

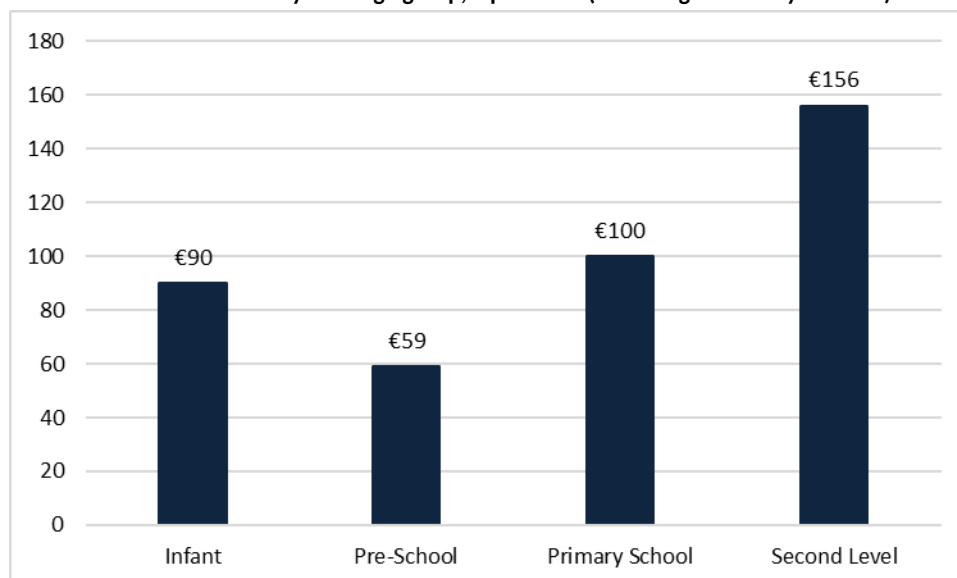
Income Distribution

Table 7.1: The Risk of Poverty Among Children in Ireland, 2005-2022

	2005	2010	2015	2020	2022
Children (under 18 years)	22.9	18.4	18.4	16.4	15.2

Source: CSO, PxStat (2023)

Chart 7.1: Direct Cost of a Child's MESL by child age group, € per week (excluding secondary benefits)



Source: MESL Research Centre (2023): Annual Update 2023. Society of St. Vincent de Paul: Dublin.

Income Distribution

Children are one of the most vulnerable groups in any society. Consequently, the issue of child poverty deserves particular attention. Child poverty is measured as the proportion of all children aged 17 years or younger that live in households with an income below the 60 per cent of median income poverty line. Child poverty cannot be addressed in isolation; it needs to be considered within the wider issue of household poverty.

Social Justice Ireland regrets choices made in recent budgets where increases to core welfare rates have not kept pace with inflation. In 2022, 13.1 per cent of people in Ireland were at risk of poverty, an increase on the previous year when the poverty rate was 11.6 per cent. The risk of poverty among children was higher than the general population, at 15.2 per cent in 2022, having increased from 13.6 per cent in 2021.¹

As Table 7.1 shows there has been a welcome reduction in this number over time – driven in particular by targeted welfare payments for families. Translating the data in this table into numbers of children implies that in 2022 around 190,000 children lived in households that were experiencing poverty. The scale of this statistic is alarming, and this situation is not acceptable. Furthermore, the fact that such a large proportion of our children are living below the poverty line has obvious implications for the education system, for the success of these children within it, for their employment prospects in the future, and for Ireland’s social and economic performance in the long-term.

According to the MESL Annual Update 2023, the cost of a child’s core minimum essential

standard of living fluctuates with age, ranging from €59 per week for a pre-school child to €156 for a child in second-level education (Chart 7.1). The increased cost of living since October 2021 has put pressure on all households, but particularly families with children. The MESL Research Centre estimate that the cost of the food budget of households with children increased by approximately 23 per cent between 2022 and 2023, the largest increase of any household type, while two-parent families living in urban areas experienced an average increase on weekly energy costs of 72 per cent.

Child benefit remains a key route to tackling child poverty and is of particular value to those families on the lowest incomes. It is the only payment specifically for the child and is protected income for the purpose of calculating reasonable living expenses on insolvency. As a universal payment, it also safeguards against ‘welfare traps’ which can inhibit labour force participation of welfare-dependent households who cannot afford to forego child payments which are linked to their core welfare payments.

In order to support households with children, all core social welfare payments must increase to take account of inflation in Budget 2024.

Policy Priorities

- Set an ambitious poverty-reduction target and commit sufficient resources to achieving it.
- Increase core social welfare payments by €25 per week and Child Benefit by €50 per month in Budget 2024.

¹ CSO (2023): Survey on Income and Living Conditions 2023. CSO: Cork