

3

Social Inclusion

- The at risk of poverty rate decreased from 18.5% in 2005 to 17.0% in 2006. There was a substantial decline in the at risk of poverty rate for the elderly in the year (20.1% to 13.6%).
- Persons living in households where the principal economic status (PES) of the head of household was unemployed (60.8%), a student (51.6%) or ill or disabled (44.4%) were most at risk of poverty.
- There was a relatively minor change in the consistent poverty rate, with a level of 6.9% in 2006 compared to 7.0% in 2005. Members of lone-parent households had the highest levels of consistent poverty (32.5%).
- Average net disposable household income was €836.44 per week, representing a 7.8% increase on 2005.
- The at risk of poverty threshold was €202.49 per week based on equivalised net disposable income, compared to €192.74 per week in 2005. This represents an increase of €9.75 or 5.1%.

Contents

Introductory text	43
Table 3.1 Key national indicators of poverty and social exclusion	47
Table 3.2 At risk of poverty rate (after social transfers, 60% threshold)	48
Table 3.3 Average income measures	49
Table 3.4 At risk of poverty thresholds	49
Table 3.5 Percentage of persons classified by the number of deprivation indicators reported and household composition, 2006	50
Table 3.6 Percentage of persons at risk of poverty classified by the number of deprivation indicators reported and household composition, 2006	50
Table 3.7 Percentage of persons in 'consistent poverty' at 60% level using basic lifestyle deprivation indicators	51
Table 3.8 At risk of poverty rate and consistent poverty rate by details of household reference person	52
Table 3.9 Status of respondent's household as a teenager classified by key national indicators of poverty and social exclusion, 2005	53

Introduction

The EU Survey on Income and Living Conditions (EU-SILC) is a voluntary survey of private households. It is carried out under EU legislation (Council Regulation No 1177/2003) and commenced in Ireland in June 2003. The primary focus of the survey is the collection of information on the income and living conditions of different types of households, from which indicators on poverty, deprivation and social exclusion are derived.

Key indicators

In 2006, the at risk of poverty rate was 17.0%, a decline from 18.5% in 2005. When income from social transfers was excluded there was no significant change in the poverty rate over the period, with just over 40% of the population at risk of poverty. Levels of inequality also remained relatively unchanged, with the Gini coefficient at 32.4% and an income quintile share ratio of 5.0.

The at risk of poverty rate anchored at 2003 has been declining over the four years since the EU-SILC began. In 2003 the rate was 19.7% and it fell to 17% in 2004, 16% in 2005 and 13.7% in 2006. The equivalised income threshold for this indicator is calculated by taking the threshold for a base year (2003) and adjusting it in line with inflation to the current reference year.

Income

The average gross household income in 2006 was just over €55,000 per annum or €1,055 per week, an increase of 7.8% on 2005. There was also an increase of 7.8% in net disposable household income, with an average of €836.44 per week in 2006.

Adjusting incomes for household size and composition the average net equivalised income per person was over €21,000 per annum or €406.84 per week, an increase of 7.4% on 2005. The poverty threshold increased by 5.1% in the year, from €192.74 to €202.49 per week.

At-risk-of-poverty

In 2006 the at risk of poverty rate for persons aged 65 and over was 13.6%, representing a significant decline on the 20.1% recorded in 2005. Slight decreases were also evident among children (21.2% to 20.2%) and the working age population (17.4% to 16.6%).

Households in which the principal economic status (PES) of the head of household was unemployed (60.8%), a student (51.6%) or ill or disabled (44.4%) had the highest at risk of poverty rates in 2006. In contrast, persons living in households where the head of household was at work had an at risk of poverty rate of just 8.0%.

Deprivation

The proportion of the population reporting that they experienced some element of enforced deprivation, based on the eight basic deprivation indicators, fell from 19.2% in 2005 to 18.3% in 2006. Members of lone parent households had the highest deprivation levels (64.7%), while those living in households with three or more adults and no children had the lowest levels (11.9%).

Consistent poverty

The consistent poverty rate, that is those persons who are at risk of poverty and experiencing some element of enforced deprivation, remained more or less unchanged over the year with rates of 7.0% and 6.9% in 2005 and 2006 respectively.

There were, however, some changes among certain sub-groups. The consistent poverty rate for persons in lone-parent households increased from 27.2% in 2005 to 32.5% in 2006. There was a decrease in the consistent poverty rates for the elderly over the year from 3.7% to 2.1%, while the rate for children aged 0-14 increased from 10.2% to 11.1%. The rate for the working age population remained unchanged at 6.5%. The rate for males increased over the year from 6.4% to 6.9% while the rate for females fell from 7.5% to 7%.

In addition to lone-parent households, other high-risk groups were the unemployed (22.8%) and households with no workers (22.4%). From a head of household perspective, almost one-third of persons living in households headed by an unemployed person were in consistent poverty. This compares to a figure of 2.3% where the PES of the head of household was at work and 2.1% where the head of household was retired.

Poverty and Education

Almost 27% of persons in households where the highest education level attained by the head of household was primary level or below were at risk of poverty and just over 12% were in consistent poverty in 2006. High levels of poverty were also found among households where the highest level of education attained by the head of household was lower secondary. In contrast, just 4.5% of persons living in households headed by a person with a third-level degree or above were at risk of poverty, and just 2.6% were in consistent poverty.

In terms of the individual educational levels of persons aged 16 and over, the at risk of poverty rate and the consistent poverty rate tended to decrease as the level of education increased. Almost 26% of persons with a highest level of education attained of primary or below were at risk of poverty compared to 14% of those with a highest educational level of higher secondary and 3.3% of those with a third level degree or above. Over 10% of those with a highest educational level of primary or below were in consistent poverty, compared to 1.1% of those with a third level degree or above.

Intergenerational transmission of poverty

In 2005, almost 27% of persons aged 25-65 who experienced financial difficulties 'most of the time or often' in their household as a teenager were, as adults, at risk of poverty. Respondents who 'never' experienced financial difficulties had a significantly lower rate of 11.1%.

Experience of financial difficulties in the teenage years also had an impact on consistent poverty rates in adulthood. Respondents who experienced financial difficulty 'most of the time or often' were four times more likely to be in consistent poverty in 2005 (13.3%) than those who 'never' experienced financial difficulties in their teenage years (2.9%).

The average equivalised income among 25-65 year olds was €22,197 in 2005. Persons who experienced financial difficulties 'most of the time or often' as a teenager tended to have lower incomes with an average of €18,575. This compares to €21,390 among those who 'occasionally or rarely' experienced financial difficulties and €25,247 for those who 'never' experienced financial difficulties.

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).

Table 3.1 Key national indicators of poverty and social exclusion

%

	2004	2005	2006
National/NAPS Indicators using alternative national scale			
At risk of poverty rate			
Equivalised total disposable income:			
Including all social transfers (60% threshold)	19.4	18.5	17.0
Including old-age and survivors' benefits but excluding all other social transfers (60% threshold)	32.7	32.1	32.2
Excluding all social transfers (60% threshold)	39.8	40.1	40.3
Including all social transfers (40% threshold)	4.4	4.7	3.4
Including all social transfers (50% threshold)	11.1	10.8	8.9
Including all social transfers (70% threshold)	28.7	28.2	26.7
Relative at risk of poverty gap	19.8	20.8	17.5
Gini coefficient	31.8	32.4	32.4
Income distribution (income quintile share ratio)	5.0	4.9	5.0
Percentage of persons in 'consistent poverty' using median income threshold			
Less than 50% of threshold	3.9	4.5	3.9
Less than 60% of threshold	6.8	7.0	6.9
Less than 70% of threshold	9.6	10.3	9.6

Source: CSO

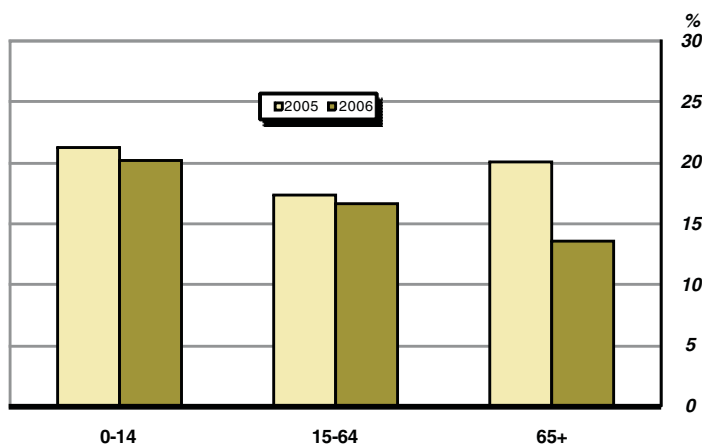
Percentage of persons at risk of poverty classified by age group

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

%

	2005			2006		
	Male	Female	Total	Male	Female	Total
Age						
0-14	22.1	20.1	21.2	19.4	21.1	20.2
15-64	17.0	17.8	17.4	16.2	17.0	16.6
65 and over	20.3	19.9	20.1	13.6	13.7	13.6
Household composition						
One adult with no children	30.8	26.8	28.8	28.5	22.2	25.4
Two adults with no children	17.1	16.2	16.6	13.9	13.7	13.8
Three or more adults with no children	13.8	13.8	13.8	12.2	14.3	13.2
One adult with children	46.8	37.7	40.7	43.1	38.0	39.6
Two adults with one to three children	12.6	13.1	12.8	11.0	12.5	11.7
Other households with children	24.8	24.7	24.7	23.6	23.3	23.4
Tenure status						
Owner	13.8	13.0	13.4	12.4	12.2	12.3
Rented or rent free	36.4	36.7	36.6	32.6	34.5	33.6
Region						
Border, Midland and Western	26.2	27.0	26.6	26.1	26.3	26.2
Southern and Eastern	15.5	15.4	15.5	13.2	14.2	13.7
Urban/rural location						
Urban areas	15.9	16.2	16.0	14.2	14.4	14.3
Rural areas	22.4	22.6	22.5	20.5	22.5	21.5
Principal economic status (aged 16 and over)						
At work	7.1	6.9	7.0	6.8	6.3	6.5
Unemployed	45.5	27.4	40.6	47.9	32.5	44.0
Student	29.6	29.3	29.5	29.9	29.2	29.5
Home duties	*	27.6	27.6	*	24.0	23.8
Retired	21.8	15.9	20.5	15.0	13.8	14.8
Ill/disabled	47.9	27.5	40.6	46.7	31.3	40.8
Other	*	*	35.7	*	*	32.1
Children under 16 years of age	22.8	21.2	22.0	19.7	20.9	20.3
Highest education level attained (aged 16 and over)						
Primary or below	29.8	29.8	29.8	26.3	25.2	25.8
Lower secondary	18.5	24.0	21.2	19.1	21.7	20.4
Higher secondary	15.0	14.7	14.8	13.4	14.6	14.0
Post leaving cert	8.3	13.7	11.1	8.9	14.2	11.7
Third level non degree	9.1	8.6	8.8	8.6	10.4	9.6
Third level degree or above	4.2	3.7	3.9	3.3	3.4	3.3
Other	*	*	*	*	*	37.4
Children under 16 years of age	22.8	21.2	22.0	19.7	20.9	20.3
Nationality						
Irish nationals	18.0	18.1	18.0	16.2	17.0	16.6
Non-Irish nationals	27.7	26.2	26.9	23.1	23.8	23.5
Total	18.4	18.5	18.5	16.6	17.4	17.0

Source: CSO

Table 3.3 Average income measures

€

	SILC 2005		SILC 2006	
	Annual	Weekly	Annual	Weekly
National income definition, national equivalence scale				
Total gross household income	51,078	978.88	55,075	1,055.48
Total disposable household income	40,497	776.11	43,646	836.44
Equivalised total disposable household income	19,768	378.85	21,229	406.84
Equivalised total disposable household income including old-age and survivors' benefits but excluding all other social transfers	17,085	327.43	18,353	351.73
Equivalised total disposable household income excluding all social transfers	15,132	290.01	16,338	313.12

Source: CSO

Table 3.4 At risk of poverty thresholds

€

	SILC 2005		SILC 2006	
	Annual	Weekly	Annual	Weekly
National income definition, alternative national scale				
At risk of poverty				
40% of median income	6,705	128.49	7,044	134.99
50% of median income	8,381	160.61	8,805	168.74
60% of median income	10,057	192.74	10,566	202.49
70% of median income	11,733	224.86	12,327	236.24
Illustrative values (60% level)				
1 adult, no children	10,057	192.74	10,566	202.49
2 adults, 2 children	23,332	447.15	24,513	469.77

Source: CSO

Table 3.5 Percentage of persons classified by the number of deprivation indicators reported and household composition, 2006

%

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	71.1	78.3	82.0	24.6	76.7	70.9	74.8
1	11.7	11.0	11.3	22.5	9.9	11.5	11.4
2	6.0	3.9	3.0	16.1	3.8	6.1	4.7
3+	11.2	6.7	3.7	36.9	9.6	11.5	9.1
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, 2006

%

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	53.5	53.5	58.5	10.7	38.3	38.7	44.0
1	13.6	17.5	17.3	20.3	18.2	19.2	17.8
2	11.7	7.9	11.3	20.0	9.6	10.7	11.1
3+	21.2	21.1	13.0	49.0	33.9	31.5	27.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: CSO

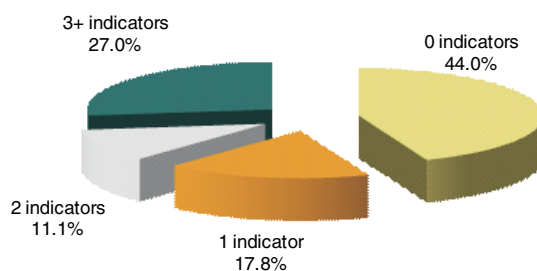
Percentage of persons at risk of poverty classified by the number of deprivation indicators reported, 2006

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

%

	2005			2006		
	Male	Female	Total	Male	Female	Total
Age						
0-14	10.0	10.5	10.2	11.2	11.1	11.1
15-64	5.8	7.3	6.5	6.2	6.7	6.5
65 and over	3.6	3.8	3.7	2.4	1.9	2.1
Household composition						
One adult with no children	11.5	6.8	9.1	11.1	4.6	7.9
Two adults with no children	4.6	5.4	5.0	4.4	4.6	4.5
Three or more adults with no children	3.1	3.6	3.3	4.1	3.6	3.9
One adult with children	32.1	24.7	27.2	36.5	30.7	32.5
Two adults with one to three children	5.1	5.5	5.3	6.0	6.4	6.2
Other households with children	9.0	12.2	10.6	8.7	8.8	8.8
Tenure status						
Owner	2.9	2.9	2.9	3.5	2.8	3.2
Rented or rent free	20.1	22.5	21.4	19.6	20.8	20.2
Region						
Border, Midland and Western	9.1	11.0	10.0	8.7	8.2	8.4
Southern and Eastern	5.4	6.2	5.8	6.2	6.6	6.4
Urban/rural location						
Urban areas	6.7	7.7	7.2	7.6	7.6	7.6
Rural areas	6.1	7.1	6.6	5.6	5.9	5.7
Principal economic status (aged 16 and over)						
At work	1.1	2.4	1.7	1.4	1.7	1.6
Unemployed	25.4	11.5	21.6	23.7	20.2	22.8
Student	8.3	14.2	11.2	11.4	8.9	10.2
Home duties	*	9.2	9.4	*	9.3	9.2
Retired	3.6	2.4	3.3	3.0	1.1	2.5
Ill/disabled	20.6	11.6	17.4	21.2	18.2	20.0
Other	*	*	15.2	*	*	16.0
Children under 16 years of age	10.2	11.1	10.6	11.2	10.8	11.0
Highest education level attained (aged 16 and over)						
Primary or below	9.9	10.2	10.1	11.1	9.4	10.3
Lower secondary	5.8	10.9	8.2	5.8	8.6	7.1
Higher secondary	3.0	4.5	3.8	3.6	5.5	4.5
Post leaving cert	3.1	4.4	3.8	4.7	3.7	4.2
Third level non degree	3.1	3.1	3.1	3.7	3.1	3.4
Third level degree or above	1.8	1.1	1.5	1.4	0.8	1.1
Other	*	*	*	*	*	9.4
Children under 16 years of age	10.2	11.1	10.6	11.2	10.8	11.0
Nationality						
Irish nationals	6.2	7.0	6.6	6.7	6.9	6.8
Non-Irish nationals	11.4	14.6	13.1	9.1	7.9	8.5
Total	6.4	7.5	7.0	6.9	7.0	6.9

Source: CSO

Table 3.8 At risk of poverty rate and consistent poverty rate by details of household reference person

%

	2004		2005		2006	
	At risk of poverty	In consistent poverty	At risk of poverty	In consistent poverty	At risk of poverty	In consistent poverty
Sex						
Male	17.7	5.4	17.3	5.0	14.2	4.4
Female	22.5	9.4	20.5	10.3	21.7	11.1
Age						
15-64	18.5	7.4	18.5	7.5	17.8	7.8
65 and over	24.7	3.2	18.2	3.8	12.6	1.9
Principal economic status						
At work	9.4	2.6	9.4	2.5	8.0	2.3
Unemployed	46.8	24.1	56.1	33.1	60.8	31.3
Student	33.0	20.5	51.5	23.4	51.6	17.7
Home duties	36.0	15.4	29.1	14.0	31.5	16.7
Retired	23.5	2.6	19.7	2.8	13.8	2.1
Ill/disabled	50.0	19.0	45.5	18.2	44.4	21.0
Other	*	*	*	*	21.4	7.2
Highest education level attained						
Primary or below	34.1	11.6	29.5	11.2	26.9	12.1
Lower secondary	20.8	7.9	22.6	8.8	20.2	7.9
Higher secondary	13.7	4.2	15.8	3.7	14.3	5.2
Post leaving cert	11.7	2.4	10.5	4.4	8.5	3.9
Third level non degree	8.7	4.1	8.1	4.3	14.4	3.0
Third level degree or above	5.6	2.5	5.0	2.5	4.5	2.6
Other	36.1	19.0	38.7	29.8	37.9	14.8
Nationality						
Irish nationals	18.9	6.3	18.0	6.5	16.6	6.8
Non-Irish nationals	28.3	14.8	26.6	14.0	22.0	8.3
Total	19.4	6.8	18.5	7.0	17.0	6.9

Source: CSO

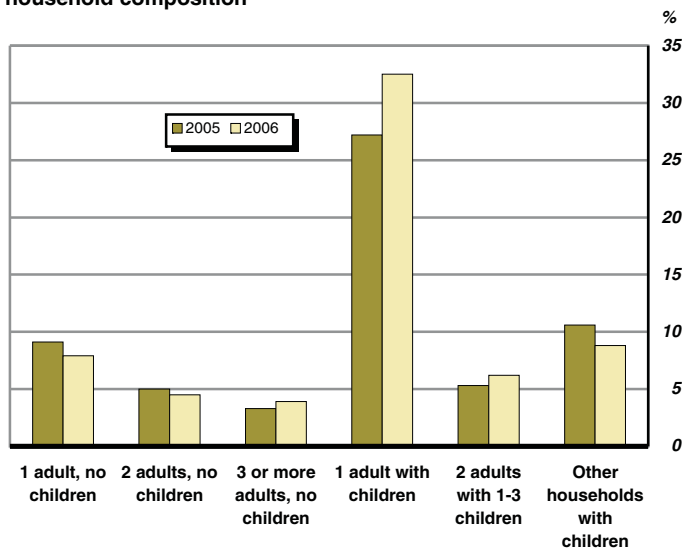
Percentage of persons in 'consistent poverty' classified by household composition

Table 3.9 Status of respondent's household as a teenager classified by key national indicators of poverty and social exclusion, 2005

	Current status of respondent			
	Population	Average annual equivalised income after social transfers	At risk of poverty	In consistent poverty (60% threshold)
	%	€	%	%
Total population (aged 25-65)	100.0	22,197	16.1	6.1
Respondent's household as a teenager				
Living arrangements				
With both parents	90.8	22,446	15.3	5.5
Other living arrangements	9.2	19,778	23.7	11.2
Number of siblings in household				
0-2	29.2	23,190	14.6	5.8
3-4	32.5	24,072	13.4	4.6
5-6	20.7	20,490	16.8	6.8
7+	17.6	19,153	22.9	8.4
Number of parents at work (PES)				
0	6.5	17,636	28.0	14.6
1	69.5	21,664	16.3	5.5
2	21.8	25,793	10.8	4.3
Not living with either parent	2.3	18,646	26.8	15.1
Highest level of education attained by parent				
Primary or below	58.9	18,678	20.9	7.6
Secondary	22.7	27,115	7.3	2.2
Third level non degree	6.3	29,072	8.9	3.8
Third level degree or above	7.5	32,405	7.4	3.1
Other	2.5	19,406	16.8	10.7
Not living with either parent	2.3	18,646	26.8	15.1
Occupation (ISCO) of parent				
Highly skilled non-manual	36.2	26,056	11.7	3.3
Lowly skilled non-manual	14.8	24,274	11.9	4.6
Skilled manual	23.8	20,042	16.8	7.1
Elementary occupation	16.4	17,473	22.2	7.3
No occupation	6.5	17,636	28.0	14.6
Not living with either parent	2.3	18,646	26.8	15.1
Frequency of financial difficulty				
Most of the time or often	20.7	18,575	26.7	13.3
Occasionally or rarely	42.7	21,390	15.2	5.3
Never	36.7	25,247	11.1	2.9

Source: CSO

