

# 3

## Social Inclusion

- Average net disposable household income fell by 6.3% from €49,043 in 2008 to €45,959 in 2009.
- In 2009, 14.1% of the population were at risk of poverty compared with a rate of 14.4% in 2008.
- Almost 29% of individuals reported to have experienced at least one form of enforced deprivation in 2009.
- The percentage of people in consistent poverty in 2009 was 5.5%, an increase of 1.3 percentage points on the 4.2% recorded in 2008.
- Children (aged 0-17) remained the most at risk age group reporting higher levels of poverty and deprivation than any other age group.

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## Introduction

The Survey on Income and Living Conditions (SILC) in Ireland is a household survey covering a broad range of issues in relation to income and living conditions. It is the official source of data on household and individual income and also provides a number of key national poverty indicators, such as the at risk of poverty rate and the consistent poverty rate.

The SILC was conducted by the CSO for the first time in 2003 under EU legislation (Council regulation N0. 1177/2003). The survey is currently being conducted on an annual basis in order to monitor changes in income and living conditions over time. This chapter presents the results of the 2009 survey along with comparative information for previous years. The survey is also carried out in other EU member states allowing comparable statistics to be compiled on a pan-European basis.

## Income

Average net disposable household income decreased from €49,043 in 2008 to €45,959 in 2009, representing a 6.3% decrease year on year. However, the level of disposable income varied across household types.

Average annual equivalised disposable income decreased by 4.3% from €24,380 in 2008 to €23,326 in 2009. Persons in lone parent households and persons aged 65 and over living alone reported the lowest levels of equivalised income (€15,162 and €17,985 respectively). This compared with €28,845 for people living in households where two people aged under 65 with no children lived.

## At risk of poverty

The at risk of poverty rate identifies the proportion of individuals who are considered to be in danger of poverty based on the level of their income and taking into account their household composition. It is calculated as the percentage of persons with an equivalised disposable income of less than 60% of the national median income. The median equivalised disposable income in 2009 was €20,107 while the 60% threshold was €12,064. Therefore persons with an equivalised disposable income of less than €12,064 in 2009 were considered to be at risk of poverty. The threshold had decreased by 3.1% since 2008 when the at risk of poverty threshold had been €12,455.

In 2009, 14.1% of the population were at risk of poverty, compared with a rate of 14.4% in 2008. The change over the year was not statistically significant. Children remained the most at risk age group in 2009 with an at risk of poverty rate of 18.6%, no statistically significant change on one year earlier. By principal economic status the greatest fall in the at risk of poverty rate was recorded for persons who were not at work due to illness or disability (falling from 25.5% in 2008 to 21.7% in 2009). Lone parent households continued to be the household type with highest at risk of poverty rates with an at risk of poverty rate of 35.5% being recorded for individuals in these households.

## Deprivation

Enforced deprivation refers to the inability to afford basic identified goods or services and is reported at the household and not the individual level, but it is assumed that each person in a household where a form of deprivation was reported experienced that form of deprivation.

Almost 29% of individuals reported to have experienced at least one form of enforced deprivation in 2009. Lone parent households reported the highest levels of deprivation with almost 63% of individuals from these households experiencing one or more items of deprivation compared with almost 29% at State level. Over 44% of individuals in lone parent households experienced two or more of the forms of deprivation. The most commonly reported of the eleven deprivation indicators continued to be the inability to afford to replace worn out furniture, at 16.3%.

## Consistent poverty

An individual is defined as being in 'consistent poverty' if they are identified as being at risk of poverty at the 60% of median income threshold and living in a household experiencing enforced deprivation for at least two of the eleven basic deprivation items.

The percentage of people in consistent poverty in 2009 was 5.5%, a 1.3 percentage point increase from the 4.2% rate recorded in 2008. The consistent poverty rate for unemployed persons was 11.5% in 2009 up from 9.7% in 2008, an increase of 1.8%. Children (aged 0-17) remained the most exposed age group in the consistent poverty rate from 6.3% in 2008 to 8.7% in 2009. This compares with a consistent poverty rate of 1.3% among persons aged 65-74 and just 0.9% among persons aged 75 or over.

## Technical Notes

### Household income

Income details are collected at both a household and individual level. Individual income is summed up to household level and added to household level income components to calculate gross household income. Tax and social insurance contributions are also summed to household level and subtracted from the gross household income to calculate the total disposable household income.

### Equivalised income

The equivalised household size is calculated based on the age composition of the household. The disposable household income is divided by the equivalised household size to calculate the equivalised income for each individual. This 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.

### 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.

### 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 (ie 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.

### 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).

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**Table 3.1 Individual income and poverty rates by demographic characteristics**

Persons

	Average annual equivalised disposable income		% change in average annual equivalised disposable income	At risk of poverty rate		Consistent poverty rate	
	2008	2009	2008-2009	2008	2009	2008	2009
	€	€	%	%	%	%	%
<b>Sex</b>							
Male	24,640	23,627	- 4.1	14.0	14.1	4.0	5.5
Female	24,121	23,029	- 4.5	14.9	14.1	4.5	5.4
<b>Age group</b>							
0 to 17	22,798	21,244	- 6.8	18.0	18.6	6.3	8.7
18 to 64	25,751	24,678	- 4.2	13.5	13.0	3.9	4.9
65 to 74	21,375	22,321	+ 4.4	12.1	8.9	1.7	1.3
65+	20,263	20,681	+ 2.1	11.1	9.6	1.4	1.1
75+	18,866	18,392	- 2.5	9.9	10.6	1	0.9
<b>Principal Economic Status (aged 16 years and over)</b>							
At work	29,240	28,732	- 1.7	6.7	5.5	1.1	1.1
Unemployed	18,692	18,239	- 2.4	23.0	24.8	9.7	11.5
Student	21,415	19,491	- 9.0	23.4	25.9	4.3	11.4
Home duties	19,218	18,331	- 4.6	21.7	19.1	6.9	6.8
Retired	22,400	23,691	+ 5.8	10.8	9.6	1.1	1.4
Not at work due to illness or disability	15,966	17,196	+ 7.7	25.5	21.7	13.2	8.8
<b>Highest education level attained (aged 16 years and over)</b>							
Primary or below	17,565	17,582	+ 0.1	22.3	18.6	8.0	6.6
Lower secondary	20,577	19,731	- 4.1	16.7	19.7	4.9	7.8
Higher secondary	24,424	23,537	- 3.6	12.6	12.8	2.5	4.6
Post leaving certificate	23,457	23,820	+ 1.5	10.7	9.1	1.7	3.3
Third level non degree	30,367	26,682	- 12.1	4.9	4.9	0.8	1.0
Third level degree or above	37,262	34,265	- 8.0	5.5	4.8	0.3	0.8
<b>Household composition</b>							
1 adult aged 65 or over	17,858	17,985	+ 0.7	11.0	9.5	0.9	0.6
1 adult aged under 65	26,533	25,364	- 4.4	25.7	23.2	9.8	8.3
2 adults, at least 1 aged 65 or over	21,690	22,400	+ 3.3	10.0	9.6	1.7	1.0
2 adults, both aged under 65	30,460	28,845	- 5.3	14.2	10.0	4.8	2.7
3 or more adults,	26,526	25,771	- 2.8	8.7	10.1	0.5	3.3
1 adult with children aged under 18	17,908	15,162	- 15.3	36.4	35.5	17.8	16.6
2 adults with 1 to 3 children aged under 18	25,438	23,956	- 5.8	11.0	11.4	3.0	5.4
Other households with children aged under 18	22,443	21,713	- 3.3	16.0	16.1	4.1	6.3
<b>Number of persons at work</b>							
0	15,881	15,866	- 0.1	32.7	31.4	13.2	14.9
1	23,365	22,087	- 5.5	15.7	12.2	3.1	3.4
2	29,439	29,349	- 0.3	5.1	3.8	0.9	0.6
3 or more	28,112	31,284	+ 11.3	4.2	1.1	0.0	0.0

Table 3.1 Individual income and poverty rates by demographic characteristics (continued)

*Persons*

	Average annual equivalised disposable income		% change in average annual equivalised disposable income	At risk of poverty rate		Consistent poverty rate	
	2008	2009	2008-2009	2008	2009	2008	2009
	€	€	%	%	%	%	%
<b>Tenure status</b>							
Owner-occupied	26,164	25,400	- 2.9	11.4	10.1	2.3	2.5
Rented at the market rate	21,547	20,482	- 4.9	17.7	16.5	2.9	8.3
Rented at below the market rate or rent free	16,016	15,257	- 4.7	29.6	31.7	16.4	17.9
<b>Urban/rural location</b>							
Urban areas	25,928	24,764	- 4.5	11.9	11.8	4.2	5.0
Rural areas	21,785	20,956	- 3.8	18.7	17.8	4.3	6.2
<b>Region</b>							
Border	21,142	20,155	- 4.7	16.5	14.1	4.6	5.4
Midland	18,552	18,867	+ 1.7	23.5	23.5	7.6	7.0
West	20,485	20,340	- 0.7	17.2	14.1	4.2	5.7
Dublin	30,234	29,129	- 3.7	9.8	8.3	3.5	4.4
Mid-East	27,477	24,612	- 10.4	10.2	14.6	2.3	3.7
Mid-West	20,867	20,435	- 2.1	22.0	18.9	3.5	4.7
South-East	20,548	20,229	- 1.6	15.5	18.3	4.4	11.5
South-West	23,307	21,570	- 7.5	14.0	14.7	5.7	4.0
<b>Total</b>	<b>24,380</b>	<b>23,326</b>	<b>- 4.3</b>	<b>14.4</b>	<b>14.1</b>	<b>4.2</b>	<b>5.5</b>

Source: CSO

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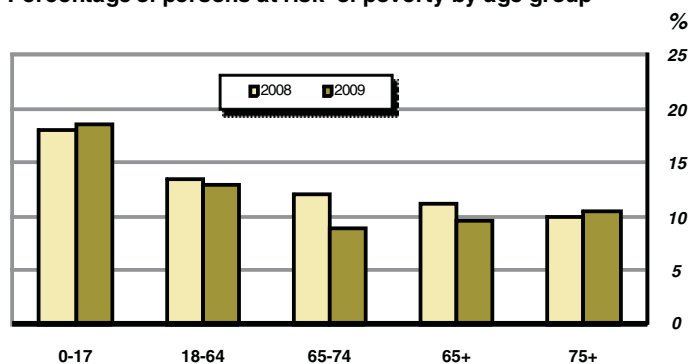
**Table 3.2 Key national indicators of poverty and social exclusion**

% of individuals

	2006	2007	2008	2009
<b>National/NAPS Indicators using alternative national scale</b>				
At risk of poverty rate				
Equivalised total disposable income:				
Including all social transfers (60% threshold)	17.0	16.5	14.4	14.1
Including old-age and survivors' benefits but excluding all other social transfers (60% threshold)	32.2	33.1	34.6	36.0
Excluding all social transfers (60% threshold)	40.3	41.0	43.0	46.2
Including all social transfers (40% threshold)	3.4	3.6	3.3	3.3
Including all social transfers (50% threshold)	8.9	8.6	7.9	6.9
Including all social transfers (70% threshold)	26.7	26.8	25.7	24.5
Relative at risk of poverty gap	17.5	17.4	19.2	16.2
Gini coefficient	32.4	31.7	30.7	29.3
Income distribution (income quintile share ratio)	5.0	4.9	4.6	4.3
Anchored at 2006	17.0	10.6	12.8	12.8

Source: CSO

**Percentage of persons at risk of poverty by age group**





**Table 3.3 The number of deprivation indicators reported**

*% of individuals*

Number of deprivation indicators experienced	2006	2007	2008	2009
0	74.8	75.6	75.1	71.4
1	11.4	12.6	11.1	11.5
2	4.7	4.0	4.9	7.4
2 or more	13.8	11.8	13.8	17.1
3 or more	9.1	7.8	8.9	9.7

Source: CSO

**Table 3.4 The number of deprivation indicators reported classified by persons at risk of poverty**

*% of individuals*

Number of deprivation indicators experienced	2006	2007	2008	2009
0	44.0	49.7	53.5	43.4
1	17.8	19.2	17.2	17.8
2	11.1	8.3	12.2	12.9
2 or more	38.1	31.1	29.3	38.8
3 or more	27.0	22.8	17.2	25.9

Source: CSO

## Social Inclusion

**Table 3.5 Profile of the population at risk of poverty and in consistent poverty by demographic characteristics of the head of household, 2009**

*% of households*

	Population		At risk of poverty		Consistent poverty	
	<i>Composition</i>	<i>Rate</i>	<i>Composition</i>	<i>Rate</i>	<i>Composition</i>	
<b>Sex</b>						
Male	62.1	12.3	54.1	4.6	51.9	
Female	37.9	17.1	45.9	7.0	48.1	
<b>Age</b>						
18 to 64	86.1	14.8	90.6	6.2	96.7	
65 to 74	8.0	9.6	5.5	1.6	2.3	
65+	13.9	9.4	9.4	1.3	3.3	
75+	5.8	9.4	3.9	0.9	1.0	
<b>Principal Economic Status (aged 16 years and over)</b>						
At work	56.1	5.7	22.8	1.7	17.7	
Unemployed	11.0	33.2	26.0	15.4	31.1	
Student	1.8	41.8	5.4	22.6	7.5	
Home duties	14.5	25.9	26.7	11.2	29.6	
Retired	10.2	9.2	6.6	1.3	2.5	
Not at work due to illness or disability	5.8	26.4	10.9	9.2	9.7	
<b>Highest education level attained</b>						
Primary or below	22.7	21.3	34.3	9.2	38.2	
Lower secondary	19.6	19.6	27.2	7.5	26.6	
Higher secondary	18.9	13.4	17.9	5.5	19.3	
Post leaving certificate	16.1	10.0	11.4	5.9	8.7	
Third level non degree	10.9	6.8	5.2	2.3	3.4	
Third level degree or above	11.4	4.0	3.2	1.0	3.6	
<b>Total</b>	<b>100.0</b>	<b>14.1</b>	<b>100.0</b>	<b>5.5</b>	<b>100.0</b>	

Source: CSO

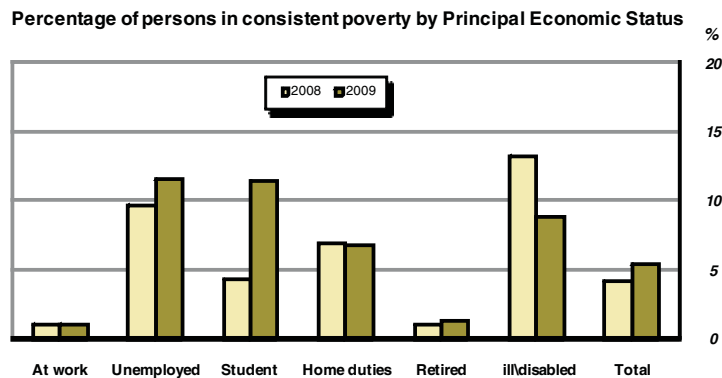


Table 3.6 Average income measures

€

	SILC 2008		SILC 2009	
	Annual	Weekly	Annual	Weekly
<b>National income definition</b>				
Total gross household income	60,581	1,161.00	56,522	1,083.21
Total disposable household income	49,043	939.89	45,959	880.78
<b>National income definition, national equivalence scale</b>				
Equivalentised total disposable household income	24,380	467.24	23,326	447.03
Equivalentised total disposable household income including old-age and survivors' benefits but excluding all other social transfers	20,418	391.30	18,750	359.34
Equivalentised total disposable household income excluding all social transfers	17,982	344.62	16,067	307.92

Source: CSO

Table 3.7 At risk of poverty thresholds

€

	SILC 2008		SILC 2009	
	Annual	Weekly	Annual	Weekly
<b>National income definition, alternative national scale</b>				
At risk of poverty				
40% of median income	8,303	159.13	8,043	154.13
50% of median income	10,379	198.91	10,053	192.67
60% of median income	12,455	238.69	12,064	231.20
70% of median income	14,531	278.47	14,075	269.73
Illustrative values (60% level)				
1 adult, no children	12,455	238.69	12,064	231.20
2 adults, 2 children	28,895	553.77	27,988	536.38

Source: CSO

