



# ARK Policy Brief

## Poverty in Northern Ireland

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This Policy Brief highlights, and updates, a number of the key findings from our most recent analysis of poverty in Northern Ireland (NI) (Ellison, McMullen and O'Hare, 2025). It outlines who is most affected, why work is not always a reliable route out of poverty, and the growing role of housing and cost pressures in a context of weak household financial resilience. We conclude with some evidence-based policy interventions that could significantly reduce poverty, especially amongst children.

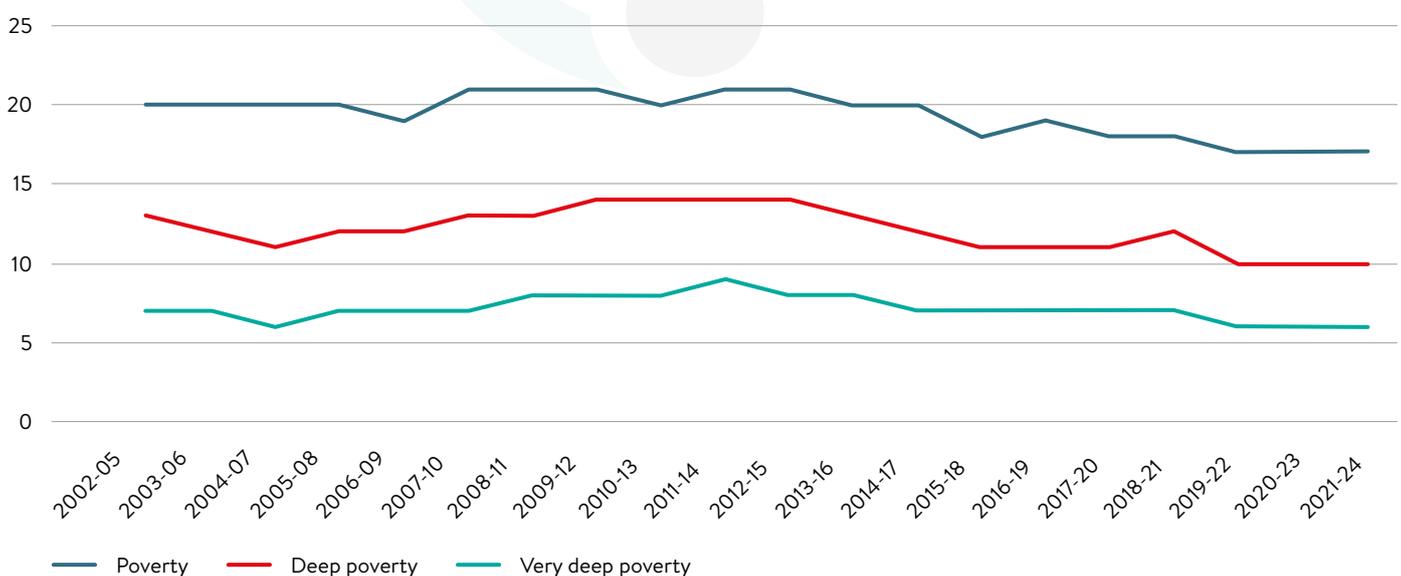
### The scale of poverty

There are many ways to measure poverty. However, in our report and in this Policy Brief, poverty is taken to mean a situation where

household income is below 60 per cent of the UK median. Figure 1 shows that poverty in NI remains widespread and deeply entrenched. Around 330,000 people – approximately 17 per cent of the population – are living in poverty. Among them are 110,000 children, meaning one in four children in NI grows up in a household with insufficient income to meet basic needs.

Deep poverty is defined as below 50 per cent of median income, while very deep poverty is 40 per cent of the UK median. One in 10 people in NI are currently living in deep poverty, whilst six per cent are living in very deep poverty. As evident in Figure 1, progress on reducing all three definitions of poverty has stalled, with no change over the past five years.

Figure 1: Poverty rates in Northern Ireland (%)



Source: Households Below Average Income, 2023/24, Department of Work and Pensions

It is not only the depth of poverty that matters but how long people remain in poverty. Persistent poverty is defined as living below the poverty line for at least three out of the last four years, and often has the most damaging effects. In NI, one in 10 people live in persistent poverty. Furthermore, 14 per cent of children are in persistent poverty after housing costs are taken into account.

At a regional level, the rate of poverty is higher in certain parts of NI as illustrated by Table 1. Furthermore, these overall rates mask higher rates of poverty at ward level. For example, 33 per cent of children living in poverty are growing up in Belfast West, which is the highest level of child poverty in NI.

**Table 1: The geography of poverty across Northern Ireland**

Council area	Child poverty rate (%)
Derry City and Strabane	24
Causeway Coast and Glens	23
Fermanagh and Omagh	22
Mid Ulster	20
Newry, Mourne and Down	19
Ards and North Down	18
Antrim and Newtownabbey	15
Belfast City	15
Mid and East Antrim	15
Armagh City, Banbridge and Craigavon	14
Lisburn and Castlereagh City	13

## Who is most affected?

The risk of poverty is not spread evenly across society. Children bear a disproportionate burden of poverty, with 24 per cent affected overall. This overall figure masks the higher child poverty rates among lone parent families (40% poverty rate), families with three or more children (33%) and families with a child aged under five (27%). These early life disadvantages have long-term implications, shaping outcomes in health, education, and future employment.

Full-time carers have a poverty rate of 39 per cent, and families including a person living with disabilities experience greater risk of poverty (28%) than average. In addition, amongst working age adults, those with disabilities are significantly more likely to experience poverty than their

non-disabled counterparts (37% compared to 13%). Data gaps in relation to minority ethnic communities in NI are such that we are unable to draw robust conclusions of the experience of poverty amongst these groups.

## Is work working?

Employment has traditionally been viewed as the primary protection against poverty. Thus, supporting people into work, where they can, is critically important, and full-time work is a specific protective factor against poverty. The poverty rate for households where all adults are in work is seven per cent, as distinct from 21 per cent where at least one adult but not all adults are working.

However, a full-time work pattern is not always possible, and for people with caring responsibilities, ill-health or disability, work may remain out of reach. In NI, the disability employment gap (the difference between the employment rates of disabled and non-disabled people) is 38 per cent, which is higher than other parts of the UK. That is why a strengthened and effective social security system is a crucial consideration when designing anti-poverty responses.

Our analysis shows that work is not always working for poverty alleviation. In NI, 60 per cent of working-age adults in poverty are employed. Nearly two thirds (64%) of children living in poverty are in households where at least one adult is in work. Our evidence about the extent of in-work poverty challenges the assumption that poverty is primarily driven by worklessness and instead points to the quality and security of work available, as well as high living costs.

In addition, low pay remains widespread and persistent. Almost half (45%) of workers experienced low pay (defined as earning below the real living wage) at some point over the last five years. Only two per cent successfully moved out of low pay during that period, while 13 per cent experienced persistent low pay for at least four of the last five years. Our analysis shows that for many households, low hourly wages are compounded by insufficient hours, insecure contracts, and limited opportunities for progression. These challenges are most acute in certain sectors. Agriculture had the highest rate of people who fell below the poverty line, with nearly 1 in 4 people (23%) in NI in such agricultural families experiencing poverty. Following agriculture, around 18 per cent of people with a family member who works in the arts or in retail were in poverty, while 15 per cent of those with someone employed in hospitality were affected. Also of note is that 22 per cent of people in poverty work in health and social work.

High childcare costs further erode the financial gains of employment, particularly for lone parents and second earners. For many families, the cost of childcare acts as a barrier to increasing hours or taking up better-paid work, locking households into low-income cycles despite being in employment. The *Draft Early Learning and Childcare Strategy* (Department of Education, 2025) needs to effectively tackle the structural barriers faced by parents, especially low-income parents, in accessing the right affordable childcare at the right time and place.

## Warning signals

Historically, lower housing costs in NI acted as a buffer against experiencing poverty, but that picture is changing. 50,000 households are on the social housing waiting list and 40,000 households are in housing stress (which is defined as those with 30 or more points under the Housing Selection Scheme, awarded based on factors like housing conditions and family size to determine need). With inadequate supplies of social housing, there is greater reliance on the private rented sector. That sector has doubled in NI over the last twenty years with around 320,000 people now living in the private rented sector. However, housing costs in the private rented sector are now pulling more people below the poverty line: three in 10 private renters (30%) are now living in poverty in NI. This represents almost 100,000 people, which is a 60 per cent increase over the past 20 years.

Overall, the picture is of weak household financial resilience. Nearly one half (46%) of people have less than £1,500 in savings, making it difficult to deal with unexpected costs and shocks. For the average family with children living in poverty and managing on a weekly income that is £120 below the poverty line, it is harder still.

## Exploring solutions

Children are a priority group bearing the consequences of poverty caused by systemic issues in both the social security system and the labour market. Within our report *Poverty in Northern Ireland 2025* (Ellison, McMullan and O’Hare, 2025), we modelled the impact of three policy options to tackle child poverty:

- introducing a payment targeted at children in low-income families in and out of work;
- raising all wages to at least the real Living Wage (rLW); and
- implementing both reforms together.

Full details on the data and analysis used for these models are outlined in the full report.

While the combined approach delivered the greatest overall impact, the analysis showed that a payment targeted at children in low-income households could achieve significant change. However, since completing the initial modelling for our report, the UK Government announced the welcome removal of the two-child limit for child benefit from April 2026. Thus, 14,000 children in Northern Ireland are expected to benefit from the removal of the two-child limit. Nevertheless, even

after the lifting of the two-child limit, too many children in NI will continue to grow up in poverty.

We have since updated our modelling to reflect the impact of the removal of the two-child limit and explored additional design options for a child payment targeted at families who are struggling the most. The analysis uses data from the Family Resources Survey, and explores two scenarios drawing upon the example of the Scottish Child Payment. The first models the introduction of a payment for all eligible children under the age of 16, while the second models a payment for all eligible children under 16, boosted by a £10 per week addition for every child aged under five and a further £5 boost for a baby. This is in recognition of the importance of these stages of life for future life prospects. For the purposes of this analysis, the value of a child payment is set at £30 per week per eligible child in 2029/30.

Table 2 indicates that introducing a child payment would lift 20,000 children out of poverty, reducing child poverty from 22 per cent to 18 per cent. The second scenario shows that further investment targeting those at the crucial early stages would reduce child poverty to 17 per cent in the near term (2029/30).

**Table 2: Outcome of child poverty alleviation scenarios in Northern Ireland**

2029/30 outcomes	Child poverty rate	Children lifted out of poverty	Cost
Baseline scenario	22%	---	---
Child Payment scenario	18%	20,000	£240million
Child Payment plus early year and baby boost scenario	17%	23,000	£260million

Alongside longer-term, but equally necessary, structural and labour-market reforms, we recommend that the Executive considers this option as an important step it can take to support

families who, for many reasons, cannot earn enough to meet their needs, due to the complex barriers outlined in more detail in the report.

## Next steps?

This Policy Brief highlights the scale of poverty experienced in NI. The next data release of the Family Resources Survey in March 2026 will see some important changes which will likely impact reported poverty rates. Previously, the survey relied on people self-reporting their social security receipts which often led to underreporting. Now, with people's permission, the Department of Work and Pensions will link survey answers directly to official benefit records. This does not mean people's incomes or benefit use have changed – it just means the data is more accurate, especially for lower-income households who are more likely to receive benefits.

There are solutions to poverty in NI. With the right ingredients – a robust strategic framework for driving forward action and political ambition – it is possible to create a different future. Our proposals for investment in children's future through a payment targeted at children in low-income households, is of a scale that would require commitment from the whole Executive. But of itself, it will not be enough to solve poverty. Effectively tackling poverty and its impacts will take a holistic Executive plan commensurate to the scale of the challenge.

That is why the Executive's final *Anti-Poverty Strategy* expected this year needs to meet the moment by making provision for the following:

- Clear, measurable and time-bound targets.
- Effective coordination of actions and robust accountability mechanisms situated at the heart of government.
- Independent scrutiny that provides valuable insight including identifying any emerging implementation gaps over the lifetime of the strategy.
- On-going involvement of people with lived experience of poverty.
- Investment aligned to priorities within multi-year budget allocations.
- Prioritisation of action plans informed by evidence of who is most acutely affected.

For these reasons we consider that responsibility for co-ordinating and driving the Strategy should sit at the heart of government. Looking towards the next Programme for Government (PFG), we propose that it includes tackling poverty and building economic security as a guiding 'north star' for the next Executive. This would help ensure that all Departments align their work, priorities and budgets to invest in the kind of measures that would reduce poverty and its impact across society, laying the foundations for a fairer, more secure future for all.

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## References:

**Ellison, C., McMullen, S. and O'Hare, U. (2025)**, *Poverty in Northern Ireland 2025*. Belfast: Joseph Rowntree Foundation.

**Department of Education (2025)** *Draft Early Learning and Childcare Strategy*. Bangor: Department of Education.

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