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POLICY PAPER

Housing Supplements and Deprivation in Ireland

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Abstract: In this paper we use Irish data to simulate the impact of housing supplements (like HAP and RAS) on deprivation. We consider this effect overall and for different social risk groups, using the SILC dataset. We also compare the predicted deprivation of housing supplement recipients to the predicted deprivation of Local Authority tenants. Housing supplements are designed to cover the housing needs of vulnerable families in the private rental sector and many of these supplements provide important support. We find that housing supplements are more common among vulnerable social risk groups; lone parents and the unemployed are the most likely to receive these. We also find that recipients of housing supplements have similar rates of predicted deprivation when compared to those in Local Authority housing. Finally, we show that the predicted probability of deprivation falls after we consider the impact of these on a respondent's total equivalised income. This effect is particularly large for vulnerable groups like lone parents. The paper helps to understand the importance of housing supplements as a means of reducing deprivation, and the social risk differences in this effect. Debate on the topic of housing supplements has focused on the transfers' costs to the Exchequer, but their efficacy as a form of social protection has been less examined.

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I INTRODUCTION

The Irish government aims to cut consistent poverty from 5.6 per cent in 2018 to 2 per cent by 2025.[1] It also aims to lower severe material deprivation. While such benchmarks were set, the composition of the housing market had been changing rapidly, not just in Ireland but across Europe (Dewilde, 2022). First, the number of people living in private rented accommodation doubled between 2006 and 2011, while the number of people renting from their Local Authority remained relatively unchanged (Doolan *et al.,* 2022; Russell *et al*., 2021). Second, the cost of housing grew and surpassed the rates seen prior to the European Debt Crisis (2008-2012) not only in Dublin but across the country (Coffey *et al*., 2022; Corrigan *et al*., 2019). Further, these affordability pressures were especially high for lone parents and other social risk groups (Russell *et al*., 2021). Given these sudden changes, housing costs have played a significant role in shaping poverty and deprivation in Ireland and, while some of these trends stem from the European Debt Crisis of 2008-2009, developments like the decline in urban housing or social housing opportunities are also a factor (Dewilde, 2022; Russell *et al*., 2021).

We propose that housing supplements may be one way of alleviating deprivation, by supporting the rental costs of vulnerable households. Housing supplements are not perfect and rely on tenants securing their own accommodation in the private rental sector (where guarantees of affordability and security can be limited (Byrne and McArdle, 2020; Hearne and Murphy, 2018)). However, such supports are associated with improved outcomes in the home and could help reach key targets set by government. Previous research has shown that cash transfers are especially effective in helping reduce poverty (Watson and Maître, 2013; Notten, 2015; Miežienė and Krutulienė, 2019), and also deprivation (Notten and Guio, 2016; 2020). Authors have also shown that housing transfers and housing supports have alleviated some of the pressures caused by increased reliance on the private rental market for housing support among lower income groups (Dewilde, 2022). We advance this topic by focusing exclusively on housing supplements like Housing Assistance Payments[2] and Rent Supplement payments,[3] as well as other supports tied to the cost of private sector rent. We argue that such supports, along with additional housing protections and caps, could significantly help alleviate deprivation among vulnerable social risk groups.

[1] Consistent poverty is the overlap between being 'at risk of poverty' (below 60 per cent of the median household income) and material deprivation (lacking at least two items out of a list of 11 items or services).
[2] Housing Assistance Payments Scheme (henceforth HAP) pays a proportion of private market rent directly to the landlord on the tenant's behalf. The scheme has become an important part of Ireland's housing provision policy, outlined in Rebuilding Ireland.
[3] Rent Supplement (henceforth RS) was first introduced in 1977. It provides financial support to existing private sector tenants with a short-term difficulty in affording rent.

This article has two aims. First, we consider the coverage of housing transfers (housing benefits and housing supplements) in Ireland, and their social risk differences. Second, we simulate the effectiveness of housing supplements at reducing deprivation using predicted probabilities. Given that HAP data have become available only recently, exploring their effectiveness is of use to researchers and policymakers who designed the programme to help households in need of housing. More broadly, given the fall in social housing output, which occurred during European Debt Crisis (2008-2012), transfers may bridge gaps between demand for housing support and social housing units available to rent (Corrigan and Watson, 2018).

We use three years of data from the CSO's SILC dataset (2017-2019), which contains information on housing income, receipt of housing supplements, and the split of housing supplements versus housing benefits. Further, the dataset contains detailed social risk and social class information, as well as measures of deprivation used to set the exact targets and benchmarks discussed in the introduction. We establish some basic differences between social risk groups in terms of deprivation and housing supplements, and then use binary logistic regression to estimate the chance of deprivation. Finally, we use this model to test the predicted probability of deprivation between supplement recipients and Local Authority tenants, and to simulate the effect of income on deprivation with and without housing transfers, before testing these predictions using a t-test.

Results help to understand the dynamics of deprivation, and the coverage and effectiveness of housing supplements. While we cannot consider the effectiveness of individual schemes due to small sample sizes (like HAP in and of itself, for example), such an approach could be considered in the future, as certain schemes become more prominent in the data. While the debate around housing supplements has focused on their wider costs and longevity with the Exchequer, work that considers their efficacy as a form of social protection has been less examined.

II LITERATURE

Debates on the effectiveness of social welfare programmes have gone on for some time. Arguments against such programmes typically cite the fact that they do not target the very poor (Crook, 1997; Friedman and Friedman, 1979) or that programmes amount to poverty traps and welfare dependence (Butler and Kondratas, 1987; Lee 1987). Arguments for the programmes typically cite their association with poverty reduction and the progress made by specific groups like pensioners in their rates of poverty and deprivation (Kenworthy, 1999; Cantillon, 2009; Caminada and Goudswaard, 2009; Esping-Andersen and Myles, 2009). Despite such debates, governments across Europe, regardless of ideology, commit some portion of their annual budget to welfare programmes (Notten, 2016).

Although they differ in generosity and transfer types, all governments consider some combination of means-tested or universal, and either cash or non-cash transfers. While most of the literature on poverty reduction explores the impact of income transfers (and taxation) on poverty (Watson and Maître, 2013; Caminada and Goudswaard, 2009; Förster and Mira D'Ercole, 2005), less research has explored the impact of transfers on deprivation (Russell and Nolan, 2000; Savage *et al*., 2019). However, those who explore the impact of transfers on deprivation also find negative association between the two (Notten, 2015; 2016; Nelson, 2012; Saunders and Wong, 2011), suggesting that such transfers can have an effect beyond the monetary wellbeing of a household.

Less often, authors consider more specific or targeted transfers, like those designed for housing costs; such transfers are especially important today. The commodification of housing in Ireland has led to sharp increases in the cost of rent and purchase, which has led to affordability issues, and affordability gaps between distinct social groups (Corrigan *et al*., 2019; Russell *et al*., 2021). These pressures have grown not just in Ireland and liberal welfare states like the UK, but also in Sweden, where governments have scaled down social housing supply through Right-to-Buy or similar schemes (Byrne and Norris, 2022). With supply falling and demand remaining relatively unchanged, governments have had to increase their use of demand subsidies, where private landlords provide housing to a growing number of low income tenants through government supported allowances (Dewilde, 2022; Crook and Kemp, 2014). Where the commodification of Irish housing was previously impacting the cost of homeownership (Norris, 2016), it has increasingly come to affect the cost of private sector rent (Byrne and Norris, 2022), thus the growing need and use of supports like housing supplements.

2.1 Social Transfers and Income Poverty

Previous research has shown that Ireland has high coverage in terms of income transfers and that transfers are generous compared to other European states (Notten, 2015). This is also especially true for housing transfers, where 30 per cent of the population receive this transfer (Notten, 2015).

These transfers have been effective in limiting poverty overall. Notten and Guio (2016) show a basic negative association between income transfers and post-transfer levels of income poverty risk. Miežienė and Krutulienė (2019) find that transfers designed to limit social exclusion and transfers that target spending on children and the family have the greatest impact on poverty reduction, compared to other transfer types. Using Irish SILC data, Watson and Maître (2013) consider the impact of transfers on the poverty gap (the difference between market income and the poverty threshold), finding transfers covered 84 per cent of the gap in 2004 and 88 per cent of the gap in 2011. This effect also had group differences, ranging from 84 per cent for working age adults to 95 per cent for retirement age adults (2011), suggesting that vulnerable households benefit most from transfers. The effect was also

observed for children, with the pre-transfer poverty gap reduced by 87 per cent after transfers.

Chzhen and Bradshaw (2012) report that transfers reduce income poverty in a sample of lone parent families from several European countries. This effect remains even when controlling for GDP per capita differences between countries, which reduce but do not eliminate the effects of transfers. Chzhen and Bradshaw (2012) also find significant differences in who experiences poverty and the importance of household composition when thinking about transfers and poverty. They claim lone fathers are less likely to experience income poverty than lone mothers, and that younger householders are more likely to be in poverty when compared to older heads of household.

In general, transfers have a positive impact in that they alleviated poverty, and there are some group differences in this effect, with the most vulnerable being the most likely to benefit from transfers.

2.2 Social Transfers and Deprivation

Estimating the effect between income transfers and deprivation is challenging as there is no €1 to €1 relationship between measures, as in measures of poverty. However, this is an especially important association, especially for those interested in Sen's (1997) capability approach, which informs much of the analysis on deprivation. Authors have estimated the relationship in several different ways. Notten and Guio (2016) estimate the income elasticity of material deprivation, finding minor results for respondents in Germany, Greece, Poland and the United Kingdom. However, they find substantial results for key groups who are "less well off", those who receive transfers. The most effective transfer type was pensions.

Elsewhere Notten and Guio (2020) analyse the impact of a small income transfer on deprivation in 32 European countries. They find a fixed value transfer is associated with lower deprivation, and that the effect is most prominent in low income European countries. This is especially true for non-pension transfers. They find that Irish respondents see a minor reduction in deprivation after a €150 transfer is considered. However, there are likely group differences to this effect, as in their own previous research. Those being the most deprived also benefitting the most from social transfers. Notten and Guio (2020) consider a set value for transfers to compare their effectiveness between countries, but this value could be substituted for specific transfers recorded by the SILC as we will show.

In general there is a negative relationship between country levels of social assistance and country levels of deprivation (Nelson, 2012). There are also country differences in the importance of individual level predictors when estimating deprivation, with low-assistance countries showing the strongest link between individual level factors and deprivation. In this way, among countries with low support, individual characteristics are a better predictor of deprivation than they are in countries with high support (Nelson, 2012). Here too Chzhen and Bradshaw

(2012) find that social transfer generosity limits the respondent's likelihood of experiencing deprivation, although country GDP levels may be a stronger predictor of this outcome. Overall, deprivation levels differ by country, and generosity of transfers may explain some of these differences. Dewilde (2022), using SILC data and a multilevel design, finds that redistributive housing policies like rental market regulation and housing allowances weaken the association between low-incomes and deprivation across 28 EU countries. These policies have the added effect of benefiting the living conditions of the broader population. Further Dewilde (2022) argues that the increased use of housing transfers after the 2008 European debt crisis shielded some renters from falling living conditions, and the consequences of a lack of availability in social housing.

Housing transfers which are designed to fund private sector renting will likely lower the deprivation for those who receive them (Notten and Guio, 2020; Sen 1997; Dewilde, 2022). Given that material deprivation reflects a person's ability to finance a "customary life", supplementing the market income of those who need such transfers will likely lead to a strong effect in their wellbeing (Barr *et al.*, 2012; Sen, 1997).

2.3 Context

Ireland's welfare state has been described as neither fully Liberal nor fully Mediterranean, with a high coverage of transfers and non-pension related supports (Notten and Guio, 2020), but few universal or de-commodified services (Esping-Andersen, 1990). Its system of housing provision, however, conforms to liberal or market-oriented typologies after a fundamental turn in the 1980s (Byrne and Norris, 2022; Dewilde, 2022; Norris, 2016). While its share of owner occupation declined from 74 per cent in 2002 to 68 per cent in 2016 (CSO census figures; Watson and Corrigan, 2019), the private rental sector grew in importance. Further, the costs associated with housing, especially housing in the rental sector, were allowed to increase sharply (Corrigan *et al*., 2019), which revealed sharp differences between social risk groups in the quality and affordability of their housing (Russell *et al*., 2021). These changes prompted the government to create new supports for those renting homes in the private housing sector, who could not secure a place in the public housing system. Although controversial, these supports are an important provision of social benefits (Dewilde, 2022), and, if combined with other housing stability measures, could help to lower instances of deprivation and poverty

III METHODOLOGY

There are four steps in our methodological strategy. First, we present some descriptive statistics on housing supplements and deprivation, overall and for specifical social risk groups. In this section we also discuss housing benefits, in

order to contrast the size and magnitude of these relative to housing supplements. Second, we estimate the chance of deprivation, controlling for receipt of housing supplements, social risk group, income, and a range of controls, saving these predicted probabilities. Third, we subtract the value of housing transfers from a respondent's equivalised income and again save these predicted probabilities. We then compare both sets of predicted probabilities using two-sided t-tests. The sections below outline our measures and present our estimation approach.

We use Ireland's Survey of Income and Living Conditions (SILC) for years 2017-2019 throughout, which records individual and household composition measures as well as income and housing transfers. Importantly, the 2017 survey does not consider receipt of Housing Assistance Payments, but these transfers feature in both 2018 and 2019. The scheme has become an important part of Ireland's housing provision policy, outlined in Rebuilding Ireland. The purpose of Ireland's SILC is to provide individual level and household level statistics on income, living standards, poverty, deprivation, and inequality (CSO, 2017, p.87).

We are particularly interested in housing supplements throughout our analysis, and the social risk differences in these transfers (Watson *et al*., 2016). We are also interested in how these measures impact deprivation, and the social risk differences in who experiences deprivation. This measure is also captured by SILC (Maître *et al.,* 2020; Privalko *et* al., 2019). A strength of the survey is that housing transfers and income figures do not rely on the respondent's recall and are instead gathered from administrative sources using their Personal Public Service number. In this way the data can capture the exact size and scope of housing supplements and housing benefits, relative to the person's income. Another significant strength of the survey is that it contains many of important controls associated with deprivation (Whelan and Maître, 2007). Using SILC, we can control for measures like family size and household composition, as well as the main characteristics of the head of the household, and their respective individual social risk categories.

3.1 Income and Housing Transfers

We use SILC's measure of national disposable income as recorded by CSO, we also equivalise this measure using the national equivalisation scale which accounts for family size.[4] We further consider two types of annual housing transfers throughout the report, **housing supplements** and **housing benefits**, paying particular attention to housing supplements. SILC's measure of housing supplements contains Housing Assistance Payments,[5] Rent Allowance, Rent Supplement, Mortgage Interest Supplement, Exceptional Needs Payments and Heat

[4] Alternative scales to account for household size exist, but we will focus on the national scale which is used to compute national statistics, and to set the poverty and deprivation targets mentioned in the introduction of this article.

[5] Although Housing Assistance Payments are paid directly to the landlord, they are recorded as income in the SILC dataset.

Supplement, measured together in one variable. To simplify our analysis, we focus only on households who receive Rent Allowance, Rent Supplement, Housing Assistance Payments and Mortgage Interest Supplement[6] for the years 2017-2019. SILC's measure of housing benefit contains Free TV licence payment, Energy Allowance, Fuel Allowance, Telephone Support Allowance,[7] and a Water Conservation Grant, measured together in one variable. Although our primary focus will be the impact of housing supplements, we will sometimes compare these measures to recipients of housing benefits, and recipients of both housing supplements and housing benefits. To account for family size, we equivalise these transfers by using the national equivalisation scale.[8] Using these measures we can discern between four groups of respondents:

- those not in receipt of housing transfers;
- those in receipt of housing supplements only;
- those in receipt of housing benefits only;
- those in receipt of both housing supplements and housing benefits.

Our model of interest focuses only on housing supplement recipients, although we sometimes describe these recipients alongside those who receive other transfers. Because the value of housing benefits is so low, we spend little time on this particular group in our discussion of deprivation.

3.2 Social Risk Groups

Social risk groups are distinguished by non-class characteristics. These result in differences in their risk of poverty and deprivation (Watson *et al*., 2016). Lone parents, older adults, children, the unemployed, and people with a disability are limited in their access to employment and the extent to which they can participate in labour market. Social risk groups are different to social class groups in that they offer additional explanations for the risk of poverty or exclusion (Watson *et al*., 2016). Drawing on earlier work which examined the evolution of income poverty and deprivation over the life cycle, Watson *et al*. (2016) frame social risk groups as those who differ in their risk of poverty due to non-class, personal or family factors that restrict their capacity to meet their need through the market. This report focuses on three drivers of social risk:

- Life course stage: Children and people older than working age are vulnerable to social exclusion and deprivation because of reduced (or no) access to employment;

[6] Mortgage interest supplements were discontinued from 2018.

[7] This scheme no longer exists.

[8] The Irish national equivalence scale gives a weight of 1 for the first adult in a household, 0.66 for each subsequent adult (over the age of 14) and 0.33 for each child. Equivalised transfer income is the household income transfer divided by their equivalised household size.

- Personal resources: Illness or disability potentially limits a person's work capacity. Further, illness and recovery involves additional costs in treatment, medication, and aids (Cullinan *et al.*, 2013). Disability may also be penalised in the labour market through discrimination or unaccommodating facilities;
- Non-work caring responsibilities: responsibility for childcare or others who have an illness or infirmity limits a person's capacity to engage in employment.

Respondents who are at risk of deprivation and income poverty are the most likely to benefit from cash and non-cash transfers alike. Households that are particularly prone to poverty, despite their social class, are those with children, those with older adults, and those where someone has a disability (NESC, 2005). Elsewhere, studies have found that lone parents are at risk of material deprivation and poverty (Watson *et al*., 2016). The remaining group, that of working age adults who are neither lone parents, nor someone with a disability or living with an adult with a disability, have a lower risk of poverty and deprivation. As a result, we consider them the reference social risk category to which we compare the remaining groups. Our social risk groups are therefore:

- Lone parents and their children;
- Individuals (including children) in households where at least one working age member has a disability (which may be the respondent);
- Individuals aged over 65;
- Working age adults who are not lone parents, and who do not have a disability, and their children. In an effort to interact this group with the unemployed, we depart from previous authors and split this category by their economic status, whether employed, unemployed, or inactive. For children, we consider the economic status of the head of the household.

3.3 Deprivation

SILC measures income at the household level over the 12 months preceding the interview. All income sources of all household members are included. As well as weekly social welfare payments, less frequent payments are also included (such as Child Benefit, which is paid monthly, and payments such as Back to School Clothing and Footwear Allowance) along with the cash value of near-cash benefits (e.g. free electricity, gas and TV licence). However, we will focus primarily on measures of deprivation, which have been shown to capture deprivation accurately and consistently in Ireland (Whelan, 2007; Maître and Privalko, 2021). Deprivation is defined as the ability to afford a list of basic goods and services (Whelan and Maître, 2007). They are:

- Two pairs of strong shoes;
- A warm waterproof overcoat;

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

We consider people who are unable to afford two or more of the listed items to be experiencing basic deprivation. This is the basis for calculating the deprivation rate (Whelan, 2007; Maître and Privalko, 2021).

Importantly, we do not use measures of household deprivation as our outcome. We do this for two main reasons. First, although these measures are important, the poverty and deprivation targets set out at the beginning of the paper are focused on the deprivation outcome which is discussed above. Second, housing deprivation is a more "sticky" concept in that addressing housing deprivation is more difficult than changing other deprivation measures. Although housing supplements may give respondents more choice to change their housing, there are barriers to this which go beyond having rental support (such as a lack of supply or the chance of losing rental costs associated with a Rent Pressure Zone).

IV RESULTS

This section has three parts. First, we present basic descriptive statistics about who receives housing transfers (benefits and supplements), how much they receive, and the level of deprivation among transfer recipients. Second, we consider a model predicting deprivation, controlling for several personal and household measures. Further, we consider the predicted probability of deprivation for those receiving housing supplements and living in Local Authority accommodation. Finally, we use this model to simulate the association between income and deprivation with and without the transfers. In this final section we use both predicted probabilities to discuss their simulated effectiveness, and the group differences in this.

4.1 Descriptive Statistics

Table 1 shows the coverage of housing transfers overall and by social risk groups. Most respondents receive neither housing supplement nor housing benefits (74 per cent). However, a significant portion receive housing benefits (21 per cent), while a smaller portion receive housing supplements (3 per cent). The least common

group receive both housing benefits and housing supplements (2 per cent). Our analysis will focus on these two latter groups as much as possible.

Table 1: Receipt of Housing Transfers by Social Risk Groups (%)

	Receives neither	*Receives Housing Supplement only*	*Receives Housing Benefits only*	*Receives both*
Lone parents & children	56.48	11.24	20.96	11.32
Adults with a disability	64.51	2.56	28.53	4.40
Working age adults, inactive	71.18	4.39	21.85	2.58
Working age adults, unemployed	59.66	5.16	29.22	5.96
Working age adults, employed	93.13	1.48	5.00	0.39
Adults over 65	26.87	*	72.29	*
Overall Total	74.14	2.8	20.73	2.32

Source: SILC data 2017-2019.
Note: Cells marked * are censored to comply with CSO rules.

In general, there are wide differences between social risk groups in terms of access to housing transfers. Working age adults who are employed are the least likely to receive a housing transfer (93 per cent receive no transfer), while adults over 65 are the most likely to receive a housing transfer (27 per cent receive no transfer). Adults with a disability (64 per cent) and lone parents (56 per cent) have rates that are between the two groups. Narrowing in on working age adults, we see that inactive working age adults are unlikely to receive transfers (71 per cent receive none), but unemployed working age adults are more likely than this group to receive housing transfers (60 per cent receive none).

As mentioned, housing supplements are uncommon across all social risk groups. Lone parents are the most likely to receive these payments (11 per cent) or a combination of these payments with housing transfers (11 per cent). Working age adults who are employed are the least likely to receive these (1 per cent for housing supplements and less than 0.5 per cent for both housing supplements and housing benefits). People with a disability and working age adults who are inactive are between these two groups in terms of access to housing supplements. Since housing supplements target low income groups which have limited access to the labour market, these findings are in line with expectations.

We also consider the average equivalised value of transfers by social risk. In Table 2, we see that overall the average equivalised housing supplement for the year (€3,500+) is significantly higher than the average housing benefit for the year (€350+), and the average payment for both transfers is roughly on par with housing benefits (€3,200+). Again, there are differences in these averages by social risk

group, with lone parents receiving the highest housing supplements (€6,600+), and people with a disability receiving the lower housing supplements (€2,400+). In this way, even social risk groups who receive transfers differ in terms of the size of the transfer.

In general, housing supplements are significantly larger than housing benefits. Among those who receive them, housing supplements are higher for lone parents (€,6,600+), and lower for adults with a disability (€2,460). If we consider those who receive both housing benefits and housing supplements, we see that adults with a disability receive the highest amount on average (€3,900), while unemployed working age adults receive a much lower amount on average (€1,900+). Lone parents receive an average amount that is also higher than the overall average (€3,500+).

Table 2: Median Value of Transfers by Social Risk Groups and Type of Transfer

	Receives neither	*Receives Housing Supplement only*	*Receives Housing Benefits only*	*Receives both*
Lone parents & children	€0.00	€6,622.17	€316.58	€3,592.91
Adults with a disability	€0.00	€2,460.84	€349.25	€3,933.96
Working age adults, inactive	€0.00	€2,994.60	€237.74	€2,895.17
Working age adults, unemployed	€0.00	€2,638.93	€271.55	€1,926.04
Working age adults, employed	€0.00	€3,034.55	€250.00	€3,498.94
Adults over 65	€0.00	*	€580.00	*
Overall Total	€0.00	€3,538.41	€352.35	€3,224.01

Source: SILC data 2017-2019.
Note: Cells marked * are censored to comply with CSO rules.

Finally, we consider the association between transfers and deprivation, overall and for specific social risk groups. These are presented in Table 3.

Looking at the overall total deprivation rates, we see that those who receive both types of transfers have the highest deprivation (0.65), followed by those who receive housing supplements alone (0.39), and those who receive housing supplements alone (0.26). Those who do not receive transfers are the least likely to report deprivation (0.12).

Further, deprivation rates are high among those who receive housing supplements (0.39), and this is especially true among employed working age adults (0.38) and lone parents (0.4). For all social risk groups, those who receive both housing transfers report the highest level of deprivation, suggesting that transfers are paid most often to those who need them. We also see in each social risk group that those who do not receive transfers are the least likely to experience deprivation.

Table 3: Average Rate of Deprivation (Lacking Two or More Items) by Transfer Receipt and Social Risk Group

	Receives neither	*Receives Housing Supplement only*	*Receives Housing Benefits only*	*Receives both*
Lone parents & children	0.33	0.40	0.54	0.78
Adults with a disability	0.22	*	0.45	0.70
Working age adults, inactive	0.11	0.28	0.31	0.66
Working age adults, unemployed	*	0.29	*	0.45
Working age adults, employed	0.07	0.38	0.26	*
Adults over 65	0.05	*	*	0.11
Overall Total	0.12	0.39	0.26	0.65

Source: SILC data 2017-2019.
Note: Cells marked * are censored to comply with CSO rules.

Overall, transfers are found among deprived respondents, with deprivation being more common among those who receive higher value transfers (housing supplements). We also find that housing supplements are uncommon, but that those who receive them often report the highest levels of deprivation.

4.2 Model Results

To simulate the impact of transfers we first consider a model predicting the odds of deprivation. We list the estimates of these models in Table 4. In Model 1 we consider social risk group, equivalised household income, and whether the household receives a housing supplement. We see that equivalised housing income has a significant negative effect on deprivation, net of the other measures, as expected. We also see that receiving housing supplements is associated with higher odds of deprivation, a finding similar to that of Table 3. Beyond these effects, we also see social risk differences in deprivation. Lone parents, adults with a disability and unemployed adults have significantly higher odds of experiencing deprivation, when compared to working age adults who are in employment. Adults over 65 however are significantly less likely to experience deprivation when compared to working age adults who are in employment.

In Model 2 we consider the characteristics of the head of the household, as well as the measures from Model 1. Importantly, these measures do not explain our previous estimates; those who receive housing supplements again report higher odds of deprivation, and equivalised household income is negatively associated with deprivation. Beyond these measures, we see that households where the head of household is a woman report higher odds of deprivation, and households where the head is older report lower odds of deprivation, net of the other measures. The nationality of the head of the household has no association with deprivation.

Finally, in Model 3 we consider household composition and the person's tenure type. As before, these measures do not explain the main effects, which remain robust. Receipt of housing supplements is positively associated with deprivation, while income is negatively associated with deprivation. Regarding risk groups, lone parents, those with a disability, and the unemployed have significantly higher odds of deprivation when compared to working age adults who are in employment, as before. One important effect is that of housing tenure. We find that those in Local Authority housing report higher odds of deprivation than those who own their own home. We also find that those who rent privately report higher deprivation than those who own their own home. Given that receipt of housing supplements is meant to substitute Local Authority housing, we test the difference in these predicted probabilities after running the model. Using the estimates in Model 3, we find that those in Local Authority housing had a predicted probability of deprivation of 22 per cent (95 per cent confidence interval 18 per cent – 26 per cent) while those in receipt of housing supplements had a predicted probability of deprivation of 27 per cent (95 per cent confidence interval 21 per cent – 33 per cent), however, we also found that the difference between both groups was not statistically significant when tested formally, suggesting they have roughly similar chances of deprivation.

In general, we see that housing transfers are associated with the most deprived, even when we consider the person's equivalised income and social risk status. We also see that social risk group membership has distinct and lasting effects which cannot be explained by the factors considered here, as previous research has shown (Maître *et al*., 2020, Privalko *et al*., 2019; Whelan and Maître 2007). We also find that those in LA housing, and those receiving housing supplements have similar chances of deprivation.

4.3 Predicted Probabilities of Deprivation

In this section we use the model described in Table 4 to compare predicted probabilities with and without the value of housing transfers. We test these predictions using a paired t-test. Table 5 shows the predicted probabilities with and without the value of housing transfers by transfer receipt. For reference, it also lists average incomes, with and without transfers, alongside the average value of transfers. Although the article focuses on the impact of housing supplements, which we discuss in greater detail in Table 6, we compare these to recipients of housing benefits, and recipients of both housing benefits and housing supplements, as we did in previous tables.

Looking at the last four columns of Table 5, we see that housing transfers have a statistically significant effect for each category, except for those whose incomes do not change (those who do not receive transfers). Those who receive housing supplements (6.4 percentage points) and those who received both housing supplements and housing benefits (7 percentage points) see a particularly sharp fall

Table 4: Logistic Regression Predicting the Odds of Deprivation (2017-2019)

	Model 1	*Model 2*	*Model 3*
Respondent marked 2 or more deprivation items			
Do not receive housing supplements	1	1	1
Receive housing supplements	2.902***	2.947***	2.568***
Equivalised net income	0.999***	0.999***	0.999***
Lone parent & children	2.912***	2.573***	2.027**
Adult with a disability & children	2.492***	2.380***	2.240***
Inactive working age & children	0.989	0.930	0.917
Unemployed working age & children	2.104***	2.074***	1.905***
Employed working age & children	1	1	1
Adults over 65	0.599***	0.574***	0.665*
Head of household Male		1	1
Head of household Female		1.350*	1.301*
Age of head		0.994	1.004
Head of household Irish National		1	1
Head of household Non-Irish National		0.769	0.701
Education of Head: Primary		1.663**	1.435*
Education of Head: Secondary		1.376*	1.322*
Education of Head: Post-secondary & tertiary		1	1
1 Adult			1.365
2 Adults			1
3+ Adults			1.869*
1 adult with children aged under 18			1.400
2 adults with 1-3 children aged under 18			1.353
Other households with children aged under 18			1.497
Number of children under 18			1.037
Number of adults 18-64			0.910
Number of adults aged over 64			0.823
Owner occupied			1
Private rented accommodation			1.599*
Local Authority rental			2.131***
Observations	21,435	21,435	21,435

Source: SILC data 2017-2019.

Note: Exponentiated coefficients; p-values in parentheses. *p<0.05, **p<0.01, ***p<0.001.

Table 5: Means and Predicted Probabilities and Income of Housing Transfer Recipients

Receipt of transfers	*Mean equivalised Income with Transfers*	*Mean Equivalised Income without Transfers*	*Mean Equivalised Housing Transfers*	*Predicted Probability of Deprivation with Transfers*	*Predicted Probability of Deprivation without Transfers*	*Difference*	*Paired t-test Results*
Receives neither	€30,452	€30,452	€0	0.1228	0.1228	0	NA
N	15,269	15,269	15,269	15,269	15,269		
Receives housing supplement	€18,481	€15,102	€3,379	0.467	0.532	0.0645	***
N	485	485	485	485	485		
Receives housing benefit	€20,515	€20,002	€512	0.195	0.201	0.0056	***
N	5,256	5,256	5,256	5,256	5,256		
Receives both	€15,916	€11,949	€3,967	0.596	0.666	0.0705	***
N	425	425	425	425	425		
Total	€27,457	€27,176	€280	0.157	0.162	0.004	***
N	21,435	21,435	21,435	21,435	21,435		

Source: SILC data 2017-2019.

Table 6: Means and Predicted Probabilities and Income of Housing Transfer Recipients who Receive Housing Supplements

Receipt of transfers	*Mean equivalised Income with Supplements*	*Mean Equivalised Income without Supplements*	*Mean Equivalised Housing Supplements*	*Predicted Probability of Deprivation with Supplements*	*Predicted Probability of Deprivation without Supplements*	*Difference*	*Paired t-test Results*
Lone parent & child	€17,802	€13,215	€4,587	0.614	0.697	0.083	***
N	324	324	324	324	324		
Adult with a disability	€17,012	€13,177	€3,835	0.612	0.680	0.068	***
N	150	150	150	150	150		
Inactive working age adult and child	€15,670	€12,769	€2,901	0.446	0.504	0.058	***
N	157	157	157	157	157		
Unemployed working age adult and child	€13,585	€10,806	€2,778	0.630	0.681	0.051	***
N	79	79	79	79	79		
Employed working age adult and child	€19,739	€16,826	€2,912	0.347	0.400	0.053	***
N	172	172	172	172	172		
Adults over 65	€17,102	€13,987	€3,114	0.345	0.404	0.059	***
N	28	28	28	28	28		
Total	€17,283	€13,629	€3,653	0.527	0.595	0.068	***
N	910	910	910	910	910		

Source: SILC data 2017-2019.

in deprivation once the value of transfers is considered. In contrast, those who receive only housing benefits see a significant but smaller fall in deprivation (0.5 percentage points).

Regarding the impact of housing supplements for specific social risk groups (Table 6), we also see significant differences in the effects of transfers. Focusing only on those who receive housing supplements, we find that lone parents benefit the most from transfers, seeing an 8 percentage point fall in their predicted probability of deprivation after the value of transfers is considered. Households with a disability also see a significant but smaller fall in predicted probability after accounting for transfers (6.8 percentage points). Working age adults who are inactive and receive supplements also see a fall in predicted probability (5 percentage points), as do respondents over 65 who receive the transfers (5.9 percentage points). Once again, the most vulnerable groups, lone parents, have the highest predicted probability of deprivation (approximately 60 per cent when transfers are considered), and the largest effect after transfers are counted as part of income. More established groups, like employed working age adults, benefit less from transfers (5 percentage points) in part because their predicted probability of deprivation is already low (34 per cent, when focusing on recipients).

V DISCUSSION

As other authors have shown, income transfers are associated with lower chances of poverty and deprivation (Notten and Guio, 2016; 2020; Nelson, 2012). We have shown that more focused transfers – housing supplements – are also associated with lower levels of deprivation, and that this effect is especially high for lone parents and adults with a disability. Housing supplements reach their intended population and, without these, levels of deprivation would be higher. However, we also find that recipients of housing supplements have similar rates of deprivation when compared to those in LA housing. Although this finding confirms that those who needs transfers are the ones receiving them, it should also concern stakeholders, since one group is at least offered the protection of the public sector in terms of housing.

Where transfers have a smaller impact, for example among older adults and working age adults who are employed, this may be because average levels of deprivation in these groups are lower when compared to other groups. Older adults have the lowest average deprivation levels of all groups considered (40 per cent without transfers and 34 per cent with transfers when recipients are considered), while working age adults in employment are also less likely to experience deprivation compared to the other groups, on average (40 per cent without transfers and 34 per cent with transfers, when recipients are considered). However, even among this group transfers are effective and modifications to these should only be done with an alternative in mind, as argued by Maître and Privalko, 2020.

VI CONCLUSION

The Irish government has committed to reducing consistent poverty by more than half.[9] At the same time, Ireland's system of housing provision will likely remain committed to expanding the private rental sector, which suggests that some portion of social housing obligation will have to be compensated for in the private rental sector (Dewilde, 2022; Hearne and Murphy, 2018). One way to balance these contradictions would be to improve or increase housing supplements which cover the cost of rent for vulnerable groups. At the very least, the caps placed on such supplements should be evaluated on a more consistent basis and the gap between the average rent for recipients and the average level of support for recipients should be reported in wider government statistics. Although this is not a long-term strategy to fix rising housing costs, it is an effective strategy which would protect those most in need of transfers, who are most often lone parents and people with a disability (Russell *et al*., 2021).

We do not suggest that housing supplements should replace the use of social housing tenancies in Ireland. Firstly, our data show that levels of deprivation among housing supplement recipients is higher when compared to Local Authority tenants, although this difference is not significant. Further, we cannot account for the tastes of those receiving housing transfers and it is possible that many people who receive these transfers may prefer to live in social housing or cost rental housing provided by their Local Authority. It should also be noted that people receiving housing supplements are often responsible for sourcing their own rental accommodation and must often negotiate with landlords themselves. Many recipients report discrimination in the housing market and an unwillingness from landlords to receive tenants under the HAP or related schemes (Byrne and McArdle, 2020). Further, vulnerable groups more broadly report a disadvantage in the private market even when receiving the transfers reported here, as these groups are less able to compete for vacancies (Hearne and Murphy, 2018). Overall, we accept these specific critiques of housing transfers and the system of housing provision which they create. Although we do not advocate explicitly for this system of housing provision, we make the case that vulnerable groups rely on these housing transfers, and their wellbeing would have been worse without them, especially during Ireland's period of divestment from social housing.

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