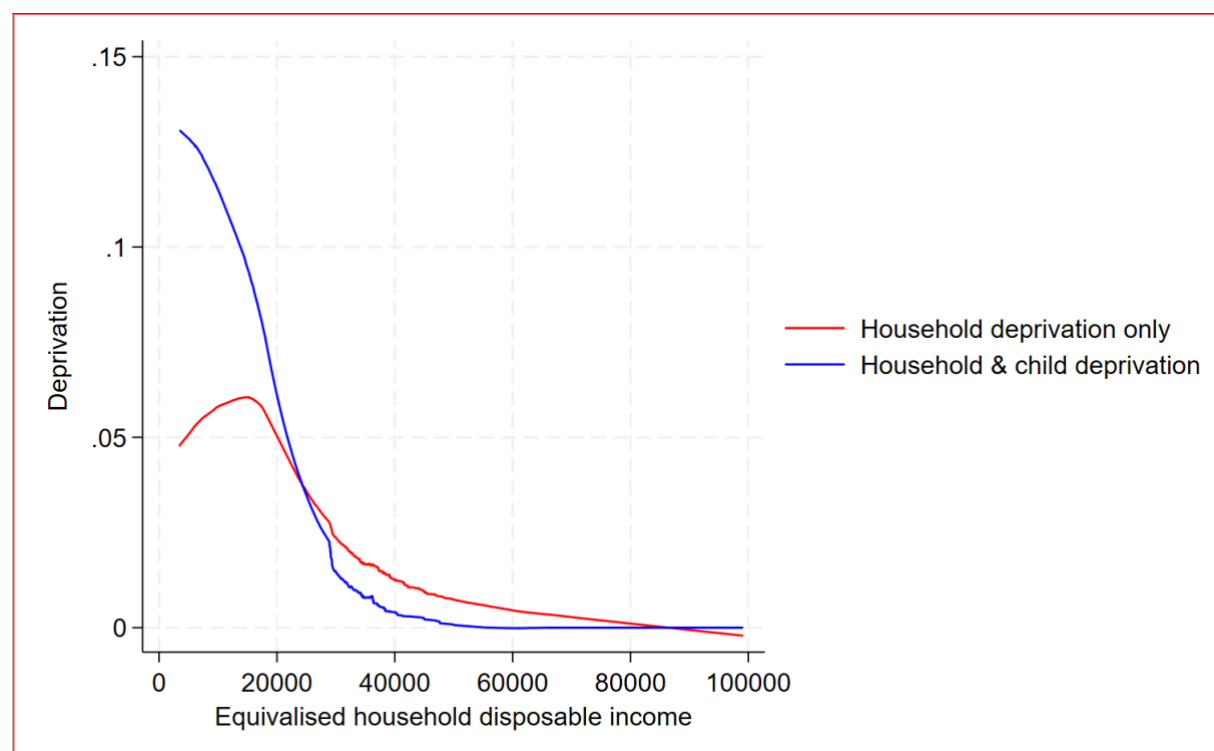
Children living in households where the head is not working face increases in the risk across all types of deprivation, particularly for both forms of deprivation (4.5 pp). The presence of a household member with a disability significantly increases the risk of household deprivation only (4 pp) and both forms of deprivation (5.2 pp).

There is strong variation in the increased risk of deprivation for children across tenure. Indeed, compared to children living in owner-occupier households, those in rented accommodation, particularly supported renters face substantially higher risks of deprivation, particularly for both forms of deprivation (13.9 pp) and much less so for unsupported renters but who are facing higher risks across all forms of deprivation (from 2.4 pp to 6.1 pp). Finally, there is little evidence of significant urban–rural differences in elevated risks across all forms of deprivation.

Table 4.6 **Multinomial logistic regression: Risk of deprivation by socio-demographic profile of children (marginal effects), pooled years 2009 to 2024**

	Child-specific deprivation only	Household deprivation only	Deprivation on both
2009 Ref			
2014	-0.005	0.013	0.118***
2021	0.011	-0.049***	-0.005
2024	-.015**	0.007	-0.002
Not income poor Ref			
Income poor	0.012**	0.028**	0.082***
0–4 Ref			
5–11	0.003	0.024**	0.004
12–15	0.008	0.028**	0.007
2 children Ref			
1 child	0.007	0.002	-0.021**
3 children	0.017***	0.030***	-0.003
4+ children	0.040***	0.042***	0.004
Two adults HSD Ref			
Single adult	-0.003	0.058***	0.061***
3+ adults	-0.006	-0.008	0.020**
HOH Irish Ref			
EU or UK	0.031***	-0.005	-0.005
Non-EU	0.030***	-0.042***	0.087***
HOH post-secondary and tertiary Ref			
Primary	0.020	0.046**	0.069***
Secondary	0.003	0.061***	-0.011
HOH working Ref			
HOH not working	0.010*	0.030**	0.045***
No disability in HH Ref			
Someone w/disability in HH	0.006	0.040***	0.052***
Owner occupier Ref (¹)			
Unsupported renter	0.024***	0.060***	0.061***
Supported renter	0.009	0.116***	0.139***
Rural areas Ref			
Cities	0.003	0.00	-0.009
Towns and suburbs	-0.005	0.010	0.014
N	10,551	10,551	10,551

Notes: ¹Owned with or without mortgage. A separate model incorporating additional variables for head of household gender and the number of working-age adults in the household produced similar results but the effects were slightly reduced for single-adult households due to high correlations among these household characteristics.

Figure 4.4 LOWESS curve of deprivation and equivalised disposable income, 2024

Note: We restricted the illustration to households with annual equivalised (using the OECD modified equivalence scale) disposable income up to €100,000.

Overall, the findings highlight that household disadvantages such as income poverty, lone parenthood, household's joblessness, larger family size, household head's lower education level, the presence of someone with a disability and renting are strongly associated with higher risks of deprivation, particularly for those experiencing both child-specific deprivation and household deprivation.

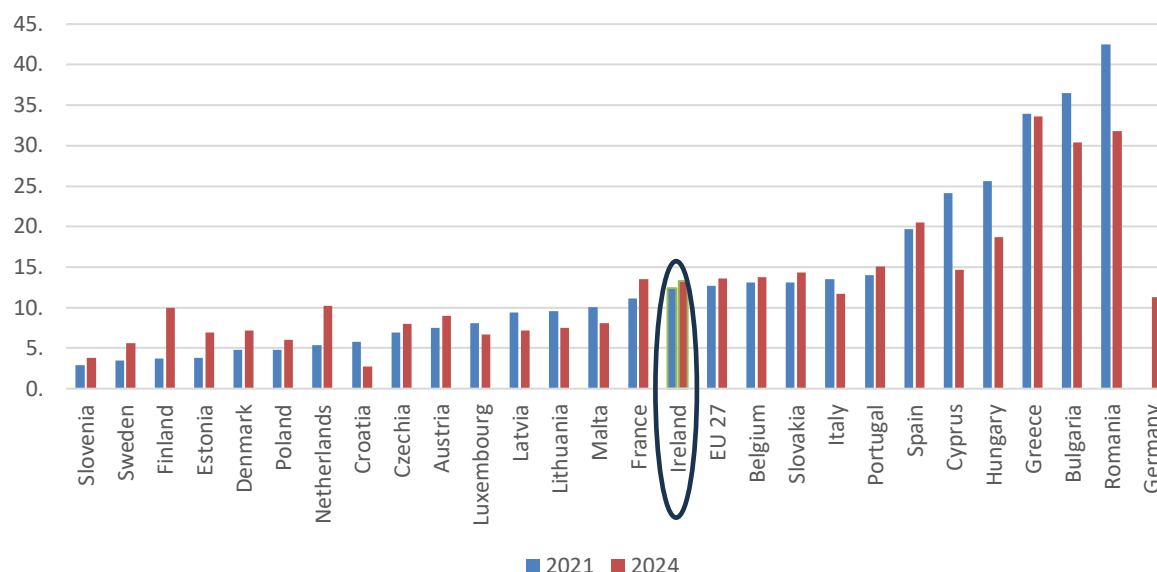
This may be explained by the lower levels of resources available to these households which may limit their ability to protect their children from deprivation. This pattern of severe forms of deprivation is confirmed in Figure 4.4. Using SILC 2024 as an illustration, it shows that households with children experiencing both forms of deprivation are more concentrated among low-income households than those experiencing household deprivation only. The rate of the combined household and child-specific deprivation is more than twice that of household deprivation only. These results highlight the added value of the child-specific deprivation measure in

combination with the household deprivation measure in identifying households experiencing more severe or deeper levels of poverty and deprivation.

4.8 Child-specific deprivation across the EU

Using the EU child-specific deprivation indicator, Figure 4.5 shows the distribution of child-specific deprivation across the EU in 2021 and 2024. In both years, cross-country variation is substantial, with rates in 2021 ranging from around 3 to 4 per cent in countries such as Slovenia, Sweden, Finland and Estonia to as high as 37 to 43 per cent in Bulgaria and Romania. Only five countries have rates above 20 per cent, while 13 countries have rates below 10 per cent, contributing to a relatively low EU average of 12.7 per cent, close to the Irish rate of 12.4 per cent in 2021. Among the strongest performers are the Nordic countries, alongside a number of Eastern European countries. Higher rates are observed in several Southern and Eastern European countries.

Between 2021 and 2024, child-specific deprivation increased in a majority of countries. In most cases, these increases were modest, ranging from 0.8 to 3.1 percentage points (pp) including Ireland with 0.9 pp. Ireland ranked 16th out of 26 countries in 2021 and remained broadly unchanged in 2024, ranking 17th. However, more pronounced increases were recorded in a smaller number of countries, including the Netherlands (4.8 pp) and Finland (6.3 pp). Despite these increases, both countries remained below the EU average at 13.6 per cent in 2024. In contrast, 11 countries experienced declines in child deprivation. The most notable reductions were in Romania and Cyprus, with decreases of 10.7 pp and 9.4 pp respectively.

Figure 4.5 Child-specific deprivation across the EU (%), 2021 and 2024

Source: EU-SILC data; Eurostat [[ilc_chmd01](#)] [Child-specific material deprivation rate by age \(children aged less than 16 years\)](#).

Notes: Children under 16 years only.

4.9 Conclusion

This chapter explores the trend and levels in child deprivation when focusing on a child-specific measure rather than a standard measure of deprivation derived from household-level indicators. We examine whether the standard measure of deprivation fully captures children's experience of deprivation or whether it fails to identify some children who experience deprivation. The analysis shows clear and consistent differences in both levels and composition between the two approaches.

It is important to examine deprivation in Ireland over time, and to identify and target families experiencing poverty and deprivation. In Ireland, the cost of living is becoming increasingly more expensive, which impacts on how households allocate resources. The most recent Minimum Essential Standard of Living (MESL) report (Thornton et al., 2026) found that energy costs have risen by 24.9 per cent from 2025, while food costs

have risen by 2.7 per cent. Households with at least one older child (>12) make up 94 per cent of deep income inadequacy cases.²⁷

Child-specific deprivation rates are substantially lower than household deprivation rates for children over time. However, both measures follow similar trends, increasing sharply during the recession (2009 to 2014) and declining thereafter. Both household deprivation and child-specific deprivation are more sensitive to economic shocks than income-based poverty indicators. In the most recent period (2021 to 2024), household deprivation increased modestly while child-specific deprivation declined, suggesting that household hardship does not always translate into children's direct experiences.

There is a substantial but not perfect overlap between the two deprivation measures. A large majority of children experiencing child-specific deprivation are also classified as household deprived. However, the reverse is not true, as many children identified as deprived at the household level do not experience child-specific deprivation. A deprivation typology analysis shows also that a larger proportion of children tend to experience household deprivation only or both forms of deprivation, while relatively few experience child-specific deprivation only.

On average, 11 per cent of children over the full period were found to live in deprived households but did not experience child-specific deprivation, suggesting that parents prioritise children's needs, protecting them from material hardship where possible. Although the apparent protection of children from deprivation is a positive finding, it may hide the financial pressures and associated stress experienced by parents. Such pressures may affect the wellbeing of parents and indirectly of their children. However, the results suggest also that parents were not always able to shield children from deprivation. Lone-parent households and those headed by females, non-EU-born, or with low levels of education, supported renters and households containing someone with a disability appear to have less capacity and resources to protect children from the

²⁷ Deep income inadequacy is when social welfare income supports meet less than 90% of minimum needs to let people live with dignity.

effects of household deprivation, as children in these households are more likely to experience both household-level and child-specific deprivation.

The analysis shows a small group of children (3%) experience child-specific deprivation without being identified as deprived at the household level, highlighting some limitations of household-based indicators in capturing children's experience. This highlights the value of incorporating a child-specific deprivation measure alongside a household deprivation level measure to better identify children facing severe material deprivation and to more fully capture the multidimensional nature of child poverty.

These findings have some implications for child poverty policy in Ireland. The results suggest that relying solely on household-level deprivation indicators may not fully capture children's direct experiences of material hardship. It highlights the importance of child-centred indicators in monitoring child poverty, particularly in the context of the national child poverty target. The results also highlight the role that income supports and services can play in helping parents to protect children from deprivation. Particular attention is also needed for groups with a reduced capacity to shield children from deprivation, including lone-parent and migrant families and households with lower educational attainment and those with low labour market attachment.

Chapter 5

Conclusion

Barra Roantree, Helen Russell, Bertrand Maître and Eva Slevin

This report is the sixth in a series in partnership with Community Foundation Ireland examining the evolution of income inequality, poverty and living standards in Ireland. It concludes with a summary of the report's main findings and some reflections on their implications for policy.

Chapter 2 showed that the latest SILC data mark a return to real income growth, with real average household incomes rising for the first time in several years after a period of stagnation. However, these incomes refer to the previous calendar year (2024), before a rise in inflation caused by the US-Israel-Iran war that is likely to have reversed, or at least significantly eroded, this resumed growth. The Government's main response has been to cut excise duties on fuel, with these cuts recently extended bringing the cost in 2026 to more than €1 billion.

While intended as a temporary support to insulate households from rising prices, Bercholz et al. (2026) show that these cuts are poorly targeted, with most of the gain in cash terms going to households in the top half of the income distribution, who spend more in absolute terms on fuel. Yet recent inflation has hit lowest-income households hardest, as a higher share of their spending goes on heat and lighting than is the case for higher-income households (Lydon, 2022; Roantree et al., 2025).

This is likely to have reinforced the unequal pattern of income growth between 2023 and 2024 documented in Chapter 2, which – at 4.6 per cent – was higher for the top half of the distribution (rising to more than 7 per cent for the top tenth) than the 3 per cent experienced by the bottom of the distribution. This contrasts with both the experience between 2021 and 2023 when incomes fell or stagnated across the distribution (falling slightly more at the top), and between 1987 and 2021 when incomes grew rapidly and progressively (faster at the bottom than at the top).

These patterns of growth have translated into a small rise in measures of income inequality, with the Gini coefficient rising from 0.257 to 0.265 between 2023 and 2024,

reversing a similarly sized decline seen the previous year. While this should be seen in the context of a sustained – if unsteady – decline in income inequality over the longer horizon covered by our data, much of this decline was driven by the period of strong, progressive growth seen in the late 2010s. Recent trends suggest that the level of income inequality has plateaued, with the growth experienced since the COVID-19 pandemic failing to deliver the same benefits for the bottom of the distribution as seen during the Celtic Tiger period or the 2014–2019 recovery.

Chapter 3 considered measures of low living standards, which policymakers may have particular concerns about. Poverty rates – both before and after housing costs – rose in the latest year of data, from 12.2 to 12.9 per cent (BHC) and from 14.6 to 15.6 per cent (AHC): an additional 52,000 and 69,000 people respectively. This increase was concentrated among households with children, and especially those with a youngest child aged 0–5, where poverty rates have risen sharply and consistently since 2018 – from 10.7 to 20.3 per cent BHC and from 17 to 27 per cent AHC.

This matters because there is strong evidence that experiencing poverty in early childhood can have lasting effects on outcomes in education, health and earnings well into adulthood (National Academies, 2019; Duncan et al., 1998; 2018; Cooper and Stewart, 2020). Recognising this, the Government has set a target of reducing child poverty to 3 per cent or less by 2030, defined using a ‘consistent poverty’ measure that combines material deprivation and income poverty.

However, this measure has real limitations: it may exclude children in families experiencing material deprivation because stigma can lead some households to under-report deprivation, or because their household income sits just above the poverty line. Data from the latest SILC survey suggests the latter is a particular concern in Ireland, with over 130,000 children who lived in families experiencing material deprivation but who were not classed as being in consistent poverty because their household income was above the poverty line, most by less than €100 per week. This is compounded by the measure’s reliance on a before-housing-costs definition of income, which understates the true extent of hardship among families with young children, who are disproportionately renting or facing large mortgage repayments (most of which is mortgage interest).

Regardless of how it is defined, the Government is very far from meeting its 2030 target. Doing so will require a fall of two-thirds in the number of children classified as being in consistent poverty, amounting to a reduction of at least 55,000 children under the BHC definition and around 80,000 children under the AHC definition. Such reductions are of a similar magnitude to those seen between 2013 and 2020, when the economy was rapidly recovering from the economic crisis of 2007–2020. However, the rate of consistent poverty for children has been trending upwards in both BHC and AHC terms since 2020, notwithstanding a small decline last year which partially offset a much larger rise the previous year.

This suggests that new policy measures will be needed if the Government is to meet its official child poverty target, with Chapter 3 considering options for reform. Building on previous editions of this report (e.g. Roantree and Doorley, 2023), this analysis showed that a new, second means-tested tier of Child Benefit would reach more children below the poverty line while also reducing child poverty more effectively, per euro spent, than increasing existing Child Support Payments (CSPs). A taxable, rather than means-tested, version of a second-tier payment would be simpler to administer and still reach many more low-income families than an equivalent-cost increase in CSPs, though at a higher cost given that some of the benefit will also accrue to higher-income families.

Chapter 4 explored the levels of child-specific deprivation from 2009 to 2024, the characteristics of children experiencing child-specific deprivation and the overlap of this measure with income poverty and household-level deprivation. Children lacking at least one of 11 child-specific items are classified as experiencing child-specific deprivation.

The results showed a clear recession and recovery pattern in child-specific deprivation as mirrored in household-level deprivation, reflecting the impact of the economic downturn and subsequent recovery on family living standards. The percentage of children deprived of at least one item on the child-specific deprivation measure increased sharply from 11 per cent in 2009 to almost 23 per cent in 2014, before falling to 10 per cent by 2024.

While both deprivation measures were more responsive to changes in economic conditions than income poverty measures, child-specific deprivation rates were

consistently lower than household deprivation rates. This suggests that many parents adopted strategies to protect their children from the consequences of financial hardship. The divergence between the two measures is more evident in the most recent period. While household deprivation increased between 2021 and 2024, child-specific deprivation decreased, suggesting that increasing pressures on household resources did not necessarily translate into children's direct experiences of deprivation.

However, the analysis identified a smaller group of children whose deprivation would be missed if attention were limited to household-level deprivation. Approximately 3 per cent of children experienced child-specific deprivation without being classified as deprived on the household deprivation measure. While this group is relatively small, it shows that children's experiences cannot always be captured from household circumstances alone. This finding highlights the limitations of relying exclusively on household-based indicators only when monitoring child poverty and deprivation.

The profile of children at greatest risk of child-specific deprivation remained broadly stable across the period. Higher risks were observed among children in larger families, lone-parent households, households with weak labour market attachment, households with a person with a disability, households living in rented accommodation and children living in households where the head of household had lower levels of educational attainment and were born outside the EU. These patterns were confirmed by multivariate analysis, controlling for a range of socio-demographic characteristics.

Overall, the findings show that child-specific deprivation captures an important dimension of child poverty that is not fully reflected in either income poverty or to a less extent by household deprivation measures. While parents frequently might succeed in insulating children from some of the consequences of household hardship, it depends heavily on the level of resources available to the household. Children in households facing multiple disadvantages with a low level of resources are significantly more likely to experience both household and child-specific deprivation and therefore to face deeper and more persistent poverty. As a result, this group may represent the highest priority for policymakers seeking to achieve ambitious child poverty reduction targets.

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Appendix A

Data and methodology

This appendix provides additional details on the data sources used in this paper as well as the methodology used to derive indicators of poverty, deprivation and income inequality measures.

A.1 Data sources

The Survey of Income Distribution, Poverty and Usage of State Services

The Survey of Income Distribution, Poverty and Usage of State Services was carried out by the Survey Unit of the ESRI in 1987 with the support of the European Commission and the Combat Poverty Agency. Results were first published in Callan et al. (1988), which reports that 3,286 households responded out of a valid sample of 5,155: an effective response rate of 63.7 per cent. These households contained just under 8,200 adults, each of whom was interviewed individually about their income sources and experience of the labour market. Weights were derived to correct for the greater likelihood of larger households being sampled (a product of the sampling frame being based on the electoral register and so households with more voters being more likely to be selected for inclusion) and a slight over-representation of older and rural heads of households. Analysis was carried out on the anonymised research microdata files held by the ESRI on its secure server.

Living in Ireland Survey

The Living in Ireland Survey was also carried out by the Survey Unit of the ESRI, beginning in 1994, again with the support of the European Commission. Each adult in a household completed an individual questionnaire through a face-to-face interview, with a similar initial sampling frame to the 1987 Survey. However, in keeping with the European Community Household Panel (ECHP) of which it was modelled, the survey adopted a longitudinal design with household members followed up in subsequent waves of the survey. By Wave 7 (2000), attrition was deemed to be a cause of concern and the original sample of individuals still in the scope of the survey (i.e. who had not died, moved to an institution or outside of the EU) were supplemented with a booster

sample selected via a similar procedure as that used for the first wave of the survey. Weights were derived to correct for attrition and biases in the distribution of observed characteristics compared to the population of interest. There was an influx of more than 1,500 new individuals into the survey as compared to 5,530 from the original sample. However, to avoid any potential concerns about the representativeness of these later waves, we use only Waves 1–6 of the Living in Ireland Survey, spanning the years 1994–1999, with analysis again carried out on the anonymised survey microdata files held by the ESRI on its secure server.

Survey on Income and Living Conditions

The Survey on Income and Living Conditions (SILC) is an annual survey of households carried out by the Central Statistics Office (CSO) since 2003. Like the Living in Ireland Survey, it was initiated with the aim of collecting harmonised information on households for all countries in the European Union (EU). However, unlike the Living in Ireland Survey, it is not primarily a longitudinal survey with the vast majority of respondents sampled anew each year.²⁸ We use the anonymised research microdata file data made available by the CSO to researchers through a secure virtual desktop infrastructure. Methodological changes to SILC in 2020 – including to the data collection and income reference period – have resulted in a break to the time series in a similar way to that between the Living in Ireland Survey and SILC.²⁹

A.2 Income concepts and comparisons

Before housing costs (BHC) disposable income

Our definition of BHC disposable income corresponds to that used by Eurostat for the purposes of SILC with the exclusion of the imputed value of a company car – which is available only in the SILC data from 2007 – and net contributions to individual private pension plans, which represent deferred income and should be treated in a manner consistent with those to (predominantly public sector) defined benefit pension schemes. In essence, this adds pension and social welfare income to market income

²⁸ A small number of households are included in a panel element: see CSO (2017, pp.7–9).

²⁹ See www.cso.ie/en/releasesandpublications/in/silc/informationnote-breakintimeseriessilc2020 for further details.

(that from employment, the rent of land or property, regular inter-household cash transfers received, interest, dividends and profit from capital investments in unincorporated businesses), then deducts taxes on income, social insurance contributions, regular taxes on wealth and regular inter-household cash transfers. In some years, this measure of income is negative for a small number of observations (<30) for reasons that include self-employment losses.

After housing costs (AHC) disposable income

Our definition of AHC disposable income deducts from BHC disposable income our measure of housing costs. For renters, this is defined as rents gross of (including) any rental supports received (such as Rent Supplement (RS) and the Housing Assistance Payment (HAP), plus any rental contribution paid to local authorities (differential rent). For owner occupiers with a mortgage, housing costs include mortgage interest payments but exclude mortgage capital repayments on the principal private residence. This is because mortgage capital repayments are more appropriately considered a form of saving as they contribute to the accumulation of equity – and so net wealth – in residential property.³⁰

Our measures of market and disposable income are aggregated to the level of the household, before being adjusted for household size and composition (as discussed below). This implicitly makes an assumption of perfect income sharing within households. While appropriate for many households (e.g. a couple who both benefit from additional income in the household), it may be less so for others (e.g. students or young workers sharing a house). However, like Bourquin et al. (2020), we regard perfect income sharing as the most transparent and least arbitrary assumption given the data available.

³⁰ While a case can be made for deducting mortgage capital repayments in measures of AHC income poverty in order to take into account the fact that, for many, these payments are inescapable in the short term (e.g. Social Metrics Commission, 2018), that case is far weaker for measures of AHC income growth or inequality. This is because doing so would treat those with higher incomes accumulating net wealth in a residential property as having fewer resources available to them than someone with the same level of BHC income who accumulates net wealth through, for example, shares in a company. However, we have examined how much difference this makes to our estimates of income poverty and find that they are qualitatively similar, with AHC poverty rates for mortgage holders substantially below those of renters.

Equivalisation

As described in the main text, our measures of disposable income are adjusted for household size and composition using the modified OECD equivalence scale. This is to account for the fact that two households with the same level of disposable income, but different composition, will typically experience different standards of living. For example, a household income of €50,000 will – *ceteris paribus* – deliver a much higher standard of living to a single adult than a couple with two children. Equivalising incomes with the modified OECD scale is not the only approach one could take. For example, the CSO uses a ‘national’ equivalence scale that (as shown in Table A.1) gives greater weight to second or subsequent adults and children aged 14+, while there are likely characteristics other than age and the number of individuals that affect a household’s needs, notably disability (Doorley et al., 2025). The precise choice of equivalence scale has been shown to make meaningful differences to estimates of poverty and inequality (e.g. Mysíková and Želinský, 2019; Regan and Kakoulidou, 2025; Doorley et al., 2026). Nevertheless, some method is needed for comparing incomes across different household types, and the approach we adopt allows us to produce estimates which can be compared to other EU Member States, the United States (US) (Joyce and Ziliak, 2020) and Britain (Bourquin et al., 2020).

Table A.1 Equivalence scales

	Modified OECD scale	CSO national scale
First adult	1	1
Second or subsequent adults	0.5	0.66
Child aged 14+	0.5	0.66
Child aged under 14	0.3	0.33

Although we aggregate income to the household level, the individual is our unit of analysis throughout. That is, we assign each individual in a household the equivalised income of their household, consistent with our assumption of perfect income sharing. Regan and Kakoulidou (2025) show that the choice of aggregation unit can also make meaningful differences to estimates of poverty in particular.

Adjusting for inflation

All monetary amounts are converted to 2024 prices using the CSO's all-item monthly Consumer Price Index (CPM02). All growth rates in these monetary variables are calculated after accounting for inflation.

A.3 The measurement of material deprivation in Ireland

The Survey of Income Distribution, Poverty and Usage of State Services was the first survey in Ireland to collect a wide range of information about households' and individuals' possession of items and activities; whether they considered those as essentials; and, in their absence, if that was because they could not afford them. The follow-up survey, the Living in Ireland Survey that was conducted by the ESRI between 1994 to 2001, included 23 non-monetary indicators capturing enforced deprivation due to lack of resources. Using factor analysis techniques, Callan et al. (1993) and later Nolan and Whelan (1996) identified several dimensions of deprivation (basic lifestyle, secondary lifestyle, housing deprivation). The basic lifestyle dimension (labelled basic dimension) included eight items, from not being able to afford new clothes to having a meal with meat, fish or chicken every second day. This basic deprivation indicator was used to monitor deprivation in Ireland and people were considered to experience deprivation when they lacked one or more of the eight items. The measure of basic deprivation was also combined with the AROP measure to create a measure of consistent poverty – identifying people both at risk of income poverty and deprivation – which was officially adopted in 1997 by the Irish Government in the *National Anti-Poverty Strategy* (Government of Ireland, 1997).

As living standards rose rapidly during the late 1990s and early 2000s, there was some concern that the eight-item basic deprivation measure was no longer able to capture poverty and social exclusion. Maître et al. (2006) used the release of the SILC survey to re-examine the dimensions of deprivation and derived a new measure of deprivation. Some items of the original eight were dropped and replaced by new items, including items about social interactions. The revised indicator of basic deprivation was in time extended to include 11 items, with people classified as being in material deprivation if

they lacked two or more items: a definition that we follow in this report, given our focus in Chapter 3 is on the period since 2003.

Of the 11 items collected in SILC, ten are available in the Living in Ireland Survey which we use to construct a consistent measure of deprivation across the two surveys, with individuals classified as deprived if they are lacking two of the following ten items:

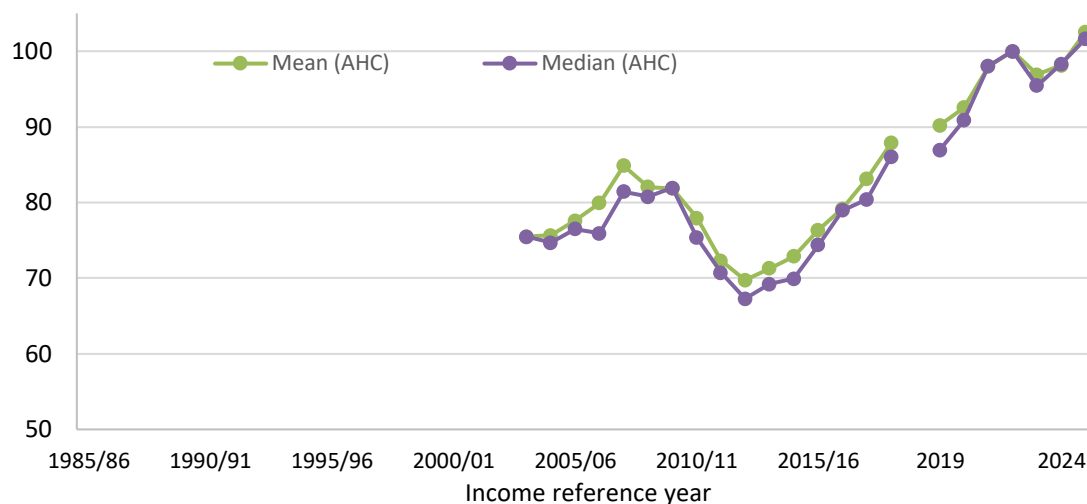
- Two pairs of strong shoes;
- A warm waterproof overcoat;
- New (not second-hand) clothes;
- Replacement of worn-out furniture;
- A meal with meat, chicken, fish (or vegetarian equivalent) every second day;
- A roast joint or its equivalent once a week;
- Home heating during the last year;
- Presents for family or friends at least once a year;
- Drinks or a meal for family or friends once a month;
- A morning, afternoon or evening of entertainment once a fortnight.

In the first release of the 2003 SILC results, the CSO (2005) noted deprivation rates were about 3 to 5 percentage points higher than those observed in the final wave of the Living in Ireland Survey (2001) and highlighted two factors that could explain these differences. The first was that SILC adopted ‘computer-assisted personal interviewing’, whereas the Living in Ireland Survey did not. The second possible explanation related to the longitudinal nature of the latter – with the associated issues of attrition discussed above – while the 2003 SILC sample was comprised entirely of households interviewed for the first time. Sprong and Maître (2023) provide a recent review of these – and other – indicators used by the Irish Government for setting poverty reduction and social inclusion targets.

Appendix B

Additional tables and figures

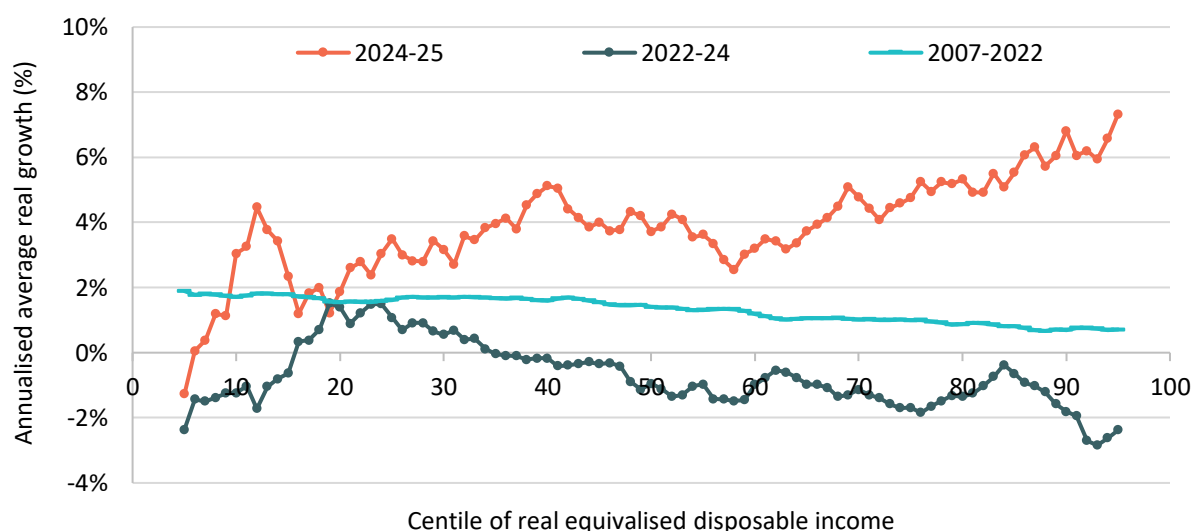
Figure B.1 Real after housing costs disposable income (2022=100)



Sources: Authors' calculations using the Survey on Income and Living Conditions (SILC) Research Microdata Files (RMFs).

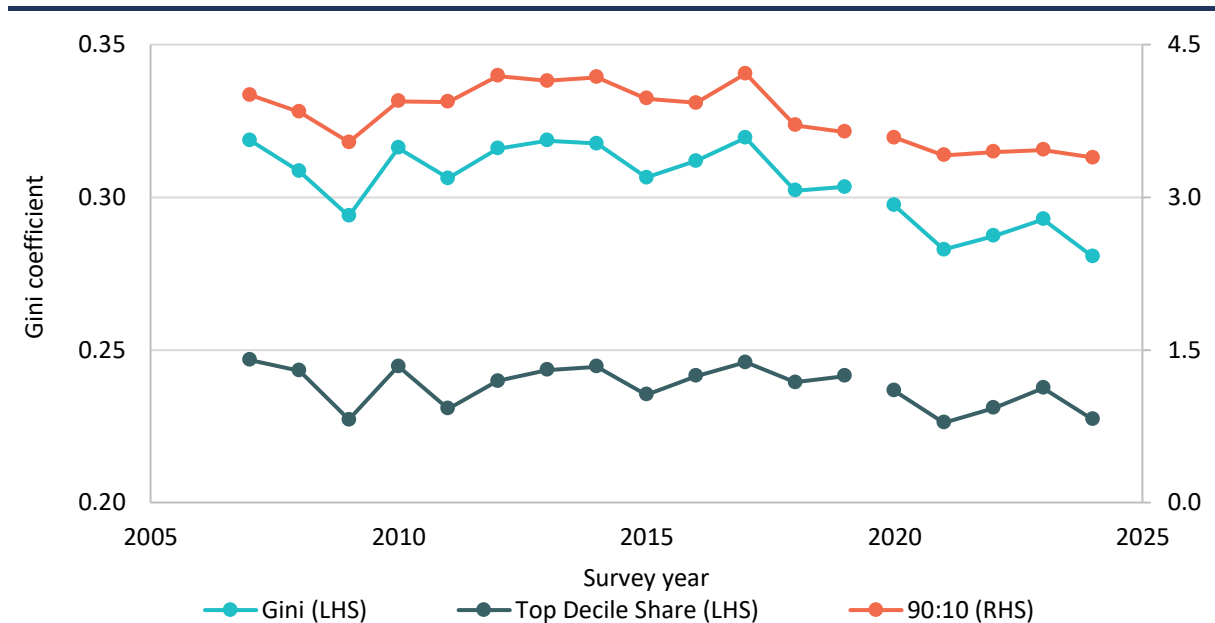
Notes: Incomes adjusted for household size and composition using the modified OECD equivalence scales and expressed in 2024 prices using the all-item Consumer Price Index (CPM02). Income reference period refers to previous calendar year from data year 2020, and previous 12 months before.

Figure B.2 Growth in real after housing costs disposable income



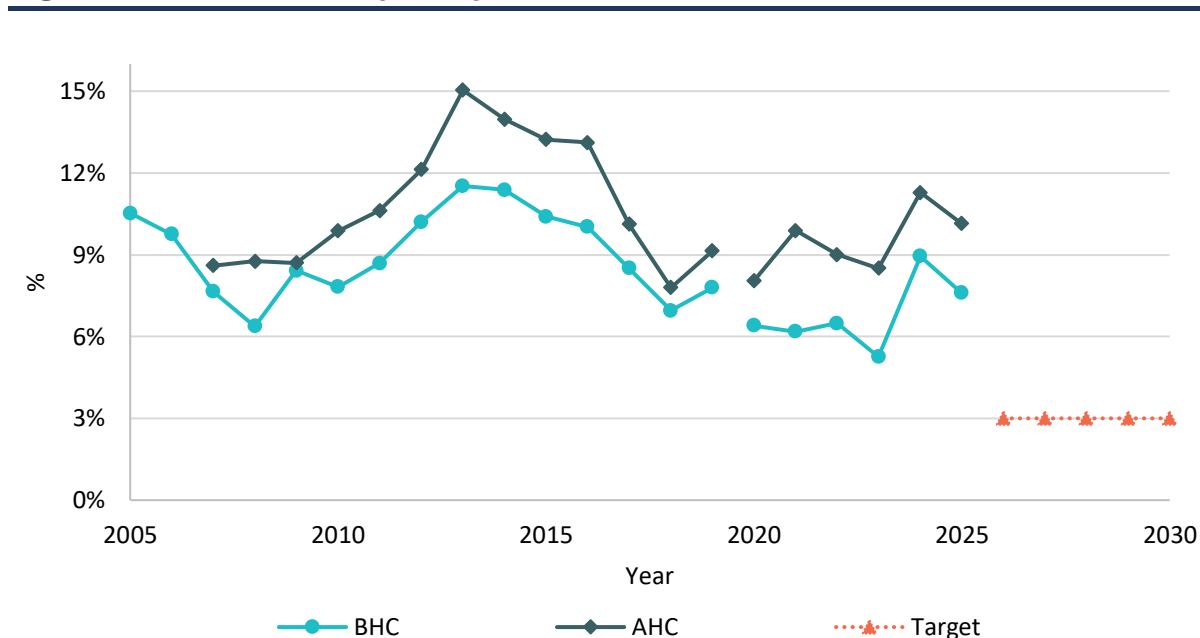
Sources: Authors' calculations using the SILC RMFs.

Notes: Incomes after direct taxes paid and benefits received, but before housing costs. Adjusted for household size and composition using the modified OECD equivalence scales and updated to 2023 prices using the all-item Consumer Price Index (CPM02). Income reference period refers to previous calendar year from data year 2020, and previous 12 months before.

Figure B.3 After housing costs disposable income inequality

Sources: Authors' calculations using the ESRI Survey of Income Distribution, Poverty and Usage of State Services, the Living in Ireland Survey (LIIS) and the SILC RMFs.

Notes: *Incomes after direct taxes paid and benefits received, but before housing costs. Excludes a small number of observations with non-positive values for disposable income. Income reference period refers to previous calendar year from data year 2020, and previous 12 months before.*

Figure B.4 'Consistent poverty' for children, Central Statistics Office scale

Sources: Authors' calculations using the SILC RMFs.

Note: Poverty line defined as 60 per cent of median equivalised disposable income, that is after direct taxes paid and benefits received adjusted for household size and composition using the modified OECD equivalence scales.



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