



## Department of Social and Family Affairs

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### **Annual Statistical Reports Records €10.5 Billion Spent On Social Welfare In 2003**

Expenditure on social welfare has considerably outstripped increases in prices over the past decade according to the latest official figures from the Department of Social and Family Affairs. Social welfare spending has increased by 120 per cent to 10.5 billion euro last year, while the consumer price index has increased by a quarter of that amount or approximately 30 per cent since 1994.

The Department of Social and Family Affairs today published **Statistical Information on Social Welfare Services, 2003** which outlines key statistics from the Department's programmes in 2003 alongside broader trends over the last 10 years.

The report shows that social welfare spending amounted to €10.5 billion in 2003 (Table A1); an increase of 10.3 per cent over the previous year and an annual average increase of over 9 per cent since 1994. Social welfare spending accounted for almost 29% of government spending (gross current expenditure) and social welfare transfers were the equivalent of 9.6 per cent of GNP – up from 7.6 per cent of GNP in the year 2000 (Table A2).

In 2003, 1.512 million people benefited directly from weekly social welfare payments which were paid to 0.959 million recipients (many payments include additional amounts for adult and child dependants) (Table A8). The number of recipients increased by just over 20,000 compared with the previous year, while the number of beneficiaries rose by 15,000 reflecting a longer term trend to smaller families. The total number of beneficiaries has risen from 1.475 million in 1998 (an increase of 2.5%).

Minister Mary Coughlan welcomed the publication of the report:

***"This level of spending reflects my desire to achieve real social progress and which, allied with a will to reform where necessary, displays how our social protection system is now framed to step up to the challenges facing those who are vulnerable and others in our changing society. This represents the Governments' real commitment to caring and supporting our citizens in participating in society," she said.***

The statistical report also shows that the growth in spending was considerably faster than prices; since 1994 spending rose by 120 per cent compared with prices rises of 32 per cent according to the Consumer Price Index data published by the Central Statistics Office (Table A.2).

Commenting on this, the Minister said ***"This report illustrates my ongoing commitment to securing real social welfare improvements for my Department's customers. I am committed to safeguarding the living standards of those who rely on social welfare income and other supports and prioritising the allocation of resources in favour of those most in need"***.



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The report will provide an invaluable tool for policy makers and administrators within the Department and across the broader public service. It will also serve as a resource for social partners, researchers and students of social policy.

The Minister noted this feature of the report when she said that ***"the availability of reliable data is an important tool in the development and implementation of policies to build social inclusion and progress social cohesion. Accurate information is vital to support evidence-based policy-making and enable the measurement of progress in these areas"***.

The Exchequer financed almost 54% of total social welfare expenditure in 2003 with the balance being funded from Pay Relation Social Insurance contributions (PRSI) which came from employers (73%), employees (21%) and the self-employed (6%). There were now over 2.5 million people insured under the PRSI system, three-quarters of whom are insured for all benefits and pensions.

The expenditure on administration of the social welfare system has fallen as a percentage of total expenditure from 4.9% in 1999 to 4.1% in 2003.

The main features of the 2003 report show that:

- Social Welfare Expenditure in 2003 was EUR10.5 billion which represented 28.9% of Gross Current Government Expenditure. (Table A2)
- Over 959,000 people were in receipt of a weekly Social Welfare payment, which was paid in respect of over 1.5 million beneficiaries. (Table A8)
- 534,009 families received a monthly Child Benefit payment which was paid in respect of 1,034,851 children (D7). Expenditure on Child Benefit increased by 13.9% over the previous year to nearly €1.7 billion. (Table D2)
- Expenditure on Old Age has increased by 8.9% on 2002 to €2.5 billion. The number of recipients in this group has increased by 10,774. (Tables B2 and B3)
- Expenditure on Carer's Allowance and Carer's Benefit increased by 14.5% and 19.6% respectively. The numbers in receipt of a Carer's payment increased from 21,010 to 21,955, an increase of 4.5%. (Tables E3 and E4)
- Back to School Clothing and Footwear allowances were paid in respect of 172,123 children, an increase of 16,312 on 2002. Expenditure rose by 16.3% to over €17.7 million.(Tables H10 and H11)

***ENDS August 30th 2004***

**NB: *Statistical Information on Social Welfare Services, 2003 is available on the website of the Department of Social and Family Affairs***