



Budget 2027

What We All Want



Susanne Rogers

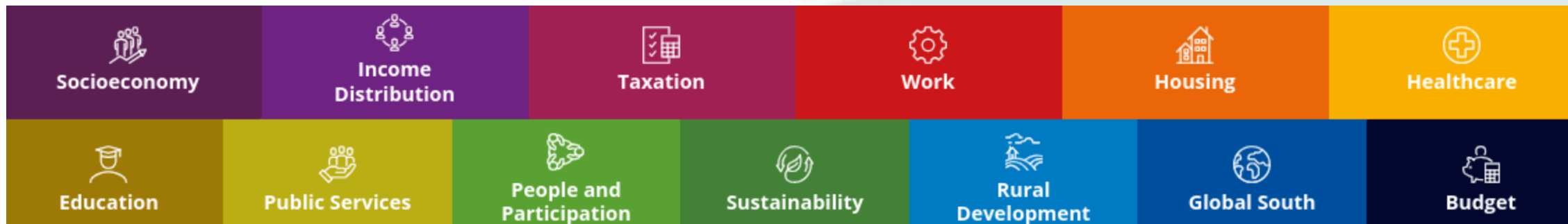
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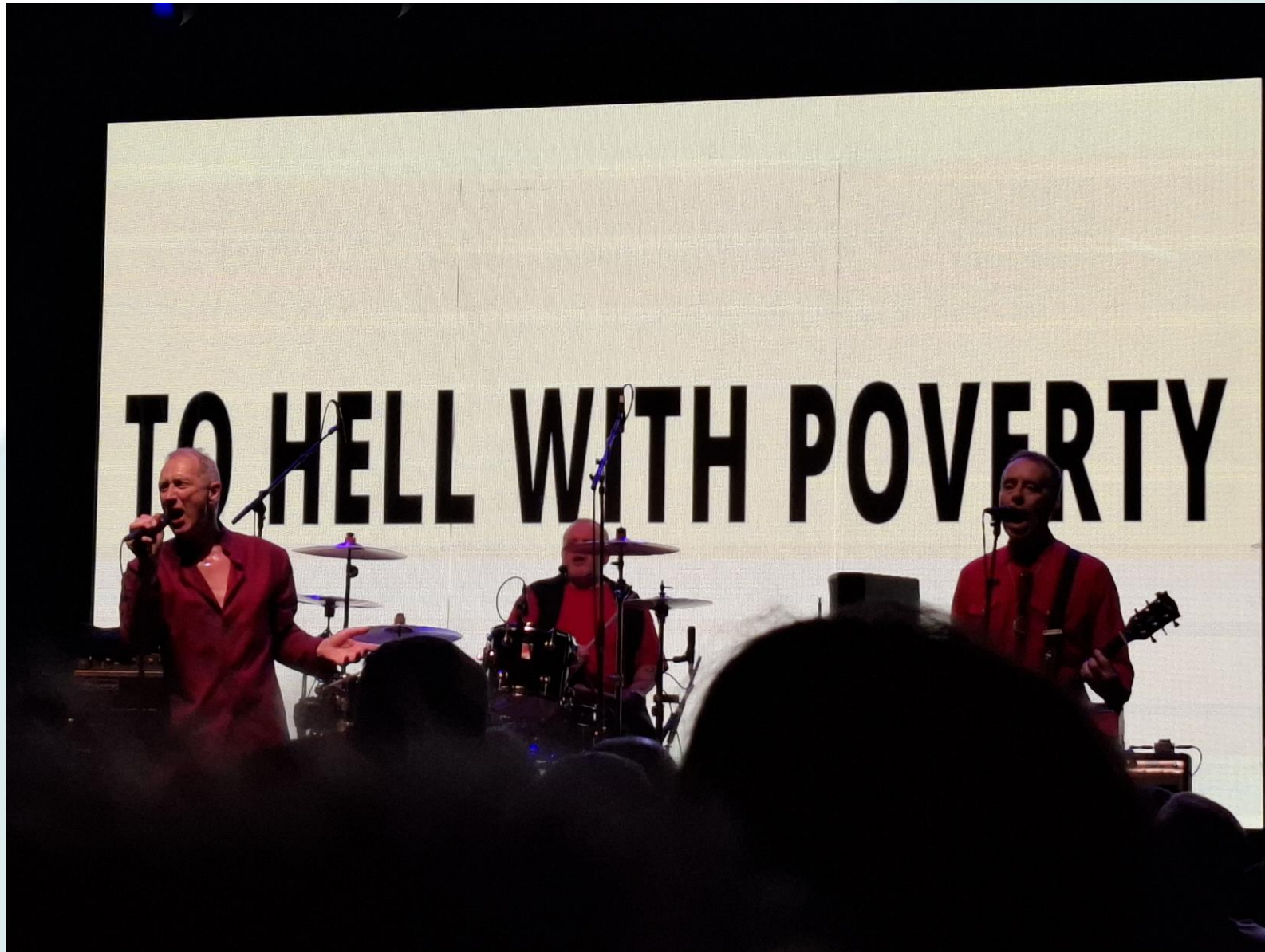


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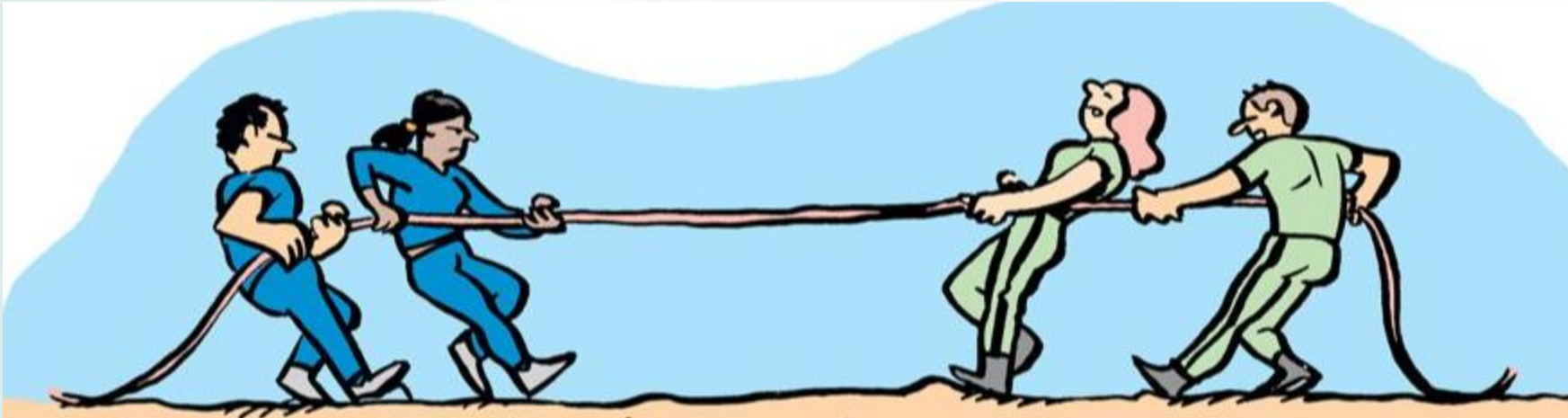
When you support Social Justice Ireland,
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Social Justice Ireland is an independent think tank and justice advocacy organisation that advances the lives of people and communities through providing independent social analysis and effective policy development to create a sustainable future for every member of society and for societies as a whole



It Is Not Enough

According to the CSO, the median disposable income per adult in Ireland during 2024 was €31,767 per annum or €608.80 per week. Consequently, the 60% of median income poverty line for a single adult derived from this value was €365.28 a week.



First World Citizen

Overall poverty rate in 2025 – 12.6 per cent

That's **687,784** people in Ireland people living below the 60 per cent of median income poverty line.

This represents an increase of 58,288 people at risk of poverty between 2024 and 2025.

211,150 are children.

Such an underlying poverty rate suggests a deeply unequal distribution of direct income - without the social welfare system one-third of the Irish population (33.2 per cent) would have been living in poverty in 2025.

The actual poverty figure was reduced to 14.9 per cent by social welfare transfers and further reduced by cost-of-living support payments to 12.6 per cent



A Hole in the Wallet

Increase to most weekly primary social welfare rates by €10 with proportional increases for qualified adults and those on reduced rates.

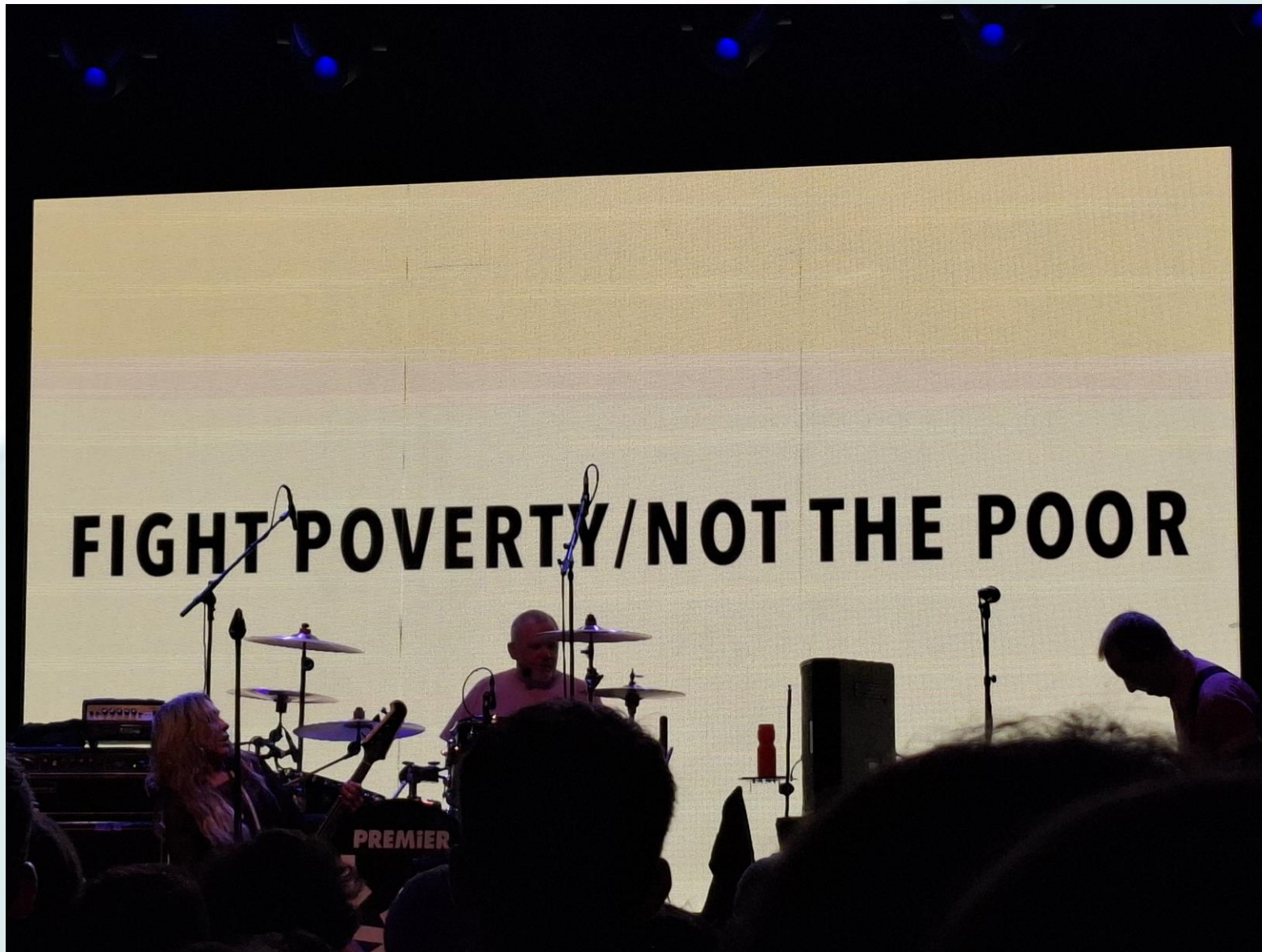
Increase to all child support payment, of €6 per week for children under 12 and €6 for those over the age of 12.

Living Alone Allowance increased by €3.

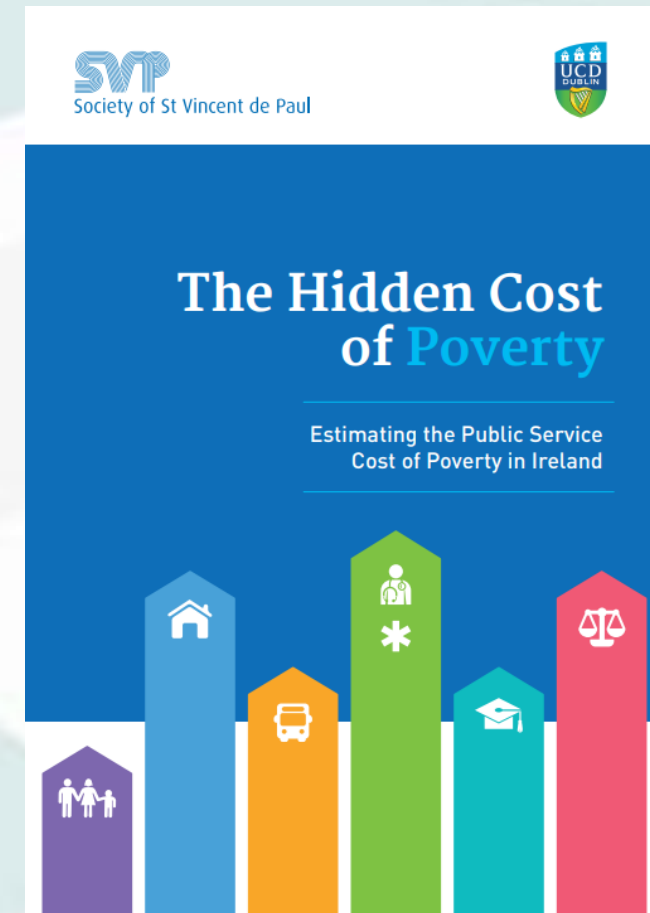
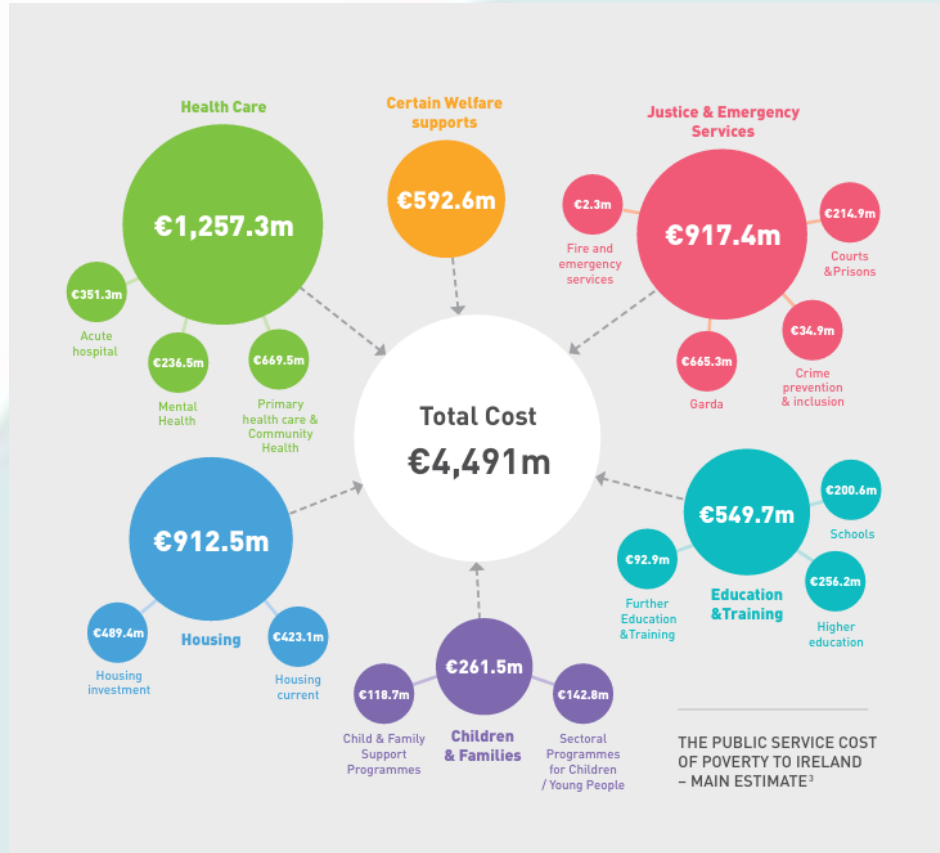
A cost of disability payment €500 per annum.

Increased Fuel Allowance by €5 a week





Why Theory?



Change the Locks

The number of homeless people accessing emergency accommodation in August 2026 reached a record 17,885, marking a 111% rise since the Housing for All plan began in 2021 and a 169% increase over the past decade.

Homelessness has become the most visible symptom of the State's ongoing failure to deliver secure social and affordable housing. And these are just the official statistics.

Budget 2027 offers no alternative solutions. It commits to continuing the provision of homeless services at a cost of €543m but introduces no substantial reforms. Government missed the opportunity to extend Housing First to children and families, opting instead to continue payments to providers of emergency accommodation or build state owned facilities, ignoring repeated warnings by human rights organisations about the risks of institutionalising families.



Capital (It Fails Us Now)



Affordability pressures, inadequate supply, and rising homelessness continue to intensify despite successive policy interventions. Key concerns remain regarding scale, delivery capacity, and the extent to which the new strategy addresses the structural drivers of the crisis.

Recent trends in planning permissions and commencements highlight this uncertainty in boosting housing supply, with the Central Bank's slightly downward revisions to housing completions, due to weaker than anticipated outturn, adding to the concern.

Home ownership in the State fell between Census 2016 and Census 2022 and now stands at 66%, while the age at which more than half of homeowners own their home has increased by a decade to 36 in 2022.

In response to declining ownership rates and affordability issues, Government introduced demand-side subsidies which artificially inflate incomes and circumvent the Central Bank's macro prudential rules.

In Budget 2027, under the Starter Homes Programme, over €1bn has been allocated to deliver 8,500 new starter homes through a range of affordability schemes, including the First Home Scheme and Help to Buy.

Capital (It Fails Us Now)



Budget 2027 increased the threshold by €2,000 to €16,000 for the Rent a Room relief to “boost rental supply” and extended this relief to newly installed detached auxiliary dwellings between 32-45m², providing tax exemptions for letting a room/ detached dwelling in one's home. These tax reliefs raise concerns whether this is an effective use of public resources.

Budget 2027, recognising the critical role of Local Authorities in delivering social and affordable homes, has increased their spending capacity, and given them greater flexibility and responsibility for these capital projects. Social Justice Ireland welcomes this and encourages the Government to further decentralise responsibility for housing delivery to Local Authorities.

We also welcome the €1.5bn in capital funding for water infrastructure, which is critical to enabling housing delivery.

The Budget also commits to €3bn in capital investment to support the delivery of 11,250 social homes, yet these allocations fall far short of need and do not address repeated delivery failures. Social housing targets remain inadequate given the ongoing need for housing of around 134,000 households.

Outside the Trains Don't Run on Time

Adequate investment is required to build resilience and to make alternatives affordable for rural households and to build resilience in rural communities and businesses. We regret that Government did not take the opportunity to sufficiently invest in future proofing rural economies, funding adaptation and transition, public transport and rural tourism.

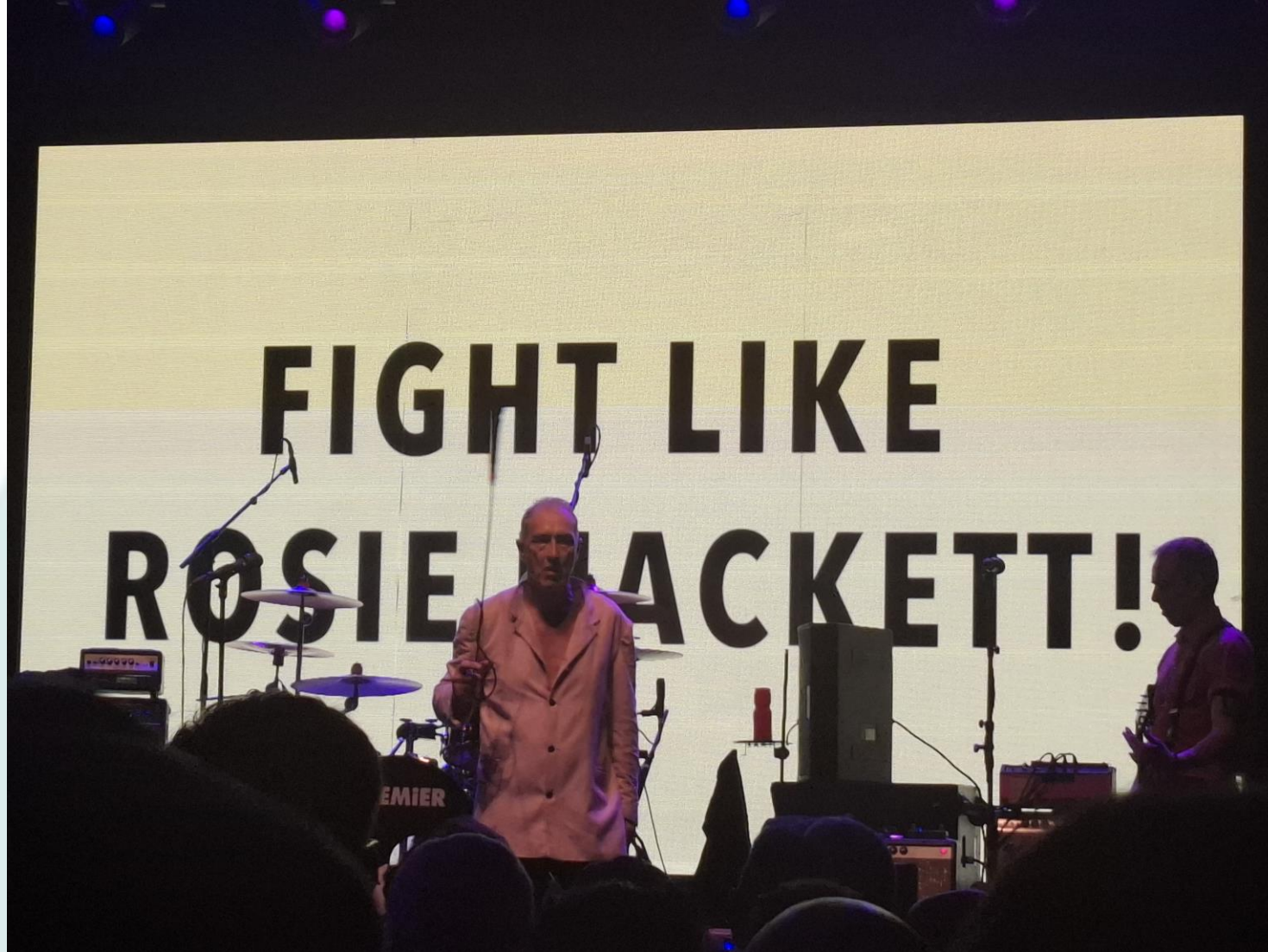
We also regret that Government did not build on the success of the recent EV scrappage scheme and invest in a programme of EV grants and EV home charger grants targeted at rural areas. The long-term solution to high energy costs for rural dwellers is making alternatives affordable and easily available.

Budget 2027 will provide an additional €1.5 to maintain vital transport links for offshore islands.

An additional €6 billion in resources from 2027 to 2030 will support the delivery of MetroLink.

Additional funding for school transport to support about 180,000 children going to school daily





It's Her Factory



In 2025, more than 148,000 people with jobs were living on incomes below the poverty line, the 'Working Poor'.

The unemployment rate at the end of Q2 2026 was 5.1%.

In Q2 2026, there were almost 3m people in the labour force, of whom 2.3m were in full-time employment.

According to the Living Wage Technical Group, of which Social Justice Ireland is a member, the real Living Wage for 2026/27 is €16 per hour, a 3.9% increase on last year. This increase reflects rising living costs, driven by a 29.2% increase in energy costs, a 4.7% increase in housing costs, and other costs such as clothing, personal care, and insurance.

Disparities in the National Minimum Wage for young employees mean that those aged 20+ earn 43% more than those aged under 18 for doing the same job. While those aged 18 earn 20% less than the full rate.

Social Justice Ireland believes that the core objective in this area should be to ensure that all people have access to meaningful work. This includes caring work and work in the community, and is not limited to paid employment.

It's Her Factory



Budget 2027-increased the National Minimum Wage by €0.79 per hour to €14.94 per hour.

Increased the personal and PAYE/ earned income tax credits by €125 each to €2,150.

Increased the standard rate cut-off by €2,500 to €46,500.

Increased the 3% USC rate ceiling entry threshold by €1,600 to €30,300.

Employer PRSI threshold up from €552 to €600 per week.

Allocated €360m to a new three-year National Training Fund skills package, including €150m to strengthen skills resilience across the economy and equip the workers with the skills we need to adapt to a future where AI is central to work.

Allocated €30m to increase apprenticeships by 12,500, with two thirds focused on crafts and construction programmes.

New Ireland Strategic Investment Fund to invest €1bn to support the growth and development of Irish Companies.

If I Could Keep It for Myself

The Budget included an income tax package with a full year cost of €1,512m (€1,480m on income tax band and credit changes and €32m on USC reductions).

These changes are skewed and provide larger gains to those on higher incomes compared to those on lower incomes. For example, a single person earning €25,000 gains €212.50 per annum while a single person on €75,000 gains three times more (€653.50 per annum).

Data accompanying Budget 2027 outlines Government's plans for taxation and spending over the 4 years to 2030. Over that period, assuming the policies signalled by Government are followed, overall tax receipts were to climb from €110.5bn in 2026 to €136.8bn in 2030.

As a policy objective, Ireland should remain a low-tax economy, but not one incapable of adequately supporting necessary economic, social and infrastructural requirements. We regret that Budget 2027 made limited progress on this issue.



Second Life



The number of people aged 65+ now stands at 891,100, accounting for 16.1% of the population. The recent SILC indicates that over 122,400 older people were living in poverty in 2025, an increase of 15% compared to 2024. This number would be substantially higher were it not for the impact of one-off measures, pointing to a failure to address the structural issues facing this cohort.

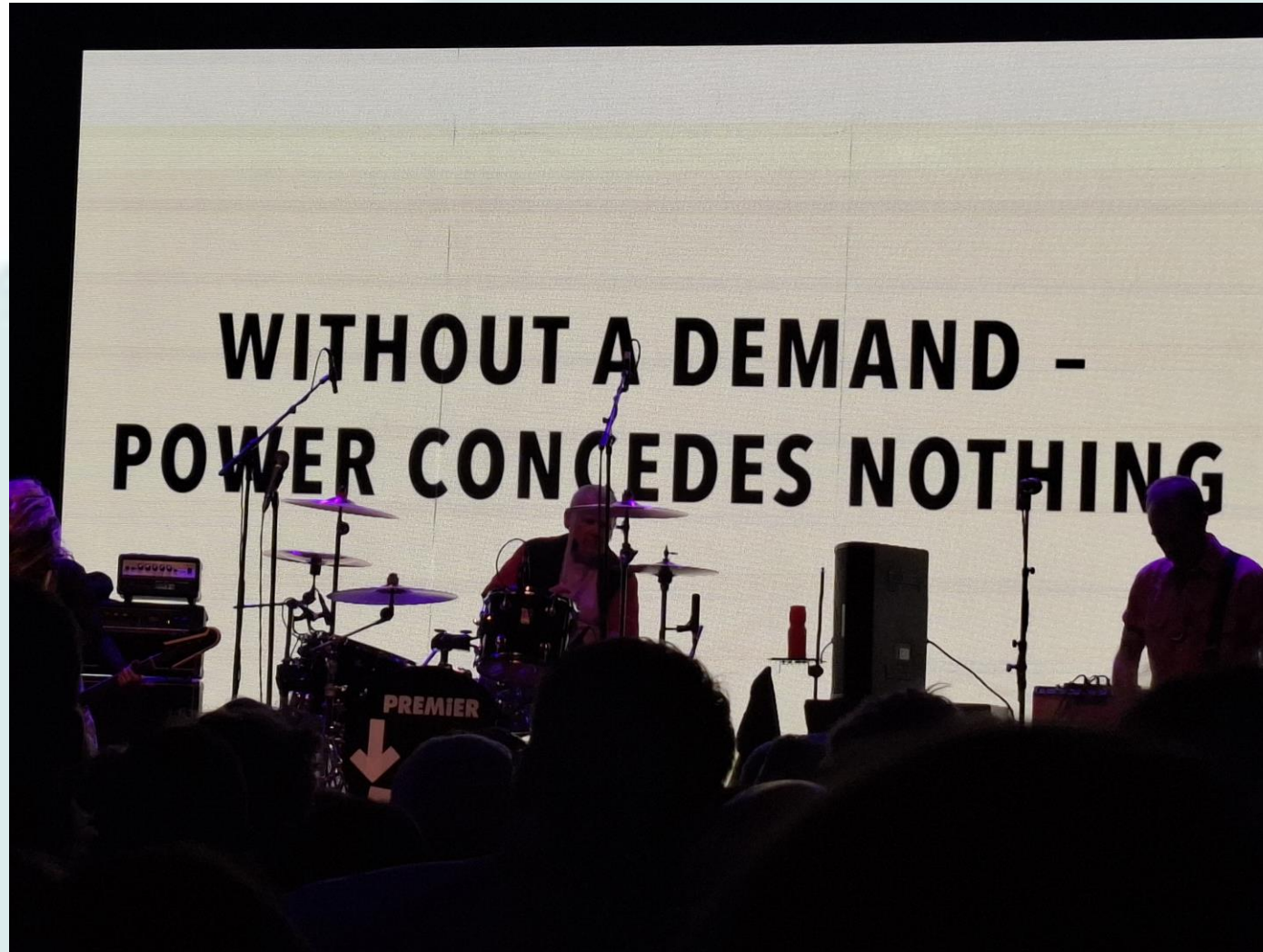
Government is without a mechanism to adequately plan for and design a social protection system that can meet the needs of a growing and ageing population, a priority identified in Future Forty, and without a mechanism to ensure that benefits of growth are widely shared.

Building on the Budget 2024 initiative, a further increase in PRSI rates by 0.15 percentage points will be applied from October 2027. This will bring the employee rate to 4.5% and that paid by most employers to 11.55%. While we welcome this increase in PRSI, we note that it does not adequately address the anticipated future shortfalls in the social insurance fund, particularly considering Ireland's ageing population.

Social Justice Ireland welcomes the increase to the Carer's Allowance income disregard. However, we regret that there was no increase to the Carer's Support Grant or the Domiciliary Care Allowance. Given our population projections, an independent review of the Carer's Allowance is essential to prepare now for an ageing population. In addition, a pilot Universal Basic Services and a Universal Basic Income Scheme for Carers would have supported delivery of the Programme for Government commitment to fully fund the Carer Guarantee.

The increase in the Living Alone allowance, coupled with the increase in the State Pension still falls short of what was needed to prevent older people living alone from falling deeper into poverty.

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