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# Survey on Income and Living Conditions (SILC)

**2008**

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## Introduction and summary of results

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. The survey is also carried out in other EU member states allowing comparable statistics to be compiled on a pan-European basis.

This report presents the results of the 2008 survey along with comparative information for previous years.

A summary of the main results can be found in *Table A*.

**Table A Summary of main results**

	2005	2006	2007	2008	% change 2007-2008
<b>Annual average income</b>	€	€	€	€	%
Gross household income (per household)	51,078	55,075	59,820	60,581	+1.3
Disposable household income (per household)	40,497	43,646	47,988	49,043	+2.2
Equivalised disposable income (per individual)	19,768	21,229	23,610	24,380	+3.3
At risk of poverty threshold (60% of median income)	10,057	10,566	11,890	12,455	+4.8
<b>Poverty &amp; deprivation rates</b>	%	%	%	%	%
At risk of poverty rate	18.5	17	16.5	14.4	-12.7
Consistent poverty rate	7.0	6.5	5.1	4.2	-17.6
Deprivation rate (experienced 2+ deprivation items)	14.9	13.8	11.8	13.8	+17.0

The analysis in this report is divided into five separate chapters, namely:

- ◆ Chapter 1 Income
- ◆ Chapter 2 At risk of poverty
- ◆ Chapter 3 Deprivation
- ◆ Chapter 4 Consistent poverty
- ◆ Chapter 5 EU comparison and indicators

The main points of note from each chapter are outlined below:

## Chapter 1 Income

- ◆ Average net disposable household income increased from €47,988 in 2007 to €49,043 in 2008, a 2.2% change.
- ◆ At an individual level, average annual equivalised disposable income increased by 3.3% in 2008, rising from €23,610 in 2007 to €24,380 in 2008.
- ◆ The at risk of poverty threshold in 2008 was €12,455, an increase of 4.8% from €11,890 in 2007.
- ◆ Households in which the head of household was unemployed (+25.2%) and persons living in lone parent households (+22.0%) reported the biggest increases in their income between 2007 and 2008.

## Chapter 2 At risk of poverty

- ◆ In 2008, 14.4% of the population were at risk of poverty, a decrease of 2.1 percentage points from 2007.
- ◆ Children remained the most at risk age group in 2008 with an at risk of poverty rate of 18%, a decrease of 1.9 percentage points from 2007.
- ◆ By Principal Economic Status the greatest fall in the at risk of poverty rate was recorded for persons who were unemployed (falling from 38.7% in 2007 to 23.0% in 2008). By comparison the at risk of poverty rate for people at work was unchanged at 6.7%.
- ◆ Lone parent households continued to be the household type with the highest at risk of poverty rate with a rate of 36.4% being recorded for individuals in these households.

## Chapter 3 Deprivation

- ◆ Three quarters (75.1%) of individuals reported that they had experienced none of eleven forms of enforced deprivation in 2008. This level has remained reasonably stable since 2006.
- ◆ Of the remaining one quarter of individuals who reported enforced deprivation, 11.1% experienced one deprivation item, almost 5% experienced two items and almost 9% experienced three or more items.
- ◆ Lone parent households reported the highest deprivation levels of any household type with nearly one quarter (24.2%) of individuals in these households experiencing three or more of the eleven deprivation items in 2008.
- ◆ The most commonly reported of the eleven deprivation indicators continued to be the inability to afford to replace worn out furniture, at 13.3%.

## Chapter 4 Consistent poverty

- ◆ The percentage of people in consistent poverty in 2008 was 4.2%, a fall of 0.9 percentage points from 2007 when the rate was 5.1%.
- ◆ The consistent poverty rate for unemployed persons was 9.7% in 2008 down from 17.5% in 2007, a decrease of almost half. This compares with a consistent poverty rate of 1.1% where the individual was at work or retired.
- ◆ Children (aged 0-17) remained the most exposed age group with a consistent poverty rate of 6.3%. This compares with a consistent poverty rate of 1.7% among persons aged 65-74 and just 1.0% among persons aged 75 or over.
- ◆ Nearly one in five people in lone parent households (17.8%) were in consistent poverty in 2008, the highest rate recorded among household types.

## Chapter 5 EU comparison and indicators

- ◆ In 2007, the average at risk of poverty rate for the EU was 16%, with Latvia reporting the highest rate at 21% and Ireland reporting a rate above the EU average at 18%.
- ◆ The Netherlands and the Czech Republic recorded the lowest at risk of poverty rates in the EU in 2007 at 10%.



# Chapter 1

## Income

### Key Findings

- ◆ Average net disposable household income increased from €47,988 in 2007 to €49,043 in 2008, a 2.2% change.
- ◆ Average annual equivalised disposable income increased by 3.3% in 2008, rising from €23,610 in 2007 to €24,380 in 2008.
- ◆ At State level, income from SSIA's that matured during the income reference period increased annual equivalised disposable income by 1.6%.
- ◆ The at risk of poverty threshold in 2008 was €12,455, an increase of 4.8% from €11,890 in 2007.
- ◆ Households in which the head of household was unemployed (+25.2%) and persons living in lone parent households (+22.0%) reported the biggest increases in their income between 2007 and 2008.

### Background information

The Survey on Income and Living Conditions (SILC) collects information relating to the income of household members in the twelve months prior to the date of interview. Data collection for SILC 2008 began in November 2007 and continued until December 2008. Therefore the income reference period of this report is November 2006 to December 2008.

Gross household income is calculated by summing all direct income and all social transfers for all members of the household. Total direct income is composed of employee income, employer's social insurance contributions, gross cash benefits or losses from self-employment and any other direct income. Total social transfers include unemployment and old-age benefit, children/family related allowances, housing allowances and other social transfers such as survivors, sickness or disability benefits.

Tax and social insurance contributions are summed and deducted from gross household income to arrive at net disposable household income. Deductions include employer's social insurance contributions, regular inter-household cash transfers (paid), tax on income and social insurance contributions.

This chapter will begin with a brief analysis of gross household income and will continue with a more in-depth analysis of net disposable household income. Net disposable household income is analysed in more detail as it is considered to be the best indicator of the standard of living because it includes only amounts which are disposable for members of the household.

## Household income

### Gross household income

Average gross household income, the sum of total direct income and total social transfers, increased from €59,820 in 2007 to €60,581 in 2008, an increase of 1.3%. This equates to a change in average weekly income from €1,146 in 2007 to €1,161 in 2008. See *Table 1.8*.

In 2008, at State level, average weekly household direct income was €902.50, a decrease of just over 1% from €912.52 in 2007. Average weekly household social transfers were €258.50 in 2008, an increase of nearly 11% from €233.90 in 2007. See *Table 1.1 and 1.2*.

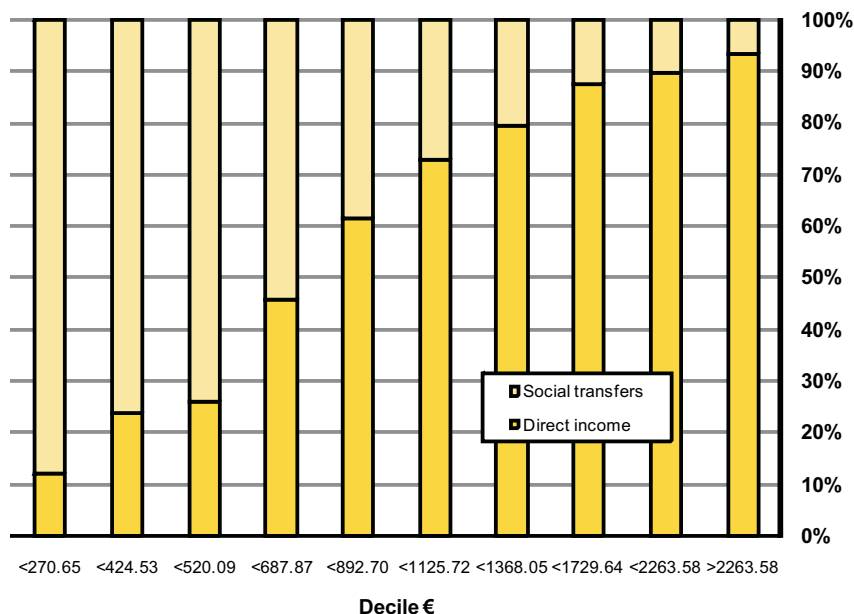
- ◆ At State level, social transfers represented 22.3% of gross household income in 2008. In comparison, social transfers represented just over 20% of gross household income in 2007.
- ◆ As a result, direct income decreased as a percentage of gross household income between 2007 and 2008 from just under 80% in 2007 to 77.7% in 2008.

### Composition of gross household income by net disposable household income decile

A breakdown of gross household income by net disposable household income decile revealed that as gross household income increased, the household's dependency on social transfers decreased. See *Figure 1a*.

- ◆ Almost 88% of the gross household income of households in the bottom decile was made up of social transfers. The percentage of social transfers remained high up to and including the fourth decile where more than 54% of gross income was made up of social transfers.
- ◆ Above the fourth decile social transfers decreased as a percentage of gross household income, falling to just under 7% of gross income in the top decile.

**Figure 1a Gross household income by income type and net disposable household income decile, SILC 2008**

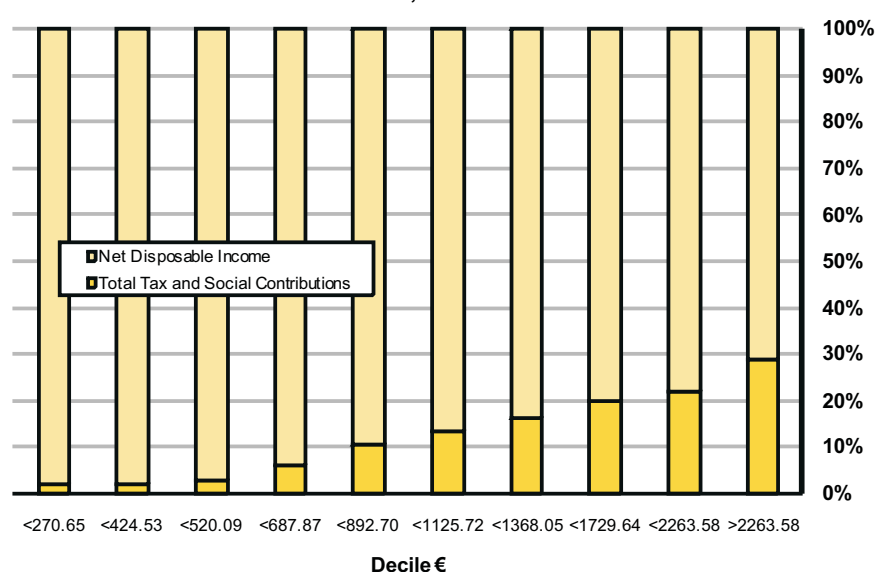


As outlined earlier in this chapter, tax and social insurance contributions were summed to household level and subtracted from gross household income to calculate net disposable household income. In 2008, at State level, tax and social insurance contributions accounted for 19.0% of gross household income, a slight decrease from 19.8% in 2007. See *Tables 1.1, 1.2 and Figure 1b*.

An analysis of gross household income by net disposable household income decile and tax and social insurance contributions is presented in *Figure 1b*.

- ◆ In general, tax and social insurance contributions as a percentage of gross household income increased as household income increased. Almost 29% of gross household income in the 10% of households with the highest incomes went on tax and social insurance contributions. This compares with 10.6% for households in the fifth decile and just over 2% for the 10% of households with the lowest income. Year on year there was little change in these proportions.

**Figure 1b Gross household income broken down by net disposable income and tax and social insurance contributions and decile, SILC 2008**



### Net disposable household income

Average net disposable household income increased from €47,988 annually in 2007 to €49,043 in 2008, representing a 2.2% increase year on year. Increases in income across different types of households were driven primarily by an increase in social transfers rather than an increase in direct income. Households where social transfers were the main source of income recorded bigger percentage increases in their household income in 2008 than households where direct income was the primary source of income. See *Tables 1.2 and 1.3*.

### Factors influencing income levels

Various characteristics of individuals and households have an influence on income and some of these factors are inter-related. Regression modelling was used to assess the factors independently influencing income. In terms of household income various characteristics of both the household and the head of household were found to independently influence household income. In the case of individual equivalised income some additional characteristics of the individual were also found to have an influence in addition to those factors found at household level. Table 1a shows the factors which were found to be significant. The results of this analysis have been used in identifying the characteristics focused on in the remainder of this chapter. See *Appendix 2 for more details*.

**Table 1a Variables found to be significant in determining the level of household and equivalised income in 2008**

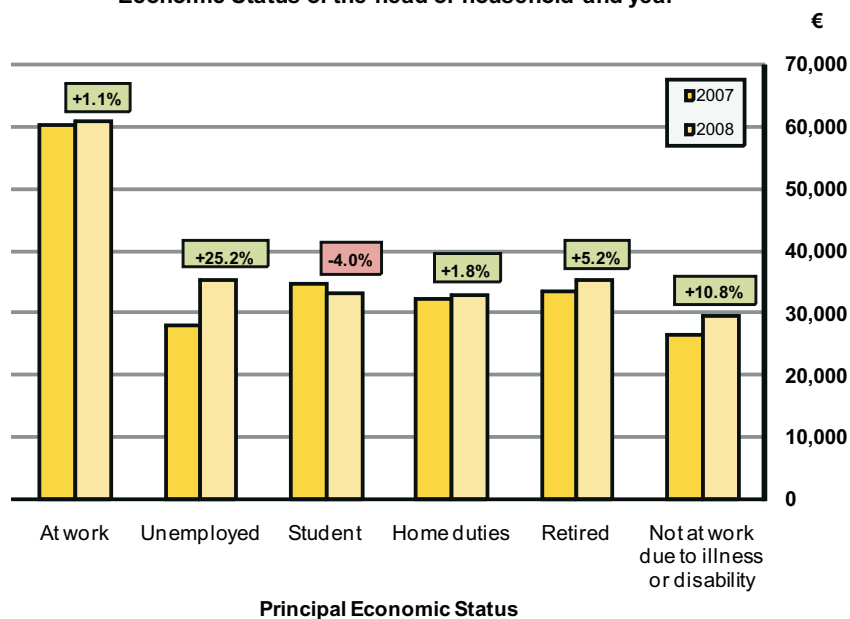
Characteristics of the household	Characteristics of the head of household	Characteristics of the individual (individual equivalised income only)
Household composition	Age of the head of household (household income model only)	Education level of the individual
Number of people at work in the household.	Sex of the head of household	Age of the individual
Region the household was located	Education level of the head of household.	Sex of the Individual
Tenure of the household		
Whether the household was located in an urban or rural area		

### Analysis by the characteristics of the head of household

Households where the head of household was unemployed had an average net disposable household income of €35,208 or 58% of the household income of households where the head of household was at work (€60,977). Households headed by a person who was not at work due to illness or disability reported the lowest household income in this category at €29,475. See Table 1.3 and Figure 1c.

- ◆ The biggest percentage increase in household income was recorded for households where the head of household was unemployed. Average annual disposable household income for this group increased by more than 25%, from €28,132 in 2007 to €35,208 in 2008.
- ◆ This compares with an increase in average net disposable household income of just over 1% for households where the head of household was at work.

**Figure 1c Disposable household income by the Principal Economic Status of the head of household and year**



A breakdown by the age group of the head of household revealed that households headed by a person aged 65 or over experienced bigger percentage increases in their income in 2008 than households headed by a person of working age (18-64). See Table 1.3.

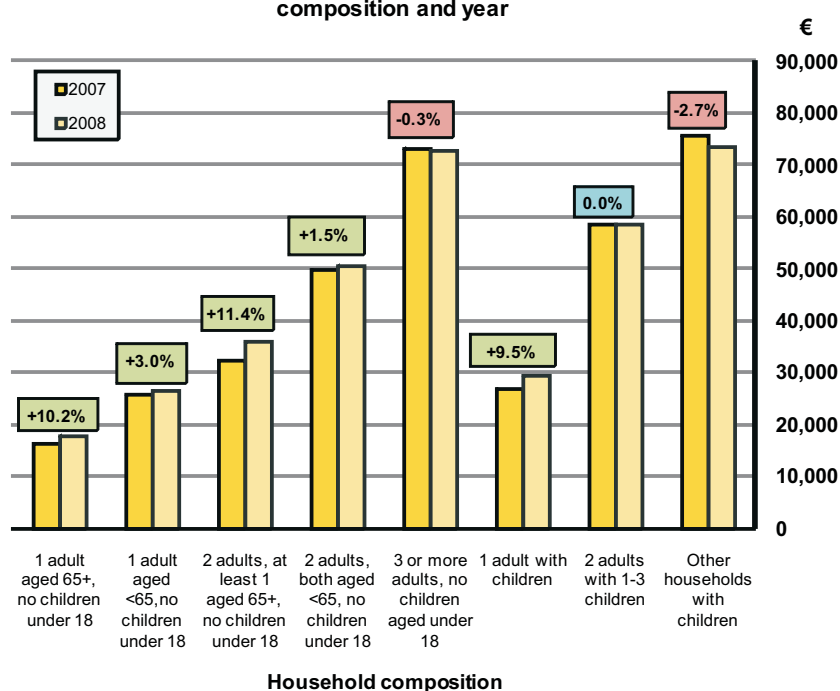
- ◆ Households where the head of household was aged 75 or over reported an average increase in income of nearly 8%. This compares with an increase of 6.6% for those aged 65-74 and an increase of just 1.3% for households headed by a person of working age (18-64).
- ◆ However, households, where the head of household was aged 75 or over, continued to report the lowest average annual net disposable household income in 2008 when compared with households headed by a person in the age groups 65-74 or 18-64. Households headed by a person aged 75 or over had an average annual net disposable household income of €26,388 compared with €33,625 for households headed by a person aged 65-74 and €54,520 for households headed by a person of working age.

### Analysis by the characteristics of the household

Analysis by household composition revealed that lone parent and households headed by an older person experienced the biggest percentage increases in average household disposable income between 2007 and 2008. See Table 1.3 and Figure 1d.

- ◆ Households with one adult aged 65 or over living alone had an annual average increase in net disposable household income of more than 10%, from €16,205 in 2007 to €17,858 in 2008. However, this group continued to report by far the lowest annual average net disposable household income when compared with other household types.
- ◆ A similar level of increase was recorded for households with two adults, at least one aged 65 or over and for lone parent households. Both groups experienced increases in their average annual net disposable household income of 11.4% and 9.5% respectively between 2007 and 2008.

Figure 1d Disposable household income by household composition and year

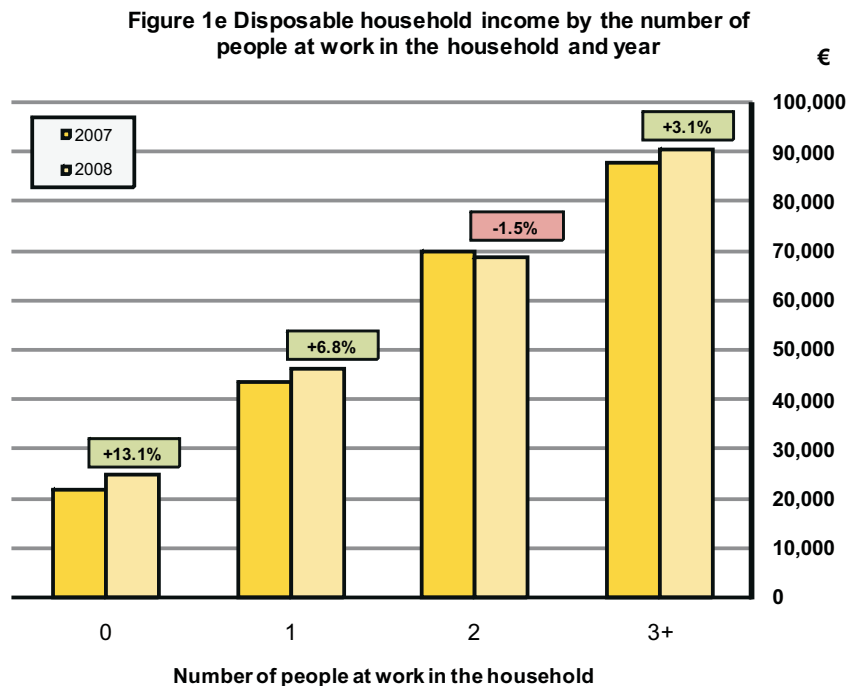


Households with children, with the exception of lone parent households, recorded either no change or decreases in their net disposable household income between 2007 and 2008. See *Table 1.3 and Figure 1d*.

- ◆ Households with two adults and 1-3 children experienced no change in their average net disposable household income between 2007 and 2008.
- ◆ Other households with children experienced a drop in average net disposable household income from €75,480 in 2007 to €73,427 in 2008, a decrease of almost 3%. However, this group continued to report the highest average annual disposable income in 2008 when compared with other household types.

Analysis by the number of persons at work in the household showed that households where there was no person at work had significantly higher percentage increases in their income than other households. See *Table 1.3 and Figure 1e*.

- ◆ Households where there was no person at work experienced a 13.1% increase in their net disposable household income during the income reference period. This compares with an increase of 6.8% in households where one person was at work, 3.1% in households where three or more people worked and a decrease of 1.5% in households where two people were at work.
- ◆ However, households where no person worked had significantly lower annual average net disposable household income in 2008 when compared to households with one or more people at work. The annual average net disposable income of this group was €24,721 compared with €46,297 where one person was at work, €68,749 where there were two people at work and €90,407 where there were three or more people in the household who worked.

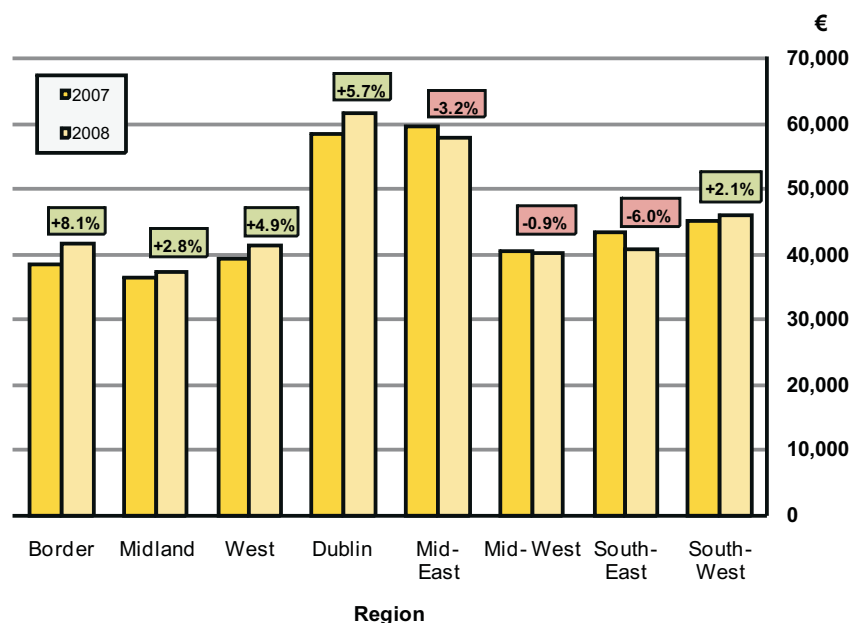


A breakdown by region indicated that households in the Border, Dublin and West regions showed the biggest increases in income between 2007 and 2008. See *Table 1.3 and Figure 1f*.

- ◆ Households in the Border region experienced an average increase in net disposable household income of 8.1% between 2007 and 2008. This compares with an increase of 5.7% in the Dublin region and 4.9% in the West region.

- ◆ Households in the Mid-East, Mid-West and South-East experienced a fall in their average net disposable household income in 2008. Households in the South-East region reported a fall of 6% in average net disposable household income from €43,447 in 2007 to €40,836 in 2008. This compares with a fall of just under 1% in the Mid-West region and 3.2% in the Mid-East region.
- ◆ Households in the Dublin region reported the highest annual average net disposable household income, at €61,724, when compared with households in the other seven regions of the country. The Midland region continued to report the lowest annual average net disposable household income in 2008, at €37,379.

Figure 1f Disposable household income by region and year



### Analysis by other socio-demographic characteristics

A breakdown of average net disposable household income by other socio-demographic characteristics showed the following results. See Table 1.3.

- ◆ Average annual disposable household income of female headed households was €41,469 in 2008 compared with €54,224 for households headed by a male. There was no significant change in the level of this difference between 2007 and 2008.
- ◆ Income levels increased in line with the educational level of the head of household. Households headed by a person with a third level degree or above education had a net disposable household income of €75,686 in 2008. This compares with households headed by a person with a primary or below education who had a net disposable household income of €31,595 in 2008.
- ◆ Households renting their homes at the market rate reported an increase of 10.3% in their net disposable household income between 2007 and 2008. This compares with an increase of 4.0% for households renting at below the market rate or rent free, and an increase of 1.7% for households who owned their own home.
- ◆ Households in urban areas had a net disposable household income of €52,532 in 2008 compared with €43,215 for households in rural areas. Household income levels had increased by a similar rate for households in urban and rural areas between 2007 and 2008 (1.9% and 3.0% respectively).

## Equivalised disposable income

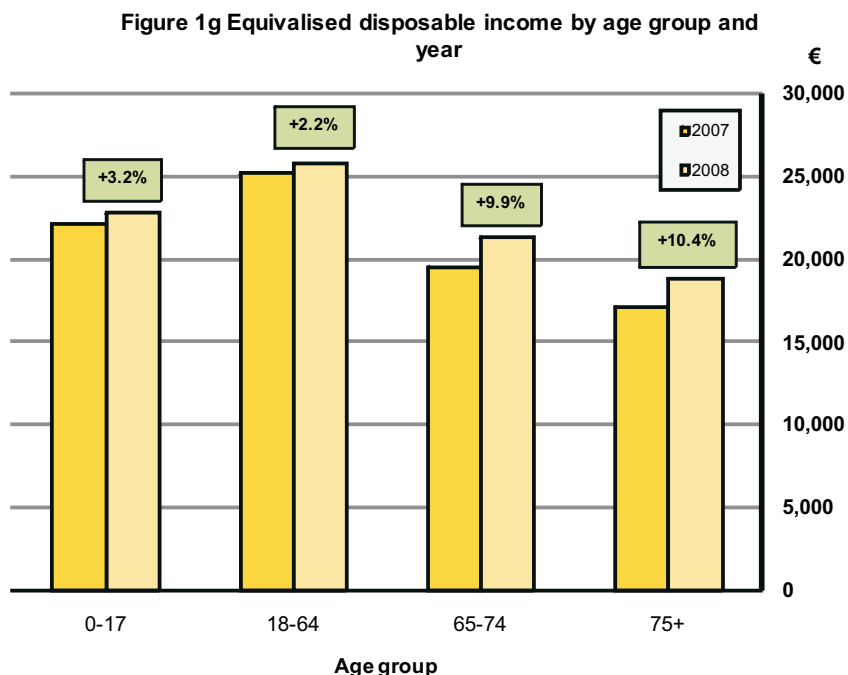
Equivalence scales assign each household a value in respect of the number of adults and children in the household. The national equivalence scale assigns the first adult a value of 1, each subsequent adult a value of 0.66 and each child a value of 0.33. These values are then summed and an equivalised household size is established. Disposable household income is divided by the equivalised household size to calculate equivalised disposable income. This value is essentially an approximate measure of how much of the household income can be attributed to each member of the household.

Equivalised disposable income forms the basis of the analysis for the remainder of this report as it not only allows us to more accurately compare the relative economic position of different types of households but it also allows us compare income levels for individuals with different characteristics.

### Analysis by socio-demographic characteristics

Average annual equivalised disposable income in 2008 was €24,380, an increase of 3.3% from €23,610 in 2007. The results of a breakdown of equivalised disposable income by socio-demographic characteristics follow the same pattern as those discussed in the household disposable income section of this chapter. Nevertheless, a brief summary of the most significant results is presented below. See *Table 1.4 and Figure 1g*.

- ◆ Persons in lone parent households and persons aged 65 and over living alone reported the lowest levels of equivalised income (€17,908 and €17,858 respectively). This compared with €30,460 for people living in households where two people aged under 65 with no children lived.
- ◆ However, the biggest increase in equivalised disposable income was recorded for persons living in lone parent households. Income for this group increased from €14,678 in 2007 to €17,908 in 2008, an increase of 22.0% year on year. This compares with persons living in households with three or more adults who reported a decrease in their average annual equivalised disposable income of more than 1%. However, persons living in lone parent households reported among the lowest average equivalised disposable income in 2008 similar to single pensioner households.
- ◆ Persons in the 65-74 (+9.9%) and 75 and over (+10.4%) age groups experienced a greater percentage increase in their income when compared with persons of working age (+2.2%) and children (+3.2%). However, income levels of persons in the 65-74 and 75 and over age groups remained lower than the younger age groups (€18,866 for persons aged 75 and over compared with €25,751 for persons of working age).



- ◆ Persons who defined their economic status as unemployed (+17.7%) or retired (+12.3%) reported significantly bigger percentage increases in their income between 2007 and 2008 when compared with those at work (+2.6%). However, people at work continue to have higher equivalised income (€29,240 compared with €18,692 for unemployed people).
- ◆ Persons living in the Dublin and Mid-East regions had the highest equivalised income levels (€30,324 and €27,477 respectively) while the lowest income was recorded for people in the Midland region at €18,552.

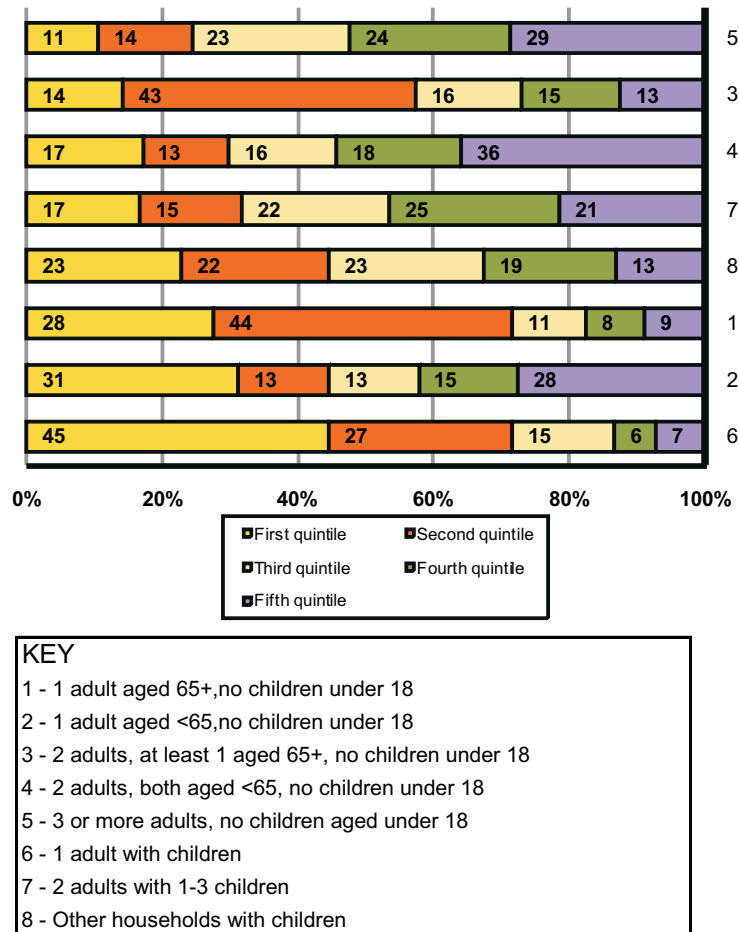
### Analysis by net equivalised disposable income decile

Results of an analysis of income by net equivalised disposable income deciles were broadly in line with the analysis of household income by net disposable income deciles conducted earlier in this chapter. Results indicated that those in the lower deciles were more dependent on social transfers as a source of income than those in higher deciles. See *Table 1.5*.

A further analysis of the net equivalised disposable income deciles by socio-demographic characteristics was conducted and some of the most significant results are presented below. See *Table 1.6*.

- ◆ More than 50% of those aged 75 and over were in one of the bottom three income deciles compared with just under 26% of those of working age.
- ◆ More than 69% of persons living in households where no person was at work were in one of the bottom three income deciles. This compares with just under 8% of people living in households where three or more people were at work.
- ◆ Almost 69% of those with a third level degree or higher were in one of the top three income deciles compared with just under 10% of those with a primary education or below.
- ◆ A breakdown by region showed that more than 48% of those living in the Dublin region were in one of the top three income deciles. This compares with just over 12% of those living in the Midland region.
- ◆ A breakdown by household type revealed a very different distribution across household types. Figure 1h shows net equivalised disposable income quintiles for each household type. Almost three quarters (72%) of persons aged 65 or over living alone and persons living in lone parent households (72%) were in one of the bottom two income quintiles. This compares with just under 25% of people living in households with three or more adults and no children.
- ◆ More than a third (36%) of persons living in households with two adults both aged less than 65 and no children had an average equivalised disposable income in the top quintile. This compares with just 7% of persons living in lone parent households and 9% of persons aged 65 or over living alone.

**Figure 1h Percentage of persons in each net-equivalised income quintile by household composition, SILC 2008**



## Impact of SSIA income

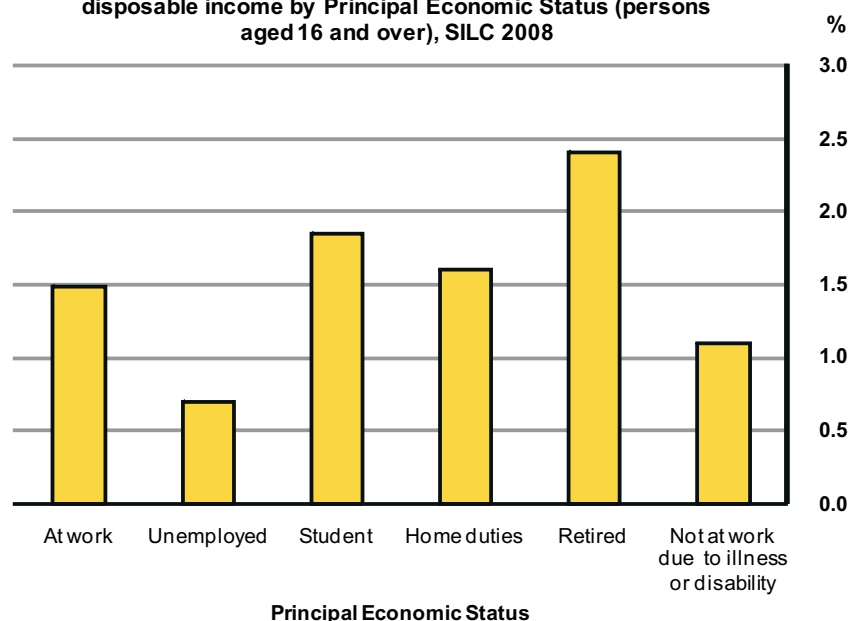
The Irish government's Special Savings Incentive Scheme commenced on 1 May 2001. To participate in the scheme, savings accounts (called "special savings incentive accounts" or "SSIA's") had to be opened before 30 April 2002. Under the terms of this scheme, for every amount saved in a special account, an additional 25% would be contributed by the Exchequer to the savings after a savings period of five years.

SSIA's that matured between November 2006 and April 2007 are included in the income reference period of individuals with SSIA income who were interviewed up to the 30<sup>th</sup> of April 2008. Interest earned on the account and the government bonus was included as investment income in the calculation of household income in 2008.

Overall, the inclusion of SSIA income increased the annual average equivalised disposable income by €372, an increase of 1.6% compared with 2007. In 2007 the increase due to SSIA income had been 3.2%. See Table 1.7 and Figure 1i.

- ◆ The biggest increase in equivalised disposable income, as a result of the inclusion of SSIA income, was recorded for persons with an education level of third level degree or above. The average equivalised disposable income of this group increased by €678 (+1.9%) due to SSIA income.
- ◆ The next biggest increase was recorded for those whose Principal Economic Status was retired. Average equivalised disposable income for this group increased by €519 (+2.4%).
- ◆ The smallest change in income was reported for persons living in rented accommodation. Persons living in accommodation rented at the market rate reported an average increase in income of €48 (+0.2%) while persons living in accommodation rented at below the market rate or rent free reported an average increase of just €28 (+0.2%).

**Figure 1i SSIA income as a percentage of equivalised disposable income by Principal Economic Status (persons aged 16 and over), SILC 2008**



### At risk of poverty threshold

The at risk of poverty threshold is the value of equivalised income below which a person is considered to be at risk of poverty. The threshold is set, in line with international standards, at 60% of the median equivalised disposable income. Equivalised disposable income is used as it allows the comparison of living standards between households that vary in size and composition and therefore allows for a more meaningful measure of poverty to be computed. In 2008, the at risk of poverty threshold for an individual was €12,455, an increase of 4.8% from €11,890 in 2007. See *Table 1.9*.

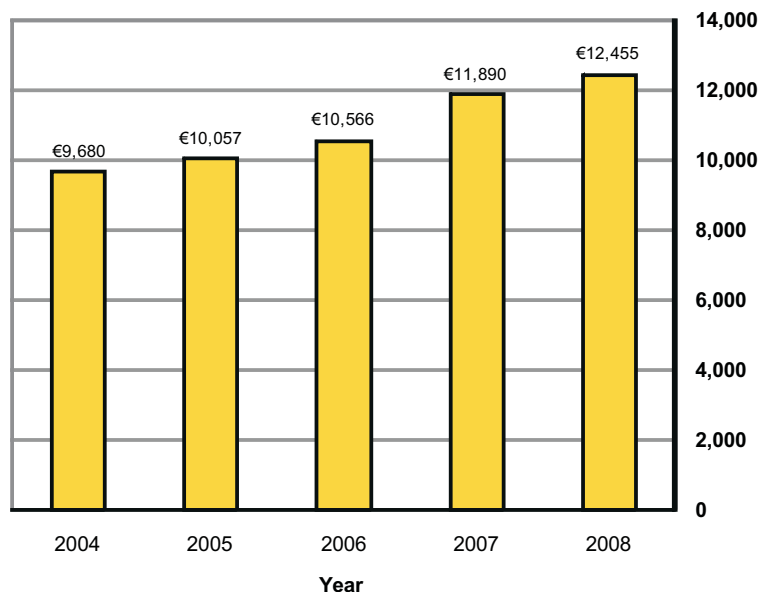
In 2007 and 2008 the at risk of poverty threshold was also calculated with the exclusion of SSIA income. The thresholds are shown in *Table 1b*:

**Table 1b At risk of poverty thresholds by year**

	% of individuals		
	2007	2008	% change year on year
	€	€	%
<b>At risk of poverty threshold</b>	11,890	12,455	4.8
<b>At risk of poverty threshold excluding SSIA income</b>	11,505	12,141	5.5

The biggest annual increase in the threshold was recorded between 2006 and 2007 with a year on year change of 12.5%. The at risk of poverty threshold has increased in each year since 2004 when the threshold was €9,680. The overall percentage increase over the four year period was 28.7%. See *Figure 1j*.

Figure 1j The at risk of poverty threshold by year



## Equality of income

The Gini coefficient is a measure of income inequality. A lower Gini coefficient indicates a more equal distribution, with 0% corresponding to perfect equality, while higher Gini coefficients indicate more unequal distribution across the population, with 100% corresponding to perfect inequality (i.e. one person having all the income). The Gini coefficient can be used to indicate how the distribution of income has changed within a population over a period of time; thus it is possible to see if income inequality is increasing or decreasing. See *Table 1c*.

In 2008, using the national income definition and national scales, the Gini coefficient fell slightly to 30.7% from a level of 31.7% in 2007 and 32.4% in both 2005 and 2006.

**Table 1c Indicators of equality of income by year**

	2005	2006	2007	2008
Gini coefficient <sup>1</sup>	32.4	32.4	31.7	30.7
Income distribution (Income quintile share ratio)	4.9	5.0	4.9	4.6

<sup>1</sup> See Background Notes

The quintile share ratio is a ratio of the total equivalised disposable income received by the 20% of persons with the highest income to that received by the 20% of individuals with the lowest income. The income quintile share ratio fell slightly from 4.9 in 2007 to 4.6 in 2008. See *Table 1c*.

The Gini coefficient and the quintile share ratio show that the income distribution has remained relatively stable since 2005. However, changes in both indicators since 2006 indicate some movement to a more equal distribution.

## Over indebtedness and income

In 2008, a special module on over indebtedness and financial exclusion was included as part of the SILC questionnaire. This module was asked of all households interviewed in 2008. Questions relating to the type and amount of arrears accrued by the household are analysed by income quintile in this section of the report. There were five types of arrears included which were:

- ◆ an overdrawn bank account
- ◆ credit card balance outstanding
- ◆ mortgage, rent or utility arrears
- ◆ arrears on other bills
- ◆ arrears on other loans

In this section income quintiles (i.e. five income bands with 20% of households falling into each income band) have been used for analysis rather than income deciles which were the focus of the earlier parts of this chapter. This has been done as the sample was not of sufficient size to allow a detailed analysis by decile and type of arrears.

Overall, 20.3% of households were in arrears on at least one of the five items included while 7.7% of households were in arrears on two or more items in 2008. See *Table 1.10, Figures 1k and 1l*.

- ◆ Across the income distribution, there was some variation in the proportion of households reporting arrears but the level of variation was relatively low with between 17% and 25% of households in all income quintiles reporting arrears on one or more of the five items.
- ◆ Almost one quarter of households in the third income quintile (i.e. those with a net disposable weekly household income of between €687.87 and €1,125.72) were in arrears on at least one of the included items. This compares with 17.1% of households in the top income quintile and 18.2% of households in the lowest income quintile.
- ◆ The variation in the reporting of two or more items of arrears was similarly low across income quintiles with between 7.4% and 9.7% of households in the lowest four quintiles reporting at least 2 items of arrears. However, a lower proportion of households in the highest income quintile reported at least 2 items (4.0%).

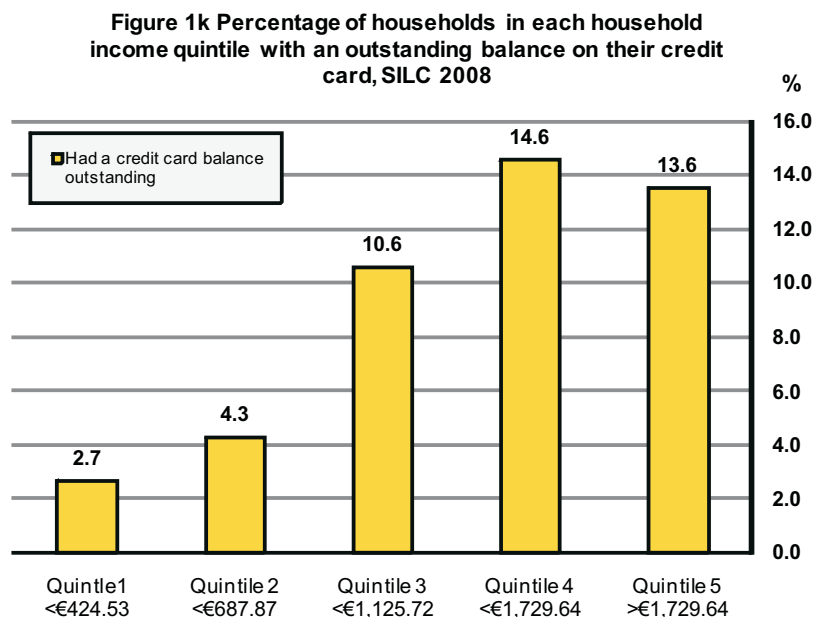
### Analysis of different forms of arrears by income

The two most prevalent forms of arrears reported were mortgage, rent or utility arrears (9.4% of households) and an outstanding credit card balance (9.1% of households). The next most prevalent form was an overdrawn bank account (4.8%) while the least prevalent forms were arrears on other bills (2.6%) and arrears on other loans (2.4%).

Across different forms of arrears it was notable that the relationship to income differed significantly. An overdrawn bank account and an outstanding credit card balance were more prevalent and the level of arrears higher among households with higher incomes. This perhaps reflects the greater levels of access to this type of credit among those with higher incomes. However arrears on mortgage, rent or utilities were more common among households with lower incomes.

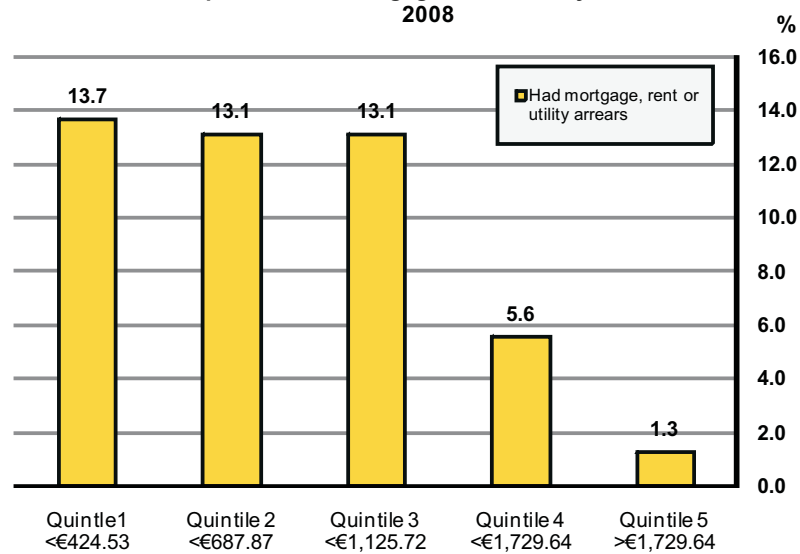
- ◆ The proportion of households with an overdrawn bank account was lowest among those with the lowest income with 2.4% of households in the first quintile reporting an overdrawn bank account compared with over 6% of households in each of the top two income quintiles.

- ◆ The level of arrears was also higher among those with higher incomes. More than 5% of households in the top income quintile owed €571 or more on their overdraft compared with less than 2% of households in the lowest income quintile.



- ◆ Just over 9% of households at State level had an outstanding balance on their credit card while 2.9% of households had an outstanding balance in excess of €2,850.
- ◆ More than 10% of households in each of the top three income quintiles had outstanding credit card balances but this fell to 2.7% in the lowest income quintile.
- ◆ Over six percent (6.2%) of households in the highest income quintile reported a credit card debt of more than €2,850 while a further 5.8% had a credit card debt of between €571 and €2,850.
- ◆ More than 9% of households had arrears on their mortgage, rent or utility bills in 2008. Arrears on mortgages, rent or utility bills was more common among households in the lowest three quintiles.
- ◆ Almost 14% of households in the lowest quintile were in arrears on their mortgage, rent or utility bills in 2008 compared with just 1.3% of households in the top income quintile.
- ◆ The most frequently reported level of arrears on mortgage, rent and utility bills was less than €571 with 7.7% of households in the lowest quintile reporting arrears at this level.
- ◆ For the remaining two forms of arrears (other bills and other loans) relatively low proportions of households reported these forms of arrears. The most notable point was that, while similar proportions of households in the first four quintiles reported having these forms of arrears (between 1.7% and 3.9% approximately for each of the two types of arrears in each quintile), the level fell to nearly zero among households in the highest quintile.

Figure 11 Percentage of households in each household income quintile with mortgage, rent or utility arrears, SILC 2008



**Table 1.1 Household income by decile, activity composition of the household and composition of net disposable income, 2008**

<b>Decile</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Weekly threshold (€)	<270.65	<424.53	<520.09	<687.87	<892.70
<b>Average Weekly Household Income</b>	€	€	€	€	€
<b>Direct Income</b>					
Employee income	10.97	48.70	69.35	169.05	347.81
Employer's social insurance contributions	0.73	2.75	5.56	14.86	35.09
Cash benefits or losses from self-employment	7.11	13.83	33.50	65.71	70.69
Other direct income	7.84	15.34	14.58	25.12	32.19
<b>Total direct income</b>	<b>26.65</b>	<b>80.61</b>	<b>122.99</b>	<b>274.73</b>	<b>485.78</b>
<b>Social Transfers</b>					
Unemployment benefits	27.74	26.82	31.12	41.58	38.72
Old-age benefits	102.43	113.07	156.31	119.62	131.44
Family/children related allowances	12.09	52.56	74.48	98.21	73.63
Housing allowances	16.28	18.35	21.28	14.92	11.27
Other social transfers	34.66	49.05	65.89	50.43	48.66
<b>Total social transfers</b>	<b>193.20</b>	<b>259.84</b>	<b>349.08</b>	<b>324.77</b>	<b>303.72</b>
<b>Gross Income</b>	<b>219.85</b>	<b>340.46</b>	<b>472.07</b>	<b>599.49</b>	<b>789.49</b>
<b>Tax and Social Contributions</b>					
Tax on income and social contributions	1.12	2.70	6.74	17.17	45.38
Employer's social insurance contributions	0.73	2.75	5.56	14.86	35.09
Regular inter-household cash transfers paid	3.05	1.27	0.89	3.79	3.33
<b>Total Tax and Social Contributions</b>	<b>4.90</b>	<b>6.71</b>	<b>13.19</b>	<b>35.82</b>	<b>83.80</b>
<b>Net Disposable Income</b>	<b>214.95</b>	<b>333.75</b>	<b>458.87</b>	<b>563.68</b>	<b>705.70</b>
Household size (persons per household)	1.24	1.67	2.28	2.69	2.77
<b>% of persons per household by activity composition</b>					
	%	%	%	%	%
Not yet at school	1.2	3.9	6.6	8.0	5.8
At school	7.9	13.1	10.5	19.4	17.8
At work	10.5	17.5	19.1	27.3	35.5
Unemployed	9.2	6.5	5.9	5.9	5.5
Not economically active	71.3	59.0	57.9	39.4	35.4
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Table 1.2 Household income by decile and composition of net disposable income, 2007**

<b>Decile</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Weekly threshold (€)	<245.93	<388.26	<499.99	<666.90	<863.10
<b>Average Weekly Household Income</b>	€	€	€	€	€
<b>Total direct income</b>	<b>17.10</b>	<b>70.87</b>	<b>118.44</b>	<b>268.57</b>	<b>483.21</b>
<b>Total social transfers</b>	<b>178.74</b>	<b>246.72</b>	<b>321.64</b>	<b>315.11</b>	<b>272.32</b>
<b>Gross Income</b>	<b>195.84</b>	<b>317.59</b>	<b>440.08</b>	<b>583.68</b>	<b>755.53</b>
<b>Total Tax and Social Contributions</b>	<b>2.68</b>	<b>5.10</b>	<b>11.10</b>	<b>34.04</b>	<b>77.63</b>
<b>Net Disposable Income</b>	<b>193.15</b>	<b>312.49</b>	<b>428.98</b>	<b>549.64</b>	<b>677.90</b>

**Table 1.1 (contd.) Household income by decile, activity composition of the household and composition of net disposable income, 2008**

6	7	8	9	10	State	Decile
<1125.72	<1368.05	<1729.64	<2263.58	>2263.58		Weekly threshold (€)
€	€	€	€	€	€	
						<b>Average Weekly Household Income</b>
						<b>Direct Income</b>
546.96	734.38	1,032.36	1,383.80	2,230.59	656.45	Employee income
58.50	83.51	119.31	150.70	263.60	73.36	Employer's social insurance contributions
94.11	136.69	139.86	169.80	525.54	125.54	Cash benefits or losses from self-employment
33.00	29.45	58.87	64.62	190.87	47.15	Other direct income
<b>732.57</b>	<b>984.04</b>	<b>1,350.40</b>	<b>1,768.93</b>	<b>3,210.60</b>	<b>902.50</b>	<b>Total direct income</b>
						<b>Social Transfers</b>
52.66	55.49	21.54	33.28	30.02	35.87	Unemployment benefits
107.29	48.20	68.99	75.49	120.59	104.33	Old-age benefits
65.55	75.78	68.38	61.31	48.81	63.09	Family/children related allowances
5.55	3.70	2.83	0.92	0.29	9.54	Housing allowances
40.70	72.32	32.91	34.59	27.34	45.66	Other social transfers
<b>271.75</b>	<b>255.48</b>	<b>194.66</b>	<b>205.59</b>	<b>227.04</b>	<b>258.50</b>	<b>Total social transfers</b>
<b>1,004.31</b>	<b>1,239.52</b>	<b>1,545.06</b>	<b>1,974.52</b>	<b>3,437.64</b>	<b>1,161.00</b>	<b>Gross Income</b>
						<b>Tax and Social Contributions</b>
67.88	110.67	180.10	278.99	709.75	141.76	Tax on income and social contributions
58.50	83.51	119.31	150.70	263.60	73.36	Employer's social insurance contributions
9.32	8.06	9.73	7.52	12.84	5.98	Regular inter-household cash transfers paid
<b>135.70</b>	<b>202.24</b>	<b>309.14</b>	<b>437.22</b>	<b>986.19</b>	<b>221.11</b>	<b>Total Tax and Social Contributions</b>
<b>868.61</b>	<b>1,037.27</b>	<b>1,235.91</b>	<b>1,537.30</b>	<b>2,451.45</b>	<b>939.89</b>	<b>Net Disposable Income</b>
3.02	3.46	3.37	3.65	3.67	2.78	Household size (persons per household)
%	%	%	%	%	%	<b>% of persons per household by activity composition</b>
5.6	7.5	10.3	6.5	6.5	6.7	Not yet at school
17.8	18.8	16.5	15.6	13.5	15.7	At school
42.5	45.0	52.3	54.8	58.9	40.7	At work
7.3	6.1	2.5	3.8	2.4	5.1	Unemployed
26.8	22.7	18.4	19.3	18.8	31.8	Not economically active
<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>Total</b>

**Table 1.2 (contd.) Household income by decile and composition of net disposable income, 2007**

6	7	8	9	10	State	Decile
<1,096.59	<1,351.09	<1,738.04	<2,288.90	>2,288.90		Weekly threshold (€)
€	€	€	€	€	€	
						<b>Average Weekly Household Income</b>
736.64	1,014.77	1,356.30	1,838.69	3,235.25	912.52	<b>Total direct income</b>
232.41	213.13	176.61	144.24	235.70	233.90	<b>Total social transfers</b>
<b>969.05</b>	<b>1,227.90</b>	<b>1,532.91</b>	<b>1,982.93</b>	<b>3,470.96</b>	<b>1,146.42</b>	<b>Gross Income</b>
140.73	210.42	320.08	489.60	979.74	226.76	<b>Total Tax and Social Contributions</b>
<b>828.32</b>	<b>1,017.48</b>	<b>1,212.83</b>	<b>1,493.34</b>	<b>2,491.21</b>	<b>919.66</b>	<b>Net Disposable Income</b>

**Table 1.3 Annual average disposable household income by demographic characteristics and by year**

	All households		
	Average annual disposable household income		% change
	2007	2008	2007-2008
	€	€	%
<b>State</b>	<b>47,988</b>	<b>49,043</b>	<b>+ 2.2</b>
<b>Sex (head of household)</b>			
Male	53,406	54,224	+ 1.5
Female	40,386	41,469	+ 2.7
<b>Age group (head of household)</b>			
18-64	53,811	54,520	+ 1.3
65-74	31,538	33,625	+ 6.6
75+	24,497	26,388	+ 7.7
<b>Principal Economic Status (head of household)</b>			
At work	60,342	60,977	+ 1.1
Unemployed	28,132	35,208	+ 25.2
Student	34,672	33,278	- 4.0
Home duties	32,284	32,878	+ 1.8
Retired	33,603	35,363	+ 5.2
Not at work due to illness or disability	26,597	29,475	+ 10.8
<b>Highest education level attained (head of household)</b>			
Primary or below	30,218	31,595	+ 4.6
Lower secondary	44,382	43,610	- 1.7
Higher secondary	52,117	53,598	+ 2.8
Post leaving cert	50,259	48,074	- 4.3
Third level non degree	57,796	60,806	+ 5.2
Third level degree or above	74,409	75,686	+ 1.7
<b>Household composition</b>			
1 adult aged 65+, no children under 18	16,205	17,858	+ 10.2
1 adult aged <65, no children under 18	25,769	26,533	+ 3.0
2 adults, at least 1 aged 65+, no children under 18	32,313	36,006	+ 11.4
2 adults, both aged <65, no children under 18	49,813	50,563	+ 1.5
3 or more adults, no children aged under 18	72,820	72,585	- 0.3
1 adult with children	26,846	29,403	+ 9.5
2 adults with 1-3 children	58,502	58,523	-
Other households with children	75,480	73,427	- 2.7
<b>Number of persons at work in the household</b>			
0	21,853	24,721	+ 13.1
1	43,363	46,297	+ 6.8
2	69,825	68,749	- 1.5
3+	87,696	90,407	+ 3.1
<b>Tenure status</b>			
Owner-occupied	52,272	53,170	+ 1.7
Rented at the market rate	38,881	42,894	+ 10.3
Rented at below the market rate or rent free	29,567	30,755	+ 4.0
<b>Urban/rural location</b>			
Urban areas	51,528	52,532	+ 1.9
Rural areas	41,950	43,215	+ 3.0
<b>Region</b>			
Border	38,546	41,666	+ 8.1
Midland	36,345	37,379	+ 2.8
West	39,433	41,368	+ 4.9
Dublin	58,398	61,724	+ 5.7
Mid-East	59,640	57,759	- 3.2
Mid-West	40,467	40,120	- 0.9
South-East	43,447	40,836	- 6.0
South-West	45,066	46,002	+ 2.1

**Table 1.4 Average annual equivalised disposable income by demographic characteristics and by year**

	All persons		
	Average annual equivalised disposable income		% change
	2007	2008	2007-2008
	€	€	%
<b>State</b>	<b>23,610</b>	<b>24,380</b>	<b>+ 3.3</b>
<b>Sex</b>			
Male	24,046	24,640	+ 2.5
Female	23,173	24,121	+ 4.1
<b>Age group</b>			
0-17	22,085	22,798	+ 3.2
18-64	25,192	25,751	+ 2.2
65-74	19,449	21,375	+ 9.9
75+	17,091	18,866	+ 10.4
<b>Principal Economic Status (aged 16 years and over)</b>			
At work	28,504	29,240	+ 2.6
Unemployed	15,882	18,692	+ 17.7
Student	20,286	21,415	+ 5.6
Home duties	18,369	19,218	+ 4.6
Retired	19,944	22,400	+ 12.3
Not at work due to illness or disability	15,065	15,966	+ 6.0
<b>Highest education level attained (aged 16 years and over)</b>			
Primary or below	16,507	17,565	+ 6.4
Lower secondary	19,766	20,577	+ 4.1
Higher secondary	23,487	24,424	+ 4.0
Post leaving cert	23,943	23,457	- 2.0
Third level non degree	28,295	30,367	+ 7.3
Third level degree or above	37,612	37,262	- 0.9
<b>Household composition</b>			
1 adult aged 65+, no children under 18	16,205	17,858	+ 10.2
1 adult aged <65, no children under 18	25,769	26,533	+ 3.0
2 adults, at least 1 aged 65+, no children under 18	19,466	21,690	+ 11.4
2 adults, both aged <65, no children under 18	30,001	30,460	+ 1.5
3 or more adults, no children aged under 18	26,862	26,526	- 1.2
1 adult with children	14,678	17,908	+ 22.0
2 adults with 1-3 children	24,689	25,438	+ 3.0
Other households with children	21,891	22,443	+ 2.5
<b>Number of persons at work in the household</b>			
0	13,978	15,881	+ 13.6
1	22,202	23,365	+ 5.2
2	29,154	29,439	+ 1.0
3+	27,452	28,112	+ 2.4
<b>Tenure status</b>			
Owner-occupied	25,485	26,164	+ 2.7
Rented at the market rate	19,896	21,547	+ 8.3
Rented at below the market rate or rent free	14,943	16,016	+ 7.2
<b>Urban/rural location</b>			
Urban areas	25,203	25,928	+ 2.9
Rural areas	20,890	21,785	+ 4.3
<b>Region</b>			
Border	18,828	21,142	+ 12.3
Midland	18,106	18,552	+ 2.5
West	19,601	20,485	+ 4.5
Dublin	28,656	30,234	+ 5.5
Mid-East	27,980	27,477	- 1.8
Mid-West	21,010	20,867	- 0.7
South-East	21,123	20,548	- 2.7
South-West	22,497	23,307	+ 3.6

**Table 1.5 Average weekly equivalised income by net equivalised income decile and composition of net disposable income, 2008**

<b>Decile</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Weekly threshold (€)	<212.67	<256.19	<296.49	<341.17	<397.82
<b>Average Weekly Equivalised Income</b>	€	€	€	€	€
<b>Direct Income</b>					
Employee income	33.96	52.63	83.59	153.30	220.83
Employer's social insurance contributions	2.43	4.46	8.10	15.50	23.55
Cash benefits or losses from self-employment	19.09	20.90	20.70	29.54	43.26
Other direct income	9.19	6.01	6.04	7.81	10.59
<b>Total direct income</b>	<b>64.67</b>	<b>84.00</b>	<b>118.43</b>	<b>206.15</b>	<b>298.23</b>
<b>Social Transfers</b>					
Unemployment benefits	26.92	30.14	17.72	17.57	16.44
Old-age benefits	11.25	29.40	76.18	47.48	31.72
Family/children related allowances	45.20	56.48	42.08	47.46	40.34
Housing allowances	3.72	8.98	10.59	6.63	7.37
Other social transfers	22.78	40.10	28.55	24.82	27.58
<b>Total social transfers</b>	<b>109.86</b>	<b>165.09</b>	<b>175.12</b>	<b>143.95</b>	<b>123.45</b>
<b>Gross Income</b>	<b>174.53</b>	<b>249.09</b>	<b>293.55</b>	<b>350.10</b>	<b>421.68</b>
<b>Tax and Social Contributions</b>					
Tax on income and social contributions	3.40	4.72	7.96	16.68	25.82
Employer's social insurance contributions	2.43	4.46	8.10	15.50	23.55
Regular inter-household cash transfers paid	3.28	1.55	1.53	1.68	3.61
<b>Total Tax and Social Contributions</b>	<b>9.11</b>	<b>10.73</b>	<b>17.60</b>	<b>33.87</b>	<b>52.98</b>
<b>Net Disposable Income</b>	<b>165.42</b>	<b>238.37</b>	<b>275.95</b>	<b>316.23</b>	<b>368.70</b>

**Table 1.5 (contd.) Average weekly equivalised income by net equivalised income decile and composition of net disposable income, 2008**

<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>State</b>	<b>Decile</b>
<450.92	<524.45	<612.25	<769.99	>769.99		Weekly threshold (€)
€	€	€	€	€	€	
						<b>Average Weekly Equivalised Income</b>
						<b>Direct Income</b>
312.99	365.06	495.51	635.72	937.79	328.98	Employee income
36.15	41.89	56.71	72.25	110.43	37.13	Employer's social insurance contributions
48.57	63.79	52.75	73.00	291.59	66.27	Cash benefits or losses from self-employment
14.91	13.46	18.86	35.07	103.78	22.56	Other direct income
<b>412.62</b>	<b>484.20</b>	<b>623.84</b>	<b>816.05</b>	<b>1,443.59</b>	<b>454.94</b>	<b>Total direct income</b>
						<b>Social Transfers</b>
13.94	15.48	11.96	10.56	15.05	17.58	Unemployment benefits
33.46	37.10	43.37	46.82	81.74	43.84	Old-age benefits
33.30	32.69	21.68	20.32	18.37	35.79	Family/children related allowances
2.00	2.17	1.44	1.07	0.60	4.46	Housing allowances
16.33	17.95	15.84	10.12	11.85	21.59	Other social transfers
<b>99.03</b>	<b>105.40</b>	<b>94.29</b>	<b>88.89</b>	<b>127.61</b>	<b>123.26</b>	<b>Total social transfers</b>
<b>511.65</b>	<b>589.60</b>	<b>718.13</b>	<b>904.94</b>	<b>1,571.21</b>	<b>578.20</b>	<b>Gross Income</b>
						<b>Tax and Social Contributions</b>
48.11	59.29	89.11	141.61	314.14	71.03	Tax on income and social contributions
36.15	41.89	56.71	72.25	110.43	37.13	Employer's social insurance contributions
3.54	2.94	2.42	3.18	4.26	2.80	Regular inter-household cash transfers paid
<b>87.80</b>	<b>104.12</b>	<b>148.25</b>	<b>217.03</b>	<b>428.83</b>	<b>110.96</b>	<b>Total Tax and Social Contributions</b>
<b>423.85</b>	<b>485.48</b>	<b>569.88</b>	<b>687.91</b>	<b>1,142.37</b>	<b>467.24</b>	<b>Net Disposable Income</b>

**Table 1.6 Distribution of individuals by net equivalised income decile and demographic characteristics, 2008**

<b>Decile</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Weekly threshold (€)	<212.67	<256.19	<296.49	<341.17	<397.82
<b>Distribution across deciles</b>	%	%	%	%	%
<b>Sex</b>					
Male	10.0	9.2	9.2	10.2	9.9
Female	10.1	10.8	10.8	9.8	10.0
<b>Age group</b>					
0-17	12.4	11.8	9.1	11.3	10.3
18-64	9.5	8.9	7.4	8.7	10.3
65-74	7.9	11.5	23.3	13.9	9.0
75+	6.6	12.1	31.8	15.2	6.1
<b>Principal Economic Status (aged 16 years and over)</b>					
At work	4.4	4.6	4.8	7.2	10.1
Unemployed	19.4	15.8	11.3	11.3	13.1
Student	17.3	10.1	10.9	11.5	9.9
Home duties	15.1	16.1	19.5	11.9	8.8
Retired	7.2	10.8	21.4	14.6	7.9
Not at work due to illness or disability	13.2	27.5	21.2	12.6	11.5
<b>Highest education level attained (aged 16 years and over)</b>					
Primary or below	14.8	16.9	21.1	13.1	9.6
Lower secondary	11.0	14.5	13.1	10.8	11.6
Higher secondary	9.9	6.4	7.4	10.2	12.0
Post leaving cert	6.9	6.3	8.3	10.4	15.4
Third level non degree	3.7	4.4	6.3	6.1	7.0
Third level degree or above	4.1	2.6	1.9	3.4	4.7
<b>Household composition</b>					
1 adult aged 65+, no children under 18	5.2	22.5	36.7	7.3	6.3
1 adult aged <65, no children under 18	17.9	13.4	7.0	6.3	7.5
2 adults, at least 1 aged 65+, no children under 18	7.1	7.1	25.9	17.2	6.8
2 adults, both aged <65, no children under 18	9.2	8.0	7.1	5.6	6.6
3 or more adults, no children aged under 18	6.5	4.1	5.2	8.7	14.3
1 adult with children	27.3	17.3	16.5	10.6	10.4
2 adults with 1-3 children	7.7	9.0	6.8	8.4	9.6
Other households with children	10.9	12.0	8.4	13.4	11.5
<b>Number of persons at work in the household</b>					
0	23.4	23.6	22.3	10.6	5.2
1	11.3	9.6	11.1	14.8	12.3
2	2.8	4.0	3.9	6.0	10.4
3+	2.9	3.1	1.9	7.7	11.3
<b>Tenure status</b>					
Owner-occupied	8.2	6.8	8.8	9.9	9.8
Rented at the market rate	12.0	13.6	10.7	11.9	9.1
Rented at below the market rate or rent free	19.5	25.8	16.9	9.0	11.6
<b>Urban/rural location</b>					
Urban areas	8.3	8.6	7.8	9.9	9.7
Rural areas	12.9	12.4	13.8	10.2	10.5
<b>Region</b>					
Border	10.1	11.7	12.1	12.1	13.3
Midland	20.2	12.2	15.7	5.1	9.2
West	12.6	17.8	9.1	9.2	9.5
Dublin	6.9	5.7	6.1	6.3	8.1
Mid-East	7.6	4.6	9.2	14.7	8.7
Mid-West	14.3	13.3	12.5	11.4	13.3
South-East	10.9	12.7	15.0	12.3	8.6
South-West	8.8	10.8	9.5	11.8	12.0

**Table 1.6 (contd.) Distribution of individuals by net equivalised income decile and demographic characteristics, 2008**

6 <450.92	7 <524.45	8 <612.25	9 <769.99	10 >769.99	State	Decile Weekly threshold (€)
%	%	%	%	%	%	
10.5	10.3	9.9	10.5	10.4	100.0	<b>Distribution across deciles</b>
9.5	9.8	10.0	9.6	9.6	100.0	<b>Sex</b>
						Male
						Female
11.6	10.3	8.5	7.7	7.0	100.0	<b>Age group</b>
9.8	10.3	11.3	11.8	12.0	100.0	0-17
7.6	6.3	7.3	6.0	7.2	100.0	18-64
6.5	9.2	4.7	4.2	3.7	100.0	65-74
						75+
11.1	12.2	14.3	15.2	16.0	100.0	<b>Principal Economic Status (aged 16 years and over)</b>
7.1	8.5	4.1	5.7	3.7	100.0	At work
9.4	7.4	10.6	7.2	5.7	100.0	Unemployed
7.9	7.2	4.8	4.4	4.4	100.0	Student
7.2	7.5	7.7	7.7	8.0	100.0	Home duties
3.7	4.8	2.7	1.3	1.6	100.0	Retired
						Not at work due to illness or disability
7.5	7.1	4.7	3.2	2.0	100.0	<b>Highest education level attained (aged 16 years and over)</b>
10.1	10.5	7.4	7.1	3.9	100.0	Primary or below
12.0	11.6	10.7	11.7	8.2	100.0	Lower secondary
12.2	11.7	12.7	9.4	6.9	100.0	Higher secondary
9.5	12.0	14.1	15.5	21.5	100.0	Post leaving cert
6.8	8.0	18.2	20.3	30.0	100.0	Third level non degree
						Third level degree or above
4.7	4.2	4.3	5.9	3.0	100.0	<b>Household composition</b>
5.6	6.3	8.2	9.7	18.0	100.0	1 adult aged 65+, no children under 18
8.7	8.4	6.1	5.0	7.6	100.0	1 adult aged <65, no children under 18
9.3	7.0	11.2	13.7	22.3	100.0	2 adults, at least 1 aged 65+, no children under 18
9.1	13.5	10.0	15.8	12.9	100.0	2 adults, both aged <65, no children under 18
4.4	3.5	2.8	2.5	4.7	100.0	3 or more adults, no children aged under 18
12.0	12.7	12.6	11.5	9.8	100.0	1 adult with children
11.4	9.4	10.1	7.6	5.4	100.0	2 adults with 1-3 children
						Other households with children
3.8	2.9	3.1	2.5	2.5	100.0	<b>Number of persons at work in the household</b>
10.9	9.6	5.3	6.9	8.3	100.0	0
12.1	13.4	17.3	14.9	15.2	100.0	1
13.2	14.7	13.8	18.2	13.3	100.0	2
						3+
11.1	10.9	10.7	11.8	12.1	100.0	<b>Tenure status</b>
7.9	6.7	15.1	8.3	4.8	100.0	Owner-occupied
5.2	7.0	2.4	1.1	1.5	100.0	Rented at the market rate
						Rented at below the market rate or rent free
9.5	11.1	12.1	11.3	11.9	100.0	<b>Urban/rural location</b>
10.9	8.2	6.5	7.9	6.7	100.0	Urban areas
						Rural areas
12.8	7.7	9.2	4.8	6.3	100.0	<b>Region</b>
9.9	15.5	4.7	5.7	1.8	100.0	Border
10.2	11.5	8.2	6.2	5.6	100.0	Midland
9.4	9.2	16.0	14.8	17.6	100.0	West
9.0	13.1	7.0	12.4	14.0	100.0	Dublin
8.2	6.7	6.2	8.9	5.1	100.0	Mid-East
10.0	12.3	5.1	8.1	5.0	100.0	Mid-West
10.8	7.6	11.1	9.5	8.2	100.0	South-East
						South-West

**Table 1.7 Average annual equivalised disposable income including and excluding SSIA income by demographic characteristics, 2008**

	Average annual equivalised disposable income		All persons SSIA income as a % of average annual disposable income
	incl. SSIA income	excl. SSIA income	
	€	€	%
<b>State</b>	<b>24,380</b>	<b>24,008</b>	<b>1.6</b>
<b>Sex</b>			
Male	24,640	24,268	1.5
Female	24,121	23,749	1.6
<b>Age group</b>			
0-17	22,798	22,445	1.6
18-64	25,751	25,374	1.5
65-74	21,375	20,941	2.1
75+	18,866	18,521	1.9
<b>Principal Economic Status (aged 16 years and over)</b>			
At work	29,240	28,806	1.5
Unemployed	18,692	18,562	0.7
Student	21,415	21,018	1.9
Home duties	19,218	18,910	1.6
Retired	22,400	21,881	2.4
Not at work due to illness or disability	15,966	15,790	1.1
<b>Highest education level attained (aged 16 years and over)</b>			
Primary or below	17,565	17,386	1.0
Lower secondary	20,577	20,309	1.3
Higher secondary	24,424	24,020	1.7
Post leaving cert	23,457	23,048	1.8
Third level non degree	30,367	29,865	1.7
Third level degree or above	37,262	36,584	1.9
<b>Household composition</b>			
1 adult aged 65+, no children under 18	17,858	17,640	1.2
1 adult aged <65, no children under 18	26,533	25,990	2.1
2 adults, at least 1 aged 65+, no children under 18	21,690	21,221	2.2
2 adults, both aged <65, no children under 18	30,460	29,975	1.6
3 or more adults, no children aged under 18	26,526	26,173	1.4
1 adult with children	17,908	17,803	0.6
2 adults with 1-3 children	25,438	25,031	1.6
Other households with children	22,443	22,113	1.5
<b>Number of persons at work in the household</b>			
0	15,881	15,678	1.3
1	23,365	22,992	1.6
2	29,439	28,955	1.7
3+	28,112	27,758	1.3
<b>Tenure status</b>			
Owner-occupied	26,164	25,693	1.8
Rented at the market rate	21,547	21,499	0.2
Rented at below the market rate or rent free	16,016	15,988	0.2
<b>Urban/rural location</b>			
Urban areas	25,928	25,526	1.6
Rural areas	21,785	21,463	1.5
<b>Region</b>			
Border	21,142	20,914	1.1
Midland	18,552	18,388	0.9
West	20,485	20,185	1.5
Dublin	30,234	29,735	1.7
Mid-East	27,477	26,962	1.9
Mid-West	20,867	20,596	1.3
South-East	20,548	20,257	1.4
South-West	23,307	22,919	1.7

Table 1.8 Average income measures by year<sup>1</sup>

	SILC 2007		SILC 2008	
	Annual	Weekly	Annual	Weekly
<b>National income definition</b>				
Total gross household income	59,820	1,146.42	60,581	1,161.00
Total disposable household income	47,988	919.66	49,043	939.89
<b>National income definition, national equivalence scale</b>				
Equivalised total disposable household income	23,610	452.47	24,380	467.24
Equivalised total disposable household income including old-age and survivors' benefits but excluding all other social transfers	20,113	385.46	20,418	391.30
Equivalised total disposable household income excluding all social transfers	17,897	342.99	17,982	344.62

<sup>1</sup> Gross and disposable household income is averaged over households, while equivalised income is averaged over individuals.

Table 1.9 At risk of poverty thresholds by year

	SILC 2007		SILC 2008	
	Annual	Weekly	Annual	Weekly
<b>National income definition, alternative national scale</b>				
At risk of poverty				
40% of median income	7,927	151.91	8,303	159.13
50% of median income	9,908	189.88	10,379	198.91
60% of median income	11,890	227.86	12,455	238.69
70% of median income	13,871	265.84	14,531	278.47
Illustrative values (60% level)				
1 adult, no children	11,890	227.86	12,455	238.69
2 adults, 2 children	27,584	528.64	28,895	553.77

**Table 1.10 Percentage of households reporting arrears by income quintile, type of arrears and level of arrears, 2008**

% of households

	Net disposable income quintiles					State
	<€424.53	<€687.87	<€1,125.72	<€1,729.64	>€1,729.64	
<b>State</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Number of items in arrears</b>						
0	81.8	80.1	75.2	78.5	83.0	<b>79.7</b>
1	10.8	10.6	15.1	13.5	13.1	<b>12.6</b>
2+	7.4	9.3	9.7	8.1	4.0	<b>7.7</b>
	%	%	%	%	%	%
<b>Had an overdrawn bank account</b>	<b>2.4</b>	<b>3.6</b>	<b>5.4</b>	<b>6.3</b>	<b>6.1</b>	<b>4.8</b>
€1-€570	0.8	1.1	2.0	1.9	1.0	<b>1.4</b>
€571-€2,850	1.0	0.7	2.5	3.7	3.0	<b>2.2</b>
>€2,850	0.6	1.6	0.6	0.6	2.1	<b>1.1</b>
Not stated	0.0	0.2	0.3	0.1	0.0	<b>0.1</b>
<b>Had a credit card balance owing</b>	<b>2.7</b>	<b>4.3</b>	<b>10.6</b>	<b>14.6</b>	<b>13.6</b>	<b>9.1</b>
€1-€570	1.3	1.1	3.2	3.8	1.1	<b>2.1</b>
€571-€2850	0.9	2.0	4.8	6.4	5.8	<b>4.0</b>
>€2,850	0.5	1.2	2.5	4.3	6.2	<b>2.9</b>
Not stated	0.0	0.0	0.1	0.1	0.5	<b>0.1</b>
<b>Had mortgage, rent or utility arrears</b>	<b>13.7</b>	<b>13.1</b>	<b>13.1</b>	<b>5.6</b>	<b>1.3</b>	<b>9.4</b>
€1-€570	7.8	4.6	6.9	2.3	0.8	<b>4.4</b>
€571-€2,850	1.5	2.3	2.7	0.4	0.0	<b>1.4</b>
>€2,850	0.0	0.6	0.2	1.0	0.0	<b>0.4</b>
Not stated	4.4	5.6	3.3	1.9	0.5	<b>3.2</b>
<b>Had arrears on other bills</b>	<b>2.5</b>	<b>2.7</b>	<b>4.3</b>	<b>3.1</b>	<b>0.1</b>	<b>2.6</b>
€1-€570	1.6	1.8	2.7	2.6	0.1	<b>1.8</b>
€571-€2,850	0.2	0.3	0.2	0.1	0.0	<b>0.2</b>
>€2,850	0.1	0.4	0.2	0.0	0.0	<b>0.1</b>
Not stated	0.6	0.2	1.2	0.4	0.0	<b>0.5</b>
<b>Had arrears on other loans</b>	<b>2.7</b>	<b>3.9</b>	<b>3.8</b>	<b>1.7</b>	<b>0.2</b>	<b>2.4</b>
€1-€570	1.8	1.5	1.2	1.4	0.0	<b>1.2</b>
€571-€2,850	0.5	1.0	0.7	0.0	0.0	<b>0.4</b>
>€2,850	0.1	0.9	0.7	0.0	0.0	<b>0.3</b>
Not stated	0.3	0.5	1.2	0.3	0.2	<b>0.5</b>

## Chapter 2

### At risk of poverty

#### Key Findings

- ◆ In 2008, 14.4% of the population were at risk of poverty, a decrease of 2.1 percentage points from 2007.
- ◆ Social transfers play a significant role in protecting against risk of poverty. If social transfers were excluded the at risk of poverty rate would have been 43.0% as opposed to 14.4%.
- ◆ Children remained the most at risk age group in 2008 with an at risk of poverty rate of 18.0%, a decrease of 1.9 percentage points from 2007.
- ◆ By principal economic status the greatest fall in the at risk of poverty rate was recorded for persons who were unemployed (falling from 38.7% in 2007 to 23.0% in 2008). By comparison the at risk of poverty rate for people at work was unchanged at 6.7%.
- ◆ Lone parent households continued to be the household type with the highest at risk of poverty rate in 2008 with a rate of 36.4% being recorded for individuals in these households.

#### Background information

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 at risk of poverty rate can be calculated using alternative thresholds, such as 40%, 50% etc. However the at risk of poverty rate at the 60% threshold is the internationally recognised measure.

The median equivalised disposable income in 2008 was €20,785 while the 60% threshold was €12,455. Therefore persons with an equivalised disposable income of less than €12,455 in 2008 were considered to be at risk of poverty. The threshold had increased by 4.8% since 2007 when the at risk of poverty threshold had been €11,890. The at risk of poverty rate is then calculated as the percentage of people with net equivalised disposable income below the threshold.

While the at risk of poverty rate is the main focus of this chapter, a number of additional indicators are also presented as outlined below:

- ◆ **The at risk of poverty rate (excluding SSIA income)**  
In 2007 and 2008 income from Special Savings Incentive Schemes (SSIA's) was included as investment income in the calculation of average equivalised disposable income. In recognition of the one off nature of this income, analysis has also been completed excluding SSIA income. Income from SSIA's increased average equivalised disposable income by 3.2% in 2007 and 1.6% in 2008. An at risk of poverty threshold at the 60% level excluding SSIA income was calculated at €11,505 in

2007 and €12,141 in 2008. Persons with an equivalised income of less than €11,505 in 2007 and €12,141 in 2008 were considered to be at risk of poverty (excluding SSIA income).

◆ **The relative at risk of poverty gap**

The relative at risk of poverty gap is the difference between the median equivalised income of persons below the at risk of poverty threshold and the at risk of poverty threshold expressed as a percentage of the at risk of poverty threshold (60% of median equivalised income). It is an indicator of the relative depth of poverty of individuals below the threshold.

◆ **The at risk of poverty rate anchored at a moment in time**

The at risk of poverty rate anchored at a moment in time (2005) is the percentage of the population whose income in a given year (2008) is below the 2005 at risk of poverty threshold, with the threshold only being updated with respect to inflation between 2005 and 2008. The purpose of this indicator is to get an indication of changes in absolute poverty over time.

## At risk of poverty rate

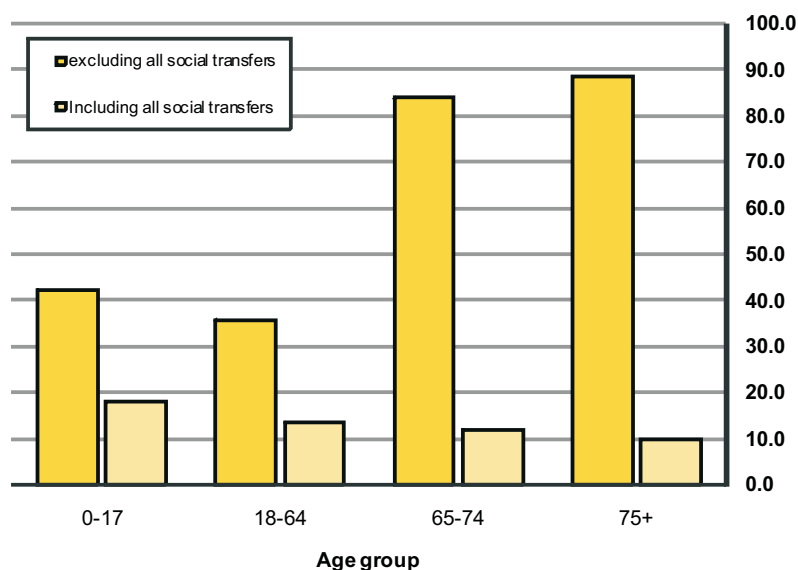
In 2008, 14.4% of people were at risk of poverty, a decrease of 2.1 percentage points from the rate in 2007 and a decrease of 4.1 percentage points from 2005. When the at risk of poverty threshold is set at 40% of median income (€8,303), just 3.3% of individuals were found to be at risk of poverty. This rate rose to 7.9% when the threshold was increased to 50% of median income (€10,379) and to almost 26% when the threshold was raised to 70% of median income (€14,531). See *Table 2.2*.

## Effect of social transfers

Over one fifth (22%) of overall gross household income was made up of social transfers in 2008. The following analysis shows the impact of social transfers on the at risk of poverty rate by showing rates excluding and including social transfers. The impact varies by the characteristics of different groups. Overall, the at risk of poverty rate when social transfers were excluded was 43.0%, falling by two thirds to 14.4% when all social transfers were included. See *Table 2.3 and Figure 2a*.

- ◆ The impact on the at risk of poverty rate of social transfers has increased since 2005 when social transfers reduced the at risk of poverty rate by just over half from 40.1% excluding social transfers to 18.5% when all social transfers were included. In other words while the at risk of poverty rate excluding social transfers has increased over the period, the rate including social transfers has fallen.
- ◆ Social transfers had a similar impact on the at risk of poverty rate of both males and females. The at risk of poverty rate excluding all social transfers was 41% for males and just under 45% for females. The inclusion of social transfers reduced this rate to 14.0% for males 14.9% for females.
- ◆ The protection offered by social transfers against the risk of poverty was most evident among the two oldest age groups. This reflects the relative importance of the state pension and other state allowances for these age groups. When social transfers were excluded the at risk of poverty rates of persons aged 65-74 and 75 and over were 84% and 89% respectively. When social transfers were included these rates fell to 12.1% and 9.9% respectively. In comparison, social transfers had the least impact for persons in the 0-17 age group when compared with other age groups reducing the at risk of poverty rate from 42.3% to 18.0%.

**Figure 2a At risk of poverty rate including and excluding social transfers by age group, SILC 2008**



### Factors influencing the at risk of poverty rate

Logistic regression was used to identify which socio-demographic variables were independently associated with the likelihood of an individual being at risk of poverty. As the at risk of poverty rate is an income based measure the linear regression model on income and the logistic regression model on the likelihood of individuals being at risk of poverty yielded similar results.

However, as the at risk of poverty rate focuses specifically on people with lower incomes some factors can be found different to those in the model on income. Among the points of note is that while the sex of the individual and the sex of the head of household were found to be significant in the case of income, they were not found to be significant in the at risk of poverty model. This was supported by the finding that there was no statistically significant difference between at risk of poverty rates for males and females.

The regression found a statistically significant relationship between the likelihood of being at risk of poverty and the variables in table 2a below. See *Appendix 3 for more details*

**Table 2a Variables found to be significant in determining whether an individual was at risk of poverty in 2008**

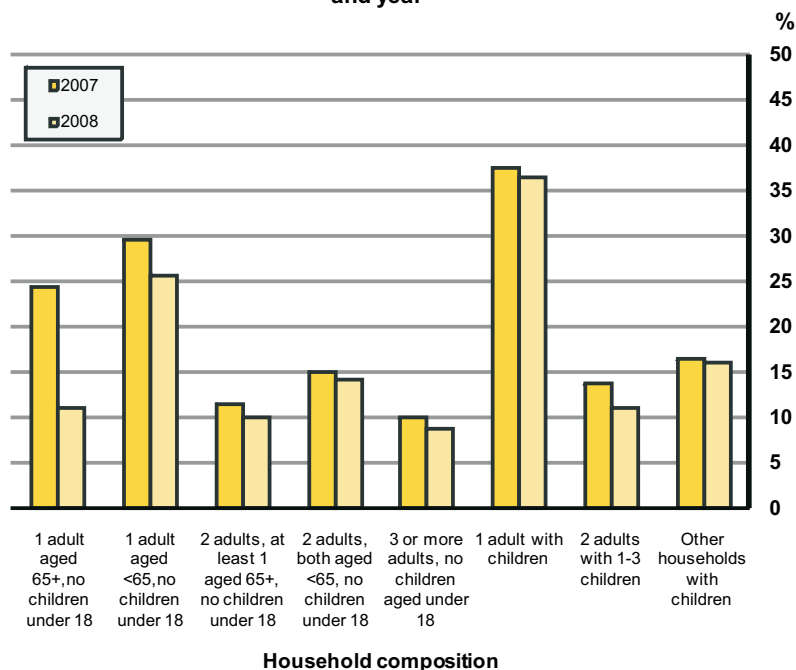
Characteristics of the household	Characteristics of the head of household	Characteristics of the individual
Household composition	Age of the head of household	Age of the individual
Number of people at work in the household	Education level of the head of household	Whether the individual had a chronic illness
Region the household was located	Principal Economic Status of the head of household	
Tenure of the household		
Whether the household was located in an urban or rural area		

## Analysis of the at risk of poverty rate by socio-demographic characteristics

While the overall at risk of poverty rate has fallen in recent years and now stands at 14.4%, there is wide variation both in the at risk of poverty rate and its trend for different types of individuals and households. See *Tables 2.1 and Figure 2b*.

- ◆ The lowest at risk of poverty rate was recorded for persons living in households with 3 or more adults and no children (8.7%). Individuals in lone parent households continued to record the highest at risk of poverty rate at 36.4%, followed by persons aged less than 65 living alone (25.7%).
- ◆ The biggest change was recorded for persons aged 65 and over living alone. The at risk of poverty rate for this group fell by more than half, from 24.3% in 2007 to 11.0% in 2008. It should be noted that income levels for this group are typically close to the at risk of poverty threshold and therefore their at risk of poverty rate can change significantly due to either movements in the threshold or their income, even where those movements are relatively low.

**Figure 2b At risk of poverty rate by household composition and year**



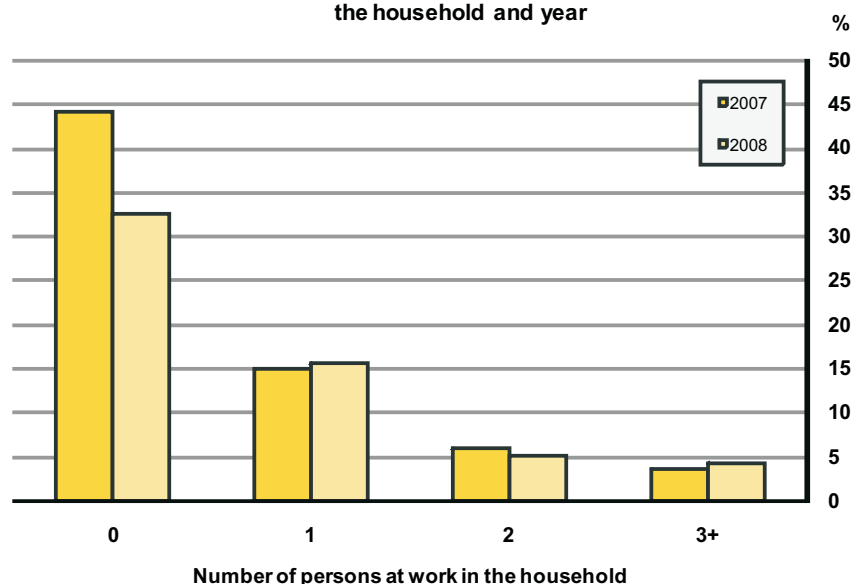
A breakdown by region indicated that persons living in the Midland region continued to be the most at risk of poverty in 2008 when compared with the other seven regions of the country. See *Table 2.1*.

- ◆ In 2008, the highest regional at risk of poverty rate was recorded for persons living in the Midland region (23.5%), although this rate had reduced by nearly one quarter from the rate recorded in 2007 (30.5%). Persons living in the Mid-West had the next highest at risk of poverty rate at 22.0%. The lowest regional at risk of poverty rate was recorded for Dublin (9.8%), followed by the Mid-East (10.2%). However, due to differences in population between regions the highest absolute numbers of those at risk of poverty would be in the Dublin region.
- ◆ Proportionally, the biggest fall in the at risk of poverty rate was recorded for persons living in the Border region. Their at risk of poverty rate fell from 21.7% in 2007 to 16.5% in 2008.

Analysis by the number of persons at work in the household revealed that as in previous years the at risk of poverty rate became lower as the number of persons at work in the household increased (32.7% where no person was at work in the household compared with 4.2% where 3 or more persons were at work). However, persons living in households where no person was at work recorded the greatest change in their at risk of poverty rate between 2007 and 2008. See *Table 2.1 and Figure 2c*.

- ◆ The at risk of poverty rate for persons living in households where no person was at work decreased from 44.1% in 2007 to 32.7% in 2008, a decrease of over one quarter year on year.
- ◆ Where there was one or more persons at work in the household the change in the at risk of poverty rate between 2007 and 2008 was not statistically significant.

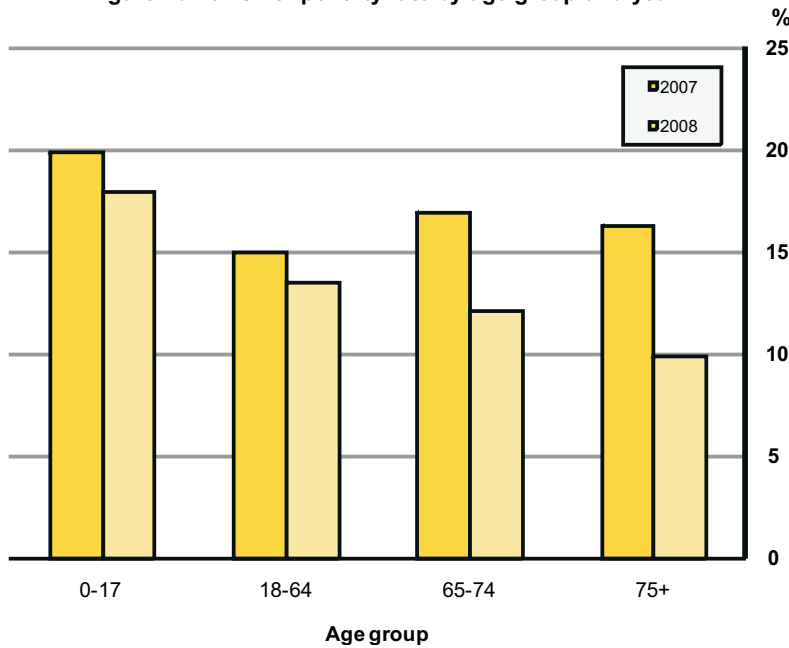
**Figure 2c At risk of poverty rate by number of persons at work in the household and year**



A breakdown by age group indicated that children remained the most at risk age-group in 2008 while those aged 75 or over recorded the lowest at risk of poverty rate when compared with other age categories. See *Table 2.1 and Figure 2d*.

- ◆ The at risk of poverty rate for children in 2008 was 18.0%, a decrease of 1.9 percentage points from 19.9% in 2007.
- ◆ Persons aged 75 or over reported the lowest at risk of poverty rate when compared with other age groups at 9.9%. This compares with a rate of 12.1% for persons in the 65-74 age group and 13.5% for persons of working age (18-64). This was a change from 2007 when the lowest rate had been recorded for persons aged 18-64 (15.0% compared with 16.3% for persons aged 75 and over and 16.9% for persons aged 65-74).
- ◆ While, in 2007, there was no significant difference between the rates recorded for those aged 65-74 and those aged 75 or over, in 2008 the at risk of poverty rate for persons aged 75 and over was lower than for those aged 65-74 (9.9% compared with 12.1%).

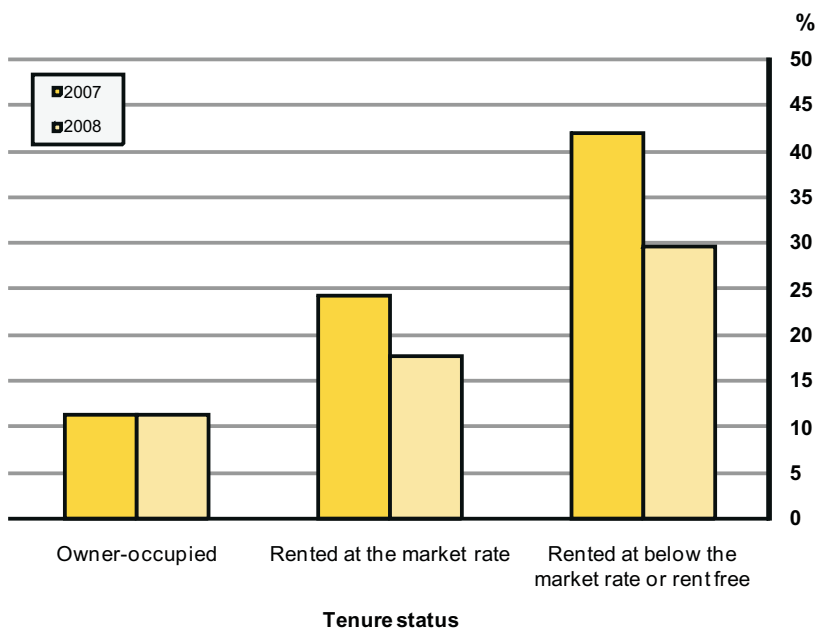
Figure 2d At risk of poverty rate by age group and year



Analysis by tenure status revealed that persons living in owner-occupied accommodation had a significantly lower at risk of poverty rate than persons living in accommodation either rented at the market rate or below the market rate or rent free. However, persons living in rented accommodation experienced a more significant change in their at risk of poverty rate between 2007 and 2008. See Table 2.1 and Figure 2e.

- ◆ The at risk of poverty rate for persons living in owner-occupied accommodation was 11.4% in 2008, unchanged from the rate for 2007.
- ◆ Persons living in accommodation rented at below the market rate or rent free had an at risk of poverty rate of 29.6% in 2008, a decrease of more than one quarter from a rate of 41.9% in 2007. Persons living in accommodation rented at the market value had an at risk of poverty rate of 17.7%, down from 24.2% in 2007.

Figure 2e At risk of poverty rate by tenure status and year



As discussed earlier in this chapter, regression analysis showed a number of additional characteristics to have an influence on the likelihood of an individual being at risk of poverty, as outlined below. See *Tables 2.1 and 2.5*.

- ◆ **Urban/Rural location of household:** The at risk of poverty rate was higher in rural areas than urban areas (18.7% compared with 11.9%).
- ◆ **Principal Economic Status of head of household:** People in households where the head of household was at work or retired had clearly lower at risk of poverty rates than other people (9.0% and 11.7% respectively). Where the head of household was not at work or retired the at risk of poverty rate was 26% or higher. For example, where the head of household was unemployed the at risk of poverty rate was 28.3%.
- ◆ **Education level of the head of household:** As the education level of the head of household increased the at risk of poverty rate decreased. Where the head of household had a highest level of education of primary or below the at risk of poverty rate was 24.0%, falling to 13.1% where the head of household had higher secondary education and 5.4% where the head of household had a third level degree or above.
- ◆ **Age of head of household:** The at risk of poverty rate was lowest where the head of household was aged 75 or over (8.4% compared with 14.9% where the head of household was aged 18-64).

### Profile of the population at risk of poverty

By looking at the profile of the people who are at risk of poverty it is possible to see which groups are relatively over or under represented within the group of people who were at risk of poverty. What this analysis shows is that where a given group of people has a higher than average at risk of poverty rate that group will be relatively over-represented in the group of people who are at risk of poverty, i.e. they will be a higher percentage of the group of people at risk of poverty than they are of the population as a whole. This analysis highlights a number of issues, including that some groups who have relatively low at risk of poverty rates can continue to be a significant proportion of the group of people who are at risk of poverty. See *Tables 2.4 and 2.5*.

- ◆ Despite having the lowest at risk of poverty rate, persons who were at work continued to make up nearly one fifth (19.0%) of persons at risk of poverty and they were the largest group of persons at risk of poverty.
- ◆ People living in households where no person was at work made up 22.0% of the population but comprised half of those at risk of poverty. However, this also shows that people living in households where at least one person was at work make up the other half of the group at risk of poverty.
- ◆ A similar pattern could be seen looking at persons living in a household where the head of household was at work. These accounted for 40.0% of people who were at risk of poverty, and they continued to be the biggest part of the group at risk of poverty, within this classification.
- ◆ While they represent just 6.1% of the population, people in lone parent households make up 17.5% of the people at risk of poverty.
- ◆ Children are relatively over-represented in the group at risk of poverty, making up 26.0% of the population but nearly one third (32.7%) of those at risk of poverty.
- ◆ People in owner occupied housing made up over three fifths (61.1%) of those at risk of poverty, although they were under-represented relative to their level of 76.9% in the population. People who were renting their accommodation at below the market rate or rent free made up 27.4% of those at risk of poverty, despite being just 13.0% of the population.

## Analysis of the at risk of poverty rate by health related characteristics

A number of health related characteristics of individuals are collected as part of the SILC survey. Analysis of these shows that there is a relationship between various health related characteristics and the likelihood of a person being at risk of poverty, as confirmed by regression. See *Table 2.7*.

Among the main points of note in this analysis were:

- ◆ People with a medical card had a much higher at risk of poverty rate than those without a medical card (25.7% compared with 8.7%). However, the rate for people with a medical card had fallen by 8.7 percentage points from 34.4% in 2007 while the rate had remained relatively stable for those without a medical card.
- ◆ A lower at risk of poverty rate was observed for people with private health insurance than those without private health insurance (7.3% compared with 20.9%).
- ◆ Those who had a worse self reported health status had higher at risk of poverty rates. Nearly one in five people with a health status of fair or bad/very bad were at risk of poverty compared with 11% of people who reported their health status as very good. The level of this gap fell significantly between 2007 and 2008 due to a fall in the at risk of poverty rates among people with worse self reported health. Nearly one third of people with bad/very bad health had been at risk of poverty in 2007, falling to 17.9% in 2008.
- ◆ Similarly, those with a chronic illness or health problem, or those who were limited in their activity had higher at risk of poverty rates than other people but the level of the gap fell between 2007 and 2008.

## Relative at risk of poverty gap

The relative at risk of poverty gap is a measure of how far below the at risk of poverty threshold the median income of persons at risk of poverty is. The closer the median income of these persons is to the threshold the smaller the percentage will be. See *Table 2.2*.

- ◆ In 2008 the median income of persons who were at risk of poverty was €10,060. This was 19.2% below the at risk of poverty threshold of €12,455. Thus the at risk of poverty gap in 2008 was 19.2%.
- ◆ In 2007 the relative at risk of poverty gap was 17.4%. This indicates that the gap between the median equivalised income of persons at risk of poverty and the at risk of poverty threshold has increased between 2007 and 2008.

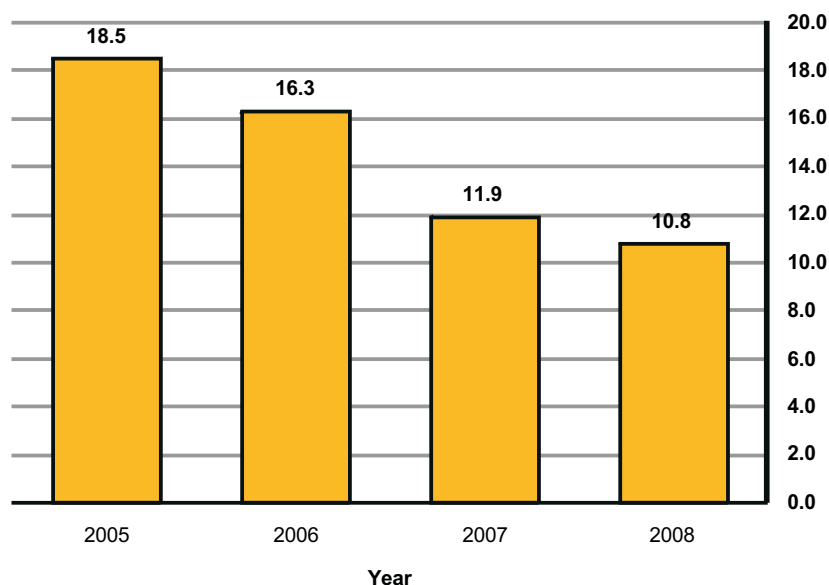
## At risk of poverty anchored at a moment in time

The at risk of poverty rate anchored at a moment in time gives an indication of changes in absolute poverty over time. The base year was set as 2005 in line with the approach adopted by Eurostat. The at risk of poverty threshold for 2005 was €10,057. This threshold was updated to take account of inflation in subsequent years. Table 2b outlines the anchored at a moment in time threshold and the at risk of poverty threshold for each year. The anchored at a moment in time threshold, which is the 2005 threshold updated for inflation, is lower than the at risk of poverty threshold for each year. As a result of the lower threshold the at risk of poverty rate anchored at a moment in time is lower than the at risk of poverty rate in each year from 2006 onwards. See *Tables 2.2, 2b and Figure 2f*.

**Table 2b At risk of poverty thresholds by year**

	2005	2006	2007	2008
	€	€	€	€
<b>At risk of poverty threshold</b>	€10,057	€10,566	€11,890	€12,455
<b>Anchored at a moment in time threshold</b>	€10,057	€10,368	€10,853	€11,362

Figure 2f At risk of poverty rate anchored at 2005 by year



- ◆ Results indicate that if the at risk of poverty threshold was held constant since 2005 and updated only for inflation 10.8% of people would be at risk of poverty in 2008.
- ◆ The at risk of poverty rate anchored in 2005 has been declining since 2005. In 2005 the at risk of poverty rate was 18.5%. The greatest decrease was seen between 2006 and 2007 when the rate fell from 16.3% to 11.9%, before falling to 10.8% in 2008.

### Over indebtedness and poverty

In 2008, questions relating to over indebtedness were included on the SILC questionnaire and were asked of all households interviewed. An analysis of households at risk of poverty and those not at risk of poverty by the type of arrears reported is presented in *Table 2.6*.

- ◆ Results indicated that more than 28% of households that were at risk of poverty reported that they were in arrears on at least one item compared with just under 19% of households that were not at risk of poverty. Just over 12% of households that were at risk of poverty reported being in arrears on two or more items compared with 6.9% of households that were not at risk of poverty.
- ◆ Almost 16% of households that were at risk of poverty were in arrears on utility bills while this figure was significantly lower at 6.2% for households not at risk of poverty. Differences across other types of arrears were not statistically significant.

### At risk of poverty excluding SSIA income

While SSIA interest did constitute a part of income in 2007 and 2008 for SILC purposes they are acknowledged as a one off event with a significant impact on a large number of households. As such an analysis has been completed excluding SSIA income to assess the impact this had on income and poverty rates in 2007 and 2008.

The at risk of poverty threshold excluding SSIA income was €12,141 in 2008. This compares with a threshold of €12,455 when SSIA income was included. Thus persons who had a median equivalised disposable income of less than €12,141 were considered to be at risk of poverty when SSIA income was excluded. This threshold had increased by 5.5% from a level of €11,505 in 2007. See *Table 2.1*.

- ◆ There was no significant difference between the at risk of poverty rate excluding SSIA income (13.9%) and the at risk of poverty rate including SSIA income (14.4%) in 2008.

- ◆ A breakdown by socio-demographic characteristics revealed there was no significant difference between the at risk of poverty rate including and excluding SSIA income across classifications in 2008.
- ◆ Overall, there was a fall in the at risk of poverty rate (excluding SSIA income) from 15.8% in 2007 to 13.9% in 2008. This year on year change was similar to the change observed in the at risk of poverty rate (including SSIA income) discussed earlier in this chapter.
- ◆ Year on year changes in the at risk of poverty rate (excluding SSIA income) across classifications mirrored movements in the at risk of poverty rate (including SSIA income) discussed earlier. In particular, the same groups of people recorded the largest decreases in their at risk of poverty rates both including and excluding SSIA's (i.e. unemployed people, people aged 65 and over etc.).

**Table 2.1 At risk of poverty rate including and excluding SSIA income by demographic characteristics and year**  
 % of individuals

	At risk of poverty rate		At risk of poverty rate excluding SSIA income	
	2007	2008	2007	2008
	%	%	%	%
<b>State</b>	<b>16.5</b>	<b>14.4</b>	<b>15.8</b>	<b>13.9</b>
<b>Sex</b>				
Male	16.0	14.0	15.4	13.3
Female	17.0	14.9	16.3	14.5
<b>Age group</b>				
0-17	19.9	18.0	19.0	17.4
18-64	15.0	13.5	14.7	13.1
65-74	16.9	12.1	15.5	11.3
75+	16.3	9.9	12.4	8.7
<b>Principal Economic Status (aged 16 years and over)</b>				
At work	6.7	6.7	6.6	6.6
Unemployed	38.7	23.0	36.4	23.3
Student	25.2	23.4	25.1	23.0
Home duties	25.3	21.7	23.6	21.1
Retired	17.6	10.8	16.5	9.9
Not at work due to illness or disability	37.0	25.5	34.5	21.6
<b>Highest education level attained (aged 16 years and over)</b>				
Primary or below	27.1	22.3	24.0	20.4
Lower secondary	20.9	16.7	20.7	16.4
Higher secondary	14.1	12.6	13.8	12.4
Post leaving cert	10.4	10.7	10.9	10.9
Third level non degree	8.0	4.9	8.4	5.4
Third level degree or above	3.9	5.5	4.2	5.5
<b>Household composition</b>				
1 adult aged 65+, no children under 18	24.3	11.0	17.6	8.3
1 adult aged <65, no children under 18	29.6	25.7	29.3	25.0
2 adults, at least 1 aged 65+, no children under 18	11.5	10.0	11.5	10.2
2 adults, both aged <65, no children under 18	15.0	14.2	14.8	13.5
3 or more adults, no children aged under 18	10.1	8.7	10.0	8.3
1 adult with children	37.6	36.4	36.9	35.2
2 adults with 1-3 children	13.7	11.0	12.5	10.7
Other households with children	16.5	16.0	16.7	15.7
<b>Number of persons at work in the household</b>				
0	44.1	32.7	41.8	31.0
1	15.0	15.7	14.5	15.2
2	6.0	5.1	5.9	5.2
3+	3.6	4.2	3.6	3.8
<b>Tenure status</b>				
Owner-occupied	11.4	11.4	11.0	11.2
Rented at the market rate	24.2	17.7	22.9	17.0
Rented at below the market rate or rent free	41.9	29.6	39.6	27.8
<b>Urban/rural location</b>				
Urban areas	15.1	11.9	14.3	11.3
Rural areas	18.9	18.7	18.4	18.2
<b>Region</b>				
Border	21.7	16.5	17.8	16.6
Midland	30.5	23.5	29.7	22.7
West	18.9	17.2	19.4	16.1
Dublin	11.7	9.8	11.5	9.3
Mid-East	8.8	10.2	8.1	10.2
Mid-West	20.0	22.0	19.0	21.3
South-East	18.7	15.5	18.0	15.4
South-West	16.8	14.0	17.1	13.0

Table 2.2 Key national indicators of poverty by year<sup>1</sup>

	% of individuals			
	2005	2006	2007	2008
<b>National/NAPS Indicators using alternative national scale</b>				
At risk of poverty rate				
Equivalised total disposable income:				
Including all social transfers (60% median income threshold)	18.5	17.0	16.5	14.4
Including old-age and survivors' benefits but excluding all other social transfers (60% threshold)	32.1	32.2	33.1	34.6
excluding all social transfers (60% median income threshold)	40.1	40.3	41.0	43.0
Including all social transfers (40% median income threshold)	4.7	3.4	3.6	3.3
Including all social transfers (50% median income threshold)	10.8	8.9	8.6	7.9
Including all social transfers (70% median income threshold)	28.2	26.7	26.8	25.7
Relative at risk of poverty gap	20.8	17.5	17.4	19.2
Anchored at 2005	18.5	16.3	11.9	10.8

<sup>1</sup> See Background Notes.

Table 2.3 Key national indicators of poverty by sex, age group and year

	Age Group							% of individuals																																																														
	2007			2008																																																																		
	0-17	18-64	65-74	75+	Total	0-17	18-64		65-74	75+	Total																																																											
<b>Males</b>																																																																						
At risk of poverty rate																																																																						
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12.1	8.7	5.6	5.2	9.2	9.6	7.9	5.1	5.2	8.0																																																													
30.8	23.2	41.3	53.9	28.1	29.3	24.0	36.8	41.8	27.2																																																													
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19.9	15.0	16.9	16.3	16.5	18.0	13.5	12.1	9.9	14.4																																																													
39.6	29.7	33.1	40.8	33.1	41.5	32.5	29.8	31.0	34.6																																																													
40.7	33.1	83.6	89.6	41.0	42.3	35.8	84.0	88.6	43.0																																																													
4.2	3.5	2.0	2.2	3.6	3.5	3.1	4.3	3.1	3.3																																																													
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29.7	22.6	39.9	48.7	26.8	29.6	22.5	34.2	36.0	25.7																																																													

**Table 2.4 At risk of poverty rate and the profile of population and those at risk of poverty<sup>1</sup> by demographic characteristics and year**

% of individuals

	2007			2008		
	At risk of poverty rate	Proportion of the population	Proportion of the population at risk of poverty	At risk of poverty rate	Proportion of the population	Proportion of the population at risk of poverty
<b>State</b>	<b>16.5</b>	<b>100.0</b>	<b>100.0</b>	<b>14.4</b>	<b>100.0</b>	<b>100.0</b>
<b>Sex</b>						
Male	16.0	50.0	48.5	14.0	49.9	48.3
Female	17.0	50.0	51.5	14.9	50.1	51.7
<b>Age group</b>						
0-17	19.9	27.2	32.7	18.0	26.1	32.7
18-64	15.0	62.0	56.4	13.5	63.0	58.9
65-74	16.9	6.0	6.2	12.1	6.1	5.1
75+	16.3	4.8	4.8	9.9	4.8	3.3
<b>Principal Economic Status (aged 16 years and over)</b>						
At work	6.7	41.5	16.8	6.7	40.6	19.0
Unemployed	38.7	3.9	9.2	23.0	5.1	8.1
Student	25.2	9.2	14.1	23.4	8.1	13.1
Home duties	25.3	12.2	18.7	21.7	12.6	18.9
Retired	17.6	6.7	7.1	10.8	6.6	4.9
Not at work due to illness or disability	37.0	3.3	7.4	25.5	3.7	6.5
Children under 16 years of age	19.0	22.4	25.9	17.6	22.4	27.4
<b>Highest education level attained (aged 16 years and over)</b>						
Primary or below	27.1	16.1	26.4	22.3	16.6	25.8
Lower secondary	20.9	15.6	19.8	16.7	14.5	17.2
Higher secondary	14.1	20.4	17.5	12.6	19.8	17.1
Post leaving cert	10.4	5.7	3.6	10.7	6.0	4.4
Third level non degree	8.0	6.7	3.3	4.9	6.4	2.2
Third level degree or above	3.9	12.0	2.8	5.5	13.1	5.0
Children under 16 years of age	19.0	22.4	25.9	17.6	22.4	27.4
<b>Household composition</b>						
1 adult aged 65+, no children under 18	24.3	3.6	5.2	11.0	3.4	2.5
1 adult aged <65, no children under 18	29.6	4.0	7.1	25.7	4.3	6.4
2 adults, at least 1 aged 65+, no children under 18	11.5	7.2	5.0	10.0	7.6	5.1
2 adults, both aged <65, no children under 18	15.0	10.6	9.6	14.2	11.4	9.7
3 or more adults, no children aged under 18	10.1	14.9	9.2	8.7	15.9	7.6
1 adult with children	37.6	7.3	16.5	36.4	6.1	17.5
2 adults with 1-3 children	13.7	30.9	25.6	11.0	31.7	25.7
Other households with children	16.5	21.6	21.7	16.0	19.5	25.5
<b>Number of persons at work in the household</b>						
0	44.1	21.1	56.3	32.7	22.0	50.1
1	15.0	30.6	27.9	15.7	32.0	34.3
2	6.0	35.9	13.1	5.1	34.8	12.4
3+	3.6	12.4	2.7	4.2	11.2	3.2
<b>Tenure status</b>						
Owner-occupied	11.4	78.1	53.8	11.4	76.9	61.1
Rented at the market rate	24.2	8.7	12.7	17.7	10.1	11.5
Rented at below the market rate or rent free	41.9	13.2	33.4	29.6	13.0	27.4
<b>Urban/rural location</b>						
Urban areas	15.1	63.1	57.6	11.9	62.7	51.6
Rural areas	18.9	36.9	42.4	18.7	37.3	48.4
<b>Region</b>						
Border	21.7	11.3	14.9	16.5	11.0	12.6
Midland	30.5	5.9	10.9	23.5	6.1	10.0
West	18.9	9.8	11.2	17.2	10.0	12.0
Dublin	11.7	27.9	19.8	9.8	27.5	18.7
Mid-East	8.8	11.4	6.1	10.2	11.7	8.3
Mid-West	20.0	8.1	9.8	22.0	8.3	12.7
South-East	18.7	11.1	12.6	15.5	11.0	11.8
South-West	16.8	14.5	14.7	14.0	14.3	14.0

<sup>1</sup> Including all social transfers, 60% median income threshold.

**Table 2.5 At risk of poverty rate and the profile of population and those at risk of poverty<sup>1</sup> by demographic characteristics of the head of household and year**

	2007		2008		Profile of the population at risk of poverty
	At risk of poverty rate	Profile of the population at risk of poverty	At risk of poverty rate	Profile of the population at risk of poverty	
<b>State</b>	16.5	100.0	14.4	100.0	100.0
<b>Sex (head of household)</b>					
Male	14.2	61.9	13.1	63.8	58.1
Female	20.3	38.1	16.7	36.2	41.9
<b>Age group (head of household)</b>					
18-64	16.6	85.9	14.9	86	88.9
65-74	16.4	7.6	13.9	7.8	7.6
75+	15.6	6.5	8.4	6.1	3.6
<b>Principal Economic Status (head of household)</b>					
At work	8.1	63.7	9.0	63.4	39.6
Unemployed	47.5	4.3	28.3	5.8	11.5
Student	48.2	1.8	46.1	1.3	4.1
Home duties	31.4	15.1	26.3	14.1	25.7
Retired	17.4	10.4	11.7	9.7	7.9
Not at work due to illness or disability	43.1	4.3	28.1	5.2	10.1
<b>Highest education level attained (head of household)</b>					
Primary or below	26.1	24.6	24.0	25.3	42.0
Lower secondary	21.6	20.9	16.9	19.4	22.7
Higher secondary	14.7	19.5	13.1	19	17.3
Post leaving cert	9.7	8.3	10.4	7.9	5.7
Third level non degree	10.7	9.1	6.7	9.5	4.4
Third level degree or above	4.2	16.1	5.4	17.7	6.6

<sup>1</sup> Including all social transfers, 60% median income threshold.

**Table 2.6 Percentage of households reporting arrears by whether the household was at risk of poverty or not by type of arrears reported, SILC 2008**

% of households

	Profile of the population			Sample Size
	Population	At risk of Poverty	Not at risk of Poverty	
<b>State</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>5,247</b>
<b>Number of items in arrears</b>				
0	79.7	71.6	81.1	4,431
1	12.6	16.1	12.0	530
2+	7.7	12.3	6.9	286
<b>Overdrawn bank account</b>				
Yes	4.8	5.4	4.6	203
No	95.3	94.6	95.4	5,044
<b>Credit card balance owing</b>				
Yes	9.1	7.3	9.5	334
No	90.9	92.7	90.5	4,913
<b>Mortgage or rent arrears</b>				
Yes	4.9	8.1	4.3	174
No	95.1	91.9	95.7	5,073
<b>Utility bill arrears</b>				
Yes	7.7	15.9	6.2	306
No	92.4	84.1	93.8	4,941
<b>Arrears on other bills</b>				
Yes	2.6	3.4	2.4	99
No	97.5	96.6	97.6	5,148
<b>Arrears on other loans</b>				
Yes	2.4	5.1	2.0	98
No	97.6	94.9	98.0	5,149

**Table 2.7 At risk of poverty rate<sup>1</sup> by key health related characteristics and by year**  
 % of individuals

	At risk of poverty rate		
	2006	2007	2008
	%	%	%
<b>Total population</b>			
<b>Medical card</b>			
Yes	36.8	34.4	25.7
No	7.6	7.9	8.7
<b>Private medical insurance</b>			
Yes	4.3	4.9	7.3
No	28.3	27.1	20.9
<b>Covered by either medical card or private medical insurance</b>			
Yes	17.8	17.5	15.1
No	14.6	14.6	12.4
<b>Population aged 16 years and over</b>			
<b>Chronic illness or health problem</b>			
Yes	20.9	22.0	16.0
No	14.4	14.1	12.7
<b>Limited activity</b>			
Strongly limited	27.5	27.7	18.7
Limited	21.7	24.9	16.5
Not limited	14.3	13.8	12.6
<b>Health Status</b>			
Very good	13.8	12.4	11.0
Good	15.1	15.6	14.6
Fair	22.4	27.1	18.5
Bad/very bad	33.9	31.3	17.9
<b>Smoker</b>			
Yes	21.0	19.4	14.4
No	14.4	15.0	13.2

<sup>1</sup> After social transfers, 60% median income threshold.



## Chapter 3

### Deprivation

#### Key Findings

- ◆ Three quarters (75.1%) of individuals had experienced none of eleven forms of enforced deprivation in 2008. This level has remained reasonably stable since 2006.
- ◆ Of the remaining one quarter of individuals who had experienced enforced deprivation, 11.1% experienced one deprivation item, almost 5% experienced two items and almost 9% experienced three or more items.
- ◆ Lone parent households reported the highest levels of deprivation with 55% of individuals from these households experiencing one or more items of deprivation compared with 25% at State level. Nearly one quarter (24.2%) of individuals in lone parent households experienced three or more of the forms of deprivation.
- ◆ Overall, for ten of the eleven deprivation items there was no significant change in the proportion of people experiencing deprivation between 2007 and 2008. The exception to this was the inability to afford a morning, afternoon or evening out in the last fortnight, which rose to 11.1% in 2008 from 8.4% in 2007.
- ◆ The most commonly reported of the eleven deprivation indicators continued to be the inability to afford to replace worn out furniture, at 13.3%.

#### Background information

The Survey on Income and Living Conditions (SILC) collects information relating to enforced deprivation experienced by individuals. Enforced deprivation refers to the inability to afford basic specific 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. The eleven items listed below are examined in this report and if an individual experienced an absence of two or more of these eleven basic deprivation items due to unaffordability and is also identified as being at risk of poverty, then the individual is said to be in consistent poverty.

#### List of 11 deprivation indicators

1. Without heating at some stage in the last year
2. Unable to afford a morning, afternoon or evening out in the last fortnight
3. Unable to afford two pairs of strong shoes
4. Unable to afford a roast once a week

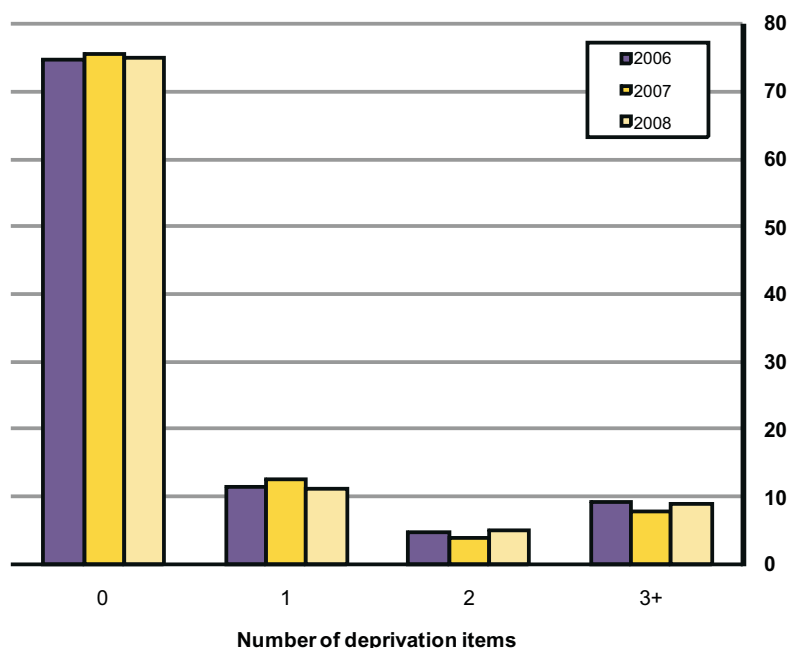
5. Unable to afford a meal with meat, chicken or fish every second day
6. Unable to afford new (not second-hand) clothes
7. Unable to afford a warm waterproof coat
8. Unable to afford to keep the home adequately warm
9. Unable to afford to replace any worn out furniture
10. Unable to afford to have family or friends for a drink or meal once a month
11. Unable to afford to buy presents for family or friends at least once a year

### Analysis of overall deprivation rates

The proportion of individuals who experienced none of the enforced deprivation items remained unchanged between 2007 and 2008 (75.1% in 2008). See Table 3.1 and Figure 3a.

- ◆ One in four individuals who experienced enforced deprivation, with 11.1% having experienced one deprivation item, almost 5% experienced two items and almost 9% experienced three or more items.
- ◆ The proportion of people who experienced three or more deprivation items rose from 7.8% in 2007 to 8.9% in 2008.

**Figure 3a Number of enforced deprivation items experienced by year**



### Factors influencing deprivation

As in Chapter 2, logistic regression was used to assess which socio-demographic factors were associated with the likelihood of the experience of deprivation. Household income (deciles) was included as an independent variable in this regression model as it did not form part of the calculation of the deprivation rate, and, as expected, income was found to be associated with the likelihood of experiencing deprivation. As with the at risk of poverty model, it was shown that sex of the individual or the head of household did not influence the likelihood of an individual experiencing deprivation.

The majority of other factors were in common with those found for models on income and the likelihood of being at risk of poverty. Table 3a shows the independent variables which were found to be significant in the case of deprivation:

**Table 3a Variables found to be significant in determining whether an individual was in consistent poverty in 2008**

Characteristicsofthe household	Characteristics of the head of household	Characteristics of the individual
Household composition	Education level of the head of household	Age of the individual
Number of people at work in the household	Principal Economic Etatus of the head of household	Education level of the individual
Household income (decile)	Age of the head of household	Health status of the individual
Tenure of the household		Principal economic status of the individual
Region the household was located (NUTS 3)		Whether the person had a chronic illness or not
Whether the household was located in an urban or rural area		

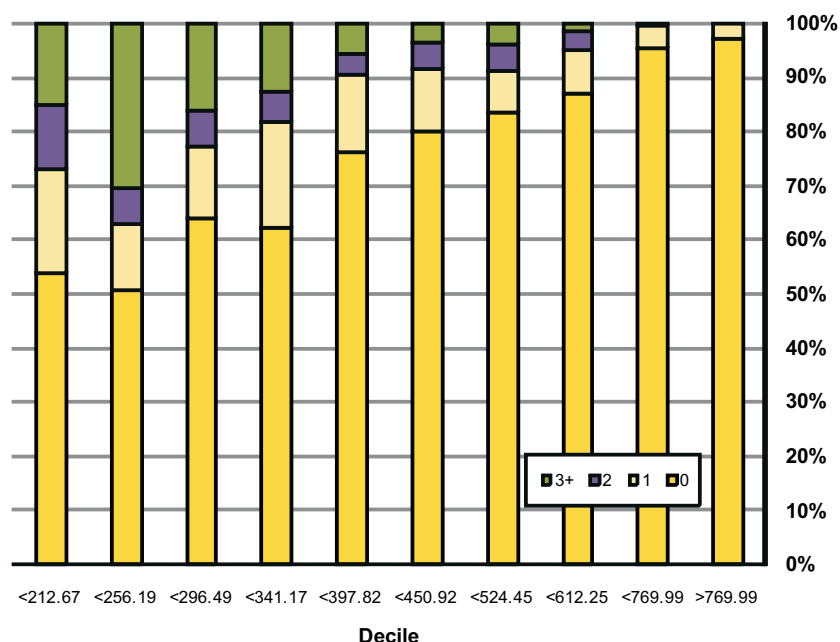
### Analysis of deprivation rates by income decile

The experience of deprivation mostly decreased as income rose. However, some level of deprivation continued to be experienced by individuals in higher income deciles although this became very low, in particular in the top two deciles. See Table 3.2 and Figure 3b.

- ◆ The proportion of people who experienced zero deprivation items was lowest in the first two deciles (54.0% in the first decile and 50.8% in the second decile); in other words close to half of people in these deciles had experienced some form of deprivation.
- ◆ While the proportion of people experiencing deprivation reduced as income deciles increased it did not disappear. For individuals in the eighth income decile, 13% experienced one or more items and 4.4% of individuals experienced at least 1 deprivation item in the ninth decile and 2.8% in the top income decile.

The proportion of people experiencing two or more items of deprivation was highest in the second decile at 37.2%, followed by levels of 27.0% and 22.7% in the first and third deciles respectively. By the fifth decile this level had fallen to less than 10% and by the ninth decile almost no individuals experienced two or more forms of deprivation.

**Figure 3b Number of deprivation indicators by net equivalised income decile, SILC 2008**

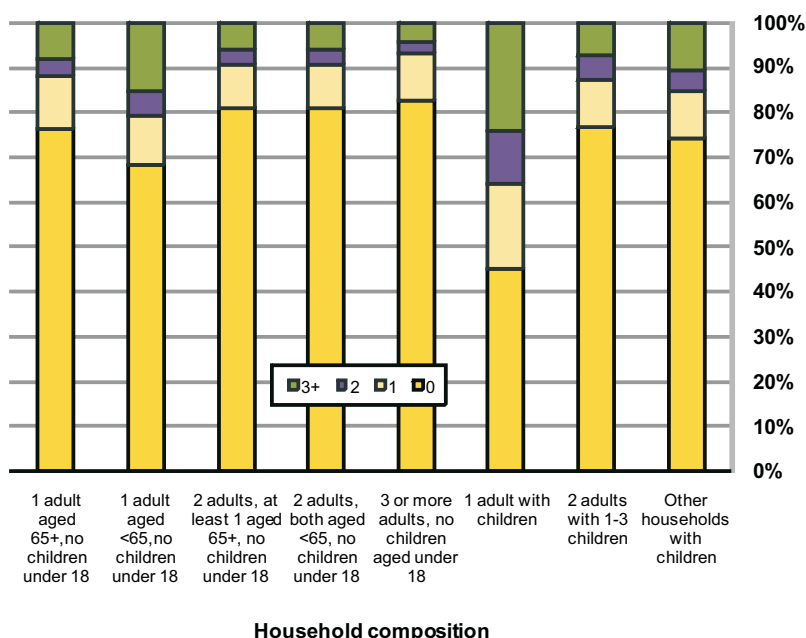


## Analysis of deprivation rates by socio-demographic characteristics

Significant variation in the experience of deprivation could be seen across different types of household. By household composition, individuals in lone parent households had the highest deprivation rates. See *Table 3.3 and Figure 3c*.

- ◆ More than half of individuals in lone parent households (55%) experienced at least one item of deprivation. They also had the highest proportion of individuals of any household type who experienced three or more deprivation items at 24.2%.
- ◆ This compares with households consisting of three or more adults with no children, with 82.5% of individuals in these households experiencing no enforced deprivation and only 4.3% experiencing three or more forms of deprivation.
- ◆ Households comprising one adult aged less than 65 had the next highest proportion of people who experienced enforced deprivation with just under one third (31.7%) of this group experiencing at least one item of deprivation and 15.0% experiencing three or more forms of enforced deprivation.

**Figure 3c Number of deprivation indicators experienced by household composition, SILC 2008**



Households where the Principal Economic Status of the head of household was retired or at work experienced the lowest levels of deprivation with 84.6% and 82.6% respectively of individuals in these households experiencing none of the eleven deprivation indicators. See *Table 3.4 and Figure 3d*.

Over one third of individuals in households where the head of household was unemployed or not at work due to illness or disability experienced three or more forms deprivation (36.4% and 35.3% respectively). Where the head of household was at work this fell to 3.3%. See *Table 3.4 and Figure 3d*.

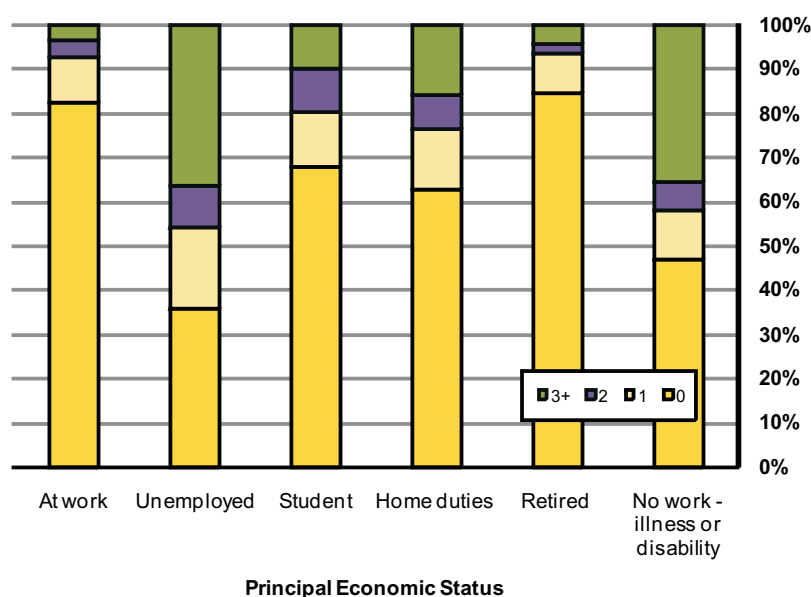
Among the other factors shown by regression to influence the likelihood of experiencing deprivation the most notable patterns are discussed below. See *Tables 3.3 and 3.4*.

- ◆ **Age of individual:** A higher proportions of children experienced enforced deprivation than other age groups. One in nine children (11.1%) experienced three or more deprivation items in 2008. This compares with a rate of 4.4% among those aged 75 or over.
- ◆ **Principal Economic Status of individual:** People who were unemployed or unable to work due to illness or disability were clearly more likely to experience deprivation than others. Approximately half of people in these two groups experienced some form of deprivation and nearly 30% experienced

three or more forms of deprivation. By comparison just 3.3% of people who were at work and 4.7% of retired people experienced three or more forms of deprivation.

- ◆ **Tenure:** Households that were rented at below market rate or rent free reported higher levels of deprivation than other households. Over half of individuals in these households experienced at least one form of deprivation (56.7%) compared with less than one third of individuals in households rented at the market rate and less than one fifth of individuals in owner occupied households.
- ◆ **Education level of the individual and head of household:** Individuals with an education level of primary or below experienced deprivation more frequently than people with higher education levels, 15.9% reporting three or more forms of deprivation compared with just 0.8% of people with a third level degree or above. Less than 9% of people with a third level degree or above had experienced some form of deprivation. A similar pattern was seen in relation to the education level of the head of household whereby deprivation levels fell as the education level increased.
- ◆ **Number of people at work in the household:** It can be seen that for households where no-one is at work, 23.5% of individuals experienced three or more deprivation items, falling to almost zero for those where three or more people were at work in the household.

Figure 3d Number of deprivation indicators by Principal Economic Status, SILC 2008



### Analysis of deprivation rates for those who were at risk of poverty

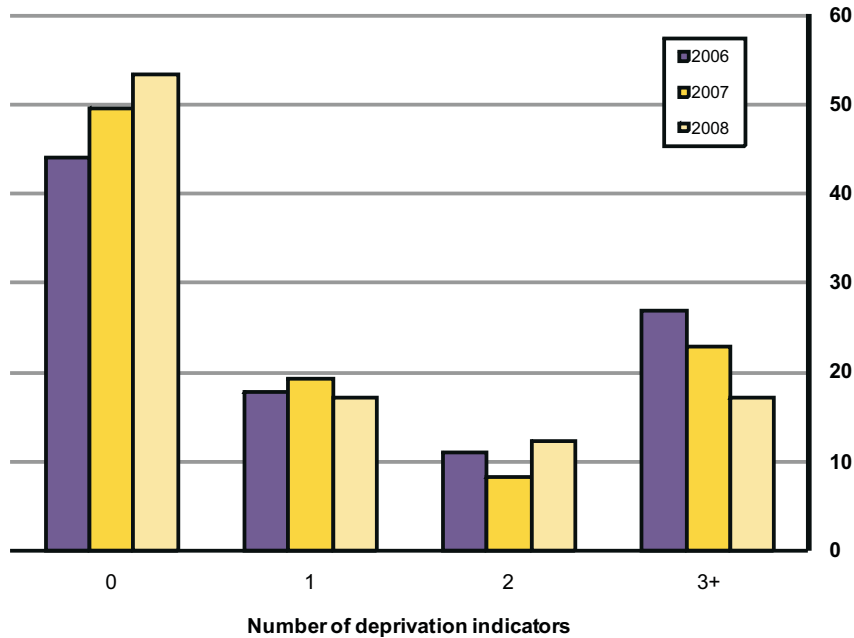
In addition to looking at deprivation within the population as a whole it is also of interest to look at the experience of deprivation of persons who are at risk of poverty. This analysis shows that, while individuals of different profile may have similarly low levels of income, they may nonetheless experience different rates of deprivation. A particular example of this is that older people, even where they are at risk of poverty based on their income, are less likely to experience enforced deprivation than other age groups. See Tables 3.5 and Figure 3e.

While one quarter of all individuals experienced at least one form of deprivation this rose to just under half (46.5%) among individuals who were at risk of poverty. This has steadily decreased from 56% in 2006. This indicates that proportionately fewer of the people who were at risk of poverty experienced deprivation in 2008 than in the previous two years.

- ◆ The most notable change in the year for people at risk of poverty was the reduction in the number experiencing three or more items of deprivation, falling from 22.8% in 2007 to 17.2% in 2008.

- ◆ Just under three in ten individuals who were at risk of poverty (29.4%) experienced two or more forms of deprivation. These people are defined as being in consistent poverty. A further 17.2% of people who were at risk of poverty experienced one item of deprivation.

**Figure 3e Number of deprivation indicators for individuals at risk of poverty by year**

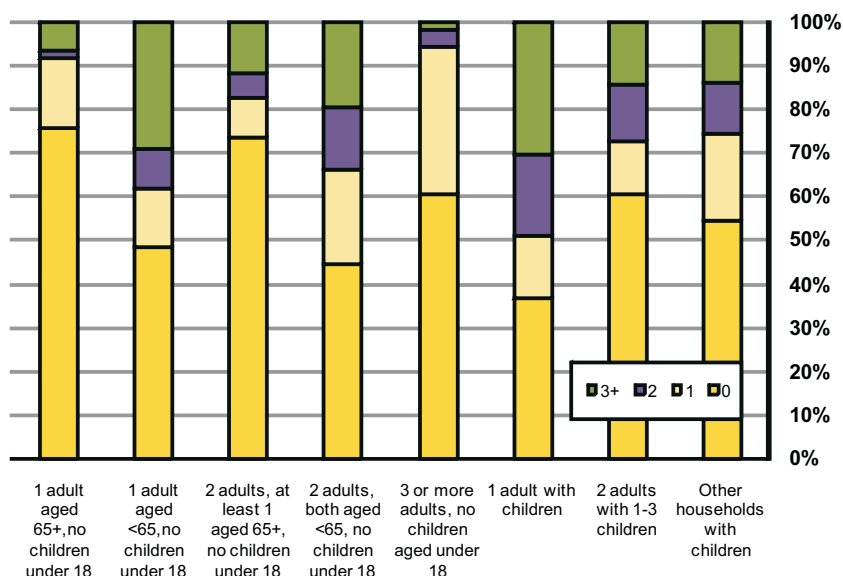


### Analysis of deprivation rates for those who were at risk of poverty by socio-demographic characteristics

As with the population as a whole there was significant variation in the experience of deprivation by the different characteristics of the people at risk of poverty. A number of the patterns seen were similar to those within the full population. See Table 3.6, 3.9 and Figure 3f.

- ◆ Despite a fall in deprivation levels for members of lone parent households who were at risk of poverty between 2007 and 2008, they remained the single most deprived group and experienced the highest rates for eight of the eleven deprivation indicators.
- ◆ Nearly two thirds of people in lone parent households (63.4%) experienced at least one form of deprivation and nearly one third (30.3%) experienced three or more. By comparison, less than one quarter (24.3%) of people aged 65 or over living alone who were at risk of poverty experienced any deprivation.
- ◆ Persons aged less than 65 living alone who were at risk of poverty were the next most likely to experience three or more of the deprivation items (29.2%) while only 1.7% of persons who were at risk of poverty living in household with 3 or more adults and no children experienced three or more forms of deprivation.

**Figure 3f Number of deprivation indicators for individuals at risk of poverty, by household composition, SILC 2008**



- ◆ Examining tenure status for those who were at risk of poverty, the highest deprivation rates recorded were for those renting at below the market rate or rent free with 35.0% experiencing more than three enforced deprivation items and only just over one quarter (27.6%) reporting no deprivation. By comparison 61.9% of persons at risk of poverty living in owner occupied accommodation and 70.4% of persons at risk of poverty living in accommodation rented at the market rate reported no deprivation indicators.
- ◆ Children (aged 0-17) were the most likely age group of those at risk of poverty to experience deprivation, with over half (51.5%) experiencing one or more item of deprivation compared with less than one in five people aged 75 or over who were at risk of poverty.

Even where a household was at risk of poverty the level of deprivation remained relatively low where the head of household had a highest level of education of third level degree or above, with 88% of people in these households not experiencing any deprivation. This compares with 40.7% of people living in households headed by an individual with a highest level of education of primary or below. See Table 3.7.

- ◆ 43.1% of individuals living in female headed households and who were at risk of poverty experienced none of the enforced deprivation items. This compares to a rate of 61.0% of male headed households who were at risk of poverty.
- ◆ Examining the Principal Economic Status of the head of household for those at risk of poverty, it can be seen that those not at work due to illness or disability or unemployed were the most likely to have experienced three or more deprivation items (39.7% and 29.9% respectively).
- ◆ Where the head of household was at work, 4.8% of individuals at risk of poverty experienced three or more forms of deprivation.

### Analysis of types of deprivation and their prevalence

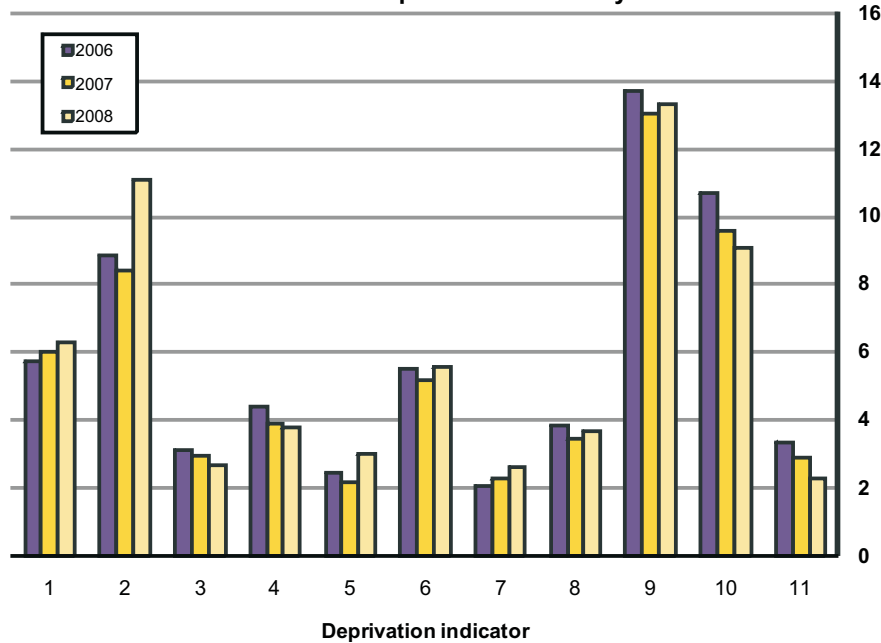
In looking at the eleven deprivation indicators separately it can be noted that among the population as a whole the experience of the different forms of deprivation has not changed significantly over recent years. See Table 3.8 and Figure 3g.

- ◆ The most commonly reported of the eleven deprivation indicators in 2008 was the inability to afford to replace worn out furniture, at 13.3%. This rate has been stable over the last three years.
- ◆ The second most commonly reported deprivation indicator in 2008 was the inability to afford a morning, afternoon or evening out in the last fortnight, at 11.1% up from 8.4% in 2007. Related to

this, the next most commonly reported indicator was the inability to afford to have family or friends for a drink or meal once a month, at 9.1%.

- ◆ For six out of the eleven forms of deprivation, enforced deprivation was reported by less than 5% of individuals.

**Figure 3g Percentage of persons experiencing deprivation by deprivation item and year**



**Key**

- 1 Without heating at some stage in the last year
- 2 Unable to afford a morning, afternoon or evening
- 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
- 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
- 11 Unable to afford to buy presents for family or friends

Lone parent households reported the highest rates for eight of eleven deprivation items. Nearly one third of individuals in lone parent households lived in a household with the inability to replace worn out furniture (31.9%). Also prominent for these households was the inability to afford a morning, afternoon or evening out in the last fortnight at 28.1% up from 16.8% in 2007. Just over one fifth of people in lone parent households lived in a household which was unable to afford to have family or friends for a drink or meal once a month (21.4%) or went without heating at some stage in the last year (20.5%). See Table 3.9.

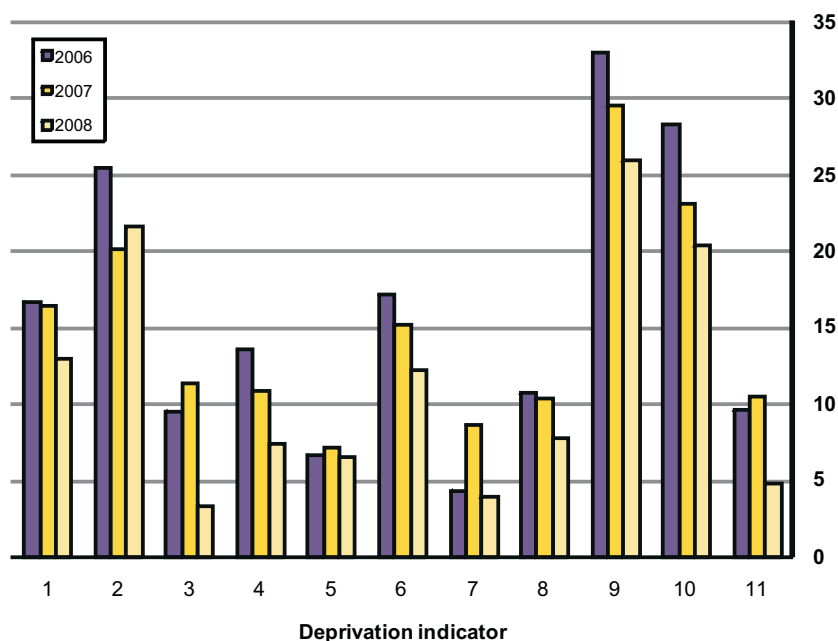
- ◆ Households comprising of one adult of working age reported the next highest deprivation rates. In three cases they reported the highest rates among other household types and for the majority of items reported higher than average deprivation rates.

### Types of deprivation and their prevalence for those at risk of poverty

The results for the eleven different deprivation indicators for persons at risk of poverty followed broadly the analysis of overall experience of deprivation of this group as discussed earlier in this section. Furthermore, the most commonly reported deprivation indicators were the same as those reported for the population as a whole. The most commonly reported of the eleven deprivation indicators was the inability to afford to replace worn out furniture, reported by 26.0% of individuals at risk of poverty. See Table 3.10 and Figure 3h.

- ◆ The next most commonly experienced form of deprivation for individuals at risk of poverty were the inability to afford a morning, afternoon or night out in the last fortnight at 21.6%, the inability to have friends or family for a drink or meal once a month at 20.4% and being without heating at some stage in the last year (13.0%).

**Figure 3h Percentage of persons at risk of poverty experiencing deprivation by deprivation item and year**



#### Key

- 1 Without heating at some stage in the last year
- 2 Unable to afford a morning, afternoon or evening
- 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
- 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
- 11 Unable to afford to buy presents for family or friends

In terms of changes from 2007 the deprivation rates fell across most of the eleven deprivation items for persons at risk of poverty. The inability to afford two strong pairs of shoes had been experienced by 11.4% of people at risk of poverty in 2007 but this fell to 3.4% in 2008 representing the largest decrease for a deprivation item.

**Table 3.1 The number of deprivation indicators experienced by year**

	% of individuals			
	2005	2006	2007	2008
Number of deprivation indicators experienced				
0	75.3	74.8	75.6	75.1
1	9.8	11.4	12.6	11.1
2	5.1	4.7	4.0	4.9
3+	9.8	9.1	7.8	8.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Table 3.2 Number of deprivation indicators experienced by net equivalised income decile, 2008**

		% of individuals					
<b>Distribution across deciles</b>							
Number of deprivation indicators experienced		0	1	2	3+	2+	
		%	%	%	%	%	%
<b>State</b>		<b>75.1</b>	<b>11.1</b>	<b>4.9</b>	<b>8.9</b>	<b>100</b>	<b>13.8</b>
<b>Decile</b>	<b>Weekly threshold (€)</b>						
1	<212.67	54.0	19.0	12.1	15.0	100	27.0
2	<256.19	50.8	12.0	6.7	30.5	100	37.2
3	<296.49	63.8	13.5	6.7	15.9	100	22.7
4	<341.17	62.3	19.5	5.5	12.7	100	18.2
5	<397.82	76.3	14.3	3.7	5.7	100	9.4
6	<450.92	80.0	11.6	5.0	3.4	100	8.4
7	<524.45	83.4	7.6	5.0	3.9	100	9.0
8	<612.25	87.0	8.2	3.4	1.4	100	4.7
9	<769.99	95.6	4.2	0.2	0.0	100	0.2
10	>769.99	97.2	2.8	0.0	0.0	100	0.0

**Table 3.3 Number of deprivation indicators experienced by demographic characteristics, 2008**

Number of deprivation indicators experienced	% of individuals					
	0	1	2	3+	2+	2+
	%	%	%	%	%	%
<b>State</b>	<b>75.1</b>	<b>11.1</b>	<b>4.9</b>	<b>8.9</b>	<b>100</b>	<b>13.8</b>
<b>Sex</b>						
Male	76.1	10.7	4.8	8.5	100	13.3
Female	74.2	11.5	5.0	9.3	100	14.3
<b>Age group</b>						
0-17	69.3	12.6	7.0	11.1	100	18.1
18-64	76.6	10.6	4.2	8.6	100	12.8
65-74	80.3	9.9	4.0	5.9	100	9.9
75+	80.9	10.6	4.1	4.4	100	8.5
<b>Principal Economic Status (aged 16 years and over)</b>						
At work	84.7	8.7	3.3	3.3	100	6.6
Unemployed	48.4	14.6	7.3	29.7	100	37.0
Student	77.9	11.7	3.9	6.5	100	10.4
Home duties	69.2	13.3	5.5	12.0	100	17.5
Retired	83.5	9.2	2.6	4.7	100	7.3
Not at work due to illness or disability	51.4	12.2	8.5	27.9	100	36.4
<b>Highest education level attained (aged 16 years and over)</b>						
Primary or below	62.6	14.2	7.3	15.9	100	23.2
Lower secondary	73.9	10.5	4.3	11.3	100	15.6
Higher secondary	79.6	10.9	3.4	6.1	100	9.5
Post leaving cert	78.5	11.9	4.0	5.6	100	9.6
Third level non degree	85.2	6.6	2.6	5.6	100	8.2
Third level degree or above	91.7	6.0	1.5	0.8	100	2.3
<b>Household composition</b>						
1 adult aged 65+,no children under 18	76.3	12.0	3.8	7.9	100	11.7
1 adult aged <65,no children under 18	68.3	11.1	5.6	15.0	100	20.6
2 adults, at least 1 aged 65+, no children under 18	81.3	9.4	3.6	5.8	100	9.4
2 adults, both aged <65, no children under 18	80.9	10.0	3.4	5.8	100	9.2
3 or more adults, no children aged under 18	82.5	10.8	2.4	4.3	100	6.7
1 adult with children	45.0	19.1	11.7	24.2	100	35.9
2 adults with 1-3 children	76.8	10.5	5.4	7.3	100	12.7
Other households with children	74.2	10.6	4.5	10.6	100	15.1
<b>Number of persons at work in the household</b>						
0	54.7	14.8	7.0	23.5	100	30.5
1	71.2	13.7	6.2	8.9	100	15.1
2	86.5	7.6	3.4	2.5	100	5.9
3+	90.7	7.3	2.0	0.1	100	2.0
<b>Tenure status</b>						
Owner-occupied	81.3	9.9	3.9	4.8	100	8.7
Rented at the market rate	69.1	12.8	5.4	12.6	100	18.0
Rented at below the market rate or rent free	43.3	16.6	10.0	30.1	100	40.1
<b>Urban/rural location</b>						
Urban areas	73.1	12.6	4.8	9.5	100	14.3
Rural areas	78.4	8.6	5.0	8.0	100	13.0
<b>Region</b>						
Border	72.0	16.0	5.8	6.1	100	11.9
Midland	67.2	12.2	8.7	11.8	100	20.5
West	77.0	5.8	5.0	12.2	100	17.2
Dublin	79.9	9.6	3.7	6.9	100	10.6
Mid-East	72.2	14.2	2.8	10.8	100	13.6
Mid-West	79.0	8.7	5.7	6.6	100	12.3
South-East	70.6	12.1	5.6	11.7	100	17.3
South-West	74.1	11.3	5.5	9.1	100	14.6

**Table 3.4 Number of deprivation indicators experienced by head of household characteristics, 2008**

Number of deprivation indicators experienced	% of individuals					
	0	1	2	3+	2+	
	%	%	%	%	%	%
<b>State</b>	<b>75.1</b>	<b>11.1</b>	<b>4.9</b>	<b>8.9</b>	<b>100</b>	<b>13.8</b>
<b>Sex (head of household)</b>						
Male	78.5	9.5	4.7	7.3	100	12.0
Female	69.2	13.9	5.2	11.8	100	17.0
<b>Age group (head of household)</b>						
18-64	74.1	11.3	5.0	9.5	100	14.5
65-74	81.4	8.5	3.8	6.3	100	10.1
75+	81.1	10.6	4.5	3.7	100	8.2
<b>Principal Economic Status (head of household)</b>						
At work	82.6	10.1	4.0	3.3	100	7.3
Unemployed	36.0	18.1	9.5	36.4	100	45.9
Student	68.1	12.3	9.7	9.9	100	19.6
Home duties	62.7	13.9	7.5	15.9	100	23.4
Retired	84.6	8.8	2.5	4.1	100	6.6
Not at work due to illness or disability	46.9	11.4	6.4	35.3	100	41.7
<b>Highest Education level attained (head of household)</b>						
Primary or below	60.1	15.2	7.0	17.7	100	24.7
Lower secondary	73.0	12.4	5.1	9.6	100	14.7
Higher secondary	81.8	9.0	4.5	4.8	100	9.3
Post leaving cert	75.4	14.1	4.1	6.4	100	10.5
Third level non degree	78.6	8.7	2.7	9.9	100	12.6
Third level degree or above	89.5	6.4	3.1	1.0	100	4.1

**Table 3.5 The number of deprivation indicators experienced by persons at risk of poverty by year**

Number of deprivation indicators experienced	% of individuals at risk of poverty			
	2005	2006	2007	2008
0	47.9	44.0	49.7	53.5
1	14.2	17.8	19.2	17.2
2	10.6	11.1	8.3	12.2
3+	27.3	27.0	22.8	17.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Table 3.6 Number of deprivation indicators experienced by those at risk of poverty by demographic characteristics, 2008**

		% of individuals at risk of poverty					
<b>Distribution across deciles</b>							
Number of deprivation indicators experienced		0	1	2	3+	2+	
		%	%	%	%	%	%
<b>State</b>		<b>53.5</b>	<b>17.2</b>	<b>12.2</b>	<b>17.2</b>	<b>100</b>	<b>29.4</b>
<b>Sex</b>							
	Male	54.0	17.5	11.8	16.7	100	28.5
	Female	53.0	16.8	12.5	17.6	100	30.1
<b>Age group</b>							
	0-17	48.5	16.7	15.7	19.1	100	34.8
	18-64	53.4	17.9	11.3	17.4	100	28.7
	65-74	68.9	17.3	6.4	7.4	100	13.8
	75+	81.7	8.5	1.5	8.3	100	9.8
<b>Principal Economic Status (aged 16 years and over)</b>							
	At work	69.1	14.8	10.7	5.4	100	16.1
	Unemployed	33.5	24.4	9.9	32.2	100	42.1
	Student	61.1	20.4	9.9	8.5	100	18.4
	Home duties	52.8	15.3	12.6	19.3	100	31.9
	Retired	73.0	17.2	2.1	7.8	100	9.9
	Not at work due to illness or disability	36.3	11.8	12.7	39.2	100	51.9
<b>Highest education level attained (aged 16 years and over)</b>							
	Primary or below	45.2	19.1	11.6	24.1	100	35.7
	Lower secondary	55.7	14.9	14.2	15.2	100	29.4
	Higher secondary	58.5	21.3	8.3	11.9	100	20.2
	Post leaving cert	68.3	15.7	3.8	12.2	100	16
	Third level non degree	74.3	9.4	5.2	11.2	100	16.4
	Third level degree or above	84.4	10.4	4.1	1.2	100	5.3
<b>Household composition</b>							
	1 adult aged 65+,no children under 18	75.7	15.9	1.9	6.5	100	8.4
	1 adult aged <65,no children under 18	48.6	13.4	8.8	29.2	100	38.0
	2 adults, at least 1 aged 65+, no children under 18	73.4	9.2	5.7	11.7	100	17.4
	2 adults, both aged <65, no children under 18	44.4	21.8	14.3	19.5	100	33.8
	3 or more adults, no children aged under 18	60.4	34.1	3.8	1.7	100	5.5
	1 adult with children	36.6	14.5	18.6	30.3	100	48.9
	2 adults with 1-3 children	60.4	12.2	13.3	14.1	100	27.4
	Other households with children	54.7	19.8	11.5	14.0	100	25.5
<b>Number of persons at work in the household</b>							
	0	40.2	19.4	11.8	28.7	100	40.5
	1	64.3	15.8	13.3	6.6	100	19.9
	2	66.4	15.6	13.7	4.3	100	18.0
	3+	96.1	3.9	0.0	0.0	100	0.0
<b>Tenure status</b>							
	Owner-occupied	61.9	18.0	9.4	10.6	100	20.0
	Rented at the market rate	70.4	13.1	7.1	9.3	100	16.4
	Rented at below the market rate or rent free	27.6	17.0	20.4	35.0	100	55.4
<b>Urban/rural location</b>							
	Urban areas	46.1	18.8	12.9	22.2	100	35.1
	Rural areas	61.4	15.5	11.4	11.8	100	23.2
<b>Region</b>							
	Border	51.2	21.2	11.7	15.9	100	27.6
	Midland	46.0	21.7	23.2	9.2	100	32.4
	West	66.9	8.9	5.3	18.9	100	24.2
	Dublin	47.1	16.8	16.7	19.4	100	36.1
	Mid-East	43.0	34.7	4.4	17.9	100	22.3
	Mid-West	69.1	15.1	6.2	9.6	100	15.8
	South-East	56.5	14.8	15.9	12.7	100	28.6
	South-West	47.8	11.2	11.3	29.7	100	41.0

**Table 3.7 Number of deprivation indicators experienced by those at risk of poverty by head of household characteristics, 2008**

Number of deprivation indicators experienced	% of individuals at risk of poverty					
	0	1	2	3+	2+	2+
	%	%	%	%	%	%
<b>State</b>	<b>53.5</b>	<b>17.2</b>	<b>12.2</b>	<b>17.2</b>	<b>100</b>	<b>29.4</b>
<b>Sex (head of household)</b>						
Male	61.0	15.5	9.7	13.7	100	23.4
Female	43.1	19.4	15.6	21.9	100	37.5
<b>Age group (head of household)</b>						
18-64	50.8	17.9	13.0	18.3	100	31.3
65-74	71.3	12.8	7.0	8.9	100	15.9
75+	83.3	8.5	1.1	7.1	100	8.2
<b>Principal Economic Status (head of household)</b>						
At work	70.0	15.2	10.0	4.8	100	14.8
Unemployed	28.9	28.3	13.0	29.9	100	42.9
Student	67.3	19.7	0.0	13.0	100	13.0
Home duties	37.1	17.2	20.2	25.5	100	45.7
Retired	72.5	18.3	2.1	7.0	100	9.1
Not at work due to illness or disability	39.0	11.2	10.0	39.7	100	49.7
<b>Highest Education level attained (head of household)</b>						
Primary or below	40.7	20.5	13.3	25.5	100	38.8
Lower secondary	49.2	20.4	14.7	15.7	100	30.4
Higher secondary	70.9	12.8	10.5	5.9	100	16.4
Post leaving cert	60.6	17.1	1.8	20.6	100	22.4
Third level non degree	65.7	6.8	12.8	14.7	100	27.5
Third level degree or above	87.9	7.0	4.6	0.5	100	5.1

**Table 3.8 Percentage of the population reporting each type of deprivation, by year**

Deprivation Indicators	% of individuals		
	2006	2007	2008
Without heating at some stage in the last year	5.7	6.0	6.3
Unable to afford a morning, afternoon or evening out in the last fortnight	8.8	8.4	11.1
Unable to afford two pairs of strong shoes	3.1	3.0	2.7
Unable to afford a roast once a week	4.4	3.9	3.8
Unable to afford a meal with meat, chicken or fish every second day	2.4	2.2	3.0
Unable to afford new (not second-hand) clothes	5.5	5.2	5.6
Unable to afford a warm waterproof coat	2.1	2.3	2.6
Unable to afford to keep the home adequately warm	3.9	3.5	3.7
Unable to afford to replace any worn out furniture	13.7	13.1	13.3
Unable to afford to have family or friends for a drink or meal once a month	10.7	9.6	9.1
Unable to afford to buy presents for family or friends at least once a year	3.3	2.9	2.3

Table 3.9 Percentage of the population experiencing deprivation by household composition, type of deprivation and year

Deprivation Indicators	% of individuals									
	1 adult aged 65+, no children	1 adult aged <65, no children	2 adults, at least 1 aged 65+, no children	2 adults, both aged <65, no children	3 or more adults, no children	1 adult, with children	2 adults, with 1-3 children	Other households with children	Total households	
<b>2007</b>										
Without heating at some stage in the last year	3.7	10.9	2.9	5.3	2.7	21.4	4.4	6.1	6.0	
Unable to afford a morning, afternoon or evening out in the last fortnight	3.4	7.8	3.9	4.9	6.6	16.8	8.7	10.6	8.4	
Unable to afford two pairs of strong shoes	1.7	4.7	1.5	2.2	1.8	12.2	1.3	3.8	3.0	
Unable to afford a roast once a week	2.2	6.5	2.2	2.9	1.6	10.9	3.5	4.6	3.9	
Unable to afford a meal with meat, chicken or fish every second day	1.2	3.9	0.6	2.1	1.4	8.4	1.7	1.8	2.2	
Unable to afford new (not second-hand) clothes	3.4	10.6	3.2	3.2	3.1	11.8	3.4	7.9	5.2	
Unable to afford a warm waterproof coat	0.7	2.6	1.1	2.1	0.8	9.1	1.0	3.6	2.3	
Unable to afford to keep the home adequately warm	2.4	8.1	1.4	3.1	2.1	13.9	2.2	3.0	3.5	
Unable to afford to replace any worn out furniture	15.7	14.7	11.0	8.9	9.0	35.2	10.9	13.4	13.1	
Unable to afford to have family or friends for a drink or meal once a month	4.6	7.4	5.1	6.9	5.2	35.3	8.4	9.6	9.6	
Unable to afford to buy presents for family or friends at least once a year	2.1	6.6	3.0	1.6	0.7	8.7	2.6	2.8	2.9	
<b>2008</b>										
Without heating at some stage in the last year	5.5	12.0	3.5	6.0	3.2	20.5	6.2	4.2	6.3	
Unable to afford a morning, afternoon or evening out in the last fortnight	4.5	12.5	2.7	5.0	9.2	28.1	10.1	14.6	11.1	
Unable to afford two pairs of strong shoes	2.9	3.8	1.4	0.9	2.3	6.1	1.4	4.7	2.7	
Unable to afford a roast once a week	3.9	9.1	2.3	4.5	2.1	6.6	3.7	3.4	3.8	
Unable to afford a meal with meat, chicken or fish every second day	2.0	6.9	2.2	3.5	1.6	8.5	1.6	3.7	3.0	
Unable to afford new (not second-hand) clothes	5.2	12.6	5.3	4.1	1.7	11.5	4.2	7.9	5.6	
Unable to afford a warm waterproof coat	1.7	2.2	1.1	0.9	1.8	5.6	2.2	4.1	2.6	
Unable to afford to keep the home adequately warm	4.3	7.8	3.0	3.4	2.3	10.6	2.7	3.4	3.7	
Unable to afford to replace any worn out furniture	14.8	19.1	11.7	11.2	8.4	31.9	12.2	12.1	13.3	
Unable to afford to have family or friends for a drink or meal once a month	5.4	10.9	8.0	5.3	5.1	21.4	7.9	11.6	9.1	
Unable to afford to buy presents for family or friends at least once a year	3.1	8.6	2.9	1.6	1.0	7.1	1.2	2.3	2.3	

**Table 3.10 Percentage of the population at risk of poverty<sup>1</sup> experiencing each type of deprivation by year**

Deprivation Indicators	% of individuals at risk of poverty		
	2006	2007	2008
Without heating at some stage in the last year	16.7	16.4	13.0
Unable to afford a morning, afternoon or evening out in the last fortnight	25.5	20.1	21.6
Unable to afford two pairs of strong shoes	9.5	11.4	3.4
Unable to afford a roast once a week	13.6	10.9	7.4
Unable to afford a meal with meat, chicken or fish every second day	6.7	7.2	6.5
Unable to afford new (not second-hand) clothes	17.2	15.2	12.2
Unable to afford a warm waterproof coat	4.3	8.7	4.0
Unable to afford to keep the home adequately warm	10.7	10.4	7.8
Unable to afford to replace any worn out furniture	33.0	29.5	26.0
Unable to afford to have family or friends for a drink or meal once a month	28.3	23.1	20.4
Unable to afford to buy presents for family or friends at least once a year	9.6	10.5	4.8

<sup>1</sup> Including all social transfers, 60% median income threshold.

**Table 3.11 Percentage of the at risk of poverty<sup>1</sup> population who experienced deprivation by household composition, type of deprivation and year**  
% of individuals at risk of poverty

Deprivation Indicators	1 adult aged 65+, no children	1 adult aged <65, no children	2 adults, at least 1 aged 65+, no children	2 adults, both aged <65, no children	3 or more adults, no children	1 adult, with children	2 adults, with 1-3 children	Other households with children	Total households
<b>2007</b>									
Without heating at some stage in the last year	3.3	25.5	2.3	15.0	7.8	35.4	10.7	16.4	16.4
Unable to afford a morning, afternoon or evening out in the last fortnight	6.4	20.0	8.0	11.6	24.5	22.3	18.5	28.3	20.1
Unable to afford two pairs of strong shoes	2.5	9.4	2.0	8.0	7.2	27.7	5.0	14.6	11.4
Unable to afford a roast once a week	3.4	12.4	0.9	8.3	10.6	21.4	4.8	15.0	10.9
Unable to afford a meal with meat, chicken or fish every second day	1.9	10.1	0.6	5.3	9.2	14.4	2.2	9.5	7.2
Unable to afford new (not second-hand) clothes	8.9	26.5	3.0	11.0	22.7	15.0	4.2	27.6	15.2
Unable to afford a warm waterproof coat	1.9	6.4	0.5	6.6	5.7	21.1	1.9	13.8	8.7
Unable to afford to keep the home adequately warm	4.0	19.7	1.0	10.9	13.6	23.6	3.2	8.0	10.4
Unable to afford to replace any worn out furniture	21.9	29.6	10.1	19.2	31.6	46.8	21.3	36.0	29.5
Unable to afford to have family or friends for a drink or meal once a month	7.2	16.9	7.1	18.0	23.1	46.8	16.0	25.5	23.1
Unable to afford to buy presents for family or friends at least once a year	4.8	17.8	5.1	8.6	5.2	15.4	12.3	8.0	10.5
<b>2008</b>									
Without heating at some stage in the last year	4.4	22.6	6.8	12.8	1.7	24.2	12.5	9.0	13.0
Unable to afford a morning, afternoon or evening out in the last fortnight	6.7	19.0	6.2	14.7	20.8	34.1	15.8	27.0	21.6
Unable to afford two pairs of strong shoes	0.8	8.6	5.7	3.1	0.0	8.4	0.3	2.7	3.4
Unable to afford a roast once a week	3.7	15.9	1.7	16.8	0.0	10.4	2.9	7.7	7.4
Unable to afford a meal with meat, chicken or fish every second day	1.3	12.7	2.5	12.6	3.3	13.8	1.5	4.8	6.5
Unable to afford new (not second-hand) clothes	6.5	27.7	10.5	14.1	1.7	17.8	10.2	9.8	12.2
Unable to afford a warm waterproof coat	0.8	4.4	2.4	0.5	0.0	13.0	1.7	3.4	4.0
Unable to afford to keep the home adequately warm	2.2	13.5	4.3	4.6	8.2	15.8	4.7	6.3	7.8
Unable to afford to replace any worn out furniture	8.4	35.4	22.4	36.6	13.4	38.6	25.7	17.4	26.0
Unable to afford to have family or friends for a drink or meal once a month	7.2	19.7	12.8	16.1	0.5	30.0	25.2	19.5	20.4
Unable to afford to buy presents for family or friends at least once a year	2.1	16.5	8.5	5.4	0.5	5.7	2.3	4.5	4.8

<sup>1</sup> Including all social transfers, 60% median income threshold.



## Chapter 4

### Consistent poverty

#### Key Findings

- ◆ The percentage of people in consistent poverty in 2008 was 4.2%, a 0.9 percentage point drop from the rate of 5.1% recorded in 2007.
- ◆ The consistent poverty rate for unemployed persons was 9.7% in 2008 down from 17.5% in 2007, a decrease of almost half. This compares with a consistent poverty rate of 1.1% where the individual was at work or retired.
- ◆ Children (aged 0-17) remained the most exposed age group despite a small fall in the consistent poverty rate from 7.4% in 2007 to 6.3% in 2008. This compares with a consistent poverty rate of 1.7% among persons aged 65-74 and just 1.0% among persons aged 75 or over.
- ◆ Nearly one in five people in lone parent households (17.8%) were in consistent poverty in 2008. This was down from 20.1% in 2007 but lone parent households remained the household type with the highest consistent poverty rate.

#### Background information

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 as discussed in Chapter 2; and
- ◆ Living in a household experiencing enforced deprivation for at least two of the eleven basic deprivation items listed in Chapter 3.

#### Consistent poverty rate

In 2008, 4.2% of people were in consistent poverty. The consistent poverty rate has steadily decreased from 2005 when the rate was 7.0%. A rate of 5.1% was recorded in 2007. See *Table 4.1 and Table A in the introduction to this report*.

#### Factors influencing the consistent poverty rate

As the consistent poverty rate is a combination of the at risk of poverty rate and the deprivation rate it is to be expected that the factors influencing those two measures would also influence the likelihood of an individual being in consistent poverty and this was shown to be the case in regression results. Table 4a lists the factors shown by logistic regression to be significant in determining whether a person was in consistent poverty or not. See *Appendix 2 for more details*.

**Table 4a Characteristics associated with the likelihood of an individual being at risk of poverty**

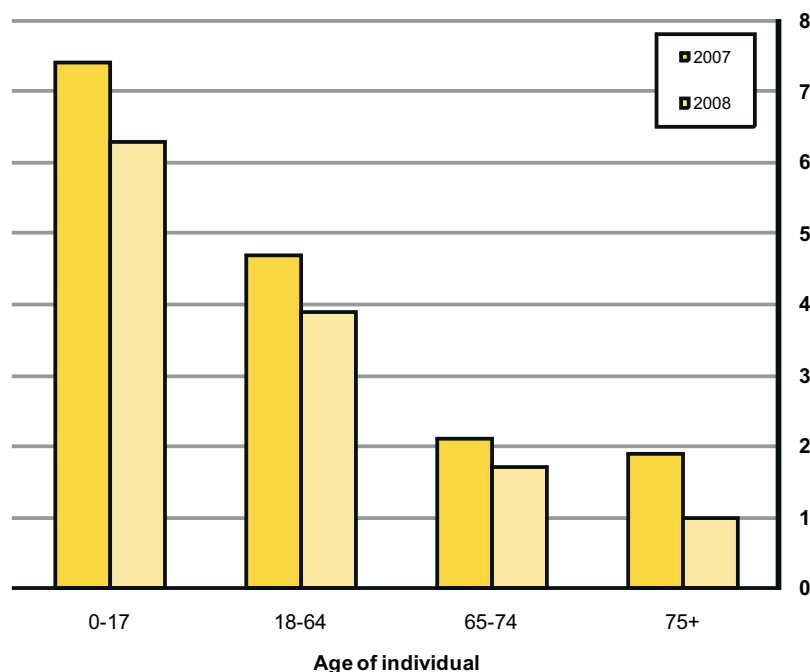
Characteristics of the household	Characteristics of the head of household	Characteristics of the individual
Household composition	Education level of the head of household	Age of the individual
Number of people at work in the household	Principal economic status of the head of household	Education level of the individual
Region the household was located (NUTS 3)	Age of the head of household.	Health status of the individual
Tenure of the household	Sex of the head of the household	
Whether the household was located in an urban or rural area		

### Analysis of consistent poverty by socio-demographic characteristics

A similar level of consistent poverty was recorded for males and females (4.0% and 4.5% respectively), supporting the finding in the regression model that sex was not independently associated with the likelihood of an individual being at risk of poverty. Over the year the rate for males fell to 4.0% in 2008, down from 5.0% in 2007. There was no statistically significant change over the year in the rate reported for females with a rate of 4.5% being recorded in 2008. See *Table 4.1*.

- ◆ Children remain the age group with the highest rate of consistent poverty (6.3% compared with 1.7% of persons aged 65-74 and 1.0% of persons aged 75 or over).
- ◆ The particularly low consistent poverty rates for older age groups reflected very low levels of deprivation (as discussed in Chapter 3), even for individuals with low income levels.

**Figure 4a Consistent poverty rates by age of individual**

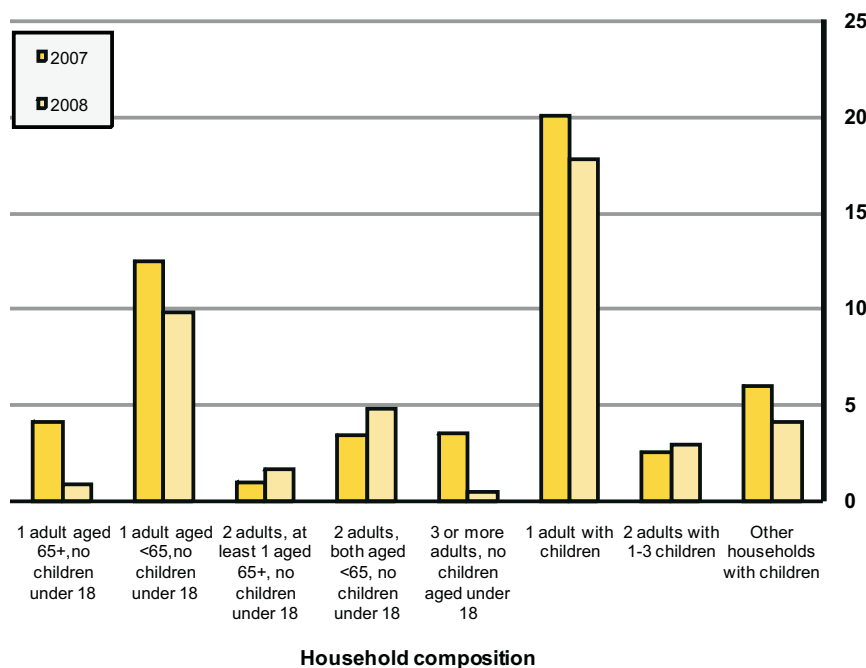


Analysis by household composition revealed that the same household types as in 2007 were observed to have the highest consistent poverty rates. See *Table 4.1* and *Figure 4b*.

- ◆ Individuals in lone parent households had a consistent poverty rate of 17.8% in 2008 (down from 20.1% in 2007). Individuals aged under 65 living alone had a consistent poverty rate of 9.8% (down from 12.5% in 2007). These two household types had clearly higher consistent poverty rates than all others. No other household type had a consistent poverty rate of 5% or more.

- ◆ In line with the findings by age as reported above, households comprising predominantly of older people reported low consistent poverty rates. Individuals aged over 65 living alone had a consistent poverty rate of 0.9% in 2008 (down from 4.1% in 2007) while people in households with 2 adults at least one of whom was aged 65 or over had a consistent poverty rate of 1.7%.
- ◆ A low consistent poverty rate was also recorded for people in households with 3 or more adults and no children (0.5% in 2008).

Figure 4b Consistent poverty rates by household composition



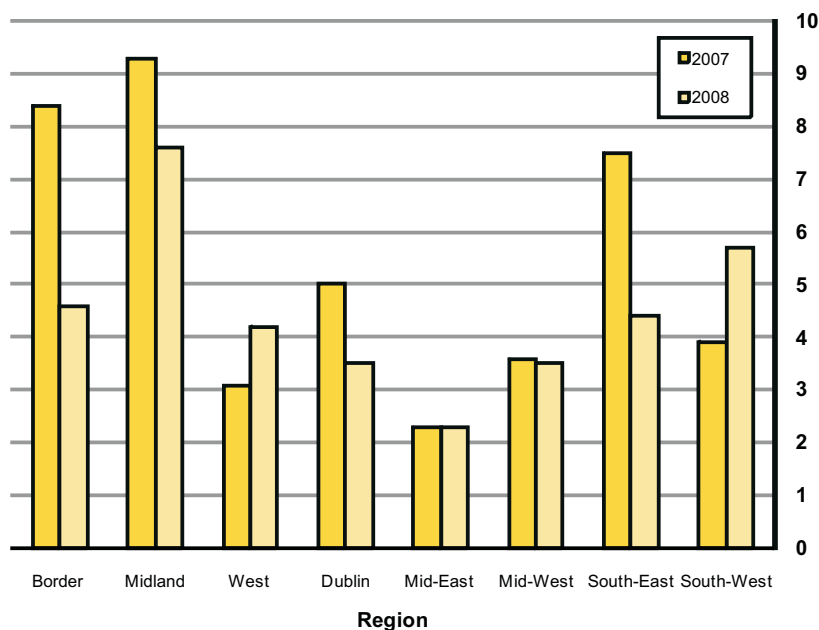
Examining the number of people in the household who work it can be seen that the highest rates of consistent poverty reported were for households where no-one works (13.2%). This rate falls to 3.1% for households with one person working, 0.9% for households with two people working and falls to zero for households where three or more people work. See *Table 4.1*.

- ◆ The consistent poverty rate for individuals in households where no-one was working fell from 16.3% in 2007 to 13.2% in 2008.
- ◆ For households with one or more persons working there was no statistically significant change in the consistent poverty rate between 2007 and 2008.

Analysis of consistent poverty rates by region revealed that the highest rates of consistent poverty were recorded for those living in Midland and South-West regions at 7.6% and 5.7% respectively in 2008. This compares with a rate of 2.3% in the Mid-East region (the lowest rate recorded in any region). See *Table 4.1* and *Figure 4c*.

- ◆ There was a rise in the consistent poverty rate in the South-West from 3.9% in 2007 to 5.7% in 2008.
- ◆ A decrease was recorded in the consistent poverty rate for the Border, South-East and Dublin regions with the biggest decrease recorded in the Border region (falling from 8.4% in 2007 to 4.6% in 2008).

Figure 4c Consistent poverty rates by region



The consistent poverty rate was lower for male headed households than female headed households (3.1% compared with 6.2%). The rate for male headed households had fallen by 1.1 percentage points from a rate of 4.2% recorded in 2007. The rate in female headed households had shown no statistically significant change over the year. See Table 4.3

When analysing the Principal Economic Status of heads of households in consistent poverty, it was found that those individuals in households where the head of household was unable to work due to illness or disability reported the highest rates of consistent poverty in 2008 at 14.2%, despite a significant fall in their rate from 21.8% in 2007. See Figure 4d.

- ◆ The next highest consistent poverty rates were recorded for those living in households where the head of household was unemployed (12.1%) or on home duties at 12.0%.
- ◆ Where the head of household was at work the consistent poverty rate was just 1.3%.

The other characteristics found by regression to have an influence on the likelihood of an individual being at risk of poverty are discussed below. See Tables 4.1 and 4.3.

- ◆ **Tenure:** Examining the tenure status of individuals, the highest consistent poverty rate reported was for those renting at below market rate, but this rate had decreased from 20.7% in 2007 to 16.4% in 2008. This compares with a consistent poverty rate of 2.9% for persons in accommodation rented at the market rate and 2.3% for persons living in owner occupied housing.
- ◆ **Urban/Rural location:** There was a fall in the rate of consistent poverty for individuals living in urban areas from 5.7% in 2007 to 4.2% in 2008. The rate remained unchanged for those living in rural areas at 4.3%. However, while not clearly shown by the rates, regression showed that people in rural areas were more likely to be in consistent poverty than those in urban areas.
- ◆ **Education level of head of household:** Where the head of household had a highest education level of primary or below the consistent poverty rate was 9.3%, compared with just 0.3% where the head of household had a third level degree.
- ◆ **Age of head of household:** As had been the case in 2007 households headed by a person of working age (18-64) had higher consistent poverty rates than those with older heads of household (4.7% compared with 2.2% where the head of household was aged 65-74 and 0.7% where the head of household was aged 75 or over).

- ◆ The **health status** of the individual was also found to have an influence and this is discussed later in this chapter.

### Profile of the population experiencing consistent poverty

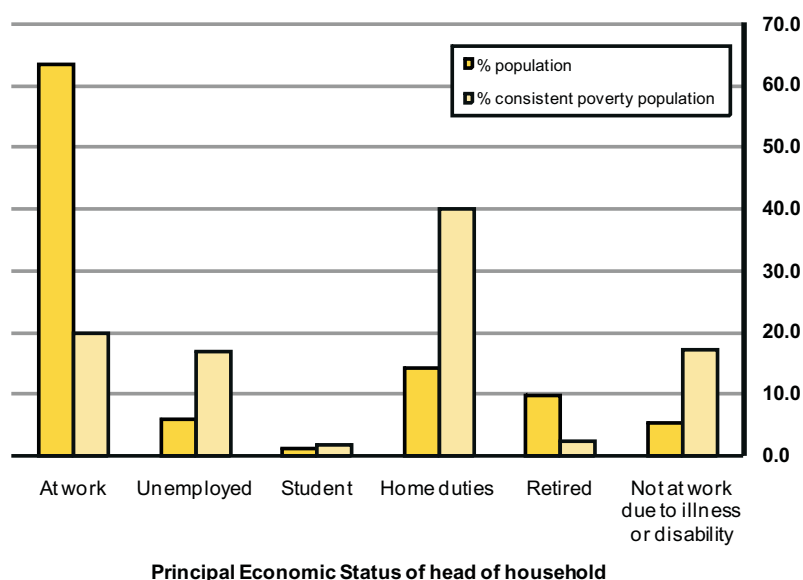
In Chapter 2 we saw that groups with higher at risk of poverty rates were relatively over represented within the group of people who were at risk of poverty. Some interesting patterns could also be seen when undertaking a similar analysis on the profile of people who were in consistent poverty. See *Tables 4.2 and 4.3*.

- ◆ Examining age, it was shown that although children (aged 0-17) made up 26.1% of the general population, they represented 38.7% of the group of people in consistent poverty.
- ◆ Related to this, it can be seen that people in households with children represented three quarters (75.3%) of the group of people in consistent poverty while they were 57.3% of the population. This relative over representation was driven by lone parent households rather than the other types of households with children.
- ◆ People in lone parent households represented the largest part of the group of people in consistent poverty (over 29%), whereas they only represented 6.1% of the general population in 2008.

People at work (aged 16 or over) were 40.6% of the population but 10.5% of those in consistent poverty. By comparison unemployed people were 5.1% of the population but 11.7% of the group in consistent poverty. As such while the number of people at work was 8 times that of the unemployed, unemployed people made up a larger proportion of those in consistent poverty. See *Table 4.2, 4.3 and Figure 4d*.

- ◆ Similarly those who were unable to work due to illness or disability represented 3.7% of the population but 11.5% of those in consistent poverty.
- ◆ By Principal Economic Status the largest proportion of those in consistent poverty was made up of people on home duties (20.6% of those in consistent poverty compared with 12.6% of the overall population).
- ◆ The role of employment in reducing (although not eliminating) consistent poverty levels becomes even clearer looking at people in households with no one at work, who represented over two thirds (69.1%) of those in consistent poverty in 2008. However they represented just over one fifth (22%) of the general population.
- ◆ Similarly, 63.4% of people lived in households where the head of household was at work but they comprised 20% of the people in consistent poverty.

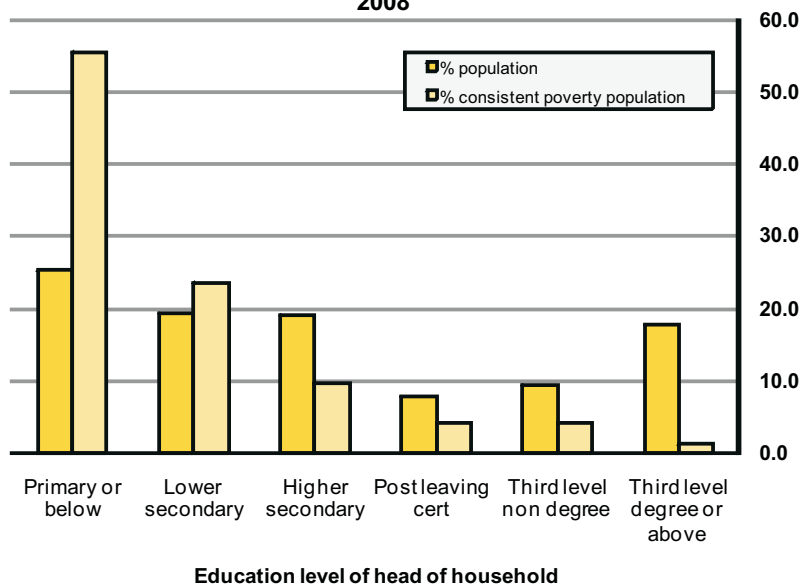
**Figure 4d Profile of population and those in consistent poverty by Principal Economic Status of head of household, SILC 2008**



Individuals with an education level of primary or below (and aged 16 or over) accounted for 16.6% of the general population in 2008, however, after children (aged less than 16), they accounted for by far the largest part of the group at risk of poverty (31.4%). They were the only group, in terms of education level, who were clearly over-represented in the group in consistent poverty. See *Table 4.2 and Figure 4e*.

- ◆ People with a third level degree or above were 13.1% of the population but just 0.9% of those in consistent poverty.
- ◆ The influence of education becomes even clearer when looking at the education level of the head of household. One quarter of people live in households where the head of household has a highest education level of primary below, however over half (55.6%) of people in consistent poverty live in a house of this type.
- ◆ Individuals in female-headed households represented 36.2% of the general population, whereas they comprised 53.5% of those in consistent poverty.

**Figure 4e Profile of population and those in consistent poverty by education level of head of household, SILC 2008**



### Analysis of consistent poverty by health related characteristics

The patterns seen in Chapter 2 with regard to the relationship between at risk of poverty rates and health characteristics are also seen in relation to the consistent poverty rate. Of these characteristics only self-reported health status was shown by regression to be independently associated with the likelihood of being in consistent poverty. See *Table 4.4*.

The most notable points include:

- ◆ People with a medical card had a higher consistent poverty rate than those without a medical card (10.5% compared with 1.6%).
- ◆ People with private health insurance had a lower consistent poverty rate than those without it (1.1% compared with 7.7%).
- ◆ Consistent poverty rates were higher for those with worse self reported health, those with chronic illness or those with limited activity.
- ◆ However in all the cases listed above the gap had narrowed between 2007 and 2008 due to a fall in the consistent poverty rates for the group with the higher rate while the rates for those with lower consistent poverty rates were relatively unchanged over the year.

## Consistent poverty excluding SSIA income

The role of SSIA income was discussed in Chapter 1 and its impact on at risk of poverty rates was discussed in Chapter 2. By looking at those who were at risk of poverty excluding SSIA income and the deprivation of those individuals it is also possible to calculate a consistent poverty rate excluding SSIA income.

However, while it is possible to directly estimate the effect of SSIA income on the at risk of poverty rate, the effect on deprivation is less clear as it cannot be said with certainty what the experience of deprivation would have been had there been no SSIA income. Notwithstanding this, it can be noted that consistent poverty rates were not statistically significantly different whether SSIA income was included or excluded. See *Table 4.1*

- ◆ There was no statistically significant difference between the consistent poverty rate excluding SSIA income (4.0%) and the consistent poverty rate including SSIA income (4.2%) in 2008. This was true across the different socio-demographic characteristics analysed.
- ◆ Year on year changes in the consistent poverty rate (excluding SSIA income) across classifications mirrored movements in the consistent poverty rate (including SSIA income) already discussed above.

## Over indebtedness and consistent poverty

Following on from the over indebtedness analysis in Chapters 1 and 2 an analysis in relation to consistent poverty has also been undertaken.

More than half (52.6%) of people in consistent poverty reported that they were in arrears on at least one item in 2008. This compares with 18.8% of people not in consistent poverty. More than 28% of people in consistent poverty had two or more types of arrears in 2008 compared with 6.7% of people not in consistent poverty. See *Table 4.5 and Figure 4f*.

- ◆ Nearly 22% of people who were in consistent poverty were in mortgage or rent arrears in 2008 compared with just over 4% of people not in consistent poverty.
- ◆ Analysis of utility bill arrears revealed a similar trend. Almost 42% of people in consistent poverty had utility bill arrears while just over 6% of people not in consistent poverty reported having arrears.
- ◆ However, a higher percentage of people not in consistent poverty reported having an outstanding credit card balance (9.4% compared with 4.3% of people in consistent poverty).

**Figure 4f Profile of persons in consistent poverty by type of arrears reported, SILC 2008**

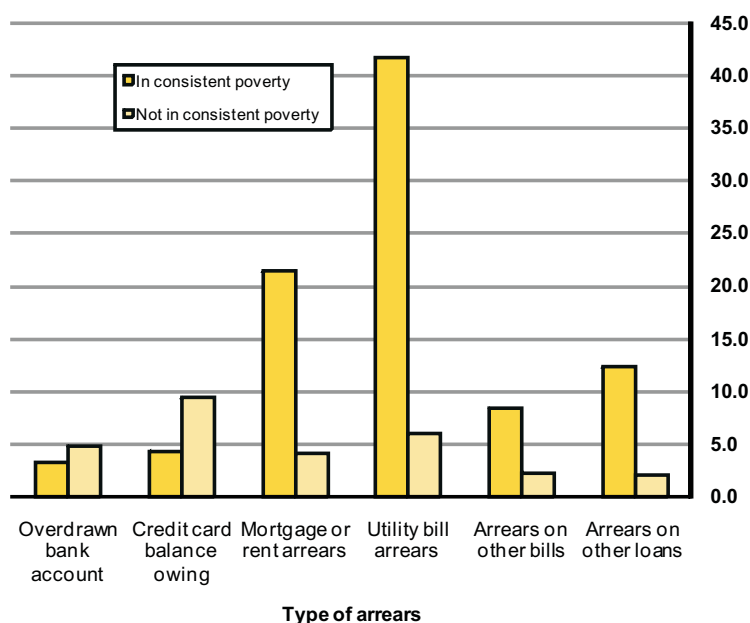


Table 4.1 Percentage of persons in consistent poverty including and excluding SSIA income by year

% of individuals

	Consistent poverty rate		Consistent poverty rate excluding SSIA income	
	2007	2008	2007	2008
	%	%	%	%
<b>State</b>	<b>5.1</b>	<b>4.2</b>	<b>5.0</b>	<b>4.0</b>
<b>Sex</b>				
Male	5.0	4.0	4.9	3.8
Female	5.2	4.5	5.0	4.3
<b>Age group</b>				
0-17	7.4	6.3	7.2	6.1
18-64	4.7	3.9	4.5	3.6
65-74	2.1	1.7	2.0	1.7
75+	1.9	1.0	1.5	0.9
<b>Principal Economic Status (aged 16 years and over)</b>				
At work	1.3	1.1	1.2	1.1
Unemployed	17.5	9.7	16.6	9.7
Student	7.6	4.3	7.9	4.3
Home duties	6.6	6.9	6.2	6.7
Retired	2.1	1.1	2.2	1.0
Not at work due to illness or disability	15.8	13.2	14.1	10.4
<b>Highest education level attained (aged 16 years and over)</b>				
Primary or below	8.5	8.0	8.0	7.3
Lower secondary	6.1	4.9	5.8	4.7
Higher secondary	3.8	2.5	3.7	2.5
Post leaving cert	2.4	1.7	2.2	1.7
Third level non degree	1.0	0.8	1.2	0.7
Third level degree or above	0.9	0.3	0.9	0.3
<b>Household composition</b>				
1 adult aged 65+,no children under 18	4.1	0.9	2.6	0.9
1 adult aged <65,no children under 18	12.5	9.8	11.9	9.0
2 adults, at least 1 aged 65+, no children under 18	1.0	1.7	0.8	1.8
2 adults, both aged <65, no children under 18	3.4	4.8	2.9	4.3
3 or more adults, no children aged under 18	3.5	0.5	3.8	0.5
1 adult with children	20.1	17.8	19.8	17.8
2 adults with 1-3 children	2.6	3.0	2.5	2.9
Other households with children	6.0	4.1	5.9	3.8
<b>Number of persons at work in the household</b>				
0	16.3	13.2	15.8	12.3
1	4.0	3.1	3.8	3.1
2	1.3	0.9	1.3	0.9
3+	0.0	0.0	0.0	0.0
<b>Tenure status</b>				
Owner-occupied	2.5	2.3	2.4	2.2
Rented at the market rate	5.7	2.9	5.3	2.9
Rented at below the market rate or rent free	20.7	16.4	20.1	15.7
<b>Urban/rural location</b>				
Urban areas	5.7	4.2	5.5	3.9
Rural areas	4.3	4.3	4.1	4.3
<b>Region</b>				
Border	8.4	4.6	7.6	4.6
Midland	9.3	7.6	9.0	7.4
West	3.1	4.2	3.1	4.2
Dublin	5.0	3.5	5.0	3.4
Mid-East	2.3	2.3	2.0	2.3
Mid-West	3.6	3.5	3.5	3.0
South-East	7.5	4.4	7.3	4.0
South-West	3.9	5.7	3.7	5.3

Table 4.2 Profile of population and those in consistent poverty by demographic characteristics and year

% of individuals

	2007			2008		
	Consistent poverty rate	Population	In consistent poverty	Consistent poverty rate	Population	In consistent poverty
<b>State</b>	5.1	100.0	100.0	4.2	100.0	100.0
<b>Sex</b>						
Male	5.0	50.0	49.0	4.0	49.9	46.9
Female	5.2	50.0	51.0	4.5	50.1	53.1
<b>Age group</b>						
0-17	7.4	27.2	39.1	6.3	26.1	38.7
18-64	4.7	62.0	56.6	3.9	63.0	57.8
65-74	2.1	6.0	2.5	1.7	6.1	2.4
75+	1.9	4.8	1.8	1.0	4.8	1.1
<b>Principal Economic Status (aged 16 years and over)</b>						
At work	1.3	41.5	10.1	1.1	40.6	10.5
Unemployed	17.5	3.9	13.4	9.7	5.1	11.7
Student	7.6	9.2	13.6	4.3	8.1	8.3
Home duties	6.6	12.2	15.7	6.9	12.6	20.6
Retired	2.1	6.7	2.7	1.1	6.6	1.6
Not at work due to illness or disability	15.8	3.3	10.1	13.2	3.7	11.5
Children under 16 years of age	7.6	22.4	33.3	6.4	22.4	34.0
<b>Highest education level attained (aged 16 years and over)</b>						
Primary or below	8.5	16.1	26.6	8.0	16.6	31.4
Lower secondary	6.1	15.6	18.5	4.9	14.5	17.2
Higher secondary	3.8	20.4	15.0	2.5	19.8	11.8
Post leaving cert	2.4	5.7	2.7	1.7	6.0	2.4
Third level non degree	1.0	6.7	1.3	0.8	6.4	1.2
Third level degree or above	0.9	12.0	2.2	0.3	13.1	0.9
Children under 16 years of age	7.6	22.4	33.3	6.4	22.4	34.0
<b>Household composition</b>						
1 adult aged 65+, no children under 18	4.1	3.6	2.8	0.9	3.4	0.7
1 adult aged <65, no children under 18	12.5	4.0	9.7	9.8	4.3	8.4
2 adults, at least 1 aged 65+, no children under 18	1.0	7.2	1.3	1.7	7.6	3.0
2 adults, both aged <65, no children under 18	3.4	10.6	6.9	4.8	11.4	11.2
3 or more adults, no children aged under 18	3.5	14.9	10.1	0.5	15.9	1.4
1 adult with children	20.1	7.3	28.4	17.8	6.1	29.1
2 adults with 1-3 children	2.6	30.9	15.5	3.0	31.7	24.0
Other households with children	6.0	21.6	25.2	4.1	19.5	22.2
<b>Number of persons at work in the household</b>						
0	16.3	21.1	67.0	13.2	22.0	69.1
1	4.0	30.6	24.0	3.1	32.0	23.3
2	1.3	35.9	9.0	0.9	34.8	7.6
3+	0.0	12.4	0.0	0.0	11.2	0.0
<b>Tenure status</b>						
Owner-occupied	2.5	78.1	37.2	2.3	76.9	41.9
Rented at the market rate	5.7	8.7	9.7	2.9	10.1	6.4
Rented at below the market rate or rent free	20.7	13.2	53.1	16.4	13.0	51.7
<b>Urban/rural location</b>						
Urban areas	5.7	63.1	69.4	4.2	62.7	61.8
Rural areas	4.3	36.9	30.6	4.3	37.3	38.2
<b>Region</b>						
Border	8.4	11.3	18.5	4.6	11.0	11.9
Midland	9.3	5.9	10.7	7.6	6.1	11.1
West	3.1	9.8	5.9	4.2	10.0	9.9
Dublin	5.0	27.9	27.2	3.5	27.5	23.1
Mid-East	2.3	11.4	5.0	2.3	11.7	6.3
Mid-West	3.6	8.1	5.6	3.5	8.3	6.8
South-East	7.5	11.1	16.3	4.4	11.0	11.5
South-West	3.9	14.5	10.8	5.7	14.3	19.5

**Table 4.3 Profile of population and those in consistent poverty by demographic characteristics of the head of household and year**

	2007		2008	
	Consistent poverty rate	Population	In consistent poverty	Population
<b>State</b>	5.1	100.0	100.0	100.0
<b>Sex (head of household)</b>				
Male	4.2	61.9	50.3	63.8
Female	6.7	38.1	49.7	36.2
<b>Age group (head of household)</b>				
18-64	5.7	85.9	94.8	86.0
65-74	1.9	7.6	2.8	7.8
75+	1.9	6.5	2.4	6.1
<b>Principal Economic Status (head of household)</b>				
At work	2.0	63.7	25.2	63.4
Unemployed	15.0	4.3	12.5	5.8
Student	21.8	1.8	7.5	1.3
Home duties	11.1	15.1	32.6	14.1
Retired	1.7	10.4	3.4	9.7
Not at work due to illness or disability	21.8	4.3	18.3	5.2
<b>Highest education level attained (head of household)</b>				
Primary or below	8.9	24.6	42.4	25.3
Lower secondary	7.3	20.9	29.6	19.4
Higher secondary	4.5	19.5	17.0	19.0
Post leaving cert	2.7	8.3	4.3	7.9
Third level non degree	1.0	9.1	1.8	9.5
Third level degree or above	1.0	16.1	3.1	17.7

% of individuals

**Table 4.4 Consistent poverty rate<sup>1</sup> by key health-related characteristics and year**  
 % of individuals

	Consistent Poverty Rate		
	2006	2007	2008
	%	%	%
<b>Total population</b>			
<b>Medical card</b>			
Yes	16.9	15.5	10.5
No	2.2	1.3	1.6
<b>Private medical insurance</b>			
Yes	0.8	1.0	1.1
No	12.4	10.6	7.7
<b>Covered by either medical card or private medical insurance</b>			
Yes	7.7	7.2	5.2
No	4.7	2.6	2.6
<b>Population aged 16 years and over</b>			
<b>Chronic illness or health problem</b>			
Yes	8.8	8.5	6.4
No	4.7	4.1	3.2
<b>Limited activity</b>			
Strongly limited	12.8	13.1	7.9
Limited	10.2	8.9	6.8
Not limited	4.5	4.0	3.2
<b>Health Status</b>			
Very good	3.8	3.0	2.4
Good	5.6	5.3	4.2
Fair	10.5	10.3	7.2
Bad/very bad	16.9	17.3	12.4
<b>Smoker</b>			
Yes	11.2	8.4	6.1
No	3.9	4.1	3.3

<sup>1</sup> After social transfers, 60% median income threshold.

Table 4.5 Profile of the population in consistent poverty by the type of arrears reported, SILC 2008

% of households

	Profile of the population			Sample Size
	Population	In consistent poverty	Not in consistent poverty	
<b>State</b>	100.0	100.0	100.0	5,247
<b>Number of items in arrears</b>				
0	79.7	47.4	81.2	4,431
1	12.6	24.2	12.1	530
2+	7.7	28.4	6.7	286
<b>Overdrawn bank account</b>				
Yes	4.8	3.3	4.8	203
No	95.3	96.7	95.2	5,044
<b>Credit card balance owing</b>				
Yes	9.1	4.3	9.4	334
No	90.9	95.7	90.6	4,913
<b>Mortgage or rent arrears</b>				
Yes	4.9	21.5	4.1	174
No	95.1	78.5	95.9	5,073
<b>Utility bill arrears</b>				
Yes	7.7	41.8	6.1	306
No	92.4	58.2	93.9	4,941
<b>Arrears on other bills</b>				
Yes	2.6	8.3	2.3	99
No	97.5	91.7	97.7	5,148
<b>Arrears on other loans</b>				
Yes	2.4	12.3	2.0	98
No	97.6	87.7	98.0	5,149

## Chapter 5

### EU comparison and indicators

#### Key Findings

- ◆ In 2007, the average at risk of poverty rate for the EU was 16%, with Latvia reporting the highest rate at 21% and Ireland reporting a rate above the EU average at 18%.
- ◆ The Netherlands and the Czech Republic recorded the lowest at risk of poverty rates in the EU in 2007 at 10%.
- ◆ In 2007, Ireland reported an in-work at risk of poverty rate of 6% which compares with an EU-25 average of 8%.
- ◆ At 31% the Gini coefficient calculated for Ireland was just above the EU average in 2007 of 30%, while the income quintile share ratio equalled the EU average of 4.8.
- ◆ More than 16% of persons in Ireland in 2008 experienced 3 or more of the 9 EU deprivation items.

#### Background information

As already outlined in Chapter 1, the EU definition of gross income differs from the national definition of income in that it does not include income from private pensions or the value of goods produced for own consumption. Employer's social insurance contributions are included in the national definition of gross income but excluded from the EU definition.

Furthermore, Eurostat use an alternative equivalence scale (the modified OECD scale) to that used for national indicators in Ireland. The modified OECD equivalence scale assigns the first adult a value of 1, each subsequent adult a value of 0.5 and each child a value of 0.3. As the values for subsequent adults and children are lower than the national scale used in Ireland, higher equivalised incomes are yielded by this methodology other than for single adult households who have a value of 1 under both scales. The effect on the at risk of poverty threshold is that a higher threshold for Ireland is used under EU definitions (€13,180 in 2007, compared with the national threshold of €11,890). As a result of this higher threshold higher proportions of people in single adult households will be found to be at risk of poverty as their equivalised income is the same as calculated nationally but the at risk of poverty threshold is higher.

In the case of indicators for Ireland at State level the effect of these differences has generally been that a higher at risk of poverty rate is recorded using EU definitions than national definitions

A new EU Common Deprivation Indicator was introduced in 2008. It consists of nine deprivation items listed below. If an individual experienced three or more of these items they are deemed to be deprived.

List of 9 Common EU Deprivation Indicators:

1. Unable to afford to face unexpected expenses
2. Unable to afford one week annual holiday away from home
3. Unable to afford to pay for arrears (mortgage, rent, bills)
4. Unable to afford a meal with meat, chicken or fish
5. Unable to afford to keep the home adequately warm
6. Unable to afford a washing machine
7. Unable to afford a colour TV
8. Unable to afford a telephone
9. Unable to afford a car

Other measures included in this chapter are outlined below:

**Aggregate replacement ratio:** The aggregate replacement ratio is the ratio of the median income from pensions of retired persons aged 65-74 to the median income from earnings of persons aged 50-59. For this indicator personal (non-equivalised) income is used. Only persons, who have been retired or in work, for each month of the income reference period are considered for this indicator. The purpose of the indicator is to measure the generosity of pensions across the EU.

**In-work at risk of poverty rate:** The in-work poor are defined as those individuals who are classified as employed (according to their most frequent activity status) and whose equivalised disposable income is below 60% of national median equivalised income.

All other indicators presented in Table 5.1 are calculated in the same fashion as those discussed in earlier chapters of this report but using the Eurostat definition of income and the alternative OECD equivalence scale.

The international comparison information presented in this chapter is based on 2007 results, the latest available at EU level. However, results relating to the 9 EU deprivation indicators refer to 2008. Eurostat is releasing 2008 results for EU member states on an incremental basis with a full set of results for all member states expected to be available in mid-January 2010.

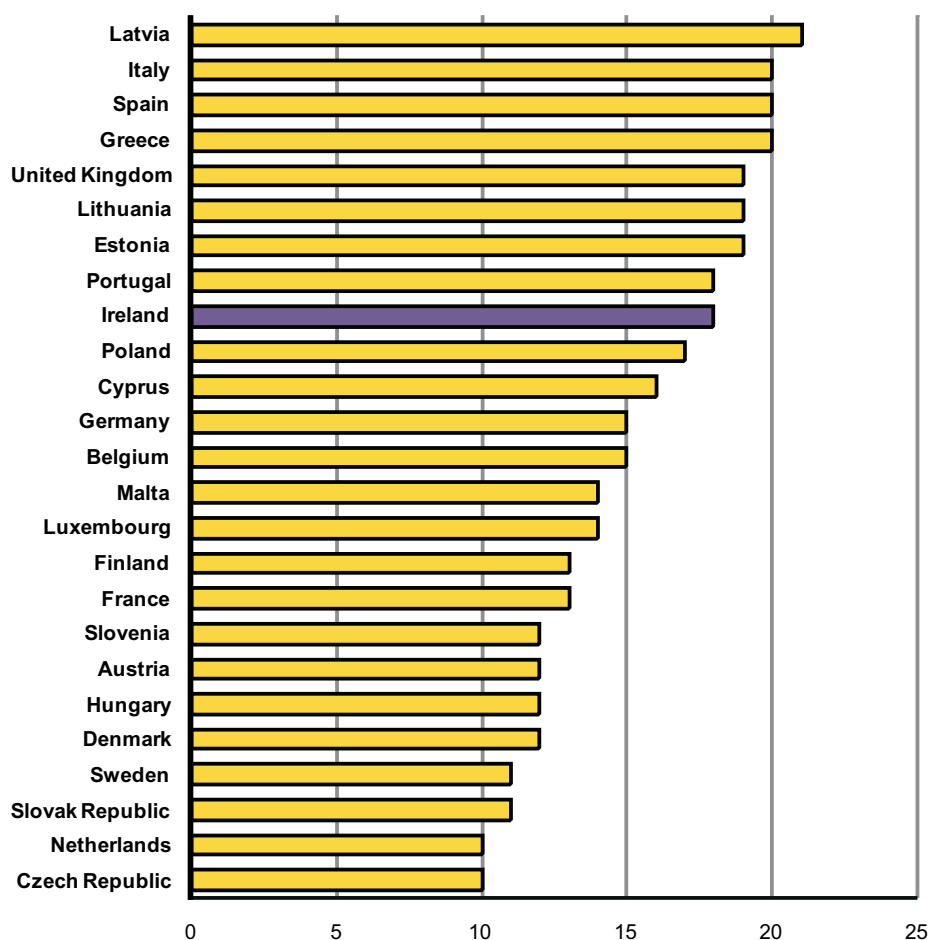
## Summary of results

### International comparison

The at risk of poverty rate across the EU in 2007 was 16%.

- ◆ Latvia (21%) recorded the highest at risk of poverty rate out of the EU-25 countries followed by Italy, Greece and Spain (all 20%).
- ◆ The Netherlands and the Czech Republic had the lowest rate at 10% followed by the Slovak Republic and Sweden (both 11%).
- ◆ Ireland had an at risk of poverty rate of 18% which was two percentage points above the EU-25 average and ranked joint 9<sup>th</sup> highest in the EU-25 with Portugal in 2007. See *Table 5.1 and Figure 5a*.

Figure 5a The at risk of poverty rate (EU definition of income and modified OECD scale) by country, SILC 2007



The at risk of poverty rate at the 60% threshold, including old-age and survivors benefit but excluding all other social transfers, was 26% across the EU-25 falling to 16% when all social transfers were included. The effect of the inclusion of all social transfers had significantly different levels of impact on the at risk of poverty rate across EU member states.

- ◆ Ireland's rate including old-age and survivors benefit but excluding all other social transfers was 33%, the highest of any EU member state and 7 percentage points above the EU average. However, when all social transfers were included Ireland's at risk of poverty rate fell to 18%, just two percentage points above the EU average. This suggests the effect of the inclusion of social transfers is relatively greater in Ireland than is seen on average across other EU member states.
- ◆ Among a number of member states the effect of inclusion of all social transfers was to decrease the at risk of poverty rate by half or more, including:
  - ◆ Czech Republic (20% before, 10% after)
  - ◆ France (26% before, 13% after)
  - ◆ Denmark (27% before, 12% after)
  - ◆ Hungary (29% before, 12% after)
  - ◆ Netherlands (21% before, 10% after)
  - ◆ Austria (25% before, 12% after)
  - ◆ Finland (29% before, 13% after)
  - ◆ Sweden (28% before, 11% after)

- ◆ Member states where the effect of the inclusion of social transfers was relatively less included Greece, Spain and Italy all of whom had an at risk of poverty rate of 24% including survivor and old age benefits but excluding other social transfers, falling by four percentage points to 20% when all social transfers were included:

The in-work at risk of poverty rate indicates the percentage of persons at risk of poverty who are at work. The in-work at risk of poverty rate for the EU area in 2007 was 8%.

- ◆ Greece reported the highest rate at 14% while the Czech Republic reported the lowest rate at 3%. Ireland reported an in-work at risk of poverty rate of 6%, two percentage points below the EU-25 rate and joint 9<sup>th</sup> lowest in the EU with France, Cyprus, Hungary and Austria.

The aggregate replacement ratio for the EU-25 was 0.49 indicating that income from pensions of persons aged 65-74 was just under half the personal income from earnings of persons aged 50-59 who were at work.

- ◆ Sweden, Austria, Luxembourg and France reported the highest aggregate replacement ratios in 2007 at 0.61 while Cyprus reported the lowest ratio at 0.29.
- ◆ Ireland had an aggregate replacement ratio of 0.47 which equalled the ratio reported by Estonia, Portugal and Spain.

Across the EU-25 the relative at risk of poverty gap was 22% indicating that the median income of persons who were at risk of poverty was 22% below the at risk of poverty threshold in 2007. The highest at risk of poverty gap was reported by both Greece and Lithuania at 26% while the lowest at risk of poverty gap was reported by Finland at 14%. Ireland had an at risk of poverty gap of 18%, four percentage points below the EU average, joint 7<sup>th</sup> lowest in the EU and equalling the rate reported by Belgium and the Czech Republic.

Analysis of the equality of income distribution in the EU-25 revealed an average Gini coefficient of 30% and an income quintile share ratio of 4.8.

- ◆ Portugal had the most unequal income distribution in 2007 with a Gini coefficient of 37% and an income quintile share ratio of 6.5.
- ◆ Sweden and Slovenia recorded the lowest Gini coefficient at 23% while Slovenia also recorded the lowest income quintile share ratio at 3.3.
- ◆ Ireland had a Gini coefficient of 31% just above the EU-25 average and an income quintile share ratio of 4.8 equalling the EU-25 average.

## EU deprivation indicators

A set of new EU deprivation indicators introduced in 2008 revealed that 16.3% of persons in Ireland experienced three or more of the nine deprivation indicators outlined earlier in this Chapter. Almost 49% of people experienced at least one indicator while the three most commonly experienced items were an inability to face unexpected expenses (40.3%), an inability to afford one week annual holiday away from home (30.3%) and an inability to afford to pay arrears (15.5%). See *Table 5.2 and 5.3*.

Analysis by household type revealed that persons living in lone parent households were by far the most deprived group. See *Table 5.4 and 5.5*.

- ◆ Almost 81% of persons living in lone parent households experienced at least one of the nine deprivation items while almost 53% reported experiencing three or more. This group experienced significantly higher deprivation rates than any other household type across almost all the listed items.
- ◆ Almost 74% of persons living in lone parent households experienced an inability to afford to face unexpected expenses, 63.3% were unable to afford a one week annual holiday away from home,

42.7% were unable to afford to pay for arrears in bills, 27.7% were unable to afford a telephone and 25.5% were unable to afford a car.

Comparable data for these deprivation indicators for other EU member states was not available at the time of this publication. They are expected to be published by Eurostat in January 2010. See the following link to Eurostat's website for more information:

[http://epp.eurostat.ec.europa.eu/portal/page/portal/living\\_conditions\\_and\\_social\\_protection/introduction](http://epp.eurostat.ec.europa.eu/portal/page/portal/living_conditions_and_social_protection/introduction)

**Table 5.1 Key indicators of poverty and social exclusion (EU definition of income and equivalence scale) in EU member states<sup>1</sup>, 2007**  
% of individuals

Region	At risk of poverty rate (Equivalentised total disposable income)				Aggregate replacement ratio	Relative at risk of poverty gap	Gini coefficient	Income distribution (income quintile share ratio)
	Including all social transfers	(60% median income threshold) Including old-age and survivors' but excluding all other social transfers	In work at risk of Poverty Rate after Social transfers					
EU-25	16	26	8	0.49	22	30	4.8	
EU-15	17	26	8	0.48	22	30	4.9	
Eurozone <sup>2</sup>	16	25	8	0.49	22	30	4.8	
Belgium	15	28	4	0.44	18	26	3.9	
Czech Republic	10	20	3	0.51	18	25	3.5	
Denmark	12	27	4	0.39	17	25	3.7	
Germany	15	25	7	0.45	24	30	5.0	
Estonia	19	25	8	0.47	20	33	5.5	
Greece	20	24	14	0.40	26	34	6.0	
Spain	20	24	11	0.47	24	31	5.3	
France	13	26	6	0.61	17	26	3.8	
<b>Ireland</b>	<b>18</b>	<b>33</b>	<b>6</b>	<b>0.47</b>	<b>18</b>	<b>31</b>	<b>4.8</b>	
Italy	20	24	10	0.49	22	32	5.5	
Cyprus	16	21	6	0.29	20	30	4.5	
Latvia	21	27	10	0.38	25	35	6.3	
Lithuania	19	26	8	0.40	26	34	5.9	
Luxembourg	14	23	9	0.61	19	27	4.0	
Hungary	12	29	6	0.58	20	26	3.7	
Malta	14	22	4	0.50	17	26	3.8	
Netherlands	10	21	5	0.42	17	28	4.0	
Austria	12	25	6	0.61	17	26	3.8	
Poland	17	27	12	0.58	24	32	5.3	
Portugal	18	24	10	0.47	24	37	6.5	
Slovenia	12	23	5	0.44	19	23	3.3	
Slovak Republic	11	18	5	0.54	19	24	3.5	
Finland	13	29	5	0.46	14	26	3.7	
Sweden	11	28	7	0.61	20	23	3.4	
United Kingdom	19	30	8	0.41	23	33	5.5	

Source: Eurostat and Survey on Income and Living Conditions (SILC) in Ireland.

Note: <sup>1</sup> Trends in some member states may be affected by changes in methodology.

<sup>2</sup> Eurozone consists of EU15 states with the exceptions of Denmark, Sweden and United Kingdom.

**Table 5.2 The number of EU deprivation indicators experienced by individuals in Ireland, 2008**

		% of individuals in Ireland
<b>Number of deprivation indicators experienced</b>		<b>2008</b>
0		51.3
1		18.3
2		14.1
3+		16.3
<b>Total</b>		<b>100.0</b>

**Table 5.3 Percentage of the population in Ireland experiencing each type of EU defined deprivation, 2008**

		% of individuals in Ireland
<b>Deprivation Indicators</b>		<b>2008</b>
Unable to afford to face unexpected expenses		40.3
Unable to afford one week annual holiday away from home		30.3
Unable to afford to pay for arrears (mortgage, rent, bills)		15.5
Unable to afford a meal with meat, chicken or fish		3
Unable to afford to keep the home adequately warm		3.7
Unable to afford a washing machine		0.4
Unable to afford a colour TV		0.1
Unable to afford a telephone		7.1
Unable to afford a car		8.4

**Table 5.4 Percentage of the population in Ireland reporting deprivation (EU definition) by household composition and the number of deprivation items experienced, 2008**

Number of deprivation indicators experienced (EU definition)	% of individuals in Ireland								
	1 adult aged 65+, no children under 18	1 adult aged <65, no children under 18	1 adult 2 adults, at least 1 aged 65+, no children under 18	2 adults, both aged <65, no children under 18	3 or more adults, no children under 18	1 adult, with children	2 adults, with 1-3 children	Other households with children	Total households
2008									
0	44.5	45.1	56.5	57.3	53.5	19.3	54.2	53.4	51.3
1	23.6	17.1	20.7	15.8	19.2	12.8	21.0	15.2	18.3
2	22.6	12.6	15.0	14.5	16.6	15.0	12.0	14.0	14.1
3+	9.4	25.3	7.8	12.4	10.7	52.9	12.8	17.4	16.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Table 5.5 Percentage of the population in Ireland reporting deprivation (EU definition), by household composition and type of deprivation, 2008**

Deprivation Indicators	% of individuals in Ireland								
	1 adult aged 65+, no children	1 adult aged <65, no children	2 adults, at least 1 aged 65+, no children	2 adults, both aged <65, no children	3 or more adults, no children	1 adult, with children	2 adults, with 1-3 children	Other households with children	Total households
2008									
Unable to afford to face unexpected expenses	43.0	46.3	32.2	35.9	36.2	73.4	37.7	39.4	40.3
Unable to afford one week annual holiday away from home	36.0	35.8	30.0	23.5	30.0	63.3	23.6	31.7	30.3
Unable to afford to pay for arrears (mortgage, rent, bills)	3.3	14.1	3.0	11.5	10.3	42.7	14.6	19.1	15.5
Unable to afford a meal with meat, chicken or fish	2.0	6.9	2.2	3.5	1.6	8.5	1.6	3.7	3.0
Unable to afford to keep the home adequately warm	4.3	7.8	3.0	3.4	2.3	10.6	2.7	3.4	3.7
Unable to afford a washing machine	2.5	4.0	0.5	0.0	0.0	0.0	0.3	0.3	0.4
Unable to afford a colour TV	0.1	0.6	0.1	0.1	0.0	0.8	0.0	0.0	0.1
Unable to afford a telephone	0.9	9.2	1.2	4.0	4.3	27.7	5.8	7.9	7.1
Unable to afford a car	8.9	21.1	6.5	12.0	8.6	25.5	4.6	5.7	8.4

# Appendix 1

## Sample size

Table A1 Sample size by demographic characteristics and by year

	Number of individuals	
	2007	2008
<b>State</b>	<b>13,691</b>	<b>12,551</b>
<b>Sex</b>		
Male	6,613	6,079
Female	7,078	6,472
<b>Age group</b>		
0-17	3,202	2,801
18-64	7,597	7,011
65-74	1,532	1,478
75+	1,360	1,261
<b>Principal Economic Status (aged 16 years and over)</b>		
At work	5,096	4,536
Unemployed	401	490
Student	803	723
Home duties	2,295	2,121
Retired	1,643	1,586
Not at work due to illness or disability	557	558
<b>Highest education level attained (aged 16 years and over)</b>		
Primary or below	3,143	2,926
Lower secondary	2,084	1,898
Higher secondary	2,402	2,199
Post leaving cert	758	746
Third level non degree	852	770
Third level degree or above	1,535	1,473
<b>Household composition</b>		
1 adult aged 65+,no children under 18	1,058	907
1 adult aged <65,no children under 18	724	673
2 adults, at least 1 aged 65+, no children under 18	1,802	1,742
2 adults, both aged <65, no children under 18	1,440	1,340
3 or more adults, no children aged under 18	2,019	1,648
1 adult with children	728	783
2 adults with 1-3 children	3,604	3,338
Other households with children	2,316	2,120
<b>Number of persons at work in the household</b>		
0	3,992	3,904
1	4,222	3,978
2	4,244	3,644
3+	1,233	1,025
<b>Tenure status</b>		
Owner-occupied	11,210	10,225
Rented at the market rate	865	780
Rented at below the market rate or rent free	1,616	1,546
<b>Urban/rural location</b>		
Urban areas	8,597	7,760
Rural areas	5,094	4,791
<b>Region</b>		
Border	1,402	1,332
Midland	790	685
West	1,160	929
Dublin	3,700	3,322
Mid-East	1,386	1,183
Mid-West	1,347	1,316
South-East	1,532	1,401
South-West	2,374	2,383

Table A2 Sample size by health characteristics and by year

		Number of individuals		
		2006	2007	2008
<b>State</b>		<b>14,634</b>	<b>13,691</b>	<b>12,551</b>
	<b>Medical card</b>			
	Yes	5,567	5,476	5,055
	No	9,067	8,215	7,496
	<b>Private medical insurance</b>			
	Yes	7,002	6,605	6,049
	No	7,632	7,086	6,502
	<b>Covered by either medical card or private medical insurance</b>			
	Yes	11,677	11,024	10,087
	No	2,957	2,667	2,464
<b>Population aged 16 years and over</b>		<b>11,479</b>	<b>10,892</b>	<b>10,116</b>
	<b>Chronic illness or health problem</b>			
	Yes	3,591	3,446	3,125
	No	7,888	7,446	6,991
	<b>Limited activity</b>			
	Strongly limited	912	839	749
	Limited	1,906	1,768	1,800
	Not limited	8,661	8,285	7,567
	<b>Health Status</b>			
	Very good	4,657	4,437	4,024
	Good	4,402	4,230	4,030
	Fair	1,962	1,871	1,733
	Bad/very bad	458	354	329
	<b>Smoker</b>			
	Yes	2,690	2,461	2,272
	No	8,789	8,431	7,844



## Appendix 2

### Background notes

#### Purpose of Survey

The primary focus of SILC is the collection of information on the income and living conditions of different types of households in Ireland, in order to derive indicators on poverty, deprivation and social exclusion. It is a voluntary (for potential respondents) survey of private households. It is carried out under EU legislation (Council Regulation No 1177/2003) and commenced in Ireland in June 2003. This report presents results from the survey based on data collected in the period November 2007 to December 2008.

#### Reference Period

Information is collected continuously throughout the year, with up to 130 households surveyed each week to give a total sample of 5,000 to 6,000 households in each year. In 2008, the achieved sample size was 5,247 households and 12,551 individuals. The income reference period for SILC is the 12 months prior to date of interview. Therefore the income reference period of this report is November 2006 to December 2008.

#### Data Collection

Information is collected from all household members on laptop computers, using Computer-Assisted Personal Interview (CAPI) software.

#### Sample Design

A two-stage sample design was used. This comprised of a first stage sample of 2,600 blocks (or small areas) selected at county level to proportionately represent eight strata reflecting population density. Each block was selected to contain, on average, 75 dwellings.

The eight population density stratum groups used were as follows:

- 1 Cities
- 2 Suburbs of cities
- 3 Mixed urban/rural areas bordering on the suburbs of cities
- 4 Towns and their environs with populations of 5,000 or over (large urban)
- 5 Mixed urban/rural areas bordering on the environs of larger towns
- 6 Towns and their environs with a population of 1,000 to 5,000 (other urban)
- 7 Mixed urban/rural areas
- 8 Rural areas

The second stage of sampling involved the random selection of sample and substitute households for each block. In cases where interviewers could not secure an interview from the sample household, they systematically approached up to three substitute households (in the same block as the sample household), in order to secure a SILC interview. In this manner variations in response by region were controlled.

## Weighting

The first step in the weighting procedure is the calculation of the household design weights. This is the inverse proportion to the probability with which the household was sampled. For SILC, the probability of the selection of a household is based on two elements; the probability of the selection of a block and the probability of selection of a household within that block. The design weights were calculated separately for each wave.

The first step in the weighting procedure is the calculation of the household design weights. This is the inverse proportion to the probability with which the household was sampled. For SILC, the probability of the selection of a household is based on two elements; the probability of the selection of a block and the probability of selection of a household within that block. The design weights were calculated separately for each wave.

For cross-sectional or 'wave 1' households (who entered the sample in 2008), the design weights were calculated as above and adjusted so as to be proportional to the 2008 sample as a whole. No adjustment was made for non-response as substitutions were made for non-responding households.

For longitudinal households (waves 2, 3, 4), base weights were calculated by firstly adjusting the personal weights from the previous year for non-response. The Weight Share Method was then applied to calculate a base weight for the household. These design weights were then adjusted so as to be proportional to the 2008 sample as a whole.

In accordance with Eurostat recommendation, CALMAR (type of software) is used to calculate the household cross-sectional weights. Benchmark information is used to gross up the data to population estimates. The benchmark estimates are based on:

- ◆ Sex: Individual population estimates are generated from population projections from census data. Age is broken down into four categories: 0-14, 15-34, 35-64 and 65 and over.
- ◆ Region: Household population estimates in each of the eight NUTS3 regions are generated using Quarterly National Household Survey (QNHS) data.
- ◆ Household composition: Household composition estimates are also generated from the QNHS. The following categories are used:
  - ◆ One adult, no children
  - ◆ Two adults, no children
  - ◆ Three or more adults, no children
  - ◆ One adult, one or more children
  - ◆ Two adults, one to three children
  - ◆ Other households with children

Due to the "integrative" calibration method, the personal weight generated in CALMAR is equal to the household weight. Because there is no individual non-response within a household, the weights for personal cross-sectional respondents aged 16 and over are the same as the overall personal weight.

## Definitions of income

There are two definitions of income (EU definition and national definition) referred to in this release, the components of which are outlined below. Some key differences between EU and national definitions are:

- ◆ The EU definition of gross income does not include income from 'private pensions'. These are defined as private schemes fully organised by the individual, where contributions are at the discretion of the contributor independently of their employers or the state. Thus, 'private pensions' does not include occupational or state pensions.
- ◆ All contributions to pension plans, except for those to private pension plans as defined above, are deducted from gross income when calculating disposable income under the EU definition. No pension contributions of any kind are deducted from gross income in the calculation of disposable income for national purposes.
- ◆ Employer's social insurance contributions are included in the national definition of income. They are deducted from gross income in the calculation of net income. They are not included in any EU calculations of income. Employer's social insurance contributions include contributions to private health insurance and life assurance schemes.
- ◆ The EU definition of income does not include the value of goods produced for own consumption.

**Gross income:** Income details are collected at both a household and individual level in SILC. In analysis, each individual's income is summed up to household level and in turn added to household level income components to calculate *gross household income*. The components of gross household income are:

### Direct Income:

- ◆ Employee income:
  - ◆ Gross employee cash or near cash income
  - ◆ Gross non-cash employee income
- ◆ Employer's social insurance contributions (not included in EU definition)
- ◆ Gross cash benefits or losses from self-employment
- ◆ Other direct income:
  - ◆ Value of goods produced for own consumption (not included in EU definition)
  - ◆ Pension from individual private plans (not included in EU definition)
  - ◆ Income from rental of property or land
  - ◆ Regular inter-household cash transfers received
- ◆ Interests, dividends, profit from capital investments in unincorporated business
  - ◆ Income received by people aged under 16

### Social Transfers:

- ◆ Unemployment benefits
- ◆ Old-age benefits (note that this includes all occupational pensions and other such social welfare payments to those aged 65 and over)
- ◆ Family/children related allowances

- ◆ Housing allowances
- ◆ Other social transfers
  - ◆ Survivors' benefits
  - ◆ Sickness benefits
  - ◆ Disability benefits
  - ◆ Education-related allowances
  - ◆ Social exclusion not elsewhere classified

**Disposable 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*. The components of disposable household income are gross household income less:

- ◆ Employer's social insurance contributions (not included in EU definition)
- ◆ Regular inter-household cash transfer paid
- ◆ Tax on income and social insurance contributions (National definition of income does deduct any pension contributions. EU definition deducts contributions to state and occupational pensions)

**Equivalence scales:** Equivalence scales are used to calculate the equivalised household size in a household. Although there are numerous scales, we focus on the national scale in this report. The national 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. The weights for each household are then summed to calculate the equivalised household size.

Example:

A household consists of 5 people: 2 adults and 3 children. The National scale gives a weight of 1 to the first adult and 0.66 to each subsequent adult (aged 14+) living in the household, and 0.33 to each child. Thus, this household's *equivalised household size* is  $1 + 0.66 + 0.33 + 0.33 + 0.33 = 2.65$ .

**Equivalised income:** Disposable household income is divided by the equivalised household size to calculate equivalised disposable income for each individual, which essentially 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.

Example:

If a household has a total disposable income of €50,000 and the equivalised household size is 2.65, the equivalised income for this household is €18,868. This income is applied to each member of the household.

### Impact of equivalence scales

Although equivalisation of income is very important in the calculation of poverty indicators, there is no consensus internationally on what the correct equivalence scale is or how it should be derived. The use of different scales can have a substantial impact on poverty rates for particular sub-groups. However, according to research, sensitivity analyses suggest that while the level and, in particular, the composition of income poverty are affected by the use of different equivalence scales, trends over time and rankings across countries are much less affected by the type of scale selected.

### Laeken indicators

In 2001 the Laeken European Council endorsed the first set of 18 common statistical indicators for social inclusion, which will allow monitoring in a comparable way of member states' progress towards agreed EU objectives regarding poverty and social exclusion. They cover four dimensions of social exclusion: financial poverty, employment, health and education.

The Laeken indicators are:

- ◆ At risk of poverty rate by various classifications
- ◆ Inequality of income distribution: S80/S20 quintile share ratio
- ◆ At persistent risk of poverty rate by gender (60% median)
- ◆ Relative at risk of poverty gap
- ◆ Regional cohesion (dispersion of regional employment rates)
- ◆ Long term unemployment rate
- ◆ Persons living in jobless households
- ◆ Early school leavers not in education or training
- ◆ Life expectancy at birth
- ◆ Self-defined health status by income level
- ◆ Dispersion around the at risk of poverty threshold
- ◆ At risk of poverty rate anchored at a moment in time
- ◆ At risk of poverty rate before social transfers by gender
- ◆ Inequality of income distribution: Gini coefficient
- ◆ At persistent risk of poverty rate by gender (50% median)
- ◆ Long term unemployment share
- ◆ Very long term unemployment rate
- ◆ Persons with low educational attainment

### Some Laeken definitions

**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. It is also calculated at 40%, 50% and 70% for comparison. The rate is calculated by ranking persons by 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*.

**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).

**Relative at risk of poverty gap:** This is the difference between the median equivalised income of persons below the at risk of poverty threshold and the at risk of poverty threshold, expressed as a percentage of the at risk of poverty threshold. The purpose of the indicator is to measure how far below the poverty threshold the median income of people at risk of poverty is. The closer the median income is to the threshold the smaller the percentage will be.

Note in previous Living in Ireland Survey (LIIS) publications (source ESRI) the at risk of poverty gap was calculated on the basis of the mean income of those at risk of poverty rather than the median, which is the basis for the calculation in SILC.

**At risk of poverty rate before social transfers:** This indicator is calculated based on two alternative measures of equivalised income. The first calculates equivalised income as the total disposable household income including old-age and survivors' benefits but excluding all other social transfers. The second excludes all social transfers. Any person with an equivalised income before social transfers of less than 60% of the median **after** social transfers is considered at risk of poverty before social transfers (i.e. the same threshold is used for calculating the rate before and after social transfers).

**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 (i.e. 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.

**At risk of poverty rate anchored at a moment in time:** For a given year n, the "at risk of poverty rate anchored at a moment in time" is the share of the population whose income in a given year is below a risk of poverty threshold calculated in the standard way for a previous base year and then up-dated for inflation. The purpose of this indicator is to get some indication of the changes in 'absolute poverty' over time. In this publication the threshold for 2005 is adjusted in line with inflation for each year 2006-2008.

In Ireland, SILC is a continuous survey with an income reference period of 12 months prior to date of interview. Consequently the reference period varies from one respondent to another depending on the date of interview. This generates a 'floating' income reference period for the income data. An individual interviewed in January of a year n would have a reference period of January to December n-1, with a central point of July n-1. A person interviewed in December of year n would have a reference period of December of year n-1 to November of year n and a central point of June of year n. In order to calculate the index for the base year, the average over the central points of the relevant period was taken. That is:

From 2005 to 2008, interviews were conducted over full years, resulting in the following monthly indices:

Month	CPI	Month	CPI	Month	CPI	Month	CPI
Jul-04	108.7	Jul-05	111.3	Jul-06	116	Jul-07	121.658
Aug-04	109.3	Aug-05	111.8	Aug-06	116.8	Aug-07	122.248
Sep-04	109.4	Sep-05	112.7	Sep-06	117.2	Sep-07	122.602
Oct-04	109.5	Oct-05	112.8	Oct-06	117.2	Oct-07	122.72
Nov-04	109.7	Nov-05	112.6	Nov-06	117.6	Nov-07	123.428
Dec-04	109.8	Dec-05	112.5	Dec-06	118	Dec-07	123.546
Jan-05	108.9	Jan-06	112.2	Jan-07	117.9	Jan-08	122.956
Feb-05	109.8	Feb-06	113.4	Feb-07	118.9	Feb-08	124.49
Mar-05	110.1	Mar-06	113.9	Mar-07	119.7	Mar-08	125.67
Apr-05	110.6	Apr-06	114.8	Apr-07	120.6	Apr-08	125.788
May-05	111	May-06	115.3	May-07	121.1	Mar-08	126.732
Jun-05	111.3	Jun-06	115.6	Jun-07	121.4	Jun-08	127.322
<b>Average:</b>	<b>109.8</b>	<b>Average:</b>	<b>113.2</b>	<b>Average:</b>	<b>118.5</b>	<b>Average:</b>	<b>124.1</b>

The threshold for 2005 (the base year) was €10,057. The threshold for each other year was calculated as follows:

- ◆ Threshold(2005)=€10,057
- ◆ Threshold(2006)=€10,057/109.8417\*113.2417= €10,368.3

$$\blacklozenge \text{ Threshold}(2007)=\text{€}10,057/109.8417*118.5333=\text{€}10,852.79$$

$$\blacklozenge \text{ Threshold}(2008)=\text{€}10,057/109.8417*124.0967=\text{€}11,362.17$$

The at risk of poverty rate anchored in 2005 in a given year is the proportion of the population in that given year with an equivalised income below the corresponding threshold above.

### National Anti-Poverty Strategy (NAPS) indicators

At a national level, data from the SILC is used to monitor and evaluate progress towards achieving the targets set out in the National Anti-Poverty Strategy (NAPS). The NAPS was initiated by the Government after the 1995 United Nations Social Summit in Copenhagen, Denmark. The strategy, launched in 1997, sets out the extent of poverty, identifies the main themes, and formulates strategic responses to combat poverty in Ireland. The strategic aims of the NAPS fall into five key areas:

- ◆ Educational disadvantage
- ◆ Unemployment
- ◆ Income adequacy
- ◆ Disadvantaged urban areas
- ◆ Rural poverty

The key NAPS indicator derived from SILC is the consistent poverty measure, which combines relative income measures with a lack of what are considered to be basic resources. Originally the NAPS referred to the calculation of the threshold as 60% of the **mean** equivalised income, but it is now generally accepted that 60% of the **median** is a more appropriate method.

### Consistent poverty

The consistent poverty measure looks at those persons who are defined as being at risk of poverty and assesses the extent to which this group may be excluded and marginalised from participating in activities which are considered the norm for other people in society. The identification of the marginalised or deprived is currently achieved on the basis of a set of eleven basic deprivation indicators:

1. Two pairs of strong shoes
2. A warm waterproof overcoat
3. Buy new (not second-hand) clothes
4. Eat a meal with meat, chicken, fish (or vegetarian equivalent) every second day
5. Have a roast joint or its equivalent once a week
6. Had to go without heating during the last year through lack of money
7. Keep the home adequately warm
8. Buy presents for family or friends at least once a year
9. Replace any worn out furniture
10. Have family or friends for a drink or meal once a month
11. Have a morning, afternoon or evening out in the last fortnight for entertainment

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 the eleven basic deprivation items listed above (Note that it is enforced deprivation that is relevant in this context. For example, a household may not have a roast once a week. The household is classified as deprived of this basic indicator only if the reason they didn't have it was because they could not afford it).

## Further information

### Statistical significance

All estimates based on sample surveys are subject to error, some of which is measurable. Where an estimate is statistically significantly different from another estimate it means that we can be 95% confident that differences between those two estimates are not due to sampling error.

### Principal Economic Status Classification

Results are available using the Principal Economic Status (PES) classification, which is also used in the Quarterly National Household Survey (QNHS) and the Census of Population. The PES classification is based on a combination of questions in which respondents aged 16 or over are asked what their usual situation is with regard to employment and their responses are categorised as follows:

- ◆ At work
- ◆ Unemployed
- ◆ Student
- ◆ Engaged on home duties
- ◆ Retired
- ◆ Unable to work due to illness or disability

### Number of people at work in the household

A person is defined as 'at work' based on their PES response as above.

### Household reference person

The household reference person is the person in the household considered responsible for the accommodation. If two people are considered responsible, the elder of the two is defined as the household reference person.

### Household composition

For the purposes of deriving household composition, a child was defined as any member of the household aged 17 or under. Households were analysed as a whole, regardless of the number of family units within the household. The categories of household composition are:

- ◆ 1 adult aged 65+, no children under 18
- ◆ 1 adult aged <65, no children under 18
- ◆ 2 adults at least 1 aged 65+, no children under 18

- ◆ 2 adults, both aged <65, no children under 18
- ◆ 3 or more adults, no children aged under 18
- ◆ 1 adult, with children
- ◆ 2 adults with 1-3 children
- ◆ Other households with children

### Tenure status

Tenure status refers to the nature of the accommodation in which the household resides. Responses are classified into the following three categories;

- ◆ Owner-occupied
- ◆ Rented at the market rate
- ◆ Rented at below the market rate or rent free

### Urban/rural location

As previously stated, during sample design, the country is divided up into 8 strata based on population density. These areas are further classified into urban and rural areas as follows:

- ◆ Urban
  - ◆ Cities
  - ◆ Suburbs of cities
  - ◆ Mixed urban/rural areas bordering on the suburbs of cities
  - ◆ Towns and their environs with populations of 5,000 or over (large urban)
  - ◆ Mixed urban/rural areas bordering on the environs of larger towns
  - ◆ Towns and their environs with a population of 1,000 to 5,000 (other urban)
- ◆ Rural
  - ◆ Mixed urban/rural areas
  - ◆ Rural areas.

## Regions

The regional classifications in this release are based on the NUTS (Nomenclature of Territorial Units) classification used by Eurostat. The NUTS3 regions correspond to the eight Regional Authorities established under the Local Government Act, 1991 (Regional Authorities) (Establishment) Order, 1993, which came into operation on 1 January 1994. The NUTS2 regions, which were proposed by Government and agreed by Eurostat in 1999, are groupings of the NUTS3 regions. The composition of the regions is set out below.

### Border, Midland and Western NUTS2 Region

<b>Border</b>	Cavan Donegal Leitrim Louth Monaghan Sligo
<b>Midland</b>	Laoighis Longford Offaly Westmeath
<b>West</b>	Galway City Galway County Mayo Roscommon

### Southern and Eastern NUTS2 Region

<b>Dublin</b>	Dublin Dun Laoghaire-Rathdown Fingal South Dublin
<b>Mid-East</b>	Kildare Meath Wicklow
<b>Mid-West</b>	Clare Limerick City Limerick County North Tipperary
<b>South-East</b>	Carlow Kilkenny South Tipperary Waterford City Waterford County Wexford
<b>South-West</b>	Cork City Cork County Kerry

## Time Series

Times series data for all tables in this publication are available on our website: [www.cso.ie](http://www.cso.ie)

## SILC Modules

Since 2005, special focus has been put on a different topic relating to poverty and/or social exclusion within SILC each year. Modules will be repeated after a period of time such as the intergenerational transmission of poverty. Modules that have been published to date and future modules are listed below.

### Modules published:

Year	Module
2005	Intergenerational transmission of poverty
2006	Community involvement
2007	Housing

### Future modules are as follows:

Year	Module
2008	Over-indebtedness and financial exclusion
2009	Deprivation
2010	Intra-household sharing of resources
2011	Intergenerational transmission of poverty

The following information on SILC statistics is available on the CSO website [www.cso.ie](http://www.cso.ie): a full set of time series tables, additional data in relation to SILC modules, methodology details and questionnaires. Special analyses can also be requested by emailing [Labour@cso.ie](mailto:Labour@cso.ie)

## Appendix 3

### Regression analysis

Regression analysis was run on SILC 2008 data to establish which socio-demographic characteristics were associated with each of the key indicators. Five separate models were constructed and the dependent variable in each model is outlined below:

1. Household disposable income.
2. Equivalised disposable income (individual).
3. At risk of poverty rate.
4. Deprivation rate (persons experiencing two or more deprivation items).
5. Consistent poverty rate.

The independent variables included in each model were as follows:

**Table 3a List of independent variables used**

Household level	Head of household	Individual level (models 2,3,4 and 5 only)
Tenure	Age of the head of household	Age
Urban or rural location	Education level of the head of household	Sex
Region (NUTS 3 level)	Principal Economic Status of the head of household	Principal Economic Status
Household Composition	Education level (highest level of education achieved) of the head of household	Education level (highest level of education achieved)
Number of people at work in the household		Health status (models 3, 4 and 5 only)
Household Income (Model 4 only)		Chronic illness (models 3,4 and 5)

### Models 1 and 2: Household and equivalised disposable income

As income is a continuous variable linear regression was used to assess which socio-demographic characteristics were associated with the level of income received by the individual or household. Two separate models were constructed and a list of the variables that were found to be significant in determining the level of income of the household or individual are outlined in *Table 2b*. R-squared values of 0.61 and 0.44 were achieved for model 1 and model 2 respectively; indicating that 61% and 44% of the variation in income was explained by model 1 and 2 respectively.

### Models 3, 4 and 5: At risk of poverty rate, deprivation rate and consistent poverty rate

Logistic regression was used to assess which socio-demographic characteristics were associated with a person being at risk of poverty, deprived of two or more material items or in consistent poverty. Logistic regression was used in this case as the dependent variables were categorical variables. In logistic regression a base model must be selected for each model. The following base model was selected for each of the three models:

• Sex:	Female
• Sex of the head of household:	Female
• Age:	0-17
• Age of head of household:	18-25
• Highest level of education achieved:	Primary or below
• Highest level of education achieved of head of household:	Primary or below
• Principal Economic Status:	Unemployed
• Principal Economic Status of head of household:	Unemployed
• Tenure:	Rented below the market rate or rent free
• Urban-rural location:	Rural
• Region:	South-West
• Household Composition:	Lone parent household
• Number of persons at work in the household:	No person at work
• Health status:	Very bad
• Chronic illness:	Has chronic illness
• Income (model 4 only):	Bottom income decile

Each of the three models achieved r-squared values of between 0.29 and 0.39 indicating that between 29% and 39% of the variation in each dependent variable was explained by the model. A list of the variables included in each model and whether they were significant factors in determining the likelihood a person was at risk of poverty, was deprived of two or more material items or was in consistent poverty is outlined in *Table 3b*.

Table 3b List of independent variables and whether they were significant in each regression model

	Model 1 Income (Household)	Model 2 Income (Equivalised)	Model 3 At risk of poverty	Model 4 Deprivation	Model 5 Consistent Poverty
<b>R-square</b>	0.6106	0.4374	0.2931	0.378	0.386
<b>Age</b>	Not tested	No	Yes	Yes	Yes
<b>Age of household reference person</b>	Yes	No	Yes	Yes	Yes
<b>Sex</b>	Not tested	No	No	No	No
<b>Sex of the household reference person</b>	Yes	Yes	No	No	Yes
<b>Tenure</b>	Yes	Yes	Yes	Yes	Yes
<b>Principal Economic Status</b>	Not tested	No	No	Yes	No
<b>Principal Economic Status of the household reference person</b>	No	No	Yes	Yes	Yes
<b>Urban or rural location</b>	Yes	Yes	Yes	Yes	Yes
<b>Region (nuts 3)</b>	Yes	Yes	Yes	Yes	Yes
<b>Highest level of education attained</b>	Not tested	Yes	No	Yes	No
<b>Highest level of education of the head of household</b>	Yes	Yes	Yes	Yes	Yes
<b>Household composition</b>	Yes	Yes	Yes	Yes	Yes
<b>Number of people at work in the household</b>	Yes	Yes	Yes	Yes	Yes
<b>Decile (Household income)</b>	Not tested	Not tested	Not tested	Yes	Not tested
<b>Health status</b>	Not tested	Not tested	No	Yes	Yes
<b>Chronic illness</b>	Not tested	Not tested	Yes	Yes	No

The odds ratio tables for each of the logistic regression models are available on request from the CSO. Further information on the linear regression results can also be made available. Please contact Pamela Lafferty by email [Pamela.Lafferty@cso.ie](mailto:Pamela.Lafferty@cso.ie) or by phone 021 453 5268.