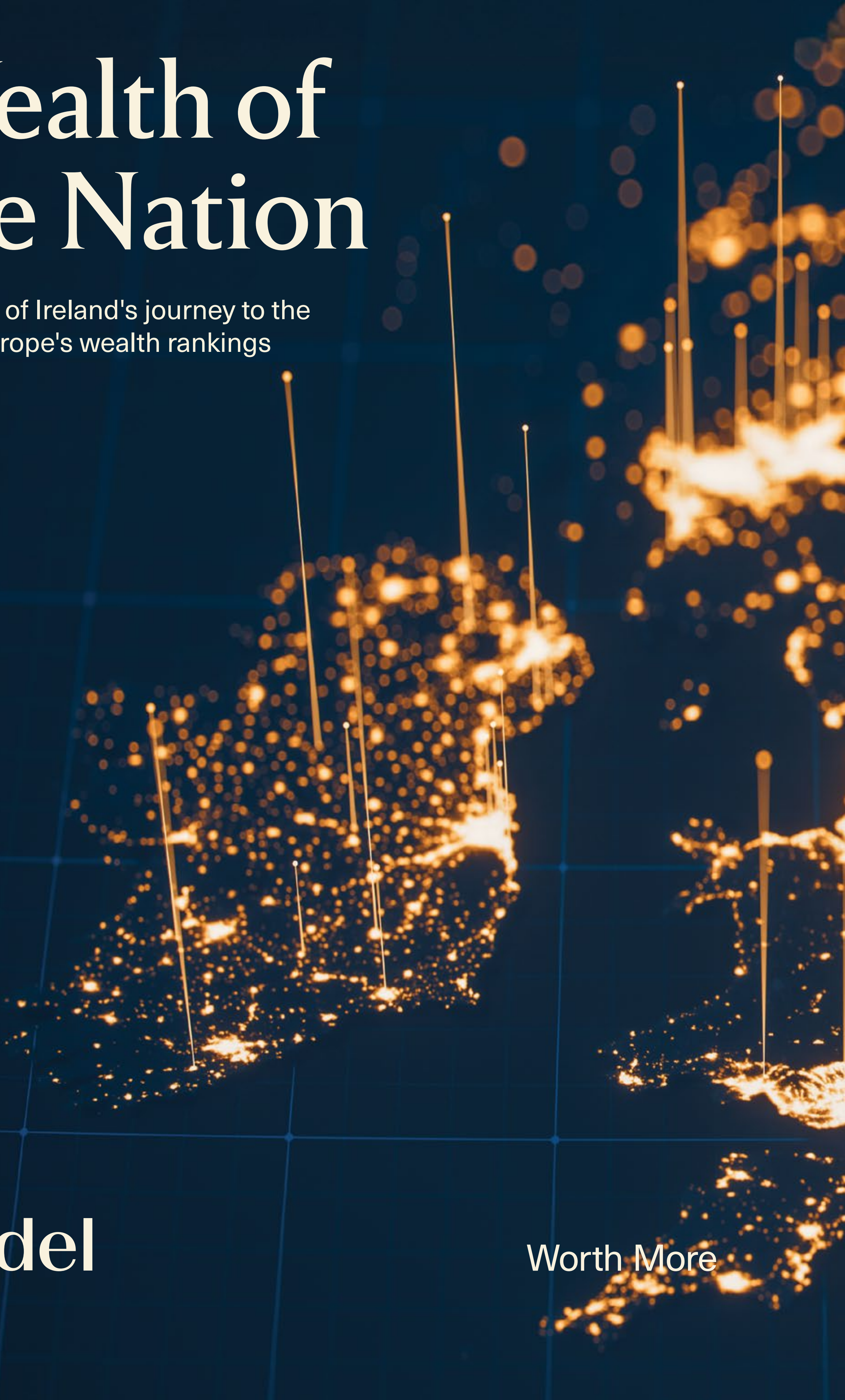
Wealth of the Nation

Republic of Ireland's journey to the top of Europe's wealth rankings

MAY 2025



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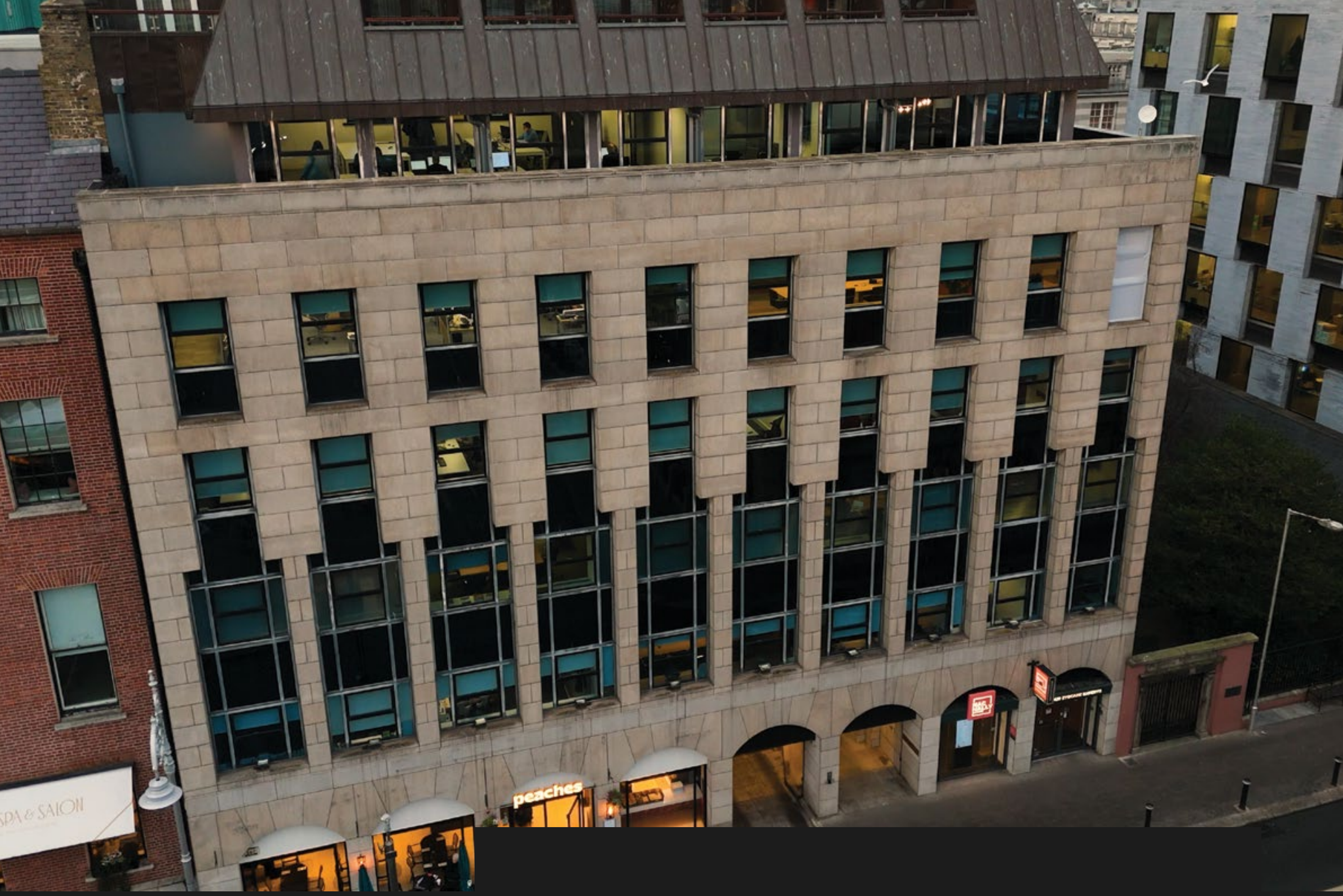

Fordel

Fordel was founded on the principles of independent thinking and expertise. Initially established as a Family Office, we have expanded to offer a full suite of wealth management services to Ireland's high-net-worth individuals. Our experience managing generational wealth allows us to bring a unique perspective to Private Clients seeking tailored financial solutions.

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Foreword

It is a common view that Ireland over the past decade has become an increasingly wealthy nation, both in absolute terms and relative to many of our European neighbours. Ireland has benefitted historically from being a lower tax jurisdiction, attracting significant overseas investment from multinational companies looking for a base into Europe.

As a well-educated and business friendly country, Ireland has been well placed to take advantage of many of the global trends of the past decade. Ireland now has a significant presence in such major industries as technology, pharmaceuticals, fund services and finance, and aircraft leasing to name but a few.

These tailwinds have contributed to significant economic progress which has filtered through to Irish citizens in the form of improved employment, business opportunities, and general asset growth.

The main goal of this report is to give an up to date and objective view of wealth in Ireland. We aim to provide some context and answer the following questions:

- How is wealth made up in Ireland?
- How do we compare to other countries?
- Who controls the wealth in Ireland?
- How has this changed over time?
- What have been the main drivers of growth?
- What are the headwinds and potential trends in the future of Irish wealth?

While we began researching and writing this report before “Liberation Day”, recent events have highlighted just how sensitive economic progress can be. Ireland, as a relatively small open economy, is heavily reliant on foreign direct investment, in particular US multinationals, for employment and tax income. The current move away from globalisation has the potential to act as a significant headwind to continued wealth generation in Ireland.

We hope this report acts as a practical and informative guide to the current state of wealth in Ireland. We also provide some key takeaways on what we believe are important factors to consider going forward.

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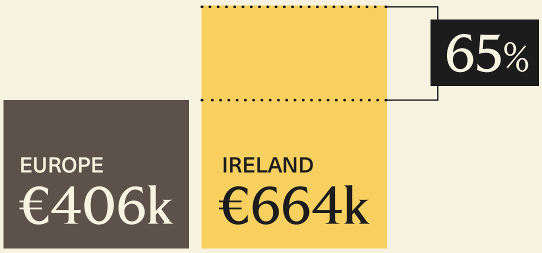
The numbers

Average household net wealth is 65% greater than European Average.



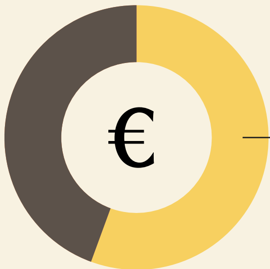
Irish household net wealth is now 78% above Celtic Tiger peak.

€1.3tn
2024

78%

€716bn
2007

High earners (>€100k p.a.) contribute an increasing proportion of total **income tax**.



55.6%
of total income tax is paid by 8.5% of earners

25%
Growth

The least wealthiest 50% of households **grew their net wealth** by 25% p.a.—significantly faster than the average, 8% p.a.

Homeowners control 97% of **total net wealth in Ireland**, on average 14.5x the net wealth of non-homeowners.

Key insights

Ireland has grown its average wealth at **8% per annum over the past 11 years**, faster than any other country in Europe.

Ireland is now the second wealthiest nation in Europe on a 'per household' basis

63.5%

ahead of the EU average.

Property has accounted for two thirds of wealth generation since 2013, or **€527bn in asset terms**.

Aggregate Household Net Wealth is now €1.3 trillion, or €663,630 per household.

Homeowners hold **14.5x the net wealth of non-homeowners**. In total homeowners' control 97.1% of Irish net wealth.

20% of Irish households, approximately 380,000, are now considered millionaires by net wealth.

Traditional investments remain significantly underinvested, outside of pensions they account for only 5.5% of total household assets.

Irish household wealth is largely illiquid, with

c.82%

in property, business, and life insurance/annuities assets.

10% of Irish households hold 49% of total wealth, but 77% of all assets outside of housing and bank deposits.

The technology and communications sector accounts for **35% of corporate tax revenue and 10% of income tax revenues**.

Tax revenues have become more concentrated over time,

8.5% of individuals earn over €100,000 p.a.

and now pay 55.6% of all income tax, up from 44% in 2012.

Ireland has become more equal over time; least wealthiest 50% of Irish households grew their wealth by 25% per annum versus the average of 8%.

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Wealth in Ireland today

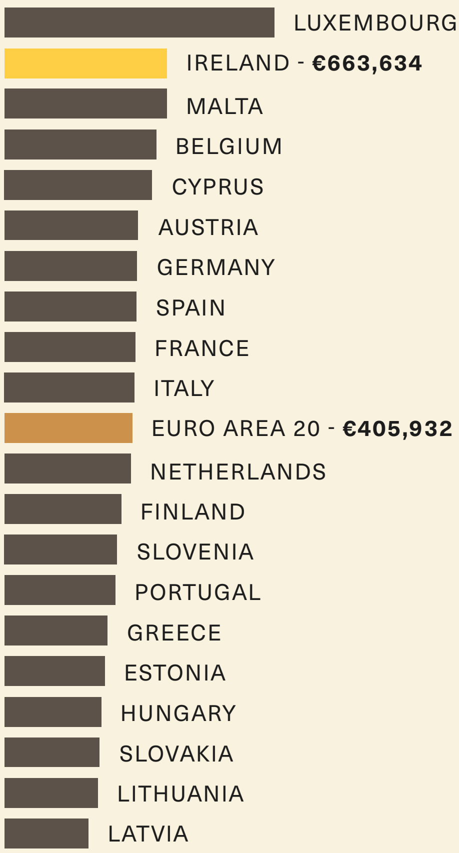
Irish households now control €1.43tn of assets.* This is a significant number considering the population of the Republic of Ireland is approximately 5 million.

There are an estimated 1.9m households in Ireland which equates to total assets of €745,880 per household. When factoring in total outstanding debt of €158bn, net wealth in Ireland stands at €1.27tn in aggregate (or €663,630 per household).

Providing context on a European scale

When we look at Irish wealth for the average household, Ireland now ranks as second on a European level, behind only Luxembourg, and significantly ahead of most other major European countries.

WEALTH COMPARISONS ACROSS EUROPE



The average wealth across the Euro Area 20 stood at €406k at the end of Q3 2024. Irish household wealth is

63.5%

ahead of the EU average.

Luxembourg is somewhat of an outlier. Many of the positive trends in Ireland are also present in Luxembourg. A small open economy, a major European financial hub, educated workforce, strong labour market, attractive business environment, small population, and a favourable tax environment have all contributed to household wealth.

While we don't have a direct comparable average figure for our closest neighbour, the UK. Latest figures indicate they have a median household wealth of £294k (€343k). This is largely in line with Ireland's median household wealth of €357k. Refer to page 10 for further details.

*Q3 2024

The breakdown of Irish household wealth

In this section we look at the underlying assets that make up the nation's wealth and how that translates to the average household. The below table details the asset types, aggregate values, and the average wealth.

TOTAL NET WEALTH IN IRELAND*

Asset Type	Total	Avg. Household	% of Total Assets
Housing	€844bn	€440,160	59.0%
Deposits	€180bn	€93,840	12.6%
Non-financial business[1]	€136bn	€70,990	9.5%
Life insurance/annuities[2]	€126bn	€65,680	8.8%
Financial business[3]	€66bn	€34,170	4.6%
Debt securities[4]	€38bn	€19,840	2.7%
Investment funds[5]	€30bn	€15,620	2.1%
Listed shares[6]	€11bn	€5,580	0.7%
Total assets	**€1,431bn**	**€745,880**	**100.0%**
Loans for housing[7]	-€131bn	-€68,200	9.1%
Other loans[8]	-€27bn	-€14,060	1.9%
Total liabilities	**-€158bn**	**-€82,250**	**11.0%**
Net wealth	**€1,273bn**	**€663,630**	

Housing wealth makes up a significant portion of the total wealth in Ireland, at €844bn or 59%. This marks a shift from the Celtic Tiger peak, when housing accounted for 66% of household wealth. At that time in 2007, net household wealth reached €716bn before falling by 43% to €407bn in 2013 in the wake of the financial crisis.

When we look at the make-up of a typical household, property, deposits, and life insurance/annuities make up over 80% of the asset base. This is somewhat to be expected when we consider the traditional mechanism to build wealth in Ireland today. Salaries are earned and typically go into a family home, build-up in cash deposits, and/or a pension through employment.

While ECB data does not have full coverage on Irish pension assets such as defined benefit or occupational schemes, the Central Bank of Ireland paint a similar picture on pensions. Based on data from the end of 2024, Irish pension assets stood at €146bn. This equates to approximately €76k per household.

Business assets (financial refers to cash/equity/receivables and non-financial refers to property/machinery/inventory) make up a further 14%, with little by way of exposure to traditional investments in equities, bonds and investment funds at less than 6% of total wealth.

*Q3 2024

As with all statistics, the average can sometimes be skewed by the wealthiest households in the country. The median household wealth, which ranks all households from top to bottom and takes the middle value, is €357k. This is perhaps a fairer reflection of what the average person in Ireland experiences.

Household debt has fallen from 21% to 11% of total assets since the peak of the Celtic Tiger, reflecting a shift toward more cautious balance sheets. Liquid assets (deposits, investment funds, debt securities, and listed shares) make up a minority of total wealth at 18.1%.

Key observations

- Irish wealth is concentrated in property at 59%
- Household liquidity is less than 20% of total assets
- Household borrowing is low at 11% of total assets
- Traditional investment assets (funds, equity, debt) are significantly under invested
- Deposits, a low return asset class, make up over 10% of total assets
- Pension assets per household are low at €76k

In effect, while household balance sheets on paper look healthy, they may not be optimally structured in terms of risk and long term expected returns. Asset concentration and liquidity risk are present, and traditional investments are not a major feature in comparison to other developed wealthy nations.

Household debt has fallen from 21% to 11% of total assets since the peak of the Celtic Tiger, reflecting a shift toward more cautious balance sheets.

How has wealth in Ireland changed?

Setting the economic context

The period in question covers Q2 2013 to Q3 2024. 2013 was a low point for the Irish economy coming off the back of an extreme property bust and the global financial crisis in 2007/2008. For the basis of growth numbers, we are starting from a low base. However, on a relative basis some of the trends are not exclusive to Ireland.

Ireland began exiting austerity in 2014, following the completion of its EU-IMF bailout program in 2013. With economic recovery taking hold, the government shifted from strict deficit reduction to moderate spending increases and tax cuts, signalling the gradual end of austerity.

By 2015, growth was firmly on track, marking the full return to fiscal health. Monetary policy set by the ECB remained highly accommodative (for example the ECB deposit facility hit a low point of minus 0.5% in 2019) right through to mid-2022 before the ECB increased rates by 4.5%.

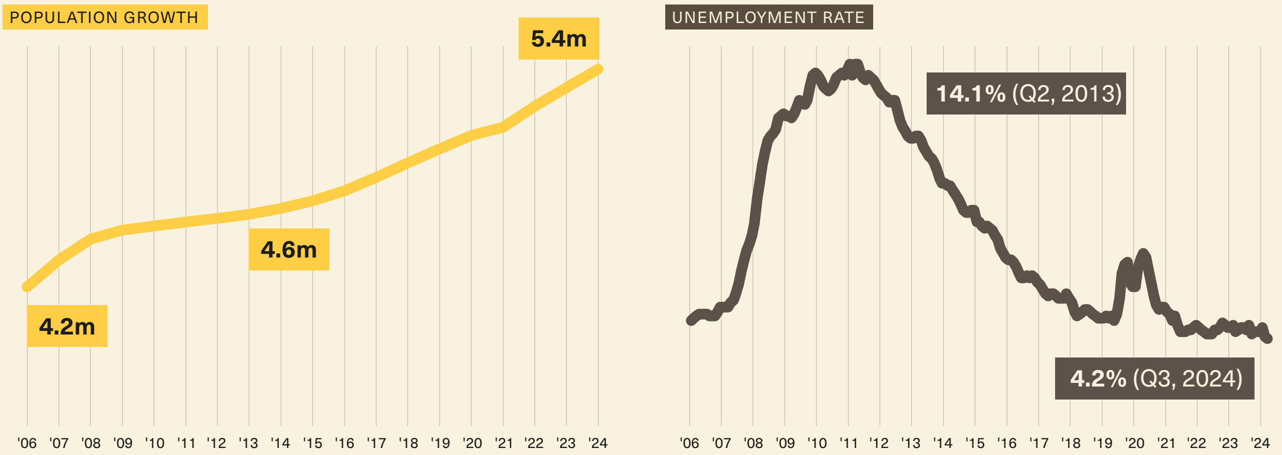
Despite a divorce from our closest trading partner, through Brexit in 2016, Irish economic growth has continued to flourish.

The growth of the US tech and pharmaceutical giants has helped boost GDP numbers and dramatically improved the employment environment and tax revenue of Ireland.

Over the period in question (2013 to 2024):

- The Irish population grew from 4.6m to 5.4m (+0.9% p.a.)
- Individuals in employment grew from 1.9m to 2.8m (+3.4% p.a.)
- Unemployment fell from 14.1% to 4.2%
- Inflation ran at 1.8% p.a.
- Nominal GDP grew from €45bn to €138bn (+10.4% p.a.)
- Residential property prices grew at 11.7% p.a.

IRISH POPULATION AND UNEMPLOYMENT RATE



KEY ECONOMIC CHANGES IN IRELAND – 2013 TO 2024

Changes in	2013	2024	Total Change	Annualised Change
Median net wealth	€109,845	€357,060	€247,215	11.0%
Average net wealth	€279,878	€663,634	€383,755	8.0%
Irish inflation index	83.1	101.3	18.2	1.8%
Irish GDP at market prices*	€45bn	€138bn	€93bn	10.4%
Euro Area 20 GDP at market prices*	€2,511bn	€3,782bn	€1,271bn	3.7%

*"At market prices" means measuring GDP using the actual prices buyers pay, including taxes and excluding subsidies. It includes the effects of inflation.

Irish GDP over the period grew by over

10%

per annum compared to the European average of 3.7%

Irish GDP over the period grew by over 10% per annum compared to the European average of 3.7%. Ireland has, apart from a period during and just after the global financial crisis, grown consistently at a faster rate than its European peers. This has manifested itself through to household wealth accumulation.

HOUSEHOLD NET WEALTH – 2013 TO 2024

Asset Type	Q2 2013	Q3 2024	Total Change	Annualised Change
Housing	€186,730	€440,160	€253,430	7.9%
Deposits	€70,290	€93,840	€23,550	2.6%
Non-financial business[1]	€72,450	€70,990	-€1,460	-0.2%
Life insurance/annuities[2]	€25,550	€65,680	€40,130	8.7%
Financial business[3]	€22,330	€34,170	€11,840	3.9%
Debt securities[4]	€950	€19,840	€18,890	31.0%
Investment funds[5]	€3,360	€15,620	€12,260	14.6%
Listed shares[6]	€1,810	€5,580	€3,770	10.5%
Total assets	**€383,470**	**€745,890**	**€362,420**	**6.1%**
Loans for housing[7]	-€79,700	-€68,200	€11,500	1.4%
Other loans[8]	-€23,890	-€14,060	€9,830	4.6%
Total liabilities	**-€103,590**	**-€82,250**	**€21,340**	**2.0%**
Net wealth	**€279,880**	**€663,630**	**€383,750**	**8.0%**

VALUE AS A PERCENTAGE OF TOTAL ASSETS

Asset Type	Q2 2013	Q3 2024	Total Change
Housing	48.7%	59.0%	10.3%
Deposits	18.3%	12.6%	-5.7%
Non-financial business	18.9%	9.5%	-9.4%
Life insurance/annuities	6.7%	8.8%	2.1%
Financial business	5.8%	4.6%	-1.2%
Debt securities	0.2%	2.7%	2.4%
Investment funds	0.9%	2.1%	1.2%
Listed shares	0.5%	0.7%	0.3%
Total assets	**100.0%**	**100.0%**	**0.0%**

Average household net wealth has increased from €280k in 2013 to €664k in 2024, representing an 8% annualised return for over the decade. Of this €384k gain, the change in housing accounted for 66% of the total. Life insurance/annuities assets accounted for a further €40k or 10%.

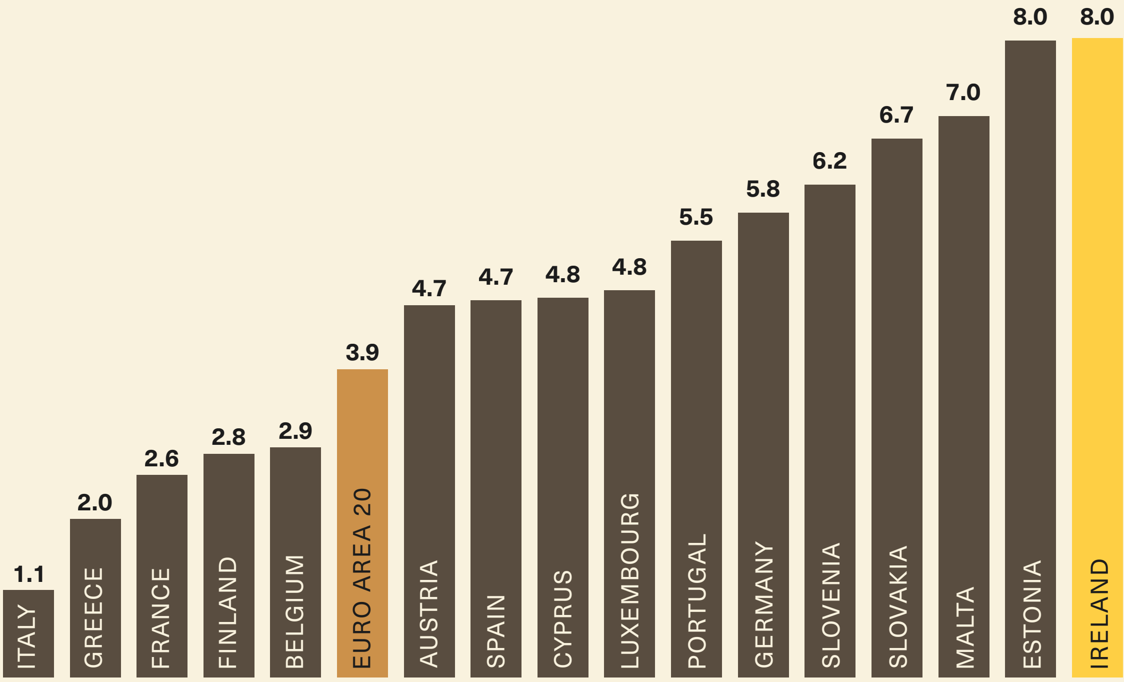
Effectively all asset types, except for non-financial business assets, have increased in absolute terms since 2013. Business assets and deposits grew slower than the aggregate and as a percentage of assets fell over the period. Investment assets (funds, debt, shares) grew materially in percentage terms but remain a small portion of overall net wealth.

Housing, as the largest component of total wealth, plays an important role in wealth creation. While housing makes up a similar portion of the average European household asset base (57% vs. Ireland's 59%), the pace of growth in Ireland has far outstripped that of peers. In fact, Ireland has become more concentrated in property over time (from 49% to 59%).

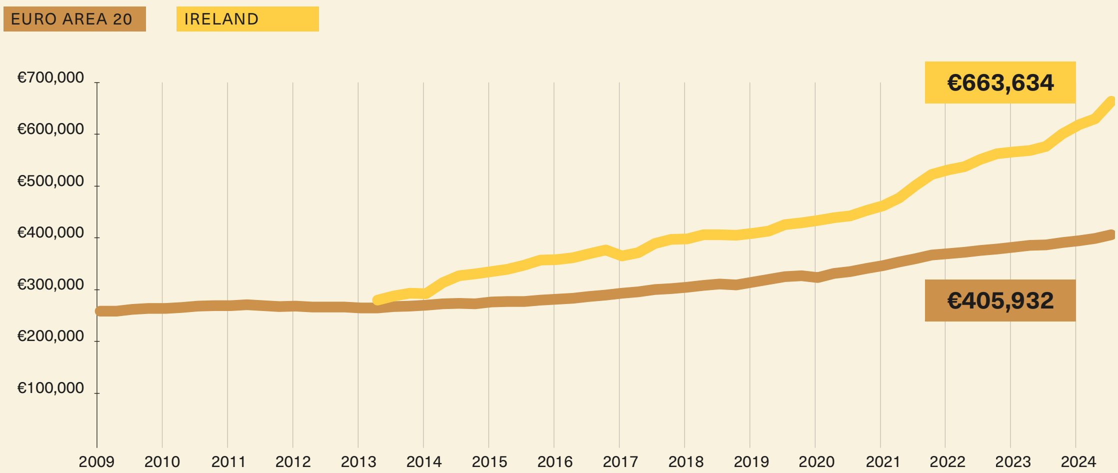
Between Q2 2013 and Q3 2024, average household housing wealth in Ireland grew by 7.9% p.a. In Europe, by contrast, the same measure grew by 3.8% p.a.

Interestingly, Ireland was close to the average when ECB DWA statistics began in 2013, however average Irish wealth has grown by 8% p.a. since then while the average EU household has grown by 3.9%.

ANNUALISED WEALTH GROWTH RATES JUN 2013 – SEP 2024 (%)



CHANGE IN AVERAGE WEALTH (IRELAND VS. EURO AREA 20)

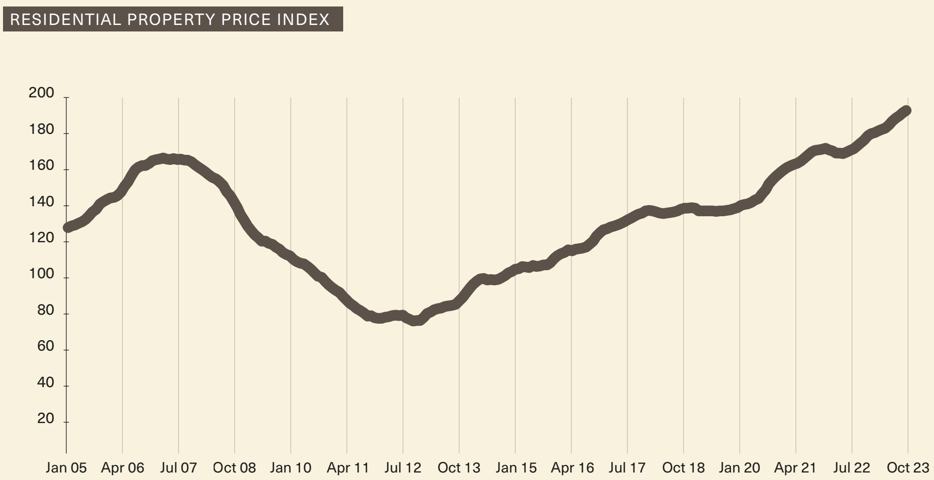


As demonstrated in later sections, the 2013 period coincided with the bottom of the Irish property market following the global financial crisis in 2008. This tailwind in property values from a low point in 2013 has no doubt acted as an accelerant to household wealth versus European peers.

Between June 2013 and September 2024, Irish residential property prices grew by 8.4% p.a. representing a total rise of almost 150% in just 11 years.

In comparison, the Euro Area indices experienced a property price increase of approximately 50% in aggregate, or 3.7% p.a.

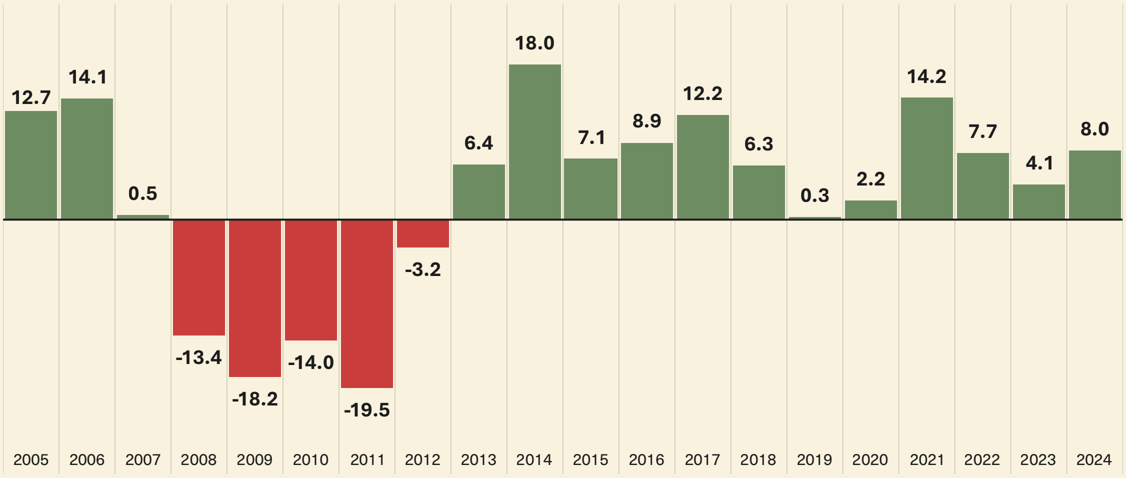
IRISH RESIDENTIAL PROPERTY PRICES



Between June 2013 and September 2024, Irish house prices increased by

150%

ANNUAL CHANGE IN IRISH RESIDENTIAL PROPERTY PRICES (%)



Irish property prices fell by 55% from September 2007 through to March 2013. By comparison the Euro Area price index fell by about 7% over a similar period, highlighting the extreme nature of the last Irish housing crisis.

When we view Irish house prices over a longer period (January 2005 to March 2025), the annualised growth rate is closer to 2%. Recent history may lead us to believe house prices can continue their trajectory of 5-10% p.a. growth, however challenges may place a limit on how high house prices can deviate relative to incomes, and other practical wealth dynamics.

House prices are influenced by several factors such as:

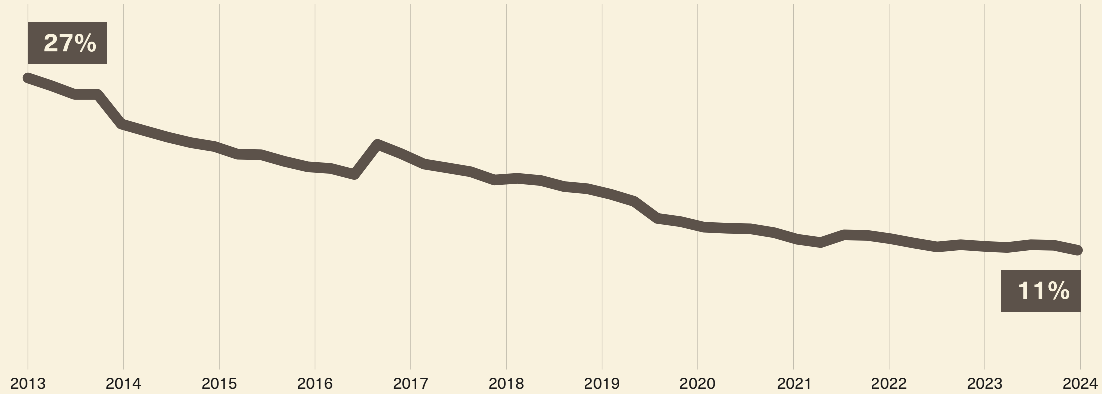
- Inflation
- Wage growth and employment
- Population growth and demographics
- Interest rates
- Central bank lending rules
- Supply/demand dynamics (planning, services, infrastructure, etc.)
- General economic growth

Leverage also plays a role. The period in question, for the most part, had base interest rates close to zero. This monetary environment set the basis for a strong recovery in Irish residential property.

This report is not a paper on house prices. However, it is clear that many of the factors outlined have been supportive of higher house prices over the past decade, which has significantly contributed to the growth in Irish household wealth.

Against this relatively accommodative monetary backdrop from the European Central Bank, Irish households reduced liabilities. Leverage as a percentage of total assets fell from 27% in 2013 to 11% today. What's more, "other liabilities" which reflect borrowings outside of mortgages were paid back at a faster pace. These more expensive liabilities (which typically take the form of personal loans like car loans or credit card debt), combined with reduced mortgage debt have left Irish balance sheets materially healthier over time.

DEBT TO ASSET RATIO (%)



To highlight the wealth disparity of home ownership versus non-homeowners, we have outlined the net wealth of the two groups below.

Homeowners now control over 97% of total wealth in Ireland. On a per household level, this averages €926k in net wealth, which equates to 14.5 times that of a non-homeowner.

NET & AGGREGATE WEALTH OF HOMEOWNERS VS. NON-HOMEOWNERS

Housing Status	Homeowner or Partial Owner	Non-Homeowners	Total or Multiple
Avg. household net worth	€925,760	€63,950	14.5x
Aggregate wealth	€1,236bn	€37bn	€1,273bn
As % of total	97.1%	2.9%	100.0%
Number of households	1.3m	0.6m	1.9m
Annualised net wealth growth 2013 to 2024	8.35%	2.00%	

This narrative can somewhat be explained by age factors, such that non-homeowners are typically younger and have had less time to save and accumulate wealth. Nonetheless it points to how correlated home ownership is to wealth in Ireland.

Changes to total wealth in Ireland

Taking a step back and looking at total wealth in Ireland, net wealth increased from €475bn in 2013 to €1.27 trillion in 2024, a rise of 9.1% p.a. over an 11-year period (€800bn in monetary terms).

This is of course influenced by factors such as population growth and demographics etc. when compared to changes at a per household level. For example, the number of households grew from 1.7m to 1.9m, population from 4.6m to 5.4m, and employment from 1.9m to 2.8m.

Housing wealth accounted for the majority of this wealth generation, although as a general observation all asset types increased in absolute terms, and total debt was reduced. As expected, similar trends emerge at the aggregate level to the individual household level.

HOUSEHOLD NET WEALTH – 2013 TO 2024

Wealth Type	Q2 2013	Q3 2024	Total Change	Annualised Change
Housing	€317bn	€844bn	€527bn	9.1%
Deposits	€119bn	€180bn	€61bn	3.7%
Non-financial business	€123bn	€136bn	€13bn	0.9%
Life insurance/annuities	€43bn	€126bn	€83bn	9.9%
Financial business	€38bn	€66bn	€28bn	5.0%
Debt securities	€2bn	€38bn	€36bn	32.4%
Investment funds	€6bn	€30bn	€24bn	15.9%
Listed shares	€3bn	€11bn	€8bn	11.7%
Total assets	**€651bn**	**€1,431bn**	**€780bn**	**7.2%**
Loans for housing	-€135bn	-€131bn	€5bn	0.3%
Other loans	-€41bn	-€27bn	€14bn	3.6%
Total liabilities	**-€176bn**	**-€158bn**	**€18bn**	**1.0%**
Net wealth	**€475bn**	**€1,273bn**	**€798bn**	**9.1%**

In Ireland, net wealth increased from €475bn in 2013 to €1.27 trillion in 2024.

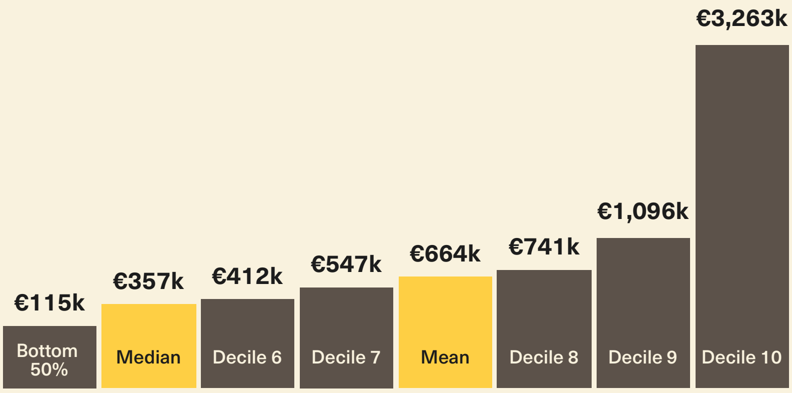
The continued growth of pensions and other traditional investment assets is a positive trend, although it comes from a low base and remains considerably under-represented compared to Ireland's European and international peers. Life insurance/annuities grew from €43bn to €126bn (9.9% p.a.) while debt securities, investment funds, and listed shares (publicly traded company stocks available on official stock exchanges) all grew at greater than 10% p.a.

Deposits increased significantly, at a slower pace than net wealth, indicating much of the higher incomes were funnelled into additional property and investment assets. Deposits made up over 18% of total assets in 2013, now accounting for 12.6% of total assets.

The wealthiest 10%

The wealthiest 10% of Irish households, approximately 190,000, have an average net wealth of €3.3m, made up of €3.5m in assets and €200k in liabilities. 20% of households in Ireland today are considered millionaires by net wealth.

HOUSEHOLD WEALTH BY DECILE, MEAN, AND MEDIAN



Looking more closely at this group, the make-up of the wealthiest balance sheets differs in many aspects from the average. This cohort holds a more diversified mix of assets. Housing and deposits make up a smaller proportion of overall assets (53%) compared to the average household (72%). The balance is spread out with a greater proportion in business, pensions, and other investment assets.

THE WEALTHIEST 10% HOUSEHOLD NET WEALTH – 2013 VERSUS 2024

Wealth Type	Q2 2013	Q3 2024	% of Total Assets
Housing	€518,030	€1,462,850	42.2%
Deposits	€195,840	€497,430	14.3%
Non-financial business	€550,340	€467,740	13.5%
Life insurance/annuities	€346,320	€385,590	11.1%
Financial business	€218,450	€320,860	9.2%
Debt securities	€4,900	€164,810	4.7%
Investment funds	€25,950	€132,380	3.8%
Listed shares	€12,300	€38,570	1.1%
Total assets	**€1,872,120**	**€3,470,220**	**100.0%**
Loans for housing	-€127,110	-€168,300	4.8%
Other loans	-€109,460	-€39,200	1.1%
Total liabilities	**-€236,570**	**-€207,490**	**6.0%**
Net wealth	**€1,635,550**	**€3,262,730**	

The wealthiest 10% of households own a disproportionate amount of business, pension, and other investment assets.

To put numbers around that, the top 10% owns:

49% of total wealth (€627bn out of €1.27tn)

35% of housing and deposits (€355bn out of €1.02tn)

77% of all other assets (€312bn out of €406bn)

25% of outstanding debt (€40bn out of €158bn)

Simply put, the wealthiest 10% own most of the assets outside of the core housing and deposit wealth in Ireland. Furthermore, these wealthy individuals have on average less borrowings as a % of total assets. The average Irish household leverage sits at around 11%, with the wealthiest 10% at 6% (down from 12.6% in 2013).

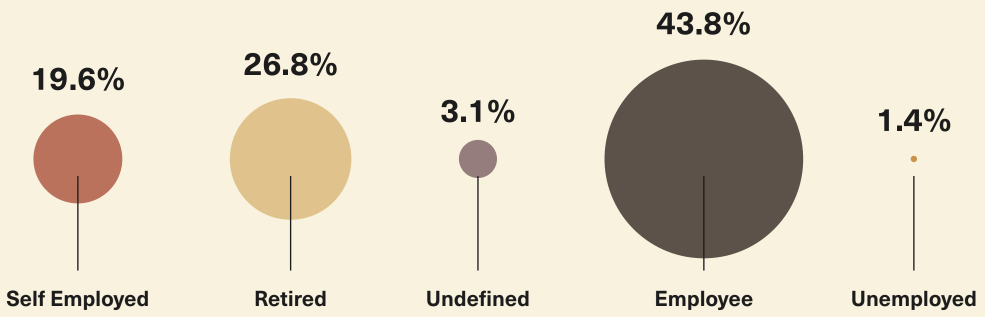
WEALTHIEST 10% OWNERSHIP OF NET WEALTH IN IRELAND (2024)

Wealth Type	Ireland	Top Decile	% of Total
Housing	€844bn	€281bn	33.3%
Deposits	€180bn	€74bn	41.2%
Non-financial business	€136bn	€90bn	66.0%
Life insurance/annuities	€126bn	€96bn	75.9%
Financial business	€66bn	€62bn	94.1%
Debt securities	€38bn	€32bn	83.3%
Investment funds	€30bn	€25bn	85.0%
Listed shares	€11bn	€7bn	69.2%
Total assets	**€1,431bn**	**€667bn**	**46.6%**
Loans for housing	-€131bn	-€32bn	24.7%
Other loans	-€27bn	-€8bn	28.0%
Total liabilities	**-€158bn**	**-€40bn**	**25.3%**
Net wealth	**€1,273bn**	**€627bn**	**49.3%**

Wealth by employment status

Aside from wealth deciles (i.e. 10% increments), we have considered wealth through the lens of employment status. As one might expect, the largest cohort are the employed, accounting for 44% of total household wealth.

Percentage ownership of total wealth



AVERAGE AND TOTAL WEALTH BY EMPLOYMENT STATUS

	Self Employed	Retired	Undefined*	Employee	Unemployed
Avg. Household wealth	€1,467,740	€767,350	€644,630	€540,300	€170,630
Annualised change since 2013	7.0%	6.6%	3.1%	10.5%	8.1%
Total wealth	€249bn	€342bn	€106bn	€557bn	€18bn
As % of total	19.6%	26.8%	8.4%	43.8%	1.4%
Estimated households	170k	445k	165k	1.0m	106k
As % of total households	8.9%	23.2%	8.6%	53.8%	5.5%

*Undefined refers to households that have not or can not be classified into the other employment status groups.

Those in employment (typically PAYE "employees") have grown their wealth at a faster rate than other groups.

Intuitively the Employee cohort would have benefitted from an improving employment backdrop in Ireland as multinationals grew employment and incomes over time. This group would also be characterised by higher leverage and a greater concentration in property given where they are in their lifecycle, benefitting their net wealth as housing prices grew rapidly.

Self-employed individuals, representing mostly business owners and entrepreneurs are on average the wealthiest on a per household basis. Self-employed households account for 9% of total households and control just shy of 20% of total net wealth.

The retired group have the second highest net wealth and are the second largest group by number. Retired households control €342bn (27%) of total wealth. They hold lower leverage and were less impacted by the improving employment environment, as a result their net worth grew at a slower pace than the average over the period.

Distribution of wealth

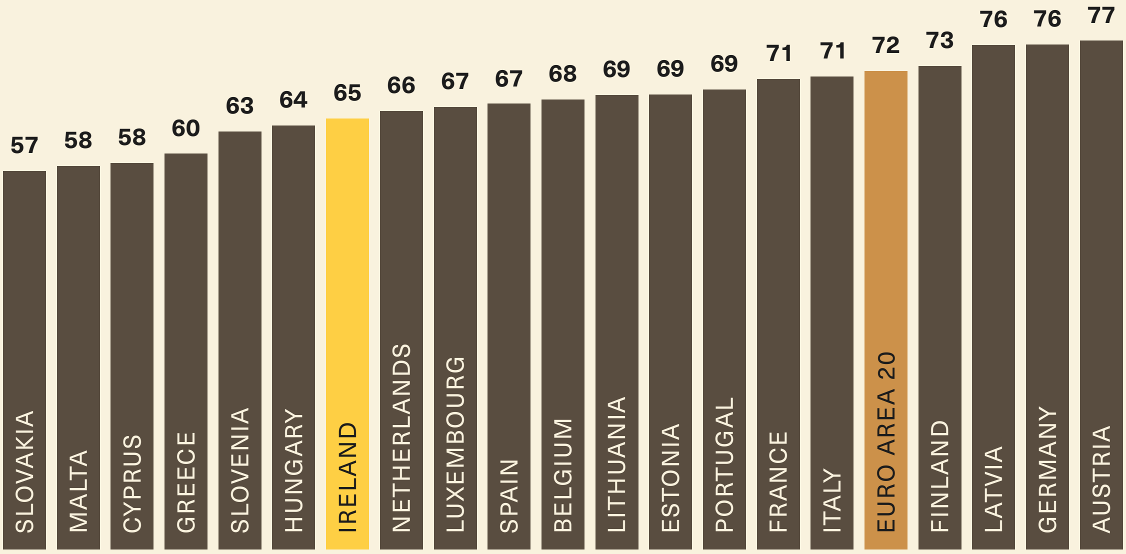
As is common with many countries and regions, wealth is concentrated at the top of the distribution. A small number of very wealthy individuals can significantly influence the calculation of the "average" household. As we mentioned, the average (or mean) Irish household has a net wealth of €664k, while the median (i.e. removing the impact of outliers) is €357k.

From a societal point of view, many of the measures of inequality have improved over time in Ireland. That is from an absolute perspective and relative to European counterparts.

A positive aspect in an Irish context is that wealth inequality here is below the EU average.

The Gini coefficient (or Gini index) is a measure of inequality within a distribution, often used to assess income or wealth inequality within a country or population. It ranges from 0 to 100. A score of 0 would indicate that everyone has the same wealth. A score of 100 would signify that one individual holds all the wealth.

GINI COEFFICIENTS ACROSS EUROPE



Another positive trend is that this measure has been falling (i.e. wealth more evenly distributed) over time. In fact, Ireland has seen a dramatic fall in the Gini coefficient over the past decade, more than double the change seen in any other country in the Euro Area 20 over the same period.

CHANGE IN THE GINI COEFFICIENT ACROSS EUROPE

Country	Q2 2013	Q3 2024	Change
Ireland	**77.3**	**65.1**	-12.1 ▼
Cyprus	63.6	58.4	-5.2 ▼
Portugal	74.0	69.5	-4.5 ▼
Luxembourg	71.4	66.9	-4.5 ▼
Estonia	72.0	68.8	-3.3 ▼
Belgium	70.0	68.1	-1.9 ▼
Germany	77.8	76.3	-1.5 ▼
Euro Area 20	**72.6**	**72.3**	-0.3 ▼
Greece	60.0	59.8	-0.1 ▼
Austria	76.6	76.8	0.2 ▲
Slovakia	56.6	57.2	0.6 ▲
Spain	66.7	67.3	0.6 ▲
Slovenia	61.5	63.2	1.7 ▲
France	69.0	71.1	2.1 ▲
Finland	70.9	73.0	2.1 ▲
Italy	67.7	71.5	3.8 ▲
Malta	53.9	58.0	4.1 ▲

It is noteworthy that, amidst all the economic progress made in the past 10+ years, less well-off households grew their wealth at a faster pace than the wealthiest households.

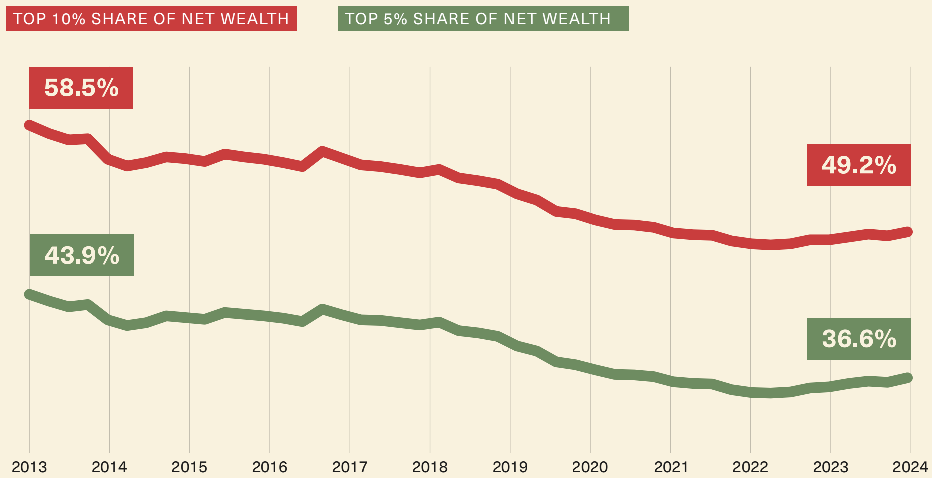
For example, while the average household grew its wealth by 8% p.a. between 2013 and 2024, the median household grew by 11% p.a. over the same period. When we look at the bottom 50% of the distribution, this group grew household wealth by just under 25% p.a., a 10x change in net worth over 11 years.

NET WEALTH GROWTH BY DECILE, MEAN, AND MEDIAN

	Bottom 50%	Median	Decile 6	Decile 7	Mean	Decile 8	Decile 9	Decile 10
2013	€9,680	€109,845	€139,040	€200,780	€279,878	€292,750	€480,950	€1,635,550
2024	€114,620	€357,060	€412,310	€546,690	€663,634	€740,610	€1,096,060	€3,262,730
Change	**€104,940**	**€247,215**	**€273,270**	**€345,910**	**€383,755**	**€447,860**	**€615,110**	**€1,627,180**
Total change	1,084.1%	225.1%	196.5%	172.3%	137.1%	153.0%	127.9%	99.5%
Annualised change	24.6%	11.0%	10.1%	9.3%	8.0%	8.6%	7.6%	6.3%

Finally, we can look at share of net wealth held by the top 5% and 10% of households. This measure has been coming down steadily over time. In 2013, the wealthiest of households controlled close to 60% of net wealth in Ireland; today that number is 49%. We see the same trend when looking at the top 5% which is 37% today.

SHARE OF NET WEALTH IN IRELAND FROM 2013 TO 2024



Overall, it is positive that wealth in Ireland is becoming more evenly distributed. Many of the trends we have seen over the past decade (low interest rates, strong residential property market, strong labour market etc.) have had a bigger impact in percentage terms on the average Irish household than the wealthiest households.

Incomes in Ireland

The aggregate job market in Ireland has experienced steady wage growth over the past decade, particularly in high-demand sectors such as technology and finance. These industries have benefitted from global shifts toward digitalisation, innovation, and financial services, driving up salaries for skilled, highly experienced professionals.

In contrast, other sectors, such as education, public services, and transport have lagged. These industries' wages that have just kept pace with inflation, highlighting a widening gap between high-demand and more traditional fields.

AVERAGE SALARIES BY SECTOR 2013 TO 2023

Avg. Salary Per Sector	2013	2023	Increase	Annualised Increase
Information and communication	€58,680	€94,366	60.8%	4.9%
Financial, insurance and real estate	€55,399	€74,319	34.2%	3.0%
Public administration and defence; compulsory social security	€48,165	€60,045	24.7%	2.2%
Education	€48,694	€56,210	15.4%	1.4%
Professional, scientific and technical	€45,406	€64,694	42.5%	3.6%
Industry	€45,859	€59,839	30.5%	2.7%
Construction	€37,147	€48,357	30.2%	2.7%
Human health and social work	€36,967	€47,918	29.6%	2.6%
Transportation and storage	€40,236	€48,105	19.6%	1.8%
Administrative and support service	€30,288	€47,054	55.4%	4.5%
Wholesale and retail trade (inc. motor)	€28,848	€40,945	41.9%	3.6%
Arts, entertainment, recreation and other service	€25,981	€33,755	29.9%	2.7%
Accommodation and food service	€19,553	€26,562	35.8%	3.1%
Avg. all sectors	**€39,682**	**€53,995**	**36.1%**	**3.1%**

The average salary grew at 3.1% over the period, ahead of inflation. On an underlying sector basis, we have seen some dispersion. For example, salaries in the technology sector surged by 61%, while the education sector experienced a modest 15 % increase.

Undoubtedly, Ireland has a large reliance on US multinational firms, both for employment income and tax revenues.

Based on an ESRI report by John Fitzgerald, multinationals accounted for one-third of total wages paid in Ireland in 2021 (or €37bn out of €111bn). Half of that €37bn resulted from US owned companies like Google, Apple, Meta, Microsoft, Amazon etc.

The 2023 Annual Taxation Report from the Department of Finance also highlighted this concentration. Approximately €3bn (or 10% of total income tax receipts) resulted directly from the technology and communications sector. This as we have seen is the highest paid sector in the economy. They estimate that employees from the top 20 multinationals earn a median salary of €70,000 p.a., and 30% of employees earned incomes above €100,000.

In addition, their analysis suggests the tech and communications sector accounts for 35% of all corporate tax revenue.

Salaries among the top 1% of earners have increased by 47%, growing from €229,482 (2013) to €336,531 (2023). In contrast, the average salary increased from €39,682 to €53,995, a 36% increase over the same period. Therefore, while the broader population has certainly benefitted from wage growth over the decade, high earners have experienced the most significant increases.

AVERAGE SALARIES OF TOP EARNERS 2013 TO 2023

Year	Avg. Salary (Top 10%)	Avg. Salary (Top 1%)	Avg. Salary
2013	€105,452	€229,482	**€39,682**
2014	€107,172	€236,069	**€40,078**
2015	€110,604	€247,868	**€40,799**
2016	€112,181	€248,652	**€41,250**
2017	€115,773	€256,533	**€42,330**
2018	€120,570	€266,584	**€43,830**
2019	€125,104	€281,077	**€45,375**
2020	€135,818	€301,558	**€50,076**
2021	€141,236	€316,048	**€51,068**
2022	€146,040	€325,646	**€52,053**
2023	€151,829	€336,531	**€53,995**
Total Growth	**44.0%**	**46.6%**	**36.1%**
Annualised	**3.7%**	**3.9%**	**3.1%**

Contribution to Income Tax

As incomes have risen, particularly among high earners, their contribution to Ireland's income tax revenue has increased significantly. Additionally, the number of high-income earners has also grown, further boosting their overall tax contributions.

SHARE OF INCOME TAX PAID BY TOP EARNERS

Year	Income Tax Paid by €100k+ Earners	Income Taxpayers Earning €100k+	Income Tax Paid by €200k+ Earners	Income Taxpayers Earning €200k+
2012	43.8%	4.9%	20.4%	0.9%
2013	43.8%	5.0%	20.1%	0.9%
2014	44.3%	5.1%	20.4%	1.0%
2015	48.0%	5.4%	24.6%	1.0%
2016	46.7%	5.7%	21.8%	1.1%
2017	47.9%	6.1%	22.4%	1.2%
2018	49.2%	6.6%	22.5%	1.2%
2019	50.4%	6.5%	23.3%	1.2%
2020	51.2%	7.1%	23.7%	1.3%
2021	54.1%	7.7%	26.4%	1.5%
2022	55.6%	8.5%	26.3%	1.6%

By 2022, individuals earning over €100k accounted for 56% of total income tax yet represent only 8.5% of taxpayers. The same trend is evident among those earning over €200,000. In 2012, this group contributed 20.4% of income tax and by 2022 their share of tax paid had grown to 26.3%.

This highlights a growing concentration of tax receipts among a relatively concentrated cohort of high earners.

Conclusion

In the past decade, Ireland has experienced many favourable tailwinds which have propelled Irish household wealth to the top of the European pile. Changes to any of these factors may however, limit future wealth growth.

HEADWINDS TO CONTINUED IRISH WEALTH GENERATION

01 Concentration on multinationals in an environment of deglobalisation

According to the Department of Finance, 48% of corporate tax revenue in 2022 was “revenue-at-risk”. This concentration of corporate and income tax puts Ireland in a fragile position. Recent turmoil, caused by US tariff policy and a shift by the US to attract companies onshore, may have a disproportionate impact on Ireland compared to other countries.

02 Equalisation of international tax rates

Any moves to a more harmonised corporate tax rate across Europe (and/or globally) means that Ireland can no longer rely on this tax advantage to the same extent.

03 Concentration of housing wealth

Wealth generation has historically benefitted from a low-interest rate environment combined with low supply, higher incomes, and a growing working age population. A change in these dynamics is likely to slow house price growth relative to the past decade. Ultimately Irish wealth is highly correlated to residential house prices.

04 Higher interest rate environment

A low interest rate environment seems like a distant memory following the post Covid inflation spike and the resulting ECB rate hiking cycle. While interest rates are on track to come down to a more normalised level, this is higher than recent history and compresses the liquidity environment.

POTENTIAL TRENDS FOR IRELAND

01

Refocus away from US to new markets

The threat of deglobalisation brings opportunity for Ireland, and Europe, to forge new trading partners in other regions or within Europe itself. The move away from free trade may also sprout new industries domestically, as Europe shifts away from multi-decade US reliance on everything from technology to defence.

02

Diversification into other asset classes

There is a need for Irish households to diversify away from its concentration in property. High house prices and the illiquid nature of the asset class make it tricky, however as it stands the equity in the property market has not been monetised in any form. Initiatives such as pension auto-enrolment are designed to help individuals build wealth outside of property, yet as a nation we remain well behind our international peers in terms of asset-class diversification.

03

Improving financial knowledge and sophistication

Irish individuals are now more informed on personal finance, brought about by investors not wanting to repeat the leverage and concentration sins of the past, along with greater levels of financial education in workplaces. The growth in information and online access to pensions and investments has the potential to dramatically improve the participation of Irish households in global equity and bond markets. The rise in fintech over the past decade means that markets are now more accessible than ever for retail investors.

04

Use of strong tax income to fund future growth

Public finances have strengthened over time on the back of an improving Irish economy, strong labour market, and relatively conservative fiscal management by successive coalition government. The Department of Finance is aware of the concentration of the Irish tax base. The introduction of the National Reserve Fund is a good example of Ireland trying to de-risk potential future headwinds.

In summary, Ireland is now in an established position as one of Europe's wealthiest nations Europe and has consistently demonstrated strong economic growth versus our peers.

Household balance sheets have recovered strongly following a deep economic shock during the global financial crisis. Ireland has operated as a very dynamic small open economy which has proven to be a success in attracting foreign capital, developing a strong labour market, and improving public finances.

The corollary of being a small open economy results in concentration, and vulnerabilities to the same trends that have propelled us in the past. Nonetheless, Ireland is in a good financial position to take advantage of the rapidly changing world around us in 2025.

Sources & Definitions

Wealth type definitions

[1] Non-financial business assets refer to primarily physical assets held within a company such as property, machinery or stock of goods.

[2] Life insurance/annuities are financial instruments where policyholders make regular or one-off payments to the insurer in return for guaranteed sums or annuities, the best example being pension assets.

[3] Financial business assets includes holdings of cash, equity and investment holdings.

[4] Debt securities are financial instruments representing a creditor relationship with an issuer, typically involving periodic interest payments and repayment of the principal at maturity. For example, government and corporate bonds.

[5] Investment funds are personal savings. Investment funds can invest across all asset classes such as equities, bonds, alternatives or cash.

[6] Listed shares are shares listed on an exchange with readily available current market prices.

7 Loans for housing are mortgages granted for the purpose of building and home purchase.

8 Other loans include consumer credit and other lending for personal consumption of goods and services, such as financing cars, furniture, and holiday travel.

Source data:

Revenue - www.revenue.ie
Central Statistics Office - www.cso.ie
Office for National Statistics -www.ons.gov.uk
Understanding the Irish economy – John Fitzgerald, ESRI Special Update, www.esri.ie
Annual Taxation Report – Department of Finance, August 2023 - www.gov.ie
Central Bank of Ireland - www.centralbank.ie
Eurostat - www.ec.europa.eu/eurostat

About the ECB DWA

Distributional Wealth Accounts (DWA) are experimental statistics produced by the European System of Central Banks (ESCB). They complement macroeconomic sector accounts with distributional information for the household sector.

The ESCB compiles Quarterly Sector Accounts (QSA) statistics for all euro area/EU countries and the euro area as a whole. These show financial transactions and positions, as well as non-financial transactions as compiled by national statistical institutes and Eurostat, for the main institutional sectors, including the household sector. The time series start in the first quarter of 1999 and cover the last reference quarter with a lag of about three to four months. They follow the methodology of the European System of Accounts (ESA 2010).

In parallel, the ESCB also produces the Household Finance and Consumption Survey (HFCS), which provides information on the distribution of wealth among households in all euro area countries. Four waves of the survey have been released, approximating to the years 2010, 2013, 2017 and 2021. These data are published with a lag of around 18 months.

The DWA link these two different datasets, with a view to providing an assessment of the distribution of household wealth that is consistent with the aggregates compiled in the sector accounts. The method and results have been developed and compiled by the ECB and the ESCB's Expert Group on Distributional Financial Accounts (EG DFA). The DWA include data for the euro area as a whole, all euro area countries (except Croatia), and Hungary.

Fordel have used and modified the source data in the calculation of growth rates.

For more information, please visit: https://data.ecb.europa.eu/data/datasets/DWA/data-information

Source: https://data.ecb.europa.eu/

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