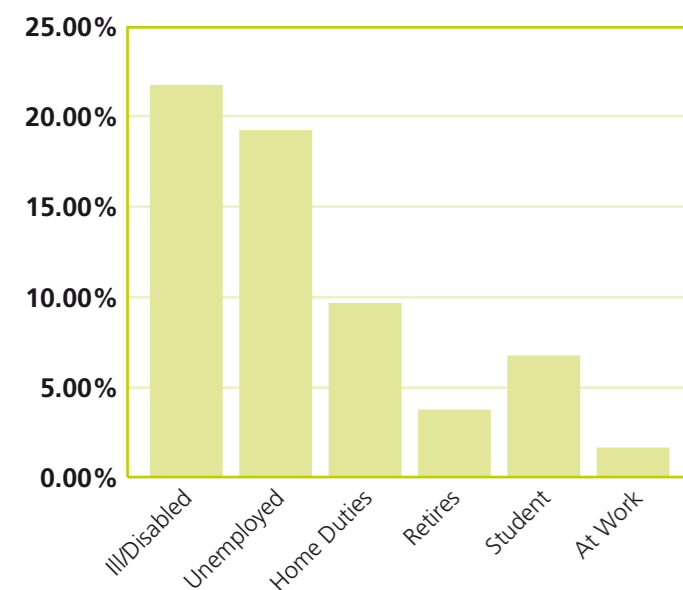


Figure 7: Percentage of people in consistent poverty by economic status; 2004



Ill / Disabled People

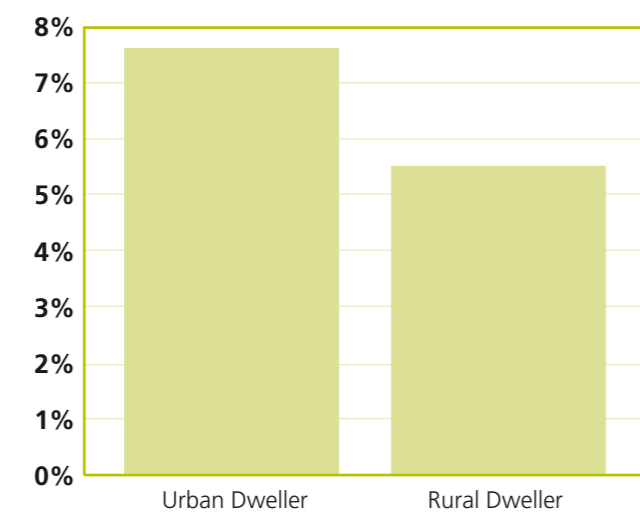
- The level of consistent poverty among people with illnesses and disabilities in 2004 remained virtually unchanged on the previous year at almost 22 per cent. This shows that one in five of people with illnesses or disabilities are deprived of basic necessities due to lack of money. This is a higher rate than in any other grouping.

Location

Rural and Urban Dwellers

- Urban areas show higher rates of consistent poverty than rural areas. However this gap narrowed in 2004. Consistent poverty fell by 3 per cent from 10.6 to 7.6 in urban areas, and by less than half a per cent in rural areas to 5.5 per cent.

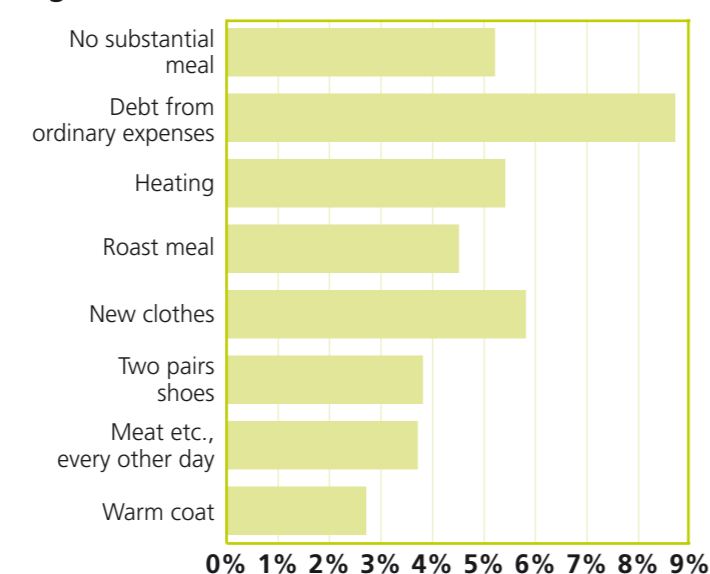
Figure 8: Percentage of people in consistent poverty by location; 2004



Deprivation Indicators

In 2004, there was a decrease in the level of enforced deprivation reported across almost all of the deprivation indicators measured⁷. However, the number of people unable to afford a meal with meat, chicken or fish every second day increased, as did the number of people unable to afford new clothes. The level of indebtedness which is very high refers to indebtedness for ordinary living expenses such as food, fuel and electricity.

Figure 9:



Data sources on poverty:

Since 2003, information on poverty in Ireland has been derived from a common EU statistical framework *Statistics on Income and Living Conditions* (EU SILC). EU SILC is the official source of comparative statistics on poverty and social exclusion for the 25 member states of the EU. In Ireland, the Central Statistics Office (CSO) is responsible for the implementation of EU SILC, which is done through a national survey of a representative sample of private households.

⁷ See *How is Poverty Measured?* Above.

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2006

POVERTY IN IRELAND – THE FACTS: 2004



This briefing presents an overview of poverty in Ireland, drawing on a major national survey carried out by the Central Statistics Office¹. It outlines the extent of poverty among different household types and age groups in Irish society.

Key Facts - 2004

Income Poverty

- Almost one in five Irish people (19.4 per cent) lived below the income poverty threshold of €185 per person per week (60 per cent of the median national income).
- Some groups were particularly vulnerable. In 2004 income poverty affected:
 - almost half of all lone parent households (48 per cent);
 - almost half of households headed by a person with an illness or disability (47 per cent);
 - over one third of people living alone (36 per cent)

Consistent Poverty (combination of low income and deprivation)

- In 2004, almost 7 per cent of the Irish population - some 283,000 people - were living in consistent poverty (see *How is Poverty Measured?* below).
- 7 per cent of those people living in consistent poverty were deprived of two basic items, and 14 per cent were deprived of three or more items.
- The most common forms of deprivation experienced by those in consistent poverty were indebtedness, inability to afford new clothes, and going without heating at some stage in the previous year.
- Members of lone parent households were over four times more likely to experience consistent poverty (31 per cent) than the rest of population.
- Consistent poverty among people who were ill or disabled was over three times higher than for the rest of the population (22 per cent).

POVERTY BRIEFING



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¹ EU Survey on Income and Living Conditions (EU-SILC) 2004, Central Statistics Office

What is Poverty?

The definition of poverty used in the Government's **National Anti-Poverty Strategy** is: "People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living which is regarded as acceptable by Irish society generally. As a result of inadequate income and resources, people may be excluded and marginalised from participating in activities which are considered the norm for other people in society".

How is poverty measured?

There are three main ways that poverty is measured in Ireland: 1) income; 2) deprivation and 3) a combination of income and deprivation.

1. **Income Poverty** (also referred to as '**relative poverty**' or '**at risk of poverty**') refers to people whose income is below a certain threshold. In Ireland, this is typically set at 60 per cent of the median national income - the cash equivalent of €185 per week or €9,680 per annum². Income poverty is the official EU Indicator of financial poverty.

2. **Deprivation** measures the extent to which people cannot afford certain items that the rest of society sees as basic necessities. Deprivation indicators evolve over time to reflect prevailing income standards. The deprivation indicators used in Ireland were developed by the ESRI³ in 1987. They include the following eight items:

- No substantial meal for at least one day in the past two weeks;
- No heating at some stage in the past year due to lack of money;
- Debt problems arising from ordinary living expenses;
- Unable to afford two pairs of strong shoes;
- Unable to afford a roast once a week;

- Unable to afford a meal with meat, chicken or fish every second day;
- Unable to afford new (not second hand) clothes;
- Unable to afford a warm waterproof coat.

3. **Income and deprivation** (referred to as **Consistent poverty**) measures individuals who are both below the income poverty threshold and are deprived of one or more of the deprivation indicators outlined above.

All three measures are relevant to understanding poverty in Ireland; income poverty provides a snapshot in time, while deprivation may reflect a more sustained period of low income where resources have been depleted over time.

Trends in Irish Poverty

At 19 per cent, Ireland has one of the highest rates of income poverty across all EU member states⁴, showing only a slight decrease since 1998. Consistent poverty (income poverty combined with enforced deprivation) has declined more significantly, falling from 9 to 7 per cent between 2003 and 2004. Comparable data is not however available to determine whether this is part of a longer term trend, or how it compares in a European context.

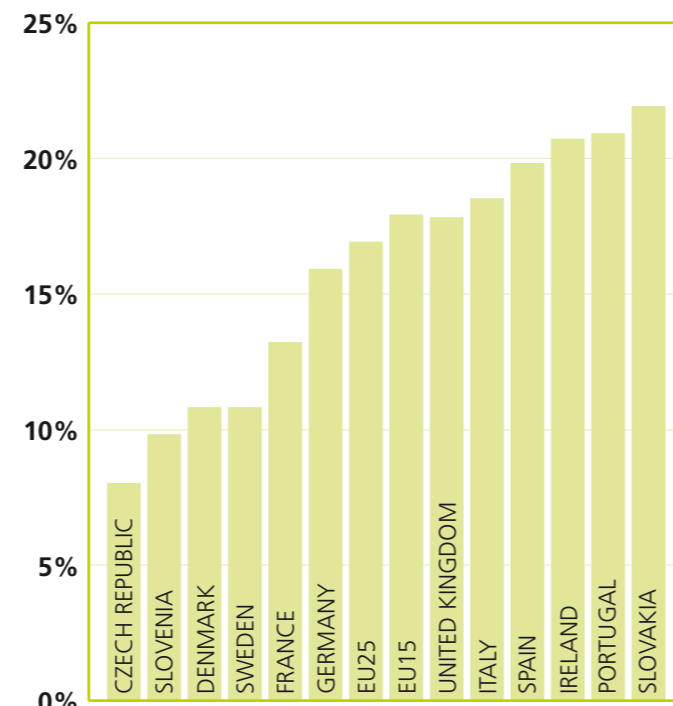
Figure 1: Percentage of people in income poverty (after social welfare, 60% threshold) between 1998 and 2004



EU Comparison

Income poverty is the official measure of poverty used by the EU and is typically referred to as the 'at risk of poverty rate'. Across the twenty-five EU member states, income poverty levels average 16 per cent⁵. Together with Slovakia and Portugal, Ireland has one of the highest levels of income poverty of all member states.

Figure 2:



Source: Eurostat, At-risk-of-poverty rate after social transfers (2004)⁶

Characteristics of Vulnerable Groups

Some groups are more vulnerable to poverty than society as a whole and suffer greater levels of deprivation. This reflects certain characteristics such as age, gender, economic status, housing tenure (i.e. whether they own or rent their house), location and household composition.

Household Composition

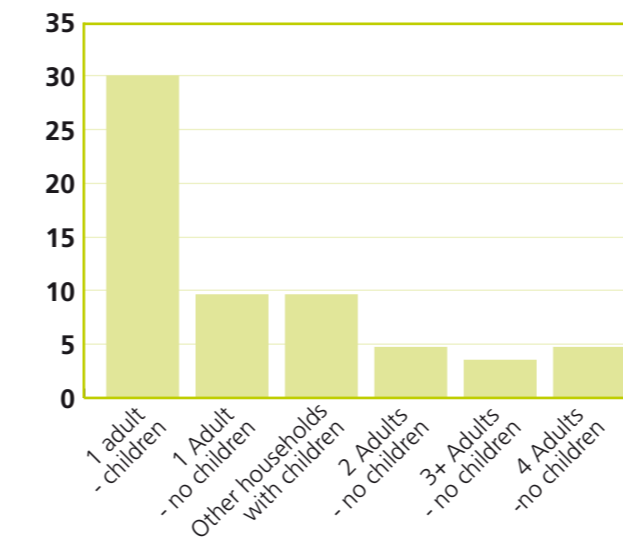
Lone Parent Families

- Lone parents are over four times more likely to be in consistent poverty than the rest of the population, with one third of lone parent households (31 per cent) reporting both income poverty and enforced deprivation.

Households with Children

- Households with children showed much higher levels of consistent poverty than those without children. This is particularly marked among lone parent households, where three in ten people - four times the national average - experienced consistent poverty in 2004.

Figure 3: Percentage of people in consistent poverty by household composition; 2004

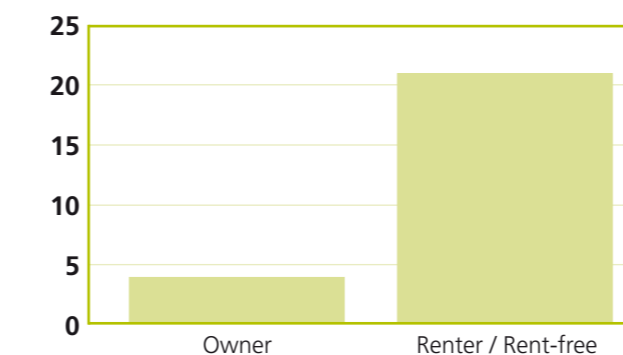


Tenure

People living in rented / rent free accommodation

- People living in rented accommodation (or rent free accommodation) were five times more likely to experience consistent poverty (21 per cent compared with 4 per cent).

Figure 4: Percentage of people in consistent poverty by tenure; 2004



Age

Older People

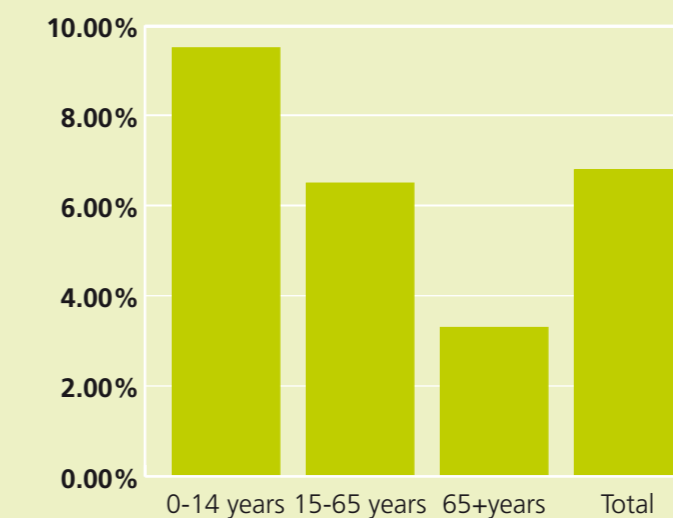
- Consistent poverty (low income combined with deprivation) among older people is the lowest among all age groups, and fell from 6 per cent to 3 per cent between 2003 and 2004. However 27 percent of older people (aged 65+) were at risk of poverty with incomes of less than €185 per week. This is the highest rate of income poverty of all age groups.

Over the course of a lifetime people acquire material goods such as clothing and shoes. For this reason older people are less likely to be deprived of the material goods in the deprivation indicators. However, their incomes are low, so they feature more prominently on the relative poverty measure.

Children

- Children experienced the highest level of consistent poverty across all age groups, with almost one in ten of those under the age of 18 suffering deprivation. People living in households with children are almost twice as likely to suffer consistent poverty, as those without children.

Figure 5: Percentage of people in consistent poverty by age group; 2004

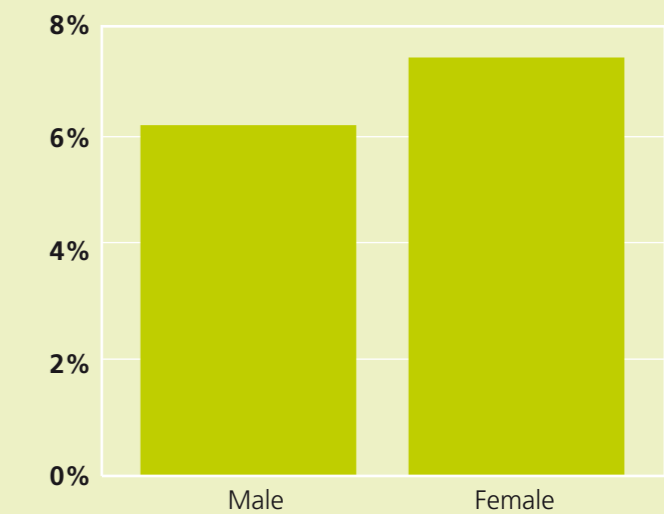


Gender

Women

- Consistent poverty is higher among women (7.4 per cent) than among men (6.2 per cent). Between 2003 and 2004, consistent poverty levels for both men and women dropped, but to a greater extent among men. The greatest disparity is found among children under the age of 15 where the level of consistent poverty is 2 per cent higher among girls than among boys.

Figure 6: Percentage of people in consistent poverty by gender; 2004



Economic Status

Unemployed / Low Paid Workers

- The 2004 findings show that having a job significantly reduces, but does not eliminate the risk of consistent poverty. Around 2 per cent of people in the workforce experienced consistent poverty in 2004, compared with 19 per cent of those who were unemployed and almost 10 per cent of those engaged in home duties. Consistent poverty levels among low paid workers fell by about one third between 2003 and 2004 (from 2.6 to 1.8 per cent) and by a similar proportion among unemployed people (28.3 to 19.2 per cent).

² People living in relative poverty may not suffer deprivation, but are considered 'at risk of poverty'

³ Economic and Social Research Institute (www.esri.ie)

⁴ *Statistical Release*, December 2005, CSO, Dublin

⁵ Eurostat, At-risk-of-poverty rate after social transfers (2004)

⁶ Eurostat calculation is different due to differences in way income is measured and equivalence scale used between CSO and Eurostat