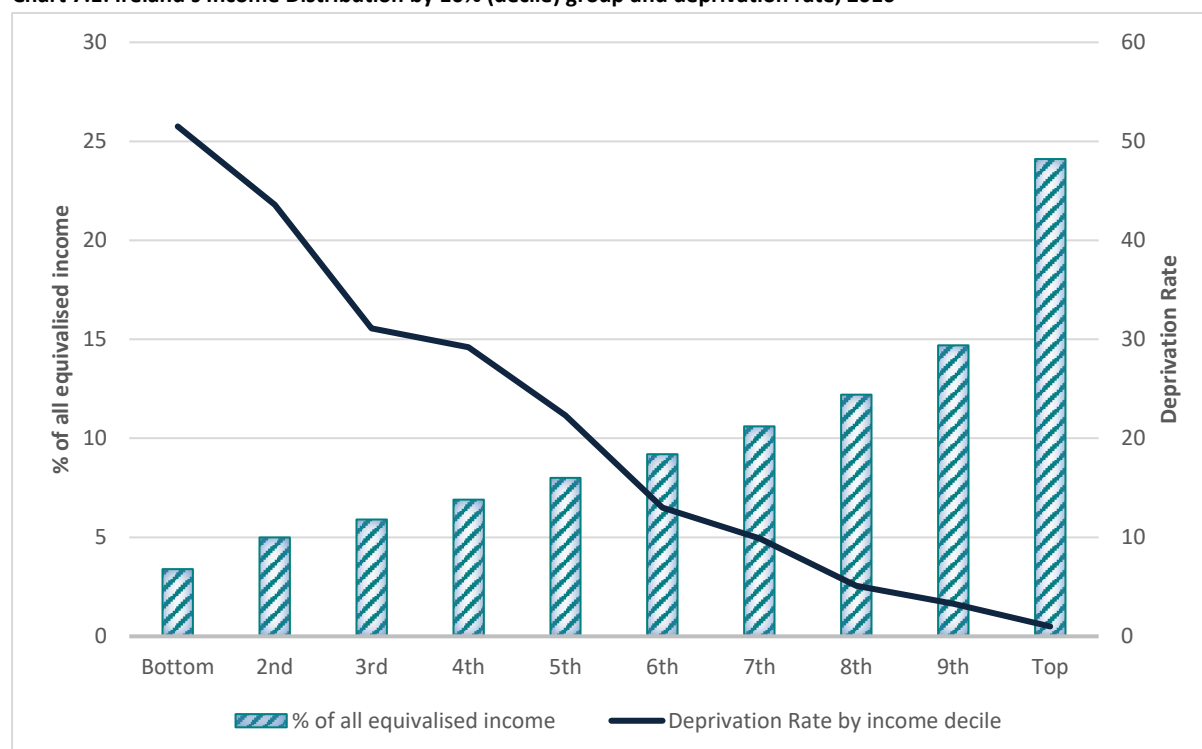


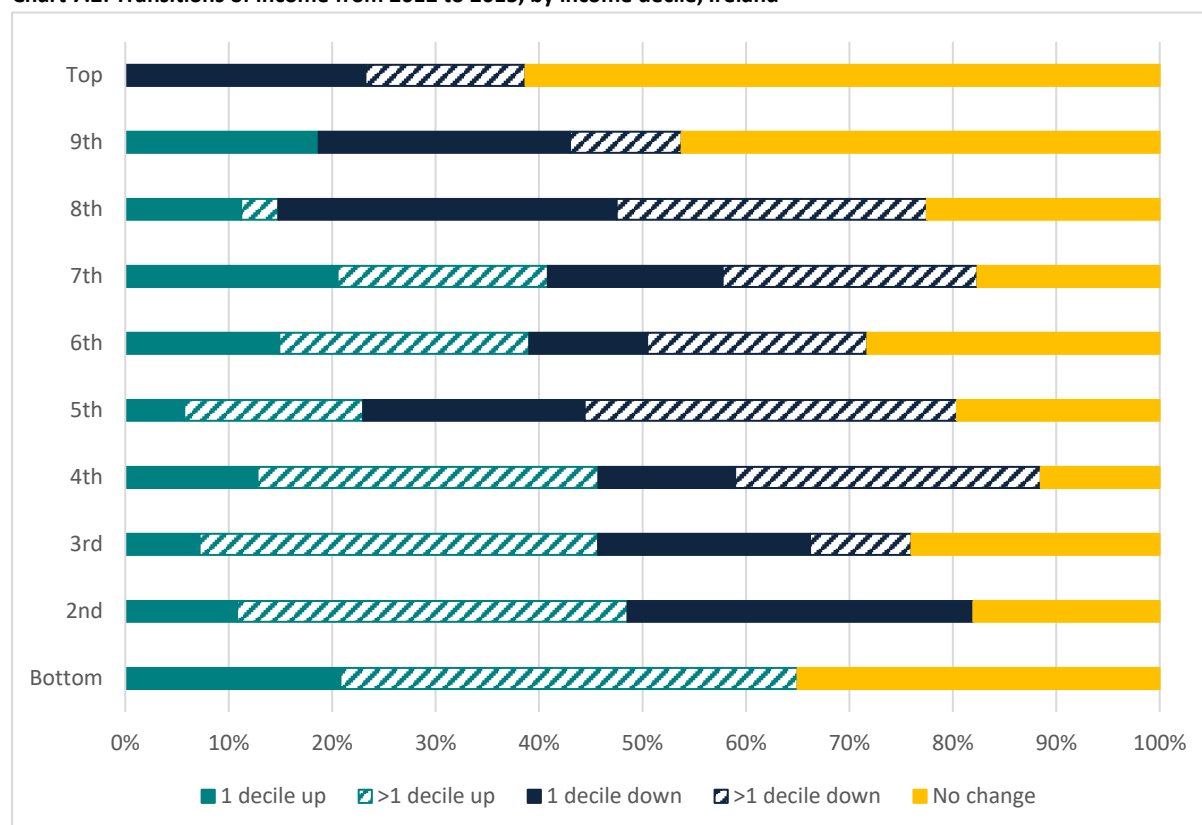
Income Distribution

Chart 7.1: Ireland's Income Distribution by 10% (decile) group and deprivation rate, 2016



Source: CSO, EU SILC (2017)

Chart 7.2: Transitions of income from 2012 to 2015, by income decile, Ireland



Source: Eurostat, [ilc_di30c]

Income Distribution



Ireland ranks 13th out of the EU28 countries in terms of income inequality. Here, the top 20% of the population, in terms of income, received 4.4 times as much as the bottom 20%. This is, however, below the EU28 average of 5.2, with a range extending from 3.5 in the Czech Republic (the most equal) to 8.2 in Bulgaria (the most unequal).

As indicated in Chart 7.1, in 2016, the top 10% of the population received almost one quarter of the total income while the bottom decile received just under 3.5%. Collectively, the poorest 60% of households received a very similar share (38%) to the top 20% (39%). Overall the share of the top 10% is more than 7 times the share of the bottom 10%. As might be expected, there is an inverse correlation between income deciles and deprivation rates. Those in the bottom decile had a deprivation rate of 51.1%, while those in the top decile had a deprivation rate of just 1%.

Income Transitions – Widening Gap



Income distribution data for the last few decades suggested that the overall structure of that distribution has been largely unchanged. One overall inequality measure, the Gini coefficient, ranges from 0 (no inequality) to 1 (maximum inequality) and has hovered around 0.3 for Ireland for some time. In 2015 it stood at 0.297, a reduction from 0.296 the previous year. However, it is interesting to see the pattern of transitions between income deciles as, while the overall income distribution has not changed much, there has been some movement between deciles in the three years to 2015. Chart 6.2 shows the transitions between income deciles in the three years to 2015. Within this period, 65% of those in the bottom decile moved down by one or more decile within the 3 years to 2015, with 35% remaining unchanged. 33% of those in the second decile also moved down within this

period, while 48.5% moved up by one decile or more. Of the top 20%, 61.3% of those in the top decile and 46.5% of those in the 9th experienced no change. 38.7% of those in the top decile, and 35.2% of those in the 9th, experienced a move down of one or more deciles and 18.7% of those in the 9th decile moved up by one. This chart clearly shows that in the period up to 2015, when the rate of unemployment was in double-digits, with the exception of the bottom decile, over half of the poorest 60% of households either moved down by one or more deciles or remained the same, while 61.3% of those in the top remained there.

Poverty



Approximately 790,000 people are living in poverty in Ireland, and over one million are experiencing deprivation. Over 250,000 of those in poverty are children aged 0-17, over 116,000 are engaged in work inside the home, 106,000 are unemployed and over 76,000 are not at work due to disability or illness. Those in poverty are more likely to be women (51.7%) than men (48.3%). Poverty also disproportionately affects the most vulnerable groups. Poverty traps, such as difficulty accessing quality education, housing, and decent work have been discussed earlier, however there are other measures that Government could implement to bring people out of poverty.

Policy Priorities

- Increase and equalise social welfare payments.
- Ensure adequate payments for children.
- Introduce a cost of disability payment.
- Introduce a fully Universal State Social Welfare Pension.