

**Opening Statement to Joint Committee on Social Protection, Rural and Community
Development and Committee on Disability**

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Introduction

Let me begin by thanking the Chair for the invitation to the ESRI to appear before the Committee. I am Karina Doorley and I am joined by my colleague Agathe Simon. We are grateful for the opportunity to appear before the Committee today to discuss our recent work on the [cost of disability](#).¹

Disability significantly impacts households beyond its effect on their limitations in daily activities and healthcare needs. Households with disabled people face an increased risk of poverty due to a lower average level of education and lower participation in the labour market. In addition, disabled people tend to face a higher cost of living, notably due to healthcare expenditures but also housing accommodations, transportation etc. Disabled people thus face a ‘double penalty’ in the sense that they have lower average incomes but face higher average expenditures. Conventional measures of living standards do not always account for these additional costs and thus misrepresent the economic situation of households with disabled members.

Measuring the cost of disability

It is extremely difficult to estimate the cost of disability. The Standard of Living (SoL) method is widely used and estimates, based on self-reported deprivation, the extra income that a disabled household requires in order to reach the same standard of living as a similar non-disabled household. The equivalence scale method is much less used and allows researchers to estimate, based on observed consumption patterns, how the consumption of disabled households differs when compared to the consumption of similar non-disabled households.

There are caveats to the results stemming from both methods. Directly asking individuals to assess their level of disability and ability to afford essentials may result in biased estimates if

¹ Doorley, K., Kakoulidou, T., and Simon, A. (2025). Adjusting estimates of poverty for the cost of disability, Jointly-published Reports 8, Dublin: ESRI and Irish Human Rights and Equality Commission (IHREC), <https://doi.org/10.26504/jr8>

respondents systematically under or over report either of these variables. Results based on expenditure data may not capture un-met need if consumption is constrained by income.

The cost of disability in Ireland

In a joint research programme with IHREC, we estimated the cost of disability in Ireland using both the SoL and equivalence scale methods. Using the SoL method, we estimate that the cost of disability is between 52 and 59 per cent of the disposable income of disabled households. This equates to €488 to €555 per week, on average. For households with a member who has severe limitations, we estimate the cost of disability to be 93% of their disposable income. These estimates are higher than previous estimates of the cost of disability in Ireland. This may be due to different methodological choices but may also reflect a rising cost of disability over time, perhaps particularly so during the recent years of the COVID-19 pandemic and cost-of-living crisis. We suggest that future work should investigate the cost of disability over time in a harmonised manner in order to understand this.

Deducting the average estimated cost of disability from the disposable income of disabled households and calculating the at-risk-of-poverty (AROP) rate increases the AROP rate of disabled people from 25 per cent to 65-75 per cent and increases the headline AROP rate for the whole population by 10-14 percentage points. These findings are in line with the high financial burdens estimated in the international literature for individuals with disabilities.²

Using an alternative method to account for the cost of disability, we derive a disability-adjusted equivalence scale. We estimate that the weight assigned to an additional adult with a disability should be 9 per cent higher than the weight assigned to an additional adult with no disability. With this scale, poverty among disabled people is about 4 points higher, and

² Antón et al. (2016) discover much variance in the cost of disability across European countries, with Nordic and Continental countries, including Anglo-Saxon nations, displaying a higher cost compared to Mediterranean and Eastern European countries (around 150 per cent of disposable income for Sweden and Norway, and around 50 per cent for Ireland). Similarly, Morris and Zaidi (2020) conducted an analysis in which they adjusted AROP rates to account for the cost of disability and found that these adjusted AROP rates exceeded 70 per cent for disabled people in most of the countries they studied.

overall poverty is about half a point higher, compared to when disability is not given extra weight in the calculation.

The SoL method is certainly more widely used in the national and international literature relating to the cost of disability. As such, it is straightforward to make international and over-time comparisons between estimates. In addition, as it is not dependent on consumption data, we have been able to make use of relatively recent survey data to estimate the cost of disability. However, its greatest strength lies in the fact that it accounts for unmet need, which is likely to be particularly acute for households with disabled members who face higher costs of living with lower average income. As such, we are inclined to place more emphasis on the results of this research stemming from the SoL method than the equivalence scale method, which is relatively untested in the international literature and relies on older data. However, the AROP rates estimated using the equivalence scale method could be considered as a lower bound (Jones and O'Donnell, 1995).

Conclusion

The international and national evidence on disability is clear. Individuals and households affected by disability suffer a double penalty to their living standards as their labour income is lower and consumption needs are higher than non-disabled individuals and households. One way to address the higher rates of income poverty among disabled people is by removing barriers to work that they and their family members face. Achieving this would require significant investment in services such as personal assistance, childcare, education and training, along with changes in employer policies, such as flexible work arrangements and formalised recruitment practices. Income poverty could also be reduced by directly increasing targeted welfare payments or introducing a 'cost of disability' payment, as recommended by the Commission on the Status of People with Disabilities (NDA, 2021).

However, the measurement of the living standards of households with disabilities also deserves attention. Currently, the most commonly used headline measures of living standards, such as poverty and inequality metrics, account only for income, and adjust this income for household size without reference to disability. To accurately capture national and international living standards, accounting for how these differ systematically for disabled households, there should be more reflection of the consumption side of the equation and how this differs by disability status. One possibility includes calculating disability-adjusted AROP rates, as suggested by the results of this research, in conjunction with standard measure

