

Curristan, Sarah; Maître, Bertrand; Russell, Helen

## Research Report

# Intergenerational poverty in Ireland

Research Series, No. 150

### Provided in Cooperation with:

The Economic and Social Research Institute (ESRI), Dublin

*Suggested Citation:* Curristan, Sarah; Maître, Bertrand; Russell, Helen (2022) : Intergenerational poverty in Ireland, Research Series, No. 150, The Economic and Social Research Institute (ESRI), Dublin,  
<https://doi.org/10.26504/rs150>

This Version is available at:

<https://hdl.handle.net/10419/268083>

#### Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

#### Terms of use:

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*



<https://creativecommons.org/licenses/by/4.0/>

RESEARCH  
SERIES  
NUMBER 150  
OCTOBER 2022

# INTERGENERATIONAL POVERTY IN IRELAND

SARAH CURRISTAN, BERTRAND MAÎTRE AND HELEN RUSSELL



# INTERGENERATIONAL POVERTY IN IRELAND

Sarah Curristan

Bertrand Maître

Helen Russell

**October 2022**

**RESEARCH SERIES**

**NUMBER 150**

Available to download from [www.esri.ie](http://www.esri.ie).

© The Economic and Social Research Institute  
Whitaker Square, Sir John Rogerson's Quay, Dublin 2

<https://doi.org/10.26504/RS150>



This Open Access work is licensed under a Creative Commons Attribution 4.0 International License (<https://creativecommons.org/licenses/by/4.0/>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly credited.

## ABOUT THE ESRI

The mission of the Economic and Social Research Institute is to advance evidence-based policymaking that supports economic sustainability and social progress in Ireland. ESRI researchers apply the highest standards of academic excellence to challenges facing policymakers, focusing on 12 areas of critical importance to 21st century Ireland.

The Institute was founded in 1960 by a group of senior civil servants led by Dr T.K. Whitaker, who identified the need for independent and in-depth research analysis to provide a robust evidence base for policymaking in Ireland.

Since then, the Institute has remained committed to independent research and its work is free of any expressed ideology or political position. The Institute publishes all research reaching the appropriate academic standard, irrespective of its findings or who funds the research.

The quality of its research output is guaranteed by a rigorous peer review process. ESRI researchers are experts in their fields and are committed to producing work that meets the highest academic standards and practices.

The work of the Institute is disseminated widely in books, journal articles and reports. ESRI publications are available to download, free of charge, from its website. Additionally, ESRI staff communicate research findings at regular conferences and seminars.

The ESRI is a company limited by guarantee, answerable to its members and governed by a Council, comprising 14 members who represent a cross-section of ESRI members from academia, civil services, state agencies, businesses and civil society. The Institute receives an annual grant-in-aid from the Department of Public Expenditure and Reform to support the scientific and public interest elements of the Institute's activities; the grant accounted for an average of 30 per cent of the Institute's income over the lifetime of the last Research Strategy. The remaining funding comes from research programmes supported by government departments and agencies, public bodies and competitive research programmes.

Further information is available at [www.esri.ie](http://www.esri.ie).

## THE AUTHORS

Helen Russell is Research Professor at the Economic and Social Research Institute (ESRI) and an Adjunct Professor at Trinity College Dublin (TCD). Bertrand Maître is a Senior Research Officer at the ESRI and an Adjunct Associate Professor at TCD. Sarah Curristan is a Post-Doctoral Researcher at the ESRI

## ACKNOWLEDGEMENTS

The report could not have been completed without access to the data provided by the CSO and Eurostat. We are grateful to the team at the Researchers Co-ordination Unit at the CSO for their assistance and prompt responses.

The authors would like to thank the members of the research steering group for the helpful inputs throughout the project: Ela Hogan, Martin Quigley of Pobal, Paul Geraghty of the Department of Rural and Community Development, and Dr Delma Byrne of Maynooth University. We would also like to thank our former colleague Ivan Privalko for his assistance in the data preparation. We received very helpful feedback from an anonymous external reviewer and two internal ESRI reviewers, which enhanced the final report. We received insightful comments on earlier versions of the report from our former colleague and friend, Professor Christopher Whelan. Chris was one of Ireland's finest sociologists. His research on poverty, social mobility and social stratification has been hugely influential, not only on our own thinking but also on academic research and policy in Ireland and Europe. We would like to dedicate this publication to his memory.

*This report has been accepted for publication by the Institute, which does not itself take institutional policy positions. All ESRI Research Series reports are peer reviewed prior to publication. The author(s) are solely responsible for the content and the views expressed. The analysis in Chapter 5 is based on data from Eurostat, EU-SILC 2011 and 2019. The responsibility for all conclusions drawn from the data lies entirely with the authors.*



In memory of Christopher T. Whelan, MRIA, PhD.





## TABLE OF CONTENTS

LIST OF ABBREVIATIONS .....	i
EXECUTIVE SUMMARY .....	iii
CHAPTER 1 INTRODUCTION .....	1
1.1 Motivation for the report.....	1
1.2 Understanding poverty.....	2
1.3 Causal mechanisms of poverty transmission .....	4
1.4 Measuring the intergenerational persistence of poverty .....	7
1.5 Educational attainment and mobility.....	12
1.6 Disability and poverty.....	16
1.7 Collecting data on intergenerational mobility .....	17
1.8 Policy responses .....	19
CHAPTER 2 DATA AND METHODOLOGY .....	25
2.1 Introduction.....	25
2.2 Key variables.....	26
2.3 Analytical approach.....	31
CHAPTER 3 INTERGENERATIONAL POVERTY IN IRELAND .....	33
3.1 Introduction.....	33
3.2 Poverty in childhood.....	33
3.3 Childhood poverty and adult poverty .....	34
3.4 Summary.....	40
CHAPTER 4 FACTORS INFLUENCING INTERGENERATIONAL POVERTY .....	43
4.1 Introduction.....	43
4.2 Methodology .....	43
4.3 Factors influencing relationship between childhood poverty and current deprivation .....	44
4.4 Childhood poverty and at risk of poverty.....	48
4.5 Change over time .....	49
4.6 Summary.....	52

CHAPTER 5	INTERGENERATIONAL POVERTY ACROSS THE EU.....	55
5.1	Introduction.....	55
5.2	Intergenerational transmission of poverty across the EU-27 .....	55
5.3	Deprivation in adulthood and childhood poverty in EU.....	59
5.4	Economic stress in adulthood and childhood poverty, EU.....	61
5.5	Childhood poverty and education attainment.....	63
5.6	Childhood poverty and labour market outcomes .....	65
5.7	Summary.....	67
CHAPTER 6	CONCLUSIONS.....	69
6.1	Summary of findings.....	69
6.2	Policy implications.....	72
REFERENCES	.....	75
APPENDIX I	.....	85

## LIST OF TABLES

Table 2.1	Characteristics of Irish SILC panel 2005, 2011 and 2019 .....	30
Table 4.1	Model of current deprivation, adults aged 25-60 years 2019 .....	46
Table 4.2	Model of being AROP, adults aged 25-59 years, 2019 .....	49
Table 4.3	Models of current deprivation average marginal effects, 2005, 2011, 2019 .....	51
Table 5.1	AROP rate (%) by financial situation at age 14, 2011 and 2019 .....	58
Table 5.2	Deprivation by economic circumstances at age 14, 2011 and 2019 .....	60
Table 5.3	Economic strain by economic circumstances at age 14, 2011 and 2019 (%) .....	62
Table 5.4	People with a tertiary level of education by economic circumstances at age 14, 2011 and 2019 (%) .....	64
Table 5.5	Self-defined current employment status by economic circumstances at age 14, 2019 (%) .....	66
Table A4.1	Gelbach decomposition of changes in the coefficients for childhood poverty in model of deprivation .....	85
Table A4.2	Model of current deprivation, adults aged 25-59 years, 2011 .....	86
Table A4.3	Model of current deprivation, adults aged 25-60 years, 2005 .....	88
Table A4.4	Models of current deprivation (odd ratios), 2005, 2011, 2019 .....	89
Table A4.5	Current deprivation 2019 by father's employment at age 14 (average marginal effects) .....	89
Table A5.1	Country abbreviation labels .....	90

## LIST OF FIGURES

Figure 3.1	Reported financial situation within the household during childhood .....	34
Figure 3.2	Respondents currently AROP by childhood financial circumstances .....	35
Figure 3.3	Respondents currently in bottom income quartile by financial circumstances in childhood .....	37
Figure 3.4	Respondents currently experiencing economic strain by financial circumstances in childhood .....	39
Figure 3.5	Respondents currently experiencing material deprivation by financial circumstance in childhood .....	40
Figure 4.1	Respondents currently experiencing material deprivation by childhood financial circumstances, 2019 .....	48
Figure 4.2	Probability of experiencing deprivation in adulthood: interaction between year and childhood poverty (Model 4 with controls) ] .....	52
Figure 5.1	Difficult economic circumstances at age 14, 2011 and 2019 (%) .....	56
Figure 5.2	Relative AROP ratio by economic circumstances at age 14, 2011 and 2019 .....	59
Figure 5.3	Relative deprivation ratio by economic circumstances at age 14, 2011 and 2019 .....	61
Figure 5.4	Relative economic strain ratio by economic circumstances at age 14, 2011 and 2019 .....	63

Figure 5.5	Relative tertiary education attainment by economic circumstances at age 14, 2011 and 2019 .....	65
Figure 5.6	Relative risk of unemployment by economic circumstances at age 14, 2011 and 2019... ..	67
Figure A4.1	Predicted probability of deprivation in adulthood, interaction between age and childhood poverty, 2011 .....	87
Figure A4.2	Predicted probability of deprivation in adulthood, interaction between age and childhood poverty, 2005 .....	88

## LIST OF ABBREVIATIONS

---

AME	Average marginal effect
AROP	At risk of poverty
CSO	Central Statistics Office
DEIS	Delivering Equality of Opportunity in Schools
ESS	European Social Survey
EU-SILC	European Union Statistics on Income and Living Conditions
GUI	<i>Growing Up in Ireland</i> study
HEAR	Higher Education Access Route
ISCED	International Standard Classification of Education system
ITD	Intergenerational transmission of disadvantage
IGE	Intergenerational earnings elasticity
NCDS	National Child Development Study
OECD	Organisation for Economic Co-operation and Development
PSID	Panel Study of Income Dynamics
SILC	Survey of Income and Living Conditions (Irish survey)
SWITCH	Simulating Welfare, Income Tax, Childcare and Health policies (ESRI's tax simulation model)
UN	United Nations
UNCRC	United Nations' Convention on the Rights of the Child



## EXECUTIVE SUMMARY

---

The impact of poverty is far-reaching, and it poses risks for an individual's health, educational attainment, employment prospects and broader wellbeing. Past research strongly indicates that individuals who experience poverty in childhood face an increased risk of experiencing poverty as adults; this is commonly termed the intergenerational transmission of poverty. Understanding the factors and pathways that link childhood and adult circumstances offers an opportunity to inform policies for addressing social disadvantage.

This study explores persistence of poverty between generations in the Irish context. In doing so, it draws upon data gathered by the European Union Statistics on Income and Living Conditions (EU-SILC) survey special module on the 'intergenerational transmission of disadvantages'. This special module, which was administered in all EU countries in 2005, 2011 and 2019, asks respondents to retrospectively report on the financial circumstances they experienced within their home during childhood (aged approximately 14 years). Thus, our analysis concentrates on these three different cohorts to compare how financial circumstances in the home experienced during childhood may affect one's current financial situation. The module is administered in Ireland through the Survey of Income and Living Conditions (SILC).

Using descriptive analysis and regression modelling, this study examines the extent to which childhood poverty increases the risk of deprivation and income poverty in adulthood in Ireland. The administration of the EU-SILC special module corresponds to the pre-, mid- and post-Recession timepoints (2005, 2011 and 2019 respectively). This enables us to investigate the influence that the Great Recession may have exerted on the intergenerational transmission of poverty in Ireland across these time points. Additionally, we explore the relationship between bad financial circumstances during childhood and deprivation in adulthood; in doing so, we include education, health, disability, labour market status and family structure as potential mediators of this relationship. Finally, we examine the Irish situation with respect to the wider European context.

As poverty can be examined in many ways, our study focuses on four variables of economic interest, all of which are captured through the SILC survey: basic deprivation; being in the bottom income quartile; being at risk of poverty (AROP); and economic strain. Deprivation refers to being unable to consume goods and services that are considered normative with respect to the standard of living within a given society. An individual is deemed to be in the bottom income quartile if their combined income and social transfers places them in the bottom 25% of the population by way of income. An individual is considered to be AROP if their equivalised income is below 60% of the national median. Economic strain relates

to experiencing difficulty in meeting the necessary expenses of running one's household.

## KEY FINDINGS

Our analysis finds further support for the detrimental influence of childhood poverty on financial circumstances in adulthood. Specifically, a greater proportion of adults who experienced bad financial circumstances during childhood go on to experience material deprivation and subjective economic strain in adulthood compared to those who were not exposed to bad financial circumstances during childhood. To a lesser extent, poor financial circumstances during childhood is also associated with being AROP and being in the lowest income quartile in adulthood. While the levels of poverty among adults was highest during the recession period in 2011, the gap between those who were advantaged and those who were disadvantaged during childhood widened between 2011 and 2019. This indicates that, despite economic recovery post-recession, greater intergenerational inequality is observed within our most recent dataset. The key findings are presented below.

### Intergenerational poverty in Ireland

- Consistent with previous research, our findings demonstrate that there is a substantial association between poverty during childhood and the risk of experiencing deprivation as an adult.
- Using SILC data from our most recent timepoint in 2019, our findings indicate that the proportion of adults experiencing deprivation was 35 percentage points higher among those who reported 'very bad' financial circumstances in the household during childhood when compared to individuals, of the same gender and age, who reported 'very good' financial circumstances during their childhood.
- A large proportion of the difference in adult deprivation outcomes for those who experienced 'very bad' childhood circumstances and those who experienced 'very good' childhood circumstances can be explained through educational attainment. Lower levels of educational attainment accounted for ten percentage points of this difference. The presence of a disability or ill health, differences in current family structure and current labour market status explained a further four percentage points of this gap.
- Our analysis found no evidence of a gender effect in intergenerational poverty; when other relevant variables were controlled for, the association of poverty during childhood and adult deprivation did not differ for men and women.
- The influence of childhood poverty varies with age. Our findings demonstrate that its effect on adult deprivation declines over time; it is most pronounced for younger adults and weaker for older adults. By comparison, the effect of experiencing advantageous circumstances during childhood remains relatively stable even as age increases.



- The association between poverty in childhood and current income poverty was also substantial, though weaker than that found for deprivation. The AROP rate among those with ‘very bad’ financial circumstances in childhood was 12.5 percentage points higher than it was for those with ‘very good’ financial circumstances in childhood (controlling for age and sex).
- Most of the relationship between poverty in childhood and AROP in adulthood was explained through educational attainment and current employment situation, indicating that these were the main pathways linking childhood poverty to current low income.
- We did not find evidence that the relationship between poverty during childhood and adult deprivation has weakened over time; rather, the effect appears to have strengthened between 2011 and 2019.

### **Intergenerational poverty: Ireland and the wider European context**

- Comparing the experience of poverty during childhood across EU countries reveals that Ireland is in line with the EU-27 average. In 2011, 13% of Irish respondents reported experiencing financial difficulty during childhood; likewise, the EU-27 average was also 13%. In 2019, 9% of Irish and EU-27 respondents reported experiencing financial difficulty during childhood. In 2019, the lowest rate of childhood financial difficulty was reported in the Netherlands (4%) and the highest rate was observed in Slovenia (18%).
- The AROP rate among those who experienced poverty during childhood can vary greatly from country to country. In 2019, AROP rates for those who experienced poverty in childhood were generally lower in western and northern European countries than the EU-27 average (24.6%); at, for example, 11.7% in Austria, 15.4% in Finland and 17.1% in France. By comparison, in the same year AROP rates higher than the EU-27 average were observed in eastern and southern European countries, such as Romania (38.9%), Estonia (35.1%), Italy (34.8%) and Greece (32.5%). The highest was observed in Bulgaria (50.6%).
- Our analysis compared the most advantaged and least advantaged individuals during childhood with respect to their current risk of poverty in adulthood. In 2019, across the EU-27, those who faced bad financial circumstances during childhood were 2.1 times more likely to be AROP in adulthood when compared to those whose circumstances were good during childhood. Comparing data from 2011 and 2019 indicates that this gap has widened over time in 17 Member States across the EU-27, including Ireland. In 2011, Irish respondents who faced bad financial circumstances during childhood were 1.5 more likely to be AROP in adulthood when compared with those who were advantaged in childhood. In 2019, this ratio increased, with those who faced bad financial circumstances in childhood being 2.1 times more likely to be AROP in adulthood.
- Measures of deprivation, in comparison to income, are more sensitive to changing social standards of living. People whose financial circumstances were ‘bad’ or ‘very bad’ in childhood were also more likely to experience deprivation

in adulthood when compared to those who experienced good financial circumstances in childhood. In 2011, the EU-27 average figure for those who reported bad financial childhood circumstances and then went on to experience deprivation in adulthood stood at 32.9%. In 2019, this average had decreased to 25.3%. In 2011, the rate in Ireland was 37.1%, above the EU-27 average. This figure decreased to 31.4% in 2019; however, Ireland still remained above the EU-27 average (25.3%) for adult deprivation among those who had experienced bad financial circumstances in childhood.

- Inequality in the likelihood of being deprived in adulthood between those who experienced advantaged and disadvantaged financial circumstances during childhood increased between 2011 and 2019 in most EU-27 Member States: in this period, the deprivation inequality ratio increased from 2.3 to 3.5 across the EU-27. In Ireland, this ratio more than doubled – from 2.1 in 2011 to 4.6 in 2019.
- Experiencing poverty in childhood is also associated with inequality in educational attainment. In 2019, across the EU-27, 19% of those who had experienced ‘bad’ or ‘very bad’ financial circumstances in childhood had attained a tertiary education in adulthood, compared to 43.7% of those whose childhood circumstances had been ‘good’ or ‘very good’.<sup>1</sup> By comparison, in 2019 Ireland had much higher rates of third-level education, both among those who had experienced bad financial circumstances in childhood (39.3%) and those who were most advantaged (70.5%). Ireland has one of the lowest levels of inequality among the EU-27 with respect to obtaining third-level education, though the gap is still substantial.
- Finally, our findings indicate that there is a greater risk of unemployment among those who experienced poverty in childhood. In 2019, across EU-27 member States, 11.5% of those who experienced bad financial circumstances in childhood were unemployed in adulthood compared to 6.4% of those whose childhood circumstances were ‘good’ or ‘very good’. Here, Ireland performs slightly better than the EU average in 2019, with 8.6% unemployment among those who grew up in disadvantaged circumstances compared to 4.9% of those whose circumstances were ‘good’ or ‘very good’.

## IMPLICATIONS FOR POLICY AND RESEARCH

Our findings provide strong evidence of the intergenerational transmission of poverty in Ireland. Poverty in childhood is strongly associated with poverty in later adulthood. Although the influence of childhood poverty becomes less pronounced with age, the effect persists even for individuals in their fifties. In addition, poverty during childhood is associated with lower educational attainment and poorer employment prospects. These associations suggest the need for social policy aimed at breaking the cycle of poverty. Previous research has shown that a wide range of policies are relevant to alleviating childhood poverty, including social welfare

---

<sup>1</sup> In the EU-SILC data, tertiary education includes all qualifications from higher/advanced certificate upwards (NFQ Level 6 and higher).

benefits and educational/employment supports for parents, as well as health, housing and other services.

Our analysis finds that educational attainment is a key mediating factor between poverty in childhood and in adulthood. Therefore, policies that seek to reduce persistent inequalities in educational outcomes, from early childhood through to higher education, are crucial. This includes access to high quality early education, additional supports for the most disadvantaged schools and children, and measures to ensure greater equality of access to third-level institutions. The next most important factor linking child and adult poverty was employment status, highlighting the role of training and labour market supports, especially for those at greater risk of unemployment. Measures to reduce the wide inequalities in labour market opportunities for those with disabilities are also identified as a means of addressing the intergenerational persistence of poverty.



## CHAPTER 1

---

### Introduction

#### 1.1 MOTIVATION FOR THE REPORT

The experience of poverty during childhood is associated with a wide range of negative outcomes in later adulthood. These include lower earnings, poorer levels of educational attainment, poorer physical and psychological health, and lower likelihood of family formation (Bellani and Bia, 2017; Duncan et al., 2012; Duncan and Magnuson, 2013; Evans, 2016; Lesner, 2018; Rapheal, 2011). Furthermore, past research strongly indicates that children who experience poverty face an increased likelihood of facing poverty as adults (Bellani and Bia, 2017). The fact children who grow up in an impoverished household may go on to head an impoverished household in adulthood is termed the ‘intergenerational transmission of poverty’ or the ‘intergenerational transmission of disadvantage’. While the detrimental influence of childhood poverty, including the associated risk for socio-economic outcomes in adulthood, is widely recognised, the nature of transmission is complex. In particular, data allowing for the exploration and measurement of the extent to which poverty and disadvantage are transmitted across generations are limited.

This research draws upon a special module for data collection which is periodically included in the EU Survey of Income and Living Conditions (EU-SILC). Entitled ‘intergenerational transmission of disadvantages’, it was included in the 2005, 2011 and 2019 SILC surveys for Ireland. The data provide information on childhood circumstances for a representative sample of adults between the ages of 25 and 59 years, as well as very detailed information on individual-level current income and deprivation. In addition, the data include a number of important mediating factors: educational attainment, labour market status, family structure and disability. This breadth of information allows us to examine the link between childhood and adult poverty at different points in the life course, though not to the same extent as a longitudinal analysis following individuals over time. A further advantage of this EU-SILC module data is that they enable comparison of the strength of poverty persistence in Ireland with that of other EU countries.

The data collected by this EU-SILC module provide a unique opportunity to empirically examine respondents’ economic situation in childhood in addition to their present economic circumstances. Furthermore, the time points at which these data were collected (2005, 2011 and 2019) map to significant milestones in Ireland’s recent economic history – namely, the boom, the recession, and the recovery periods. As such, it provides a rich opportunity to explore not only the extent of transmission of poverty, but also the contextual effects of Ireland’s broader economic situation on the extent of transmission.

Understanding the strength of the association between financial circumstances in childhood and adulthood, as well as the mechanisms that underpin this relationship, is important for motivating and informing policy. Policy based on such evidence can be used to break the cycle of poverty and promote a fairer distribution of opportunities and resources. The reproduction of advantage and disadvantage from one generation to the next is a complex phenomenon and is the subject of a wide-ranging literature on poverty, social mobility and income mobility, which we draw on below.

The first objective of this research is to examine the extent to which poverty in childhood increases the risk of deprivation and income poverty in adulthood in Ireland. Second, we explore whether the intergenerational transmission of poverty in Ireland strengthened, weakened or remained the same over this time period. In particular, we consider whether the Great Recession disrupted the transmission of poverty. Third, our study examines whether the effect of childhood economic circumstances varies across the lifespan. Fourth, we explore the extent to which the relationship between childhood and adult circumstances operates through educational attainment, labour force status, family structure and health. Finally, we describe the Irish situation with respect to the wider European context by placing these findings in comparison to other European Member States and welfare regimes.

This chapter presents an overview of the existing literature on the intergenerational transmission of poverty. Section 1.2 discusses definitions of poverty. Section 1.3 describes the causal mechanisms that may underpin the intergenerational transmission of poverty and (dis)advantage, drawing on research conducted in both Ireland and abroad. In particular, this section concentrates on the transmission of (dis)advantage as measured through the lens of earnings. Section 1.4 explores the role of education as an enabling factor for social mobility. Section 1.5 discusses approaches to data collection for intergenerational studies. Section 1.6 provides an overview of the Irish policy context, concentrating on key strategy documents for responding to the issue of poverty and disadvantage. Finally, Section 1.7 presents the research objectives for the study and an overview of the structure of this report.

## **1.2 UNDERSTANDING POVERTY**

Defining poverty – and by extension measuring poverty – is a complex task (Brady, 2019; Gordon, 2006). Absolute or extreme poverty is defined as lacking the basic necessities for survival. The measurement of absolute poverty typically relies on an objective marker of poverty, or a poverty line. This is a level of income adjusted to national specificities, below which a person would be unable to meet their basic needs and is deemed as living in poverty (Frazer et al., 2021; Gordon, 2006). While absolute poverty most commonly occurs in developing countries, it is also experienced in developed countries (European Anti-Poverty Network, 2009). In

contrast, the concept of relative poverty recognises that poverty can manifest in different ways depending on context. Definitions of relative poverty are grounded in reference to one's ability to meet the minimum acceptable standards of living within a particular society, rather than falling below an objective threshold of income (Frazer et al. 2021). At its most basic level, poverty means a lack of resources, with the inevitable consequence of deprivation and disadvantage (Gordon, 2006).

A widely-used definition of relative poverty from the sociological literature, one which has influenced official poverty measures in Ireland, clarifies that poverty is experienced when people 'lack the resources to obtain the types of diet, participate in the activities and have the living conditions and amenities which are customary ... in the society to which they belong' (Townsend, 1979, p. 31). Relative poverty establishes an understanding of poverty with acknowledgment of shared social standards. Similarly, the EU assumes a relative definition of poverty by recognising that people live in poverty 'if their income and resources are so inadequate as to preclude them from having a standard of living considered acceptable in the society in which they live. Because of their poverty they may experience multiple disadvantages through unemployment, low income, poor housing, inadequate health care and barriers to lifelong learning, culture, sport and recreation' (European Commission, 2004, p. 8).

Crucially, these definitions emphasise the effect of poverty on participation in social life. The consequences of poverty are not just confined to material disadvantage but also extend to the closing off of opportunities and wider social exclusion (Desmond and Western, 2018). Consequently, experiencing poverty does not impose a singular disadvantage but rather a cluster of disadvantages (Duncan et al., 2012; Bird, 2013) and, as a result, the influence of poverty can be varied and far-reaching. Past research has demonstrated that experiencing poverty during childhood has a significant detrimental effect on an individual's well-being and negatively affects their prospects in adult life. For example, these effects can detrimentally affect children's educational attainment (Kiernan and Mensah, 2011). Experiencing poverty in childhood has also been linked to reduced labour market success in terms of earnings, as well as negative health outcomes in adulthood (Duncan et al., 2012; Evans, 2016; Raphael, 2011).

Poverty is a complex social phenomenon that results from a confluence of factors. The causes of poverty can be structural; they may arise from macroeconomic trends, unemployment levels, social policy or labour policy (Grundiza and Vilaplana, 2013). These structural factors can differ greatly from state to state, depending on economic circumstances and governmental policy. Additionally, individual characteristics such as class, educational attainment and health (Grundiza and Vilaplana, 2013) may heighten an individual's risk of experiencing poverty. Previous research in Ireland has highlighted the much higher risk of

poverty and deprivation among certain groups, including lone parents, those with a disability, those with low levels of education, children, migrants and Travellers (Watson et al., 2017; Kelly and Maître, 2021; McGinnity et al., 2020).

A growing body of research indicates that poverty is, in part, intergenerationally transmitted. In other words, children born into households of poverty are significantly more likely to experience poverty in adulthood (Bjorklund and Jantti, 2009). The ‘intergenerational transmission of poverty’ is defined by Bird and Higgins (2011, p .4) as ‘the private and public transfer of deficits in assets and resources from one generation to another’. In keeping with conceptualisations of poverty discussed above, Bird and Higgins (2011) maintain that poverty is not a lump package passed on to the next generation, but rather a set of positive or negative factors that can influence the *likelihood* of experiencing poverty at some point in an individual’s life. This being said, the extent to which this association between parents’ economic circumstances and that of their children is a causal relationship (the former determining the latter), remains poorly understood. The evidence for the intergenerational transmission of poverty and (dis)advantage will be discussed in Section 1.3, and its exploration in the Irish context is the central focus of this report.

### **1.3 CAUSAL MECHANISMS OF POVERTY TRANSMISSION**

There are three main perspectives as to how the experience of either poverty or (dis)advantage during childhood can causally affect a child’s development, social mobility and life prospects. The first is ‘investment theory’. Investment theory proposes that positive development in children is a function of the level of resources that parents invest (Duncan et al., 2017). Time and money are two such essential resources. Parents with good financial resources have the capacity to buy goods, services and capital that children need to thrive. Examples of this include good quality housing, good neighbourhood with local amenities, childcare, education and enriching experiences, all of which contribute to positive and healthy development. Conversely, parents with fewer resources are less able to invest in their children’s development to the same extent as parents who are well-resourced (Bjorklund and Jantti, 2009). Higher prevalence of single parenthood, long hours, and irregular work patterns among the economically disadvantaged can restrict the amount of time that parents can devote to their children, though higher unemployment can work in the opposite direction.

For example, investment in educational attainment is one means by which a child’s later social and economic prospects can be improved (see Section 1.4). Yet the ability to make such an investment is not equally attainable for all families. Research by Newman and Chin (2003, p. 4) examines the ‘emotionally costly choices low-income parents make in the face of time poverty’. This ethnographic study demonstrates the pressures on low-income families that impact parents’ capacity to monitor their children’s school performance and to create a positive



learning environment in the home. Through observation of these families, this study reports that low-income parents with greater flexibility of time (for example, through retirement or unemployment) were able to create stable and supportive learning environments in which children's educational progress could be monitored. However, many low-income parents needed to prioritise their family's economic survival, resulting in a trade-off with their children's educational needs. Work demands such as irregular hours, long commuting times and long shifts often left them time-poor; the lack of ability to invest time in monitoring and supporting their educational work resulted in poorer outcomes for their children's school performance.

Furthermore, the extent of parental investment can be viewed not only through the availability of resources but also through the lens of social class. Investment is a key mechanism by which social class status is transmitted from parents to children (Bodovski and Farkas, 2008). Lareau (2003) argues that, in the case of middle- and upper-class parents, investment is an act of 'concerted cultivation', by which parents deliberately promote the behaviours, skills and attitudes that are required for success, and which will equip children for education and employment within or exceeding their own class. By extension, the ability to know, identify and secure the necessary ingredients for success is a reflection of parents' own social and cultural capital. In contrast, Lareau (2003) proposes that working-class parents concentrate on the 'accomplishment of natural growth' with the objective of keeping children fed, warm and supported. The development of children's potential is not prioritised in the same way. However, this dichotomy between middle/upper class and working-class parental investment has been criticised in that it implies a level of passivity on the part of working-class parents, as opposed to the class-related constraints they face in relation to investment (Vincent and Maxwell, 2016).

A second body of literature on the causal pathways of poverty concentrates on the stressors that poverty imposes. 'Stress-based models' of poverty argue that economically disadvantaged families experience a greater level of environmental and psychological stressors in comparison to advantaged families (Duncan et al., 2017). According to stress-based models of poverty, it is these stressors that negatively affect children's physical, cognitive, socioemotional and academic development. This in turn heightens the likelihood of incurring poverty later in life (Duncan et al., 2017; Evans, 2004).

In a thorough review of the empirical evidence, Evans (2004) collates the wide variety of stressors incurred by those experiencing poverty. In almost every respect – environmentally, socially and within the family – people in poverty are exposed to more adverse conditions (see also Cooper and Stewart, 2021). For example, Evans (2004) asserts that children from disadvantaged backgrounds are more likely to live in poorer quality housing with inadequate heating and structural deficits, as

well as being more likely to live in housing that is overcrowded. Families in poverty often reside in neighbourhoods that are exposed to greater levels of crime and violence which, in itself, presents additional stressors. Poorer neighbourhoods are often less well served in terms of schooling and local amenities. In terms of family dynamics, Evans (2004) finds that poorer families are more likely to experience separation or divorce. Higher stress in low-income households can also influence child development through harsher and more authoritarian parenting. Additionally, the social networks of low-income families may be lacking in 'bridging ties' that provide access to information and employment opportunities (Granovetter, 1973; Lin, 2000).

Duncan et al. (2017) state that there is a growing body of literature to support the influence of the stressors listed above on childhood development. As Evans (2004) notes, it is not simply a case of disentangling the individual social, environmental and psychological stressors; rather, the effect of these stressors are interlinked and inter-influential, creating a milieu that hinders positive child development.

Finally, scholars have explored structural explanations of the causes of (intergenerational) poverty. In contrast to individualist accounts of poverty, which argue that poverty is rooted in individualistic characteristics such as ambition, skill or educational attainment, structural accounts posit that certain sectors of society are significantly marginalised and impeded from upward social mobility (Duncan et al., 2017). This perspective argues that deeply entrenched structural inequalities, as well as structural deficits within communities, make it difficult for people to step out of poverty (Sharkey, 2016; Small et al., 2010). Structural inequalities are systemic and grounded in the operation of social institutions; they may include racial and ethnic discrimination, gender discrimination, lack of welfare supports and residential segregation (Royce, 2009). Structural deficits within communities can take the form of a lack of employment opportunities, poor infrastructure (transport and amenities), lack of services (healthcare, childcare, etc.), lack of housing and lack of educational opportunities (Royce, 2009).

Crucially, Cooper and Stewart (2021) state that these three explanations of the causes of poverty cannot be assumed to be mutually exclusive. Indeed, a buffer against poverty could be construed in multiple different ways. For example, greater financial resources could lead a family to securing good quality housing in a good neighbourhood. This one factor could be interpreted as positively influencing child development and prospects through any of the three explanatory lenses described above. In addition to this, good housing can generate further opportunities for investment potential, stress reduction and positive structural support. Section 1.4, which follows, discusses approaches for measuring the intergenerational transmission of poverty.

## 1.4 MEASURING THE INTERGENERATIONAL PERSISTENCE OF POVERTY

Socio-economic standing can be measured in many different ways; common indicators include social class, occupational status and income. Social mobility is regarded as the extent to which an individual's current socio-economic standing resembles their social origins. This point of origin is typically understood as the individual's circumstances during childhood or the socio-economic standing of their parents. A low level of association between the two is indicative of moving away from one's social origins, and thus high mobility (Goldthorpe, 2005; Torche, 2015). Focusing on social origins allows an understanding of the extent to which the conditions and circumstances of childhood constrain or enable success in adulthood. Hout (2014) argues that mobility is frequently understood as being synonymous with socio-economic success or progress, and therefore interpreted as upward mobility. However, mobility is a concept that also encapsulates the worsening of socio-economic standing (downward mobility) as well as unchanged socio-economic standing (immobility).

Hout (2015) argues that mobility research should not concentrate solely on 'who is moving up' but rather on the extent to which socio-economic circumstances in early childhood can constrain or enable mobility. In theory, where a society demonstrates equality of opportunity, children from disadvantaged backgrounds should have the same chance of upward mobility as children from advantaged backgrounds. Yet, the evidence summarised in the following sections demonstrates that this is not the case – social origins can influence the successful mobility of some groups more than others (Hout, 2015). Research on social mobility is motivated by a desire to identify the mechanisms that underpin the extent of these intergenerational correlations. Accordingly, understanding of the extent of intergenerational transmission of advantage or disadvantage can help inform effective social policy (Black and Devereux, 2011).

### 1.4.1 Social class mobility

Social class refers to social groupings distinguished on the basis of occupational assets, which are linked to one's prospects with respect to income, health and wealth (Weeden and Grusky, 2005). Classes are nominal categories, which can be rendered into an ordinal hierarchy. The most commonly used classification system for class relies on employment relations and was developed by Erikson, Goldthorpe and Portocarero (1979). This classification system identifies 12 classes, which are typically collapsed into 7 groups for parsimony.

As described by Torche (2015), measures of class mobility entail observations of upward and downward movement between these class categories. Class mobility analysis cross-compares parents' class (the inflow distribution) with that of their children (the outflow distribution) to assess flow between the class of origin and the destination class, so as to determine 'absolute mobility'. The objective is to determine the proportions of individuals who are immobile and remain in the same

class as that of their parents, as well as the proportions who move upwards and downwards in status. Previously, it was speculated that economically advanced societies would experience greater levels of social mobility than less advanced societies; this is known as the liberal thesis of industrialisation (Lipset and Bendix, 1959). This theory was established on the basis that economic advancement creates a greater number of managerial and professional roles and that these roles could be attained through principles of meritocracy, thus leading to greater social mobility. However, the industrialisation thesis has been criticised on the grounds that it presents an overly simplistic view of class mobility (Goldthorpe, 2005).

For example, the potential for intergenerational mobility can be stagnated by class-specific inheritance effects. In other words, the advantages or disadvantages associated with a particular origin class can affect the extent of one's mobility. Erikson and Goldthorpe (2002) note that these effects are particularly observable in salariat classes I and II,<sup>2</sup> which may be buffered from downward mobility, and in the non-skilled working classes, which may encounter reduced odds of upward mobility. In most modern industrial states, there is a high degree of association between one's class of origin and one's destination class. While there may be some movement between classes, Erikson and Goldthorpe (2002) argue that no one state is particularly fluid with respect to their overall level of class mobility. They add that the level of social fluidity within a state inversely corresponds to the level of economic inequality observed between classes.

More recently, a study by Whelan et al. (2013) examined the link between the social class of respondents' parents and respondents' current income poverty, across 10 different European countries. The study relied on data gathered through the European Union's Statistics of Income and Living Conditions (EU-SILC) survey. The results indicated that class differentials with respect to poverty varied greatly from country to country. For example, in Denmark there was little effect of parental social class on income poverty among respondents. In contrast, countries such as Finland, Austria, France and the UK showed clearer patterns of class differentials, in that poverty was more commonly reported among those whose parents were identified as occupying lower classes such as elementary occupations and manual work. The data for Ireland conformed to this second pattern, although Ireland was observed to have higher levels of absolute poverty across each of the different classes.

According to Torche (2015), a critical advantage of mobility analyses that concentrate on social class is that class, in comparison to income, remains relatively stable over the course of the adult lifecycle. Therefore, measures of class are less prone to measurement error. In comparison, mobility analyses that

---

2 Under Goldthorpe's schema of social class: salariat class I refers to those in high-grade professional, administrative and managerial roles; and salariat class II refers to those in lower grade professional, administrative and managerial roles as well as higher grade technician roles (Erikson and Goldthorpe, 2002; Erikson and Goldthorpe, 2010).

concentrate on income are more prone to measurement error, as will be discussed in the next section. However, a disadvantage of evaluating social mobility through class is that because classes are aggregated categories, they can overlook more subtle variations in socio-economic disadvantage. A further challenge is the absence of data with consistent measures of occupations and social class over time.

### 1.4.2 Income mobility

Another approach to evaluating intergenerational mobility is to examine mobility through income or earnings. Studies of earnings mobility or income mobility examine the intergenerational association between parents' income or earnings and that of their children. When income or earnings persistence is high – in other words, largely unchanged from parent to child – then mobility is regarded as low (Mazumdar, 2018).

Because of factors such as economic growth and contraction, it would be ineffective to compare income figures directly from one generation to the next (Torche, 2015). For this reason, most intergenerational analyses typically transform income figures in some way. Typically, the earnings of parent and child are log-transformed in order to compensate for the growth that occurs in earnings over time. This transformation allows for an examination of intergenerational earnings elasticity (IGE). This refers to the ratio of an incremental percentage change in a child's earnings relative to an incremental percentage change in their parent's earnings. In other words, elasticity measures the responsiveness of the child's earning to changes in their parent's earning (Hirvonen, 2008). An alternative approach is to compare the percentile rank of parents' earnings with that of their children. As with measuring elasticity, the percentile approach to analysis is also unaffected by substantial changes to the mean earnings levels across generations. Importantly, these forms of analysis are indicative of relative mobility as opposed to absolute mobility (Torche, 2015).

Income typically refers to income that is obtained from all manner of sources, including labour, benefits, pensions, capital and capital gains. Earnings refers to income specifically obtained through work and employment. Both can be used as indicators of mobility (Hirvonen, 2008). Bjorklund et al. (2012) maintain that it is important to differentiate between income and earnings as the levels of intergenerational transmission can differ for each. For example, Torche (2015) notes that the association with respect to the intergenerational transmission of income generally tends to be higher than that of the intergenerational transmission of earnings. This implies that transfers of wealth are important for understanding intergenerational persistence of advantage and disadvantage.

As mentioned in the previous section, evaluating mobility through income or earnings can incur some measurement challenges. In the past, studies of income

mobility used single-year measurements of earnings as indicative of permanent or fixed earnings over one's lifetime (Mazumdar, 2018; Torche, 2015). However, a study by Solon (1992) argued that single-year measurements introduce sizable bias into the model. Solon (1992) demonstrated that multi-year averages of income yielded better estimates of permanent earnings, as multi-year averages were more resistant to transitory shocks, or fluctuations in one's income from one year to the next.

Another challenge with transgenerational measurement is that patterns in income typically change over the course of an individual's lifespan. For this reason, models of income mobility must carefully attend to the ages of both parent and child at the time that earnings are captured (Black and Devereux, 2011). Black and Devereux note that in transgenerational datasets parents' income is usually measured at a late stage point in their lifecycle when earnings may be quite high, whereas that of children is usually measured at a much younger age. The child respondents may eventually end up with high earnings in later life but still experience low income as young adults. The consequence of measuring earnings of parents and children at two disparate points in their respective lives, referred to as the lifecycle bias, is that it produces a downward bias estimate of IGE. On this, Haider and Solon (2006) propose that the optimal solution is to measure earnings for both parents and children at the age of 40.

A study by Bellani and Bia (2017) examined intergenerational poverty across a large EU sample. This study takes income as the household's total income after tax that is available for spending; this figure is then divided by the number of adults residing within the household. The results of their analysis support the claim that experiencing bad financial circumstances in childhood negatively influences economic outlook in adulthood. Specifically, their findings demonstrate that individuals who grow up in poor financial circumstances are 1.4 times more likely to be at risk of poverty in adulthood and their income is, on average, 4% lower.

Much like class mobility, income mobility does not demonstrate a uniform pattern across all sectors of society. For example, Bjorklund et al. (2012) examined the intergenerational transmission of income and earnings in Sweden using matched father and son pairs. Past research has indicated that, in general, income persistence in Sweden is quite low (Jantti, 2006). However, the results of the Bjorklund et al. (2012) study demonstrate that intergenerational transmission of overall income is extremely strong among the top 1%. Among the top 0.1%, transmission is even more pronounced with elasticities above 0.9. Bjorklund et al.'s study finds that while the transmission of income is remarkably high, the transmission of earnings is less so. Consequently, they interpret the remarkably strong figures for income persistence across generations as being due to inherited wealth. Bjorklund et al. argue that family background plays a role in influencing the

earnings of the next generation, with inheritance playing a critical role in ensuring that income is maintained.

#### **1.4.2.1 Income mobility among women**

Traditionally, research on intergenerational mobility has interpreted the parent–child relationship as that of transmission from father to son. This gap in the literature has been attributed to the fact that, historically, married women’s participation in the labour market was lower than that of men, and therefore women’s earnings may not have been fully reflective of their socio-economic status (Chadwick and Solon, 2002; Hirvonen, 2008). However, the remarkable absence of research on mobility among women has led some scholars to conclude that ‘as much as half of the picture is missing’ (Hirvonen, 2008, p. 778). In the last two decades there has been an increase in the level of research which focuses on father–daughter transgenerational mobility (see, for example, Carmichael et al. 2019; Chadwick and Solon, 2002; Hirvonen, 2008; Jantti, 2006). Critically, research in this area has found weaker transmissions of earnings from fathers to daughters when compared to that of fathers to sons. This pattern has been observed in the US (Chadwick and Solon, 2002), the Netherlands, (Carmichael et al. 2019), as well as the UK and Nordic countries (Jantti, 2006).<sup>3</sup> At the same time there has been a focus on the degree to which women maintain social positions through marriage or ‘assortative mating’ (Raaum et al., 2007) – the selection of partners based on similarities in age, education, intelligence or earnings. In a study of married women, Chadwick and Solon (2002) conclude that assortative mating can play a crucial role for income persistence.

#### **1.4.2.1 Estimates for intergenerational income mobility**

Culminating from decades of research in this area, there is a large set of individual estimates of intergenerational mobility available for many industrialised countries in both Europe and North America (Black and Devereux, 2011). Despite this, there have been few attempts to consolidate analysis of estimates to create an international comparison of intergenerational income mobility. One such exception is a study by Jantti (2006), which examines mobility estimates from six different countries. The findings of this analysis indicate that lower levels of income persistence are observed in Nordic countries, while higher persistence is observed in the UK, and that the highest rate is observed in the US. Interestingly, this pattern holds across countries for father–son comparisons as well as father–daughter comparisons; however, the levels of intergenerational income mobility as transmitted from fathers to daughters are consistently lower.

---

<sup>3</sup> This neglect of women’s mobility was also a common criticism of social class studies in the 1980s and 1990s, though this gap was subsequently addressed. Recent studies suggest that gender differences in social mobility vary across societies, with no uniform finding of more or less fluidity for women (e.g. Bukodi and Paskov, 2020).



Recently, research has begun to examine the link between economic inequality and intergenerational mobility. The OECD (2012) has reported that income inequality is very prevalent among developed countries and is currently rising. Importantly, countries that experience greater income inequality (as measured through the Gini coefficient) also tend to experience lower earnings mobility (as measured through elasticity), a relationship known as ‘the Great Gatsby Curve’ (Krueger, 2012).<sup>4</sup> Evidence for the Great Gatsby Curve has been demonstrated by Jerrim and MacMillan (2015), who plotted the Gini coefficients and labour market earnings of over 20 countries to demonstrate this relationship. Crucially, this relationship effectively means that high levels of inequality within a state stifle the opportunity for social mobility. Corak (2013) argues that the Great Gatsby Curve is effectively a summation of the host of inequalities that affect mobility. He further argues that impediments to mobility are likely to persist unless public policy steps in to advance the human capital of the disadvantaged.

### 1.5 EDUCATIONAL ATTAINMENT AND MOBILITY

Ireland demonstrates a remarkably high proportion of individuals with tertiary level education (OECD, 2020; Smyth and McCoy, 2021). This high rate of educational attainment in comparison to other OECD states is attributed to the introduction of free second-level education in the 1960s and the introduction of free third-level education in the 1990s. The *Growing Up in Ireland* (GUI) longitudinal study has reported that 87% of 20 year olds surveyed have undertaken at least one training course since leaving school (O’Mahony et al., 2021). For the purposes of this report, educational attainment is of particular interest as it has been identified by scholars as the single most critical factor for enabling social mobility and the transmission of (dis)advantage (Erikson and Goldthorpe, 2002; Jerrim and MacMillan, 2015). According to Black and Devereux (2011) several reasons may underpin this effect. First, people with higher education tend to have larger incomes, and the availability of income may positively influence their children’s educational attainment. Second, parental education may be linked to parents’ investment in their children; past studies have demonstrated a link between education levels and time spent with one’s children (Guryan et al., 2008; Smyth, 2016). Research by Jerrim and Macmillan (2015) proposes that it is high-income families’ *capacity* to invest in their children’s development that is critical to the transmission of advantage. In this respect, they argue that income inequality is also linked to mobility.

Conversely, being raised in a disadvantaged household can negatively influence access to education and educational attainment. Research by Bellani and Bia

---

4 The Gini coefficient is a measure of inequality of income or wealth within a specific nation (Gini, 1936). By calculating the distribution of wealth within members of a state, the Gini coefficient provides an indication of how closely a state or social group demonstrates income equality. A coefficient value of 0 represents total equality and a value of 1 represents total inequality.



(2017), using an EU-wide sample, finds that individuals who grow up in poverty are significantly less likely to attain secondary level education. In a recent report, the UN Special Rapporteur on Extreme Poverty and Human Rights notes that, although education is almost universally free to access, the costs of school supplies, learning materials and transportation can present significant barriers to education for disadvantaged families. In addition to this, high-income families have a greater capacity to spend on additional educational costs, including technology, childcare, summer camps, private tuition and other learning experiences and opportunities that can enhance the education of their children – investments that may be out of reach for low-income families (UN, 2021).

For example, Snellman et al. (2015) examined four longitudinal surveys of US high school students for patterns of extracurricular activity participation and indicators of social mobility. Their analysis found that participation in extracurricular activities was associated with greater levels of educational attainment and higher earnings. Yet, since the 1970s, while upper–middle class students have increasingly participated in extracurricular activities, participation among working-class students has steadily declined. Snellman et al. (2015) interpret the findings in light of the growth of income inequality in the US: wealthy families have more money than before, but are choosing to invest an increasing amount in learning experiences for their children, in part motivated by the competitive US college admissions landscape.

Similarly, in the Irish context, McCoy and Byrne (2022) explore the growing practice of ‘shadow education’ in Ireland, which refers to paying fees for additional assistance with school subjects at primary and secondary school level. Their research notes that shadow education is more accessible for families with greater resources and is regarded as an educational investment. On this basis, McCoy and Byrne (2022) argue that shadow education could be viewed through the lens of social reproduction, in that it serves to perpetuate educationally maintained inequality by preserving the competitive advantage of families who are well-resourced. Research by Smyth (2016) explored cultural participation among children in Ireland using the GUI dataset. Her research demonstrated that, even from an early age, parents from more advantaged backgrounds are more likely to read to their children, engage in creative play and take them on cultural outings than disadvantaged parents. These studies are very much reflective of the concept of ‘concerted cultivation’ as well as families’ differing capacity to invest. Crucially, Smyth (2016) found that children who participate in cultural activities outside of school are more likely to demonstrate higher levels of academic performance as well as broader wellbeing.

Critically, educational attainment is strongly linked to economic prospects later in life. Bellani and Bia (2017) examined the effects of educational attainment on income among a large sample of people living in EU Member States. Their study

found that people who grew up in poverty were 1.5 times less likely to complete secondary school education. Educational attainment was found to have a strong association with economic success in adulthood; individuals with a level of educational attainment below that of secondary school consistently demonstrated lower levels of income in adulthood and were at greater risk of poverty. Nevertheless, in a controlled comparison of individuals who grew up in poverty and those who did not, achieving a secondary school level of education did not overcome the detrimental effect on income posed by poverty (Bellani and Bia, 2017). A study by Serafino and Tonkin (2014) using the 2011 EU-SILC intergenerational transmission of disadvantage module for the UK also found that household financial circumstances during childhood no longer comprise a significant predictor of future poverty once we take account of the educational attainment of the respondent. This means that future risk of poverty is mediated through the educational attainment of the child, as found also in a British study by Blanden and Gibbons (2006). Likewise, a recent study by McGuinness et al. (2019) examined the effects of post-secondary education on employment prospects in Ireland. Their findings indicate that those who complete post-Leaving Certificate education are 16 percentage points more likely to be in employment than those who progressed directly from the Leaving Certificate to the labour market.

Educational attainment also demonstrates intergenerational persistence. A study by Grundiza and Vilaplana (2013) draws on EU-SILC data to examine intergenerational patterns of educational attainment across the EU Member States. A strong degree of persistence was observed with respect to high levels of education; 63.4% of survey respondents who had parents with high educational attainment also reported having a high level of educational attainment themselves. The persistence of low educational attainment levels from parent to child was much smaller, at 34.2%. However, Grundiza and Vilaplana (2013) note that the likelihood of low educational attainment is far greater for individuals born to parents with low levels of education (34.2%) in comparison to individuals born to highly educated parents (3.4%). As such, they argue that these differences in childhood backgrounds affect subsequent educational attainment. Similarly, within the Irish context, O'Mahony et al. (2021) demonstrate that higher education participation is very prevalent among young adults who have highly educated parents (86%). In comparison, higher education participation is less prevalent among young adults whose parents have secondary level (70%) or below secondary level (48%) education.

The prospect of pursuing higher education in Ireland is, in part, underpinned by social class. Smyth and McCoy (2021) demonstrate that young people from salariat and intermediate classes in Ireland are almost twice as likely to progress to higher education in comparison to young adults from working-class backgrounds. However, the social class profile of the school attended – whether predominantly middle class or working class depending on profile of student intake and the population served – demonstrated a much stronger association with progression

to higher level education. Young people who attended middle-class schools were found to be 17 times more likely to progress to higher education than young people from working-class schools. Interviews with the study cohort revealed that both family and school habitus strongly informed young people's educational pathways; in that for those from middle-class families and schools there was an underlying assumption of progressing to higher education (Smyth and McCoy, 2021). In contrast, interviews with young people from working-class backgrounds revealed that they were at an informational and resource disadvantage with respect to pursuing higher education.

Breen and Goldthorpe (1997) explain these patterns of educational persistence through the mechanism of relative risk aversion. More specifically, they argue that all social classes are concerned with the possibility of downward mobility. Therefore, informed by the habitus and cultural codes of their own class, individuals strive for an educational and social position that is roughly equivalent to that of their parents. This in turn influences decision making regarding one's educational and occupational pathways. Empirical evidence for this explanatory mechanism has been gathered through survey data by Van de Werfhorst and Hofstede (2007). Their study demonstrated that young people possess comparable concerns regarding the prospect of downward mobility regardless of their class of origin. The relative risk aversion mechanism proposes that a person will stay in the education system for the minimum amount of time required to meet this goal. As such, Breen and Goldthorpe (1997) argue that this can account for the differing levels of educational attainment according to class, in that children from higher social origins must proceed to higher levels of education to ensure class maintenance.

Although educational attainment has been identified as a critical factor for social mobility, it is not in and of itself sufficient to facilitate mobility regardless of one's social origins. As Goldthorpe (2005) argues, no society reflects a meritocracy in the true sense. The influence of educational attainment can vary greatly depending on class, so much so that children from disadvantaged classes must achieve greater levels of educational attainment compared to their more advantaged peers in order to attain the same level of class mobility (Breen and Goldthorpe, 1990). Likewise, in summarising the research of this field, Goldthorpe (2005) explains that the relationship between educational attainment and destination is weaker for those in more advantaged origins; rather, educational qualifications are more significant for attaining 'long-range' upward class mobility.

Additionally, there is some research which suggests that the capacity of educational attainment to act as a mediator for mobility is declining (Breen and Goldthorpe, 2001; Whelan and Layte, 2002). First, the expansion of higher level education has been accompanied by 'credential inflation', by which higher prevalence of degrees means that the competitive value of tertiary education

within the labour market has somewhat decreased (Van de Werfhorst and Andersen, 2005). Research by Bernardi and Ballarino (2011) using EU-SILC and European Social Survey (ESS) data found that educational returns – as indicated by the gain in prestige of one’s occupational class – are much smaller in countries in which tertiary education is more diffuse. McCoy and Smyth (2021) in their study of young people in Ireland found that, for middle class youth, progression to tertiary education was readily assumed, and educational decision making centred not on whether to progress to higher education but which institution to attend. Secondly, the influence of educational attainment can be hindered by broader socio-economic inequality. Research by Jerrim and Macmillan (2015) explores the role of educational attainment as a key mechanism underpinning the Great Gatsby Curve. Their study uses a cross-national dataset from over 20 countries to examine the links between educational attainment, income inequality and social mobility. The results of their analysis indicate that, in all countries analysed, educational attainment is a key driving factor that underpins the relationship between parental education and children’s earnings. They report that higher income inequality in a country leads to a situation in which both access to education and the financial returns of education are constrained. However, a stronger association was observed between income inequality and access to education, which suggests that this is the crucial determinant of the link between income inequality and mobility.

## **1.6 DISABILITY AND POVERTY**

The relationship between poverty and disability is complex and bi-directional (Lustig and Strauser, 2007). Poverty inhibits access to healthcare, as well as the ability to secure good living conditions and ensure good nutrition, and thus affects one’s physical and mental wellbeing. These factors can increase an individual’s risk of developing a chronic health issue or disability. Furthermore, through social exclusion and social inequality, having a disability can inhibit labour market opportunities and economic opportunity (see Lustig and Strauser, 2007; Hughes and Avoke, 2010). In a systematic review of empirical studies of the link between poverty and disability, Banks et al. (2017) identify a positive relationship between poverty and disability. The studies reviewed by Banks et al. present plausible evidence for pathways as to how disability may affect poverty, as well as how poverty may affect disability. Evidence for the existence of this relationship was found to be broadly consistent across geographic regions, disability type and age group.

Parish and Cloud (2006) summarised the significant financial burden experienced by families of young children with a disability. A constellation of factors, including the cost of healthcare and caregiving, reliance on social transfers which may be means tested, reduced parental employment and challenges in securing childcare, can all affect family income. Similar financial challenges are also observed among adults with a disability (Emerson, 2007; Cullinan et al., 2011).

Emerson (2007) notes that exclusion from the workforce is one way by which people with a disability face further financial challenges. The effect of disability on labour market outcomes has been previously explored by Kelly and Maître (2021) in the Irish context. The latter study demonstrated how labour market outcomes – including employment and level of position held – is affected by disability status. Based on data gathered through the 2019 EU SILC, the authors found that approximately one in three people with a disability (31%) were in employment. Furthermore, among those with a disability in employment, just 16% occupied high-level positions (defined as managerial, administrative or professional roles) in comparison to 23% of people without a disability. Importantly, Kelly and Maître (2017) noted that employment can vary with disability type. For example, greater employment was observed among individuals with deafness or a serious hearing impairment (45.7%) and those with a visual impairment (34.0%), when compared to people with an intellectual disability (14.7%). Kelly and Maître's (2021) research findings indicate that people with a disability may be hindered from accessing the labour market and securing high-level positions.

Finally, as previously discussed, inherited wealth is an important pathway by which wealth is transferred from one generation to the next (Bjorklund et al., 2012). However, as Groce et al. (2014) note, studies of the relationship between inheritance and poverty have often failed to acknowledge the role of disability. In a review of existing legal studies, Groce et al. (2014) argue that people with a disability are frequently denied the same inheritance rights enjoyed by others. Depending on the nature of the disability and socio-cultural perceptions of disability, the individual may be regarded as incapable of effectively managing assets or property. Compounding this, lack of knowledge of one's rights and entitlements, a desire to maintain positive relationships with other beneficiaries, or indeed dependence on other beneficiaries, may force an individual to accept inheritance practices or relinquish inheritance rights.

## **1.7 COLLECTING DATA ON INTERGENERATIONAL MOBILITY**

There are several types of datasets that can be used for the purpose of mobility analyses. These include administrative data, longitudinal studies and retrospective studies. Each of these are briefly described in the sub-sections below.

### **1.7.1 Administrative data**

Some past research has relied upon administrative data. Hout (2015) acknowledges the high potential of administrative data for intergenerational research, such as the use of tax and revenue records. For example, Carmichael et al.'s (2019) study of income mobility in the Netherlands utilised a full sample of official tax, welfare and income records. Another example is the study by Haider and Solon (2006), which examined a sample of data obtained from the Social Security Administration in the US to explore lifecycle trends in earnings. The

advantage of drawing upon administrative data is that it provides a rich and complete dataset and avoids the errors associated with self-reports of income and earnings. However, as the data obviously contains personal and sensitive information, there can be issues with respect to access permissions. Additionally, it may fail to capture income that is received 'off books'.

### 1.7.2 Longitudinal studies

Much of the data on poverty is cross-sectional in that it measures income levels, poverty rates or inequality within a particular society at a particular period. In contrast, longitudinal analysis tracks the pathways of a particular set of individuals over time in terms of their socio-economic standing (Jantti and Jenkins, 2015).

Longitudinal studies provide a useful data source for the purpose of measuring intergenerational mobility. In the US, many studies have relied on data gathered through the Panel Study of Income Dynamics (PSID) (for example, Chadwick and Solon, 2002; Bloome, 2015). In the UK, longitudinal studies such as the National Child Development Study (NCDS) have tracked the children from the original families into adulthood and the formation of their own households. As such, it yields data on income and occupational status of children matched with that of their parents that can facilitate an examination of intergenerational transmission of socio-economic standing. As another example, the Swedish Level of Living Survey and the Longitudinal Individual Database for Sweden are two longitudinal studies conducted in Sweden with a large-scale representative sample that capture data on socio-economic variables (Bohlmarm and Lindquist, 2006). In Ireland, the *Growing Up in Ireland* (GUI) project is a government-funded longitudinal study of Irish children and youth. Since 2006, the study has tracked key sociodemographic factors and developmental indicators among a large cohort of children and their primary caregivers. GUI research also looks to identify adverse effects that can lead to social disadvantage and exclusion, educational difficulties and deprivation.

### 1.7.3 Retrospective studies

There are considerable limitations to the availability of administrative data sources that lend themselves to generational analysis of income. On this, Corak (2006) argues that the use of retrospective approaches can provide an innovative solution. Under this approach, respondents are asked to provide a retrospective estimate of their parents' circumstances at a certain point in time. Naturally, there may be concerns about biased reporting from respondents (Bellani and Bia, 2017). As highlighted also by Davia and Legazpe (2017), this approach might be a source of recall bias, which could be amplified with the age of the interviewees. Song and Mare (2013), in a study about the different approaches to intergenerational social mobility studies, highlight a further limitation of retrospective approaches: while the design of surveys with retrospective data ensures that the people interviewed (the offspring) are representative of their generation, they are not designed to be representative of their parents' generation (and associated characteristics).

Parents with more offspring will be overrepresented while people without offspring are excluded. This is particularly relevant for studying the circumstances and characteristics of the earlier generation.

Bjorklund and Jantti (2009) note that it may instead be preferable to use retrospective questions to inquire about parents' occupation and social class rather than income. Retrospective information has been used quite extensively in the intergenerational social mobility literature (Breen, 2004; Erikson and Goldthorpe, 1992).

In the absence of long-running longitudinal surveys or linkable register data, the inclusion of retrospective information is a practical and extremely cost effective and efficient way of tracing intergenerational patterns. To this end, the EU-SILC survey provides an opportunity for assessing intergenerational transmission of poverty. The survey captures cross-sectional data on current income, poverty, material deprivation, living conditions and social exclusion. The survey is administered across all EU Member States, as well as in the UK, Norway, Iceland, Macedonia, Serbia, Switzerland and Turkey (Atkinson et al., 2017). The use of a common framework for procedures, definitions and concepts allows for harmonious data collection across all participating states.

Crucially for the purposes of this research, the survey in Ireland included a special module on the intergenerational transmission of poverty in 2005 and a special module on the intergenerational transmission of disadvantage in 2011 (Atkinson et al., 2017), with the latter administered again in 2019. These modules capture data on the economic background of respondents' parents and their household circumstances during childhood. The resulting data have allowed for an examination of intergenerational effects, and past studies have used this dataset effectively to this end (for example, Bellani and Bia, 2017; Grundiza and Lopez Vilaplana, 2013; Whelan et al., 2013). However, an important limitation of this dataset is that the SILC survey (for Ireland) is limited to those in private households and therefore will not pick up those living in Direct Provision or halting sites, or those living in homelessness, all of whom are arguably experiencing much more extreme forms of material deprivation.

## **1.8 POLICY RESPONSES**

In line with the findings of their research, which highlights a strong association between experiencing poor financial circumstances in childhood and low-income attainment in adulthood, Bellani and Bia (2017) emphasise the need for policy interventions. They argue that increased government spending on education can assist intergenerational mobility. However, they recognise that the persistence of poverty cannot be resolved through education alone. For this reason, Bellani and Bia (2017) maintain that it is more important to create policy that targets the root causes of poverty in order to mitigate the perpetuation of its detrimental effects.



A recent paper by Frazer et al. (2021) has highlighted several key principles for policy solutions that aim to address the intergenerational persistence of poverty. A first essential step, they propose, is that there must be greater political and public awareness raised regarding the scale and influence of poverty as a societal issue. Building on this, calls for policy action should be grounded in both utilitarian and moral arguments for addressing poverty. In other words, awareness must be raised that addressing poverty is essential for improving social cohesion, creating resilient societies, ameliorating wellbeing, upholding children's fundamental rights and strengthening the economy. Central to this principle is the provision of research and evidence which illuminates the intergenerational mechanisms at play and which monitors and reports on progress.

Secondly, Frazer et al. (2021) state that policy programmes should be multidimensional. Previous research has found that the lowest rates of poverty are found in states which provide comprehensive strategies to support children in poverty (Frazer et al., 2020). This requires strong coordination efforts between different areas of policy, synergy between the regional and national levels of service, and good cooperation between service agencies on the ground (Frazer et al., 2021). Policy programmes should also aim to provide holistic solutions. This includes ensuring that policies promote gender equality and combat the stigma and discrimination attached to poverty (Frazer et al., 2021).

The question of the intergenerational transmission of poverty and the factors that underpin transmission is an extremely exigent issue in contemporary social policy. A recent report by the United Nations Special Rapporteur on Extreme Poverty and Human Rights, Olivier De Schutter, has emphasised child poverty as a violation of human rights, one that jeopardises the future of the child. Moreover, poverty is an issue that imparts enormous societal costs (United Nations, 2021). Under the United Nations' Convention on the Rights of the Child (UNCRC), all children have a right to an adequate standard of living, which encompasses health, education, care and nutrition, and a right to be free from deprivation. Enduring poverty inevitably undermines the achievement of these rights (United Nations, 1989). De Schutter argues that the perpetuation of income inequality is one of the key reasons why people become trapped in poverty. The report highlights a pervasive trend among wealthy nations of increasing wealth disparities between the advantaged and the disadvantaged. Investment in early childhood, the provision of inclusive education and measures to combat discrimination against those living in poverty are cited as key measures to address poverty. Importantly, the report from the Special Rapporteur calls upon governments to take action to eradicate poverty and wealth inequality (United Nations, 2021).

In June 2021, the EU adopted the European Child Guarantee, which aims to reduce the risk of poverty and social exclusion among children across Europe. Under the Guarantee, EU Member States commit to the provision of education, healthcare,



nutrition and housing for all children. The European Child Guarantee is a key component of the European Pillar of Social Rights Action Plan, which endeavours to address issues of poverty and social exclusion among all sectors of European society.

Ireland first developed a National Anti-Poverty Strategy in 1997. That original 10-year strategy recognised the multidimensional nature of poverty, and the wider social inequalities which stem from poverty (National Anti-Poverty Strategy, 1997). The development of the strategy entailed stakeholder consultation with the voluntary and community sector as well as those with first-hand experience of poverty. It was also informed by research, in particular Sen's (1993) concept of capability deprivation. It was followed by the National Action Plan for Social Inclusion 2007–2016, whose central objectives were to measure social inclusion and to reduce the number of people living in consistent poverty in Ireland. Poverty was interpreted as individuals who fall below a threshold of 60% of median income and who are deprived of access to goods and social participation that are essential for meeting a basic standard of living. In addition, the Department of Employment Affairs and Social Protection is responsible for producing the annual Social Inclusion Monitor, which assess the State's progress towards the national social target for poverty reduction.

In 2014, the Government launched *Better Outcomes, Brighter Futures: The National Policy Framework for Children and Young People, 2014–2020* (Government of Ireland, 2014). Building on the National Action Plan for Social Inclusion 2007–2016, the framework also adopted a multidimensional approach. The framework positioned the provision of economic and security and opportunity for children as a key national objective. To fulfil this objective, the Government aimed to ensure that: all children are protected from poverty and social exclusion; all children have opportunities for ongoing development; and children have pathways to economic participation, entrepreneurship, fulfilling employment and independent living. The Government set a target of lifting 70,000 children out of poverty by 2020. This translated to a commitment to reduce the level of child poverty recorded in 2011 among 107,000 children by two-thirds (Government of Ireland, 2014; Department of Social Protection, 2021). The Department of Social Protection was tasked with determining the optimal design for child and family income supports in addition to improving employment incentives. Cross-departmental commitments were made in relation to increasing the affordability of childcare to facilitate parental employment. The latest available Social Inclusion Monitor released by the Department for Employment Affairs and Social Protection are for the years 2018 and 2019 combined (Department of Social Protection, 2021). That monitor reports that, overall, consistent poverty fell from 6.7% in 2017 to 5.6% in 2018. Regarding child poverty, however, the current number of children in poverty, while at its lowest since 2011, stood at 92,000 in 2018.

The Ombudsman for Children’s Office (2022), in its recent submission to the consultation process for the National Action Plan for the European Child Guarantee, highlighted the need for Government to take a rights-based approach to addressing child poverty. It stressed the importance of identifying, evaluating and monitoring measures of child poverty. In addition, its submission identifies a number of barriers, such as accessibility, availability and affordability related to accessing services, education and housing, which further compound the lack of opportunity faced by disadvantaged children. In 2021, the National Advisory Council on Children and Young People released a paper on addressing child poverty in Ireland. Citing evidence of the success of addressing poverty among pensioners, they argued that targeted interventions for eradicating poverty have proved successful in the past. The National Advisory Council strongly recommended the development of a child poverty action plan. They proposed that a whole-of-government approach should be overseen by a dedicated and resourced child poverty office within the Department of Children, Equality, Disability, Integration and Youth tasked with the responsibility of meeting ongoing targets to eradicate child poverty (National Advisory Council on Children and Young People, 2021).

The current Programme for Government has committed to improving outcomes for people on low incomes, with particular reference to the objectives already established in the Roadmap for Social Inclusion 2020–2025 (Government of Ireland, 2020). The first objective in the Roadmap is that of ‘reducing consistent poverty in Ireland to 2% or less and to make Ireland one of the most socially inclusive countries in the EU’ (2020, p. 15). Additionally, steps committed to within the Programme for Government include the provision of additional supports for lone parents, addressing food poverty and examining the potential of implementing a universal basic income policy (Department of the Taoiseach, 2020).

## **1.9 REPORT STRUCTURE AND RESEARCH OBJECTIVES**

This report explores the nature of intergenerational transmission of poverty and disadvantage in the Irish context. The use of data captured at three time periods (2005, 2011 and 2019) offers the opportunity to examine intergenerational transmission of poverty over time, most notably at three points in time that coincide with pre-, mid- and post-recession Ireland. In addition, the use of EU-SILC data facilitates a comparison of intergenerational transmission of poverty within Ireland to that experienced by other European countries. Specifically, this report examines:

1. To what extent does the experience of bad financial circumstances in childhood increase the risk of deprivation and income poverty in adulthood in Ireland?

2. What is the role of education attainment, current employment status, family structure and disability in explaining the relationship between childhood poverty and current poverty?
3. Does the effect of bad financial circumstances in childhood remain stable or dissipate or accumulate as a person ages?
4. Has the transmission of poverty changed over time between 2005 and 2019?
5. How does the intergenerational transmission of poverty and disadvantage in Ireland compare with elsewhere in Europe? Which countries/welfare regimes are associated with lower intergenerational transmission of poverty in 2019?

Chapter 2 provides a description of the SILC dataset, the variables of interest, and the analytic approach undertaken for this study.

Chapter 3 analyses the relationship between childhood economic circumstances and current economic circumstances. It traces this relationship over the boom, bust and recovery periods in Ireland as captured through this dataset, with exploration of the potential age and lifecycle effects of the respondents.

Chapter 4 investigates the potential mediating factors of education, unemployment, occupational achievement and family formation on this relationship, thereby exploring some of the mechanisms that may underpin the intergenerational transmission of poverty. It also tests whether there are differences in the transmission of poverty by age, gender and over time between 2005 and 2019.

Chapter 5 positions the Irish case within the wider European context. It explores the extent of intergenerational transmission of poverty and disadvantage within Ireland relative other EU countries in 2011 and 2019.

Chapter 6 provides a summary of this analysis, with reference to implications for policy.



## CHAPTER 2

---

### Data and methodology

#### 2.1 INTRODUCTION

This chapter provides a description of the dataset used within this research, the key variables of interest and the approach undertaken for analysis. Our research utilises the EU Survey of Income and Living Conditions (EU-SILC), which captures individual and household level data on income, standards of living, poverty and deprivation. In particular, our analysis draws upon a special module administered as part of the SILC in Ireland in the years 2005, 2011 and 2019. This module is referred to as the ‘intergenerational transmission of disadvantages’ (ITD) and concerns respondents’ economic situation during childhood as well as their current economic circumstances.<sup>5</sup>

Together, the three surveys used cover a long period, with respondents’ year of birth ranging from the mid 1940s up to the mid 1990s. Over this 50-year period, the standard of living in Ireland changed dramatically as the economy grew, particularly from the early nineties onwards (FitzGerald, 1999). As a consequence, the level and nature of poverty experienced by those recounting their living circumstances during childhood will vary across the generations interviewed in these three SILC surveys. We can expect that the level of poor financial circumstances during childhood will be higher for some generations if the overall level of poverty was also higher at the time. It would have been useful to contextualise the childhood poverty results with overall poverty figures. Unfortunately, it is only relatively recently that we began to measure the level and trend of poverty in Ireland, through the regular collection of survey data. In the first real attempt to quantify the level of poverty in Ireland, Ó’Cinnéide (1972) estimated that over 24% of the population in Ireland lived below the poverty line in 1971. While this figure is not directly comparable with today’s CSO poverty estimates, as the two sources use very different methodologies in calculating their figures, Ó’Cinnéide’s estimate still gives an order of the magnitude of poverty in the earlier seventies.

Section 2.2 discusses how the SILC survey measured these concepts. This section also provides an overview of key variables of interest for our analysis, and how they are captured within the dataset. Section 2.3 describes the analytical approach undertaken for modelling the data.

---

<sup>5</sup> The 2005 ad-hoc module was called ‘intergenerational transmission of poverty’.

## 2.2 KEY VARIABLES

This section describes the key variables used in the analysis for this study, and how they are captured within the SILC survey. These include measurements of household poverty during childhood (Section 2.2.1), measurements of current economic circumstances (Section 2.2.2) and additional sociodemographic variables (Section 2.2.3), all of which are used as predictors within the analytic models. Some limitations of measurement are discussed.

### 2.2.1 Measurement of childhood poverty

As previously mentioned, the special module ITD was fielded in 2005, 2011 and 2019 across the EU as part of the EU-SILC survey. The module was limited to adults of working age (25–59 years). A question within this module asked respondents to describe the financial situation within their home as a young teenager. In 2005, this question appeared as:

*‘When you were a young teenager (i.e., between the ages of 12 and 16) did the household you were living in have severe financial problems?’*

*Most of the time; Often; Occasionally; Rarely; or Never.*

The wording of the question underwent a slight alteration in subsequent iterations of the ITD module. In 2011 and 2019, the question appeared as:

*‘How would you rate the financial situation of your household when you were around 14 years old?’*

*Very bad; Bad; Moderately bad; Moderately good; Good; and Very good.*

Thus, there is a shift from measuring the *frequency* of financial hardship to measuring the *severity* of financial hardship within the household. With this caveat in mind, the data, nonetheless, give an indication of the proportion of respondents who encountered economic difficulty during their childhood.

As noted in Chapter 1, retrospective questions can, by nature, be subject to recollection bias (see Section 1.7.3). Retrospective questioning about childhood experience can be affected by: forgetting; lack of awareness of events within the household as a child; ambiguity as to when, autobiographically, events of the past took place; and the respondents’ mood state when answering the question (Hardt and Rutter, 2004). Despite these limitations, in a review of retrospective studies which examined adverse childhood experiences, Hardt and Rutter concluded that, ‘the retrospective recall in adult life of serious, readily operationalised, adverse experiences in childhood can be made sufficiently valid (in spite of substantial measurement error) to warrant its use’ (2004, p. 270). Regarding the operationalisation of disadvantage, Bellani and Bia (2019), in an article that also uses data gathered by this special SILC module, argue that the question format

used in the SILC module is preferable to asking respondents to retrospectively provide, for example, the level of income in the household.

The ITD module also captures data on the presence and employment situation of the respondent's father. This provides further contextual information about the economic circumstances within the respondent's household during childhood. For example, past studies have demonstrated that there is a significant gap in the economic performance of two-earner households as compared to single-income households (Fisher and Hout, 2006). On the 2005 version of the survey, data on these variables was captured through the question, 'When you were a young teenager (i.e. between the ages of 12 and 16) did you live...?', with the following response options: With both parents; With single mother; With single father; With mother and mother's new partner/husband; With father and father's new partner/wife; In another private household / foster home; In a collective household or institution; Other. Additionally, in 2005 all respondents were asked: 'When you were a young teenager (i.e. between the ages of 12 and 16) what was the main activity status of your father?' Response options included: Employee; Self-employed; Unpaid family worker; Unemployed; Retired/early retired; Full-time housework; Other.<sup>6</sup> This question was also included in the 2011<sup>7</sup> and 2019<sup>8</sup> iterations of the ITD module.

It is important to note that the risk of poverty can vary across age groups of children (Byrne and Treanor, 2020). By focusing on the situation during adolescence (12-16 years) the module, and therefore our analysis, misses those who were exposed to poverty in early childhood but whose circumstances then improved. Exposure to poverty during early childhood may be particularly detrimental for some outcomes, e.g. health outcomes (see discussion in Maître et al., 2020), in which case the current findings may understate the effects of child poverty.

### 2.2.2 Measurement of current poverty

Our study compares respondents' childhood financial circumstances to their current poverty. To explore circumstances in adulthood, we consider four variables of interest: respondents' income quartile; whether the respondent is deemed to be at risk of poverty (AROP); whether the respondent experiences economic strain; and whether they experience basic deprivation. Each of these are discussed in turn

---

<sup>6</sup> The question appears as administered in the 2005 EU SILC survey for Ireland, <https://circabc.europa.eu/sd/a/85ce26fe-adb6-41cd-ab91-5665231fcc79/2005%20Questionnaire%20IE.pdf>.

<sup>7</sup> The response options for this question changed slightly in the 2011 iteration of the survey to: Employed; Self-employed (including family worker); Unemployed; In retirement or in early retirement or had given up business; Fulfilling domestic tasks and care responsibilities; Other inactive person; Don't know.

<sup>8</sup> The response options for this question changed slightly in the 2019 iteration of the survey to: Employee (working full-time); Employee (working part-time); Self-employed or helping family business; Unemployed/looking for a job; In retirement; Permanently disabled and/or unfit to work; Fulfilling domestic tasks and care responsibilities; Other inactive person; Don't know.

below. The latter two measures are used for official poverty measurement in Ireland and to track progress in meeting poverty targets.

The measure of **income** used to construct income quartiles and the AROP measure are based on the total household disposable income (all sources of income of all household members); that is, income after tax and social transfers. In all countries except Ireland, the income reference period is the calendar year prior to the survey year. In Ireland, it is the 12 months up to the date of the survey. In order to take account of different household size and age composition of household members, we use an equivalisation scale.<sup>9</sup>

**Income quartiles** rank individuals from lowest to highest, based on their equivalised disposable income; the bottom income quartile refers to the 25% segment of the population with the lowest income.

Next, we examine the **AROP rate**.<sup>10</sup> Respondents are ranked from smallest to largest, according to their equivalised disposable income (income after tax and social transfers), after which the median income is determined. A household is deemed to be AROP if their equivalised income is below 60% of the national median income (see also Chapter 1).

We use a subjective measure of **economic strain**. This measure is based on the answers to a question asked to the household reference person about household ability to make ends meet, with six possible answers ranging from ‘with great difficulty’ to ‘very easily’. We consider people experiencing economic strain when they answer ‘with great difficulty’ and ‘with difficulty’. The implementation note for the ITD module in the 2011 EU-SILC survey acknowledges that the concept of ‘making ends meet’ is difficult to convey across languages.<sup>11</sup> The note proposes that ‘making ends meet’ should be defined as the ability to pay the ‘usual necessary expenses’ (p. 6) of one’s household.

**Basic deprivation** refers to being unable to consume goods and services that are considered normative with respect to the standard of living within a given society. Through the SILC survey, identification of individuals who are materially deprived is based on their reported ability to avail of items on a list of eleven basic goods and services:

- two pairs of strong shoes;
- a warm waterproof overcoat;

---

<sup>9</sup> Eurostat equivalisation scale is different to the one used in Ireland by CSO and as used in the previous chapters. The EU equivalisation scale is the modified OECD scale, which allows a weight of 1 for the first adult in a household, 0.5 for each subsequent adult (over the age of 14) and 0.3 for each child (aged 0 to 13).

<sup>10</sup> See CSO note on the AROP rate, <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2020/backgroundnotes/>.

<sup>11</sup> See note: <https://ec.europa.eu/eurostat/documents/1012329/1012401/2011+Module+assessment.pdf>.



- buying new (not second-hand) clothes;
- eating meals with meat, chicken, fish (or vegetarian equivalent) every second day;
- having a roast joint or its equivalent once a week;
- having to go without heating during the last year through lack of money;
- keeping the home adequately warm;
- buying presents for family or friends at least once a year;
- replacing worn out furniture;
- having family or friends for a drink or meal once a month; and
- having a morning, afternoon, or evening out in the last fortnight for entertainment.

Where a respondent cannot avail of at least two of the items on the list they are considered to be materially deprived.<sup>12</sup> The same definition was used across all three datasets.<sup>13</sup>

In Chapter 5, we must switch to the EU **deprivation indicator**, as the additional items collected in the Irish survey to construct the Irish measure of deprivation are not available in other countries. The EU measure differs in terms of the nature and number of the deprivation items, as well as the deprivation threshold used to distinguish people who are deprived from those who are not deprived. The EU measure of deprivation captures enforced absence or having difficulties with these nine basic items:

- coping with unexpected expenses;
- one-week annual holiday away from home;
- experiencing arrears (in mortgage or rent, utility bills or hire purchase instalments);
- a meal with meat, chicken, fish or vegetarian equivalent every second day;
- keeping the home adequately warm;
- a washing machine;
- a colour TV;
- a telephone; and
- a personal car.

A household is considered deprived if they cannot afford or have any issues with at least *three* of these items.

---

<sup>12</sup> For many deprivation items, the format of the possible answers in the questionnaire is: Yes; No because cannot afford; No; Other reason.

<sup>13</sup> Checklist used to identify individuals experiencing material deprivation available at: <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionsilc2019/backgroundnotes/>.

### 2.2.3 Explanatory variables

Table 2.1 below presents a summary of the demographics of our sample. Past research has indicated that age, gender, educational attainment, disability and employment status are influential demographic characteristics in the transmission of (dis)advantage.

TABLE 2.1 CHARACTERISTICS OF IRISH SILC PANEL 2005, 2011 AND 2019

		N	Weighted %
<b>Year</b>	2005	4,527	26.98
	2011	3,421	31.24
	2019	3,979	41.78
<b>Sex</b>	Male	5,106	43.93
	Female	6,821	56.07
<b>Age</b>	25-34	2,476	26.91
	35-44	3,954	28.21
	45-54	3,793	31.2
	55-59	1,704	13.67
<b>Educational attainment</b>	Primary	1,407	10.28
	Secondary	4,246	34.32
	Post-secondary	2,745	21.67
	Tertiary	3,529	33.73
<b>Marital status</b>	Never married	3,316	29.21
	Married	7,442	61.3
	Separated/divorced	1,169	9.5
<b>Number of children</b>	None	5,279	44.53
	One	2,303	22.88
	Two	2,603	21.65
	3 or more	1,742	10.95
<b>Disability*</b>	Activity not limited	10,150	86.03
	Activity (strongly) limited	1,777	13.97
<b>Employment status</b>	At work	8,115	69.28
	Unemployed	874	7.61
	Inactive person	2,938	23.1
<b>Father's situation at 14 years</b>	At work	10,277	84.88
	Unemployed	374	3.06
	Inactive	265	2.29
	Father absent	685	6.76
	Unknown	326	3.0
<b>Financial situation * At approx. 14 years</b>	Very bad (Most of the time)	757	5.68
	Bad (Often)	969	7.74
	Moderately bad/ (Occasionally)	2,037	16.4
	Moderately good (Rarely)	3,968	35.25
	Good (Never)	3,670	29.81
	Very good	526	5.11
<b>Total</b>		<b>11,927</b>	<b>100.0</b>

Note: For variables marked with an asterisk (\*), the labels in brackets refer to the response categories used in the 2005 SILC survey.

**Educational attainment** is captured on the SILC survey through the standardised response categories of the International Standard Classification of Education (ISCED) system. This classification system permits comparison across years and countries. Our analysis collapses this system to four categories: primary level; secondary level; post-secondary non-degree; and tertiary level. There is a difference in the tertiary education category in the Irish SILC data and the EU-SILC data for Ireland. In the Irish SILC, tertiary education only includes qualifications of diploma level or higher, while the EU-SILC for Ireland also includes advanced certificate and higher certificates in this category.<sup>14</sup>

**Family structure** is measured using marital status and number of children under 18 in the household, which is included in the models as a continuous variable.

**Disability:** The measure of disability used refers to whether the respondent has difficulties with activities of daily life. Those who are strongly limited or limited in their daily activities are defined as having a disability. The wording of the question and answers offered are:

*For at least the last 6 months have you been limited in activities people usually do, because of a health problem?" (If limited, specify whether strongly limited or limited).*

*The available response options for this question are: Yes – Strongly limited; Yes – Limited; and Not limited.*

**Labour market status** is based on a person's self-reported principal economic status.

### 2.3 ANALYTICAL APPROACH

To examine the link between childhood and adult financial circumstances we first look at a series of bivariate associations (Research Question 1). To examine the different processes underlying the persistence of poor financial circumstances from childhood to adulthood (Research Question 2), we run a series of nested logistic regression models of current deprivation and AROP. We first look at the influence of bad financial circumstances in childhood without controls. We then examine how the coefficients for childhood financial circumstances change when we add controls, first for educational attainment and then for employment status, disability and family structure. As the nested model results can be sensitive to the model sequence and overlapping effects, we also run a Gelbach decomposition (Gelbach, 2016), which shows the contribution of each set of variables to the change in the coefficients attached to childhood poverty.

---

14 Diploma includes for example, national diploma (HETAC/NCEA), bachelor degree (DIT), Diploma in Police Studies, three-year diploma.

To test whether or not the effect of childhood circumstances on current deprivation diminishes with age, we test the interaction between age and childhood poverty (Research Question 3). To address Research Question 4 – whether the effect of childhood circumstances has changed over time – we run a pooled model with the three waves of data and include an interaction between year and childhood circumstances. Finally, analysing the EU-SILC data through descriptive statistics, we compare Ireland’s absolute and relative level of transmission of disadvantage with other EU Member States (Research Question 5).

The results from the logistic regressions are presented as log odds and average marginal effects.<sup>9</sup> Odds ratios compare the odds of one particular outcome against another – for example, the odds of being deprived versus not deprived, for different groups. Odds greater than 1 mean that a group has a greater likelihood of deprivation in comparison to the reference group. Odds of less than 1 mean that the odds of deprivation are lower compared to the reference group.

The average marginal effect (AME) is the amount of increase of the probability of one event for a one-unit increase of one predictor. For example, looking at the imaginary prediction of having a respiratory problem based on a sample of people with different characteristics, an AME of 0.36 for the predictor of smoking means that the probability of having a respiratory problem increases by 36 percentage points if a person is smoking.

## CHAPTER 3

# Intergenerational poverty in Ireland

---

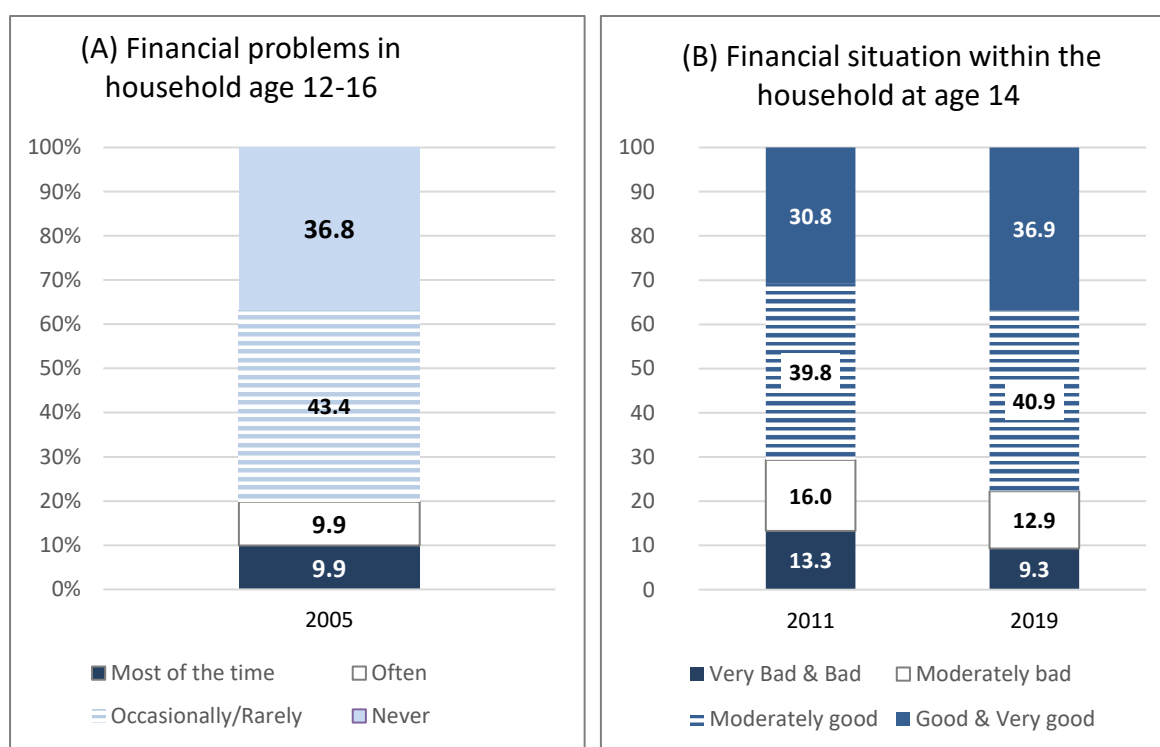
### 3.1 INTRODUCTION

A strong body of research indicates that individuals who experience economic hardship in childhood incur a greater likelihood of facing economic difficulty and poverty in adulthood (see Chapter 1; Bellani and Bia, 2017; Bjorklund et al., 2012; Bjorklund and Jantti, 2008; Jantti, 2006). Using data obtained from the Irish panel of the Survey of Income and Living Conditions (SILC), this chapter compares respondents' financial circumstances during childhood with that of their current economic circumstances. In examining circumstances in adulthood, this analysis draws upon several established indicators of economic hardship, including whether the individual is deemed to be: at risk of poverty (AROP); in the lowest income quartile; facing economic strain; and facing material deprivation.

The analysis presents these childhood–adulthood comparisons over three time points – 2005, 2011 and 2019 – which align with the pre-, mid-, and post- recession periods in Ireland. Accordingly, this chapter provides a preliminary exploration of the transmission of poverty over these time points; this will be further examined through modelling in Chapter 4.

### 3.2 POVERTY IN CHILDHOOD

This section begins by exploring the reported financial situation within respondents' household during childhood. As discussed in Chapter 2, a question administered within the SILC survey instructs respondents to evaluate the financial circumstances of their household during childhood, when they were approximately 14 years. The wording of this question has been altered slightly over time; it has changed from capturing the *frequency* of financial problems within the household to capturing the potential *severity* of financial problems. Figures 3.1A and 3.1B illustrate childhood financial circumstances in the home among the 2005, 2011 and 2019 respondents to the SILC survey. In 2005, 19.8% of respondents reported experiencing difficult financial circumstances at home either 'often' or 'most of the time'. In 2011, 29.3% of respondents reported moderately bad to very bad financial circumstances during childhood but by 2019 this percentage dropped to 22.2%.

**FIGURE 3.1** REPORTED FINANCIAL SITUATION WITHIN THE HOUSEHOLD DURING CHILDHOOD

Source: SILC 2005, 2011, 2019.

Note: For 2005, n = 6,519. For 2011, n = 3,422. For 2019, n = 4,076.

Given long-term improvements in the standard of living in Ireland (see Section 2.1), we would expect the proportion of individuals that have experienced bad financial circumstances in childhood to decline over time and by age. In each of the three surveys we find that the oldest respondents are more likely to record childhood poverty than the youngest age groups.<sup>15</sup> The decline noted between 2011 and 2019 in Figure 3.1 is also consistent with this cohort effect. Where the same cohort is covered in the two surveys, we find no significant difference in the proportion of the cohort reporting childhood poverty. For example, the proportion of 41-48 year olds reporting very/bad childhood circumstances in the 2011 survey does not differ significantly from the proportion of 49-59 year olds reporting very bad/bad childhood circumstance in the 2019 survey. This provides some reassurance on the reliability of the retrospective measure and suggests that the higher prevalence of childhood poverty for older respondents is a cohort effect.

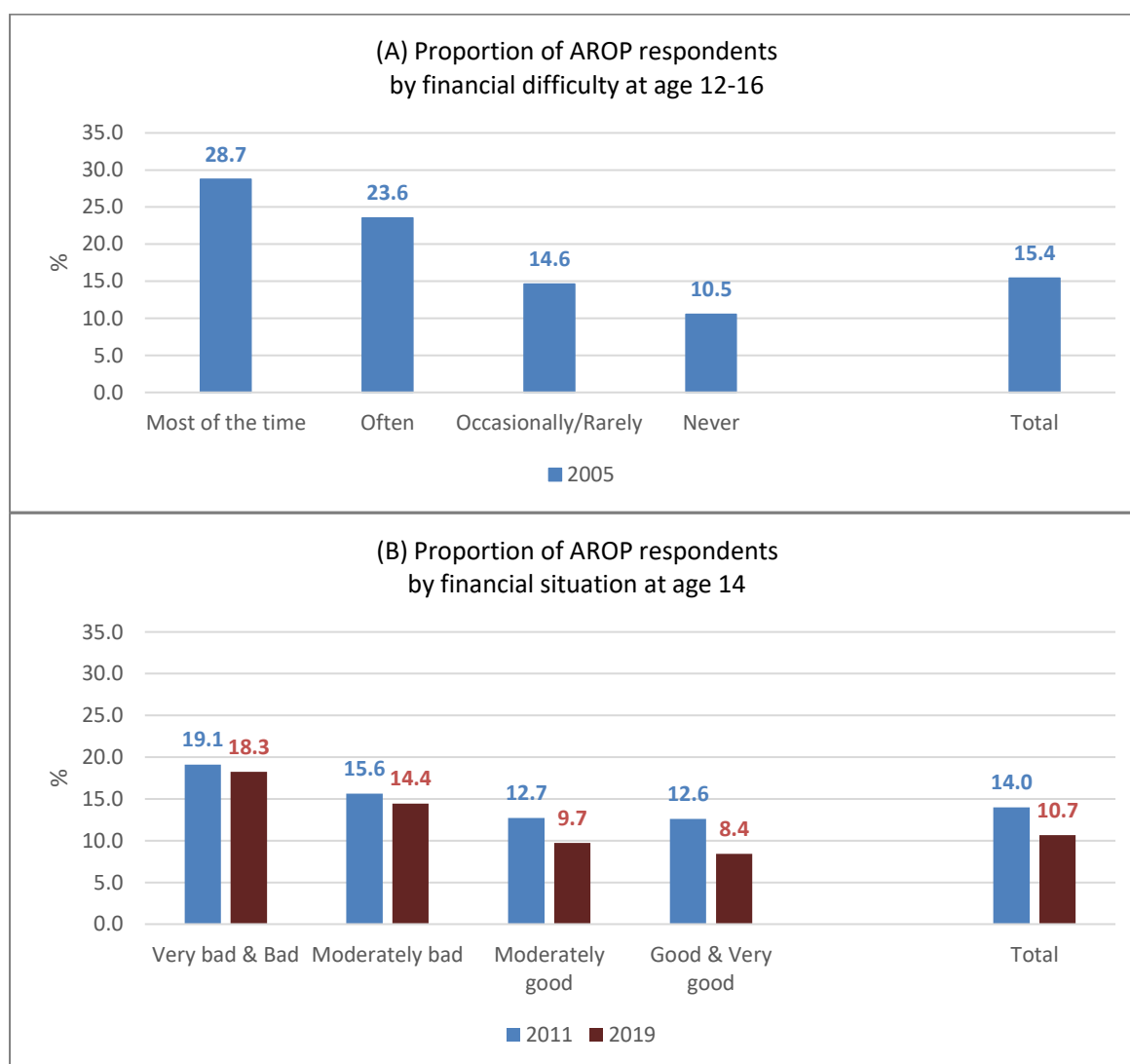
### 3.3 CHILDHOOD POVERTY AND ADULT POVERTY

This section explores the relationship between childhood and adult poverty. It compares respondents' reported economic circumstances during childhood (depicted in Figures 3.1A and 3.1B) with that of their current circumstances. Figures 3.2A and 3.2B illustrate the subset of respondents who are currently AROP. As previously described in Chapter 1, an individual is deemed to be AROP if their

<sup>15</sup> For example, in 2011 16% of 45-59 year olds reported their childhood circumstances had been bad/very bad compared to 12% of those aged 25-32 years.

equivalised income, including social transfers, is below 60% of the national median income. Figure 3.2A demonstrates a linear relationship between the frequency of experiencing bad financial circumstances during childhood and being AROP in adulthood; where financial difficulty in childhood was incurred ‘most of the time’ or ‘often’ there is a higher prevalence of being AROP in adulthood in comparison to when it is ‘occasionally/rarely’ or ‘never’ experienced. Figure 3.2B illustrates a similar pattern within the 2011 and 2019 datasets. For those who reported moderately bad to very bad financial circumstances during childhood, the rate of being AROP during adulthood is higher. Overall, the average proportion of respondents who are AROP appeared to decrease slightly over time; from 15.4% in 2005, to 14.0% in 2011, and decreasing to 10.7% in 2019.

**FIGURE 3.2 RESPONDENTS CURRENTLY AROP BY CHILDHOOD FINANCIAL CIRCUMSTANCES**



Source: SILC 2005, 2011, 2019.

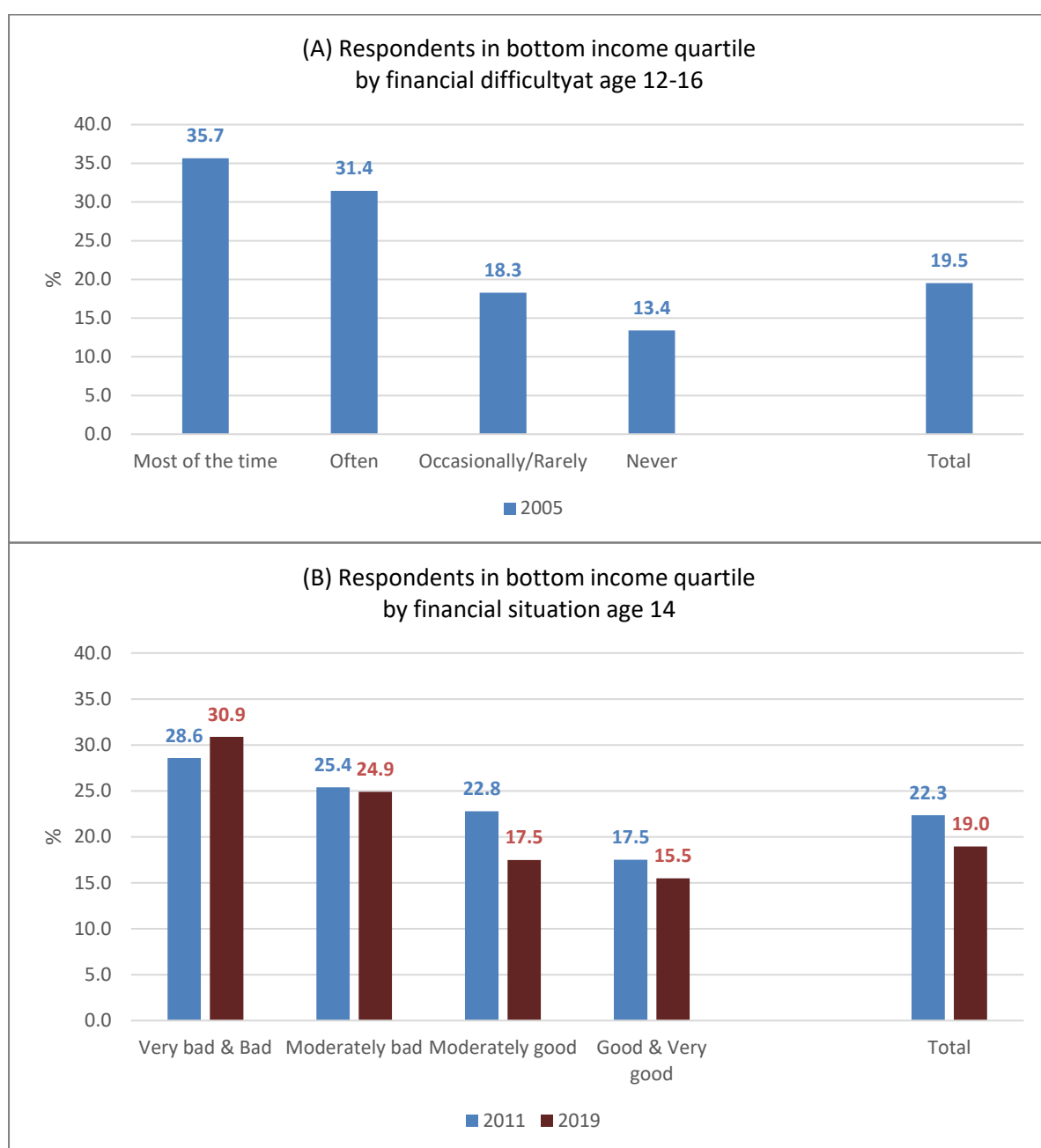
Note: For 2005, n = 4,528. For 2011, n = 3,422. For 2019, n = 4,076.

Chi-square tests show that the differences by childhood circumstances are statistically significant. See model results in Chapter 4.

Income quartiles place individuals in the order of lowest to highest based on their equivalised disposable income; the bottom income quartile refers to the 25% of

the population who have the lowest income. Figures 3.3A and 3.3B examine childhood financial circumstances within the sub-group of respondents who, as adults, are currently in the bottom income quartile. Again, the data are indicative of a linear relationship between the two variables. Among the 2005 respondents identified as being in the bottom quartile, larger proportions had experienced financial difficulty in childhood 'most of the time' (35.7%) or 'often' (31.4%) in comparison to those who experienced difficulty 'occasionally' (18.3%) or 'never' (13.4%). Similarly, in 2011, a greater proportion of those who were in the bottom quartile as adults had experienced bad to very bad (28.6%) financial circumstances as children in comparison to those who generally experienced very good financial circumstances (17.5%). The same trend can be observed in the 2019 data, in which 30.9% of those in the bottom quartile experienced very bad financial circumstances in childhood compared to the 15.5% who grew up in very good financial circumstances. Overall, the relationship between experiencing financial difficulty in childhood and present economic circumstances captured through one's income quartile is most pronounced in 2005, and least pronounced in 2011. Notably, the possible inverse relationship between being in the bottom income quartile and childhood financial circumstances is less pronounced in the data from 2011; the distribution of those in the bottom income quartile is more evenly spread across the four categories of childhood financial circumstances. Additionally, the highest proportion of respondents in the bottom quartile is observed in the 2011 dataset (22.3%). Potentially, this could be indicative of an effect of the recession in that, regardless of economic circumstances during childhood, people were affected by the economic downturn and therefore the effects of childhood circumstances are less pronounced.



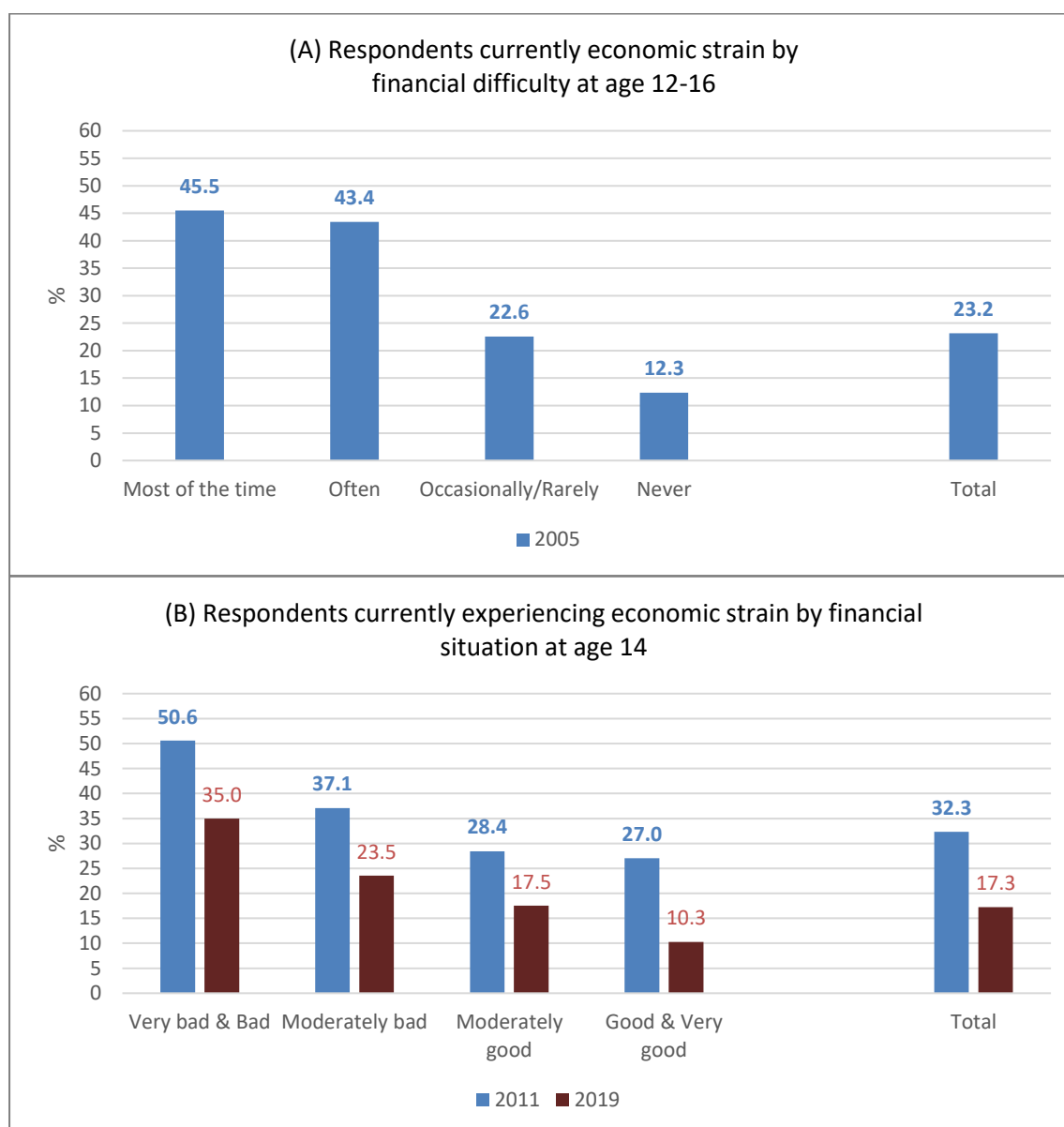
**FIGURE 3.3 RESPONDENTS CURRENTLY IN BOTTOM INCOME QUARTILE BY FINANCIAL CIRCUMSTANCES IN CHILDHOOD**

Source: SILC 2005, 2011, 2019.

Note: For 2005, n = 4,528. For 2011, n = 3,422. For 2019, n = 4,076. Chi-square tests show that the differences by childhood circumstances are statistically significant. See model results in Chapter 4.

Figure 3.4A and Figure 3.4B compare financial circumstances in childhood against economic strain experienced in adulthood. Economic strain is captured on the SILC survey as difficulty in making ends meet within the household (see Chapter 2). Again, we can observe a linear relationship between financial circumstances during childhood and reports of economic strain in adulthood. Across the three time points, economic strain is greatest among respondents in 2011, which coincides with the recession. Here the proportion of respondents experiencing economic strain is 32.3%, in comparison to 23.2% in 2005 and 17.3% in 2019. Figure 3.4B illustrates that, in 2011, economic strain was experienced by over half of

respondents who also reported very bad to bad financial circumstances in childhood (50.6%). Yet, high proportions of economic strain were also observed among the 2011 respondents who reported moderately good (28.4%) or good to very good (27.0%) financial circumstances in childhood. This is likely indicative of the widespread impact of the recession and austerity measures in 2011, which affected both income and social transfers. By comparison, the levels of economic strain in 2019 appear to have fallen when compared to those of 2005 and 2011. Good financial circumstances during childhood appear to buffer against economic strain in adulthood, although to a lesser extent in times of economic recession. Importantly, the detrimental influence of bad financial circumstances in childhood appears to be less severe in 2019 than in previous years.

**FIGURE 3.4 RESPONDENTS CURRENTLY EXPERIENCING ECONOMIC STRAIN BY FINANCIAL CIRCUMSTANCES IN CHILDHOOD**

Source: SILC 2005, 2011, 2019.

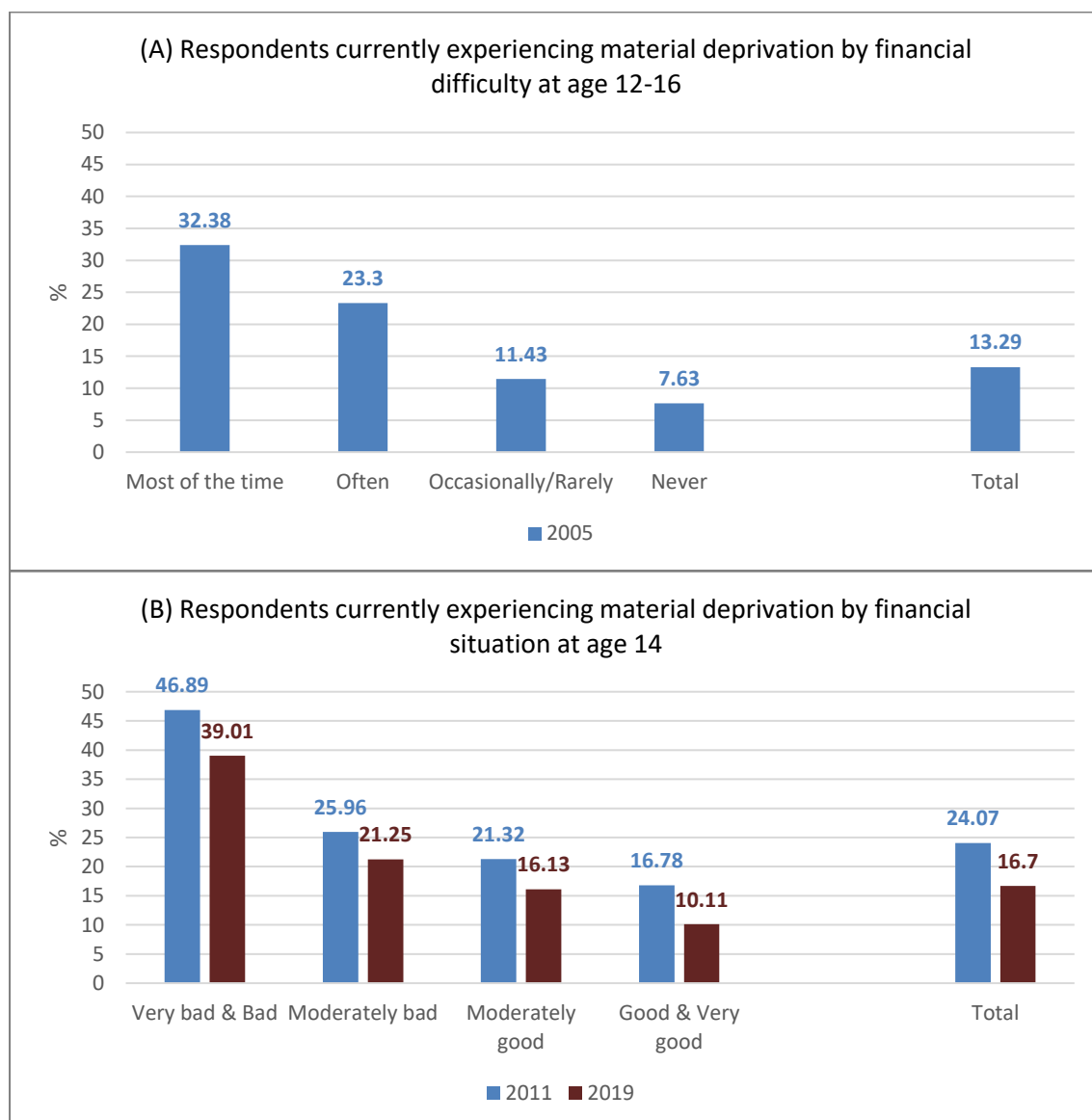
Note: For 2005, n = 4,528. For 2011, n = 3,422. For 2019, n = 4,076.

Chi-square tests show that the differences by childhood circumstances are statistically significant.

Material deprivation refers to being unable to consume goods and services that are considered normative with respect to the standard of living within a given society. Through the SILC survey, identification of individuals who are materially deprived is based on their reported ability to avail of a list of 11 basic goods and services; where a respondent cannot avail of at least two of the items on the list they are considered to be materially deprived (see Chapter 3). Figures 3.5A and 3.5B compare childhood financial circumstances against material deprivation experienced in adulthood. There is a clear linear relationship between the two variables, with material deprivation most commonly incurred by respondents who experienced bad financial circumstances in childhood. Across the three time points, material deprivation is at its highest among respondents in 2011. This figure stands at 24.1% in 2011, in comparison to 13.3% in 2005 and 16.7% in 2019. As

with economic strain, high levels of material deprivation in 2011 could be attributed to the effects of the recession. Critically, in 2019, the post-recovery period, the rate of material deprivation among respondents is greater than what it was prior to the recession. Additionally, there is a particularly high proportion of 2019 respondents experiencing material deprivation in adulthood who reported bad or very bad financial circumstances in childhood (39%).

**FIGURE 3.5 RESPONDENTS CURRENTLY EXPERIENCING MATERIAL DEPRIVATION BY FINANCIAL CIRCUMSTANCES IN CHILDHOOD**



Source: SILC 2005, 2011, 2019.

Note: For 2005, n = 4,528. For 2011, n = 3,422. For 2019, n = 4,076.

Chi-square tests show that the differences by childhood circumstances are statistically significant.

### 3.4 SUMMARY

This chapter has provided a descriptive overview of the relationship between financial circumstances in childhood and in adulthood. An important caveat to our findings is the change in question wording within the SILC survey, as discussed in

Chapter 2. However, aligning with past research (see Chapter 1) these descriptive findings are indicative that poor financial circumstances in childhood are associated with a greater likelihood of experiencing economic difficulty in adulthood. This relationship was consistently observed across the four indicators of economic difficulty explored: being AROP; being in the bottom income quartile; facing economic strain; and facing material deprivation. Accordingly, the findings presented in this chapter are reflective of the intergenerational transmission of (dis)advantage. Secondly, this chapter has also provided a basic illustration of these poverty measures over three time points. Although the 2005 group demonstrated the highest proportion of respondents who were AROP, most notably, the 2011 group appear to fare worst overall. A greater proportion of the 2011 respondent group were affected by three out of the four poverty indicators examined in adulthood – being in the bottom income quartile, experiencing economic strain and experiencing material deprivation. Of the three groups, respondents from 2011 appear to be the most adversely affected by childhood hardship, with almost one-third reporting moderately bad to very bad financial circumstances during childhood.

Through regression modelling presented in Chapter 4, these relationships will be further examined. In particular, the next steps of our analysis will concentrate on the effects of these three time periods on the transmission of (dis)advantage. Additionally, the analysis will examine the role of educational attainment and other factors in explaining the link between past and current circumstances, thereby shedding light on the processes involved and avenues for policy intervention.



## CHAPTER 4

---

### Factors influencing intergenerational poverty

#### 4.1 INTRODUCTION

In the previous chapter we saw that there is a strong association between financial circumstances in childhood and that of later life. Here we explore some of the mechanisms that account for that link. The literature outlined in Chapter 1 highlighted the myriad of factors and processes involved in the reproduction of (dis)advantage between generations. In this chapter, we consider a subset of these processes that is possible to analyse with the cross-sectional data from the Survey of Income and Living Conditions (SILC): educational attainment, labour market position, health inequality, disability and family structure.

#### 4.2 METHODOLOGY

To examine the different processes underlying the persistence of poverty from childhood to adulthood, we run a series of nested logistic regression models. The outcome is deprivation in adulthood and childhood financial circumstances is included as a predictor. We then add a series of explanatory variables (education, health, disability, labour market status and family structure) and examine how they affect the size of the effect of childhood poverty.

As the SILC data are cross-sectional, we cannot analyse these processes over the life course; we only have information on the relevant variables, such as the respondent's labour market position, at the time of interview. For example, if someone who is currently employed was out of the labour market for a long period, this would not be captured. Nevertheless, as all respondents in the analysis are of working age (25-59 years), this information provides a proxy of their labour market integration.

Our prime interest with these explanatory factors is not their influence on current deprivation, which we know is powerful from many other studies, but rather how far they account for the effect of childhood financial circumstances on current deprivation.

We consider the effect of education attainment first as in the vast majority of cases this temporally precedes labour market and structure of family of destination. We do not have any information at the time of onset of current disability/ill health, so this is added to the model at the same time as labour market and family structure.

The results are presented as average marginal effects (AME). These report the difference each factor makes to the predicted probability of deprivation compared

to the reference group. For example, the AME of .03 for women means that the probability of deprivation is three percentage points higher for women compared to men.

The tables below present the results for the most recent period (2019). We also run the same analysis for 2005 and 2011, which is presented in the appendix (Tables A4.2 and A4.3 and Figures A4.1 and A4.2). The pattern of results for the years 2005 and 2011 is similar to that found for 2019. The magnitude of reduction of the association of childhood (dis)advantage on current material deprivation, controlling for other factors, is also very similar across the two time periods.

### 4.3 FACTORS INFLUENCING RELATIONSHIP BETWEEN CHILDHOOD POVERTY AND CURRENT DEPRIVATION

The first model, presented in Table 4.1, shows the influence of childhood financial circumstances on deprivation in adulthood, controlling only for age and sex of the respondent. Among those whose financial situation was ‘very bad’ during childhood, the probability of current deprivation is 35 percentage points higher than for those whose situation was ‘very good’. The effects declined gradually for the other groups, but at each level of financial hardship as a child there was a significantly increased risk of current deprivation compared to the most advantaged.

When level of educational attainment is added to the model, the effect of childhood financial circumstances is reduced, though it remains substantial. For example, the probability of deprivation is 25 percentage points higher for those whose situation was ‘very bad’ compared to those whose situation was ‘very good’, even when comparing those with the same level of education. These results suggest that differences in educational attainment account for over one-quarter of the effect of childhood financial situation for the worst-off group.<sup>16</sup> A similar reduction in the effect of the other levels of childhood poverty is observed. Taking account of the respondent’s financial circumstances during childhood, people with primary or lower level of education have a risk of deprivation that is 30 percentage points higher than for those with a tertiary level of education.

In Model 3, controls are added for current family structure, disability and employment status. Each of these characteristics has a strong effect on the probability of being deprived. The risk of deprivation is 16 percentage points higher for people who are unemployed compared to those who are employed and, in comparison to people who are married, the risk of deprivation is almost 15 percentage points higher for those who are divorced or separated. For people with

---

<sup>16</sup> The reduction for the worst-off group associated with education is calculated as the following:  $(0.353 - 0.256) / 0.353 = 0.27$ .



disabilities, the risk of deprivation is almost 12 percentage points higher than it is for those without disabilities. Nevertheless, poverty in childhood remains a powerful predictor of current deprivation even when these characteristics are taken into account. Having been in a 'very bad' financial situation in childhood is associated with a 22 percentage point increase in the risk of current deprivation even when comparing those with similar health, labour market and family characteristics.

As a further test of the effect of education, family structure, disability and labour market status in accounting for the effect of childhood poverty on current deprivation, we run a Gelbach decomposition (Gelbach, 2016), which addresses issues of sequence sensitivity and overlapping effects in nested models. This shows the contribution of each set of variables for the change in the coefficients attached to childhood financial circumstances from the first to the final model. This confirms that education plays the largest role in accounting for the effect of childhood circumstances, followed by employment status and disability status (see Table A4.1 in the appendix).

TABLE 4.1 MODEL OF CURRENT DEPRIVATION, ADULTS AGED 25-60 YEARS 2019

	AME	AME	AME
<b>Childhood circumstances</b> ref=very good			
Very bad	0.353***	0.256***	0.216***
Bad	0.315***	0.238***	0.198***
Moderately bad	0.152***	0.113***	0.099***
Moderately good	0.082***	0.063**	0.059**
Good	0.047**	0.037	0.038
<b>Gender (ref:Male)</b>			
Female	0.030**	0.042***	0.014
<b>Age</b>	-0.002**	-0.003***	-0.002*
<b>Education (ref=Tertiary)</b>			
Primary		0.301***	0.134***
Secondary		0.135***	0.092***
Post secondary		0.104***	0.076***
<b>Marital status (ref:Married)</b>			
Never married			0.113***
Separated/divorced			0.148***
<b>Number of children</b>			0.036***
<b>Disability (ref: No disability)</b>			
Disability: Activity (strongly) limited			0.118***
<b>Employed</b>			
Unemployed			0.160***
<b>Economically inactive</b>			0.102***
<b>Observations</b>	3,979	3,979	3,979

Source: SILC 2019. Irish measure of material deprivation.

Notes: \*\*\* p<0.001, \*\* p<0.01, \* p<0.05. . AME= Average marginal effects.

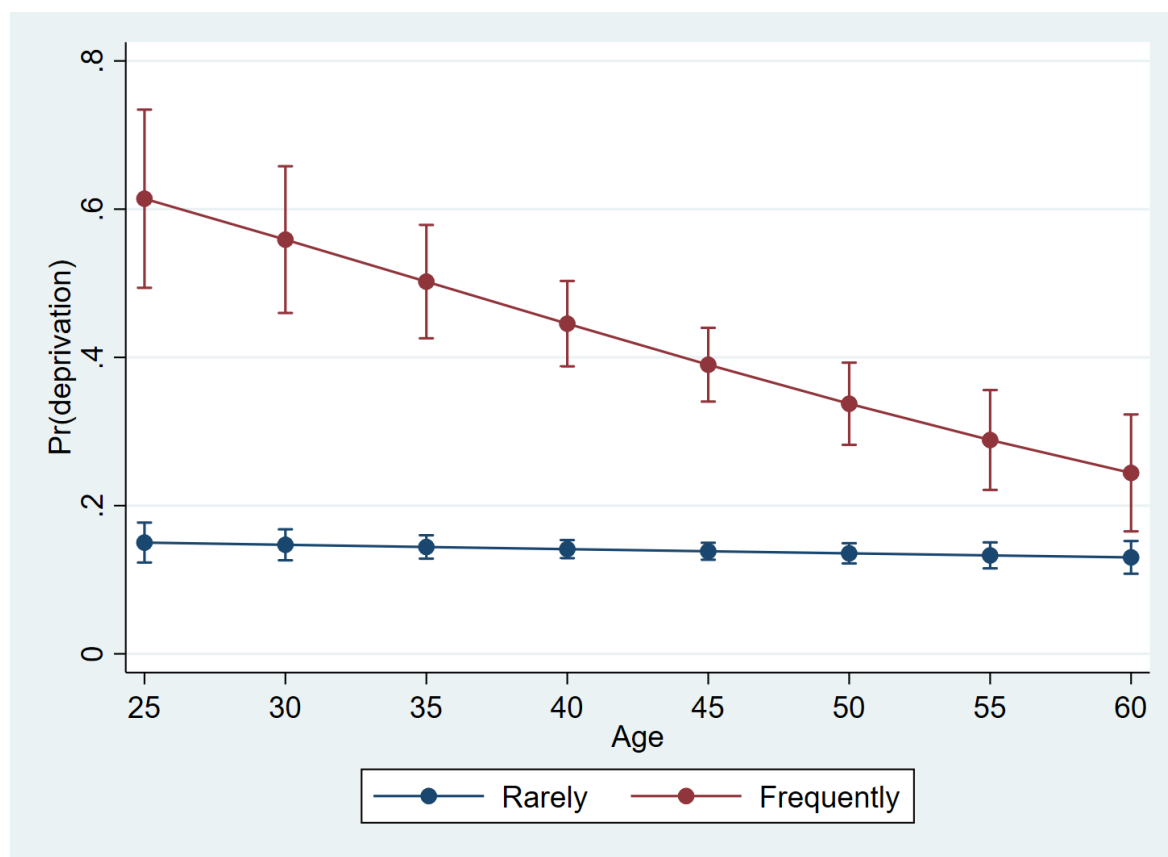
#### 4.3.1 Does the effect of childhood poverty differ by current age?

Theories of cumulative (dis)advantage suggest that initial disadvantage influences outcomes in an additive way over time (Dannefer, 2003). For example, stressors in early childhood (poor health, diet, housing, low resources) influence educational outcomes in later childhood, which in turn influence transitions into the labour market and occupational trajectories. This would suggest that the influence of childhood poverty would not diminish over time and may even become more evident. However, this may depend on the outcome that is measured rather than mobility per se. Alternatively, the life course perspective posits that inequalities emerge where social risks are encountered as part of the lifecycle, but differentially experienced depending on individual characteristics (Vandecasteele, 2011; Whelan and Maître, 2008). Research on social mobility suggests that the influence of social class may be most crucial at key transition points (Vandecasteele, 2011), for example, following the birth of a child, post-school transitions, or labour market entry.

Other research has shown that the age of the respondent influences the measurement of intergenerational persistence of disadvantage, particularly in the case of income and earnings mobility (Black and Devereux, 2011). Focusing on the intergenerational transmission of earnings between fathers and sons, Black and Devereux (2011) note that the estimation is indeed sensitive to the age of the son, as paternal earnings tend to be measured later in the lifecycle than that of the son, and therefore tends to be higher.

To test the cumulative (dis)advantage hypothesis, we interact age and childhood circumstances; the results are presented in Figure 4.1. For ease of presentation, we collapse the childhood poverty variable into two categories: 'frequently', which consists of those whose situation was bad or very bad; and 'rarely' (moderately bad to very good). We find that the effect of childhood circumstances on current deprivation diminishes with age but that the effect of advantage remains stable over the life course. Nevertheless, even at age 60, there is still a significant difference in the predicted probability of deprivation for the two groups – whereby those who experienced bad childhood circumstances frequently have a higher chance of experiencing material deprivation than those who experienced financial difficulty in childhood 'rarely' or 'not at all'.

This suggests that the influence and frequency of bad childhood circumstances on material deprivation is most pronounced at the earliest stages of the lifecycle, perhaps because family circumstances are exerting a more direct influence at this stage of life and there is less opportunity for intervening processes. For example, 44% of those aged 25-29 years were still residing with one or both of their parents in 2019. In later life, other factors appear to intervene to dilute the effect of childhood poverty, over and above those factors captured in the model; examples here include the accumulation of occupational skills and experience. However, the shielding effect of early childhood advantage does not diminish with the age of the respondent, suggesting there is greater persistence (immobility) for this group.

**FIGURE 4.1 RESPONDENTS CURRENTLY EXPERIENCING MATERIAL DEPRIVATION BY CHILDHOOD FINANCIAL CIRCUMSTANCES, 2019**

*Source:* SILC 2019. Adults aged 25-59 years. Frequently=Financial situation bad or very bad; Rarely=All others.  
*Notes:* These results are drawn from the model as presented in Table 4.1. Pr(Deprivation)=Probability of deprivation.

#### 4.4 CHILDHOOD POVERTY AND AT RISK OF POVERTY

We repeat this analysis for current income, using whether or not the respondent is at risk of poverty (AROP) as the outcome variable. Interestingly, childhood financial circumstances has a weaker association with AROP than deprivation. Those whose financial situation was ‘very bad’ or ‘bad’ during childhood have a probability of AROP that is 13 percentage points higher than for those whose situation was very good. This weaker association of childhood circumstances with current income is consistent with the arguments in previous research that fluctuations in current income mean that it is an unstable measure for assessing intergenerational mobility and that it does not adequately reflect households’ longer-term resources (Whelan et al., 1993; Watson et al., 2017).

Education is a powerful predictor of AROP; the risk of AROP is 26 percentage points higher for those with primary education than for those with tertiary education (Model 2). Adding controls for educational attainment reduces the effect of childhood circumstances. The effect of being in very bad circumstances in childhood now becomes less significant. The effect of ‘very bad’ and ‘bad’ circumstances is halved. This suggests that a good deal of the relationship between childhood poverty and later risk of poverty works through lower educational

attainment, as also found by Blanden and Gibbons (2006) in a British study. Current employment situation is a very strong predictor of being AROP, as we would expect and, holding this constant, along with marital status and disability there is little remaining difference based on childhood circumstances.

TABLE 4.2 MODEL OF BEING AROP, ADULTS AGED 25-59 YEARS, 2019

		(1)	(2)	(3)
		AME	AME	AME
<b>Childhood circumstances</b>	Very bad	0.125***	0.059*	0.024
<b>Ref=very good</b>	Bad	0.120***	0.063*	0.028
	Moderately bad	0.092***	0.058**	0.043*
	Moderately good	0.043**	0.025	0.021
	Good	0.052**	0.044*	0.042*
<b>Sex (ref: male)</b>	Female	0.022*	0.032**	-0.007
	Age	0.002***	0.001*	0.003***
<b>Educ (ref: tertiary)</b>	Primary		0.255***	0.077***
	Secondary		0.107***	0.061***
	Post secondary		0.076***	0.052***
<b>Ref. Married</b>	Never married			0.084***
	Separated/Divorced			0.132***
	Number of children <18			0.029***
<b>Ref: no disability</b>	Disability			0.040***
<b>Ref: Employed</b>	Unemployed			0.278***
	Econ. inactive			0.163***
	Observations	3,979	3,979	3,979

Source: SILC 2019.

Note: AME= Average marginal effects.

#### 4.5 CHANGE OVER TIME

The data we have span the period 2005 to 2019. Has there been a significant change over that period in the association between childhood financial circumstances and adult poverty?

The modernisation thesis suggests that over the long term, the link between class of origin and class of destination should weaken as societies become progressively more meritocratic (see discussion in Chapter 1). Expanded educational opportunities and more egalitarian labour market policies should lead to greater equality across social backgrounds. This might lead us to expect a gradual weakening in the transmission of poverty. Previous research in Ireland (Whelan and Layte, 2002; Layte and Whelan, 2004) found significant increases in absolute social mobility between the 1970s and mid 1990s due to the expansion of professional and managerial occupations and the shrinking of the agricultural occupations. However, despite these changes in the class structure and the increases in educational attainment across all social class groups, the highest social class maintained their relative advantage in education (Whelan and Layte, 2002).

The link between bad financial circumstances in childhood and current poverty over time may also be influenced by shorter-term economic shocks. The period under discussion was also one of dramatic change in Ireland's economic context at that time. In 2005, the economy was booming, employment levels were high and the unemployment rate stood at 5%, but the financial crisis in 2008 was followed by a period of recession, high unemployment and retrenchment in government spending. In 2011, unemployment was at its peak, reaching 16% in Quarter 3 of 2011 and household income was lower than it had been pre-recession. Household income fell by an average of 8% between 2008 and 2011 (Callan et al., 2014). By 2019, the economy had recovered, unemployment had fallen to 5% and the employment rate was back to pre-recession levels. We saw in Chapter 2 that the rate of deprivation jumped sharply between 2005 and 2011 before dropping more gradually between 2011 and 2019. The scale of this economic shock may have disrupted existing patterns of transmission (increasing either the concentration or dispersion of disadvantage).

To examine changes over the period, we pooled the three waves of data and re-ran the models of deprivation. We then tested the interaction between childhood financial circumstances and year. Given the differences in the measure of childhood financial circumstances in 2005 compared to 2011 and 2019, we divided the responses into those who experienced difficulty 'frequently' (situation (very) bad for 2011 and 2019, severe financial problems most of the time/often for 2005) and 'rarely' (all others).

Model 1 in Table 4.3 indicates that material deprivation was 13 percentage points higher in 2011 compared to 2005 when the economy was growing rapidly and there was near to full employment. In 2019, the economic situation had improved but deprivation levels were still 5 percentage points higher than in 2005. Pooled across the three waves of data, we find that for those who experience very bad/bad financial circumstances in childhood the probability of experiencing deprivation was 23 percentage points higher than for the rest of the population.

Adding controls for age and gender does not influence the effect of childhood poverty but, as in the annual models, we find that when educational attainment is controlled the effect of childhood poverty declines to 17 percentage points, showing that educational attainment accounts for about one-quarter of the original effect. In Model 4, we add controls for disability, marital status, number of children and labour force status, which further reduces the effect of childhood financial circumstances to 13 percentage points. Among this last set of controls, labour force status is most strongly associated with deprivation.

TABLE 4.3 MODELS OF CURRENT DEPRIVATION AVERAGE MARGINAL EFFECTS, 2005, 2011, 2019

	(1)	(2)	(3)	(4)
	AME	AME	AME	AME
<b>Poverty @ 14</b>				
Yes	0.225***	0.228***	0.170***	0.128***
<b>Year (ref: 2005)</b>				
2011	0.126***	0.123***	0.14***	0.113***
2019	0.056***	0.059***	0.106***	0.093***
<b>Gender (ref: male)</b>				
female		.042***	.048***	0.022**
age		-.002***	-.004***	-0.002***
<b>Educ (Re: tertiary)</b>				
Primary			.280***	0.143***
Secondary			.118***	0.069***
Post secondary			.075***	0.048***
<b>Ref: Married</b>				
Never married				0.099***
Separated/Divorced				0.175***
<b>N children &lt;18years</b>				
				0.034***
<b>Ref: no disability</b>				
Disability: Activity (strongly) limited				0.118***
<b>Ref: employed</b>				
Unemployed				0.208***
Inactive				0.108***
<b>N</b>	11,927	11,927	11,927	11,927
<b>Pseudo Rsq</b>	0.055	0.062	0.106	0.207

Source: SILC 2005, 2011, 2019, Authors' analysis.

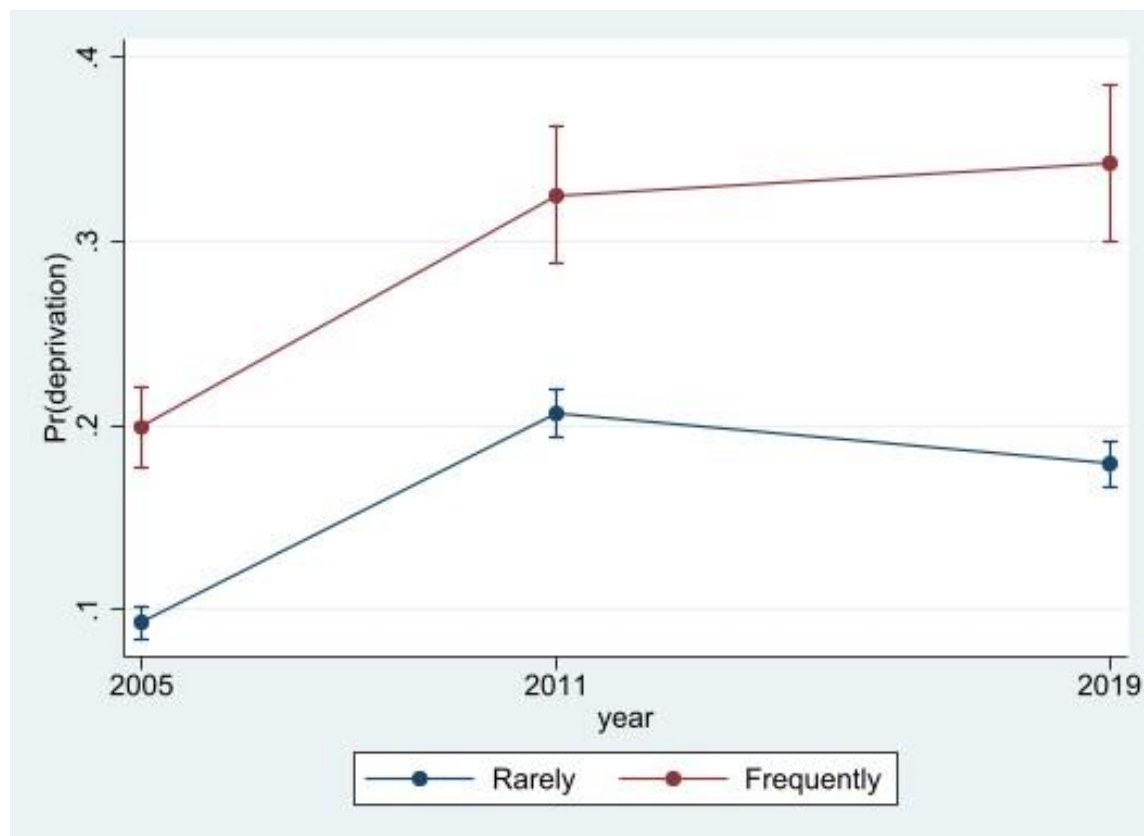
Note: In 2011 and 2019, childhood poverty bad or very bad financial circumstances versus rest (moderately bad to very good); in 2005 child poverty = household had severe financial problems most of the time/often versus rest (occasionally, rarely, never). The models include the interaction terms for year by childhood poverty the average marginal effects (AME) incorporate these into the estimates for year and poverty but they do not produce separate AMEs for the interaction. Predicted probabilities for these interactions are shown in Figure 4.2.

All the models in Table 4.2 include the interaction between childhood financial circumstances and year. As interactions in logistic models are difficult to interpret, we present the average marginal effects graphically in Figure 4.4.

The results are presented in the form of predicted probabilities of deprivation. Figure 4.4 shows that there was a strong rise in the risk of deprivation in 2011, both for those who experienced bad childhood financial circumstances

and those who did not: a 13 and 11 percentage point rise respectively. This meant that the gap between the two groups stayed almost the same (11–12 percentage points). In 2019, the gap widened to 16 percentage points. The probability of deprivation increased by two percentage points for those who experienced bad childhood circumstances, while for those who did not the probability declined by three percentage points.

**FIGURE 4.2** PROBABILITY OF EXPERIENCING DEPRIVATION IN ADULTHOOD: INTERACTION BETWEEN YEAR AND CHILDHOOD POVERTY (MODEL 4 WITH CONTROLS )



Source: SILC 2005, 2011, 2019.

Notes: N=11,917 Frequently= in 2011 and 2019, financial situation bad or very bad; in 2005, severe financial difficult most of the time/often. Rarely=all others. Pr(Deprivation)=Probability of deprivation.

#### 4.6 SUMMARY

The analysis in this chapter has shown that there is a substantial effect of bad financial circumstances on individuals' risk of experiencing deprivation or low income as an adult. In 2019, the proportion of adults experiencing deprivation was 35 percentage points higher for those who had experienced very bad financial circumstances in childhood than those who had grown up in very good financial circumstances. Lower levels of educational attainment could account for over one-quarter of this difference (almost ten percentage points). Higher rates of disability, differences in current family structure and current labour market status accounted for a further three percentage points of this gap. There is no evidence that this effect differs for men and women, but we do find that effect of bad financial circumstances in childhood is strongest for younger adults and weaker for older



age groups, while the effect of childhood advantage is more stable across age groups. There has been considerable expansion of higher educational opportunities and absolute mobility in Ireland; even if the relative differences by social background remain wide, this absolute mobility may play a role in the weaker effect for older respondents. The current cross-sectional data do not allow us to explore this further, but it is an important issue to explore with longitudinal research.

We do not find any overall weakening of the association between childhood financial circumstances and adult deprivation between 2005 and 2019, either with or without controls for educational attainment. However, we do see that the unexplained gap between the advantaged and disadvantaged groups was slightly wider in 2019, suggesting that the effects of the economic recovery were felt more quickly by those who came from advantaged backgrounds, all else being equal.

#### **4.6.1 Limitations**

The data used for this analysis are cross-sectional, with retrospective information on situation during childhood. Therefore, we cannot conduct causal analysis and neither can we capture the range and depth of processes involved in the reproduction of advantage and disadvantage. The use of retrospective information can also be the source of bias, which might increase with the age of the respondents (see Chapters 1 and 2). Longitudinal datasets, such as the *Growing Up in Ireland* (GUI) survey, which collect data from childhood through adolescence and adulthood, provide a much richer insight into these social and economic processes. The GUI study has already yielded rich insights into the way in which institutions (such as schools, childcare and labour market) and differential resources in families and neighbourhoods result in unequal outcomes for children across a range of outcomes (McCoy and Byrne, 2022; Smyth and McCoy, 2021; McCoy et al., 2010; O'Mahony et al., 2021; Smyth, 2016; 2017; Williams et al., 2016). However, members of the GUI '98 cohort have just reached early adulthood, while the '08 cohort are now adolescents; studying the reproduction of inequalities through occupational attainment will only become possible as these respondents age further. The SILC special modules provide the opportunity to look at the effects of childhood poverty for individuals of all ages up to age 59.



## CHAPTER 5

---

### Intergenerational poverty across the EU

#### 5.1 INTRODUCTION

This chapter examines the intergenerational transmission of poverty across the European Union (EU) and how Ireland compares with other EU countries. The analysis looks at the transmission of economic disadvantages between generations. It explores the association between people's childhood financial situation and their current economic circumstances; income poverty, for example, but also life opportunities such as education attainment and employment outcomes. While the time span is quite narrow, we also examine the evolution of the intergenerational transmission of poverty and disadvantages to see if the effects change over time.

Section 5.1 compares the transmission of poverty as captured across three measures in adulthood – at risk of poverty (AROP), deprivation and economic strain. Section 5.2 considers how the relationship between childhood poverty and education outcomes differs across countries. Section 5.3 compares the relationship between childhood financial circumstances and labour market outcomes. The results presented throughout this chapter are based on analysis of the European-wide dataset of EU Survey of Income and Living Conditions (EU-SILC), provided by Eurostat. Other countries in the EU do not collect the information that is used to construct the Irish material deprivation measure; therefore, the measure of deprivation used here differs from the one adopted in the previous chapters. The EU deprivation measure diverges in the items used and in the threshold applied (see Chapter 2 for details).

#### 5.2 INTERGENERATIONAL TRANSMISSION OF POVERTY ACROSS THE EU

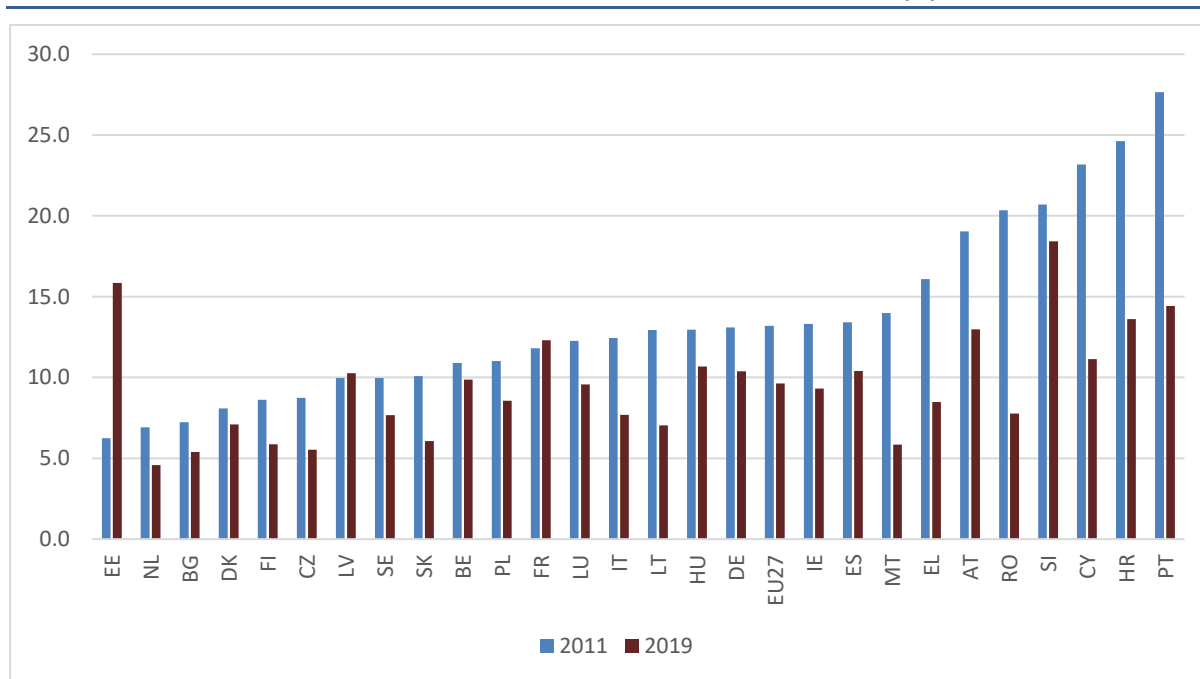
Figure 5.1 shows the percentage of people aged 25-59 years who reported at the time of interview (in 2011 and 2019) that their household's financial situation during childhood was bad or very bad. The countries are sorted in increasing order of the 2019 percentages.

In 2011, across all EU countries the percentage ranges from a low 6% in Estonia to a high 28% in Portugal. At the lowest end of the spectrum, we find a mix of eastern and north European countries with values below 10%. While the percentage in Ireland is identical to the EU-27 average, at 13%, Ireland has the tenth highest percentage of people reporting difficult financial situation in childhood. Among the five countries with values over 20%, we have three eastern European countries

(Romania, Slovenia and Hungary) and two southern European countries (Cyprus and Portugal).

In 2019, except for Estonia, there is a reduction in the experience of financial difficulty during childhood across all countries. The countries with the highest levels of reports of bad financial circumstances during childhood in 2011 reported the sharpest reduction in 2019. Portugal and Romania saw a reduction of 13 percentage points and Cyprus a drop of 12 percentage points. In Ireland, the reduction was more modest, at 4 percentage points, which is identical to the EU-27 average reduction.

**FIGURE 5.1 DIFFICULT ECONOMIC CIRCUMSTANCES AT AGE 14, 2011 and 2019 (%)**



*Source:* EU-SILC 2011 and 2019; authors' analysis. Proportion saying circumstances were 'bad' or 'very bad'.  
*Note:* See Table A5.1 in the appendix for the country abbreviation labels.

Table 5.1 shows the AROP rate by childhood financial circumstances for 2011 and 2019. While we cannot establish a causal relationship between past household financial difficulties and current exposure to poverty, Table 5.1 shows that across all countries there is still a strong association between both measures, whereby people reporting bad or very bad financial situations in childhood have a greater AROP rate than those reporting good financial circumstances in childhood.<sup>17</sup>

In 2011, with a few exceptions, the AROP rates for those who experienced bad financial circumstances in childhood are lower in Finland and western European countries. Ireland, at 18%, sits six percentage points below the EU-27 average of 24%. The countries with AROP rates well above the EU-27 average tend to be

17 The only exception is Austria in 2019, but Table 5.2 shows that in Austria those living in bad financial circumstances at 14 years have a higher rate of deprivation than those with good financial circumstances.

eastern and southern EU Member States; several in this group have values at 30% (Latvia, Estonia, Italy and Spain), with a high of 44% in Bulgaria. For almost half of the countries, the AROP rates for those who reported bad or very bad financial circumstances during childhood fell between the 2011 and 2019 cohorts. In Ireland, the improvement was minor, as the AROP rate was reduced by 0.9 percentage points. Across the EU as a whole the rate increased by 0.6 percentage points.

These country-level differences partly reflect the overall ranking of countries for the AROP rate prevailing in 2011 and 2019. Therefore, to get a sense of the intergenerational inequalities across and within countries, we compare the current risk of poverty for those most and least advantaged in childhood. Table 5.1 shows the AROP rates for these two groups in 2011 and 2019, while Figure 5.2 presents the ratio of these risks.<sup>18</sup>

---

18 The relative risk ratio is the rate of the 'bad or very bad' divided by the rate of the 'good or very good'.

TABLE 5.1 AROP RATE (%) BY FINANCIAL SITUATION AT AGE 14, 2011 AND 2019

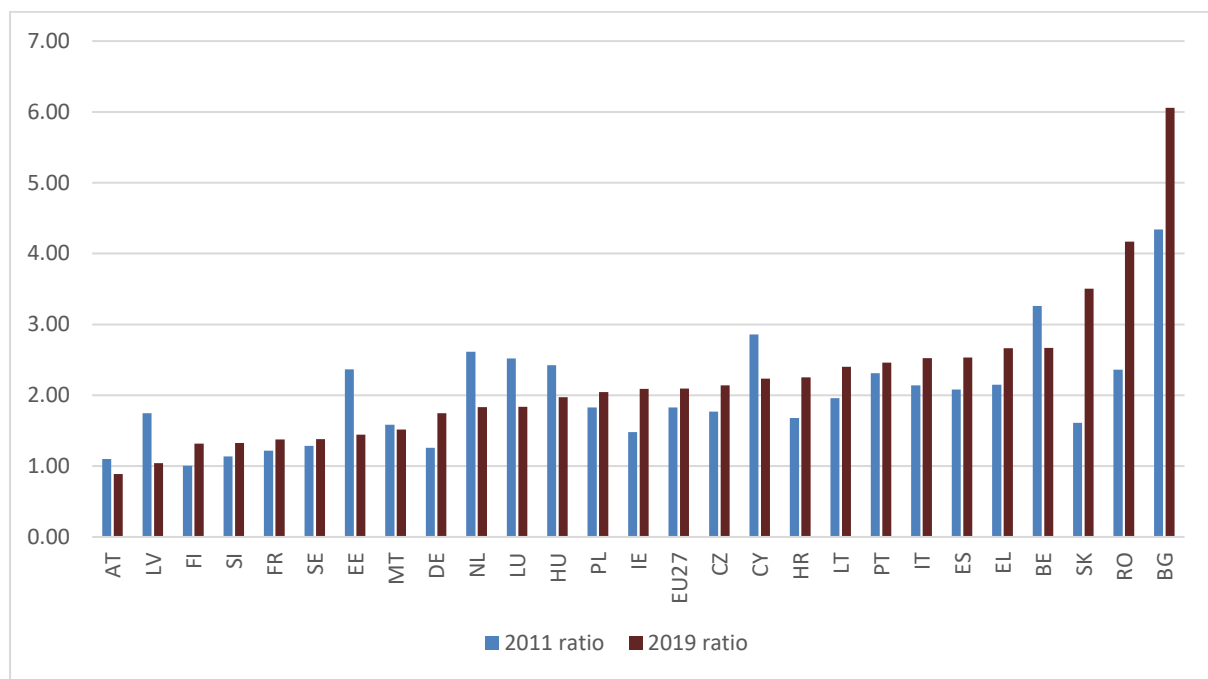
Country	Financial situation at age 14, 2011		Financial situation at age 14, 2019	
	Bad or very bad	Good or very good	Bad or very bad	Good or very good
AT	15.2	13.8	11.7	13.1
BE	25.6	7.8	24.2	9.1
BG	43.7	10.1	50.6	8.4
CY	19.3	6.8	18.3	8.2
CZ	15.6	8.8	13.0	6.1
DE	19.4	15.4	20.2	11.5
DK	*	12.1	*	16.1
EE	29.6	12.5	18.5	12.8
EL	28.2	13.1	32.5	12.2
ES	30.6	14.7	35.1	13.9
FI	12.5	12.4	15.4	11.7
FR	14.3	11.8	17.1	12.5
HR	25.8	15.4	23.5	10.4
HU	25.5	10.5	18.5	9.4
IE	18.2	12.3	17.4	8.3
IT	30.5	14.3	34.8	13.8
LT	29.6	15.1	28.5	11.9
LU	21.8	8.7	24.0	13.1
LV	29.4	16.8	17.7	16.9
MT	15.5	9.8	17.0	11.2
NL	21.9	8.4	19.2	10.5
PL	23.6	12.9	20.1	9.9
PT	23.5	10.2	27.2	11.1
RO	33.3	14.1	38.9	9.3
SE	18.7	14.6	24.7	17.8
SI	17.8	15.7	16.4	12.4
SK	18.6	11.6	22.3	6.4
EU-27	24.1	13.2	24.6	11.8

Source: EU-SILC 2011 and 2019; authors' analysis.

Note: \*Not enough cases to report %. See Table A5.1 in the appendix for the country abbreviation labels.

Focusing on the figures for 2019, Table 5.1 and Figure 5.2 show that the differences between those most and least advantaged in childhood are lowest in Austria, Latvia, Finland, Slovenia and Sweden. Across the EU-27, those who experience bad financial circumstances during childhood are 2.1 times more likely to be AROP as an adult compared to those who were advantaged. In Ireland, the ratio is the same as the EU average. The widest differentials are noted in Bulgaria, Romania and Slovakia, where the ratio is over three. Ratios of 2.5 or higher are also noted in Belgium and all the southern European countries.

Figure 5.2 also shows that inequality has increased over time in 17 countries, including Ireland. The largest increase has occurred in Slovakia, Romania and Bulgaria.

**FIGURE 5.2 RELATIVE AROP RATIO BY ECONOMIC CIRCUMSTANCES AT AGE 14, 2011 and 2019**

*Source:* EU-SILC 2011 and 2019; authors' analysis. Ratio of bad/very bad to good/very good.

*Note:* See Table A5.1 in the appendix for the country abbreviation labels.

### 5.3 DEPRIVATION IN ADULTHOOD AND CHILDHOOD POVERTY ACROSS THE EU

We repeat this exercise using deprivation in adulthood as the outcome, which is much more sensitive to broad society and wider changes in economic circumstances than relative income poverty. Similar to the pattern found for AROP, people whose financial circumstances were bad or very bad during childhood had higher current levels of deprivation in comparison to who reported childhood financial circumstances as good or very good.

In 2011, among those whose childhood financial circumstances were bad or very bad, the percentage of deprived individuals ranges from 11% in Luxembourg to a very high 84% in Bulgaria. The deprivation rate for this group in Ireland was 37%, higher than the EU-27 average, at 33%. The deprivation rates among those who experienced bad financial circumstances in childhood is lowest among the Nordic and western European countries. Many of these countries have deprivation rates below 30%, while we find many eastern and southern European countries among those with the highest deprivation rates, with 10 countries above 40%.

As the European economies recovered from the impact of the Great Recession from 2013 onwards, the level of deprivation fell. The EU-27 deprivation rate decreased from 19% in 2013 to 12% in 2019. We can observe this recovery in Table 5.2. With a few exceptions, there has been a reduction in deprivation rates over time, regardless of people's financial circumstances in childhood. However, this reduction was much sharper for those who grew up in a good or very good financial

environment than for those who grew up in a bad or very bad financial environment. This mirrors the results found in Ireland in the previous chapter. Consequently, and as illustrated in Figure 5.3, the deprivation gap increased between people at either end of the financial spectrum in childhood. Across the EU-27, the relative deprivation ratio increased from 2.3 to 3.5 between 2011 and 2019. In Ireland, it more than doubled, growing from 2.1 to 4.6.

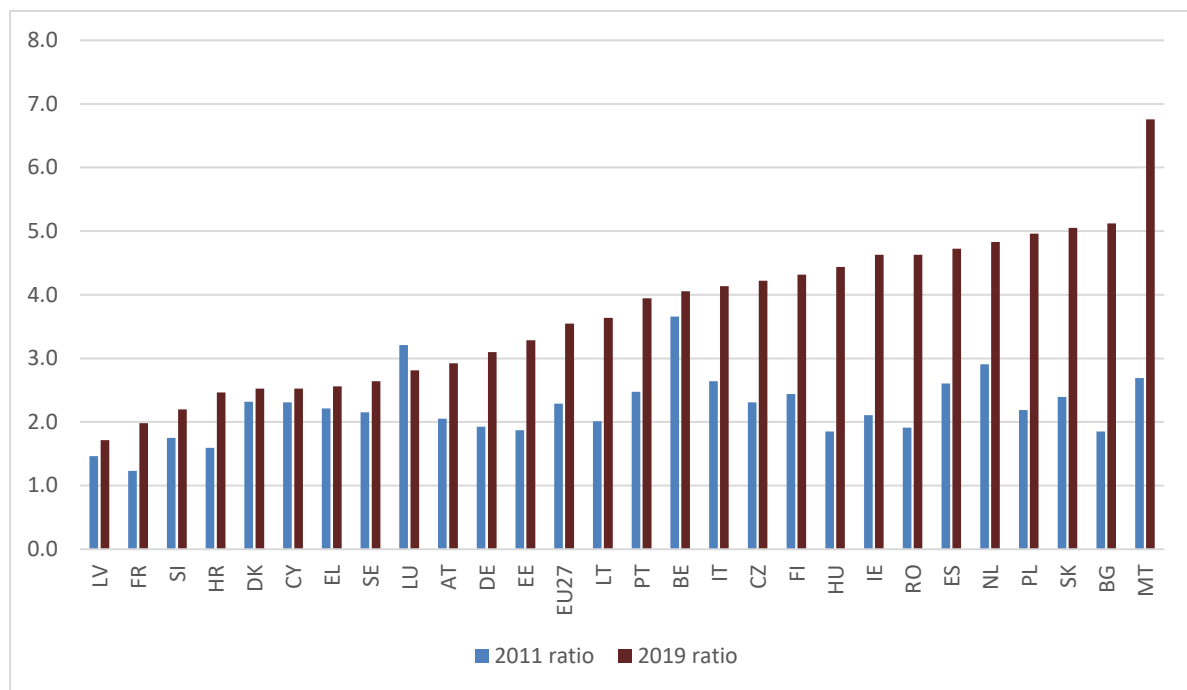
TABLE 5.2 DEPRIVATION BY ECONOMIC CIRCUMSTANCES AT AGE 14, 2011 AND 2019

Country	Reported economic circumstances at age 14, 2011		Reported economic circumstances at age 14, 2019	
	Bad or very bad	Good or very good	Bad or very bad	Good or very good
AT	17.2	8.4	10.2	3.5
BE	29.4	8.1	22.8	5.6
BG	84.0	45.4	68.6	13.4
CY	41.7	18.0	41.0	16.2
CZ	29.6	12.8	15.6	3.7
DE	22.4	11.6	15.6	5.0
DK	17.4	7.5	19.9	7.9
EE	32.8	17.5	12.9	3.9
EL	41.9	18.9	53.6	20.9
ES	26.4	10.1	30.6	6.5
FI	19.1	7.8	24.6	5.7
FR	15.3	12.4	17.9	9.0
HR	45.1	28.3	33.2	13.5
HU	61.2	33.1	40.9	9.2
IE	37.1	17.6	31.4	6.8
IT	42.1	15.9	32.9	8.0
LT	49.4	24.6	41.4	11.4
LU	10.7	3.3	18.7	6.6
LV	59.8	40.8	21.4	12.5
MT	27.9	10.4	29.8	4.4
NL	21.0	7.2	25.8	5.3
PL	41.3	18.9	19.7	4.0
PT	30.4	12.3	29.6	7.5
RO	63.9	33.5	53.4	11.5
SE	14.8	6.9	13.7	5.2
SI	27.8	15.9	15.8	7.2
SK	37.2	15.5	36.0	7.1
EU-27	32.9	14.4	25.3	7.1

Source: EU-SILC 2011 and 2019; authors' analysis.

Note: See Table A5.1 in the appendix for the country abbreviation labels.



**FIGURE 5.3 RELATIVE DEPRIVATION RATIO BY ECONOMIC CIRCUMSTANCES AT AGE 14, 2011 and 2019**

Source: EU-SILC 2011 and 2019; authors' analysis.

Note: See Table A5.1 in the appendix for the country abbreviation labels.

#### 5.4 ECONOMIC STRESS IN ADULTHOOD AND CHILDHOOD POVERTY ACROSS THE EU

In this section, we examine a measure of economic stress: currently having great difficulty or difficulty making ends meet (Table 5.3). Again, we find a strong relationship between childhood financial circumstances and current economic stress, one that varies across countries. The proportion of those in poverty during childhood who went on to experience economic stress as an adult ranges from 16% in Finland and 17% in Denmark to as high as 86% in Bulgaria in 2011. In Ireland, 51% of those who lived in a bad or very bad financial situation during childhood report current economic stress that is higher than the EU-27 average, at 46%. We find a similar pattern of distribution of economic stress across countries to that found for deprivation: the Nordic and western European countries have lower levels of economic stress than eastern and southern European ones.

With very few exceptions, the percentage of people experiencing economic stress fell over time between 2011 and 2019 and across both sides of the childhood financial situation. However, even in 2019, difference between countries remain high. Levels of economic stress among those who experienced bad financial circumstances in childhood ranged from 13% in Germany to 84% in Greece in 2019, and the rate for this group in Ireland was the same as the EU average (35%).

TABLE 5.3 ECONOMIC STRAIN BY ECONOMIC CIRCUMSTANCES AT AGE 14, 2011 AND 2019 (%)

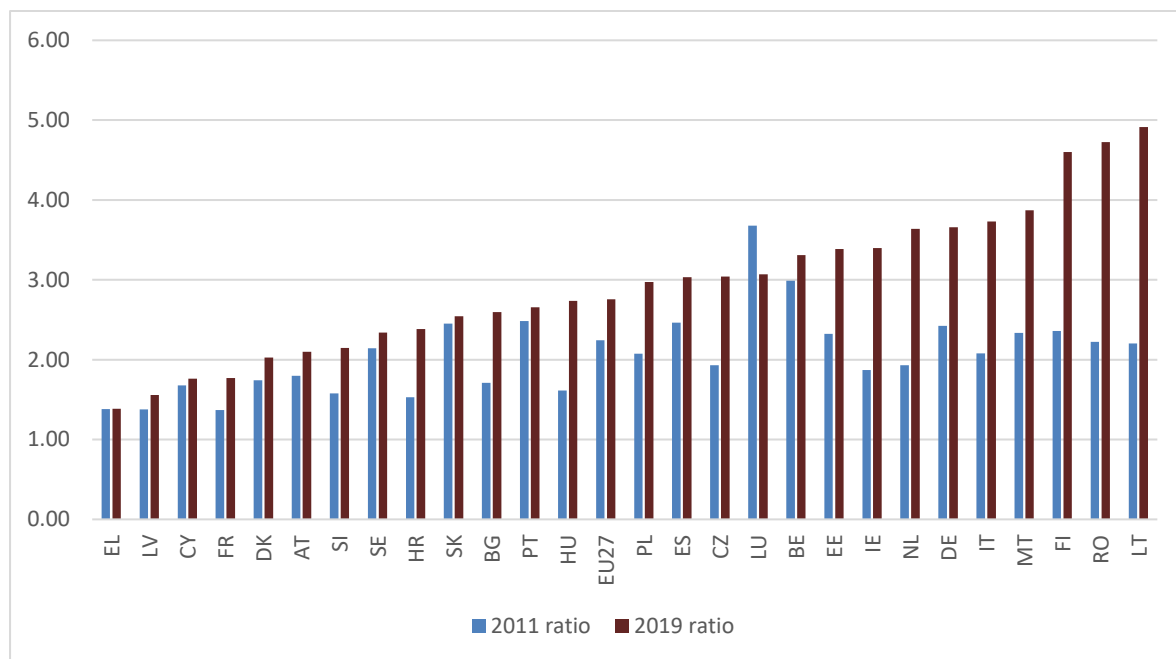
Country	Reported economic circumstances at age 14, 2011		Reported economic circumstances at age 14, 2019	
	Bad or very bad	Good or very good	Bad or very bad	Good or very good
AT	23.8	13.3	18.4	8.8
BE	40.5	13.5	39.9	12.1
BG	85.8	50.2	82.6	31.8
CY	67.5	40.2	53.3	30.2
CZ	45.8	23.7	26.7	8.8
DE	19.7	8.1	13.3	3.6
DK	16.9	9.7	24.0	11.9
EE	39.9	17.2	18.0	5.3
EL	72.7	52.6	83.7	60.5
ES	54.3	22.0	43.7	14.4
FI	16.1	6.8	22.6	4.9
FR	25.4	18.5	26.0	14.7
HR	65.0	42.5	53.3	22.4
HU	75.9	47.0	52.0	19.0
IE	50.6	27.0	35.0	10.3
IT	61.8	29.7	52.3	14.0
LT	55.6	25.2	38.9	7.9
LU	19.2	5.2	24.0	7.8
LV	70.4	51.1	29.6	19.0
MT	61.9	26.5	29.0	7.5
NL	25.4	13.2	31.5	8.7
PL	49.0	23.6	27.7	9.3
PT	59.7	24.1	43.5	16.4
RO	67.7	30.5	60.0	12.7
SE	20.4	9.5	20.0	8.6
SI	44.5	28.2	29.6	13.8
SK	51.9	21.2	50.6	19.9
EU-27	45.5	20.3	34.5	12.5

Source: EU-SILC 2011 and 2019; authors' analysis.

Note: See Table A5.1 in the appendix for the country abbreviation labels.

While the overall levels of economic stress declined, inequality in exposure to current economic strain increased (Figure 5.4). In 2011, across the EU-27, people with bad or very bad childhood financial situations were on average 2.2 times more likely to report current economic stress than those with good or very good childhood financial situations. The ratio was slightly lower in Ireland, at 1.9. Luxembourg reports the highest inequality, at 3.7. The lowest disparities are in France, Latvia and Greece, at 1.4.

Except for Greece and Luxembourg, inequality increased over time between 2011 and 2019. Across the EU-27, the average ratio increased from 2.2 to 2.8. In Ireland, the ratio increased even more steeply, rising from 1.9 to 3.4. The largest increases in inequality were observed in Romania, Latvia and Finland.

**FIGURE 5.4** RELATIVE ECONOMIC STRAIN RATIO BY ECONOMIC CIRCUMSTANCES AT AGE 14, 2011 and 2019

Source: EU-SILC 2011 and 2019; authors' analysis.

Note: See Table A5.1 in the appendix for the country abbreviation labels.

## 5.5 CHILDHOOD POVERTY AND EDUCATION ATTAINMENT ACROSS THE EU

We saw in the previous chapter that education plays a key role in accounting for the persistence of advantage and disadvantage across generations. Therefore, we now consider the relationship between different childhood financial situations and the educational level attained at adulthood, across EU countries. Table 5.4 presents the percentage of people achieving third-level education at both ends of the spectrum of childhood financial situation. The educational results mirror our findings regarding poverty outcomes: people with bad or very bad financial situations during childhood are less likely to achieve a tertiary level of education than those who reported a good or very good childhood financial situation. For the former group, the rate ranges from less than 10% in eight countries, starting with Portugal where only 4% have reached tertiary level of education, to a high of 33% in Ireland, a rate well above the EU-27 average of 13%. Overall, the lowest level of access to tertiary education for people who report a bad or very bad financial situation in childhood is found in southern and eastern European countries, while the highest rate is found in the Nordic and western European countries. In almost all countries, there has been some increase in the percentage of people with a bad or very bad financial situations in childhood accessing tertiary level education. In Ireland, the increase of six percentage points is a similar level to the EU-27 average, which keeps Ireland as the EU country with the highest level of tertiary level education among those who experienced bad financial circumstances in childhood.

TABLE 5.4 PEOPLE WITH A TERTIARY LEVEL OF EDUCATION BY ECONOMIC CIRCUMSTANCES AT AGE 14, 2011 AND 2019 (%)

Country	Reported economic circumstances at age 14, 2011		Reported economic circumstances at age 14, 2019	
	Bad or very bad	Good or very good	Bad or very bad	Good or very good
AT	13.5	27.6	25.3	49.0
BE	21.8	49.4	24.8	56.3
BG	7.5	31.9	7.9	41.1
CY	15.4	48.6	20.0	56.7
CZ	9.0	22.9	15.1	30.9
DE	16.7	32.5	22.5	37.6
DK	26.9	43.2	33.7	52.8
EE	27.7	46.0	34.8	55.9
EL	16.2	43.5	15.4	48.9
ES	15.2	45.7	15.8	56.5
FI	31.3	50.5	28.4	49.8
FR	17.1	39.3	27.9	47.2
HR	8.0	24.0	8.9	33.3
HU	8.6	29.2	11.1	43.1
IE	33.3	57.6	39.3	70.5
IT	4.8	26.7	6.8	32.6
LT	18.5	42.7	25.2	53.8
LU	12.2	41.1	20.7	56.7
LV	18.2	34.3	30.5	46.6
MT	5.0	24.3	13.5	32.3
NL	25.8	40.0	34.5	54.5
PL	10.2	34.5	16.7	47.2
PT	4.0	36.2	7.6	43.0
RO	8.2	33.6	7.1	37.2
SE	26.9	40.0	31.1	46.2
SI	14.2	30.0	20.6	42.7
SK	10.1	29.2	11.8	30.4
EU-27	13.0	36.2	19.0	43.7

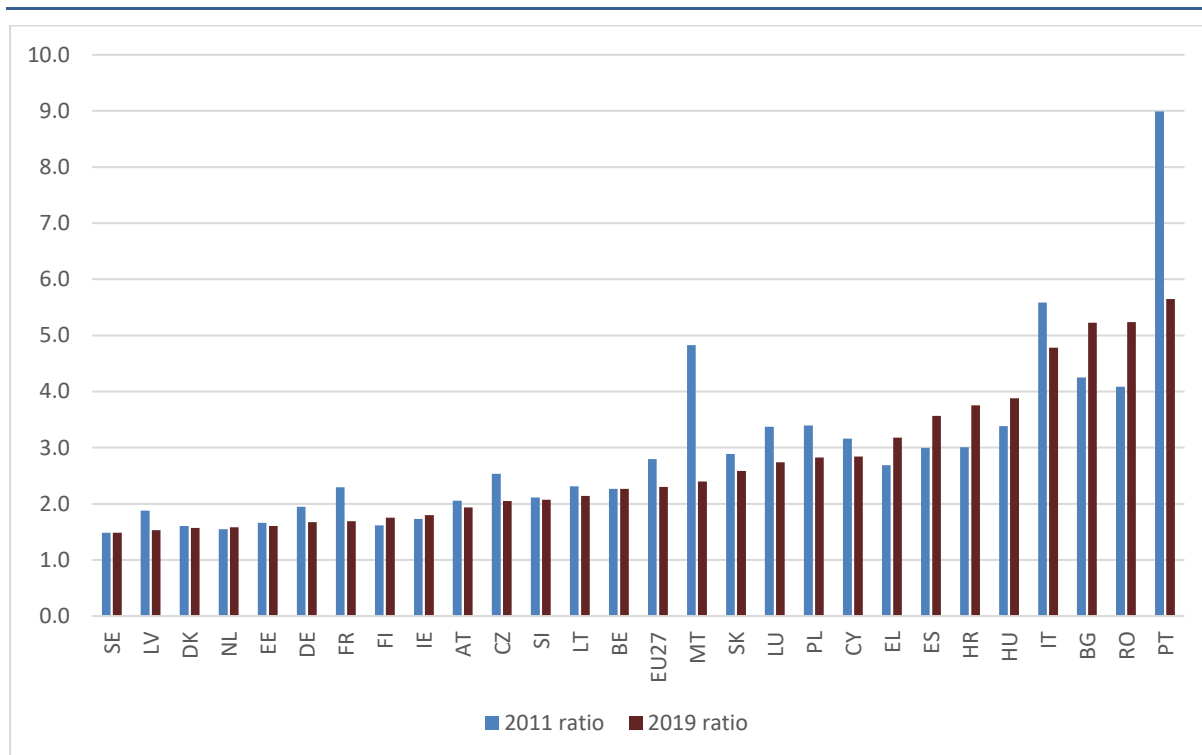
Source: EU-SILC 2011 and 2019; authors' analysis.

Note: See Table A5.1 in the appendix for the country abbreviation labels.

Figure 5.5 compares relative access to tertiary education for those reporting a bad or very bad financial situation in childhood with those reporting a good or very good one. It shows that, in 2011, the lowest inequality in this regard was found among all the Nordic countries, with ratios there of around 1.5. Ireland is also among the countries with the lowest level of inequality here, at 1.7, well below the EU-27 average of 2.8. In contrast, southern and eastern European countries have the highest level of inequalities for tertiary level education attainment. In Portugal, people who reported a good or very good childhood financial situation are nine times more likely to have tertiary level education than those who reported a bad or very bad one. In Italy, the figure is 5.6.

In most countries, the level of inequality has been quite stable over time. The largest reduction occurred in Portugal and Malta, though Portugal remained the country with the highest level of inequality in 2019. In Ireland, inequality increased to 1.8, but Ireland remains among the countries with the lowest level of inequalities regarding education.

**FIGURE 5.5** RELATIVE TERTIARY EDUCATION ATTAINMENT BY ECONOMIC CIRCUMSTANCES AT AGE 14, 2011 and 2019



Source: EU-SILC 2011 and 2019; authors' analysis.

Note: See Table A5.1 in the appendix for the country abbreviation labels.

## 5.6 CHILDHOOD POVERTY AND LABOUR MARKET OUTCOMES ACROSS THE EU

Finally, we consider the role of childhood poverty in influencing labour market status as an adult. Table 5.5 compares the percentage of people who were either working or are unemployed in 2019 by their financial situation at age 14. Across all countries, those who reported bad or very bad childhood financial circumstances are less likely to be at work and more likely to be unemployed than those who reported good or very good financial situations in childhood.

Focusing on unemployment status, which is likely to influence people's current poverty outcomes, countries with the lowest percentages comprise a mix of eastern and western European countries. In Ireland, the unemployment rate for those who reported a bad childhood financial situation is 8.6%, which is below the EU-27 average of 11%. Three countries have values here above 20%: Greece (21%), Spain (23%) and Bulgaria (28%).

TABLE 5.5 SELF-DEFINED CURRENT EMPLOYMENT STATUS BY ECONOMIC CIRCUMSTANCES AT AGE 14, 2019 (%)

Country	At work in 2019		Unemployed in 2019	
	Bad or very bad	Good or very good	Bad or very bad	Good or very good
AT	75.1	79.4	9.8	6.9
BE	66.9	84.1	7.2	4.4
BG	55.3	86.6	28.0	6.1
CY	74.0	83.5	11.1	7.5
CZ	79.7	85.3	*	3.3
DE	76.6	84.1	7.8	3.9
DK	70.1	80.5	*	7.1
EE	81.2	87.1	5.5	4.7
EL	57.1	69.1	20.6	16.2
ES	59.0	79.9	23.1	10.7
FI	67.1	77.4	16.2	7.4
FR	79.4	82.9	10.1	8.4
HR	60.1	77.1	16.6	11.6
HU	75.0	86.8	10.1	4.1
IE	61.9	79.5	8.6	4.9
IT	64.0	76.3	11.4	7.4
LT	62.0	85.3	17.3	6.9
LU	72.0	79.4	6.4	4.2
LV	74.4	77.3	10.3	7.8
MT	67.2	83.8	*	0.8
NL	70.5	84.7	*	2.8
PL	71.6	83.0	7.0	5.5
PT	72.4	84.8	13.3	9.6
RO	65.6	85.4	*	*
SE	77.8	83.6	*	5.1
SI	75.0	85.3	11.7	9.3
SK	69.1	86.5	16.9	4.3
EU-27	70.8	81.8	11.5	6.4

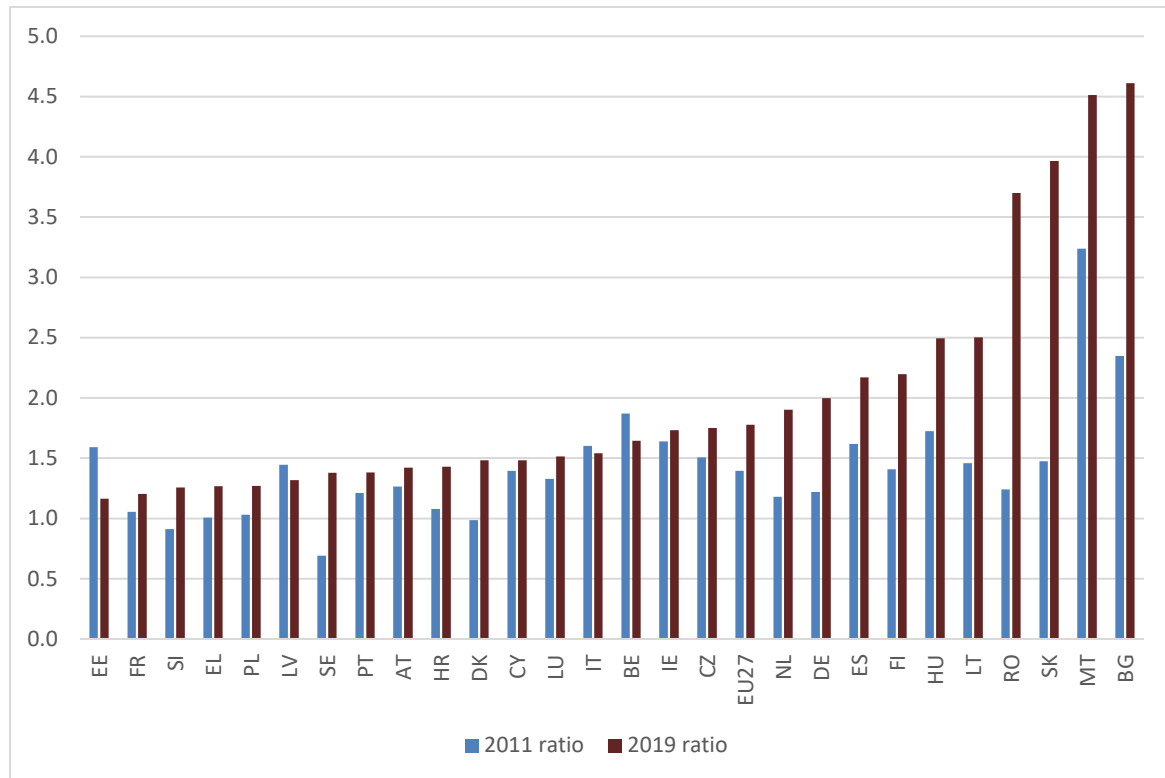
Source: EU-SILC 2011 and 2019; Adults aged 25-59 years, authors' analysis.

Notes: \*Not enough cases to report %. See Table A5.1 in the appendix for the country abbreviation labels.

Figure 5.6 shows some large variation across countries in relation to risk of unemployment among those with bad/very bad versus good/very good childhood financial circumstances, both in 2011 and 2019. In 2011, seven countries (Sweden, Slovenia, Denmark, Greece, Poland, Croatia and France) had relative risk ratios below or close to the value 1.0, meaning that people with bad or very bad childhood financial situations were less or not more likely to be unemployed than those with (very) good situations. This could be because the higher levels of unemployment in 2011, as a consequence of the Great Recession, reduced the disparities between groups of the population. In 2011, Ireland has the fifth highest value at 1.6, compared to the EU-27 average of 1.4.

Over time, the gap increased in most countries, rising to 1.8 across the EU-27 in 2019. This was due to a faster pace of reduction in unemployment among those reporting a good or very good childhood financial situation. In Ireland, the rise in inequality was more moderate, with the ratio increasing from 1.6 to 1.7. This resulted in Ireland's relative position improving.

**FIGURE 5.6** RELATIVE RISK OF UNEMPLOYMENT BY ECONOMIC CIRCUMSTANCES AT AGE 14, 2011 and 2019



Source: EU-SILC 2011 and 2019; authors' analysis.

Note: See Table A5.1 in the appendix for the country abbreviation labels.

## 5.7 SUMMARY

The analysis in this chapter shows there are negative associations between adverse economic circumstances in childhood and a person's current standard of living, educational attainment and labour market opportunities. These tend to be lower in Nordic and western European countries and are generally much higher in southern and eastern European countries. This could be explained by the greater overall economic development, wealth and opportunities in the former, which are available regardless of a person's disadvantaged childhood environment. It could also be due to the more efficient protective role of the welfare state towards the most vulnerable in attempting to mitigate the harmful consequences of difficult economic circumstances during childhood. The influence of childhood poverty on adult circumstances appears to be greatest in the case of economic deprivation and economic strain and somewhat weaker for risk of poverty.

Ireland has above-average levels of inequality based on childhood circumstances in the case of economic deprivation and economic strain, but is around the EU

average for inequality in labour market outcomes. Ireland performs much better than the EU average in educational attainment; here, the absolute rates of attainment among those disadvantaged in childhood are higher than the EU average and inequality between those advantaged and disadvantaged in childhood is lower than the EU average.



## CHAPTER 6

---

### Conclusions

#### 6.1 SUMMARY OF FINDINGS

Childhood poverty has far-reaching implications across many life aspects of adult life (Bellani and Bia, 2017; Duncan et al., 2012; Duncan and Magnuson, 2013; Evans, 2016; Lesner, 2018; Rapheal, 2011). The current study provides an insight into how financial circumstances during childhood influence the risk of deprivation, low income and economic strain in adulthood across the Irish population. The study draws on three representative cross-sectional surveys, carried out in 2005, 2011 and 2019, in Ireland and across the EU. This provides a unique opportunity to consider the influence of childhood circumstances across the adult population and to see how Ireland compares in terms of breaking the cycle of poverty.

Drawing on the existing literature, we focus on five central questions:

- To what extent do bad financial circumstances during childhood increase the risk of current deprivation and income poverty as an adult in Ireland?
- What factors help explain the relationship between childhood poverty and current poverty?
- Does the effect of childhood financial circumstances differ across the lifecourse as a person ages?
- How has intergenerational disadvantage changed over time between 2005 and 2019?
- How does the intergenerational transmission of disadvantage compare across the EU-27?

Our analysis spans a period of significant economic change in terms of current (adult) circumstances, from 2005, when Ireland was experiencing rapid economic growth, to 2011, when the effects of the Great Recession were still very much evident, and again to 2019, by which point the economy and labour market had recovered. The data on childhood circumstances span an even longer period – from circa 1946 for the oldest individuals in the 2005 survey to 1994 for the youngest individuals in the 2019 survey.

We find that in Ireland there is a strong relationship between financial circumstances in childhood and adulthood, across a variety of measures, at 25-59 years. The link was stronger when current circumstances were measured using material deprivation and subjective economic strain than it was for the at-risk-of-poverty (AROP) rate or low income. For example, in 2019, 39% of adults whose childhood circumstances were bad or very bad were materially deprived compared to just 10% of those whose circumstances had been good or very good. In the case of current AROP rates, the figures were 18% and 8% respectively.

The level of current economic hardship among adults (on all measures) was significantly higher in 2011 than in 2005, with a subsequent decline found for 2019. However, 2019 also saw the widest gaps between those who experienced a bad or very bad financial circumstance in childhood and those who experienced a good or very good one. This was due to a speedier recovery among the advantaged group. This pattern is confirmed by the models in Chapter 4. These models show that, controlling for compositional changes, the gap in deprivation between those with the worst circumstance in childhood and all others was unchanged between 2005 and 2011 and that it widened in 2019. In other words, inequality is strongest in the latest data, despite the overall improvement in conditions.

In answer to our third research question, we find that the effect of childhood financial circumstances weakens over the life course. The strongest effect of bad childhood circumstances on deprivation is found in early adulthood and declines with age, though the effect remains statistically significant even at 59 years. This prevents any simple cumulative disadvantage explanation whereby disadvantages accumulate over time, leading to stronger effects of childhood poverty over the life course (though cumulative processes may still operate for other outcomes, for example health). The reasons behind the weakening relationship by age is a fruitful avenue for further research.

In line with previous research on social mobility, we find that educational attainment is a crucial pathway linking childhood economic circumstances and deprivation/low income during adulthood. In 2019 Irish SILC data, only 29% of those whose financial situation was bad or very bad during childhood had subsequently achieved a tertiary level of education, compared to 58% of those whose situations had been good or very good. When educational attainment is added to the model, it explains about one-third of the association between childhood poverty and adult deprivation. Educational level is a key predictor of current deprivation, and this association has strengthened since 2005, so that there is a greater penalty for those with low education in 2011 and 2019. Therefore, addressing inequalities in educational opportunities is a primary lever for breaking the cycle of poverty.

Current employment status, disability and family structure also play a role in reproducing (dis)advantage. Accounting for these characteristics further reduces the effect of childhood financial circumstances. The decomposition analysis suggests that, in 2019, employment status, disability and family characteristics together account for about the same amount of the relationship between adult deprivation and childhood circumstances as educational attainment. However, even accounting for these important pathways there remains a 22-percentage-point difference in deprivation rates for those with the worst childhood circumstances and the best. This unexplained difference may reflect differences in unobserved characteristics, and other unmeasured inequalities, such as

discrimination on the basis of social origin or unequal wealth transfers (Nolan et al., 2020; Horan et al., 2020).

Comparing Ireland to elsewhere in the EU, we find that Ireland has above-average levels of inequality based on childhood circumstances in the case of economic deprivation and economic strain, and is around the EU average for level of inequality in AROP. For example, in Ireland, those who had (very) bad financial circumstances during childhood were 4.6 times more likely to experience deprivation in 2019 than those with (very) good childhood circumstances, while it was 3.5 in the EU-27. The corresponding figures for the risk of poverty in Ireland and in the EU-27 in 2019 was 2.1.

Ireland's position is more favourable when we look at educational attainment. A higher proportion of those from disadvantaged backgrounds achieve tertiary education (defined by Eurostat to include those who attain advanced certificates and above) compared to the EU average. Moreover, there is a narrower gap in the educational attainment of those advantaged versus those disadvantaged in childhood (though the percentage points difference between these two groups is greater than the EU average one). Despite greater equality in educational attainment, the gap in labour market outcomes based on childhood circumstances is close to the EU average. Those who had bad or very bad financial circumstances during childhood were 1.7 times more likely to be unemployed than those with good or very good childhood circumstances.

In general, intergenerational transmission of poverty and disadvantage is strongest in the southern and eastern European countries, especially Bulgaria, Romania, Slovakia, Malta, Spain and Greece, all of which are among the poorer countries in the EU. Inequality by social background tends to be narrow in the Nordic countries, the social-democratic welfare regime countries, which tend to have more generous and inclusive welfare states, with a high level of spending on public services, welfare entitlements based on citizenship and lower dispersion in wages (Esping-Andersen and Gallie, 2007). However, country-level patterns are not uniform across outcomes and data from the EU Survey of Income and Living Conditions (EU-SILC) provide an opportunity for a more detailed analysis of the government policies that account for country-level differences in the effect of child poverty.

A consistent finding in the EU-wide analysis is that inequality based on childhood circumstances increased between 2011 and 2019. This applies to both to income and deprivation outcomes and to intermediary outcomes like unemployment and, to a lesser extent, education. It appears that across Europe the recovery from the Great Recession has exacerbated inequalities even as overall outcomes have improved. The impact of the global pandemic is not captured in the current data but the pandemic clearly arrived at a time of widening inequality.

## 6.2 POLICY IMPLICATIONS

A strong implication of the study is that interventions to prevent childhood poverty are extremely important not only because of the immediate damage done to children living through the experience but also because of the long-term consequences for material deprivation and low-income during adulthood. These negative associations are found even for those in their fifties, although the strength of the association weakens over time.

This analysis highlights the importance of supports that lift children and their families out of poverty. Given the multi-dimensional nature of poverty, a variety of policy measures is needed to tackle poverty. Previous and forthcoming research underlines the important role of core welfare policies and family supports for reducing child poverty both in Ireland (Doorley et al., 2022; Reagan and Maître, 2020) and internationally (Barcena-Martin et al., 2017; Czhen, 2017). Maternal and paternal employment status play a central role in persistent childhood poverty and entering employment was found to be a key trigger for exiting poverty in early to middle childhood and adolescence, though not entry into part-time work (Maître et al., 2018). Policy measures supporting increases in maternal employment is likely to have a positive effect on the reduction of child poverty. In Ireland, married women work less than married men and those working work fewer hours than married men (Doorley., 2019). Results from Doorley at al. (2022) based on SWITCH labour market simulations show that if the level of labour supply and hours worked of married women matched those of married men, there would be a reduction of the child poverty rate of 5.2 percentage points. Access to affordable high-quality childcare is essential for increasing maternal employment, especially in low-income families, alongside parental leave schemes and employer supports such as flexible working options (Russell et al., 2018).

Policies are needed to disrupt the transmission of poverty. Our analysis highlights that educational attainment is a key mechanism through which childhood circumstances influence current economic deprivation (and low income). Levels of educational attainment have increased significantly in Ireland, and there is a narrower gap in broad educational attainment based on childhood circumstances than in most EU countries. However, there is still broad scope for education to further reduce inequality. Research outlined in Chapter 1 concerned the continued disadvantage faced by children from socio-economically disadvantaged backgrounds, from early education up to third-level education. On a range of educational outcomes, children from disadvantaged backgrounds fare worse on average, even when earlier achievement is held constant (e.g. Smyth, 2017; McCoy et al., 2010). There is also continuing stratification by social background in the subjects and courses taken, as well as the third-level institutions attended (HEA, 2019), which is likely to lead to inequalities in earnings even for those with the same level of education (Stanley et al., 2019).

Ensuring children from disadvantaged backgrounds receive additional supports in primary and secondary school is essential in order to even the playing field, as is ensuring more equitable access to third-level courses. Continued investment is essential in the Delivering Equality of Opportunity in Schools (DEIS) programme and admission schemes such as the Higher Education Access Route (HEAR), which helps to assist young people from socio-economically disadvantaged backgrounds to progress to third-level education. However, previous research has demonstrated that the high cost attached to participation in third-level education – in terms of fees, student contributions, learning equipment and materials, travel costs and accommodation – can pose a significant barrier for progression (McCoy et al., 2010). This highlights the importance of providing adequate financial supports that are commensurate with these costs for students from socio-economically disadvantaged backgrounds, especially in light of the rapidly rising rental costs. These supports are vital so that students from lower-income families can not only progress to third level, but be able to remain in education and complete their studies. Recent research has highlighted that the proportion of students receiving the full maintenance grant declined (Phulphagar and Kane 2021). There is also a wide gap in the value of the full maintenance grant and the reduced Job Seekers Allowance for those under 25 years (Keane et al., 2021). This means that the level of support is below the minimal standard applied in the welfare system.

We also find that differentials in current employment account for a significant part of the link between childhood and adult poverty, even after taking education into account. Therefore, supporting access to secure, high quality employment, with wage levels sufficient to lift individuals out of poverty and deprivation, is important for tackling the intergenerational persistence of disadvantage.

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. People with disabilities face multiple challenges and barriers accessing education, training, and employment; these factors in turn increase their risk of poverty. While there are improved commitments and actions in the Comprehensive Employment Strategy, people with disabilities require a greater level of support to assist in the transition from secondary to further education and training. To increase the participation of people with disabilities in adult learning and apprenticeship programmes, the OECD (2021) recommends that the Irish adult learning system should be more inclusive towards people with disabilities. There is also a need to improve the career guidance for young people with disabilities prior to leaving school.

With regards to employment supports, Kelly and Maître (2021) and the OECD (2021) have highlighted the wide employment gap for people with disabilities

compared to people without disabilities in Ireland. OECD recommendations to address low employment include: greater supports to employers to hire people with disabilities (providing advice and raising awareness of available programmes to recruit etc.); improved in-work accommodations, for example flexible working hours, shorter working hours, working from home; and additional caseworker engagement for those in receipt of disability payments (while taking account of people's medical condition) (OECD, 2021).

The Irish Human Rights and Equality Commission have called for the inclusion of socio-economic status as an additional protected ground under equality legislation. This would prohibit discrimination on the grounds of social background (IHREC, 2021). Such discrimination is already named in international human rights declarations on social and economic rights. There is lack of research on the role of discrimination in explaining intergenerational transmission of disadvantage, though lab and field experiments such as correspondence studies offer an opportunity to investigate the part this plays.

Given the multi-dimensional nature of poverty and the diverse processes involved in reproducing poverty, efforts to address these inequalities require policy efforts across a wide range of domains – health, housing, education, employment and social welfare. Moreover, increasing social mobility requires that the privileges of advantaged groups, which serve to maintain inequalities, also need to be addressed.

## REFERENCES

- Atkinson, T., A.C. Guio and E. Marlier (2017). *Monitoring social inclusion in Europe*, Publications Office of the European Union, Luxembourg.
- Banks, L.M., H. Kuper, H. and S. Polack (2017). 'Poverty and disability in low-and middle-income countries: A systematic review', *PLOS One*, Vol. 12, No. 12.
- Barcena-Martin, E., M.C. Blanco-Arana and S. Pérez -Moreno (2017). 'Dynamics of child poverty in the European Countries', *ECINEQ Working Paper 2017*, No. 437.
- Bellani, L. and M. Bia (2019). 'The long-run effect of childhood poverty and the mediating role of education', *Journal of the Royal Statistical Society: Series A (Statistics in Society)*, Vol. 182, No. 1, pp. 37-68.
- Bellani, L. and M. Bia (2017). *The long-run impact of childhood poverty and the mediating role of education*, IZA Discussion Papers, No. 10677, Institute of Labor Economics (IZA), Bonn.
- Bernardi, F. and G. Ballarino (2011). *Participation, equality of opportunity and returns to tertiary education in contemporary Europe*, AlmaLaurea Working Papers, No. 10.
- Bird, K. (2013). 'The intergenerational transmission of poverty: An overview' in A. Shepherd and J. Brunt (eds.), *Chronic Poverty*. Rethinking International Development Series, Palgrave Macmillan, London, [https://doi.org/10.1057/9781137316707\\_4](https://doi.org/10.1057/9781137316707_4).
- Bird, K. and K. Higgins (2011). *Stopping the intergenerational transmission of poverty: Research highlights and policy recommendations*, Chronic Poverty Research Centre (CPRC) Working Paper No. 214.
- Björklund, A., J. Roine and D. Waldenström (2012). 'Intergenerational top income mobility in Sweden: Capitalist dynasties in the land of equal opportunity?', *Journal of Public Economics*, Vol. 96, No. 5-6, pp. 474-484.
- Björklund, A. and M. Jäntti (2009). 'Intergenerational income mobility and the role of family background', in W. Salverda, B. Nolan and T. Smeeding (eds.), *Oxford handbook of economic inequality*, Oxford University Press, Oxford, pp. 491-521.
- Black, S.E. and P.J. Devereux (2011). 'Recent developments in intergenerational mobility', in O. Ashenfelter and David Card (eds.), *Handbook of Labor Economics*, Volume 4 Elsevier, Boston MA, pp. 1487-1541.
- Blanden, J. and S. Gibbons (2006). *The persistence of poverty across generations: A view from two British cohorts*, Bristol: The Policy Press, <https://www.jrf.org.uk/report/persistence-poverty-across-generations>.
- Bloome, D. (2015). 'Income inequality and intergenerational income mobility in the United States', *Social Forces*, Vol. 93, No. 3, pp. 1047-1080.
- Bodovski, K. and Farkas, G. (2008). "'Concerted cultivation" and unequal achievement in elementary school', *Social Science Research*, Vol. 37, No. 3, pp. 903-919.
- Böhlmark, A., and Lindquist, M. J. (2006). Life-cycle variations in the association between current and lifetime income: Replication and extension for Sweden. *Journal of Labor Economics*, 24(4), 879-896.



- Brady, D. (2019). 'Theories of the causes of poverty', *Annual Review of Sociology*, Vol. 45, pp. 155-175.
- Breen, R., H. van de Werfhorst and M. Meier Jaeger (2014). 'Deciding under doubt: A theory of risk aversion, time discounting preferences, and educational decision making', *European Sociological Review*, Vol. 30, No. 2, pp. 258-270.
- Breen, R. and J.H. Goldthorpe (1997). 'Explaining educational differentials: Towards a formal rational action theory', *Rationality and Society*, Vol. 9, No. 3, pp. 275-305.
- Breen, R. (ed.) (2004). *Social mobility in Europe*, Oxford University Press, Oxford.
- Brooks-Gunn, J. and G.J. Duncan (1997). 'The effects of poverty on children', *The Future of Children*, Vol. 7, No. 2, pp. 55-71.
- Brucker, D.L., S. Mitra, N. Chaitoo and J. Mauro (2015). 'More likely to be poor whatever the measure: Working-age persons with disabilities in the United States', *Social Science Quarterly*, Vol. 96, No. 1, pp. 273-296.
- Bukodi E. and M. Paskov (2020). 'Intergenerational class mobility among men and women in Europe: gender differences or gender similarities?', *European Sociological Review*, Vol. 36, No. 4, pp. 495-512.
- Byrne, D. and M. Treanor (2020). *Income, poverty and deprivation among children – A statistical baseline analysis*, Department of Children and Youth Affairs.
- Callan, T., B. Nolan, C. Keane, M. Savage and J. Walsh (2014). 'Crisis, response and distributional impact: The case of Ireland', *IZA Journal of European Labor Studies*, Vol. 3, No. 9, <https://izajoels.springeropen.com/articles/10.1186/2193-9012-3-9>.
- Carmichael, F., C.K. Darko, M.G. Ercolani, C. Ozgen and W.S. Siebert (2019). *Evidence on intergenerational income transmission using complete Dutch population data*, IZA Discussion Papers, No. 12694, Institute of Labor Economics (IZA), Bonn.
- Chadwick, L. and G. Solon (2002). 'Intergenerational income mobility among daughters', *American Economic Review*, Vol. 92, No. 1, pp. 335-344.
- Chzhen, Y. (2017). 'Unemployment, social protection spending and child poverty in the European Union during the Great Recession', *Journal of European Social Policy*, Vol. 27, No. 2, pp. 123-137.
- Chzhen, Y. (2017). 'Unemployment, social protection spending and child poverty in the European Union during the Great Recession', *Journal of European Social Policy*, Vol. 27, No. 2, pp. 123-137.
- Cooper, K. and K. Stewart (2021). 'Does household income affect children's outcomes? A systematic review of the evidence', *Child Indicators Research*, Vol. 14, pp. 981-1005, <https://doi.org/10.1007/s12187-020-09782-0>.
- Corak, M. (2006), *Do poor children become poor adults? Lessons from a cross country comparison of generational earnings mobility*, IZA Discussion Paper No. 1993.
- Corak, M. (2013). 'Income inequality, equality of opportunity, and intergenerational mobility', *Journal of Economic Perspectives*, Vol. 27, No. 3, pp. 79-102.
- Corrigan, E., D. Foley, K. McQuinn, C. O'Toole and R. Slaymaker (2019). 'Exploring affordability in the Irish housing market', *The Economic and Social Review*, Vol. 50, No. 1, pp. 119-157.



- Cullinan, J., B. Gannon and S. Lyons (2011). 'Estimating the extra cost of living for people with disabilities', *Health Economics*, Vol. 20, No. 5, pp. 582-599.
- Dannefer, D. (2003). 'Cumulative advantage/disadvantage and the life course: Cross-fertilizing age and social science theory', *The Journals of Gerontology Series B: Psychological Sciences and Social Sciences*, Vol. 58, No. 6, S327-S337.
- Davia, M.A. and N. Legazpe (2017). 'Understanding intergenerational transmission of deprivation in Spain: Education and marital sorting', *Research in Social Stratification and Mobility*, Vol. 52, pp. 1-14.
- Department of Social Protection (2021). *Social Inclusion Monitor 2018 and 2019*, Department of Social Protection, Dublin.
- Department of the Taoiseach (2020). *Programme for Government: Our shared future*, <https://www.gov.ie/en/publication/7e05d-programme-for-government-our-shared-future/>. Last accessed 21 October 2021.
- Desmond, M. and B. Western (2018). 'Poverty in America: New directions and debates', *Annual Review of Sociology*, Vol. 44, pp. 305-318.
- Doorley, K. (2019). 'Taxation, work and gender equality in Ireland', *Journal of the Statistical and Social Inquiry Society of Ireland*, Vol. 47, 2017-18, pp. 71-87.
- Doorley, K., T. Kakoulidou, S. O'Malley, H. Russell and B. Maître (2022). *Headline poverty target reduction in Ireland and the role of work and social welfare*, Research Series, The Economic and Social Research Institute, Dublin.
- Duncan, G.J. and K. Magnuson (2013). 'The long reach of early childhood poverty', in *Economic stress, human capital, and families in Asia*, Springer, Dordrecht, pp. 57-70.
- Duncan, G.J., K. Magnuson, and E. Votruba-Drzal (2017). 'Moving beyond correlations in assessing the consequences of poverty', *Annual Review of Psychology*, Vol. 68, pp. 413-434.
- Duncan, G.J., K. Magnuson, A. Kalil and K. Ziol-Guest (2012). 'The importance of early childhood poverty', *Social Indicators Research*, Vol. 108, No. 1, pp. 87-98.
- Duncan, G.J., W.J. Yeung, J. Brooks-Gunn and J.R. Smith (1998). 'How much does childhood poverty affect the life chances of children?', *American Sociological Review*, Vol. 63, No. 3, pp. 406-423.
- Emerson, E. (2007). 'Poverty and people with intellectual disabilities', *Mental Retardation and Developmental Disabilities Research Reviews*, Vol. 13, No. 2, pp. 107-113.
- Erikson, R. and J.H. Goldthorpe (2010). 'Has social mobility in Britain decreased? Reconciling divergent findings on income and class mobility', *British Journal of Sociology*, Vol. 61, No. 2, pp. 211-230.
- Erikson, R. and J.H. Goldthorpe (2002). 'Intergenerational inequality: A sociological perspective', *Journal of Economic Perspectives*, Vol. 16, No. 3, pp. 31-44.
- Erikson, R., J.H. Goldthorpe and L. Portocarero (1979). 'Intergenerational class mobility in three Western European societies: England, France and Sweden', *The British Journal of Sociology*, Vol. 30, No. 4, pp. 415-441.

- Erikson, R. and J.H. Goldthorpe (1992). *The constant flux: A study of class mobility in industrial societies*, Oxford University Press, Oxford.
- European Anti-Poverty Network (2009). *Poverty and inequality in the EU: EAPN Explainer #1*, [https://www.eapn.eu/images/docs/poverty%20explainer\\_web\\_en.pdf](https://www.eapn.eu/images/docs/poverty%20explainer_web_en.pdf). Last accessed 11 November 2021.
- European Commission (2004). European Commission Joint Report on Social Inclusion, [https://ec.europa.eu/employment\\_social/soc-prot/soc-incl/final\\_joint\\_inclusion\\_report\\_2003\\_en.pdf](https://ec.europa.eu/employment_social/soc-prot/soc-incl/final_joint_inclusion_report_2003_en.pdf). Last accessed 21 October 2021.
- Evans, G.W. (2016). 'Childhood poverty and adult psychological well-being', *Proceedings of the National Academy of Sciences*, Vol. 113, No. 52, pp. 14949-14952.
- Evans, G.W. (2004). 'The environment of childhood poverty', *American Psychologist*, Vol. 59, No. 2, p. 77.
- Fischer, C.S. and M. Hout (2006) *Century of Difference. How America Changed in the Last One Hundred Years* New York: Russell Sage Foundation, 2006
- FitzGerald, J. (1999). 'Understanding Ireland's economic success', ESRI Working Paper No. 111, Economic and Social Research Institute, Dublin.
- Frazer, H., A.C. Guio and E. Marlier (2021). 'Inter-generational transmission of poverty: What it is, why it matters and how to tackle it', OSE Paper Series No. 49, OSE, Brussels.
- Frazer H., A.C. Guio and E. Marlier (eds.) (2020). *Feasibility study for a child guarantee: Final report, Feasibility study for a child guarantee (FSCG)*, Publications Office of the European Union, Luxembourg, <https://op.europa.eu/en/publication-detail/-/publication/c312c468-c7e0-11ea-adf7-01aa75ed71a1/language-en>.
- Gelbach, J.B. (2016). 'When do covariates matter, and which ones, and when?', *Journal of Labor Economics*, Vol. 34, No. 2, pp. 509-543.
- Gibson M., M. Petticrew, C. Bambra, A.J. Sowden, K.E. Wright, M. Whitehead (2011). 'Housing and health inequalities: A synthesis of systematic reviews of interventions aimed at different pathways linking housing and health', *Health and Place*, Vol. 17, No. 1, pp. 175-184.
- Gini, C. (1936). 'On the measure of concentration with special reference to income and statistics', *Colorado College Publication, General Series*, Vol. 208, No. 1, pp. 73-79.
- Goldthorpe, J.H. (2005). 'Progress in sociology: The case of social mobility research', in S. Svallfors (ed.), *Analyzing inequality: Life chances and social mobility in perspective*, Stanford, CA: Stanford University Press, Stanford, CA, pp. 56-82.
- Gordon, D. (2006). 'The concept and measurement of poverty', in C. Pantazis, D. Gordon and R. Levitas (eds.), *Poverty and social exclusion in Britain. The Millennium Survey*, Policy Press, Bristol, pp. 29-69.
- Gosta Esping-Andersen, G., D. Gallie, A. Hemerijck and J. Myles (2007). *Why we need a new welfare state*, Oxford University Press, Oxford.
- Government of Ireland (2020). *Roadmap for social inclusion 2020–2025: Ambition, goals, commitments*,

- <https://assets.gov.ie/46557/bf7011904ede4562b925f98b15c4f1b5.pdf>. Last accessed 21 October 2021.
- Government of Ireland (2014). *Better outcomes, brighter futures: The national policy framework for children and young people*, <https://assets.gov.ie/23796/961bbf5d975f4c88adc01a6fc5b4a7c4.pdf>. Last accessed 26 January 2022.
- Granovetter, M.S. (1973). 'The strength of weak ties', *The American Journal of Sociology*, Vol. 78, No. 6, pp. 1360-1380.
- Groce, N.E., J. London and M.A. Stein (2014). 'Inheritance, poverty and disability', *Disability and Society*, Vol. 29, No. 10, pp. 1554-1568.
- Grundiza, S. and C.L. Vilaplana (2013). *Is the likelihood of poverty inherited? Statistics in Focus 27/2013*, Eurostat.
- Guryan, J., E. Hurst and M. Kearney (2008). 'Parental education and parental time with children', *Journal of Economic Perspectives*, Vol. 22, No. 3, pp. 23-46.
- Haider, S. and G. Solon (2006). 'Life-cycle variation in the association between current and lifetime earnings', *American Economic Review*, Vol. 96, No. 4, pp. 1308-1320.
- Hardt, J. and M. Rutter (2004). 'Validity of adult retrospective reports of adverse childhood experiences: Review of the evidence', *Journal of Child Psychology and Psychiatry*, Vol. 45, 2, pp. 260-273.
- HEA (2019). *A spatial and socio-economic profile of higher education institutions in Ireland using Census small area deprivation index scores derived from student home address data, academic year 2017/18*, Higher Education Authority, Dublin.
- Hirvonen, L.H. (2008). 'Intergenerational earnings mobility among daughters and sons: Evidence from Sweden and a comparison with the United States', *American Journal of Economics and Sociology*, Vol. 67, No. 5, pp. 777-826.
- Hobcraft, J. (1998), 'Intergenerational and life-course transmission of social exclusion: Influences of child poverty, family disruption, and contact with the police', CASE paper 15, London School of Economics: ESRC Centre for the Analysis of Social Exclusion, London.
- Hobcraft, J. and K.E. Kiernan (2001), 'Childhood poverty, early motherhood and adult social exclusion', *British Journal of Sociology*, Vol. 52, No. 3, pp. 495-517.
- Horan, D., R. Lydon and T. McIndoe-Calde (2020). *Household wealth: What is it, who has it, and why it matters*, Central Bank of Ireland, Research Technical Paper, Vol. 2020, No. 7.
- Horan, D., R. Lydon and T. McIndoe-Calder (2020). 'Household wealth inequality and resilience: Evidence from the Household Finance and Consumption Survey', *The Economic and Social Review*, Vol. 52, No. 1, Spring 2021, pp. 75-99.
- Hout, M. (2015). 'A summary of what we know about social mobility', *The ANNALS of the American Academy of Political and Social Science*, Vol. 657, No. 1, pp. 27-36.
- Hughes C. and S.K. Avoke (2010). 'The elephant in the room: Poverty, disability, and employment', *Research and Practice for Persons with Severe Disabilities*, Vol. 35, No. 1-2, pp. 5-14.

- IHREC (2021). 'Submission on the review of the Equality Acts', Irish Human Rights and Equality Commission, <https://www.ihrec.ie/app/uploads/2022/01/IHREC-Submission-on-the-Review-of-the-Equality-Acts.pdf>.
- Jäntti, M. (2006). *American exceptionalism in a new light: A comparison of intergenerational earnings mobility in the Nordic countries, the United Kingdom and the United States*, IZA Discussion Papers, No. 1938, Institute for the Study of Labor (IZA), Bonn.
- Jäntti, M. and S.P. Jenkins (2015). 'Income mobility', in A.B. Atkinson and F. Bourguignon (eds.), *Handbook of income distribution*, Elsevier, Amsterdam, pp. 807-935.
- Jerrim, J. and L. Macmillan (2015). 'Income inequality, intergenerational mobility, and the Great Gatsby Curve: Is education the key?', *Social Forces*, Vol. 94, No. 2, pp. 505-533.
- Kelly, E. and B. Maître (2021). *Identification of skills gaps among persons with disabilities and their employment prospects*, ESRI Survey and Statistical Report Series No. 107, Economic and Social Research Institute, Dublin.
- Keane, K., K. Doorley and D. Tuda (2021). *COVID-19 and the Irish welfare system*, Budget Perspectives 2022 Paper 2, Economic and Social Research Institute, Dublin.
- Kiernan, K.E. and F.K. Mensah (2011). 'Poverty, family resources and children's early educational attainment: The mediating role of parenting', *British Educational Research Journal*, Vol. 37, 2, pp. 317-336.
- Krueger, A. (2012). 'The rise and consequences of inequality', Presentation made at the Center for American Progress, Washington, DC, [http://www.whitehouse.gov/sites/default/files/krueger\\_cap\\_speech\\_final\\_remarks.pdf](http://www.whitehouse.gov/sites/default/files/krueger_cap_speech_final_remarks.pdf).
- Lustig, D.C. and D.R. Strauser (2007). 'Causal relationships between poverty and disability', *Rehabilitation Counseling Bulletin*, Vol. 50, No. 4, pp. 194-202.
- Maître, B., H. Russell and E. Smyth (2021). *The dynamics of child poverty in Ireland: Evidence from the Growing Up in Ireland survey*, ESRI Research Series 121, Dublin: ESRI, <https://doi.org/10.26504/rs121>.
- Mazumder, B. (2018). 'Intergenerational mobility in the United States: What we have learned from the PSID', *The Annals of the American Academy of Political and Social Science*, Vol. 680, No. 1, pp. 213-234.
- McCoy, S. and D. Byrne (2022). *Shadow education uptake among final year students in Irish secondary schools: Wellbeing in a high stakes context*, ESRI Working Paper, Economic and Social Research Institute, Dublin.
- McCoy, S., D. Byrne, P.J. O'Connell, E. Kelly and C. Doherty (2010). *Hidden disadvantage? A study of the low participation in higher education by the non-manual group*, Higher Education Authority, Dublin.
- McGinnity, F., S. Enright, E. Quinn, B. Maître, I. Privalko, M. Darmody and M. Polakowski (2020). *Monitoring report on integration 2020*, Research Series, Economic and Social Research Institute, Dublin.

- McGuinness, S., A. Bergin, E. Kelly, S. McCoy, E. Smyth and A. Whelan (2019). 'Evaluating post Leaving Certificate provision in Ireland', *The Economic and Social Review*, Vol. 50, No. 3, pp. 557-585.
- Lareau, A. (2003). *Unequal childhoods: Race, class and Family life*. University of California Press, Berkeley, CA.
- Layte R. and C.T. Whelan (2004). 'Class transformation and trends in social fluidity in the Republic of Ireland', in R. Breen (ed.) *Social mobility in Europe*, Oxford University Press, Oxford, pp. 175-195.
- Lesner, R.V. (2018). 'The long-term effect of childhood poverty', *Journal of Population Economics*, Vol. 31, No. 3, 969-1004.
- Lien, H-M., W-C. Wu and C-C Lin (2008). 'New evidence on the link between housing environment and children's educational attainments', *Journal of Urban Economics*, Vol. 64, No. 2, pp. 408-421.
- Lin, N. (2000). 'Inequality in social capital', *Contemporary Sociology*, Vol. 29, No. 6, pp. 785-795.
- Lipset, S.M. and R. Bendix (1959). *Social mobility in industrial society*, University of California Press, Berkeley, CA.
- National Advisory Council for Children and Young People (2021). Paper on addressing child poverty, <https://www.gov.ie/pdf/?file=https://assets.gov.ie/213580/928533d9-413d-4848-951f-80d21c515f65.pdf#page=null>.
- National Anti-Poverty Strategy (1997). *National Anti-Poverty Strategy: Sharing in progress*, <http://www.socialinclusion.ie/NationalAnti-PovertyStrategy-SharinginProgress1997.pdf.pdf>.
- Newman, K.S., and M.M. Chin (2003). 'High stakes: Time poverty, testing, and the children of the working poor', *Qualitative Sociology*, Vol. 26, No. 1, pp. 3-34.
- Nolan, B., J.C. Palomino, P. Van Kerm and S. Morelli (2020). 'The wealth of families: The intergenerational transmission of wealth in Britain in comparative perspective', Nuffield Foundation and INET at the Oxford Martin School.
- O'Connell, S. (1972). 'The extent of poverty in Ireland', *Social Studies*, Vol. 1, No. 4, pp. 381-400.
- OECD (2012). *Growing income inequality in OECD countries: What drives it and how can policy tackle it?*, OECD Forum on Tackling Inequality, OECD Publishing, Paris, <http://www.oecd.org/els/socialpoliciesanddata/47723414.pdf>.
- OECD (2020). *Education at a glance*, OECD Publishing, Paris.
- OECD (2021). *Disability, Work and Inclusion in Ireland: Engaging and supporting employers*, OECD Publishing, Paris.
- O'Mahony, D., E. McNamara, R. McClintock, A. Murray, E. Smyth and D. Watson (2021). *Growing Up in Ireland national longitudinal study of children. The lives of 20 year olds: Making the transition to adulthood*, Economic and Social Research Institute, Dublin.
- Ombudsman for Children (2022). 'Submission by the Ombudsman for Children's Office to the Department of Children, Equality, Disability, Integration and Youth:

- Consultation on a national action plan for the European Child Guarantee, Ombudsman for Children, Dublin.
- O'Mahony, D., E. McNamara, R. McClintock, A. Murray, E. Smyth and D. Watson (2021). *Growing Up in Ireland: The lives of 20-year-olds — Making the transition to adulthood*, Economic and Social Research Institute, Trinity College Dublin, Department of Children, Equality, Disability, Integration and Youth, <https://www.esri.ie/publications/growing-up-in-ireland-the-lives-of-20-year-olds-making-the-transition-to-adulthood>.
- Palomino, J.C., G.A. Marrero, B. Nolan, and J.G. Rodríguez (2021). 'Wealth inequality, intergenerational transfers, and family background', INET Oxford Working Papers No. 2022-15.
- Parish, S.L., and J.M. Cloud (2006). 'Financial well-being of young children with disabilities and their families', *Social Work*, Vol. 51, No. 3, pp. 223-232.
- Phulphagar, R. and F. Kane (2020). *Social impact assessment series: Student Grant Scheme*, IGEES Unit, Department of Public Expenditure and Reform, Dublin.
- Raaum, O., T. Eriksson, B. Bratsberg, M. Jantti, K. Roed, R. Naylor and E. Osterbacka (2007). *Marital sorting, household labour supply, and intergenerational earnings mobility across countries*, IZA Discussion Paper No. 3037, IZA, Bonn.
- Raphael, D. (2011). 'Poverty in childhood and adverse health outcomes in adulthood', *Maturitas*, Vol. 69, No. 1, pp. 22-26.
- Reagan, M. and Maître, B. (2020). *Child poverty in Ireland and the pandemic recession*, Budget Perspectives Papers 2021, Paper 4, Economic and Social Research Institute, Dublin. Economic and Social Research Institute, Dublin.
- Royce, E. (2009). *Poverty and power: The problem of structural inequality*, Rowman and Littlefield Publishers, Plymouth.
- Russell, H., I. Privalko, F. McGinnity and S. Enright (2021). *Monitoring adequate housing in Ireland*, Economic and Social Research Institute, Dublin.
- Russell, H., McGinnity, H. Fahey, E. & Kenny, O. (2018) *Maternal employment and the cost of childcare in Ireland* ESRI/Pobal, ESRI RESEARCH SERIES NUMBER 73
- Sen, A. (1993). 'Capability and well-being', in M.C. Nussbaum and A. Sen (eds.), *The quality of life*, Oxford University Press, Oxford, pp. 30-53.
- Serafino, P. and R. Tonkin (2014). *Intergenerational transmission of disadvantage in the UK and EU*, Office for National Statistics.
- Sharkey, P. (2016). 'Neighborhoods, cities, and economic mobility', *RSF: The Russell Sage Foundation Journal of the Social Sciences*, Vol. 2, No. 2, pp. 159-177.
- Shaw M. (2004). 'Housing and public health', *Annual Review of Public Health*, Vol. 25, No. 1, pp. 397-418.
- Small, M.L., D.J. Harding and M. Lamont (2010). 'Reconsidering culture and poverty', *The Annals of the American Academy of Political and Social Science*, Vol. 629, pp. 6-27.
- Smyth, E. (2017) *Off to a good start? Primary school experiences and the transition to second-level education*, *Growing Up in Ireland Report 5*, Department of Children and Youth Affairs, Dublin.



- Smyth, E. (2016). *Arts and cultural participation among children and young people: Insights from the Growing Up in Ireland study*, Arts Council of Ireland/Economic and Social Research Institute, Dublin.
- Smyth, E. and S. McCoy (2021). 'School experiences and postschool pathways in the Republic of Ireland', in E.A. Marshall and J.E. Symonds (eds.), *Young adult development at the school-to-work transition: International pathways and processes*, Oxford University Press, Oxford, pp. 205-221.
- Smyth, E. (2020). 'Educational inequalities: The role of schools', in N. McElvany, H. Günter Holtappels, F. Lauermann, A. Edele and A. Ohle-Peters (eds.), *Against the odds – (In)Equity in education and educational systems*, Waxmann, Münster.
- Snellman, K., J.M. Silva, C.B. Frederick and R.D. Putnam (2015). 'The engagement gap: Social mobility and extracurricular participation among American youth', *The Annals of the American Academy of Political and Social Science*, Vol. 657, No. 1, pp. 194-207.
- Solon, G. (1992). 'Intergenerational income mobility in the United States', *The American Economic Review*, Vol. 82, No. 3, pp. 393-408.
- Song, X. and R. Mare (2013). 'Retrospective versus prospective approaches to the study of intergenerational social mobility', *Sociological Methods and Research*, Vol. 44, No. 4, pp. 555-584.
- Stanley, B., V. Pigott and V. Harvey (2019). *An analysis of labour market earnings for higher education graduates in their early careers graduation cohorts: 2010–2017*, Higher Education Authority, Dublin.
- Torche, F. (2015). 'Analyses of intergenerational mobility: An interdisciplinary review', *The Annals of the American Academy of Political and Social Science*, Vol. 657, No. 1, pp. 37-62.
- Townsend, P. (1979). 'Poverty in the United Kingdom: A survey of household resources and standards of living', University of California Press.
- United Nations (2021). *Report of the Special Rapporteur on Extreme Poverty and Human Rights, Olivier De Schutter: The persistence of poverty – How real equality can break the vicious cycles*, <https://undocs.org/A/76/177>. Last accessed 28 October 2021.
- United Nations (1989). *United Nations Convention on the Rights of the Child*, <https://www.ohchr.org/Documents/ProfessionalInterest/crc.pdf>. Last accessed 11 November 2021.
- Van de Werfhorst, H. and R. Andersen (2005). 'Social background, credential inflation, and educational strategies', *Acta Sociologica*, Vol. 48, No. 4, pp. 321-340.
- Van de Werfhorst, H. and S. Hofstede (2007). 'Cultural capital or relative risk aversion? Two mechanisms for educational inequality compared', *The British Journal of Sociology*, Vol. 58, No. 3, pp. 391-415.
- Vandecasteele, L. (2011). 'Life course risks or cumulative disadvantage? The structuring effect of social stratification determinants and life course events on poverty transitions in Europe', *European Sociological Review*, Vol. 27, No. 2, pp. 246-263.
- Vincent, C. and C. Maxwell (2016). 'Parenting priorities and pressures: Furthering understanding of "concerted cultivation"', *Discourse: Studies in the Cultural Politics of Education*, Vol. 37, No. 2, pp. 269-281.

- Von Simson, K. and J. Umblijs (2021). 'Housing conditions and children's school results: Evidence from Norwegian register data', *International Journal of Housing Policy*, Vol. 21, No. 3, pp. 346-371.
- Weeden, K.A., and Grusky, D.B. (2005). 'The case for a new class map', *American Journal of Sociology*, Vol. 111, No. 1, pp. 141-212.
- Watson, D., O. Kenny and F. McGinnity (2017). *A social portrait of Travellers in Ireland* ESRI Research Series Number 56, Economic and Social Research Institute, Dublin.
- Watson, D., C.T. Whelan, B. Maître and J. Williams (2017). 'Non-monetary indicators and multiple dimensions: The ESRI approach to poverty measurement', *The Economic and Social Review*, Vol. 48, No. 4, pp. 369-392.
- Whelan, C.T. and R. Layte (2002). 'Late Industrialization and the Increased Merit Selection Hypothesis. Ireland as a test case', *European Sociological Review*, Vol. 18, No. 1, pp. 35-50, <https://doi.org/10.1093/esr/18.1.35>.
- Whelan, T. and B. Maître (2008). 'New and old social risks: Life cycle and social class perspectives on social exclusion in Ireland', *Economic and Social Review*, Vol. 39 No. 2, Summer/Autumn 2008, pp. 131-156.
- Whelan, C.T., B. Nolan and B. Maître (2013). 'Analysing intergenerational influences on income poverty and economic vulnerability with EU-SILC', *European Societies*, Vol. 15, No. 1, pp. 82-105.
- Whelan, C.T., B. Nolan and B. Maître (1993). 'Resources, deprivation and the measurement of poverty', *Journal of Social Policy*, Vol. 22, No. 2, <https://doi.org/10.1017/S0047279400019280>.
- Williams, J., E. Nixon, E. Smyth and D. Watson (2016). *Cherishing all the children equally? Ireland 100 years on from the Easter Rising*, Oak Tree Press, Cork.
- Zavisca, J.R. and T.P. Gerber (2016). 'The socioeconomic, demographic, and political effects of housing in comparative perspective', *Annual Review of Sociology*, Vol. 42, pp. 347-367.



## APPENDIX I

TABLE A4.1 GELBACH DECOMPOSITION OF CHANGES IN THE COEFFICIENTS FOR CHILDHOOD POVERTY IN MODEL OF DEPRIVATION

	Coefficient	Std. err.	P>z
<b>childpov1 Very bad</b>			
g1 = gender age	-0.007	0.003	000
g2 = education	0.053	0.008	000
g3 = marital status & n children	0.005	0.007	000
g5 = disability	0.030	0.006	000
g6 = Employment status	0.035	0.007	000
<b>Total</b>	<b>0.116</b>	<b>0.015</b>	<b>000</b>
<b>childpov2 Bad</b>			
g1 = gender age	-0.007	0.003	000
g2 = education	0.046	0.007	000
g3 = marital status & n children	0.005	0.006	000
g5 = disability	0.026	0.005	000
g6 = Employment status	0.029	0.006	000
<b>Total</b>	<b>0.099</b>	<b>0.013</b>	<b>000</b>
<b>childpov3 Moderately Bad</b>			
g1 = gender age	-0.008	0.003	000
g2 = education	0.035	0.005	000
g3 = marital status & n children	-0.004	0.005	000
g5 = disability	0.016	0.004	000
g6 = Employment status	0.018	0.005	000
<b>Total</b>	<b>0.056</b>	<b>0.011</b>	<b>000</b>
<b>childpov4 Moderately good</b>			
g1 = gender age	-0.007	0.003	000
g2 = education	0.024	0.004	000
g3 = marital status & n children	-0.006	0.004	000
g5 = disability	0.009	0.003	000
g6 = Employment status	0.010	0.004	000
<b>Total</b>	<b>0.030</b>	<b>0.009</b>	<b>000</b>
<b>childpov5 Good</b>			
g1 = gender age	-0.003	0.002	000
g2 = education	0.015	0.004	000
g3 = marital status & n children	-0.007	0.004	000
g5 = disability	0.007	0.003	000
g6 = Employment status	0.009	0.004	000
<b>Total</b>	<b>0.020</b>	<b>0.009</b>	<b>000</b>

TABLE A4.1 (CONTD.) GELBACH DECOMPOSITION OF CHANGES IN THE COEFFICIENTS FOR CHILDHOOD POVERTY IN MODEL OF DEPRIVATION

	Coefficient	Std. err.	P>z
<b>Constant</b>			
<b>g1 = gender age</b>	-0.054	0.034	000
<b>g2 = education</b>	-0.046	0.013	000
<b>g3 = marital status &amp; n children</b>	0.097	0.010	000
<b>g5 = disability</b>	0.009	0.003	000
<b>g6 = Employment status</b>	-0.164	0.022	000
<b>Total</b>	-0.158	0.046	000

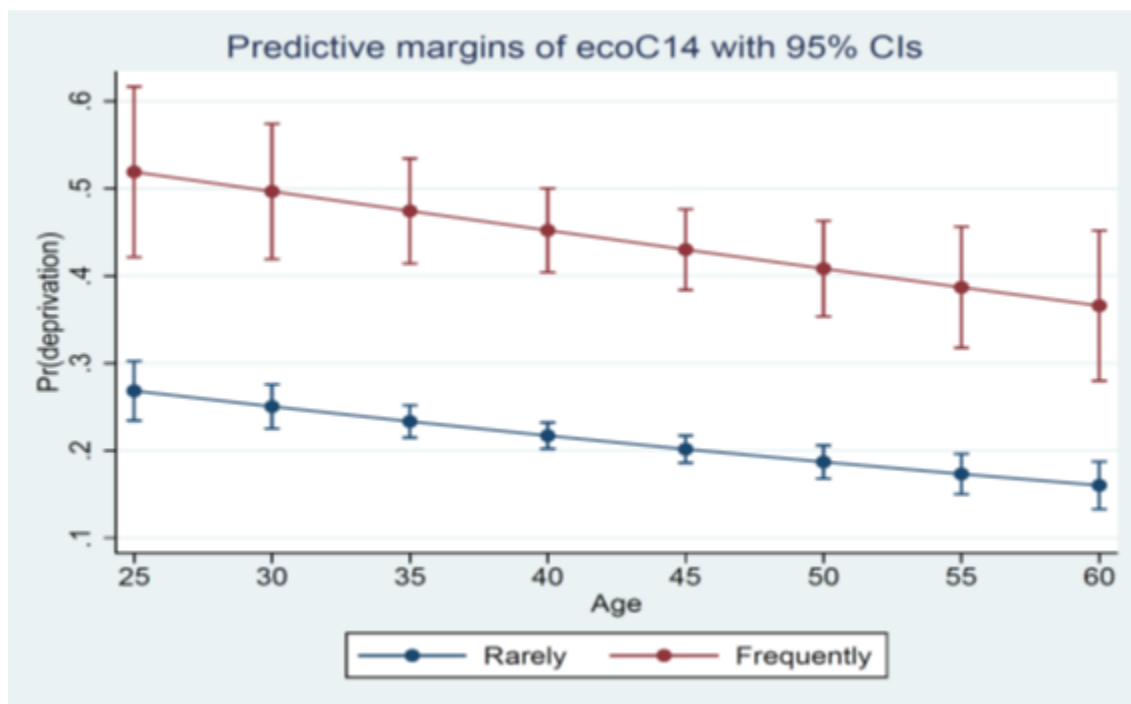
TABLE A4.2 MODEL OF CURRENT DEPRIVATION, ADULTS AGED 25-59 YEARS, 2011

		AME	AME	AME
		(1)	(2)	(3)
<b>Situation @14 very good</b>	<b>Very bad</b>	0.395***	0.305***	0.245***
	<b>Bad</b>	0.225***	0.150***	0.111**
	<b>Moderately bad</b>	0.112***	0.067*	0.036
	<b>Moderately good</b>	0.069**	0.039	0.035
	<b>Good</b>	0.013	-0.004	-0.005
<b>Sex (ref: male)</b>	<b>Female</b>	0.044**	0.047***	0.033*
	<b>Age</b>	-0.004***	-0.006***	-0.004***
<b>Education (ref=tertiary)</b>	<b>Primary</b>		0.306***	0.176***
	<b>Secondary</b>		0.141***	0.079***
	<b>Post secondary</b>		0.116***	0.070***
<b>Marital status (ref = Married)</b>	<b>Never married</b>			0.082***
	<b>Separated/Divorced</b>			0.145***
	<b>Number of children</b>			0.039***
<b>Ref: No disability</b>	<b>Disability</b>			0.113***
<b>Ref: Employed</b>	<b>Unemployed</b>			0.235***
	<b>Economically inactive</b>			0.137***
	<b>Observations</b>	3,421	3,421	3,421

Source: SILC 2011; Irish measure of material deprivation.

Note: \*\*\* p<0.001, \*\* p<0.01, \* p<0.05

**FIGURE A4.1 PREDICTED PROBABILITY OF DEPRIVATION IN ADULTHOOD, INTERACTION BETWEEN AGE AND CHILDHOOD POVERTY, 2011**



Source: SILC 2011, frequently=childhood financial situation bad or very bad, rarely =all others.

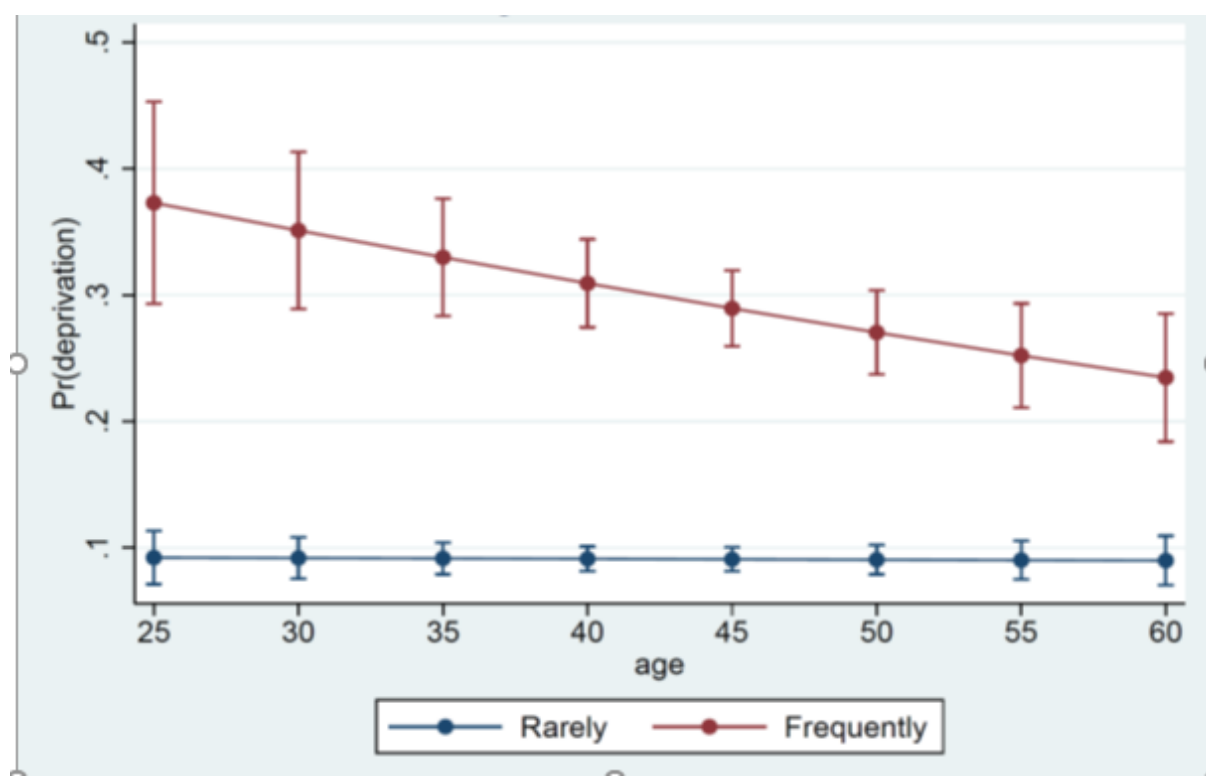
TABLE A4.3 MODEL OF CURRENT DEPRIVATION, ADULTS AGED 25-59 YEARS, 2005

		AME	AME	AME
<b>Financial problems in childhood</b> (ref: never)	Most of the time	0.264***	0.190***	0.129***
	Often	0.188***	0.141***	0.097***
	Occasionally	0.060***	0.048***	0.034**
	Rarely	0.022*	0.013	-0.001
<b>Sex (ref: male)</b>	Female	0.053***	0.052***	0.028**
	Age	-0.001	-0.003***	-0.001**
<b>Education (ref=tertiary)</b>	Primary		0.181***	0.053*
	Secondary		0.052***	-0.001
	Post secondary		0.004	-0.025
<b>Marital status (ref = Married)</b>	Never married			0.103***
	Separated/Divorced			0.196***
	Number children<18			0.028***
<b>Ref: No disability</b>	Disability			0.104***
<b>Ref: Employed</b>	Unemployed			0.255***
	Economically inactive			0.092***
	Observations	4,527	4,527	4,527

Source: SILC 2005; Irish measure of material deprivation.

Note: \*\*\* p<0.001, \*\* p<0.01, \* p<0.05.

FIGURE A4.2 PREDICTED PROBABILITY OF DEPRIVATION IN ADULTHOOD, INTERACTION BETWEEN AGE AND CHILDHOOD POVERTY, 2005



Source: SILC 2005.

TABLE A4.4 MODELS OF CURRENT DEPRIVATION (ODD RATIOS), 2005,2011, 2019

	(1)	(2)	(3)	(4)
	OR	OR	OR	OR
<b>Childhood poverty</b>	3.61***	4.04***	3.31***	2.86***
<b>2011</b>	2.48***	2.70***	3.51***	3.03***
<b>2019</b>	1.58***	1.61***	2.56***	2.44***
<b>Childhood poverty* 2011</b>		0.71*	0.72*	0.75
<b>Childhood poverty*2019</b>		0.99	0.97	1.03
<b>Female</b>			1.46***	1.22**
<b>Age</b>			0.97***	0.98***
<b>Primary</b>			7.00***	3.28***
<b>Secondary</b>			2.88***	1.92***
<b>Post secondary</b>			2.11***	1.61***
<b>Never married</b>				2.33***
<b>Separated/Divorced</b>				3.81***
<b>Number of children &lt;18</b>				1.35***
<b>Disability</b>				2.46***
<b>Unemployed</b>				4.41***
<b>Inactive</b>				2.44***
<b>Constant</b>	0.10***	0.10***	0.10***	0.03***
<b>Observations</b>	11,927	11,927	11,927	11,927

Note: \*\*\* p<0.001, \*\* p<0.01, \* p<0.05.

TABLE A4.5 CURRENT DEPRIVATION 2019 BY FATHER'S EMPLOYMENT AT AGE 14 (AVERAGE MARGINAL EFFECTS)

	AME	AME	AME
<b>Unemployed father</b>	0.207***	0.102*	0.083*
<b>Inactive father</b>	0.123**	0.093*	0.072*
<b>Father away</b>	0.099***	0.071***	0.036*
<b>Father missing</b>	0.077	0.043	0.052
<b>Female</b>	0.026*	0.042***	0.013
<b>age</b>	-0.001	-0.003***	-0.001
<b>Primary</b>		0.358***	0.172***
<b>Secondary</b>		0.148***	0.103***
<b>Post secondary</b>		0.111***	0.083***
<b>Never married</b>			0.113***
<b>Separated/Divorced</b>			0.153***
<b>N children &lt;18</b>			0.038***
<b>Disability</b>			0.130***
<b>Unemployed</b>			0.168***
<b>Other inactive</b>			0.100***
<b>Observations</b>	3,979	3,979	3,979

Source: SILC 2019, Adults 25-60 years. Irish measure of material deprivation. AME =Average marginal effects.

TABLE A5.1 COUNTRY ABBREVIATION LABELS

Country	Label
Austria	AT
Belgium	BE
Bulgaria	BG
Croatia	HR
Cyprus	CY
Czechia	CZ
Denmark	DK
Estonia	EE
EU-27	EU 27 Member States
Finland	FI
France	FR
Germany	DE
Greece	EL
Hungary	HU
Ireland	IE
Italy	IT
Latvia	LV
Lithuania	LT
Luxembourg	LU
Malta	MT
Netherlands	NL
Poland	PL
Portugal	PT
Romania	RO
Slovakia	SK
Slovenia	SI
Spain	ES
Sweden	SE

## **Whitaker Patrons and Corporate Members**

The ESRI plays a leading role in producing independent research which allows policymakers in Ireland to better understand the economic and social landscape which shapes Ireland. One goal of the ESRI is to ensure that the Institute has a strong revenue stream to fund valuable, independent social and economic research initiatives that will have a long-term impact on Irish society. In 2021, we launched a compelling new membership programme with two categories of membership:

- 1) Whitaker Patron and
- 2) Corporate Membership

We would like to acknowledge the following organisations and thank them for their valuable support:

### **WHITAKER PATRONS**

AIB  
EirGrid  
ICON  
Davy  
ESB  
Intel  
Microsoft  
Kingspan  
Meta  
Google

### **CORPORATE MEMBERS**

Musgrave Group  
OHM Group (Jaguar)  
Tesco  
Enterprise Ireland  
Matheson  
PwC  
ABP Food Group  
KPMG  
Ibec  
DCC  
Department of Transport  
FBD Insurance  
Department of Further and Higher Education, Research, Innovation and Science  
IDA Ireland  
Irish Water  
Greencoat Capital  
Malin  
Fáilte Ireland  
SIPTU  
Bord Gáis Energy  
Department of Agriculture, Food and the Marine  
Irish Farmers' Association  
Irish Life  
National Treasury Management Agency

Whitaker Square,  
Sir John Rogerson's Quay,  
Dublin 2  
Telephone **+353 1 863 2000**  
Email **admin@esri.ie**  
Web **www.esri.ie**  
Twitter **@ESRIDublin**