

3

Social Inclusion

- In 2005 almost 19% of the population were at risk of poverty while 7% were in consistent poverty.
- Members of lone parent households and the unemployed were particularly at risk of poverty in 2005, with rates of 40.7% and 40.6% respectively.
- The highest levels of consistent poverty were among members of lone parent households, the unemployed and persons in rented or rent-free accommodation.
- The average gross household income in 2005 was almost €980 per week, while the average net disposable income was €776 per week.
- The at risk of poverty threshold, defined as 60% of the median equivalised income, was almost €193 per week.
- In 2005, persons with a chronic illness or health problem had substantially higher risk of poverty compared to those without and were twice as likely to be in consistent poverty.

Contents

Introductory text	41
Table 3.1 Key national indicators of poverty and social exclusion	44
Table 3.2 At-risk-of-poverty rate (after social transfers, 60% threshold)	45
Table 3.3 Average income measures	46
Table 3.4 At-risk-of-poverty thresholds	46
Table 3.5 Percentage of persons classified by the number of deprivation indicators reported and household composition, 2005	47
Table 3.6 Percentage of persons at-risk-of-poverty classified by the number of deprivation indicators reported and household composition, 2005	47
Table 3.7 Percentage of persons in 'consistent poverty' at 60% level using basic lifestyle deprivation indicators	48
Table 3.8 Composition of population, at-risk-of-poverty and consistent poverty	49
Table 3.9 Key national indicators of poverty and social exclusion classified by health-related variables	50

Introduction

This chapter presents data on income, deprivation and poverty in Ireland based on the EU Survey on Income and Living Conditions (EU-SILC). The primary focus of the survey is to allow the calculation of a number of indicators on social inclusion such as the Laeken indicators at EU level, as well as national targets such as the consistent poverty rate. The most recent publication is based on 2005 data.

Key EU and national indicators

Table 3.1 presents some of the key national indicators of poverty and inequality in Ireland. Between 2003 and 2005 the at-risk-of-poverty rate decreased slightly from 19.7% in 2003 to 18.5% in 2005. When social transfers were excluded from income over 40% of persons were at-risk-of-poverty in 2005, an increase of 2.9 percentage points since 2003. Therefore, the reduction of risk of poverty by social transfers in the period increased from 17.5% in 2003 to 21.6% in 2005.

The income quintile share ratio indicates that the equivalised income of the top 20% of the population was 5 times that of the bottom 20%, a figure that has remained relatively unchanged between 2003 and 2005. Another measure of inequality, the Gini coefficient, increased slightly over the period from 31.1% in 2003 to 31.8% in 2004 and 32.4% in 2005.

Income

The average gross household income in 2005 was almost €980 per week, an increase of 3.6% on 2004. The mean net disposable income increased by 4.8% in the year, from approximately €740 in 2004 to almost €780 in 2005. After adjusting for household size and composition, the average net disposable income across all individuals increased by 5.3% from just under €360 to almost €380 per week.

At-risk-of-poverty

There was a substantial drop in the at-risk-of-poverty rate among the elderly between 2004 and 2005. Just over 20% of persons aged 65 and over were at-risk-of-poverty in 2005 compared to 27% one year previously. There was also a substantial drop in the at-risk-of-poverty rate for persons in lone parent households, from 48.3% in 2004 to 40.7% in 2005. However, they still remained a high-risk group.

Deprivation

As evident in table 3.5, almost 20% of all persons reported experiencing difficulties in respect of at least one of the eight basic deprivation indicators in 2005. Persons living in lone parent households had particularly high levels of deprivation, with almost 60% experiencing at least one form of deprivation, while the lowest levels were evident among households without children.

Consistent poverty

When the risk of poverty is combined with enforced deprivation the results show that the levels of 'consistent poverty' remained relatively unchanged between 2004 and 2005, with rates of 6.8% and 7.0% respectively. Consistent poverty was higher among females than males in 2005, with rates of 7.5% and 6.4% respectively.

In terms of age, children aged 0-14 had a much higher consistent poverty rate than persons aged 15-64 (10.2% compared with 6.5%), while the consistent poverty rate for the elderly was lower than both at 3.7%. Members of lone parent households were again the most significantly at risk group, with over 27% in consistent poverty. Over 21% of persons living in rented or rent-free accommodation were in consistent poverty, as were almost 22% of the unemployed.

Poverty and health

In 2005 almost one in four of those with a chronic illness or health problem were at risk of poverty, representing a decrease from the 2004 figure of just over 30%, as illustrated in table 3.9. Those with a chronic illness had a significantly higher risk of poverty than those without a chronic illness and they were almost twice as likely to be in consistent poverty (9.5% compared with 4.8%).

The survey estimated that almost one in four of the population aged 16 and over smoked in 2005. Smokers had an average annual equivalised income of €17,937, almost €3,000 less than their non-smoking counterparts. The at-risk-of-poverty rate for smokers was 21.4%, compared to 16.1% of non-smokers, and they were over 2.5 times more likely to be in consistent poverty than non-smokers (10.9% compared to 4.2%).

Technical Notes

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. The rate is calculated by ranking persons by their 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.

Consistent poverty

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 eight basic deprivation indicators.

Social Inclusion

Table 3.1 Key national indicators of poverty and social exclusion

	%		
	2003	2004	2005
National/NAPS Indicators using alternative national scale			
At-risk-of-poverty rate			
Equivalised total disposable income:			
Including all social transfers (60% threshold)	19.7	19.4	18.5
Including old-age and survivors' benefits but excluding all other social transfers (60% threshold)	30.6	32.7	32.1
Excluding all social transfers (60% threshold)	37.2	39.8	40.1
Including all social transfers (40% threshold)	5.8	4.4	4.7
Including all social transfers (50% threshold)	11.6	11.1	10.8
Including all social transfers (70% threshold)	27.7	28.7	28.2
Relative at-risk-of-poverty gap	21.5	19.8	20.8
Gini co-efficient	31.1	31.8	32.4
Income distribution (income quintile share ratio)	5.0	5.0	4.9
Percentage of persons in 'consistent poverty' using median income threshold			
Less than 50% of threshold	5.3	3.9	4.5
Less than 60% of threshold	8.8	6.8	7.0
Less than 70% of threshold	11.1	9.6	10.3

Source: CSO

Percentage of persons at-risk-of-poverty classified by age group

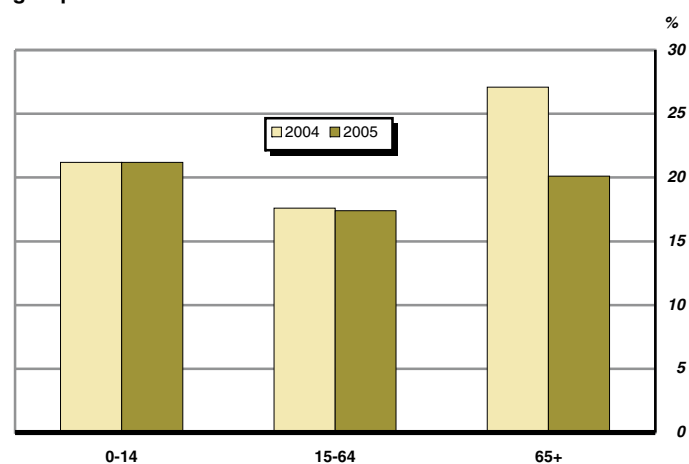


Table 3.2 At-risk-of-poverty rate (after social transfers, 60% threshold)

	2004			2005		
	Male	Female	Total	Male	Female	Total
%						
Age						
0-14	19.5	23.1	21.2	22.1	20.1	21.2
15-64	16.4	18.8	17.6	17.0	17.8	17.4
65 and over	25.8	28.2	27.1	20.3	19.9	20.1
Household composition						
One adult with no children	36.7	34.9	35.7	30.8	26.8	28.8
Two adults with no children	20.9	21.9	21.4	17.1	16.2	16.6
Three or more adults with no children	11.2	14.4	12.7	13.8	13.8	13.8
One adult with children	46.8	49.1	48.3	46.8	37.7	40.7
Two adults with one to three children	12.0	13.1	12.5	12.6	13.1	12.8
Other households with children	22.1	24.1	23.1	24.8	24.7	24.7
Tenure status						
Owner	14.9	17.1	16.0	13.8	13.0	13.4
Rented or rent free	33.2	36.3	34.8	36.4	36.7	36.6
Region						
Border, Midland and Western	24.4	27.8	26.0	26.2	27.0	26.6
Southern and Eastern	15.8	18.5	17.2	15.5	15.4	15.5
Urban/rural location						
Urban areas	15.0	18.1	16.6	15.9	16.2	16.0
Rural areas	22.8	25.5	24.1	22.4	22.6	22.5
Principal economic status (aged 16 and over)						
At work	7.5	6.4	7.0	7.1	6.9	7.0
Unemployed	41.0	25.9	37.2	45.5	27.4	40.6
Student	19.7	27.8	23.6	29.6	29.3	29.5
Home duties	*	31.8	32.1	*	27.6	27.6
Retired	27.9	20.1	26.1	21.8	15.9	20.5
Ill/disabled	52.9	38.2	47.3	47.9	27.5	40.6
Other	*	53.5	52.3	*	*	35.7
Children under 16 years of age	20.6	23.2	21.9	22.8	21.2	22.0
Highest education level attained (aged 16 and over)						
Primary or below	33.5	35.4	34.4	29.8	29.8	29.8
Lower secondary	16.8	24.8	20.8	18.5	24.0	21.2
Higher secondary	11.5	16.0	13.9	15.0	14.7	14.8
Post leaving cert	12.3	12.8	12.6	8.3	13.7	11.1
Third level non degree	7.6	8.1	7.9	9.1	8.6	8.8
Third level degree or above	4.6	4.5	4.6	4.2	3.7	3.9
Other	*	*	*	*	*	*
Children under 16 years of age	20.6	23.2	21.9	22.8	21.2	22.0
Nationality						
Irish nationals	17.7	20.2	19.0	18.0	18.1	18.0
Non-Irish nationals	26.3	31.5	29.2	27.7	26.2	26.9
Total	18.0	20.8	19.4	18.4	18.5	18.5

Source: CSO

Social Inclusion

Table 3.3 Average income measures

€

	SILC 2004		SILC 2005	
	Annual	Weekly	Annual	Weekly
National income definition, national equivalence scale				
Total gross household income	49,320	945.20	51,078	978.88
Total disposable household income	38,631	740.35	40,497	776.11
Equivalised total disposable household income	18,773	359.78	19,768	378.85
Equivalised total disposable household income including old-age and survivors' benefits but excluding all other social transfers	16,300	312.39	17,085	327.43
Equivalised total disposable household income excluding all social transfers	14,513	278.14	15,132	290.01

Source: CSO

Table 3.4 At-risk-of-poverty thresholds

€

	SILC 2004		SILC 2005	
	Annual	Weekly	Annual	Weekly
National income definition, alternative national scale				
At-risk-of-poverty				
40% of median income	6,453	123.67	6,705	128.49
50% of median income	8,067	154.59	8,381	160.61
60% of median income	9,680	185.51	10,057	192.74
70% of median income	11,293	216.43	11,733	224.86
Illustrative values (60% level)				
1 adult, no children	9,680	185.51	10,057	192.74
2 adults, 2 children	22,457	430.38	23,332	447.15

Source: CSO

Table 3.5 Percentage of persons classified by the number of deprivation indicators reported and household composition, 2005

%							
Number of deprivation indicators experienced	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
0	79.5	86.2	87.0	41.3	81.5	75.2	80.8
1	11.0	8.4	8.3	19.0	9.0	14.0	10.2
2	3.7	2.6	2.7	11.9	3.3	2.7	3.3
3+	5.8	2.9	2.0	27.8	6.3	8.1	5.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

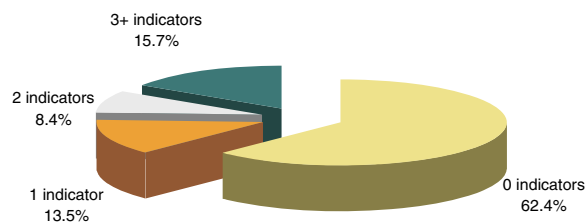
Source: CSO

Table 3.6 Percentage of persons at-risk-of-poverty classified by the number of deprivation indicators reported and household composition, 2005

%							
Number of deprivation indicators experienced	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
0	68.3	70.0	75.9	33.2	58.6	57.1	62.4
1	14.2	14.8	11.9	18.0	9.8	14.6	13.5
2	6.2	4.8	6.8	11.4	15.5	7.2	8.4
3+	11.3	10.4	5.4	37.4	16.0	21.1	15.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: CSO

Percentage of persons at-risk-of-poverty classified by the number of deprivation indicators reported, 2005



Social Inclusion

Table 3.7 Percentage of persons in 'consistent poverty' at 60% level using basic lifestyle deprivation indicators

	2004			2005		
	Male	Female	Total	Male	Female	Total
%						
Age						
0-14	8.2	11.0	9.5	10.0	10.5	10.2
15-64	5.9	7.1	6.5	5.8	7.3	6.5
65 and over	3.8	3.0	3.3	3.6	3.8	3.7
Household composition						
One adult with no children	13.5	7.0	9.9	11.5	6.8	9.1
Two adults with no children	4.3	5.1	4.7	4.6	5.4	5.0
Three or more adults with no children	3.0	4.0	3.5	3.1	3.6	3.3
One adult with children	29.1	32.1	31.1	32.1	24.7	27.2
Two adults with one to three children	4.1	5.2	4.7	5.1	5.5	5.3
Other households with children	9.2	10.0	9.6	9.0	12.2	10.6
Tenure status						
Owner	3.6	3.8	3.7	2.9	2.9	2.9
Rented or rent free	18.7	22.5	20.7	20.1	22.5	21.4
Region						
Border, Midland and Western	8.2	8.9	8.6	9.1	11.0	10.0
Southern and Eastern	5.5	6.9	6.2	5.4	6.2	5.8
Urban/rural location						
Urban areas	6.9	8.3	7.6	6.7	7.7	7.2
Rural areas	5.1	5.9	5.5	6.1	7.1	6.6
Principal economic status (aged 16 and over)						
At work	1.6	1.9	1.8	1.1	2.4	1.7
Unemployed	21.9	*	19.2	25.4	11.5	21.6
Student	7.3	10.2	8.7	8.3	14.2	11.2
Home duties	*	9.4	9.6	*	9.2	9.4
Retired	4.2	*	3.7	3.6	2.4	3.3
Ill/disabled	20.6	23.4	21.7	20.6	11.6	17.4
Other	*	*	*	*	*	15.2
Children under 16 years of age	9.0	10.8	9.9	10.2	11.1	10.6
Highest education level attained (aged 16 and over)						
Primary or below	10.4	11.0	10.7	9.9	10.2	10.1
Lower secondary	5.8	8.0	6.8	5.8	10.9	8.2
Higher secondary	3.1	5.6	4.4	3.0	4.5	3.8
Post leaving cert	1.6	3.4	2.6	3.1	4.4	3.8
Third level non degree	3.4	1.1	2.2	3.1	3.1	3.1
Third level degree or above	1.9	1.6	1.8	1.8	1.1	1.5
Other	*	*	*	*	*	*
Children under 16 years of age	9.0	10.8	9.9	10.2	11.1	10.6
Nationality						
Irish nationals	5.9	6.9	6.4	6.2	7.0	6.6
Non-Irish nationals	12.1	17.2	14.9	11.4	14.6	13.1
Total	6.2	7.4	6.8	6.4	7.5	7.0

Source: CSO

Table 3.8 Composition of population, at-risk-of-poverty and consistent poverty

	2004			2005		
	Population	At-risk-of-poverty	In consistent poverty	Population	At-risk-of-poverty	In consistent poverty
%						
Sex						
Male	49.7	46.1	45.3	49.8	49.8	46.2
Female	50.3	53.9	54.7	50.2	50.3	53.8
Age						
0-14	20.8	22.8	29.2	20.6	23.6	30.3
15-64	68.0	61.7	65.3	68.2	64.3	63.7
65 and over	11.2	15.6	5.5	11.2	12.1	5.9
Household composition						
One adult with no children	7.5	13.7	10.9	7.6	11.9	10.0
Two adults with no children	17.7	19.5	12.2	17.9	16.2	12.9
Three or more adults with no children	25.2	16.5	12.9	25.3	18.9	12.1
One adult with children	3.7	9.2	17.0	3.8	8.3	14.6
Two adults with one to three children	24.8	16.0	17.1	24.7	17.2	18.8
Other households with children	21.2	25.2	30.0	20.7	27.7	31.5
Tenure status						
Owner	81.8	67.3	44.5	78.2	56.8	33.0
Rented or rent free	18.2	32.7	55.5	21.8	43.2	67.0
Region						
Border, Midland and Western	25.1	33.6	31.6	26.9	38.8	38.8
Southern and Eastern	75.0	66.4	68.4	73.1	61.2	61.2
Urban/rural location						
Urban areas	62.2	53.0	69.4	62.0	53.7	64.0
Rural areas	37.8	47.0	30.6	38.1	46.3	36.0
Principal economic status (aged 16 and over)						
At work	40.8	14.8	10.6	41.4	15.7	9.8
Unemployed	3.3	6.4	9.4	3.4	7.5	10.6
Student	8.1	9.8	10.3	8.4	13.4	13.5
Home duties	14.0	23.2	19.9	13.2	19.7	17.8
Retired	6.8	9.2	3.7	6.8	7.5	3.2
Ill/disabled	3.6	8.8	11.5	3.6	7.9	8.9
Other	1.0	2.7	2.1	0.8	1.6	1.8
Children under 16 years of age	22.4	25.2	32.5	22.5	26.8	34.3
Highest education level attained (aged 16 and over)						
Primary or below	19.0	33.6	29.9	18.2	29.4	26.4
Lower secondary	16.4	17.5	16.5	16.0	18.3	18.9
Higher secondary	19.3	13.8	12.5	19.9	16.0	10.8
Post leaving cert	5.9	3.8	2.2	5.9	3.5	3.2
Third level non degree	5.8	2.3	1.8	6.2	2.9	2.8
Third level degree or above	10.7	2.5	2.8	10.9	2.3	2.3
Other	0.6	1.2	1.8	0.5	0.8	1.3
Children under 16 years of age	22.4	25.2	32.5	22.5	26.8	34.3
Nationality						
Irish nationals	95.5	93.2	90.0	94.7	92.3	90.1
Non-Irish nationals	4.6	6.8	10.0	5.3	7.7	9.9
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: CSO

Social Inclusion

Table 3.9 Key national indicators of poverty and social exclusion classified by health-related variables

	2004				2005			
	Population	Average annual equivalised income after social transfers	At-risk-of-poverty	In consistent poverty	Population	Average annual equivalised income after social transfers	At-risk-of-poverty	In consistent poverty
	%	€	%	%	%	€	%	%
Total population								
Medical card								
Yes	30.5	11,382	44.2	18.1	31.9	11,962	40.6	18.2
No	69.5	22,012	8.6	1.8	68.1	23,431	8.1	1.7
Private medical insurance								
Yes	48.4	23,834	7.5	0.8	47.6	25,549	7.1	0.7
No	51.6	14,028	30.6	12.4	52.4	14,523	28.8	12.6
Covered by either medical card or private medical insurance								
Yes	74.8	19,199	21.7	7.7	75.3	20,286	20.6	8.0
No	25.2	17,510	12.6	4.1	24.7	18,119	12.1	3.6
Population aged 16 years and over								
Chronic illness or health problem								
Yes	22.1	15,597	30.1	11.7	23.8	16,997	24.3	9.5
No	77.9	20,110	15.5	4.3	76.2	21,146	15.3	4.8
Limited activity								
Strongly limited	6.6	13,120	34.3	13.0	6.6	13,799	32.7	14.9
Limited	13.2	15,360	29.6	10.5	13.0	16,739	23.0	8.6
Not limited	80.3	20,219	15.6	4.6	80.4	21,229	15.3	4.7
Health status								
Very good	47.2	21,485	12.1	3.7	47.2	22,574	12.7	4.1
Good	35.7	18,498	20.0	5.1	35.7	19,369	19.3	5.6
Fair	13.4	14,337	32.7	12.2	13.5	15,278	26.2	10.7
Bad/very bad	3.8	12,199	38.8	18.3	3.6	14,517	29.3	14.7
Smokes								
Yes	24.7	17,083	22.5	10.3	24.9	17,937	21.4	10.9
No	75.3	19,778	17.5	4.5	75.1	20,891	16.1	4.2

Source: CSO

