



Barnardos

Because childhood lasts a lifetime



# Cost of Living Crisis Impact on Children 2025



# Cost of Living Crisis - Impact on Children 2025

Barnardos provides a range of therapeutic early intervention and targets services to children and their families in over 50 locations, in family homes, schools, early learning and care settings and communities. We work with children and families who are affected by traumatic life situations such as poverty, abuse, parental mental health challenges, neglect, separation, bereavement and parental addiction.

We support thousands of children and families across Ireland every year. A significant proportion of them, particularly those in lone parent households (who make up approximately 40% of the families we support), have experience of poverty<sup>1</sup> and are living in areas deemed to be very or extremely disadvantaged<sup>2</sup>. The longer children go without essentials the more significantly it reduces their current and future wellbeing, their ability to engage in school, form relationships and have opportunities in the future<sup>3</sup>. The longer parents are struggling to provide essentials, and going without themselves, the higher a toll it takes on their own wellbeing, physical and mental, and the greater an impact it has on their parenting over time<sup>4</sup>.

Constantly worrying about insufficient income and providing children with essentials reduces parent's capacity to focus on their children's other needs and respond to other issues they may have. Research consistently demonstrates that

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<sup>1</sup> The relative or at-risk of poverty threshold represents an income of less than 60% of the national median (middle) annual income. Deprivation is being forced to go without one of a list of 11 indicators of a person's ability to participate in society in a way considered the social norm. Consistent poverty describes someone whose income is below the relative/at risk of poverty threshold and who cannot afford at least two of the eleven deprivation indicators.

<sup>2</sup> [Pobal HP Deprivation Index Launched - Pobal \(2023\)](#) Unfortunately, many of those areas have become more economically challenged over the past number of years, with lower educational attainment levels and high unemployment rates. For example from 2016 – 2022 the number of people living in areas classed as very or extremely disadvantaged increased from 143,506 individuals to 195,992.

<sup>3</sup> Poverty dynamics and child development: Evidence from the Growing up in Ireland study Mengxuan Li and Dr. Yekaterina Chzhen [Li\\_GUI2021](#)

<sup>4</sup> Family Wellbeing on a Limited Income: A Study of Families Living at Risk of Poverty in Ireland





the longer children spend in poverty, experiencing deprivation the bigger a negative impact it can have on their futures<sup>5</sup>, clearly evidencing that childhood lasts a lifetime<sup>6</sup>. We see first-hand the impact living in deprivation and going without essentials can have on children's long-term health, wellbeing, education and development outcomes.

## Introduction

For the past four years we have been monitoring the impact of cost of living increases on families and children. This report is the fourth in a series detailing the number of families who are cutting back and going without essentials, the impact it is having on their day to day lives and general quality of life and the worries they have for the future.

The latest statistics from the Survey on Income and Living Conditions (SILC) show that the rate of child deprivation remained similar last year when compared to 2023, 21.2% marginally down from 21.4%. However, there was a jump in the number of children at risk of poverty, from 14.3% to 15.3%, and substantial increase in those deemed to be living in consistent poverty, from 4.8% to 8.5%<sup>7</sup>. This is despite there being cost of living measures in place over the last few budgets, without which there would have higher increases.

In the recent Programme for Government<sup>8</sup> there was a commitment to implement actions to 'lift more children out of poverty, giving them the futures they deserve'. The Taoiseach Michael Martin reiterated this at the National Economic Dialogue stating that for Budget 2026 he is asking ministers to plan and come forward with measures that will really make the difference to the most vulnerable families and children. At the same time the Child Poverty and Programme Office has recently committed to continue to monitor progress, address challenges, and grow the

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<sup>5</sup> [Childhood poverty associated with higher risk of material deprivation and income poverty in Irish adults | ESRI \(2022\)](#)

<sup>6</sup> Bernard Maitre, Helen Russell and Emer Smyth, The dynamics of child poverty in Ireland: Evidence from the Growing Up in Ireland survey, (ESRI 2021).

<sup>7</sup> [Poverty Survey on Income and Living Conditions \(SILC\) 2024 - Central Statistics Office](#)

<sup>8</sup> [programme-for-government-securing-irelands-future.pdf](#)



national coordinated effort to improve the lives of children and their families and communities.

The findings of this report urge government to fulfil these promise, taking actions, both immediate and longer term to ensure all children in Ireland have access to basic essentials necessary for a decent childhood.

## **Methodology**

Barnardos commissioned Amárach Research to carry out a nationally representative survey with 1,000 parents/guardians with children aged under 18 in their care. The survey was carried out in May this year. We discussed cost of living issues directly with parents in Barnardos services across the country and spoke to staff across our services to get their views on cost of living issues facing the families we support.

## **Cost of Living - Impact on Children and Families**

The inability for families to provide children with essentials, and the need to cut back on basic necessities is affecting the quality of tens of thousands of children across the country, negatively affecting their health, wellbeing and development. Families on low income and children in those homes are at disproportionate risk.

## **Amárach Survey Findings**

Amárach carried out a nationally representative survey of 1,000 parents with children in May this year about their experiences of the cost of living over the previous six months.

The results demonstrate that a substantial amount of families have had to go without and/or cut back on essentials over the past six months.

More than half cut back or went without social activities, one in five heating (18%) and electricity (17%) and food (19%). Almost half (41%) cut back or went without clothing and 19% medical appointments. These are all similar to the past few years,



although it is welcome to see a decrease in relation to heating (most likely due to actual falling price for some energy products).

Over the four year period we unfortunately see that a large proportion of families consistently went without essentials and are continuing to do so. Although there have been some minor decreases in certain areas, for example heating, there have been substantial increases elsewhere such as clothing. Only one in four parents said they did not need to cut back or go without any of the items listed (27%), this is substantially down from one in three (37%) in 2022.

Over the past six months, have and or your children/children had to go without or cut down on any of the following due to cost of living increases?	April 2025	April 2024	April 2023	April 2022
Heat	18%	28%	37%	28%
Electricity	17%	20%	23%	23%
Food	19%	20%	20%	16%
Clothing	41%	40%	43%	34%
Medical appointments/medicines/dentist/assessments	19%	18%	28%	17%
Social activities	52%	47%	57%	50%
Participating in local sports groups/clubs	19%	20%	20%	n/a
School supplies	8%	11%	12%	8%
School trips/activities	16%	18%	23%	n/a
Transport	12%	12%	14%	10%
Rent	7%	7%	5%	2%
None of the above	27%	26%	26%	37%

Additionally, 40% of parents said they had borrowed money at least once over the past 12 months in order to provide their children with essentials. This is on top of going without or cutting back on items. This is worrying because it means a large proportion of families are getting in debt just to provide necessities. For some families this can lead to problems in the future. It is particularly worrying given the



once off measures in last year's budget and the fact the economy did so well the past few years.

More than three quarters of parents (78%) stated that cost of living issues negatively affected the children in their care over the past 6 months, with almost one in five (19%, slightly up on 18% in 2024 and 12% in 2022) saying it has significantly negatively affected them. That would equate to approximately 200,000 children<sup>9</sup>. Given inflation levels dipped it would be expected this number would have come down this year. However, it potentially shows that as prices remain high and have not come down, low income families are still really struggling.

Do you think the cost of living crisis has negatively affected your child?	April 2025	April 2024	April 2023	April 2022
Significantly	19%	18%	17%	12%
Moderately	23%	24%	24%	25%
Slightly	36%	39%	32%	34%
Not at all	19%	16%	25%	25%
Not applicable	3%	2%	2%	2%

Most parents stated they are worried about having enough money over the next six months to meet the needs of their children. Two in five (40%) are moderately/very worried about this, only 20% said they were not worried at all.

How worried are you about being able to afford to meet your children's needs over the next 6 months	April 2025	April 2024	April 2023	April 2022
Very worried	19%	21%	24%	20%
Moderately worried	21%	19%	18%	19%
Slightly worried	40%	41%	37%	36%
Not worried	20%	19%	20%	24%

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<sup>9</sup> This is a very rough estimate.



Seven in ten (70%) parents said they sometimes or always worry about not being able to provide their children with daily essentials.

One quarter of parents (25%) said they are always worried about being able to provide their children with essentials. Only just over one in ten parents (13%) said they never worry. Over time, outlined in more detail below, this can have a considerable impact on parents and ultimately affect their children.

How often do you worry about being able to provide your children with daily essentials?	April 2025	April 2024	April 2023	April 2022
Always	25%	26%	28%	28%
Sometimes	42%	43%	42%	36%
Rarely	20%	20%	19%	19%
Never	13%	10%	11%	15%

## Groups at highest risk

It's clear from the survey findings that three groups of parents and their families were at greatest risk of having to cut back and go without essentials. It's clear from the figures set out below the need for the government to consider targeted measures to better protect children in households most at risk of going without.

### Young Parents

Parents aged 18-24 were considerably more likely to go without or cut back on items when compared to parents who were older. For example 62% of them cut back on or went without social activities, 61% clothing, 31% food, 25% heat, 30% electricity. By comparison, parents aged 45-54 went without or cut back on those items roughly 50% less, so social activity 42%, clothing 33%, food 14%, heat 14%, and electricity 8%. Thirty percent of young parents said cost of living issues had a significant negative effect on children compared to 16% of parents aged 45-54. Only five percent said it had not impact at all compared to 29% of those aged 45-



54. Finally, only 1% of young parents said they never worried about providing their children with essentials, and 41% were always worried. By comparison, 19% of parents aged 45-54 were never worried and only 19% were always worried.

## **Lone Parents**

Similarly to young parents, lone parents were disproportionately likely to go without and cut back on essential items. Comparing the proportion of one parent families having to go without or cut back to two parent families we see substantial differences. For example 65% went without or cut back on social activities compared to 48% of two parent families, 50% clothing compared to 38%, 25% heating compared to 15%. Almost one third (29%) said cost of living issues had a significant negative impact on their children compared to 16% of two parent families. 41% were always worried about being able to provide children with daily essentials compared to 21% of two parent families.

## **Larger Families**

Finally, it is important to highlight that families with more than two children seemed at greater risk of going without when compared to families with two or less children. 66% cut back or went without social activities compared to 50% of smaller families, 51% clothing compared to 39%, 30% sporting activities compared to 17%. When asked how worried they are about providing essentials over the next 6 months 27% said very worried compared to 18%.

## **Levels of Inflation**

While inflation has slowed over the past six months this does not mean that prices are coming down. They are increasing but at a more modest pace<sup>10</sup>.

For many, in particular those on low incomes with limited disposable income, wages and other sources of income did not increase in line with inflation. Despite

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<sup>10</sup> Most recent statistics show inflation in 2024 was just over 4% The Consumer Price Index (CPI) measured a 2.0% average increase in prices in the 12 months to March 2025, and a cumulative change of 20.5% from 2020 to 2025 [Key Findings Consumer Price Index January 2024 - Central Statistics Office](#)





inflation coming down a considerable gap remains for them between those incomes and the ability to afford essentials.

## Minimum Essential Standard of Living

The Vincentian MESL Research Centre recently published their annual Minimum Essential Standard of Living (MESL) update<sup>11</sup>, capturing the change in the cost of the minimum basket of goods and services needed to enable people to live with dignity. There was an increase nationally of 1.8% in core MESL costs compared to 2024. Cumulatively, there has been an increase of 18.8% in MESL costs since 2020. The report found that just one quarter of families they tested received enough income from social welfare to meet the costs of providing a minimum essential standard of living.

## Groceries

According to Kantar, grocery inflation in the 12 weeks to April was running at 4.9%<sup>12</sup>. The pace of grocery inflation was around half that level for the same period in 2024. In just the last year the following items have increased substantially<sup>13</sup>.

Item	Percentage price increase
Milk	13%
Bread	3%
Butter	18%
Beef	20%
Tea	4%

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<sup>11</sup> [mesl\\_2025.pdf](#)

<sup>12</sup> Research group Kantar keeps a constant track of prices. Kantar's inflation calculation is based on comparing the prices of 30,000 Irish grocery items 12 months apart.

<sup>13</sup> The new numbers suggest prices are rising faster than Central Statistics Office (CSO) data has captured. The CSO's latest inflation data suggested food prices rose 3.1pc in the last 12 months.



Fresh fruit and vegetables	2%
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The average price of groceries went up by over 10% in 2023 and 10% in 2022. Cumulatively, over the past four years, the price of a basket of groceries has risen by around 36%

## Energy

In its latest consumer price index, the CSO said household electricity prices rose 1.3% in the 12 months to the end of April. Natural gas had increased by .5% over the same period while home heating oil actually declined by 11.1%<sup>14</sup>. It's important to remember that between 2019 and 2023, the cost of energy rose by 58% with energy prices more than doubling for many people over 2021 and 2022.

## Rent

In 2024, Irish rental costs saw a national increase of 5.7%, with average rents reaching €1,956 by the end of the year, marking a 43% increase compared to pre-pandemic levels. However, despite the ongoing increase, this figure is slightly lower than the 6.8% rise recorded in 2023.

# Priority Concerns for Children and Families

## 1. Heating and Electricity

According to the Amárach Survey a significant amount of parents and their children have had to continue to cut back on or go without heating and electricity. Although this has decreased somewhat, as the cost of energy has actually come down over the past 12 months, one third of parents (32%) still said that they had

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<sup>14</sup> [Consumer Price Index May 2025 - Central Statistics Office](#)



gone into arrears on energy bills at some point over the past 12 months due to insufficient income.

It's clear there are still too many children living in insufficiently heated homes or in homes going without other essentials, and/or getting into debt, to provide the absolute basic necessities of heating and electricity.

Parents we spoke to in our services said they were still at times taking drastic measures to try and keep their heating and electricity bills down, predominantly involving restricting their use of heating and turning it on only exceptionally. Parents said they are aware of the impact this has on themselves as well as their children, affecting their concentration levels, making them more stressed and also meaning that their homes are generally less comfortable.

*I have turned the heating down in the house to reduce the bill meaning the kids now sleep with extra blankets and wear jumpers or hoodies around the house. I never want my children to go cold or hungry so I'll often try sleep to stay warm and keep lights off to reduce bills also.*

*Instead of heating the house, we've substituted superset gas heaters in the main room, blankets and layers of clothing.*

*Cut electricity bill (which only keeps it at usual price) by not using tv, games console longer than an hour or two each night, lights are off, keep heating to a minimum by having blankets around sitting room, we wrap them up rather than turn on heating longer than an hour each morning and night*

*Waiting longer to turn on lights in evening, only turning on heating when absolutely necessary, wearing extra clothes at home to keep warm*

*No heating some days so kids unable to concentrate to do home work*

## **2. Groceries**

The Amárach survey results found that 19% of parents and their children had had to cut back or go without food over the past six months due to cost of living issues. Additionally, over the past 12 months:



- 40% skipped meals or reduced portion size so their children would have enough to eat.
- 28% felt at some point they didn't have enough food to feed their children.
- 12% reported using a foodbank.
- 17% were always worried about providing their children with enough food with a further 42% saying sometimes.

We spoke to parents in our services in detail about grocery shopping and they repeatedly stated that they would do their utmost to make sure their children always had enough food to eat. However, they admitted this often meant going without food themselves or else having to provide less nutritious food. Many of these parents also said they continued to try and make savings around groceries, looking for deals or using cheaper alternatives than they may have done in the past, but appreciated this was becoming more and more difficult.

*I have regularly skipped dinner to ensure my growing children have enough to eat.*

*Buying cheap and unhealthy food as that's all we can afford*

*Less nourishing meals having to use cheap cuts or fatty meat*

*I've had to cut down on shopping go without meals myself so my daughter had enough*

*Smaller food portions to wait till next pay day to get food shop*

*Always looking for the yellow sticker on food can't invite friends around*

*Cut out all but essential food items, planned meals around cost effective food (what's on offer in supermarkets)*

### 3. Clothes

Two in five parents responding to the Amárach survey said they had cut back on or their children had gone without getting new clothes over the past six months due to cost of living issues. This figure has remained relatively stable over the past few



years and demonstrates what is being sacrificed in many homes in order to have adequate heating, electricity and food.

Parents we spoke to in our services about cost of living issues said that they had to wait longer before buying their children new clothes, particularly shoes.

*Not being able to buy shoes for all my children at the same time - having to wait between purchases*

*Not enough money for food and clothes for myself and I struggle to buy my son clothes and other things*

*Not able to buy new shoes for our girls as they keep growing*

*Providing adequate clothing that fits, adequate footwear is not always possible*

#### **4. Social/extra-curricular activities and family trips**

Over half of parents who completed the Amárach survey (52%) said that they had had to cut back on their children's social activities/entertainment. Almost one fifth (16%) said they had to cut back on or go without school trips/activities, and one fifth quarter (19%) participating in local sports.

Parents we spoke to in our services about this issue reported that their children have to do less activities and sports that require money. In some instances this meant missing parties as they don't have money for a present.

*We are not going out at all right now and they missing some of birthday parties of their buddies because not every week is good enough to put something in the birthday card*

*They haven't been able to go as many places with their friends the money just wasn't there. Activities are also at a bare minimum*

*She hasn't been able to do anything with her friends socially because of the lack of money*





*They know we don't have enough money for movies, swimming, even ice cream at times. Birthday presents even.*

A large number of parents we spoke to in our services highlighted that cost of living issues had reduced their ability to do family activities and outings, restricting day trips for example as necessities have to be prioritised. For some parents their ability to spend as much time with their children generally has reduced as they have to work more hours in order to be able to provide for their children.

*We don't really do days out anymore as school trips and necessities come first.*

*We just can't afford to go on a day trip, petrol, snacks etc, costs a fortune. So we stay home instead.*

*I had to return to work full time in order to be in a position to meet the bills*

*I have to work extra hours to provide for her so I can't be there for her as much*

## **5. Quality of life, worrying about the future and unexpected costs**

Parents we spoke to said that cutting back and going without essentials, constantly worrying about this, was reducing their quality of life. For many parents there was a concern that things are not going to improve.

*As the sole provider for my child and myself, I now need to carefully review my spending on food, electricity, heating, clothing, and other daily expenses to ensure I can cover my current bills and those coming up. I find it very stressful and depressing.*

*Two adults working full time yet not meeting bills and overheads is affecting our mental health and stress within the family*

*There's not much left for any pleasures in life. It's grim and not getting any better*

*Just keeps getting worse and worse. Dreading next winters bills.*



*Food bills are double we don't eat out or drink out as we are just barely getting by. My in-laws buy us fuel each week we couldn't afford it otherwise. I never have money in my purse or account. We are worse off than before.*

Unfortunately for many of these parents there is a real guilt attached with not being able to provide their children with what they think they deserve. They are compelled to deny their children more and more, which is particularly difficult when it is affecting their children's wellbeing.

*It has made myself feel guilty and useless as a mother as I am struggling to give my children what they need...it's not enough, my children's mental health is also suffering*

*It has led to feeling inadequate and unable to provide for myself and my children. Personally I am constantly in a state of anxiety having to live from week to week*

*My children are now aware of our financial difficulties and it is impacting their mental health. We've had to downsize cars, insurance, get rid of medical insurance, visit food banks, and stop after school activities*

*My heart is broken because I have had to say no more times over the last 12 months.*

Again, this year parents spoke about the issue of unplanned expenses, they are down to the bare limits and something unexpected comes along and they are in trouble. This is a constant worry for some and affects the quality of their lives.

*We've borrowed to bridge the gap and cut our outgoings as much as possible but we're broke most of the time to be honest. No one goes to bed hungry or cold, but we barely make it to the end of the month and dread any unplanned expenses*

*Sometimes, just when I think I can get ahead an unexpected bill comes.*



## Conclusion and recommendations

Over the past few years the Government repeatedly introduced once off cost of living measures to try and support families in relation to the rapid inflation and escalating prices. These included large universal measures, such as energy credits to all households, as well as some targeted payments such as increases to the back to school clothing and footwear allowance. They helped to reduce some financial pressures and it was proven that without them poverty numbers would have been higher<sup>15</sup>.

However, these payments were always temporary in nature and it's clear that the Government doesn't plan to include any further once off payments in Budget 2026. Families on low incomes who benefited from those over the past three years are therefore at serious risk of being worse off next year as a result, meaning more children could be forced to go without essentials, unless permanent targeted measures are put in place.

The impact of going without essentials and living with financially distressed parents is considerable for children. The longer they spend living in those conditions the bigger an impact it has on their education, future job opportunities and general health and wellbeing. Recent research demonstrates that children experiencing deprivation are more likely to live in households with worse physical and mental health, lower life satisfaction and poorer standard of living<sup>16</sup>.

It should be a minimum guarantee that every child should live in homes with adequate heating and electricity, sufficient nutritious food and appropriate clothing, as well as opportunity to engage in sporting and cultural activities. Parents should not be at risk of constant financial distress in order to provide their children with these essentials. In order to better ensure this the government should take the following actions.

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<sup>15</sup> For example, the 2024 at risk of poverty rate was 11.7%. Excluding cost-of-living measures the at risk of poverty rate would have been 14.1%. [Impact of Cost of Living Measures on Poverty and Income Survey on Income and Living Conditions \(SILC\) 2024 - Central Statistics Office](#)

<sup>16</sup> [Deprived children in Ireland: Characterising those who are deprived but not income-poor | ESRI](#)



1. Increase the Child Support Payment<sup>17</sup> in line with inflation. This requires increasing the payment for children under 12 by €6 per week and for children aged 12 and over by €15 per week in Budget 2026. Commit to benchmark social welfare payments in line with minimum essential standard of living measurements.
2. Children living in lone parent families are at hugely disproportionate risk of going without essentials. Policy measures must be targeted to address this including increasing income disregards for one parent family payments. This would enable lone parents retain more of their income and reduce financial pressures.
3. No child should be at risk of living in a home without sufficient heating and electricity. To better protect children most at risk energy providers should be obliged to automatically place all financially vulnerable<sup>18</sup> families using prepaid meters on the lowest tariffs and extend fuel allowance to families receiving the working family payment<sup>19</sup>. It's unfair that those who are least able to afford and most likely to go without heating and electricity pay the highest costs for them.

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<sup>17</sup> CSP is an additional amount added to a parent's social welfare payment to help with the costs of raising a child. It was previously called Increase for a Qualified Child. The payment is made to the parent who is primarily caring for the child.

<sup>18</sup> The most recent Energy Poverty Action Plan published by the Department of Climate, Energy and the Environment stated the Department would temporarily extend consumer protections and the definition of vulnerable customer to include financial vulnerability for the winters of 2022/2023 and 2023/2024 [energy-poverty-action-plan-2022.pdf](#).

<sup>19</sup> Working Family Payment is a weekly tax-free payment for employees with children. It supports people who are on low pay.

## About Barnardos

As Ireland's leading children's charity, helping vulnerable children since the 1960's, Barnardos' work with vulnerable children and families to provide practical, social and emotional support.

Barnardos supports children and families all across Ireland who have been affected by traumatic life events such as abuse, parental mental health, neglect, separation, bereavement and addiction. Our core purpose remains the same; 'to help the most vulnerable children in society achieve their full potential – regardless of their family circumstances, their gender, race or disability' – **Because Childhood Lasts a Lifetime.**



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