



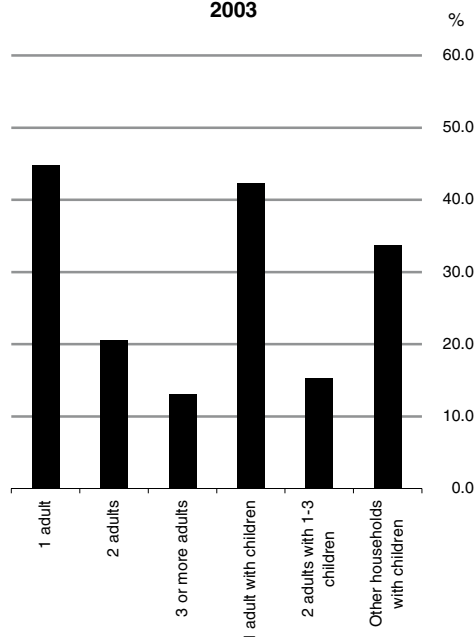
Central Statistics Office
An Phríomh-Oifig Staidrimh

A set of revised EU-SILC 2003 figures are currently available, following the application of improved re-weighting and calibration methods that are in line with EU recommendations. Details of the revisions are presented in a separate release entitled "EU-SILC 2004" in conjunction with the 2004 figures.

24 January 2005

EU Survey on Income and Living Conditions (EU-SILC) First Results 2003

Percentage at-risk-of-poverty classified by household composition, EU-SILC 2003



% of persons at risk of poverty

less than 50% of median income threshold	11.1%
less than 60% of median income threshold	22.7%
less than 70% of median income threshold	29.4%

% of persons in consistent poverty

less than 50% of median income threshold	5.9%
less than 60% of median income threshold	9.4%
less than 70% of median income threshold	11.6%

Persons living alone and lone parent households most at risk of poverty

The first results from the new EU Survey on Income and Living Conditions (EU-SILC) for 2003, indicate that almost 23% of the population were at risk of poverty. These persons are living in households where the income (on an equivalised basis) is less than 60% of the median at an individual level. Persons living alone (i.e. in single adult households) were most at risk with almost 45% below the 60% threshold, while adults and children living in lone parent households were also a high risk group at just over 42%. These figures are based on data collected in the 6-month period from June 2003 to December 2003. *See tables 1 & 5.*

When the risk of poverty is combined with an element of enforced deprivation the survey shows that over 9% of persons were 'consistently poor' (i.e. their income was below the 60% median income line **and** they lacked at least one of eight basic deprivation indicators). Almost 60% of those at risk of poverty did not report deprivation. *See tables 1, 7b and background notes.*

The profile of persons who were consistently poor is somewhat different to that of persons who were at risk of poverty. Over 77% of adults and children living in lone parent households that were at risk of poverty reported deprivation. This contrasts with the experience of persons living on their own where almost 27% of those at risk of poverty reported deprivation, resulting in an overall consistent poverty rate of 12% for this group, compared with 33% of those in single parent households. *See tables 7b & 8.*

The 'total gross annual household income' averaged over all households was estimated to be just over €46,000 in 2003. This is equivalent to an average of €883

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per week. Total disposable household income, which is net of income tax and social contributions, stood at almost €36,000 per annum or €688 per week. After adjusting the income figures for household size (see background notes for details) the 'equivalised total disposable household income' on an annual basis averaged across all persons was €17,800 or €341 per week. *See annex.*

The income thresholds based on equivalised disposable income are set out in the annex for reference purposes.

For the reasons outlined in the box below there are difficulties in making comparisons between the EU-SILC and the Living in Ireland Surveys (LIIS), particularly in regard to the measurement of consistent poverty.

Comparing the EU-SILC and the LIIS

The EU-SILC replaced the Living in Ireland Survey (LIIS) which was conducted by the Economic and Social Research Institute (ESRI). The last results for the LIIS related to the reference year 2001. The LIIS was a panel survey, also known as the European Community Household Panel (ECHP). While the income definitions used are similar there are some operational differences. The income reference period in the LIIS was a standard 12-month calendar period whereas in the EU-SILC a floating 12-month reference period is used (i.e. for each respondent the income reference period is the 12 months preceding the date of interview). Additionally for the EU-SILC 2003 exercise the interviewing period ran from June through to December and therefore any seasonal issues such as the timing of bonus/commission payments (and hence recall issues) may not be fully accounted for in the EU-SILC 2003 data. However it should be noted that the EU-SILC is a continuous survey and EU-SILC 2004 data will be based on a 12-month interviewing period. Notwithstanding these differences, the income data from the two sources and the analyses based on them are broadly comparable. Thus the at risk of poverty rates and related poverty measures such as the Gini coefficient are also broadly comparable between the two surveys.

However, the levels of deprivation reported in the EU-SILC are not comparable with those in the LIIS and the derived consistent poverty measures are also not comparable. Typically the deprivation rates recorded in the EU-SILC were some 3-5 percentage points higher than those reported in the LIIS. As a result the derived consistent poverty measures obtained from the EU-SILC are approximately 5 percentage points higher than the corresponding LIIS figures. This reflects the sensitivity of indicators of this type to changes in survey methodology and there is confirmation of this effect from other sources both nationally and internationally.

It is not possible to say precisely which methodological changes account for the gap between the 2001 and 2003 results. Nevertheless, investigations point towards two main reasons for the differences. Firstly, the question format in the EU-SILC was different to that used in the LIIS (Computer Assisted Personal Interviewing was used in the EU-SILC, which facilitates a direct questioning approach and improves efficiency during data collection). Evidence from other surveys indicates that this tends to result in higher levels of deprivation being reported and it is estimated to have accounted for almost a half of the overall difference observed. Secondly, the LIIS was a panel survey where the same households were surveyed annually over a number of years whereas in the 2003 EU-SILC all households were interviewed for the first time. For a variety of reasons, households that have previously participated in the survey tend to have different response patterns to first time interviewees. It is estimated that these panel effects account for most of the remaining differences between the two sources.

In conclusion, there is a major discontinuity between the surveys in the measurement of deprivation and consistent poverty. As a consequence of this, no conclusions can therefore be drawn regarding the direction or scale of any real changes between 2001 and 2003.

Top income group had almost five times more income than the bottom

The income quintile share ratio (S80/S20), which is an examination of the distribution of equivalised income, shows that persons in the top income quintile had 4.7 times the equivalised income of those in the bottom quintile. It should be noted that the S80/S20 ratio is only sensitive to changes in the top and bottom income quintiles. See table 1.

(Note that the income quintile share ratio is calculated on the basis of equivalised income at an individual level. The data presented in table 3 provides a decile analysis on the basis of gross weekly household income and therefore is not the source of the data used in the income quintile share ratio calculation).

This limitation of the S80/S20 ratio is addressed through the Gini coefficient, which assesses the full income distribution. The Gini coefficient measures the relationship between cumulative shares of the population arranged according to the level of income and the cumulative share of the equivalised total net income received by them. If there were perfect equality within society the Gini coefficient would be 0%. Complete inequality, where one person holds all of the income of the state, would imply a Gini coefficient of 100%. In the EU-SILC 2003 the Gini coefficient calculated was 29.6% and was quite close to the 30.3% measured by the LIIS in 2001. See table 1.

Poverty gap at 16.3%

The 'relative at risk of poverty gap', which is the difference between the median equivalised income of the poor and the 60% threshold, expressed as a percentage of the latter, was 16.3%. In other words 50% of those at risk of poverty had an equivalised income at or above 83.7% of the at risk of poverty threshold. See table 1.

Deprivation levels highest amongst persons living in lone parent households

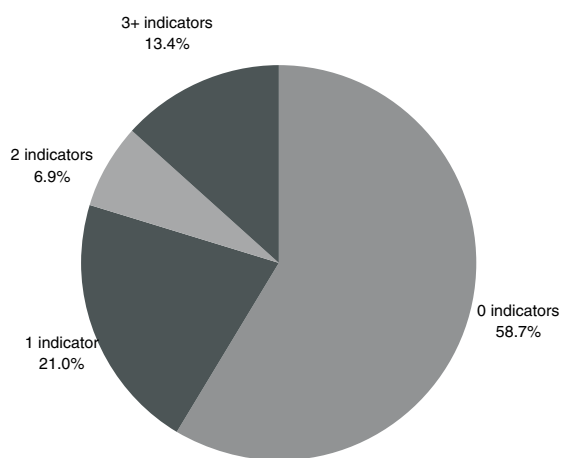
Persons living in lone parent households reported the highest deprivation levels for each of the eight basic deprivation indicators covered in the 2003 EU-SILC. Almost 33% of this group indicated that the household could not afford to buy new clothes with 31% indicating that the household 'experienced debt problems arising from ordinary living expenses'. An inability to provide adequate heating was also a significant issue for this group with a little over 24% indicating that they had to 'go without heating at some stage in the 12 months prior to the survey due to a lack of money'.

For persons living in households with children (regardless of the number of adults), experience of debt problems arising from ordinary living expenses was the most common of the eight basic deprivation indicators assessed. This contrasts slightly with persons living in households with no children where the highest deprivation levels reported relate to either having to 'go without heating at some stage in the 12 months prior to the survey due to a lack of money' or 'that there was a day in the past two weeks where the family did not have a substantial meal due to a lack of money'.

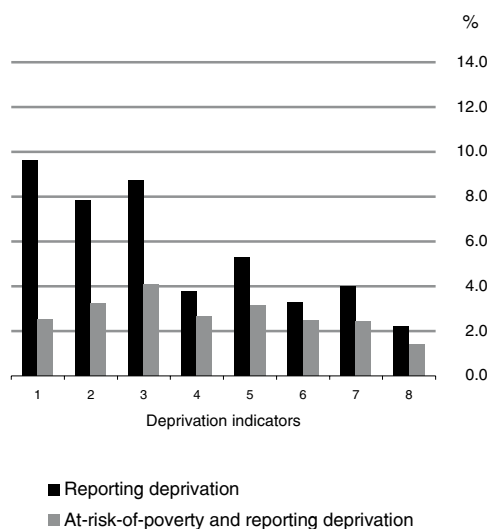
At an overall level almost 10% of persons indicated that 'there was a day in the past two weeks where they did not have a substantial meal due to a lack of money'¹. A little under 8% had to 'go without heating at some stage in the 12 months prior to the survey due to a lack of money'. However, when we examine those at risk of poverty and deprived on the basis of these two indicators, the rates drop considerably to 2.5% and 3.2% respectively. See tables 6a & 6b.

¹ The positioning of this question in the survey may have inflated the level reported, in that some respondents may have associated it with eating out only. The position of the question has been changed in the 2004 questionnaire.

Percentage of persons at-risk-of-poverty classified by the number of deprivation indicators reported

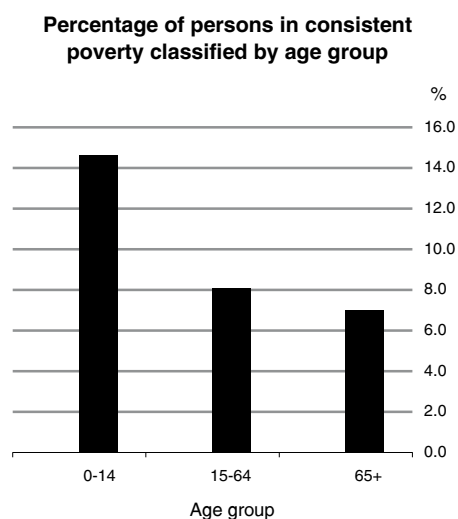


Percentage of persons reporting deprivation by deprivation indicator



KEY

- 1- No substantial meal on at least one day in the past two weeks
- 2- Without heating at some stage in the past year
- 3- Experienced debt problems arising from ordinary living expenses
- 4- Unable to afford two pairs of strong shoes
- 5- Unable to afford a roast once a week
- 6- Unable to afford a meal with meat, chicken or fish every second day
- 7- Unable to afford new (not second-hand) clothes
- 8- Unable to afford a warm waterproof coat



Almost 15% of young people living in consistent poverty

Persons under the age of 15 show a high level of consistent poverty with 14.6% of this group categorised as consistently poor in the EU-SILC 2003. In terms of household composition, those living in lone parent households exhibit the highest consistent poverty rate (32.6%) followed by persons living in ‘Other households with children’ (16.6%). Households comprised of just one adult had a consistent poverty rate of 12%. *See table 8.*

The consistent poverty rate for unemployed persons was 26.4% compared to just 3.5% for those persons in employment. The ill or disabled also exhibited a high level of consistent poverty, with a rate of just under 21%. *See table 8.*

Social transfers critical to low income group

The average weekly gross income of households in the lowest income decile in EU-SILC 2003 was €121.58. Social transfers accounted for just over 94% of this total. This is in sharp contrast to the top income decile where almost 97% of the total weekly income of €2,398.70 can be attributed to direct income with social transfer payments in the context of the overall weekly total contributing just 3.4%.

Almost 75% of members of households in the lowest income decile are not economically active compared to only 19% in the top income decile. The not economically active include the retired, those on home duties, students, the ill/disabled and others aged over 15 not at work or unemployed. *See table 3.*

Table 1 Key national indicators of poverty and social exclusion¹

	%			
	SILC 2003	LIIS 2001	LIIS 2000	LIIS 1998
National/NAPS Indicators using alternative national scale				
At-risk-of-poverty rate				
Equivalentised total disposable income including all social transfers (60% threshold)	22.7	21.9	20.9	19.8
Equivalentised total disposable household income including old-age and survivors' benefits but excluding all other social transfers (60% threshold)	32.5	29.5	28.1	29.0
Equivalentised total disposable income excluding all social transfers (60% threshold)	38.4	35.6	35.3	36.8
Equivalentised total disposable income including all social transfers (40% threshold)	5.9	5.3	4.5	2.6
Equivalentised total disposable income including all social transfers (50% threshold)	11.1	12.9	12.0	9.9
Equivalentised total disposable income including all social transfers (70% threshold)	29.4	29.3	28.1	26.9
Relative at-risk-of-poverty gap ²	16.3	20.7	19.3	16.7
Gini coefficient	29.6	30.3	30.2	31.3
Income distribution (income quintile share ratio)	4.7	4.8	4.7	4.8
Percentage of persons in 'consistent poverty' using median income threshold³				
Less than 50% of threshold	5.9	2.9	2.7	3.6
Less than 60% of threshold	9.4	4.1	4.3	6.0
Less than 70% of threshold	11.6	4.9	5.4	7.7
Percentage of households in 'consistent poverty' using mean income threshold³				
Less than 40% of threshold	3.9	2.5	2.7	3.4
Less than 50% of threshold	7.3	4.1	4.5	6.0
Less than 60% of threshold	10.2	5.2	5.8	8.0

¹ LIIS data provided by the Economic and Social Research Institute.

² At risk of poverty gap calculated using Laeken methodology. See background notes for further details.

³ Deprivation indicators not comparable with LIIS data, so consistent poverty figure not comparable. See text for further details.

Table 2 Key indicators of poverty and social exclusion (EU definition of Income and modified OECD scale)

	%
Total	
EU (Laeken Indicators) using modified OECD scale	
At-risk-of-poverty rate	
Equivalentised total disposable income including all social transfers (60% threshold)	21.3
Equivalentised total disposable household income including old-age and survivors' benefits but excluding all other social transfers (60% threshold)	33.9
Equivalentised total disposable income excluding all social transfers (60% threshold)	38.8
Equivalentised total disposable income including all social transfers (40% threshold)	6.3
Equivalentised total disposable income including all social transfers (50% threshold)	12.2
Equivalentised total disposable income including all social transfers (70% threshold)	30.4
Relative at-risk-of-poverty gap	20.8
Gini coefficient	29.3
Income distribution (income quintile share ratio)	4.7

Table 3 Average size, activity composition and household income classified by gross household income deciles

Decile Threshold (€)	1 < 175.68	2 -279.40	3 -399.88	4 -554.24	5 -711.04
Number of households in sample	439	408	374	284	273
Adjusted number of households in sample	311	312	310	311	312
Household size (persons per household)	1.39	1.54	2.27	2.81	3.06
Activity composition (persons per household):					
Not yet at school	0.05	0.07	0.12	0.38	0.24
At school	0.11	0.14	0.26	0.39	0.78
At work	0.08	0.19	0.37	0.63	1.13
Unemployed	0.11	0.21	0.14	0.08	0.09
Not economically active	1.03	0.93	1.38	1.32	0.82
Average Weekly Household Income (€)					
Direct Income					
Employee income	3.10	27.43	48.89	153.46	370.34
Employer's social insurance contributions	0.27	2.40	4.31	16.24	43.01
Cash benefits or losses from self-employment	-0.09	8.63	34.96	61.42	54.70
Other direct income	3.91	10.24	18.50	20.87	17.48
Total direct income	7.19	48.71	106.65	251.99	485.53
Social Transfers					
Unemployment benefits	8.37	19.29	17.24	16.24	18.16
Old-age benefits	54.76	94.83	141.41	123.35	54.33
Family/children related allowances	10.55	18.59	29.36	46.86	57.45
Housing allowances	10.73	14.50	13.80	14.02	3.28
Other social transfers	29.98	22.72	25.42	25.47	11.94
Total social transfers	114.39	169.93	227.23	225.95	145.15
Gross Income	121.58	218.64	333.89	477.93	630.68
Tax and Social Contributions					
Tax on income and social contributions	0.56	1.16	1.45	22.51	50.69
Employer's social insurance contributions	0.27	2.40	4.31	16.24	43.01
Regular inter-household cash transfers paid	0.76	0.83	0.96	1.94	9.94
Total Tax and Social Contributions	1.58	4.39	6.73	40.69	103.64
Net Disposable Income	120.00	214.25	327.16	437.24	527.04

Table 3 (contd.) Average size, activity composition and household income classified by gross household income deciles

6 -900.55	7 -1,098.65	8 -1,423.37	9 -1,801.76	10 >1,801.76	State	Decile Threshold (€)
292	263	303	232	244	3,112	Number of households in sample
310	313	310	310	311	3,112	Adjusted number of households in sample
3.06	3.66	3.62	3.55	4.06	2.90	Household size (persons per household)
Activity composition (persons per household):						
0.19	0.12	0.31	0.16	0.34	0.20	Not yet at school
0.67	0.84	0.81	0.64	0.77	0.54	At school
1.45	1.62	1.54	2.05	2.15	1.12	At work
0.07	0.09	0.06	0.10	0.03	0.10	Unemployed
0.69	1.00	0.90	0.59	0.77	0.94	Not economically active
Average Weekly Household Income (€)						
Direct Income						
439.47	611.89	774.22	1,176.64	1,714.50	531.62	Employee income
47.88	65.91	93.05	154.81	226.20	65.35	Employer's social insurance contributions
159.46	151.33	137.99	131.82	348.36	108.80	Cash benefits or losses from self-employment
25.64	26.46	100.66	17.48	27.23	26.83	Other direct income
672.44	855.60	1,105.92	1,480.75	2,316.29	732.60	Total direct income
Social Transfers						
12.82	12.80	13.37	25.57	5.30	14.91	Unemployment benefits
61.53	61.70	61.16	46.26	26.92	72.62	Old-age benefits
38.16	36.63	47.30	33.95	42.31	36.12	Family/children related allowances
1.52	2.23	1.16	0.72	0.78	6.27	Housing allowances
18.13	30.24	25.18	9.64	7.10	20.59	Other social transfers
132.15	143.59	148.16	116.14	82.40	150.51	Total social transfers
804.59	999.19	1,254.08	1,596.88	2,398.70	883.11	Gross Income
Tax and Social Contributions						
76.33	116.98	172.24	270.79	529.34	124.09	Tax on income and social contributions
47.88	65.91	93.05	154.81	226.20	65.35	Employer's social insurance contributions
1.95	2.94	7.91	7.52	22.62	5.74	Regular inter-household cash transfers paid
126.16	185.83	273.21	433.13	778.16	195.18	Total Tax and Social Contributions
678.43	813.36	980.87	1,163.76	1,620.54	687.93	Net Disposable Income

Table 4 Indicators of poverty and social exclusion classified by age and gender

%

	Age group			
	0-14	15-64	65+	Total
Males				
At-risk-of-poverty rate				
Equivalised total disposable income including all social transfers (60% threshold)	25.7	19.6	30.6	22.0
Equivalised total disposable household income including old-age and survivors' benefits but excluding all other social transfers (60% threshold)	37.4	27.2	43.8	31.0
Equivalised total disposable income excluding all social transfers (60% threshold)	37.8	30.3	79.5	36.7
Equivalised total disposable income including all social transfers (40% threshold)	6.0	5.4	*	5.6
Equivalised total disposable income including all social transfers (50% threshold)	12.7	10.5	10.9	11.0
Equivalised total disposable income including all social transfers (70% threshold)	32.1	24.7	41.8	28.0
Gini coefficient	28.6	28.8	34.0	29.3
Females				
At-risk-of-poverty rate				
Equivalised total disposable income including all social transfers (60% threshold)	22.2	20.6	40.7	23.4
Equivalised total disposable household income including old-age and survivors' benefits but excluding all other social transfers (60% threshold)	33.5	30.8	51.3	33.9
Equivalised total disposable income excluding all social transfers (60% threshold)	33.7	33.7	84.7	40.1
Equivalised total disposable income including all social transfers (40% threshold)	6.5	5.8	7.0	6.1
Equivalised total disposable income including all social transfers (50% threshold)	13.5	10.8	10.2	11.2
Equivalised total disposable income including all social transfers (70% threshold)	29.1	26.7	55.0	30.7
Gini coefficient	29.7	29.7	27.5	30.0
Total				
At-risk-of-poverty rate				
Equivalised total disposable income including all social transfers (60% threshold)	23.9	20.1	36.4	22.7
Equivalised total disposable household income including old-age (60% threshold)	35.5	29.0	48.0	32.5
Equivalised total disposable income excluding all social transfers (60% threshold)	35.8	32.0	82.5	38.4
Equivalised total disposable income including all social transfers (40% threshold)	6.2	5.6	6.7	5.9
Equivalised total disposable income including all social transfers (50% threshold)	13.2	10.6	10.4	11.1
Equivalised total disposable income including all social transfers (70% threshold)	30.6	25.7	49.3	29.4
Gini coefficient	29.1	29.1	30.8	29.6

* Sample occurrence too small for estimation

Table 5 At-risk-of-poverty rate (after social transfers, 60% threshold)

			%
	Male	Female	Total
Total	22.0	23.4	22.7
Age			
0-14	25.7	22.2	23.9
15-64	19.6	20.6	20.1
65+	30.6	40.7	36.4
Household composition			
1 adult, no children	38.4	49.3	44.9
2 adults, no children	18.9	22.4	20.6
3 or more adults, no children	13.7	12.4	13.1
1 adult with children	54.7	36.7	42.3
2 adults with 1-3 children	15.8	14.8	15.3
Other households with children	33.5	33.9	33.8
Tenure status			
Owner	17.5	18.9	18.2
Rented or rent free	42.1	41.3	41.6
Region			
Border, Midland and Western	26.8	27.0	26.9
Southern and Eastern	20.3	22.2	21.2
Urban/rural location			
Urban areas	20.9	21.7	21.4
Rural areas	24.0	27.4	25.7
Principal Economic Status (aged 16 and over)			
At work	9.8	8.4	9.2
Unemployed	48.5	28.7	42.1
Student	37.4	24.9	30.3
On home duties	*	37.0	37.0
Retired	32.2	*	31.0
Ill/disabled	51.6	58.1	54.0
Other	71.9	*	53.1
Children under 16 years of age	25.5	24.4	25.0

* Sample occurrence too small for estimation

Table 6a Percentage of persons in households reporting deprivation classified by household composition

							%
Deprivation Indicators	1 adult, no children	2 adults, no children	3 or more adults, no children	1 adult, with children	2 adults, with 1-3 children	Other households with children	Total
No substantial meal on at least one day in the past two weeks	11.0	11.4	11.7	15.5	6.6	7.8	9.6
Without heating at some stage in the past year	11.4	5.9	8.0	24.2	5.7	7.7	7.8
Experienced debt problems arising from ordinary living expenses	7.2	4.0	5.7	31.3	10.5	10.5	8.7
Unable to afford two pairs of strong shoes	*	*	2.5	18.4	3.4	5.3	3.8
Unable to afford a roast once a week	7.2	3.2	3.1	23.9	4.8	6.1	5.3
Unable to afford a meal with meat, chicken or fish every second day	*	*	*	21.9	1.5	6.5	3.3
Unable to afford new (not second-hand) clothes	7.3	3.2	1.8	32.6	1.6	3.9	4.0
Unable to afford a warm waterproof coat	*	*	1.7	13.5	*	3.2	2.2

Table 6b Percentage of persons in households at-risk-of-poverty and reporting deprivation classified by household composition

							%
Deprivation Indicators	1 adult, no children	2 adults, no children	3 or more adults, no children	1 adult, with children	2 adults, with 1-3 children	Other households with children	Total
No substantial meal on at least one day in the past two weeks	*	*	*	12.9	2.5	3.1	2.5
Without heating at some stage in the past year	*	*	1.8	17.4	3.4	3.0	3.2
Experienced debt problems arising from ordinary living expenses	*	*	*	21.9	5.0	5.6	4.1
Unable to afford two pairs of strong shoes	*	*	*	12.9	2.8	4.5	2.6
Unable to afford a roast once a week	5.5	*	*	15.2	2.8	4.0	3.1
Unable to afford a meal with meat, chicken or fish every second day	*	*	*	14.2	*	6.1	2.5
Unable to afford new (not second-hand) clothes	5.7	2.4	*	15.5	*	3.0	2.4
Unable to afford a warm waterproof coat	*	*	*	9.7	*	2.2	1.4

Table 7a Percentage of persons classified by the number of deprivation indicators reported and household composition

							%
	1 adult, no children	2 adults, no children	3 or more adults, no children	1 adult, with children	2 adults, with 1-3 children	Other households with children	Total
Number of deprivation indicators reported							
0	76.5	79.4	79.9	38.7	81.3	72.1	76.8
1	10.2	13.7	10.5	23.2	12.3	16.2	13.2
2	*	5.2	6.4	16.5	2.1	6.2	5.1
3+	10.2	*	3.2	21.6	4.4	5.5	4.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 7b Percentage of persons in households at-risk-of-poverty classified by the number of deprivation indicators reported and household composition

							%
	1 adult, no children	2 adults, no children	3 or more adults, no children	1 adult, with children	2 adults, with 1-3 children	Other households with children	Total
Number of deprivation indicators reported							
0	73.2	68.0	70.0	22.9	57.8	50.8	58.7
1	12.6	18.9	13.8	*	16.2	33.4	21.0
2	*	*	*	26.0	*	*	6.9
3+	*	*	*	36.6	21.4	12.1	13.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

* Sample occurrence too small for estimation

Table 8 Percentage of persons in 'consistent poverty' at 60% level using basic life-style deprivation indicators

	%		
	Male	Female	Total
Total	9.2	9.6	9.4
Age			
0-14	14.4	14.7	14.6
15-64	7.8	8.5	8.1
65+	*	6.8	7.0
Household composition			
1 adult, no children	16.1	9.2	12.0
2 adults, no children	6.2	6.9	6.6
3 or more adults, no children	3.9	4.0	3.9
1 adult with children	41.1	29.3	32.6
2 adults with 1-3 children	6.0	6.9	6.5
Other households with children	16.1	17.1	16.6
Tenure status			
Owner	5.2	5.6	5.4
Rented or rent free	27.1	25.0	26.0
Region			
Border, Midland and Western	13.9	12.4	13.1
Southern and Eastern	7.5	8.7	8.1
Urban/rural location			
Urban areas	11.1	11.0	11.1
Rural areas	5.3	6.3	5.7
Principal Economic Status (aged 16 and over)			
At work	3.8	3.1	3.5
Unemployed	29.3	*	26.4
Student	*	12.8	12.6
On home duties	*	11.1	11.2
Retired	*	*	6.6
Ill/disabled	21.6	*	20.9
Other	*	*	*
Children under 16 years of age	14.2	14.4	14.3

* Sample occurrence too small for estimation

Annex

Average income measures¹

	€	
	SILC 2003	
	Annual	Weekly
National income definition, national equivalence scale		
Total gross household income	46,081	883.12
Total disposable household income	35,896	687.93
Equivalised total disposable household income	17,803	341.18
Equivalised total disposable household income including old-age and survivors' benefits but excluding all other social transfers	15,716	301.19
Equivalised total disposable household income excluding all social transfers	14,114	270.49
Eurostat income definition, modified OECD scale		
Total gross household income	45,642	874.70
Total disposable household income	34,740	665.77
Equivalised total disposable household income	19,423	372.23
Equivalised total disposable household income including old-age and survivors' benefits but excluding all other social transfers	17,097	327.65
Equivalised total disposable household income including old-age and survivors' benefits but excluding all other social transfers	15,512	297.28

¹ Gross and disposable household income is averaged over households, while equivalised income is averaged over individuals.

At-risk-of-poverty thresholds

	€	
	SILC 2003	
	Annual	Weekly
Alternative national scale at-risk-of-poverty		
40% of median income	6,445	123.51
50% of median income	8,056	154.39
60% of median income	9,668	185.28
70% of median income	11,279	216.16
Eurostat income definition, modified OECD scale at-risk-of-poverty		
40% of median income	7,212	138.21
50% of median income	9,015	172.77
60% of median income	10,818	207.32
70% of median income	12,621	241.87

Background Notes

Purpose of survey The EU Survey on Income and Living Conditions (EU-SILC) is a voluntary (for potential respondents) survey of private households. It is carried out under EU legislation (Council Regulation No 1177/2003) and commenced in Ireland on the 16th of June 2003. The primary focus of the survey is the collection of information on the income and living conditions of different types of households. The survey also provides information on poverty, deprivation and social exclusion. This report presents the first set of results from the survey on the basis of data collected in the period June to December 2003.

Reference period Information is collected continuously throughout the year, with up to 130 households surveyed each week to give a total sample of 5,000 to 6,000 households in each year. In 2003 however, there was six months data collection, which resulted in a smaller sample of 3,112 households and 8,129 individuals in total. The income reference period for EU-SILC is the 12 months prior to date of interview.

Data collection Information is collected on laptop computers, using Computer-Assisted Personal Interview (CAPI) software.

Sample design A two-stage sample design was used. This comprised of a first stage sample of 2600 blocks (or small areas) selected at county level to proportionately represent eight strata reflecting population density. Each block was selected to contain, on average, 75 dwellings.

The eight population density stratum groups used were as follows:

- 1 Cities
- 2 Suburbs of Cities
- 3 Mixed urban/rural areas bordering on the suburbs of Cities
- 4 Towns and their environs with populations of 5,000 or over (large urban)
- 5 Mixed urban/rural areas bordering on the environs of larger towns
- 6 Towns and their environs with a population of 1,000 to 5,000 (other urban)
- 7 Mixed urban/rural areas
- 8 Rural areas

The second stage of sampling involved the random selection of sample and substitute households for each block. In cases where interviewers could not secure an interview from the sample household, they systematically approached up to three substitute households (in the same block as the sample household), in order to secure an EU-SILC interview. In this manner variations in response by region were controlled.

Weighting Sample weights were obtained by adjusting design weights (inverse of selection probabilities) to take into account the patterns of non-response. These weights are adjusted further to ensure the sample is representative of the population, using external control distributions. At a household level, the weights were adjusted on the basis of household composition and region, while at an individual level the age by sex distribution of the population was taken into account.

Definitions of Income There are two definitions of income (EU and national definition) referred to in this release, the components of which are outlined below. Some key differences between EU and national definitions are:

- The EU definition of gross income does not include income from 'private pensions'. These are defined as private schemes fully organised by the individual, where contributions are at the discretion of the contributor independently of their employers or the state. Thus, 'private pensions' does not include occupational or state pensions.
- All contributions to pension plans, except for those to private pension plans as defined above, are deducted from gross income when calculating disposable income under the EU definition. No pension contributions of any kind are deducted from gross income in the calculation of disposable income for national purposes from the national definition of income.

It should also be noted that employer's social insurance contributions are also included in gross income. Employer's social insurance contributions include contributions to private health insurance and life assurance schemes. Employee tax, employee and employer social insurance contribution amounts are deducted from gross income when calculating disposable income.

Gross income: Income details are collected at both a household and individual level in EU-SILC. In analysis, each individual's income is summed up to household level and in turn added to household level income components to calculate *gross household income*. The components of gross household income are:

Direct income

- Employee income
 - Gross employee cash or near cash income
 - Gross non-cash employee income
- Employer's social insurance contributions
- Gross cash benefits or losses from self-employment
- Other direct income
 - Value of goods produced for own consumption
 - Pension from individual private plans (not included in EU definition)
 - Income from rental of property or land
 - Regular inter-household cash transfers received
 - Interests, dividends, profit from capital investments in unincorporated business
 - Income received by people aged under 16

Social Transfers

- Unemployment benefits
- Old-age benefits (note that this includes all occupational pensions other such social welfare payments to those aged 65 and over)
- Family/children related allowances
- Housing allowances
- Other social transfers
 - Survivors' benefits
 - Sickness benefits
 - Disability benefits
 - Education-related allowances
 - Social exclusion not elsewhere classified

Disposable income: Tax, social insurance contributions and occupational pension contributions are also summed to household level and subtracted from the gross household income to calculate the *total disposable household income*. The components of disposable household income are gross household income less:

- Employer's social insurance contributions
- Regular inter-household cash transfer paid
- Tax on income and social insurance contributions (National definition of income does not include any pension contributions in social insurance contributions. EU definition includes contributions to state and occupational pensions)

Equivalence scales: Equivalence scales are used to calculate the *equivalised household size* in a household. Although there are numerous scales, we focus on two: the modified OECD scale and the national scale. The national scale attributes a weight of 1 to the first adult, 0.66 to each subsequent adult (aged 14+ living in the household) and 0.33 to each child aged less than 14. The modified OECD scale attributes a weight of 1 to the first adult, 0.5 to each subsequent adult and 0.3 to each child aged less than 14. The weights for each household are then summed to calculate the *equivalised household size*.

Example:

A household consists of 5 people: 2 adults and 3 children. The modified OECD scale gives a weight of 1 to the first adult and 0.5 to each subsequent adult (aged 14+) living in the household, and 0.3 to each child. Thus, this household's *equivalised household size* is $1 + 0.5 + 0.3 + 0.3 + 0.3 = 2.4$.

Equivalised income: The disposable household income is divided by the *equivalised household size* to calculate the equivalised income for each individual, which essentially is an approximate measure of how much of the income can be attributed to each member of the household. This *equivalised income* is then applied to each member of the household.

Example:

If a household has a total disposable income of 50,000 and the equivalised household size is 2.4, the equivalised income for this household is 20,833.33. This income is applied to each member of the household.

Laeken indicators

In 2001 the Laeken European Council endorsed the first set of 18 common statistical indicators for social inclusion, which will allow monitoring in a comparable way of member states' progress towards agreed EU objectives regarding poverty and social exclusion. They cover four dimensions of social exclusion: financial poverty, employment, health and education. The Laeken indicators are:

- At-risk-of-poverty rate by various classifications
- Inequality of income distribution: S80/S20 quintile share ratio
- At-persistent-risk-of-poverty rate by gender (60% median)
- Relative at-risk-of-poverty gap
- Regional cohesion (dispersion of regional employment rates)
- Long term unemployment rate
- Persons living in jobless households
- Early school leavers not in education or training
- Life expectancy at birth
- Self-defined health status by income level
- Dispersion around the at-risk-of-poverty threshold
- At-risk-of-poverty rate anchored at a moment in time
- At-risk-of-poverty rate before social transfers by gender
- Inequality of income distribution: Gini coefficient
- At-persistent-risk-of-poverty rate by gender (50% median)
- Long term unemployment share
- Very long term unemployment rate
- Persons with low educational attainment

Some Laeken definitions

At-risk-of-poverty rate: This is the share of persons with an equivalised income below a given percentage (usually 60%) of the national median income. It is also calculated at 40%, 50% and 70% for comparison. The rate is calculated by ranking persons by equivalised income from smallest to largest and the median or middle value is extracted. Anyone with an equivalised income of less than 60% of the median is considered *at-risk-of-poverty at a 60% level*.

Inequality of income distribution (S80/S20 quintile share ratio): This is the ratio of total equivalised income received by the 20% of persons with the highest income (top quintile) to that received by the 20% of persons with the lowest income (lowest quintile).

Relative at-risk-of-poverty gap: This is the difference between the median equivalised income of persons below the at-risk-of-poverty threshold and the at-risk-of-poverty threshold, expressed as a percentage of the at-risk-of-poverty threshold.

Note in previous LIIS publications (source ESRI) the at risk of poverty gap was calculated on the basis of the mean income of those at risk of poverty rather than the median, which is the basis for the calculation in EU-SILC.

At-risk-of-poverty rate before social transfers: This indicator is calculated based on two alternative measures of equivalised income. The first calculates equivalised income as the total disposable household income including old-age and survivor's benefits but excluding all other social transfers. The second excludes all social transfers. *See text on background notes.*

Gini coefficient: This is the relationship between cumulative shares of the population arranged according to the level of income and the cumulative share of total income received by them. If there was perfect equality (i.e. each person receives the same income) the Gini coefficient would be 0%. A Gini coefficient of 100% would indicate there was total inequality and the entire national income was in the hands of one person.

National Anti-Poverty Strategy (NAPS) indicators

At a national level data from the EU-SILC will also be used to monitor and evaluate progress towards achieving the targets set out in the National Anti-Poverty Strategy (NAPS). The NAPS was initiated by the Government after the 1995 United Nations Social Summit in Copenhagen, Denmark. The strategy, launched in 1997, sets out the extent of poverty, identifies main themes and formulates strategic responses to combat poverty in Ireland. The strategic aims of the NAPS fall into five key areas:

- Educational Disadvantage
- Unemployment
- Income adequacy
- Disadvantaged Urban Areas
- Rural Poverty

The key NAPS indicator derived from EU-SILC is the consistent poverty measure, which combines relative income measures with a lack of what are considered to be basic resources.

Consistent poverty

The consistent poverty measure looks at those persons who are defined as being at risk of poverty and assesses the extent to which this group may be excluded and marginalised from participating in activities which are considered the norm for other people in society. The identification of the marginalised or deprived is achieved on the basis of a set of eight basic deprivation indicators:

- No substantial meal for at least one day in the past two weeks due to lack of money
- Without heating at some stage in the past year due to lack of money
- Experienced debt problems arising from ordinary living expenses
- Unable to afford two pairs of strong shoes
- Unable to afford a roast once a week
- Unable to afford a meal with meat, chicken or fish (or vegetarian equivalent) every second day
- Unable to afford new (not second-hand) clothes
- Unable to afford a warm waterproof coat

An individual is defined as being in 'consistent poverty' if they are:

- Identified as being at risk of poverty and
- Living in a household deprived of one or more of the eight basic deprivation items listed above (Note that it is enforced deprivation that is relevant in this context. For example, a household may not have a roast once a week. The household is classified as deprived of this basic indicator only if the reason they didn't have it was because they could not afford it).

Further information	A methodological note will be published on the CSO website, outlining sampling and weighting methodology, as well as further detail on income components and relevant indicators.
Principal Economic Status Classification	<p>Results are available using the Principal Economic Status (PES) classification, which is also used in the Quarter National Household Survey (QNHS) and the Census of Population. The PES classification is based on a combination of questions in which respondents aged 16 or over are asked what is their usual situation with regard to employment and their responses are categorised as follows:</p> <ul style="list-style-type: none"> • At work • Unemployed • Student • Engaged on home duties • Retired • Ill/disabled • Other
Urban/rural location	<p>As previously stated, during sample design, the country is divided up into 8 strata based on population density. These areas are further classified into urban and rural areas as follows:</p> <p>Urban</p> <p>Cities Suburbs of Cities Mixed urban/rural areas bordering on the suburbs of Cities Towns and their environs with populations of 5,000 or over (large urban) Mixed urban/rural areas bordering on the environs of larger towns Towns and their environs with a population of 1,000 to 5,000 (other urban)</p> <p>Rural</p> <p>Mixed urban/rural areas Rural areas</p>

Regions The regional classifications in this release are based on the NUTS (Nomenclature of Territorial Units) classification used by Eurostat. The NUTS3 regions correspond to the eight Regional Authorities established under the Local Government Act, 1991 (Regional Authorities) (Establishment) Order, 1993, which came into operation on 1 January 1994. The NUTS2 regions, which were proposed by Government and agreed by Eurostat in 1999, are groupings of the NUTS3 regions. The composition of the regions is set out below.

**Border, Midland and
Western NUTS2 Region**

Border	Cavan Donegal Leitrim Louth Monaghan Sligo
Midland	Laoighis Longford Offaly Westmeath
West	Galway City Galway County Mayo Roscommon

**Southern and Eastern
NUTS2 Region**

Dublin	Dublin Dun Laoghaire-Rathdown Fingal South Dublin
Mid-East	Kildare Meath Wicklow
Mid-West	Clare Limerick City Limerick County North Tipperary
South-East	Carlow Kilkenny South Tipperary Waterford City Waterford County Wexford
South-West	Cork City Cork County Kerry