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Social Inclusion

- Average annual equivalised disposable income (ie household income adjusted for household composition) in 2010 was €22,168, a drop of 5% on the 2009 figure of €23,326.
- There was an increase in income inequality between 2009 and 2010 as shown by the quintile share ratio. The ratio showed that the average income of those in the highest income quintile was 5.5 times that of those in the lowest income quintile. The ratio was 4.3 one year earlier.
- Although there was a decrease in the at risk of poverty threshold of more than 10%, the at risk of poverty rate at state level rose from 14.1% in 2009 to 15.8% in 2010.
- In 2010 the deprivation rate (those experiencing two or more types of enforced deprivation) was almost 23% compared with just over 17% in 2009.

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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 2010 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 €45,959 in 2009 to €43,333 in 2010, representing a 5.7% decrease year on year. However, the level of disposable income varied across household types as did the rate of increase in income.

Average annual equivalised disposable income decreased by 5.0% from €23,326 in 2009 to €22,168 in 2010. Persons in lone parent households and persons aged 65 and over living alone reported the lowest levels of equivalised income (€15,567 and €17,914 respectively). This compared with €28,079 for people living in households where two people aged under 65 with no children lived.

Income inequality

There was an increase in income inequality in 2010 as shown by the income quintile share ratio and the Gini coefficient. The quintile share ratio indicated that the average income of those in the highest income quintile was 5.5 times that of those in the lowest income quintile. This ratio was 4.3 one year earlier thus signifying greater inequality in the income distribution in 2010. The Gini coefficient showed a similar pattern increasing from 29.3% in 2009 to 33.9% in 2010. A Gini coefficient of 0% corresponds to perfect equality while higher Gini coefficients indicate a more unequal distribution. The Gini coefficient and the quintile share ratio indicate that the income distribution has become more unequal between 2009 and 2010 and reverses the downward trend evident since 2005.

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 2010 was €18,051 while the 60% threshold was €10,831. Therefore persons with an equivalised disposable income of less than

€10,831 in 2010 were considered to be at risk of poverty. The threshold had decreased by 10.2% since 2009 when the at risk of poverty threshold had been €12,064.

Although there was a decrease in the at risk of poverty threshold of more than 10%, the at risk of poverty rate at state level rose from 14.1% in 2009 to 15.8% in 2010. This increase reflects the change in the income distribution between 2009 and 2010 and the widening of the gap between those in the highest and those in the lowest income quintiles. It also reverses the downward trend in the poverty rate evident since 2004.

The groups most at risk of poverty remained broadly consistent between 2009 and 2010. The at risk of poverty rate for those of working age (18-64) increased from 13.0% in 2009 to 15.3% in 2010. Almost one in five children were at risk of poverty in 2010 compared with almost one in ten of the elderly population.

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.

In 2010 the deprivation rate (those experiencing two or more types of enforced deprivation) was almost 23% compared with just over 17% in 2009. The deprivation rate for those at risk of poverty was 39.4% in 2010 representing no statistically significant change from the 2009 figure. The deprivation rate for those NOT at risk of poverty was 19.3%, a significant increase from the 13.7% recorded in 2009. Since 2007 the deprivation rate among this group has more than doubled (from 8.0%).

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 two or more of eleven basic deprivation indicators.

The consistent poverty rate in 2010 was 6.2% representing no statistically significant change on the 2009 figure. Although there was a significant increase in the at risk of poverty rate and the deprivation rate (two or more types of enforced deprivation) between 2009 and 2010, there was no statistically significant change in the consistent poverty rate due to the fact that the increase in deprivation was experienced by those NOT at risk of poverty.

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

All Individuals

	Average annual equivalised disposable income		At risk of poverty rate		Deprivation rate		Consistent poverty rate	
	2009	2010	2009	2010	2009	2010	2009	2010
	€	€	%	%	%	%	%	%
Sex								
Male	23,627	22,569	14.1	15.7	16.8	21.6	5.5	5.9
Female	23,029	21,773	14.1	15.9	17.7	23.4	5.4	6.6
Age group								
0 to 17	21,244	20,001	18.6	19.5	23.5	30.2	8.7	8.2
18 to 64	24,678	23,579	13.0	15.3	16.0	21.5	4.9	6.4
65 and over	20,681	19,723	9.6	9.6	9.5	9.6	1.1	0.9
Principal Economic Status (aged 16 years and over)								
At work	28,732	28,144	5.5	7.8	7.9	12.5	1.1	1.8
Unemployed	18,239	16,143	24.8	26.1	34.3	38.0	11.5	15.2
Student	19,491	18,048	25.9	24.0	19.4	24.4	11.4	9.1
Home duties	18,331	18,215	19.1	20.3	20.3	25.3	6.8	7.6
Retired	23,691	22,668	9.6	9.0	8.0	7.2	1.4	1.1
Not at work due to illness or disability	17,196	14,759	21.7	20.9	35.7	42.8	8.8	13.0
Highest education level attained (aged 16 years and over)								
Primary or below	17,582	16,599	18.6	17.8	24.0	26.0	6.6	7.3
Lower secondary	19,731	18,681	19.7	19.8	20.9	24.9	7.8	8.1
Higher secondary	23,537	21,289	12.8	15.7	13.1	19.7	4.6	5.7
Post leaving certificate	23,820	21,085	9.1	13.2	12.4	21.9	3.3	6.6
Third level non degree	26,682	27,286	4.9	8.6	5.8	11.9	1.0	1.5
Third level degree or above	34,265	36,581	4.8	7.8	5.9	6.9	0.8	1.5
Household composition								
1 adult aged 65 or over	17,985	17,914	9.5	9.4	13.9	15.2	0.6	0.8
1 adult aged under 65	25,364	22,247	23.2	19.7	25.1	33.9	8.3	11.2
2 adults, at least 1 aged 65 or over	22,400	20,562	9.6	9.4	8.4	8.3	1.0	0.5
2 adults, both aged under 65	28,845	28,079	10.0	12.9	12.4	15.1	2.7	4.9
3 or more adults,	25,771	26,787	10.1	10.3	12.7	11.4	3.3	3.1
1 adult with children aged under 18	15,162	15,567	35.5	20.5	44.1	49.8	16.6	9.3
2 adults with 1 to 3 children aged under 18	23,956	22,197	11.4	17.2	15.4	23.6	5.4	7.0
Other households with children aged under 18	21,713	18,495	16.1	21.2	18.3	28.1	6.3	9.6
Number of persons at work								
0	15,866	14,964	31.4	27.5	33.9	37.4	14.9	14.5
1	22,087	21,012	12.2	17.7	17.3	22.6	3.4	5.0
2	29,349	28,743	3.8	4.2	5.1	9.6	0.6	0.6
3 or more	31,284	32,813	1.1	3.1	5.6	10.4	*	*

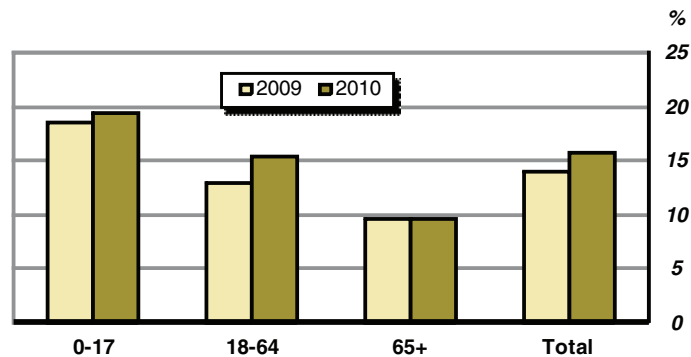
Table 3.1 Individual income and poverty rates by demographic characteristics (continued)

All Individuals

	Average annual equivalised disposable income		At risk of poverty rate		Deprivation rate		Consistent poverty rate	
	2009	2010	2009	2010	2009	2010	2009	2010
	€	€	%	%	%	%	%	%
Tenure status								
Owner-occupied	25,400	24,301	10.1	13.3	9.7	14.7	2.5	3.7
Rented at the market rate	20,482	18,646	16.5	21.3	22.1	33.3	8.3	9.8
Rented at below the market rate or rent free	15,257	14,385	31.7	23.9	50.9	52.7	17.9	16.0
Urban/rural location								
Urban areas	24,764	24,241	11.8	13.1	18.7	22.8	5.0	6.3
Rural areas	20,956	18,957	17.8	20.0	14.9	22.1	6.2	6.1
Region								
Border, Midlands and Western	19,938	19,534	16.2	14.9	18.9	27.4	5.9	5.8
Southern and Eastern	24,563	23,123	13.3	16.2	16.7	20.7	5.3	6.4
Total	23,326	22,168	14.1	15.8	17.1	22.5	5.5	6.2

Source: CSO

Percentage of persons at risk of poverty by age group



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Table 3.2 Key national indicators of poverty and social exclusion

% of individuals

	2007	2008	2009	2010
National/NAPS Indicators using alternative national scale				
At risk of poverty rate				
Equivalised total disposable income:				
Including all social transfers (60% threshold)	16.5	14.4	14.1	15.8
Including old-age and survivors' benefits but excluding all other social transfers (60% threshold)	33.1	34.6	36.0	39.7
Excluding all social transfers (60% threshold)	41.0	43.0	46.2	51.0
Including all social transfers (40% threshold)	3.6	3.3	3.3	5.0
Including all social transfers (50% threshold)	8.6	7.9	6.9	8.5
Including all social transfers (70% threshold)	26.8	25.7	24.5	25.1
Relative at risk of poverty gap	17.4	19.2	16.2	18.9
Gini coefficient	31.7	30.7	29.3	33.9
Income distribution (income quintile share ratio)	4.9	4.6	4.3	5.5
Anchored at 2007	16.5	14.4	15.6	22.0

Source: CSO

Table 3.3 The number of deprivation indicators reported

% of individuals

Number of deprivation indicators experienced	2007	2008	2009	2010
No deprivation	75.6	75.1	71.4	63.8
1	12.6	11.1	11.5	13.7
2	4.0	4.9	7.4	8.3
3 or more	7.8	8.9	9.7	14.2
Total	100.0	100.0	100.0	100.0
2 or more	11.8	13.8	17.1	22.5

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	2007	2008	2009	2010
No deprivation	49.7	53.5	43.4	42.0
1	19.2	17.2	17.8	18.6
2	8.3	12.2	12.9	14.9
3 or more	22.8	17.2	25.9	24.5
Total	100.0	100.0	100.0	100.0
2 or more	31.1	29.3	38.8	39.4

Source: CSO

Table 3.5 The number of deprivation indicators reported classified by persons not at risk of poverty

% of individuals

Number of deprivation indicators experienced	2007	2008	2009	2010
No deprivation	80.8	78.6	75.7	67.9
1	11.2	10.3	10.6	12.8
2	2.9	3.6	6.8	7.0
3 or more	5.1	7.5	6.9	12.3
Total	100.0	100.0	100.0	100.0
2 or more	8.0	11.1	13.7	19.3

Source: CSO

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Table 3.6 Profile of the population at risk of poverty and in consistent poverty by demographic characteristics of the head of household, 2010

% of individuals

	Population	At risk of poverty		Consistent poverty	
	Composition	Rate	Composition	Rate	Composition
Sex					
Male	59.7	14.1	53.1	4.9	47.0
Female	40.3	18.4	46.9	8.2	53.0
Age					
18 to 64	85.7	16.8	91.0	7.1	98.0
65 to 74	7.9	10.7	5.4	0.8	1.0
65+	14.3	10.0	9.1	0.9	2.0
75+	6.4	9.1	3.7	1.0	1.0
Principal Economic Status (aged 16 years and over)					
At work	52.9	8.7	29.1	1.8	15.7
Unemployed	11.7	28.8	21.2	16.2	30.4
Student	1.9	25.0	3.0	8.1	2.5
Home duties	15.7	27.3	27.1	12.2	30.8
Retired	11.2	8.4	6.0	1.3	2.3
Not at work due to illness or disability	5.4	27.6	9.5	18.2	15.9
Highest education level attained					
Primary or below	21.0	18.4	24.2	8.8	29.4
Lower secondary	18.9	21.6	26.1	8.6	26.5
Higher secondary	18.1	14.0	16.0	5.4	15.7
Post leaving certificate	11.1	14.8	10.5	8.2	3.2
Third level non degree	12.0	8.1	6.4	1.7	3.7
Third level degree or above	16.3	11.6	11.8	1.4	6.7
Total	100.0	15.8	100.0	6.2	100.0

Source: CSO

Consistent poverty rate of the head of household by principal economic status, 2010

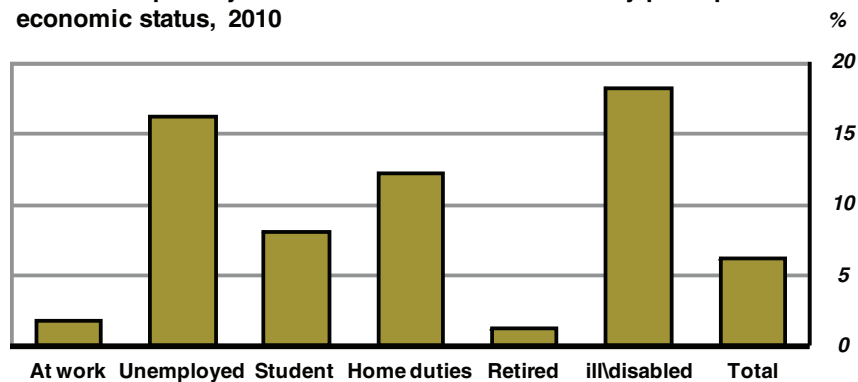


Table 3.7 Average income measures

€

	SILC 2009		SILC 2010	
	Annual	Weekly	Annual	Weekly
National income definition				
Total gross household income	56,522	1,083.21	53,010	1,015.91
Total disposable household income	45,959	880.78	43,333	830.46
National income definition, national equivalence scale				
Equivalised total disposable household income	23,326	447.03	22,168	424.83
Equivalised total disposable household income including old-age and survivors' benefits but excluding all other social transfers	18,750	359.34	17,429	334.01
Equivalised total disposable household income excluding all social transfers	16,067	307.92	14,534	278.54

Source: CSO

Table 3.8 At risk of poverty thresholds

€

	SILC 2009		SILC 2010	
	Annual	Weekly	Annual	Weekly
National income definition, alternative national scale				
At risk of poverty				
40% of median income	8,043	154.13	7,220	138.38
50% of median income	10,053	192.67	9,026	172.97
60% of median income	12,064	231.20	10,831	207.56
70% of median income	14,075	269.73	12,636	242.16
Illustrative values (60% level)				
1 adult, no children	12,064	231.20	10,831	207.56
2 adults, 2 children	27,988	536.38	25,127	481.55

Source: CSO

