



Making Progress Inclusive

INOUE Pre-Budget Submission 2027

The INOU's Pre-Budget Submission highlights the permanent, targeted measures needed for unemployed people in Budget 2027.

**Irish National
Organisation of the
Unemployed**

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The INOU is a federation of unemployed people, unemployed centres, unemployed groups, community organisations and Trade Unions.

The INOU represents and defends the rights and interests of those who want decent employment and cannot obtain it. We promote and campaign for policies to achieve full employment for all.

We also campaign for an acceptable standard of living for unemployed people and their dependents. The INOU is an anti-sectarian, anti-racist, non-party political organisation which promotes equality of opportunity within society.

Budgeting for 2027

“As growth slows into the 2030s and beyond, fiscal pressures will mount. The next decade therefore offers a brief, but valuable window of opportunity to strengthen resilience, address systemic vulnerabilities and anticipate the challenges ahead.”

- Department of Finance Future Forty Report¹.

The Department of Finance’s “Future Forty” report sets the scene for Budget 2027. Several rising challenges are set to come to pass over the medium term; pressures on public finances leave Government with important choices to make in deciding the trajectory of Ireland’s economy over the coming years. This fiscal and economic outlook examines macroeconomic factors that are already impacting Irish society and will continue to develop, from demographic changes and an ageing population to the impacts of climate change already manifesting across the country.

What is essential is that the Government decisions taken, and who bears the “externalities” of policy decisions, are examined through the lens of equality and inclusion. We have learned in times of economic shocks, (including the ongoing crises with energy, housing and food prices) low-income households are the ones who are disproportionately impacted. The Government’s own Roadmap to Social Inclusion sets the path to prevent this usual scenario, with aims including achieving income adequacy for disadvantaged groups, and examining the benchmarking of income supports to provide long-term income adequacy and “to insulate those impacted by poverty from cyclical economic fluctuations”².

Government has committed to setting out “progressive” budgets in its lifetime; this Budget should go further, ensuring that the Future Forty report is taken into account while ensuring that at-risk groups are shielded from economic shocks, and that their needs and capabilities are invested in, to ensure that progress made in Ireland is inclusive and equitable. The INOU believes that targeting of public resources to low-income households is crucial in this regard, and the Government has a strong public mandate to do so³.

¹ [Future Forty - In Depth](#)

² [Roadmap for Social Inclusion 2026-2030](#)

³ [Public support for welfare and redistributive policies in Ireland | ESRI](#)

Context

Unemployment and the Labour Market

The Latest Labour Force Survey Figures (Quarter 1, 2026)⁴:

- 141,800 people are unemployed, a 14.2% increase from 2025.
- The national unemployment rate is 4.9%; for people aged 15-24 year it is 10.2%.
- The labour force participation rate for men is 70.1%, for women it is 60.1%.
- The Potential Additional Labour Force (PALF) stands at 103,700 people, a decrease of 14,300 from 2025.
- 133,700 are working part-time and are under-employed; women account for 62.0% of people who are underemployed.

The figures show a slow in labour market expansion and an accompanied increase in the numbers of people experiencing unemployment.

Despite the consistent strong performance of the labour market, what cannot be ignored is the reality of the almost 150,000 people in Ireland who are looking for work and cannot find suitable employment. Consistent evidence shows that people take up work if they have the opportunity to do so; quality jobs and supports are now needed more than ever with the ongoing economic uncertainty.

From the Live Register (May 2026)⁵:

- There are 171,800 people on the Live Register. Two in three people on the Register (67.8%) have been on it for less than 1 year.
- 20% of people on the Live Register are in receipt of the Jobseeker's Pay-Related Benefit (JPRB).

Living Conditions and Income Adequacy

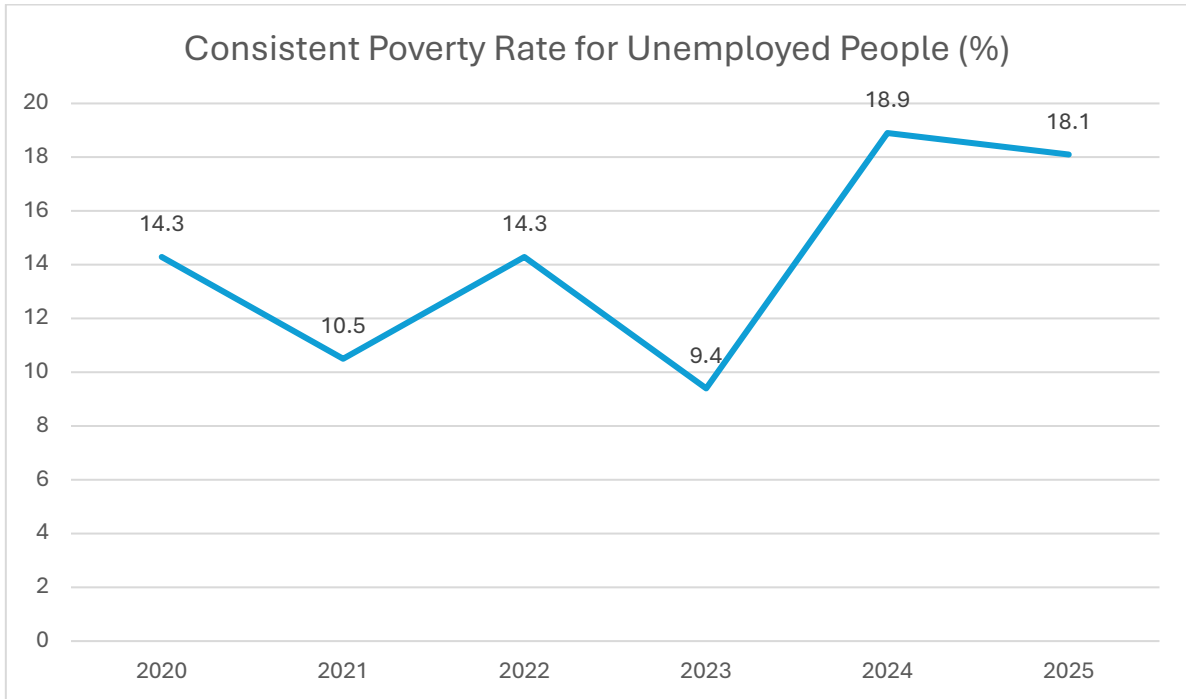
The latest Survey of Income and Living Conditions⁶ show the stark reality for people in unemployment. Though there has been some positive reduction in poverty rates for some groups in society, people in unemployment continue to face an increasing risk of poverty and deprivation.

The rate of consistent poverty experienced by people who are unemployed has doubled over two years, where now almost 1 in 5 people (18%) are living in consistent poverty. The is 9 times higher than the national target set by government in its Social Inclusion Strategy.

⁴ [Labour Force Survey Quarter 1 2026 - Central Statistics Office](#)

⁵ [Live Register May 2026 - Central Statistics Office](#)

⁶ [Survey on Income and Living Conditions \(SILC\) 2025 - Central Statistics Office](#)



Taken from SILC 2025 (CSO)

Housing costs continues to place a disproportionate burden on people with low incomes; 80% of people living in consistent poverty are living in rented or rent-free accommodation.

The Minimum Essential Standard of Living report also provides evidence of the deteriorating incomes for people experiencing unemployment⁷. Inadequate social welfare payments accompanied by ever-increasing living costs leaves many out of pocket and unable to reach the MESL each week. Single adults relying on working age payments are consistently one of the groups experiencing deep income inadequacy. The rising cost of living is causing further income inadequacy for groups who already are on low incomes. The cost of the MESL basket has increased by an average of 3.8% in the 12 months to March 2026, with cumulative growth of 23.6% since 2020, with home heating and food causing the sharpest rises in living costs⁸.

⁷ [MESL 2026: Annual Update Report](#)

⁸ Ibid.

Building towards Income Adequacy

Social transfers have become a central pillar in addressing the deep inequalities present in our society; widening income inequality, housing shortages, increasing energy prices and high proportions of low paid work has resulted in an increasing demand on our Social Protection system to protect people on low incomes.

The INOU welcomes efforts from the Department of Social Protection to modernise our Jobseeker's Allowance payment. Proposals to support people to take up or return to work should also be balanced by consistent supports that ensure that people are living above the poverty line, and then towards an income that meets the Minimum Essential Standard of Living (MESL). The social welfare system itself also needs to become more flexible and modernised to address the needs of working age people in Ireland; technology and improved data sharing should be utilised to improve access to suitable social welfare payments, with a person-centred focus.

In line with the MESL Report recommendations, the INOU supports the requirement to maintain working age payment personal rates with an adjustment of €15 per week.

Alongside maintaining core rates, changes to the capital disregards and means disregards are now needed, both to make payments accessible to low-income households, but also to truly ensure that work pays for everyone who accesses employment. Mechanisms must be designed and implemented for Budget 2027 to prevent the further erosion of the value of social welfare schemes in place, with means testing, capital disregards and income disregards updated annually.

The Jobseeker's Allowance and Supplementary Welfare Allowance are both schemes whose assessment of eligibility has not been changed since the 2000's. The inadequacy of the means testing and rules for these schemes have been highlighted by our members, with motions from our Annual Delegate Conference calling for reform to these rules, and to work towards the benchmarking of payments to ensure people can live in dignity. Without these changes the schemes are unfit for the working age people who need to access them to reduce their risk of poverty in 2027. Earnings disregards for other payments such as One Parent Family Payment and the Jobseeker's Transitional Payment have also not kept pace with increases to the National Minimum Wage⁹.

Young people reliant on the reduced rate of Jobseeker's Allowance also experience deep income inadequacy, even when assuming household running costs are borne by their family while they live at home¹⁰. Efforts must now be made to work towards the reversal of this age-based discrimination in the social welfare system, and to support younger working age people to live in dignity while they seek employment.

⁹ [Budget 2027: Pre-Budget Submission](#)

¹⁰ Ibid.

The doubling of the Jobseeker's Payment penalty rate continues to be a regressive measure both for people and for the services they are trying to access. Our members have expressed concern that since this increase in 2024, the penalty erodes the trust services are trying to build with people who are already struggling to make ends meet, pushing them back into income inadequacy and further away from their journey from welfare to work. For Budget 2027, this increase needs to be reversed, and the underlying penalty process itself needs to be replaced with a more targeted, cohesive and supportive employment service model that is truly person-centred.

Energy costs and housing costs continue to rise at rates ahead of any social welfare payment that protects low-income households. Jobseeker claimants cannot access either the Fuel Allowance or the Christmas Bonus until they are in receipt of JA for at least 12 months, and these secondary payments are totally unavailable for Supplementary Welfare Allowance (SWA) recipients. This needs to be reduced to 6 months to JA and expanded to SWA to ensure the people at highest risk of deep income inadequacy have some supports to pay their rising rents and energy bills. Reforms for housing supports also needs to be a measure taken in Budget 2027; HAP and rental supplement are essential yet inadequate supports for people to remain in their homes.

The Jobseeker's Pay-Related Benefit (JPRB) scheme has had a high uptake throughout 2026. The Benefit's value needs to be maintained to remain as a "pay-related" scheme. When moving off the payment, specific interventions should be introduced to ensure people are either on the correct alternative payment (e.g. JA or JST) or, if required, can access in-work welfare supports when returning to work e.g. Working Family Payment.

The social welfare system itself remains highly complex, with a high administrative burden for people trying to access essential supports. Expansion of services available on mywelfare.ie are welcomed, however, services should be developed further to enable and empower people to become more informed on their possible entitlements to the entire suite of payments available. Regardless of these developments, person-to-person supports remain vital for many people who need to navigate this system.

Access to supports, such as the Working Family Payment (WFP), continues to be underutilised. Welfare entitlements need to be highlighted and encouraged for households on low incomes, with a responsive social welfare system that aims to provide all payments to people that are eligible. Examples of automating processes for Child Benefit should be implemented across many other payments; the INOU will continue to call for the DSP to automate access to the WFP to minimise the time gap between the individual taking up employment and gaining access to this support, as well as automatic access to the SWA when transitioning between means tested payments e.g. Jobseeker's Allowance to Disability Allowance / Carer's Allowance.

Employment and engaging in full-time work while on the National Minimum Wage (NMW) continues to provide an inadequate income for people; single adult households in urban

areas meet 78.6% of their MESL on this income, leaving a weekly shortfall of €146¹¹. Without further income supports available for single adults, implementation of the Living Wage without further delays and further targeted supports are necessary to support people and prevent in-work poverty.

Recommendations for Budget 2027 for Income Adequacy:

- Maintain Working Age Payments personal rates with a €15 per week adjustment. Protect related supports so that people do not lose this increase through, for example, an increase in their differential rent.
- Introduce a work-friendly Social Welfare system for Jobseekers based on hours worked rather than days worked. Increase the daily earnings income disregard for Jobseekers Allowance to €25 per day for the main claimant and introduced to the Qualified Adult also.
- End the age segregation still evident in the Jobseeker's Allowance payment.
- Increase the capital means test on a Jobseeker's Allowance payment from €20,000 to €35,000 and apply this change to Supplementary Welfare Allowance as well.
- Reverse the doubling of the Jobseekers Penalty Rate introduced in 2024.
- Expand access to the Christmas Bonus and the Fuel Allowance for people on Jobseeker's Allowance or Supplementary Welfare Allowance for 6 months and over.
- Increase the Fuel Allowance by €4 per week and extend its duration to 32 weeks.
- Develop a social welfare health check that proactively informs people of available and appropriate supports and services, particularly when talking up work.
- Automate access to the Working Family Payment and Back to Work Family Dividend for families moving from welfare to work.
- Implement the Living Wage without further delays.

¹¹ [MESL-2026.pdf](#)

Supportive Employment Services

“Prioritising inclusion must be underpinned by responsive public services—services that are capable of learning from, and adapting to, the experiences of those most affected by disadvantage and exclusion.” - Taoiseach Micheál Martin, speaking at the 2026 National Economic Dialogue.

Employment services around the country continue to be a vital part of the welfare to work journey for people experiencing unemployment. Further recognition within systems of the efforts needed to develop and empower individuals who are distanced from the labour market is required, to target resources and to develop a truly inclusive labour market. Models such as the Local Area Employment Services are vital in this regard; our members continue to call for further investments in models that deliver timely individualised wraparound supports and empower individuals in both taking steps in pre-employment development, and their welfare to work journey. LAES services can be restricted by metrics and targets that do not reflect the value they can provide for service users; open-door, person-centred supports work best for people who need to first build trust with service providers and then build their own confidence and self-efficacy in their job search.

The INOU will continue to call for mainstream employment services and access to vital education and training supports via Intreo to be accessible to all people of working age, regardless of whether or not they are receiving a social welfare payment. We know that data has showed that job transitions, upskilling and lifelong learning practices must be developed to support people to engage and remain in the labour market; the Public Employment Service needs to play a stronger role in this area, and to develop the relevance of its services to people with stronger labour market attachment.

Guidance and the Work/Life balanced approach to employment services (rather than the current work first model) needs to be further integrated into the PES; models of employment services need to adapt to the evolving nature of people’s engagement with the labour market in modern times.

Recommendations for Budget 2027 for supportive Employment Services:

- Ensure all working age people can access relevant supports from the Public Employment Service, regardless of whether or not they are in receipt of a social welfare payment.
- Invest and enable models of individualised wraparound supports, via the Local Area Employment Services, for people most distanced from the labour market, with recognition for the work taken at the pre-employment stage.
- Integrate guidance approaches and person-centred supports into the PES; for career development skills; and to meet the needs of people to engage and remain in the labour market.

Employment and Employment Programmes

Delegates at the INOU's ADC continue to highlight the importance of employment programmes in supporting people distanced from the labour market in accessing employment. Access to programmes such as Community Employment and TÚS helps to build confidence while contributing to community organisations and earning valuable work experience.

INOUE members have raised concerns about the limited pathways to employment following participation in employment programmes. It shows the need to ensure the work undertaken in these programmes is acknowledged within the wider labour market and that participants develop the skills needed for the changing world of work. The cost to participate in programmes can be prohibitive and a disincentive to take part; and training opportunities do not always align with the needs of the person or are not available depending on where the person lives. The increase to the top up payment in last year's Budget was welcomed, however, further incentives are needed to truly make employment programmes a viable option for people distanced from the labour market.

Access to affordable transport continues to be a huge barrier to participation in the labour market; travel passes should be issued to people participating in employment programmes or taking up other employment. Further supports for childcare are also essential in enabling further labour force participation. Investment in targeted supports and increases in payments are both crucial to enable people to participate and remain in the labour market.

Self-employment can be an important route into a job for people who are unemployed, particularly for people who, for example, face exclusion because of their age or ethnicity. To better support the long-term viability of these enterprises, the INOU is calling on the Government to increase the Back to Work Enterprise Allowance from two years to three years – with 100% in year one, 75% in year two, and 50% in year three. The Back to Work Family Dividend is also a two-year support, extending it by one year would be a welcome development. To that end a full rate Child Support Payment (CSP) would be paid in year one, a half rate in year two, with a quarter rate in year three being introduced.

Valuable schemes, including the Work Place Experience Programme and the Part Time Job Incentive Scheme, continue to be underutilised, with strict eligibility criteria for each of these schemes. The rules for these schemes should be amended to maximise participation in these programmes that can be valuable for many people distanced from the labour market., for example, by reducing the duration on a qualifying payment to receive the PTJIS and amending the hours of work and/or duration required for the WPEP.

As the largest employer in the country, the public sector should be playing a stronger role in building an inclusive workforce. Several steps can be taken in this regard, from the development of inclusive career pathways for people distanced from the labour market,

targeted hiring and career support for people on the Live Register, and ensuring more flexible workplaces, with the introduction of part-time roles within the civil service.

Discrimination when looking for work and in the workplace continues to be an issue, and disadvantaged groups are calling for enforcement of our equality legislation. The INOU as part of the Add the 10th Alliance calls for the government to finally enact updated Equality legislation, with the inclusion of socio-economic status as a ground for discrimination (as recommended in the Pre-Legislative Scrutiny Report ¹²). This is essential to ensure people facing discrimination when applying for work based on their duration of unemployment, regional accent, postcode, clothing etc. can seek redress, which is currently not the case.

Priorities to improve access to employment in Budget 2027:

- Increase the additional payment for participants in employment programmes by €10, and provide a travel pass to participants.
- Facilitate all employment programme participants to access their most meaningful learning option.
- Support people to address the initial costs of taking up employment by introducing a travel card or a voucher system if people are living in areas with few public transport options.
- Improve access to affordable and accessible childcare and eldercare.
- Extend the Back to Work Enterprise Allowance to three years - pay 50% of the participant's social welfare payment in the third year.
- Extend the Back to Work Family Dividend by one year.
- Amend the rigid eligibility requirements for the Part-time Job Incentive Scheme and the Work Place Experience Programme.
- Develop stronger inclusive employment pathways across the Public Sector, including the Civil Service.
- Introduce amended Equality Legislation with the inclusion of Socio-Economic Status without further delays.

¹² [Joint Committee on Children and Equality publishes Report on Pre-legislative Scrutiny of the General Scheme of the Equality \(Miscellaneous Provisions\) Bill 2024 – 9 Oct 2025, 15:30 – Houses of the Oireachtas](#)

Education and Skills

The newly published Further Education and Training Strategy sets out the vision for adult education in Ireland¹³. It is a highly important area for Ireland's economic development; what cannot be lost, is the importance of education as a means to address social exclusion. Access to these opportunities must be open and abundant for people across the country, where a culture of lifelong learning is available to all groups.

An alarming development in the provision of adult education is the sudden cuts in ESOL (English for Speakers of Other Languages) classes¹⁴, which is designed for non-native English speakers to improve their language skills for everyday life, work, and study. Many migrants require access to ESOL classes to participate in Irish society; the sudden removal of these classes has left many people without the opportunity to develop their English language skills; a foundational skill needed for any involvement in employment, training, other education and societal involvement. Funding must be re-instated with immediate effect; this short-sighted decision leaves many unable to access the labour market and earn an income for their household.

At least 1 in 5 adults in Ireland have high levels of literacy needs, which increases to 1 in 4 adults for numeracy and problem-solving skills. Ireland's skills and literacy scores have not improved in the last 10 years, and the targets set in the Adult Literacy for Life Strategy are not likely to be reached. These core skills are foundational to participation in society and in the workforce, and to pursue further educational attainment. Participation in adult education is not only a stepping stone to work; it is a major support for building self-esteem and confidence in learners experiencing social exclusion. Access to this support network while obtaining key skills can be transformative for people facing social exclusion.

Navigating access to adult lifelong learning, particularly for people in unemployment or in low paid employment, is a complex task. People should have access to local education and training in their communities with learning to suit their needs, from foundational literacy and numeracy classes to apprenticeships and classes dedicated to "soft skills" and transferable skills.

Barriers to participation continue to persist; high costs to participate and limited access to both public transport and access to childcare affect learners on lower incomes. Some education providers support learners with these supports, however, this support is not a consistent feature.

¹³ [fet-strategy-2026-30-report.pdf](#)

¹⁴ [Education and Training Provision: 14 Apr 2026: Written answers \(KildareStreet.com\)](#)

“Participation in lifelong learning can be boosted in Ireland in both the short and long term by making lifelong learning opportunities more flexible and easier to navigate and by reducing barriers to participation, such as scheduling, family responsibilities and cost.”
- OECD Skills Strategy Ireland

Systems must be joined up, from Education and Training Boards to the Public Employment Service, to ensure people availing of supports are informed of the opportunities available for them. Implementation of the National Strategic Framework for Lifelong Guidance 2024-2030 is crucial to bring this to life.

From the Strategy, *“A lifelong-guidance system is a continuum of meaningful support that individuals can access at any time in their lives. Lifelong guidance is based on the philosophy that most individuals desire to participate in the workplace and perceive work as both a way to earn a living, find purpose and to fulfil potential. Professional guidance also has a role in employment services and the wider labour market, in reducing skills mismatch and in the inclusion of disadvantaged groups in the labour market, as highlighted in a recent OECD Skills report.”*

Budget 2027 Priorities for Adult Education and Skills:

- Acknowledge the cost of participation in education and training and properly support adult learners, via increased social welfare investment, to meet these costs.
- Re-instate core funding towards ESOL classes to meet the high demand for these essential classes.
- Provide professional career and educational guidance and signposting to support people to access the most appropriate course.
- To close the widening digital literacy gap, ensure that unemployed people and vulnerable workers are supported to adapt and enhance their skills.

Supporting Communities and Community Organisations

Community based organisations are a key access point to the labour market for many people and communities who are furthest from it; they are important providers of education and training opportunities that support people to address their needs with a person-centred approach.

The INOU is a member organisation of the Community Platform which has called for the creation of inclusive, resilient, sustainable and empowered communities; for the Government to build on the pilot Community Development Programme and support the establishment of autonomous community development projects in and with marginalised communities.

Community projects and programmes are also key partners in supporting employment programmes such as Community Employment. Over 25,000 people are availing of these programmes, supporting community organisations to achieve their mission while engaging in personal and career development. These programmes “are not keeping up with the changes that have been happening” according to our members, and need to be adapted to meet the needs of participants and organisations in a rapidly changing environment.

The second strategy for social enterprise, “Trading for impact” is now in its implementation phase. Social enterprise has a crucial role in providing employment opportunities for unemployed people and others who are furthest, excluded from the labour market; and the importance of supporting community led social enterprises, where people are seeking to address the socio-economic exclusion and inequality facing their communities. The role of social enterprises is creating safe spaces for people to participate, to meet and strengthen involvement in the local community they now reside in, has since been raised as an important issue.

INOUE affiliates who are involved in social enterprises have noted that they have two roles that can pull against each other: (i) to run a business and keep it going, both socially and economically; and (ii) to offer employment and progression opportunities to people who might not otherwise access them. Securing proper funding to maintain and develop these two roles can be a continuous challenge.

It is essential that as social enterprise policy evolves and clearer funding lines come on stream that sight is not lost of the important work undertaken by community-based providers, often operating on limited resources and seeking to address socio-economic exclusion within their own communities. The funding needs of these social enterprises must be acknowledged and addressed, enhanced investment must be made available, and their role as hubs for people to develop their digital skills and capacity in an increasingly technological world supported.

Recommendations for Budget 2027 to support communities and community organisations:

- Invest an additional direct funding to community and voluntary organisations.
- Properly resource community groups in their work identifying and addressing the needs of people experiencing social and economic exclusion.
- Invest in capacity building measures in employment programmes to improve the supports available for the participants and organisations involved.
- Properly support community led social enterprises seeking to address exclusion from the labour market and improve access to affordable supports and services, including digital access and the investment to understand and adapt to the technological changes underway.