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Social Inclusion

- Average annual equivalised disposable income (ie household income adjusted for household composition) in 2011 was €21,440, a drop of over 3.0% on the 2010 figure of €22,138.
- The quintile share ratio remained at 4.9 in 2011 indicating that those in the highest income quintile continued to have an average equivalised income of 4.9 times that of those in the lowest income quintile.
- The at risk of poverty rate at State level rose from 14.7% in 2010 to 16.0% in 2011.
- In 2011 almost one quarter (24.5%) of the population experienced two or more types of enforced deprivation. This compares with 22.6% in 2010 and an eight year low of 11.8% in 2007. The deprivation rate, for those NOT at risk of poverty, was 21.0% in 2011, a statistically significant increase from 19.1% in 2010.

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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.

SILC was conducted by the Central Statistics Office (CSO) for the first time in 2003 under EU legislation (Council regulation No. 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 2011 and revised 2010 results 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

In 2011 average annual equivalised disposable income was €21,440. This represented a decline of just over 3% on the 2010 value of €22,138 and continued a downward trend from a peak of €24,380 in 2008.

An analysis by socio-demographic characteristics showed that individuals with a highest level of educational attainment of third level degree or higher continued to have the highest average income of the categories analysed in 2011, at €33,244. Those living in accommodation that was rented at below the market rate or rent free had the lowest average income of the categories analysed in 2011, at €13,831.

Equality of income

In 2011 the Gini coefficient was 31.1%, not a statistically significant change on the value in 2010 (31.6%). The 2010 value reversed a downward trend in the data evident between 2005 and 2009. A Gini coefficient of 0.0% would correspond to perfect income equality while higher Gini coefficients indicate a more unequal distribution. The quintile share ratio remained at 4.9 in 2011 indicating that those in the highest income quintile continued to have an average equivalised income of 4.9 times that of those in the lowest income quintile.

At risk of poverty

The at risk of poverty rate identifies the proportion of individuals who are considered to be at risk 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 2011 was €18,148 while the 60% threshold was €10,889. Therefore persons with an equivalised disposable income of less than €10,889 in 2011 were considered to be at risk of poverty. The threshold had decreased by 2.4% since 2010 when the at risk of poverty threshold had been €11,155.

In 2011 the at risk of poverty rate at state level was 16.0% an increase from 14.7% in 2010.

The groups most at risk of poverty remained broadly consistent between 2010 and 2011. The at risk of poverty rate for those of working age (18-64) increased from 14.2% in 2010 to 15.9% in 2011. Almost one in five children were at risk of poverty in 2011 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 2011 the deprivation rate (those experiencing two of more types of enforced deprivation) was 24.5% compared with 22.6% in 2010. The deprivation rate for those at risk of poverty was 43.2% in 2011 representing no statistically significant change from the 2010 figure of 42.9%. The deprivation rate for those NOT at risk of poverty was 21.0%, an increase of almost 2% recorded in 2010. 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 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 consistent poverty rate in 2011 was 6.9%, not a statistically significant change on the 2010 figure of 6.3%. The at risk of poverty rate increased from 14.7% in 2010 to 16.0% in 2011 and the deprivation rate in 2011 was 24.5%, up from 22.6% in 2010. Despite a statistically significant increase in both indicators there was no statistically significant change in the consistent poverty rate between 2010 and 2011. This was due to the fact that the increase in the deprivation rate was largely among 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 up 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	
	2010	2011	2010	2011	2010	2011	2010	2011
	€	€	%	%	%	%	%	%
Sex								
Male	22,324	21,718	14.3	16.3	21.7	23.0	5.8	6.9
Female	21,955	21,167	15.1	15.6	23.5	26.0	6.8	6.9
Age group								
0 to 17	20,074	19,888	18.4	18.8	30.5	32.1	8.8	9.3
18 to 64	23,420	22,447	14.2	15.9	21.6	23.7	6.2	6.8
65 and over	20,116	19,725	8.7	9.7	9.8	11.3	0.9	1.9
Principal Economic Status (aged 16 years and over)								
At work	27,565	26,907	5.7	6.5	12.6	15.0	1.3	2.1
Unemployed	16,265	15,383	27.3	30.6	38.3	42.4	16.0	16.5
Student	18,810	16,273	22.7	31.4	24.4	24.7	8.2	10.6
Home duties	18,536	17,061	19.5	21.6	25.4	27.7	8.1	8.7
Retired	23,080	22,481	8.8	8.9	7.2	9.8	1.2	1.6
Not at work due to illness or disability	15,014	15,351	19.8	22.8	42.9	35.9	12.4	11.1
Highest education level attained (aged 16 years and over)								
Primary or below	16,934	16,205	16.3	18.6	26.5	27.8	6.8	7.4
Lower secondary	19,003	17,548	18.2	21.9	24.8	26.7	7.8	9.5
Higher secondary	22,044	20,404	14.4	18.9	19.8	20.9	5.6	6.8
Post leaving certificate	21,462	19,995	12.2	14.5	22.0	22.2	6.1	5.5
Third level non degree	26,743	25,679	7.3	10.8	12.0	18.2	1.7	5.8
Third level degree or above	34,521	33,244	6.7	5.4	6.9	11.2	1.5	1.8
Household composition								
1 adult aged 65 or over	18,368	18,194	8.0	9.1	15.1	14.2	0.8	1.3
1 adult aged under 65	22,273	23,310	19.2	24.3	33.0	27.8	11.0	11.0
2 adults, at least 1 aged 65 or over	20,948	20,959	8.6	8.9	8.3	10.8	0.5	1.3
2 adults, both aged under 65	27,666	27,616	12.6	12.5	15.2	18.4	5.1	5.3
3 or more adults,	26,179	21,611	8.8	11.7	11.3	14.2	2.4	3.1
1 adult with children aged under 18	15,686	15,995	24.7	28.4	50.3	56.0	13.6	16.4
2 adults with 1 to 3 children aged under 18	22,170	22,516	14.4	14.6	23.9	25.9	6.4	6.9
Other households with children aged under 18	18,723	18,177	20.7	21.2	28.6	27.2	9.9	9.3
Number of persons at work								
0	15,197	14,601	29.8	33.2	37.9	37.7	16.1	15.9
1	21,381	20,670	14.0	14.1	22.4	27.5	4.0	5.2
2	28,726	27,999	2.8	3.9	9.8	10.8	0.3	1.3
3 or more	29,075	27,078	1.8	0.0	10.4	9.9	*	*

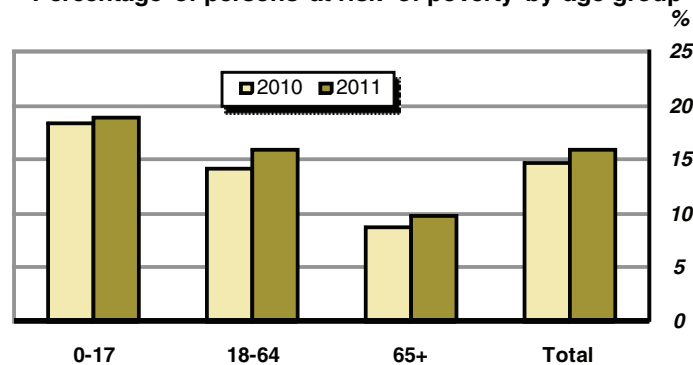
Table 3.1 Individual income and poverty rates by demographic characteristics (continued)

All Individuals

	Average annual equivalised disposable income		At risk of poverty rate		Deprivation rate		Consistent poverty rate	
	2010	2011	2010	2011	2010	2011	2010	2011
	€	€	%	%	%	%	%	%
Tenure status								
Owner-occupied	24,197	23,744	11.5	10.6	14.8	17.3	3.4	3.8
Rented at the market rate	18,687	18,167	20.0	20.6	33.3	31.4	10.6	6.8
Rented at below the market rate or rent free	14,697	13,831	26.1	36.4	52.8	52.0	17.3	21.5
Urban/rural location								
Urban areas	23,964	22,659	12.5	14.2	22.9	26.2	6.6	6.8
Rural areas	19,305	19,486	18.1	18.8	22.2	21.8	5.9	7.1
Region								
Border, Midlands and Western	19,729	18,847	13.8	20.4	27.3	26.7	6.1	8.4
Southern and Eastern	23,010	22,379	15.0	14.3	20.9	23.7	6.4	6.3
Total	22,138	21,440	14.7	16.0	22.6	24.5	6.3	6.9

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

	2008	2009	2010	2011
National/NAPS Indicators using alternative national scale				
At risk of poverty rate				
Equivalised total disposable income:				
Including all social transfers (60% threshold)	14.4	14.1	14.7	16.0
Including old-age and survivors' benefits but excluding all other social transfers (60% threshold)	34.6	36.0	39.1	39.8
Excluding all social transfers (60% threshold)	43.0	46.2	50.2	50.7
Including all social transfers (40% threshold)	3.3	3.3	4.2	4.9
Including all social transfers (50% threshold)	7.9	6.9	7.6	8.5
Including all social transfers (70% threshold)	25.7	24.5	24.7	24.1
Relative at risk of poverty gap	19.2	16.2	17.7	19.6
Gini coefficient	30.7	29.3	31.6	31.1
Income distribution (income quintile share ratio)	4.6	4.3	4.9	4.9
Anchored at 2007	14.4	15.6	19.6	21.2

Source: CSO

Table 3.3 The number of deprivation indicators reported

% of individuals

Number of deprivation indicators experienced	2007	2008	2009	2010	2011
No deprivation	75.6	75.1	71.4	63.9	59.8
1	12.6	11.1	11.5	13.5	15.7
2	4.0	4.9	7.4	8.5	9.2
3 or more	7.8	8.9	9.7	14.1	15.4
Total	100.0	100.0	100.0	100.0	100.0
2 or more	11.8	13.8	17.1	22.6	24.5

Source: CSO

Deprivation rates by poverty status and year

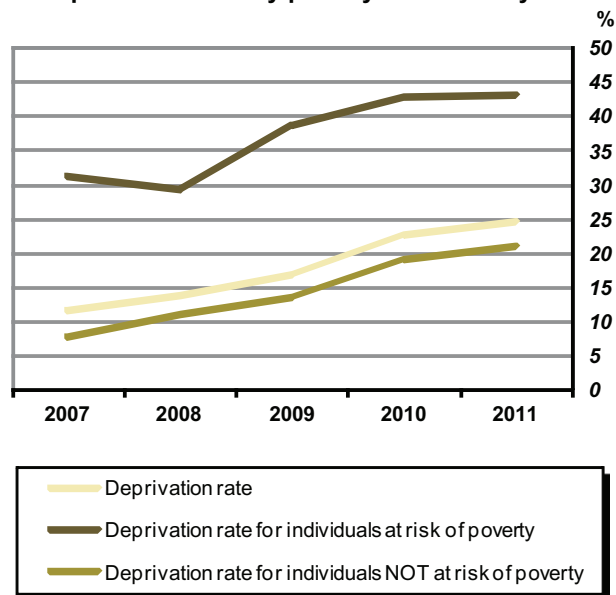


Table 3.4 The number of deprivation indicators reported classified by persons at risk of poverty

% of individuals

Number of deprivation indicators experienced	2007	2008	2009	2010	2011
No deprivation	49.7	53.5	43.4	38.1	37.3
1	19.2	17.2	17.8	19.0	19.5
2	8.3	12.2	12.9	13.2	12.9
3 or more	22.8	17.2	25.9	29.7	30.3
Total	100.0	100.0	100.0	100.0	100.0
2 or more	31.1	29.3	38.8	42.9	43.2

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	2011
No deprivation	80.8	78.8	76.1	68.3	64.0
1	11.3	10.1	10.5	12.6	15.0
2	2.9	3.7	6.5	7.7	8.4
3 or more	5.0	7.5	7.0	11.4	12.5
Total	100.0	100.0	100.0	100.0	100.0
2 or more	7.9	11.2	13.5	19.1	21.0

Source: CSO

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Table 3.6 Profile of population at risk of poverty, experiencing deprivation and in consistent poverty by demographic characteristics, 2011

% of individuals

	Population	At risk of poverty	Deprivation rate	In consistent poverty
Sex (head of household)				
Male	49.5	50.6	46.4	49.3
Female	50.5	49.4	53.6	50.7
Age group (head of household)				
0-17	26.9	31.7	35.2	36.2
18-64	61.4	61.2	59.4	60.6
65+	11.7	7.1	5.4	3.3
Principal Economic Status				
At work	34.9	14.2	21.4	10.6
Unemployed	8.6	16.6	14.9	20.7
Student	7.5	14.7	7.5	11.4
Home duties	12.9	17.5	14.6	16.3
Retired	7.7	4.3	3.1	1.7
Not at work due to illness or disability	3.3	4.8	4.9	5.4
Children under 16 years of age	23.8	25.8	31.8	31.0
Highest education level attained				
Primary or below	13.9	16.3	15.8	14.9
Lower secondary	13.9	19.0	15.1	19.1
Higher secondary	17.0	20.1	14.5	16.8
Post leaving cert	8.4	7.6	7.6	6.6
Third level non degree	8.1	5.5	6.0	6.7
Third level degree or above	13.2	4.5	6.0	3.4
Children under 16 years of age	23.8	25.8	31.8	31.0
Household composition				
1 adult aged 65+	3.6	2.1	2.1	0.7
1 adult aged <65	3.8	5.9	4.4	6.2
2 adults, at least 1 aged 65+	7.4	4.1	3.2	1.4
2 adults, both aged <65	10.6	8.3	7.9	8.1
3 or more adults	12.6	9.2	7.3	5.6
1 adult with children aged under 18	7.0	12.5	16.0	16.6
2 adults with 1-3 children aged under 18	36.5	33.4	38.5	36.4
Other households with children aged under 18	18.6	24.6	20.6	25.1
Number of persons at work				
0	30.0	62.5	46.2	69.1
1	33.9	30.0	38.1	25.4
2	30.5	7.5	13.5	5.5
3+	5.5	0.0	2.2	0.0
Tenure status				
Owner-occupied	70.2	46.8	49.4	38.9
Rented at the market rate	14.9	19.3	19.1	14.8
Rented at below the market rate or rent free	14.9	33.9	31.5	46.4

Table 3.6 Profile of population at risk of poverty, experiencing deprivation and in consistent poverty by demographic characteristics, 2011 (continued)

% of individuals

	Population	At risk of poverty	Deprivation rate	In consistent poverty
Urban/rural location				
Urban areas	61.6	54.7	65.8	60.3
Rural areas	38.4	45.3	34.2	39.7
Region				
Border, Midland and Western	26.6	34.0	28.9	32.5
Southern and Eastern	73.4	66.0	71.1	67.6
Total	100.0	100.0	100.0	100.0

Source: CSO

Table 3.7 Average income measures

€

	SILC 2010		SILC 2011	
	Annual	Weekly	Annual	Weekly
National income definition				
Total gross household income	54,133	1,037.42	52,949	1,014.75
Total disposable household income	43,151	826.96	41,819	801.43
National income definition, national equivalence scale				
Equivalised total disposable household income	22,138	424.26	21,440	410.88
Equivalised total disposable household income including old-age and survivors' benefits but excluding all other social transfers	17,375	332.97	16,788	321.74
Equivalised total disposable household income excluding all social transfers	14,423	276.40	14,161	271.39

Source: CSO

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Table 3.8 At risk of poverty thresholds

€

	SILC 2010		SILC 2011	
	Annual	Weekly	Annual	Weekly
National income definition, alternative national scale				
At risk of poverty				
40% of median income	7,436	142.51	7,259	139.12
50% of median income	9,295	178.14	9,074	173.90
60% of median income	11,155	213.77	10,889	208.68
70% of median income	13,014	249.40	12,704	243.46
Illustrative values (60% level)				
1 adult, no children	11,155	213.77	10,889	208.68
2 adults, 2 children	25,879	495.95	25,263	484.14

Source: CSO

Average annual equivalised disposable income by year

