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**Disability Federation of Ireland**

**Submission to**

**Department of Social Protection**

**on**

**Budget 2024**

**Executive Summary**

To be disabled in Ireland is to experience a much higher risk of poverty, and deprivation; where affording the ordinary things in life is a major challenge – securing a home, taking a holiday, buying new clothes or keeping up with your utility bills. The inflation and cost of living crisis has exacerbated the ongoing, systemic economic vulnerability faced by the disabled people living in all communities in Ireland who rely on our social protection system to survive.

The government’s own Roadmap for Social Inclusion Progress Report shows that we rank 24th in the EU for disability poverty[[1]](#footnote-1), despite Ireland being one of the wealthiest countries in the EU. A recently published report by the European Disability Forum also shows that Ireland ranks the lowest in the EU on disability employment and the disability employment gap[[2]](#footnote-2). One in two people unable to work due to long-standing health problem (disability) live in deprivation, while one in five live in consistent poverty.

Disabled people live in all communities in Ireland, and there is a social consensus in the Oireachtas and among the general public that they should be supported and have an income sufficient to protect them from poverty.[[3]](#footnote-3) Given this, and the healthy state of the Irish economy, it is alarming that while on average 29.7% of the EU population with a disability were at risk of poverty or social exclusion (AROPE) in 2021, Ireland’s rate was almost 10% higher, at 39.3%. Only Bulgaria, Latvia and Romania had worse disability poverty levels than Ireland.[[4]](#footnote-4)

While our domestic economy grows and Irish finances are in rude health, current social protection supports maintain thousands of disabled people in poverty. Given that the State has significant resources available to it, and public and political support for action, the situation of disabled people must be prioritised. While the government is placing an emphasis on economic sustainability, the same attention must be given to social cohesion and addressing the ongoing structural inequalities that prevent disabled people from realising their equal rights as citizens. Five years on from Ireland’s ratification of the UN CRPD, which commits to ensuring disabled people’s right to an adequate standard of living and social protection, Budget 2024 must address disability poverty by prioritising increases to social protection payments and action on the extra Cost of Disability.

In Budget 2024, DFI calls on the Government and the Department of Social Protection to:

**Poverty and Cost of Disability**

* Introduce a recurring **Cost of Disability payment** of, at a minimum, €40 a week, building on the Cost of Disability one-off grant announced in Budget 2023, as an interim measure to start to address the cost of disability.
* In addition, increase **Disability Allowance** and other core disability payments by **at least €27.50 a week,** as per the recommendations of the Minimum Essential Standard of Living (MESL). Due to the cost-of-living crisis, anything less than this will be a real term cut. This is the absolute minimum required to prevent individuals and families being pulled deeper into poverty.[[5]](#footnote-5)
* Develop **a specific poverty reduction strategy** for disabled people, given their disproportionately high poverty rates and the Roadmap for Social Inclusion commitments. Lay out the steps and actions to be taken each year to deliver the poverty reduction targets, and allocate sufficient funding to 2025 to deliver them.
* Work with other government Departments to develop and resource a clear **Action Plan to fully address the Cost of Disability** over the next 3 years.

**Cost of Living and Energy Poverty**

* Ensure support for energy costs are set at an adequate level: **increase the annual value of the Fuel Allowance by €680.40** to restore its purchasing power, i.e. a weekly increase of €24.30 for a 28 week season. Consider restoring the 32 weeks of payment to better reflect the heating season.
* Continue to prioritise and use responsive targeted measures to support disabled people with the **cost-of-living crisis**, including addressing **Energy Poverty**, particularly in Winter 2023. Implement the recommendations of the civil society *Joint Pre-Budget Statement on Energy Poverty.*[[6]](#footnote-6)

**Disability Proofing and Benchmarking to MESL**

* Ensure all budget decisions are subject to equality, gender and poverty proofing, specifically **assessing their impact on disabled people, including taking into account the Cost of Disability**. Work with the ESRI to address the incapacity of the SWITCH model to assess the impact of budgetary measures on disabled people.
* Social welfare rates must be **benchmarked to a level above the poverty line** and considering inflation, while **taking the Cost of Disability into account**. Use the **Minimum Essential Standard of Living (MESL)**[[7]](#footnote-7) recommendations as a guide for the level of social protection needed.

**Employment**

* **Raise the income disregard** for Disability Allowance by €25 and increase **the weekly means disregard** to €15.
* Act on the recommendations of DFI and other disability organisations to the **review of the Reasonable Accommodation Fund** and provide sufficient funding to deliver improved outcomes based on the changes recommended in 2024.
* Increase the rate of the Wage Subsidy Scheme (WSS) to **65% of National Minimum Wage**, and make provisions in Budget 2024 to **act on the recommendations of disability organisations to the ongoing WSS review**.
* Specifically examine the Cost of Disability report to understand the **extra costs disabled people experience related to employment**, and develop an action plan to address these.
* Develop **stronger measures and policies to support self-employed disabled people**, including addressing any inconsistencies regarding social protection income, employment supports for businesses etc.

**Introduction**

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To be disabled in Ireland is to experience a much higher risk of poverty, and deprivation; where affording the ordinary things in life is a major challenge – securing a home, taking a holiday, buying new clothes or keeping up with your utility bills. The inflation and cost of living crisis has exacerbated the ongoing, systemic economic vulnerability faced by the disabled people living in all communities in Ireland who rely on our social protection system to survive.

Disabled people have lived with a constant cost of living crisis, long before the current one. For decades people with disabilities have endured disproportionately high at risk of poverty, consistent poverty and deprivation rates. Sadly, over the past year, as the economy has grown and the state claims to have reached ‘full employment’, the poverty experienced by disabled people has worsened.

Ongoing systemic inequalities and structural barriers perpetuate the very low disability employment and high deprivation rates in Ireland. Almost one in two people (44.3%) unable to work due to long standing health difficulty (disability) live in deprivation, and one in five live in consistent poverty.[[8]](#footnote-8)

This will continue until we address the fact that our social protection system does not provide disabled people with an income sufficient to live on, including covering the many additional costs of being disabled. Instead current social protection supports maintain thousands of people below the poverty line and unable to afford the basics for a decent standard of living. Alarmingly, last year Ireland ranked 24 of the EU 27 on disability poverty, and instead of delivering on the government’s Roadmap to Social Inclusion target to improve this, our poverty rates actually increased. Targeted action and resources, and a specific disability poverty reduction plan, is required to address this.

There is a social consensus in the Oireachtas and among the general public that disabled people should be supported and have an income sufficient to protect them from poverty and enable them to live a dignified and independent life, equal to others. This was evidenced by the 2021 Citizen’s Assembly on Gender Equality recommendations, and by recent Oireachtas Committee reports and recommendations, and a Dáil motion passed last year – all of which called for an income above the poverty line for disabled people, and in particular a Cost of Disability payment.

Moreover, while disabled people have always been at much greater risk of poverty, the deprivation they live with continues to be exacerbated by the ongoing cost of living issues, especially given that the increase in Disability Allowance in Budget 23 did not keep pace with inflation, and that disabled people spend more of their income on energy than non-disabled people. If this is not corrected in Budget 2024 then even more people with disabilities will be pushed further into poverty.

Given the health of the economy, the anticipated Budget surplus and the record levels of employment, the government has a positive opportunity in Budget 2024 to start to deliver on its commitments, in particular in the Roadmap for Social Inclusion and Programme for Government, to reduce endemic disability poverty. The one in five people in all communities across Ireland who live with some level of disability, and their families, expect nothing less.[[9]](#footnote-9)

**Disproportionately High and Increasing Disability Poverty**

Ireland’s annual poverty statistics show that people with disabilities consistently have amongst the highest rates of poverty and deprivation in Ireland. While the exact percentages change a little annually, nevertheless year after year the data shows that disabled people who are unable to work frequently cannot afford the basic essentials in life.

* EU SILC data show that while on average 29.7% of the EU population with a disability were at risk of poverty or social exclusion (AROPE) in 2021, Ireland’s rate was almost 10% higher, at 39.3%.
* As per above, Ireland ranks 24th of the EU 27 on disability poverty, despite being one of the wealthier EU states. Only Bulgaria, Latvia and Romania had worse disability poverty levels than Ireland.[[10]](#footnote-10)
* The 2022 CSO SILC data show increases in disability poverty across most indicators, notably an almost 5% increase in Deprivation.
* Disabled people’s poverty rates are 2- 4 times the national average, and in particular their Deprivation rates are almost 4 times the national average.
* The INDECON report estimated the extra Cost of Disability to be between €8,700 and €12,300 on average. These figures were calculated in 2020 and predate the ongoing cost of living crisis. The annual basic income provided by Disability Allowance in 2023 is €11,440.

*CSO SILC 2022 – Poverty Persists and Deprivation Increases*

The 2022 CSO national SILC poverty and deprivation data[[11]](#footnote-11) provides important evidence to illustrates the seriousness of disability poverty. It shows that people unable to work due to long-standing health problem (disability) have:

* The highest consistent poverty rates of all economic groupings at 19.7%, or one in five people.
* Rates, almost four times the national average (5.3%) for consistent poverty.
* The second highest at risk of poverty rate at 35.2%, compared to the national average of 13.1%.
* A much higher risk of living in deprivation, with one in two people (44.3%) living in deprivation, compared to the national average of 17.7%.

The data also show that people unable to work due to long-standing health problems (disability) live with extreme deprivation:

* 19.6% are unable to afford to keep the home adequately warm, compared to 5.6% of employed people or 6.5% of retired people.
* One in five (19.7%) went without heating at some stage in the last year.
* They are eight times more likely to be unable to afford a meal with meat, chicken, fish, or vegetarian equivalent every second day than the national average.

Also, the percentage of this group who were unable to afford to keep their home adequately warm increased by more than 10% in the past two years – from 8.5% in 2020 to 19.6% in 2022. The increase for this cohort in this indicator last year was twice that of the national average increase, showing the much higher levels of energy poverty that those unable to work due to long-standing health problems live with.

**It paints a very poor picture of modern Ireland that people who cannot work because of their disability or health condition are not eating properly and cutting back on essential heating due to a lack of sufficient income. This shows the extent to which our current social protection supports for disabled people unable to work are insufficient and inadequate.**

The CSO also noted that people unable to work due to long-standing health problems had the second lowest median equivalised disposable income in 2022[[12]](#footnote-12) - €12,616 less than employed people.

Furthermore, a specific 2022 CSO release on “Poverty Indicators by Health Status”[[13]](#footnote-13) shows even starker statistics for those who indicated they were severely limited in usual activities because of a health problem, including the following:

* More than one in five (22.8%) were unable to afford to keep their home adequately warm, compared to 5.4% of those who were not limited.
* One in five (20.5%) households with a severely limited household member reported failing to pay a utility bill on time due to financial difficulties at least once in the past 12 months, compared with 7.1% of households without activity limitation.
* Their consistent poverty rate was four times higher than the rate for those not limited (14.1% and 3.5% respectively).
* One in two households (49.7%) with a severely limited household member indicated that total housing costs were a heavy financial burden, compared with one in four (25.5%) households where no one was limited.

**Roadmap for Social Inclusion – Way Behind on Poverty Commitments with only Two Years Left**

Ireland has made significant commitments to address this ongoing disability poverty. In particular the Roadmap to Social Inclusion 2020-2025 commits to “reduce the [disability] AROPE (At Risk of Poverty and Social Exclusion) rate from 36.9%, first to 28.7% (2025) and then to 22.7% (2030)”.

However, the two Progress Reports so far show we are failing. The Second Roadmap for Social Inclusion Progress Report, published in October 2022, shows that despite these very clear targets, things are in fact getting worse. **Ireland’s disability AROPE rate actually *increased* in 2021 - going from 34% in 2020 to 38.9% in 2021.**[[14]](#footnote-14) **Ireland’s ranking also declined to 24th of the EU 27 last year, even though we are one of the wealthiest European countries** - the Roadmap sets a goal of being in the top 10 EU countries for disability poverty by 2025.

This is one of only five EU indicators being tracked in the Roadmap where Ireland’s ranking disimproved. It is also one of only two EU Roadmap indicators where Ireland ranks outside the top 20 EU countries for the second year in a row.

Given that Ireland’s current AROPE rate is more than 10% higher than the 2025 goal, and that there remain only two years (and two Budgets) left to deliver on the Roadmap’s targets, significant action and resources will be needed in Budget 2024 to deliver the promised decrease in disability poverty.

**EU: Ireland Leads “Hall of Shame”**

*EDF Report: Ireland Worst in EU for Disability Employment and Disability Employment Gap*

Ireland performs extremely poorly at EU level on disability employment also. A recently published European Disability Forum report, “The Right to Work: The employment situation of persons with disabilities in Europe” names Ireland as “leading the hall of shame”[[15]](#footnote-15). The report shows that **Ireland ranks the lowest in the EU for both its disability employment rates, and for its disability employment gap**. According to EDF the disability employment rate in Ireland, at 32.6%, is almost 20% below the EU average of 51.3%, which in turn is significantly lower than the 75.6% employment rate of those without disabilities across the EU.[[16]](#footnote-16)

Ireland’s disability employment gap, ie the gap between the employment rates of people with and without disabilities, is also the worst in the EU. The average disability employment gap in the EU 27 was 24.4%, but in Ireland this gap was much higher, at 38.6%. Moreover, the disability employment gap for women was even higher again, at 45%.[[17]](#footnote-17)

*EU Commission’s 2023 Country Specific Report Highlights Poverty*

The EU Commission has been highlighting concerns about Ireland’s performance on disability, employment and poverty, during the EU Semester process over consecutive years. The 2023 Country Specific Report (CSR) for Ireland emphasises the very low employment rates of disabled people, with this being **one of only 2 indicators (out of a total of 16) on Ireland’s social scoreboard marked red**. It also highlights Ireland’s disability employment gap at 41.3% in 2021 (which increased from 2020) and emphasises the “sizeable challenges in accessing labour markets” that disabled people experience.[[18]](#footnote-18)

The EU Commission also expresses concern about poverty, observing that “in 2021, the at-risk-of-poverty or social exclusion rate for people with disabilities […] was nearly double […] that of the general population.”[[19]](#footnote-19) The EU Commission recommends increased support and social protection, in order to reach EU commitments to reduce poverty - “as the above-mentioned groups face disproportionate risks of poverty and social exclusion, improved social services and social protection will be key for Ireland to reach its poverty reduction commitment under the European Pillar of Social Rights action plan.”[[20]](#footnote-20)

The EU report also stresses that **while overall poverty rates improved in Ireland in 2021, “disadvantaged groups [including disabled people] became poorer”**. It goes on to state that “the AROPE rate for persons with disabilities grew by 4.3 pps to 39.3%, twice as high as for the general population and 10 pps higher than the EU average. The main reasons for this trend are low educational attainment, high early school leaving rates and EUR 8 700-12 300 in individual extra costs per year.”[[21]](#footnote-21)

The EU Commission echoes concerns that DFI has voiced for years, that the only way to reduce disability poverty is through specific supports and increased social protection. The report states that **“targeted support to improve the social protection of vulnerable groups will be essential for Ireland to reach its national poverty reduction target for 2030.”**[[22]](#footnote-22)

**Insufficient Progress on Significant Extra Cost of Disability**

An ongoing issue that perpetuates disability poverty is the additional cost of disability. The Indecon Report on the Cost of Disability, commissioned by the Department of Social Protection and published in 2021, provided comprehensive policy evidence that people with disabilities have extra costs across areas including mobility, transport, communications, care and assistance services, equipment, aids and appliances, and medicine. A comprehensive and lengthy document, running to over 150 pages, the report is based on very significant study, a statistically significant survey of more than 4,000 people with disabilities (mostly recipients of social protection payments), and significant econometric modelling using CSO data. The report concluded that “there are significant additional costs faced by individuals with a disability *which are currently not met by existing programmes or by social welfare payments* [our emphasis]”. The report **indicates extra costs in the range of €8,700-€12,300, as well as unaffordable extra costs of €2,706 a year**.[[23]](#footnote-23) It recommends tackling this through increased cash payments, enhanced access to services and targeted grant programmes, and emphasised that these provisions should focus on alleviation of poverty, reducing inequality, and improving social inclusion and quality of life of disabled individuals.

Research published in 2022 by Family Carers Ireland and the Vincentian Partnership for Social Justice called ‘Care at Home - Costs of Care Arising from Disability’, added further evidence. This report concluded that the core Minimum Essential Standard of Living (MESL) costs for a two-parent household caring for an adolescent with a profound intellectual disability amount to €752 per week, excluding housing. This is €244 higher than the MESL for a two-parent household with an adolescent child without additional caring and disability needs.[[24]](#footnote-24)

It is important to highlight the fact that **the basic annual income currently provided by the state through the Disability Allowance, €11,440, would in some cases not even cover the additional disability related costs** that someone faces, let alone all the other everyday living costs that all people live with on top of that, like rent, food, heating etc.

Disability and anti-poverty organisations have long called for a weekly **Cost of Disability payment** as a first step in acknowledging these extra costs. In this context **the one-off €500 Disability Support Grant in Budget 2023 was a welcome first acknowledgement of these extra costs**. But ongoing, permanent, and sufficient support to mitigate the Cost of Disability is required into the future to avoid perpetual disability poverty. This would also be a worthwhile investment as it could support many disabled people to enter the workforce and/or be more active in their community.

While fully addressing the numerous costs documented in the Indecon report necessitates action across numerous government Departments (including Health, Housing, Transport etc), nevertheless the Department of Social Protection’s poverty reduction mandate requires it to address the income inadequacies highlighted by the report, especially in the context of increasing disability poverty and deprivation in the ongoing cost of living crisis.

As the EU Commission has observed, increased social protection income is necessary for disabled people, in particular those who cannot work and live with these extra costs, if Ireland is serious about reducing poverty levels. Moreover, a clear majority of the disabled people surveyed by Indecon about what would be most useful in addressing these extra costs favoured extra income - 58% said this would be most helpful, while 31% said better services would be most helpful.

Disability organisations have called for a Cost of Disability payment for the past two decades, and the publication of the Indecon report shows how necessary this is. **A weekly Cost of Disability payment of at minimum €40 is essential to start to address these extra costs and bring down poverty rates.** This would not address the full total extra costs established by Indecon however, and would thus need to be supplemented by action from other Departments to improve services and supports. DFI, along with other disability organisations, continues to call for a government Action Plan to fully address Cost of Disability over the next three years.

Our longstanding call for a Cost of Disability payment is also broadly supported by a range of civil society and anti-poverty organisations, including Social Justice Ireland, European Anti-Poverty Network Ireland, Saint Vincent De Paul and the NWCI, as well as the 29 community and voluntary organisations who recently published a *Joint Pre-Budget Statement on Energy Poverty, June 2023*.[[25]](#footnote-25) The EU Commission have also supported action on this, as have a number of Oireachtas committees, and an **unanimously endorsed Dáil motion on 6th July 2022 which called for a Cost of Disability payment** in Budget 2023.[[26]](#footnote-26)

More recently the Joint Committee on Gender Equality included a number of recommendations for the Department of Social Protection to address disability poverty and the Cost of Disability in its final report in December 2022[[27]](#footnote-27). The Disability Matters committee of the Oireachtas has also again recommended the introduction of a Cost of Disability payment, to ensure an adequate standard of living for disabled people, in its recently published Pre Budget submission.[[28]](#footnote-28)

It is thus clear that **there is a broad and comprehensive level of social and political support to take meaningful action to address Cost of Disability in Budget 2024**.

**Inflation, Cost of Living Crisis and Energy Poverty**

The past 18 months have seen **inflation running at levels not seen in Ireland in more than three decades**. This has had a huge impact on the quality of life and financial and social choices available to those living in poverty, including many disabled people.

As many actors like the Central Bank and ESRI have highlighted since last year, along with anti-poverty organisations, the effect of the ongoing inflation impacts the living standards of those on the lowest incomes most negatively.[[29]](#footnote-29) Data released by the CSO in March this year shows that “compared with the annual Consumer Price Index (CPI) inflation figure of 7.7% in March 2023, a new breakdown by the Central Statistics Office (CSO) estimates that households with the lowest incomes experienced higher inflation of up to 8.3%, while some higher income households had annual estimated inflation of 7.3%.”[[30]](#footnote-30) Moreover a recent Eurostat report has shown that “the highest price level among EU Member States was observed in Ireland, 46 % above the EU average”, as well as the second highest energy prices in the EU.[[31]](#footnote-31)

The Minimum Essential Standard of Living (MESL) Research Centre has shown that **the core MESL basket cost increased by 10.6% nationally in the year to March 2023**, leaving people relying on our social protection system to survive with a real term reduction in income.[[32]](#footnote-32) Moreover they have also shown that **cumulative increases in core MESL costs totalled 18.9% from 2020-23**, while payment increases during the period did not come anywhere near matching this. **Over that period Disability Allowance increased by 2.5% in 2022, and 6% in 2023**. Essentially this means that those relying on our social protection system to live have been pushed further into poverty, and are worse off now than they were three years ago, in terms of what their Disability Allowance can pay for on a weekly basis. Moreover, while in some areas of the economy inflation is decreasing, **inflation in areas such as grocery prices hit 16.8% in recent months**,[[33]](#footnote-33) and commentators agree that prices in general will never go back to 2020 levels.

The ongoing extremely high energy costs continue to be devastating for disabled people, who already struggle with poverty. For disabled people who have to use significant amounts of electricity daily, even throughout the summer, to charge their assistive technology, essential medical equipment, power wheelchair etc, there is no way to mitigate against the costs or to reduce their energy consumption.

Moreover the numerous areas of extra disability related costs established in the Indecon report are increasing rapidly. The average extra costs documented in the report are based on 2020 figures (or in some cases data from significantly earlier years), meaning **the figure of €8,700-€12,300 predates the recent inflation cycle, and will have increased significantly over the past few years**.

While last year’s Budget did contain some welcome temporary and one-off supports to address cost of living for those relying on social protection, including in particular the one-off €500 Disability Support Grant, nevertheless **ultimately in 2023 disabled people who are unable to work are worse off,** as their payment did not increase sufficiently to keep pace with inflation.

Despite these ongoing high costs and the lack of core payments keeping up with inflation, no extra cost of living supports have been provided to people since the one-off measures announced in February this year, unlike in other jurisdictions. In Britain, for example, the government has already laid out plans for three cost of living payments of £301, £300 and £299, to be paid in April-May 23, autumn 23 and spring 24.[[34]](#footnote-34) Moreover, last month disabled people in Britain were also provided with a specific £150 Disability Cost of Living Payment.[[35]](#footnote-35)

On energy poverty in particular, the publication of the government’s Energy Poverty Action Plan last December was a welcome development, although the plan could certainly be strengthened. The electricity credits provided by the government over the past year (out of this Department’s remit, but relevant in the broader context of poverty) were extremely welcome for disabled families, to whom they provided a lifeline. However anti-poverty groups and other commentators agree that this very significant financial outlay was not an efficient deployment of state resources, given that the credit was universal, and thus received by many high-income individuals, rather than targeted at those most at risk of energy poverty and already in arrears. Statistics cited earlier in the poverty data section show **the higher levels of energy poverty that disabled people live with**, for reasons already outlined in this submission. It is also important to note that **only about 50% of Disability Allowance recipients qualify for Fuel Allowance,** the core rate of which did not increase last year despite highly escalating costs.

It is positive that interdepartmental information sharing is taking place through the Energy Poverty Action Plan Steering Group, which the Department of Social Protection is a member of, and that the aim is to strengthen the impact and joint working of this group. Given the interconnected issues involved, significant co-ordinated and joined up policy making will be required on energy poverty across multiple Departments, including the Department of Social Protection and the Departments of Environment, Climate and Communications, Housing, Local Government and Heritage and Health, along with relevant agencies.

There is a strong consensus that **provisions in the winter to come, and in Budget 2024, must be much more carefully targeted this year than last year, in order to use resources efficiently, and to support those with higher levels of energy poverty, like disabled people**. In this regard DFI is a signatory to the *Joint Pre-Budget Statement on Energy Poverty*, developed by social justice and environmental organisations. This statement calls for **a range of social protection recommendations to tackle ongoing energy poverty**.[[36]](#footnote-36)

The European Disability Forum, of which DFI is the Irish member, adopted a resolution on “Prioritising persons with disabilities in the action against inflation and energy costs” in November 2022. This resolution also contains a number of recommendations in the area of social protection, including guaranteeing that disability support is increased according to inflation, and ensuring disabled people have sufficient income and other supports to match energy costs.[[37]](#footnote-37)

**ESRI Reports Highlight Ongoing Deprivation and Caution Current Measures Underestimate Disability Poverty**

As usual a number of reports published by the ESRI over the past year are highly relevant and should be considered when deciding on disability social protection measures for Budget 2024.

An ESRI paper published in April 2023, “Experimental tests of public support for disability policy” provides useful data showing the very high levels of public support for action to tackle disability poverty. The author observes that the results suggest that “most people in Ireland acknowledge the financial challenges of living with a disability and are supportive of stronger government assistance. When asked using standard survey techniques, 77 per cent of people agree that welfare payments for disabled people should be increased and most (91 per cent) agree that more should be done to support disabled people to meet their extra cost of living.”[[38]](#footnote-38) The paper further shows that levels of support declined from 77 per cent to 66 per cent if those surveyed were given anonymity. Nevertheless even at the lower level of 66 per cent, this is a very high level of public support for action, indicating that **2 in 3 people would like to see the government do more on disability poverty**.

Another paper, “Technical Paper on the Poverty Indicators for Social Inclusion in Ireland”, published in June, highlights that the AROPE rate for people with disabilities is **one of a few EU indicators for poverty in the Roadmap for Social Inclusion where things are getting worse**. It also recommended considering breaking down the indicator tracking the share of population living in severe material deprivation by vulnerable group, including people with disabilities.[[39]](#footnote-39) The paper also highlighted issues with tracking employment rates for disabled people from Census data (given the time lag and insufficient frequency of the data), and made some alternative recommendations, including the possibility of the more ambitious target of reaching EU average employment rates.

Another ESRI report released last Autumn cautions that **we may in fact be significantly underestimating the level of poverty that disabled people live with**. The authors write that:

there is also a sizeable group of individuals who report being materially deprived but who are not classified as being at risk of poverty (AROP) […] Of these, almost half lived in a household where someone reported having a disability, with most of these less than €100 per week (in equivalised terms) above the poverty line. Given the significant extra costs of living incurred by households affected by disability, this raises questions about whether the official measure of poverty is adequately capturing the incidence of very low living standards or poverty, and suggests that there may be a case for revisiting the way the income-related component of this official indicator is measured.[[40]](#footnote-40)

Indeed if we were to divide up the lower annual estimate of these extra costs established by the Indecon report, €8,700, that would equate to a weekly cost of €167.30, showing that **many of these households may in fact be well below the poverty line when Cost of Disability is factored in**. As the paper observes, “due to the extra costs borne by households affected by disability, measures of low living standards using income alone can understate the true difference in living standards between households affected and those not affected by disability.”[[41]](#footnote-41) These conclusions also have important implications for any move to index social protection payments.

Another report looking at intergenerational poverty in Ireland finds that “for people with disabilities, the risk of deprivation is almost 12 percentage points higher than it is for those without disabilities.”[[42]](#footnote-42) The paper also established that **disability plays a role in reproducing intergenerational disadvantage**, and states that “childhood financial circumstances also influenced later outcomes through disability, suggesting wider supports are needed to mitigate the negative health effects of poverty throughout the life course,”[[43]](#footnote-43) making a series of recommendations for improving disability employment outcomes in particular.

ESRI reports published in recent years, as highlighted in our previous Pre Budget submissions, also remain highly relevant.

**Government Commitments on Poverty and Disability**

The *Programme for Government* promised that “Policy decisions throughout the course of the Government will consistently seek to improve living standards for the most vulnerable in society”, committing to a new social contract. It also stated: “as we emerge from the COVID pandemic, we must build upon the unity, which was fundamental in our response, to improve outcomes for those who are struggling on low incomes, struggling with caring responsibilities, having to raise their families alone, or living with a disability. Any changes made in social welfare provisions will continue to be gender- and equality-proofed. We will do this by rigorous implementation of the […] Roadmap for Social Inclusion 2020-2025.”[[44]](#footnote-44)

As previously outlined, the *Roadmap for Social Inclusion* commits to specific poverty reduction and improved employment targets for people with disabilities, i.e. to

* reduce the AROPE (At Risk of Poverty and Social Exclusion) rate from 36.9%, first to 28.7% (2025) and then to 22.7% (2030);
* increase the employment rate from 22.3%, first to 25% (2021) and then to 33% (2027).

The Roadmap also aims to reduce overall consistent poverty to 2% by 2025. **While the national average for consistent poverty increased last year from 4% to 5.3%, for those unable to work due to disability it reached 19.7% (ie 1 in 5 people - a rate almost 4 times higher than the national average)**. **This once again demonstrates the urgent need to focus on people with disabilities in Budget 2024.**

The disability specific section of the Programme for Government also commits to “use the recent research into the cost of disability to individuals and families to properly inform the direction of future policy (p.79).” As previously observed, the Cost of Disability report recommends increased income for disabled people to address their very high levels of poverty and social exclusion.

Ireland has also committed to an AROPE reduction target of 90,000 people as our contribution to the *EU Pillar of Social Rights* poverty reduction targets. Given the disproportionate levels of disabled people who are at risk of poverty in Ireland, increased social protection for people with disabilities would help to deliver these targets, as was recommended by the EU Commission in its Country Specific Report on Ireland this year.

**Benchmarking: Minimum Essential Standard of Living Required (factoring in extra Cost of Disability)**

The inadequacy of existing social welfare rates has been dramatically highlighted in recent years, both by the gap between core rates and the higher rate of the Pandemic Unemployment Payment, and by the ongoing cost-of-living crisis. This has brought an important focus on the necessity of indexing social protection payment levels to ensure that they keep pace with increasing costs in the economy, as organisations like the Irish Human Rights and Equality Commission,[[45]](#footnote-45) and anti-poverty groups have recommended.[[46]](#footnote-46) Disability and anti-poverty organisations have for many years called for a **Minimum Essential Standard of Living, to ensure those who rely on our social protection system to survive are not condemned to poverty**.[[47]](#footnote-47)

Strikingly, this is the issue on which there is the broadest and strongest consensus of support across all civil society organisations who attend the Department of Social Protection’s Pre Budget Forum every year. There is also significant parliamentary support for MESL. For example, in their final report on their deliberations, the cross-party Joint Oireachtas Committee on Gender Equality, building on the recommendations of the 2021 Citizens Assembly, supported progress on income adequacy of social protection, and endorsed MESL; “**The Committee recommends that the Department of Social Protection brings social protection rates in line with a minimum essential standard of living (MESL).**”[[48]](#footnote-48)

Benchmarking of social welfare payments should thus be set at the level established and recommended by the Minimum Essential Standard of Living Research Centre. Any benchmarking or indexation that takes place must be set above the poverty line and **must also explicitly take the extra Cost of Disability, and the findings of the Indecon report, into account**. To move to benchmarking payments without doing this would have the unintended consequence of locking disabled people into greater structural poverty.

**Budget 2023: Poverty and Disability Impact Assessment**

A number of one-off measures in Budget 2023 provided some cushioning from the cost of living crisis in Autumn and early Winter last year, and were very welcome. However **one-off payments just temporarily plug the income gap, and do not address the structural problem of income inadequacy and consistent poverty**.

Budget 2023 also brought in the highest increase in Disability Allowance and similar payments in a number of years, with a €12 increase from January 2023. Unfortunately though, this 6% increase did not match previous and ongoing levels inflation, which impacts more significantly on low income households as outlined above. The ESRI in its initial commentary on Budget 2023 raised concerns that while the one-off measures would insulate households from price-rises last Winter, below inflation level increases in core payments would mean “many lower-income households will experience real terms cuts in living standards in the latter half of 2023.”[[49]](#footnote-49) In a subsequent paper analysing welfare measures in Budget 2023 the ESRI also recommended that “once the need for one-off measures to insulate households from inflationary pressures has passed, policymakers may wish to consider benchmarking social welfare payments to reinstate the link between payments and income adequacy.”[[50]](#footnote-50)

The Minimum Essential Standard of Living (MESL) Research Centre, as indicated above, has shown that the core MESL basket cost increased by 10.6% nationally in the year to March 2023, leaving people relying on our social protection system to survive with a real term reduction in income. They have also shown that **cumulative increases in core MESL costs totalled 18.9% from 2020-23, while payment increases during the period did not come anywhere near matching this** (with the increase in Budget 2022 having been a meagre 2.5%, and no increase in previous budgets). As a result of this, **anything less than a €27.50 adjustment in core social welfare rate in Budget 2024 will be a real term cut for disabled people.**

A provision in Budget 2023 which was roundly welcomed by disabled people and disability organisations was the acknowledgement for the first time by the Minister for Finance of the extra Cost of Disability. In his Budget speech Minister McGrath observed that “it is important that we acknowledge that persons living with a disability face additional costs”, and introduced a one-off Disability Support Grant of €500, which was paid in November 2022. However this was clearly far from sufficient, addressing as it did less than one twentieth of the costs outlined in the Indecon report, and providing only one-off support for costs that are not at all one-off. **Budget 2024 must thus build on last year’s Disability Support Grant by bringing in an ongoing, permanent and sufficient Cost of Disability payment of at least €40 a week**.

The regular increase in the income disregard in recent Budgets has been very welcome, and may be slowly having a positive impact on employment rates. That said, this was estimated by the Department to impact on 8,674 DA recipients, meaning it affected approximately 5.5% of those receiving Disability Allowance, showing there is a long way to go towards improving disability employment levels.

An ongoing concern for DFI continues to be in relation to the equality and disability proofing of the annual Budget. Department responses have previously indicated that the ESRI’s SWITCH model, the key tool used by the Department to assess the social impact of budgetary options, “does not include specific analysis for people with disabilities”, and ESRI studies last year also confirmed this limitation of the model.

The question thus remains as to how well equipped the Department is to assess the budgetary impact of various measures on people with disabilities, and **this remains a significant and troubling omission in its impact assessment capacity, given the stubbornly high poverty rates of disabled people**. We strongly welcome the indication from the Department in recent written answers that the ESRI will work to address this gap in the system’s capacity to disability proof our social protection policies this year, and that they expect that this piece of work will be completed in time for Budget 2024. This must be an urgent priority for the Department, given the levels of poverty and deprivation disabled people live with.

**Budget 2024: Time for Action on Disability Poverty**

The current government has **just two Budgets left to deliver** on its significant Programme for Government commitments to disabled people and their families. **Five years after the ratification of the UN CRPD, Ireland is failing to make progress in important areas to deliver equality and the right to independent living for disabled people**.

Disabled people are disproportionately at risk of poverty, and one in two people unable to work due to longstanding health condition (disability) live in deprivation. The ongoing and significant extra Cost of Disability, along with the price rises in key essentials such as food and energy, are pushing people with disabilities further into poverty. **Our social protection system does not provide disabled people with enough income to live a life of dignity and equality, and people across Ireland, and their political representatives, believe this is not good enough and must change**.

Given the resources available to the State and the health of our economy, the situation of disabled people must be prioritised. **The time is now to invest in a sustainable future for disabled people, and to ensure they have an income sufficient to live a life of equality and inclusion, rather than poverty and deprivation**. One in five people in all communities across Ireland,[[51]](#footnote-51) and their families, expect nothing less.



DFI is about making Ireland fairer for people with disabilities.

We work to create an Ireland where everyone can thrive, where everyone is equally valued.

We do this by supporting people with disabilities and strengthening the disability movement.

There are over 120 member organisations in DFI. We also work with a growing number of other organisations that have a significant interest in people with disabilities.

DFI provides:

• Information

• Training and Support

• Networking

• Advocacy and Representation

• Research, Policy Development and Implementation

• Organisation and Management Development

Disability is a societal issue and DFI works with Government, and across all the social and economic strands and interests of society.

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