



## Glossary of Terms *(Please note all values are for illustrative purposes only)*

### Mean vs Median

- **Mean:** sum of all values divided by the number of values e.g. The mean of the following household incomes {€18,000, €45,000, €70,000} is  $(18,000+45,000+70,000)/3 = €44,333$
- **Median:** midpoint of the ordered values. e.g. The median of the following household incomes {€18,000, €45,000, €70,000} is €45,000

### Real vs. Nominal

- Nominal income is the income amount reported at the time of interview
- Real income is nominal income that has been adjusted for inflation using a base year of 2012

### Disposable income

- Gross income (which includes employment income, rental income, social transfers and inter-household transfers received) less tax (including USC), social insurance contributions and inter-household transfers paid e.g. if your gross income is €20,000 and you paid a total taxes and social insurance contributions of €4,000 then your disposable income is €16,000

### Equivalised household size

- Equivalised household size is used to account for the number of people living in a household. The national equivalence 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 e.g. a household with 2 adults and a child has an equivalence scale of  $(1+0.66+0.33) = 1.99$

### Equivalised disposable household Income

- Disposable household income is divided by the equivalised household size to calculate equivalised disposable income for each person, which essentially is an approximate measure of attributing household income to individual household members e.g. if a household has 2 adults and 1 child and the household disposable income is €50,000, then the equivalised disposable income is  $(50,000/1.99) = €25,126$

### At risk of poverty rate

- This is the share of persons with an equivalised income below 60% of the national median income e.g. the national median equivalised income was €25,000 and 60% of this is €15,000, therefore if 15% of the population have an equivalised disposable income below this threshold then the at risk of poverty rate is 15%

### Deprivation rate

- **The share of persons who experience two or more of the eleven listed items:**
  1. *Without heating at some stage in the last year*
  2. *Unable to afford a morning, afternoon or evening out in last fortnight*
  3. *Unable to afford two pairs of strong shoes*
  4. *Unable to afford a roast once a week*
  5. *Unable to afford a meal with meat chicken or fish every second day*
  6. *Unable to afford new (not second-hand) clothes*
  7. *Unable to afford a warm waterproof coat*
  8. *Unable to afford to keep the home adequately warm*
  9. *Unable to afford to replace any worn out furniture*
  10. *Unable to afford to have family or friends for a drink or a meal once a month*
  11. *Unable to afford to buy presents for family or friends at least once a year*

### Consistent poverty

- Those who are both at risk of poverty and experience two or more deprivation items (above)

### Quintile share ratio

- Calculated as the ratio of the total income received by the 20% of the population with the highest income (= 1st or top quintile) to that income received by the 20% of the population with the lowest (= 5th or bottom quintile).