

National Social Target for Poverty Reduction

Social Inclusion Monitor 2015



An Roinn Coimirce Sóisialaí
Department of Social Protection

Social Inclusion Monitor 2015

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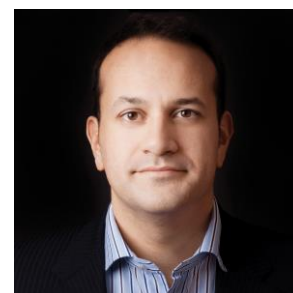
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Summary

The purpose of the Social Inclusion Monitor is to report officially on progress towards the national social target for poverty reduction, including the sub-target on child poverty and Ireland's contribution to the Europe 2020 poverty target. It also presents information on supporting indicators of poverty and social exclusion. This Monitor refers to the year 2015, which is the latest data available from the CSO *Survey on Income and Living Conditions* (published in February 2017) and from Eurostat (published in February 2017).

Key findings

- 2015 saw improvements in the key poverty targets: consistent poverty among children fell to 11.5 per cent, equating to a fall of 13,000 on the child poverty target. Meanwhile, 'combined poverty', the basis for the Irish contribution to the Europe 2020 poverty target, reduced from 37.4 per cent in 2014 to 33.7 per cent.
- Consistent poverty having fallen from 9.1 per cent in 2013 to 8.8 per cent in 2014 was largely unchanged in 2015. This leaves a gap of 4.7 percentage points to be bridged to meet the interim poverty target of 4 per cent by 2016.
- Looking at the supporting indicators, basic deprivation decreased by 3.5 percentage points to 25.5 per cent. This is the second successive reduction.
- The at-risk-of-poverty rate fell from 17.2 per cent to 16.9 per cent; not a statistically significant change.
- Real median disposable income increased by 6.2 per cent to €19,772 per person in 2015. Income increased across the income distribution, with income inequality falling from 32 in 2014 to 30.8 in 2015.
- The social welfare system continued to play an important role in alleviating poverty. Social transfers (excluding pensions) reduced the at-risk-of-poverty rate from 34.9 per cent to 16.9 per cent, representing a poverty reduction effect of 52 per cent. Ireland was the best performing EU member states in this regard.
- Looking at the life-cycle, the consistent poverty rate for older people is 2.7 per cent. Among people of working-age, the unemployed and lone parents face the highest consistent poverty risk at about three times the average.



Statement from the Minister for Social Protection

I welcome the publication of the Social Inclusion Monitor 2015. This is the fifth edition of the Monitor. It provides a progress update on the national social target for poverty reduction, including the child-specific poverty target and the Irish contribution to the Europe 2020 poverty target.

This year's report has been extended to improve the monitoring of the social situation in Ireland. A section examining Ireland's progress in a comparative EU perspective has been added. Also, in response to stakeholders' interest, an additional breakdown of child consistent poverty rates by age-bands (0-5; 6-11; and 12-17 years) is included.

I am pleased to see the improvement in living conditions, income inequality and poverty in 2015.

Incomes increased by 6.2 per cent in 2015 mainly due to rising employment.

Ireland was also more equal in terms of the income distribution than at any time this decade. The Gini coefficient – a measure of inequality – was 32 in 2014 and 30.8 in 2015. This is the lowest it has been since 2009.

Basic deprivation fell for the second year running in 2015, and 13,000 children were lifted out of consistent poverty. Looking at the other national social targets, there was progress towards on the Irish contribution to the Europe 2020 poverty target, with 'combined poverty' falling by 162,000 people in 2015. Consistent poverty was effectively unchanged at 8.7 per cent in 2015.

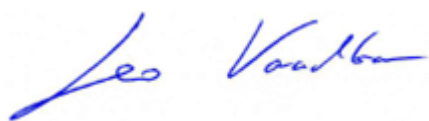
The social protection system continued to play a strong role in reducing poverty and

income inequality in 2015. Using Eurostat data, social transfers reduced the at-risk-of-poverty rate from 36 per cent to 16 per cent, resulting in a poverty reduction effect of 55 per cent. The comparative EU average was 33.5 per cent. Ireland was the best performing EU member state in reducing poverty and income inequality, with Ireland's income inequality reduction effect (30.4 per cent) twice the EU average.

The Government's strategy for tackling poverty and social exclusion is set out in the National Action Plan for Social Inclusion 2007-2017. The Plan identifies a wide range of targeted actions and interventions to achieve the overall objective of reducing consistent poverty – the basis for the national social target for poverty reduction. My Department, in consultation with relevant stakeholders, is reviewing the Plan and associated national social targets in 2017, to inform its successor plan.

While the Monitor shows there has been some progress towards the targets in 2015, the results show we still have a long way to go. Consistent poverty fell in 2014 and stabilised at 8.7 per cent in 2015, meaning a reduction of almost 5 percentage points is required to meet the 2016 interim poverty target. The results suggest that the review of the National Action Plan is timely. I am pleased that the Monitor will be available to stakeholders at the 2017 Social Inclusion Forum to inform discussions on the new plan and aligned national social targets. It makes sense to reflect now on the progress to date on the targets, high level goals and supporting policy actions, to ensure the future policy direction and ambition is as comprehensive and realistic as possible.

Recent budgets have been forward looking, allocating limited resources in a prudent way, to help ensure that everyone benefits from the recovery. The focus of these budgets has also been on the provision of services rather than simply on income supports. Given the continuing economic recovery throughout 2016 and measures introduced in recent budgets, I expect future poverty figures to show further improvements. I will continue to work with my Government colleagues to ensure that the economic recovery is experienced in all regions and by all families, households and individuals.



Leo Varadkar TD

Minister for Social Protection



Ráiteas ón Aire Coimirce Sóisialaí

Fáiltím roimh fhoilseachán an Mhonatóra um Chuimsiú Sóisialta 2015. Is é seo an cúigiú heagrán den Mhonatóir. Soláthraíonn sé an t-eolas is déanaí ar an dul chun cinn ar an sprioc shóisialta náisiúnta maidir le laghdú na bochtaineachta, san áireamh an sprioc maidir le bochtaineacht leanaí agus ar pháirt na hÉireann don sprioc maidir le bochtaineacht faoin Eoraip 2020.

Tá breis ama tugtha do thuairisc na bliana seo chun monatóireacht an suíomh sóisialta a fheabhsú in Éirinn. Tá rannán breise san áireamh ag déanamh scrúdú ar bhealach comparáideach dearcaidh an tAE. Freisin mar fhreagra ar shuim na bpáirtithe, tá miondealú breise déanta ar rátaí bochtaineachta leanaí seasmhacha trí aoisraoin (0-5, 6-11 ; agus 12-17 bliana d'aois) san áireamh.

Tá áthas orm feabhas a fheiceáil ar chúinsí maireachtála, neamhionannas ioncaim agus bochtaineacht i 2015.

Tá ioncam ardaithe ó 6.2 faoin gcéad i 2015 den chuid is mó mar gheall ar fhostaíocht a bheith ag ardú.

Bhí Éire níos cothroime freisin i dtéarmaí an dáileadh ioncaim ná ag aon am sna 10 mbliana seo. Bhí an chomhéifeacht Gini – neamhionannas toise – 32 i 2014 agus 30.8 i 2015. Seo é is ísle a bhí sé ó 2009.

Thit bochtaineacht bhunúsach don dara bliain as a chéile i 2015 agus tógadh 13,000 gasúr amach as bochtaineacht sheasmhach. Ag féachaint ar na spriocanna sóisialta náisiúnta eile, bhí dul chun cinn i dtreo páirt na hÉireann maidir leis an sprioc bhochtaineachta faoin Eoraip 2020, le 'comhbochtaineacht' ag titim go dtí 162,000 duine i 2015. Bhí bochtaineacht sheasmhach go héifeachtach gan aon athrú ag 8.7 faoin gcéad i 2015.

Lean an córas cosanta sóisialta ar aghaidh ag glacadh páirt láidir ag laghdú bochtaineachta

agus neamhionannas ioncaim i 2015. Ag úsáid sonraí Eurostat, laghdaigh an t-aistriú sóisialta an ráta bochtaineachta a bhí i mbaol ó 36 faoin gcéad go dtí 16 faoin gcéad, a leanann toradh laghdaithe bochtaineachta de 55 faoin gcéad. Bhí meán comparáideach an tAE ag 33.5 faoin gcéad. Ba é Éire ballstát den AE ab fhearr ag feidhmiú i laghdú bochtaineachta agus neamhionannas ioncaim, le toradh neamhionannas ioncaim laghdaithe na hÉireann (30.4 faoin gcéad) dhá uair meán an tAE.

Tá straitéis an Rialtais maidir le tabhairt faoi bhochtaineacht agus eisiámh sóisialta leagtha amach sa Phlean Gníomhaíochtaí Náisiúnta d'Ionchuimsiú Sóisialta 2007-2017. Aithnítear sa phlean réimse leathain do sprioc ghníomhaíochtaí agus idirghabhála chun sprioc ghinearálta do laghdú bochtaineachta sheasmhach a bhaint amach. – an bunús don sprioc náisiúnta sóisialta do laghdú bochtaineachta. Tá mo Roinn i gcomhar le páirtithe ábhartha, ag déanamh athbhreithniú ar an bPlean agus spriocanna náisiúnta sóisialta a bhaineann leis i 2017, chun a phlean comharba a chur in iúl.

Cé go léiríonn an Monatóir go bhfuil beagán dul chun cinn i dtreo na spriocanna i 2015, léiríonn na torthaí go bhfuil píosa le dul againn go fóill. Thit bochtaineacht sheasmhach i 2014 agus shocraigh ag 8.7 faoin gcéad i 2015, ciallaíonn sé sin go dteastaíonn laghdú de bheagnach 5 phointe faoin gcéad chun dul i ngleic le sprioc bhochtaineachta eatramhacha 2016. Molann na torthaí go bhfuil athbhreithniú an Plean Gníomhaíochtaí Náisiúnta tráthúil. Is cúis áthais dom go mbeidh an Monatóir ar fáil do pháirtithe ag an bhFóram Ionchuisithe Sóisialta 2017 chun plé a dhéanamh ar an bplean nua agus spriocanna náisiúnta sóisialta ailínithe a chur in iúl. Déanann sé ciall machnamh a dhéanamh anois ar an dul chun cinn go dáta ar na spriocanna, na haidhmeanna ag leibhéal ard agus ag tacú le polasaí gníomhaíochtaí, chun a chinntiú go bhfuil treo polasaí an todhchaí agus uailmhian chomh cuimsitheach agus réalaíoch agus is féidir.

Tá na buiséid le déanaí ag féachaint go maith, ag leagan acmhainní teoranta ar bhealach cúramach, chun a chinntiú go mbeidh buntáistí ag gach duine ón téarnamh. Tá fócas na buiséid seo dírithe freisin ar sholáthair na seirbhísí seachas ar thacaíochtaí ioncaim amháin. Leis an téarnamh eacnamaíochta leanúnach le linn 2016 agus na beartais a cuireadh i láthair sna buiséid le déanaí, táim ag siúl le feabhas a fheiceáil ar fhiigiúirí bochtaineachta sa todhchaí. Leanfaidh mé ag obair le mo chomhghleacaithe Rialtais chun a chinntiú go mbeidh an téarnamh eacnamaíochta le feiceáil i ngach ceantair agus gach clann, teaghlach agus daoine aonair.



Leo Varadkar TD

Aire Coimirce Sóisialaí

Section 1: Defining the targets and indicators

1.1 Introduction

The purpose of the Social Inclusion Monitor is to report on progress towards meeting the national social target for poverty reduction by providing regular, timely and accessible updates on key national indicators. The Monitor is one of two instruments to strengthen the implementation of the national social target, the other being integrated social impact assessment¹. This is the fifth edition of the Monitor.

The statistical data presented in the Monitor relate to 2015² and are taken from the latest *Survey on Income and Living Conditions* (SILC), published by the Central Statistics Office (CSO) in February 2017³, with additional comparative data published by Eurostat that same month.⁴

The Survey on Income and Living Conditions (SILC) is an annual survey carried out by the Central Statistics Office (CSO) of a representative sample of almost 5,500 households or 13,800 individuals in Ireland. The survey collects information on the income and living conditions of different households in Ireland, in order to derive indicators on poverty, deprivation and social exclusion. It is carried out in every EU country under EU legislation and commenced in Ireland in June 2003.

The definition of income in SILC is based on a rolling 12-month period. The income reference period relates to the preceding 12 months from the date of the interview with the household. In effect, the income recorded can cover 24 months, from January of 2014 to December 2015.

¹ The Department published its social impact assessment of Budget 2017 in November 2016. See: www.welfare.ie/en/Pages/SocialImpact2017.aspx. Social impact assessment is an evidence-based methodology which estimates the likely distributive effects of welfare and tax policies on household income and social groups. It uses the ESRI tax/welfare model, SWITCH, to simulate the impact of budgetary changes on a representative sample of households from the CSO Survey on Income and Living Conditions.

² The income reference period covered by SILC 2015 is from January 2014 to December 2015.

³ The published release is available at www.cso.ie. This includes data for 2015 and revised figures for 2012 to 2014. These revisions arose following the identification of a processing error during the production of data for 2015. The error related to the method used to calculate the Universal Social Charge (USC) and Pay Related Social Insurance (PRSI). It resulted in disposable income being under estimated over this period, though trends in the revised series mirror those in the previously published data.

⁴ The co-operation of the CSO in producing the *Social Inclusion Monitor* is greatly appreciated. SILC data from the CSO is available at www.cso.ie/en/silc/.

The focus of the Monitor is on social and economic outcomes as they relate to poverty and social exclusion; it does not examine the implementation of policies on poverty.⁵ The Monitor is produced by the Social Inclusion Division in the Department of Social Protection, as part of its remit to monitor poverty trends and progress towards the national poverty targets.

There are six elements to the Monitor:

- 1) the macro-economic and social context;
- 2) the national social target for poverty reduction and supporting indicators which underpin progress towards the target;
- 3) the Irish contribution to the Europe 2020 poverty target and supporting indicators using European comparative data;
- 4) the child poverty target and related indicators;
- 5) poverty among life-cycle groups and social inclusion indicators; and
- 6) the spatial distribution of poverty.

The Irish Government defines poverty as:

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. (Government of Ireland, 1997)

This definition captures the multi-dimensional nature of poverty. Since 1997 Ireland has developed national anti-poverty strategies to provide a strategic framework in which to tackle poverty and social exclusion. The current strategy, the *National Action Plan for Social Inclusion*, was updated in February 2016 for the period 2015-2017 to reinforce Government actions to meet the interim poverty target of 4 per cent by 2016. The national action plan uses a life-cycle approach which places the individual at the centre of policy development and delivery by assessing risks and supports available at key stages of the life-cycle. The updated Plan has 14 high level

⁵ For information on high level goals and actions implemented to support the national social target for poverty reduction refer to the *Social Inclusion Report incorporating Annual Reports for 2013 and 2014*, the *National Social Report for Ireland* (www.welfare.ie) and the *National Reform Programme for Ireland Update under the Europe 2020 Strategy* published by Department of An Taoiseach (www.taoiseach.gov.ie/). The Department has initiated work on the *Social Inclusion Report incorporating Annual Reports for 2015 and 2016*.

goals that better reflect the current issues and interventions to tackle poverty and social exclusion. The Department of Social Protection plans to review the national social target for poverty reduction and *National Action Plan for Social Inclusion* in 2017, with a view to developing a successor plan for future periods. This review will be undertaken in consultation with relevant stakeholders.

The main focus of the Monitor is on progress towards the national social target for poverty reduction. Table 1.1 sets out the headline target and its component parts: the Irish contribution to the Europe 2020 poverty target and the child poverty target.

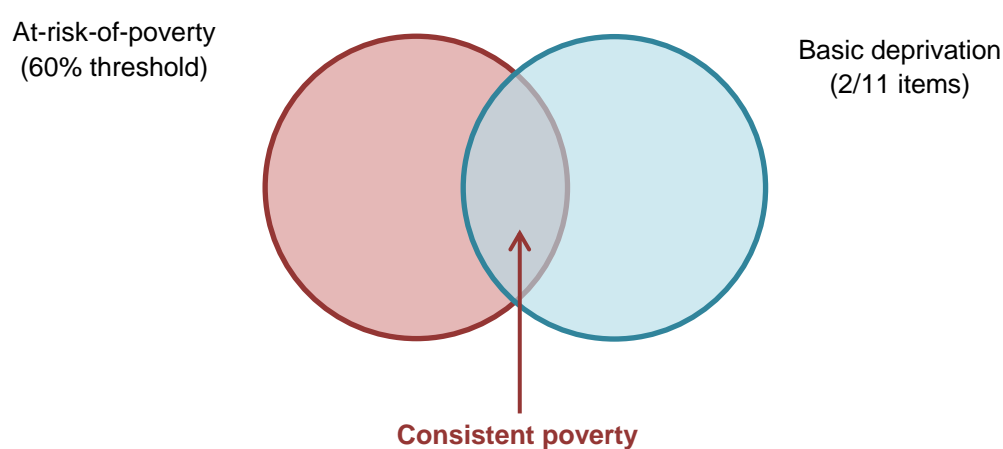
Table 1.1 The national social target for poverty reduction

<i>Target</i>	<i>Target description</i>
Headline target	To reduce consistent poverty to 4 per cent by 2016 and to 2 per cent or less by 2020, from the 2010 baseline rate of 6.3 per cent.
Europe 2020 poverty target	To reduce by a minimum of 200,000 the population in 'combined poverty' between 2010 and 2020.
Child poverty target	To lift over 70,000 children (aged 0-17 years) out of consistent poverty by 2020, a reduction of at least two-thirds on the 2011 level.

Box 1 outlines the indicators used to define the population for the national social target for poverty reduction.

Box 1: Indicators used to define the target population

The target population for the national social target for poverty reduction is based on the consistent poverty indicator. This indicator is the overlap of two component indicators: at-risk-of-poverty – which measures individuals whose household income is below 60% of the median – and basic deprivation – which captures individuals lacking 2 or more of 11 basic necessities. A person is in consistent poverty if they are both income poor and deprived.



Consistent poverty reflects a multi-dimensional understanding of poverty and is designed to identify the population which has the greatest needs in terms of both low income and lack of resources. Research in Ireland has also found that during recessionary times, the consistent poverty indicator is particularly effective in capturing perceived economic stress and risk factors associated with poverty.⁶

By contrast, Ireland's contribution to the Europe 2020 target is measured by the combination of at-risk-of-poverty and basic deprivation (including consistent poverty). A person is in 'combined poverty' if they are either income poor or deprived.

⁶ Watson, D and Maître, B (2012), *Technical Paper on Poverty Indicators. Appendix C: Report of the Review of the National Poverty Target*, Dublin: Department of Social Protection. www.welfare.ie

The Europe 2020 poverty target is to lift at least 20 million people out of the risk of poverty or social exclusion by 2020 (as measured by the combination of three EU indicators).⁷ All 28 EU member states have set national targets for contributing to the Europe 2020 objective for reducing poverty or social exclusion. Ireland's contribution to the EU target is to reduce by a minimum of 200,000 the population at-risk-of-poverty and/or in basic deprivation (see [Box 1](#)). The Irish target equates to 1 per cent to the overall EU poverty target, in line with the population share.

In recognition of the higher risks and life-long consequences of child poverty, a child-specific target was set in the National Policy Framework for Children and Young People 2014-2020 (*Better Outcomes, Brighter Futures*) in 2014. The target is to lift over 70,000 children aged 0-17 years out of consistent poverty by 2020, a reduction of at least two-thirds on the 2011 level. This target will include reducing the higher consistent poverty risk for households with children as compared to non-child households (8.8 per cent vs 4.2 per cent), and for children as compared to adults aged 18 years and over (9.3 per cent vs. 6 per cent).

There are five supporting indicators which underpin progress towards the national social target. Two of the indicators are already used to make-up consistent poverty: basic deprivation and at-risk-of-poverty. The other three indicators are:

- 'vulnerable to consistent poverty';
- the impact of social transfers; and
- at-risk-of-poverty anchored in 2010 values.

Table 1.2 Supporting indicators for the national social target for poverty reduction

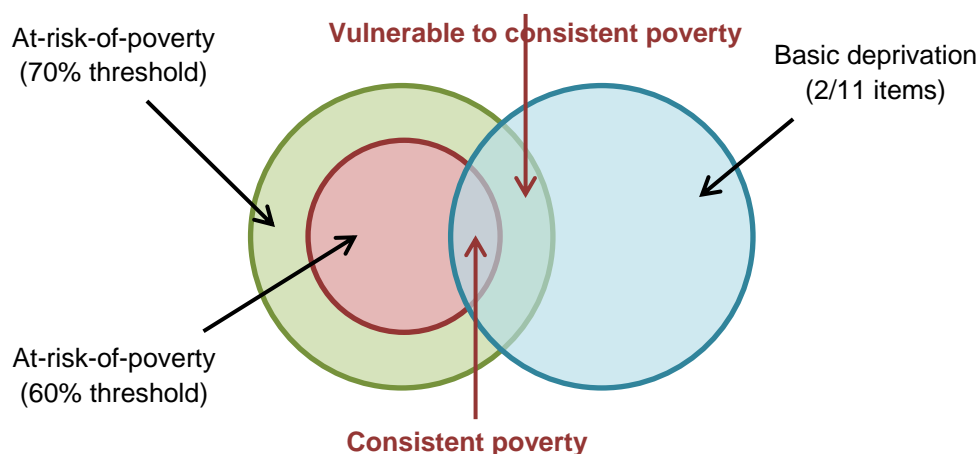
<i>Indicator</i>	<i>Description</i>
Vulnerable to consistent poverty	The percentage of the population experiencing basic deprivation and whose income is between 60% and 70% of the median.
Basic deprivation	People are regarded as experiencing basic deprivation if they live in a household deprived of 2 or more of the 11 basic deprivation items because they could not afford them (i.e. not by choice).

⁷The Europe 2020 poverty target defines its target population using a combination of three indicators (at-risk-of-poverty, severe material deprivation and very low work intensity), a group which is described as being at risk of poverty or social exclusion.

<i>Indicator</i>	<i>Description</i>
At-risk-of-poverty	People are regarded as being at-risk-of-poverty if their equivalised income is below 60% of the median income.
Impact of social transfers on at-risk-of-poverty (excluding pensions)	The impact of social transfers is measured by the percentage reduction, in absolute and relative terms, in the at-risk-of-poverty rate as a result of social transfers (excluding pensions). ⁸
Anchored at-risk-of-poverty	The percentage of the population with an equivalised disposable income below 60% of median income anchored in 2010 values. ⁹

Box 2: Vulnerable to consistent poverty indicator

The ‘vulnerable to consistent poverty’ indicator captures the overlap of basic deprivation and households whose equivalised income is between 60% and 70% of the median. It complements the consistent poverty indicator as during a recession, falling incomes may make the poverty threshold less reliable as an indicator of change over time.¹⁰



⁸ Pensions are generally excluded as they are considered an inter-generational transfer rather than a social transfer (see Social Protection Committee (2012), *Social Europe: Current Challenges and the Way Forward: Annual Report of the Social Protection Committee (2012)*, Belgium: European Union).

⁹ This indicator reflects changes in fixed living circumstances. Therefore, it is a useful indicator at a time of economic uncertainty, as it measures real incomes and changes.

¹⁰ Watson, D, Maître, B and Whelan, C. T. (2012) op. cit. Basic deprivation is considered an effective measure as it has a strong link with risk factors for poverty and, during recessionary times, it captures changes sooner than other measures. At-risk-of-poverty has a number of drawbacks during periods of rapid economic growth or decline. For example, during downturns when median income is falling, the decrease in the threshold could result in less people being at-risk-of-poverty, though their real income has not changed. There is also a delay in the measurement of income changes as the income reference period is the 12 months preceding the survey (ibid).

The Monitor also presents a breakdown of the population using the consistent poverty indicator; along with specific indicators reflecting national and European policy concerns, such as income inequality, food poverty, financial exclusion and in-work poverty.

Finally, the Monitor includes a spatial analysis of key poverty trends. The *National Action Plan for Social Inclusion* includes a commitment to build viable and sustainable communities, improving the lives of people living in disadvantaged areas. There is a limit to which SILC data can be disaggregated by area due to sample size constraints. Therefore, the Monitor only reports on the consistent poverty indicator by region and by rural-urban characteristics.

Each indicator is analysed individually in the Monitor, using a diagram to represent change since the baseline year (generally 2010), together with a short commentary. In order to put the annual data into a wider timeframe, the headline and supporting indicators are presented for the periods 2005 to 2008 (economic growth) and 2009 to 2015 (economic crisis / early recovery).

Section 2: Macro-economic and social context¹¹

2.1 Macro-economic and labour market indicators

Table 2.1 summarises the macro-economic and labour market indicators for 2015 as compared with previous years. Economic activity as measured by Gross National Product (GNP) grew by 18.7 per cent in 2015. This was largely due to the scale of relocations of entire balance sheets to Ireland from outside the EU and activity related to this. The CSO estimates economic growth to be 6.4 per cent. Inflation, as measured by the consumer price index, was -0.3 per cent in 2015.

Table 2.1 Macro-economic and labour market indicators

	Gross National Product ¹²	Inflation	Unemployment rate ¹³	Long-term unemployment rate ¹⁴	Participation rate	Total persons aged 18-59 years living in jobless households ¹⁵
2005	5.5%	2.5%	4.4%	1.5%	62.2%	8.4%
2006	6.7%	4.0%	4.5%	1.4%	63.2%	7.9%
2007	2.0%	4.9%	4.7%	1.4%	64.1%	7.9%
2008	-3.8%	4.1%	6.5%	1.7%	63.6%	9.0%
2009	-7.8%	-4.5%	12.1%	3.5%	62.0%	12.7%
2010	3.8%	-1.0%	13.9%	6.8%	60.7%	14.6%
2011	-4.0%	2.6%	14.7%	8.6%	60.2%	15.5%
2012	-0.4%	1.7%	14.7%	9.0%	59.9%	15.9%
2013	4.7%	0.5%	13.1%	7.9%	60.2%	14.7%
2014	9.2%	0.2%	11.3%	6.6%	60.0%	13.6%
2015	18.7%	-0.3%	9.5%	5.3%	60.0%	12.4%
2016	9.0%	0.0%	7.9%	4.2%	60.2%	11.6%

Source: CSO surveys – national accounts; consumer price index, QNHS, various years

¹¹ An overview of the main policy measures introduced over this period is available in [Distributional Impact of Tax, Welfare and Public Service Pay Policies: Budget 2014 and Budgets 2009-2014](#) and [Summary of 2015 Budget Measures Policy Changes](#).

¹² At constant market prices referenced to 2014. Extracted 09/03/2017.

¹³ Figures based on ILO Unemployment Rates (15 - 74 years) (Seasonally Adjusted) (%)

¹⁴ Figures based on ILO Long-term Unemployment Rates (15-74 years) (%)

¹⁵ The QNHS defines this indicator as total persons aged 18 to 59 years living in households where no member of the household is working. Students aged 18 to 24 years living in households composed solely of students are excluded. The data for 2009 to 2013 has been revised as the new CSO series excludes student only houses. This is in line with the approach by Eurostat.

Both the unemployment rate and the long-term unemployment rate continued to fall in 2015, following a period of continuous increase between 2008 and 2012. The unemployment rate went from 11.3 per cent in 2014 to 9.5 per cent in 2015. The long-term unemployment rate reduced to 5.3 per cent in 2015 from 6.6 per cent. The participation rate was largely stable in 2015, remaining at 60 per cent.¹⁶ A related labour market indicator, the proportion of total persons aged 18-59 years living in jobless households, declined from 13.6 per cent in 2014 to 12.4 per cent in 2015.

2.2 Social protection indicators

Table 2.2 provides an overview of social welfare expenditure and beneficiaries. In 2015, total social welfare expenditure was €19.97 billion. It remained broadly static between 2009 and 2014. Social welfare expenditure as a proportion of GNP fell to 9.9 per cent in 2015, from 12.5 percent in 2014.

Table 2.2 Welfare expenditure and beneficiaries¹⁷

	Total social welfare expenditure	Social welfare expenditure as a % of GNP	No. of social welfare recipients	No. of qualified adults	No. of qualified and other children	No. of beneficiaries	No. of beneficiaries as a % of the population
2005	€12.2bn	8.4%	976,613	119,223	373,270	1,469,106	35.5%
2006	€13.6bn	8.5%	1,003,517	118,110	385,197	1,506,824	35.5%
2007	€15.5bn	9.2%	1,060,327	125,938	391,214	1,577,479	36.0%
2008	€17.8bn	11.1%	1,208,883	145,236	445,756	1,799,875	40.1%
2009	€20.5bn	14.7%	1,379,206	175,037	522,013	2,076,256	45.8%
2010	€20.9bn	15.1%	1,430,833	190,043	558,522	2,179,428	47.8%
2011	€21.0bn	15.1%	1,467,129	197,730	583,425	2,248,284	49.0%
2012	€20.8bn	14.7%	1,468,481	205,684	593,334	2,267,499	49.5%
2013	€20.3bn	13.8%	1,467,918	202,559	602,526	2,273,003	49.5%
2014	€19.8bn	12.5%	1,440,876	194,190	584,596	2,219,662	48.2%
2015	€19.97bn	9.9%	1,377,558	182,568	550,862	2,110,988	45.5%
2016	€19.8bn*		1,366,996	171,634	533,852	2,072,482	44.3%

Source: Department of Social Protection *Statistical Information on Social Welfare Services*, various years; the revised DSP End of Month December 2012 – Recipients of Weekly Scheme Payments. * Provisional figure

¹⁶ See definition provided in the Glossary in Appendix 2

¹⁷ Recipients of child benefit are not included. There were minor revisions to the figures published in the 2012 report due to a revised methodology; as such the figures quoted for that year are based on the revised December 2012 monthly statistics.

Over 1.37 million people were in receipt of a weekly social welfare payment in 2015. Including the 182,568 qualified adults and 550,862 qualified children, there were 2,110,988 beneficiaries of social protection in 2015, amounting to 45.5 per cent of the population. This compared to 48.2 per cent in 2014.

Table 2.3 provides an overview of trends in social protection expenditure as a percentage of Gross Domestic Product (GDP) in comparison with the EU-28 average. Expenditure increased from 13.5 per cent in 2008 to 16.5 per cent in 2009, before falling to 9.6 per cent in 2015. In 2015, Ireland's social protection expenditure (9.6 per cent) was below the EU-28 average of 19.2 per cent. The unique age structure of the Irish population as compared to other EU member states¹⁸ (i.e. relatively higher proportion of younger people and relatively lower proportion of older people aged 65 plus) may be one factor¹⁹ accounting for differences in social protection expenditure compared to the EU average.

Table 2.3 Social protection expenditure (as a % of GDP)²⁰

	Ireland								EU-28
	2008	2009	2010	2011	2012	2013	2014	2015	2015
Sickness/disability	3.2%	3.5%	3.5%	2.6%	2.5%	2.5%	2.4%	1.7%	2.8%
Old age	3.1%	4.0%	4.1%	4.0%	4.3%	3.8%	3.7%	2.4%	10.3%
Survivors	0.9%	1.1%	1.1%	1.0%	1.0%	1.0%	0.9%	0.6%	1.4%
Family/children	2.9%	3.1%	2.7%	2.6%	2.6%	2.4%	2.2%	2.0%	1.7%
Unemployment	1.6%	2.9%	3.3%	2.9%	2.7%	2.7%	2.5%	1.8%	1.4%
Other	1.7%	1.9%	1.7%	1.7%	1.7%	1.6%	1.5%	1.1%	1.6%
Total social protection	13.5%	16.5%	16.4%	14.7%	14.9%	14.1%	13.2%	9.6%	19.2%

Source: Eurostat General government expenditure function (COFOG), various years. Extracted 9 March, 2017

¹⁸ See [Eurostat \(2017\) Key Figures on Europe – 2016 edition. Luxembourg: Publications Office of the European Union](#). For more information on population structure and ageing in Europe, see Eurostat's statistics explained pages on [europa.eu/eurostat/statistics-explained/Population_structure_and_ageing](#) [accessed 19/04/2017]

¹⁹ For an explanation of the combination of factors affecting European trends in expenditure by function over time see: [Eurostat pages on Europa.eu on statistics-explained/](#)

²⁰ The data source for this table changed from the 2014 Monitor onwards, due to the lack of availability of up-to-date Eurostat ESSPROS figures. See: <http://ec.europa.eu/eurostat/web/social-protection/data/database>. The data in this table are extracted from Eurostat's General Government Expenditure Function (COFOG), which does not provide the option to break down social protection expenditure by whether it is means-tested. See: <http://appsso.eurostat.ec.europa.eu/nui/show.do>.

Table 2.4 shows the key welfare indicators for 2015 and other years. The minimum personal rate for people under 66 years of age was unchanged at €188 in 2015. The minimum personal rate as a percentage of the at-risk-of poverty threshold was 81.7 per cent in 2015, compared with 86.7 per cent in 2014. This reflects the rise in the poverty threshold in 2015 due to increased income from employment.

The qualified adult rate remained unchanged at €124.80 per week in 2015. The qualified child rate increased to €29.80 per week in 2010 and has stayed at this rate since. Child Benefit was standardised at €130 per child per month in 2013 but increased to €135 in 2015 (and subsequently to €140 in 2016). There were changes made to the Back to School Clothing and Footwear Allowance in 2013, when it fell from €150 per annum in 2012 to €100 per annum. It stayed at this rate in 2015.

Table 2.4 Key welfare indicators

	2009	2010	2011	2012	2013	2014	2015	2016
Minimum personal rate²¹ (per week)	€204.30	€196	€188	€188	€188	€188	€188	€188
At-risk-of-poverty threshold	€231.20	€213.78	€208.68	€210.16	€209.98	€216.90	€229.97	not available
Minimum personal rate as a % of at-risk-of-poverty threshold	88.4%	91.7%	90.1%	89.5%	89.5%	86.7%	81.7%	not available
Qualified adult rate (per week)	€135.60	€130.10	€124.80	€124.80	€124.80	€124.80	€124.80	€124.80
Qualified child rate (per week)	€26.00	€29.80	€29.80	€29.80	€29.80	€29.80	€29.80	€29.80
Back to School Clothing & Footwear Allowance²² (per annum)	€200	€200	€200	€150	€100	€100	€100	€100
Child benefit (per month)	€166	€150	€140	€140	€130	€130	€135	€140
Total child income support (weekly equivalent)	€68.01	€68.13	€65.83	€64.87	€61.61	€61.61	€62.76	€63.91
Child income support as a % of the minimum personal rate	33.3%	34.8%	35.0%	34.5%	32.8%	32.8%	33.4%	34%

Source: SILC and Department of Social Protection *Statistical Information on Social Welfare Services*, various years

Overall, the combined value of child income support across the three strands for families on social welfare was almost €63 per week in 2015, a slight increase on the 2014 figure. This represented 33 per cent of the minimum personal rate in 2015.²³

²¹ This is the standard personal rate for working-age schemes. The supplementary welfare allowance is slightly lower at €186 per week.

²² This is the Back to School Clothing and Footwear Allowance for children aged 4-11 years. The weekly equivalent figures are: €3.83 in 2009 to 2011, €2.87 in 2012 and €1.92 from 2013 on.

²³ Goal 4 of the *National Action Plan for Social Inclusion 2007-2016* is to maintain the combined value of child income support measures at 33 to 35 per cent of the minimum adult social welfare payment rate.

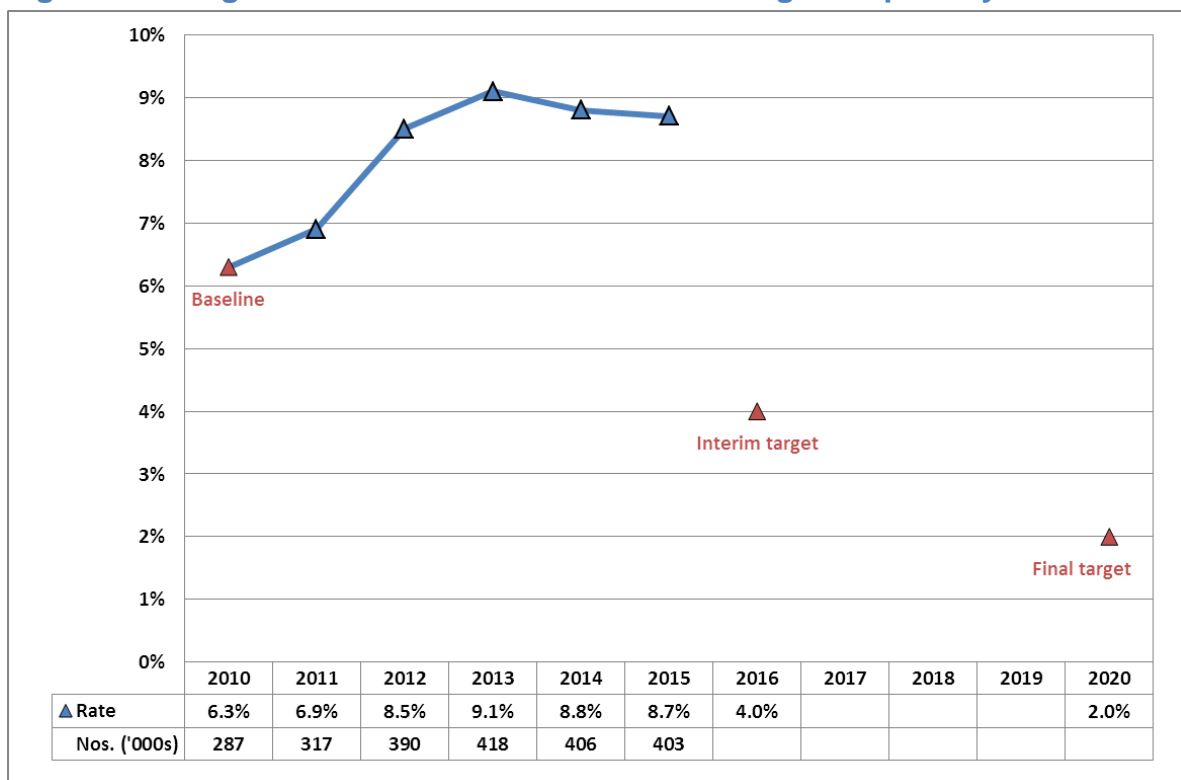
Section 3: Progress towards the national social target for poverty reduction and supporting indicators

3.1 Headline target

To reduce consistent poverty to 4 per cent by 2016 and to 2 per cent or less by 2020, from the 2010 baseline rate of 6.3 per cent.

Figure 3.1 shows the consistent poverty rate in 2015 is 8.7 per cent. While the rate fell from 9.1 per cent in 2013 to 8.8 per cent in 2014, the current rate was essentially unchanged on the previous year. Currently, a reduction of 4.7 percentage points (almost 55 per cent) is required to meet the 2016 interim target. Numerically, 403,000 people were in consistent poverty in 2015.²⁴

Figure 3.1 Progress towards the national social target for poverty reduction



Source: SILC, various years

²⁴ This is based on a CSO population estimate of 4,635,390 in 2015.

3.2 Medium-term perspective on consistent poverty

Table 3.1 compares the changes in consistent poverty rates across two time periods; economic growth (2005 to 2008) to economic crisis / early recovery (2009 to 2015). This type of analysis contrasts with the trend analysis used in the rest of the Monitor, which can focus on peaks and troughs. The time period analysis neutralises any oscillations or extremes giving a clear sense of the contrast between poverty rates in Ireland during contrasting periods in the economic cycle.

The Table shows there was an increase of nearly 2 percentage points in consistent poverty over the two periods. This shows the social impact of the economic crisis.

Table 3.1 Medium-term perspective on consistent poverty

	2005 - 2008	2009 - 2015	Difference
Consistent poverty	5.7%	7.6%	↑ 1.9 (pp)

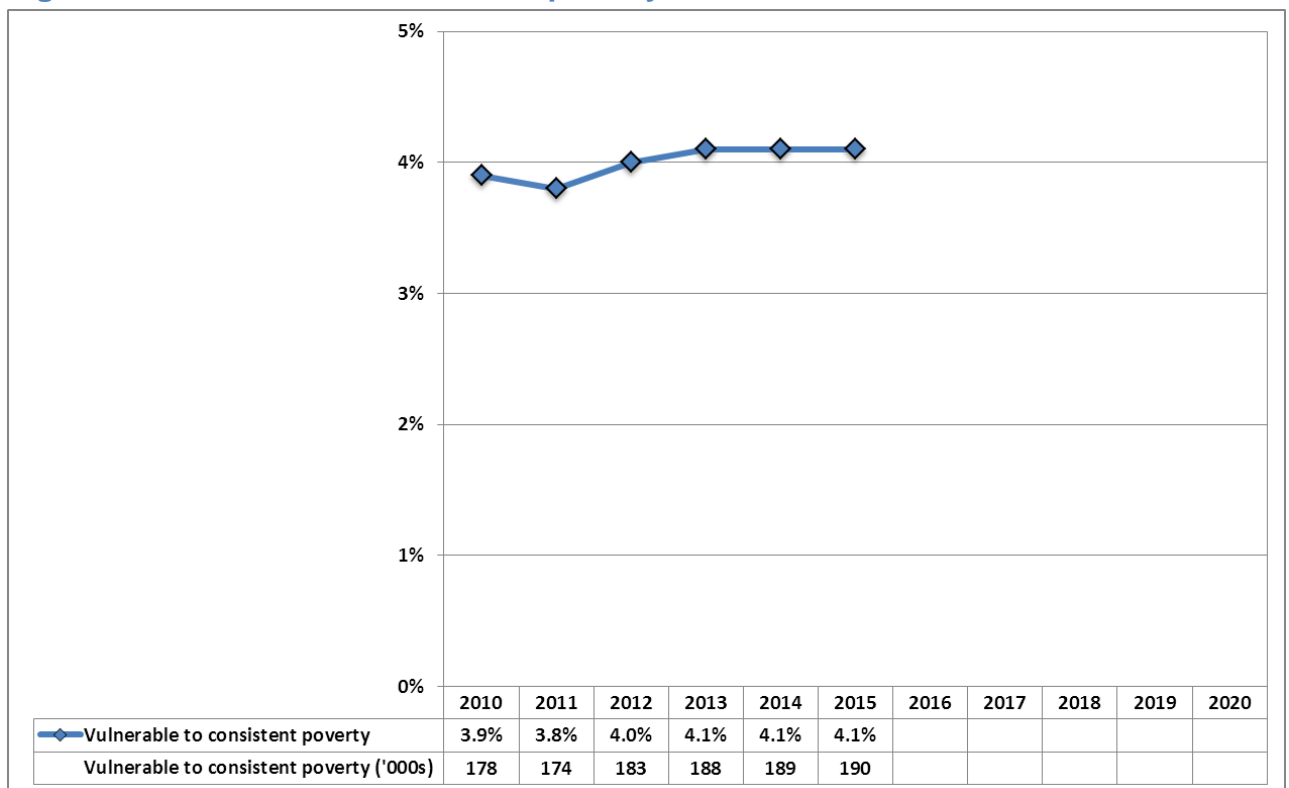
Source: SILC, various years

3.3 Vulnerable to consistent poverty

Vulnerable to consistent poverty identifies the population experiencing basic deprivation and whose income is between 60% and 70% of the median.

Figure 3.2 shows that the vulnerable to consistent poverty indicator was unchanged at 4.1 per cent in 2015.²⁵ Numerically, there were 190,000 people vulnerable to consistent poverty in 2015.

Figure 3.2 Vulnerable to consistent poverty



Source: SILC, various years

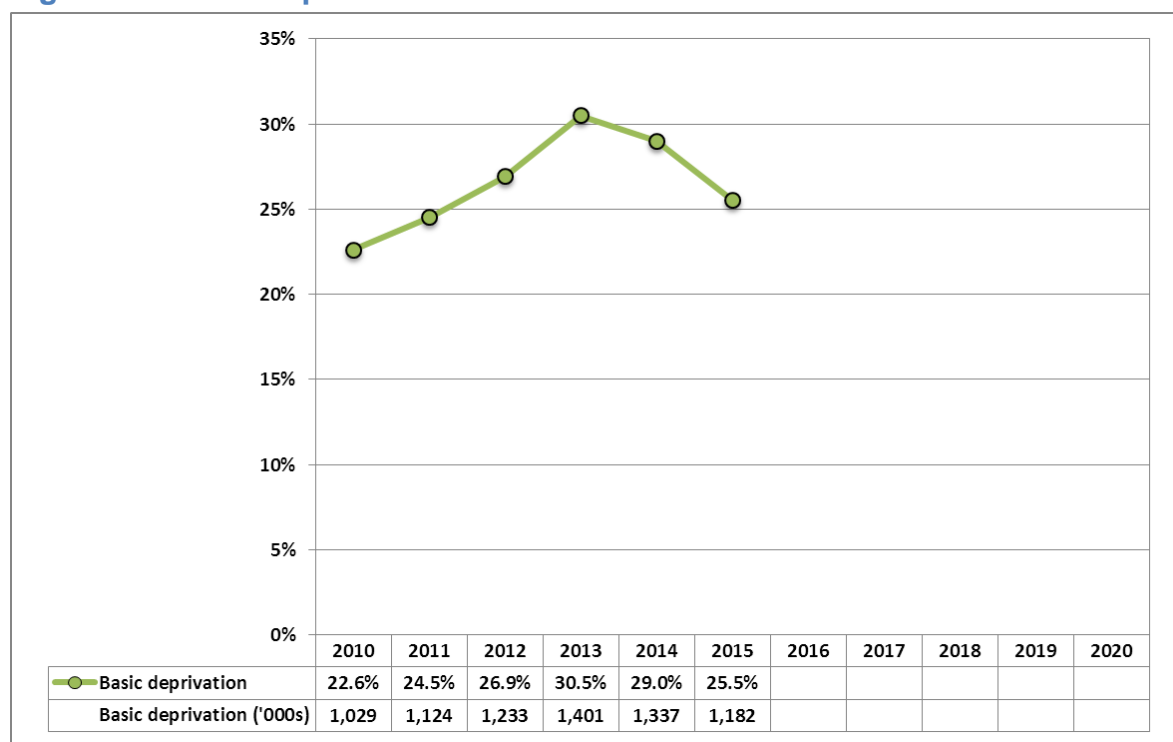
²⁵ Combining the vulnerable to consistent poverty rate with those experiencing consistent poverty gives a combined figure of 12.8 per cent in 2015, marginally down from 12.9 per cent in 2014.

3.4 Basic deprivation

People are in basic deprivation if they live in a household lacking 2 or more of 11 basic necessities.

Basic deprivation fell by 3.5 percentage points in 2015 and now affects 25.5 per cent of the population. This is the second successive year of declining deprivation rates, with the 2014 results representing the first reduction since 2007. Numerically, 1.2 million people experienced basic deprivation in 2015.

Figure 3.3 Basic deprivation



Source: SILC, various years

Table 3.2 shows the rate of basic deprivation by item. Overall, 15 per cent of people were in households deprived of one item only, 7.7 per cent on two items only, and 17.8 per cent were deprived of three or more items.

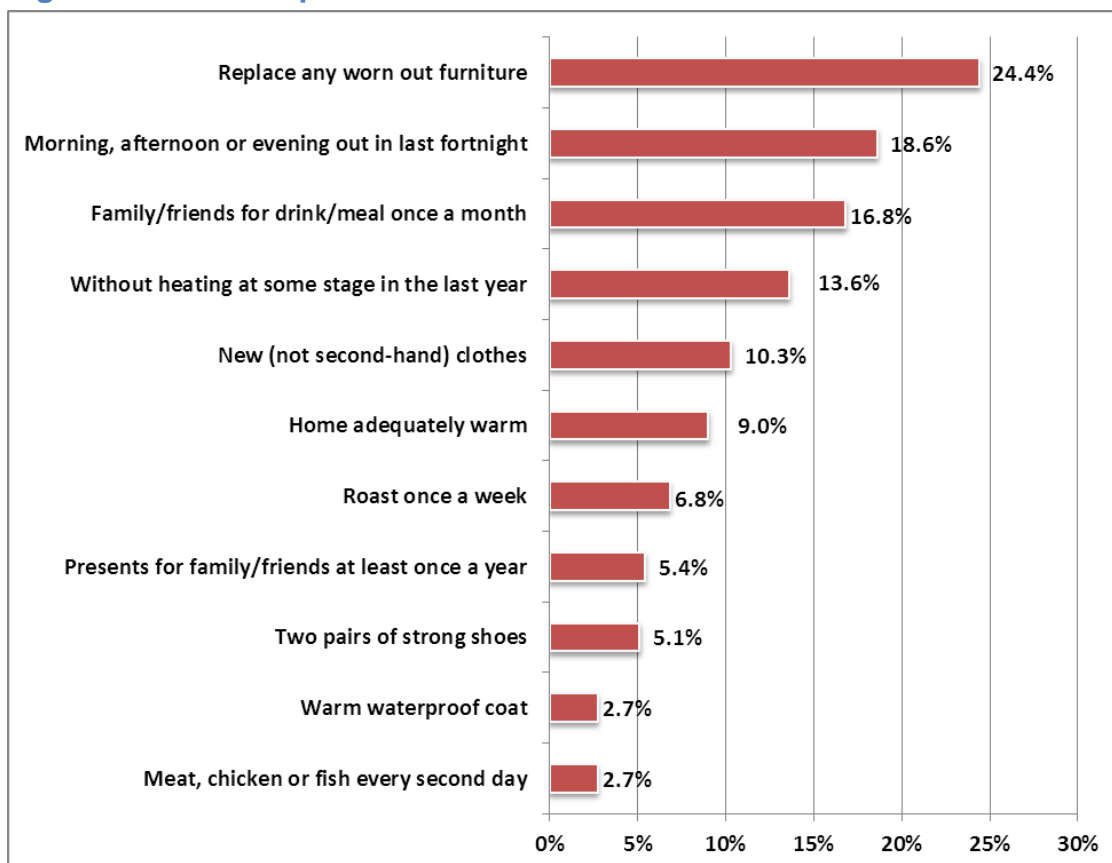
Table 3.2 Basic deprivation rates by item and year

	2010	2011	2012	2013	2014	2015
% deprived on exactly 1 item	13.5%	15.7%	16.1%	14.3%	14.6%	15.0%
% deprived on exactly 2 items	8.5%	9.1%	9.3%	9.7%	8.8%	7.7%
% deprived on 3+ items	14.1%	15.4%	17.6%	20.9%	20.2%	17.8%

Source: SILC, various years

Figure 3.4 shows the individual items of basic deprivation in 2015. The four most common basic deprivation items are being unable to afford to replace worn out furniture (24.4 per cent), a morning, afternoon or evening out in the last fortnight (18.6 per cent), to have family or friends for a drink or meal once a month (16.8 per cent) and going without heating at some stage in the last year (13.6 per cent). The deprivation level fell on 9 items in 2015 compared to a reduction on 8 items in 2014.

Figure 3.4 Basic deprivation items



Source: SILC, various years

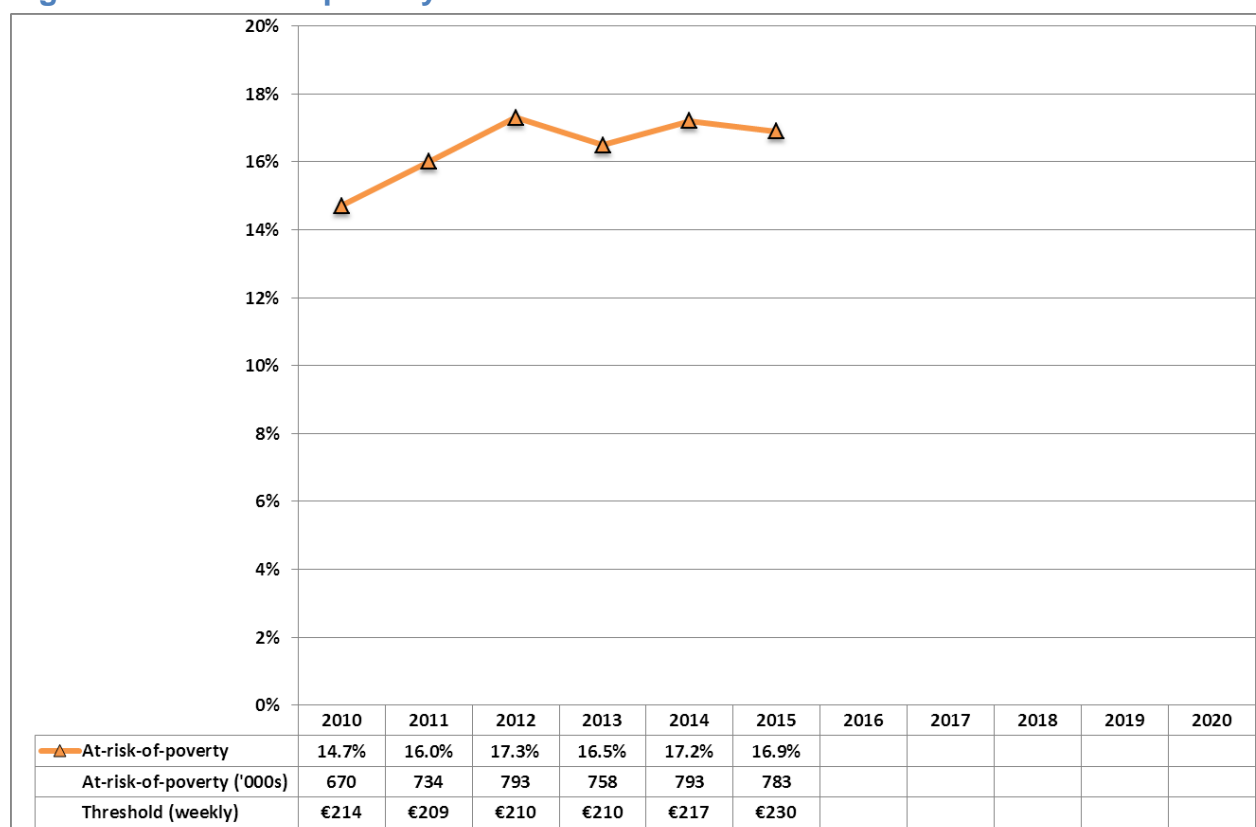
3.5 At-risk-of-poverty

People are at-risk-of-poverty if their equivalised household income is below 60% of the median.

Figure 3.5 shows the at-risk-of-poverty rate decreased from 17.2 per cent in 2014 to 16.9 per cent in 2015, though not a statistically significant change. Numerically, there were 783,000 people at-risk-of-poverty in 2015.

In 2015, the at-risk-of poverty threshold was €230 per week for a single person. This compares to €217 per week in 2014. Despite the increase in the threshold, the depth of poverty (as measured by the relative at-risk-of poverty gap²⁶) actually decreased. The gap reduced from 19 per cent in 2014 to 18.1 per cent in 2015.

Figure 3.5 At-risk-of-poverty



Source: SILC, various years

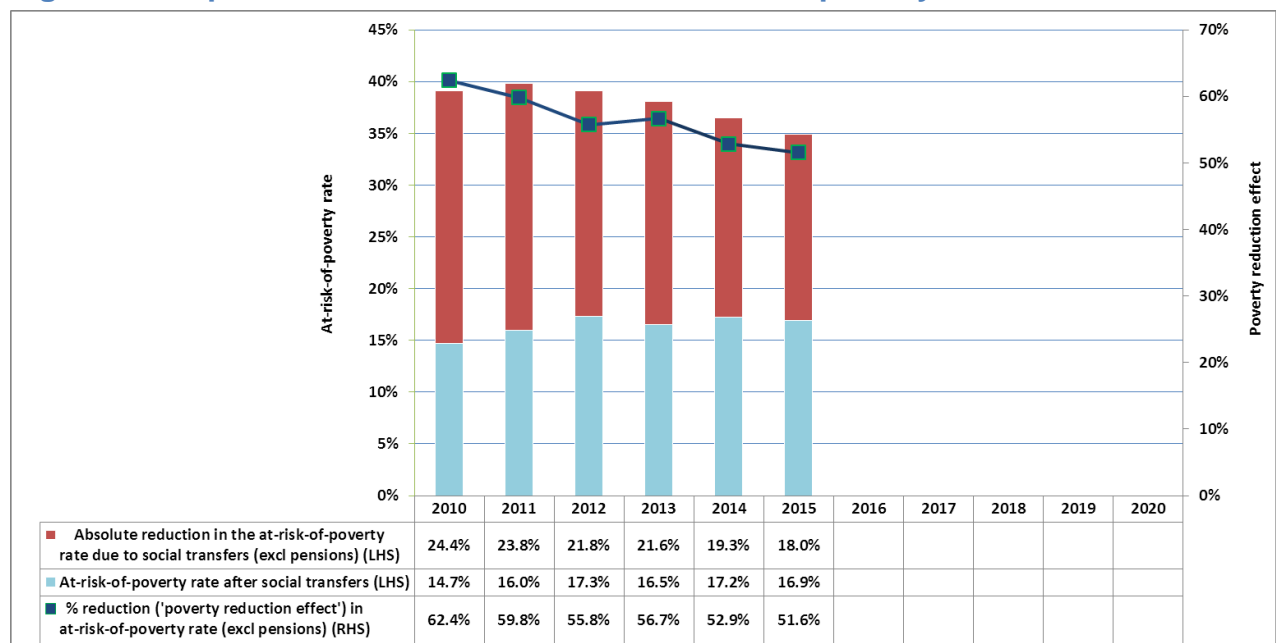
²⁶ See definition provided in the Glossary in Appendix 2

3.6 Impact of social transfers on the at-risk-of-poverty rate

The impact of social transfers in reducing the at-risk-of-poverty rate in absolute and percentage terms (excluding pensions).

In 2015, social transfers (excluding pensions) reduced the at-risk-of poverty rate from 34.9 per cent to 16.9 per cent or 18 percentage points in absolute terms (left-hand side of Figure 3.6). This represents a poverty reduction effect of 51.6 per cent (right-hand side of Figure 3.6). The comparable figure in 2014 was 52.9 per cent.²⁷ This is amongst the best in the EU (see Figure 4.7).

Figure 3.6 Impact of social transfers on the at-risk-of-poverty rate



Source: SILC, various years

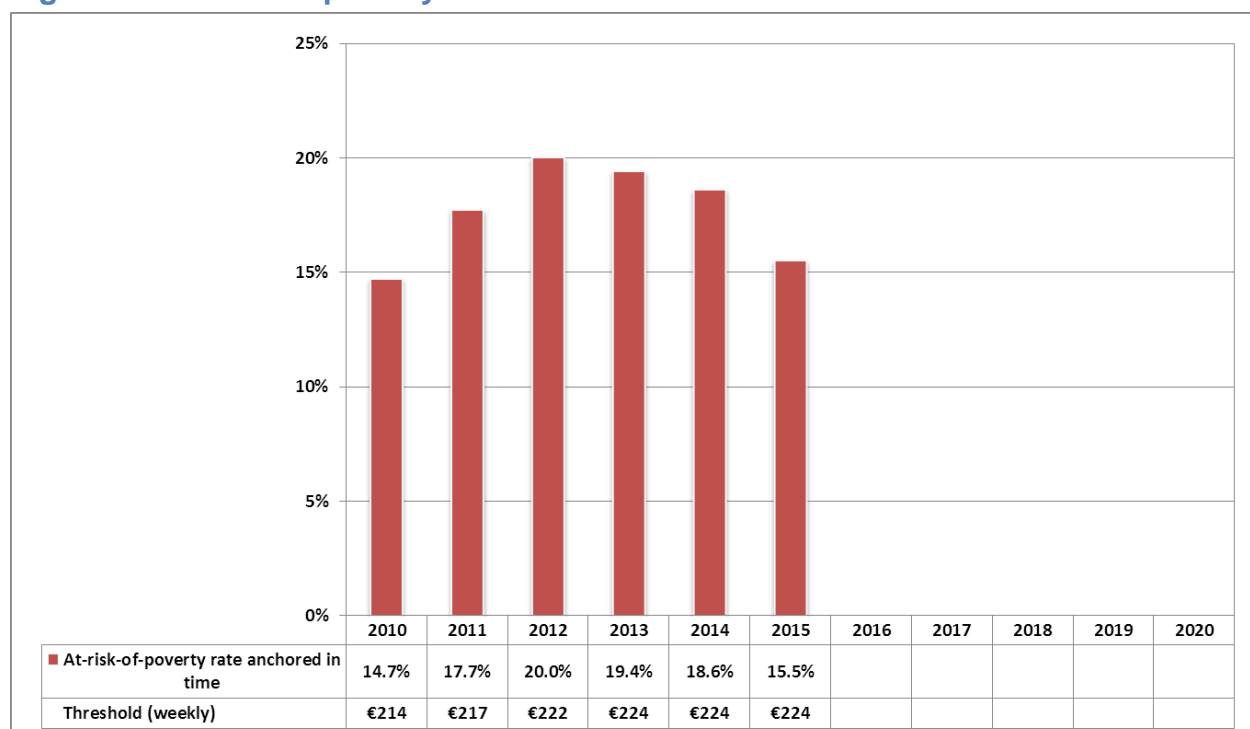
²⁷ The reduction including pensions was from 46.3 per cent (before social transfers) to 16.9 per cent (after social transfers), a 'poverty reduction effect' of 63.5 per cent.

3.7 Anchored at-risk-of-poverty

The percentage of the population with an equivalised disposable income below 60% of median income, anchored in 2010 values.

Figure 3.7 shows that in 2015 the at-risk-of-poverty rate anchored in 2010 values was 15.5 per cent. This was a 3.1 percentage point decrease on the 2014 rate of 18.6 per cent. In 2015, the anchored at-risk-of-poverty threshold remained at €224 per week for an individual.

Figure 3.7 At-risk-of-poverty anchored in 2010 values



Source: CSO SILC, various years

3.8 Medium-term perspective on the supporting indicators

Table 3.3 compares the changes in poverty rates associated with the supporting indicators across two time periods; economic growth (2005 to 2008) to economic crisis / early recovery (2009 to 2015).

It shows that the poverty reduction effectiveness of social transfers increased by 7.9 percentage points to 57.4 per cent in 2009 to 2015. Basic deprivation rose by 11.6 percentage points between the two periods. The vulnerable to consistent poverty indicator increased 1.3 percentage points to 4 per cent in 2009 to 2015. In contrast, at-risk-of-poverty fell by 0.6 percentage points to 16 per cent. At-risk-of-poverty anchored in 2010 values increased by 1.5 percentage points to 16.9 per cent in 2009 to 2015.²⁸

Table 3.3 Medium-term perspective on the supporting indicators

	Average 2005 - 2008	Average 2009 - 2015	Difference
Vulnerable to consistent poverty	2.7%	4.0%	↑ 1.3 (pp)
Basic deprivation	13.6%	25.2%	↑ 11.6 (pp)
At-risk-of-poverty	16.6%	16%	↓ -0.6 (pp)
Impact of social transfers on the at-risk-of-poverty rate	49.5%	57.4%	↑ 7.9 (pp)
At-risk-of-poverty anchored in 2010 values	15.4%	16.9%	↑ 1.5 (pp)

Source: SILC, various years

²⁸ The at-risk-of-poverty rates are anchored in 2010 values for the entire period from 2005 to 2015. An average is then taken for 2005 to 2008 and then for 2009 to 2015.

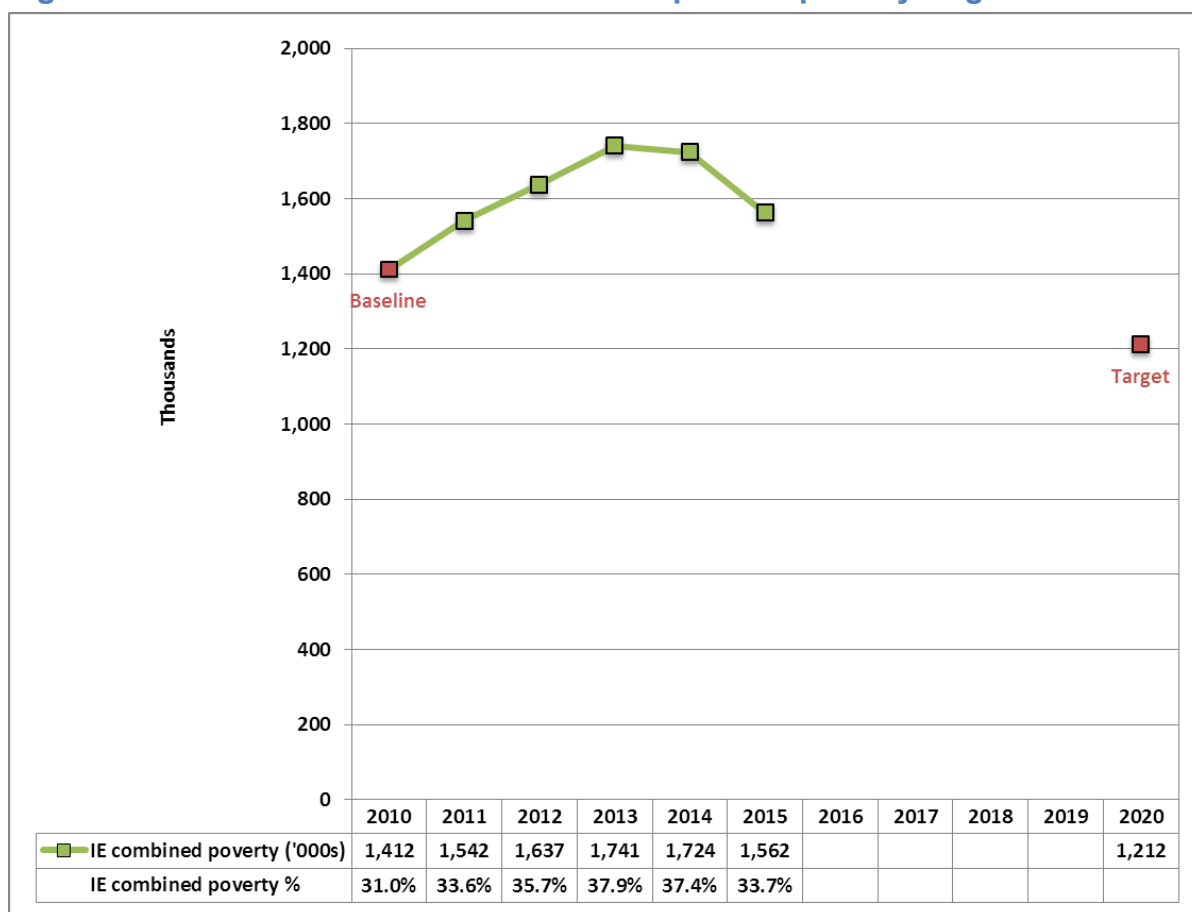
Section 4: The Europe 2020 poverty target

4.1 Irish contribution to Europe 2020 poverty target

Ireland has defined its contribution to the Europe 2020 poverty target by reducing by a minimum of 200,000 the population in ‘combined poverty’ between 2010 and 2020.

As measured using national data, the population affected by ‘combined poverty’ (see [Box 1](#)) was 33.7 per cent in 2015, compared to 37.4 per cent in 2014. This figure reflects a decrease in basic deprivation (down 3.5 percentage points to 25.5 per cent) and a marginal decrease in the at-risk-of-poverty rate by 0.3 percentage points to 16.9 per cent. Nominally, this equated to 1.6 million people and represents an increase of 150,000 people on the 2010 baseline figure (see Figure 4.1). Thus, over 350,000 people will have to be lifted out of combined poverty by 2020 to meet the Europe 2020 target.

Figure 4.1 Ireland’s contribution to the Europe 2020 poverty target



Source: SILC, various years

4.2 Medium-term perspective on combined poverty

Table 4.1 compares the changes in combined poverty rates across two time periods; economic growth (2005 to 2008) to economic crisis / early recovery (2009 to 2015). It shows that combined poverty rose 9.1 percentage points to an average of 33.6 per cent in 2009 to 2015, largely driven by an increase in basic deprivation. The general increase across the periods shows the social impact of the economic crisis.

Table 4.1 Medium-term perspective on combined poverty

	2005 - 2008	2009 - 2015	Difference
Combined poverty	24.4%	33.6%	↑ 9.1 (pp)

Source: SILC, various years

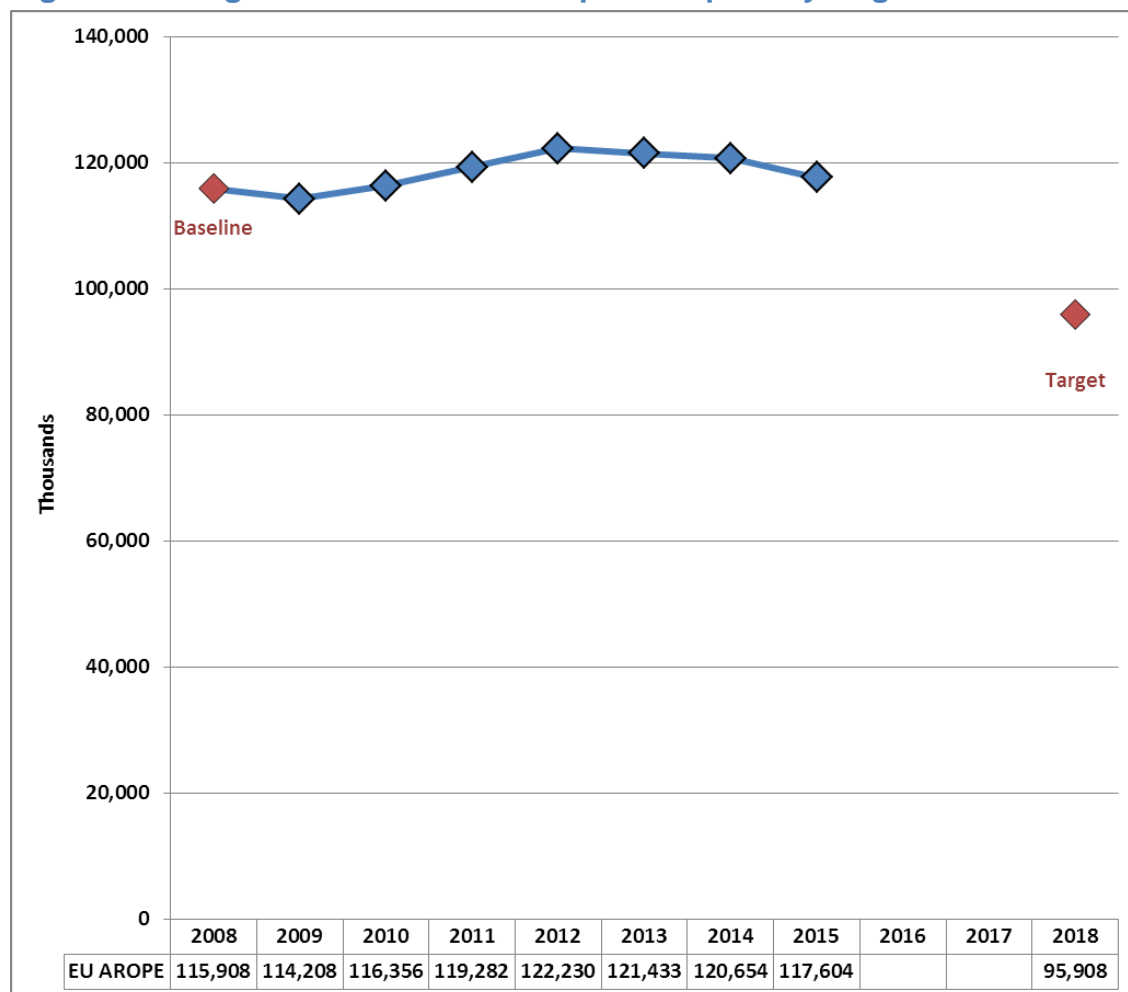
4.3 Progress towards the Europe 2020 poverty target

The Europe 2020 poverty and social exclusion target is to lift at least 20 million people from the risk of poverty and social exclusion. The baseline year for the target is 2008 while the target year is 2018. The baseline figure was 115.9 million in 2008, meaning the target figure is 95.9 million by 2018.²⁹

Figure 4.2 shows there has been little progress towards the target since 2008, the baseline year. The number of people at risk of poverty and social exclusion (AROPE) increased from 115.9 to 122.2 million in 2012, before falling to 117.6 million in 2015. The increase over the period was largely due to rising levels of severe material deprivation and very low work intensity households.

²⁹ The Europe 2020 poverty target is based on the combination of three indicators: at-risk-of-poverty, severe material deprivation, or very low work intensity (aka jobless households) – see diagram in glossary. In cases where people experience more than one of these indicators, they are counted only once.

Figure 4.2 Progress towards the Europe 2020 poverty target³⁰



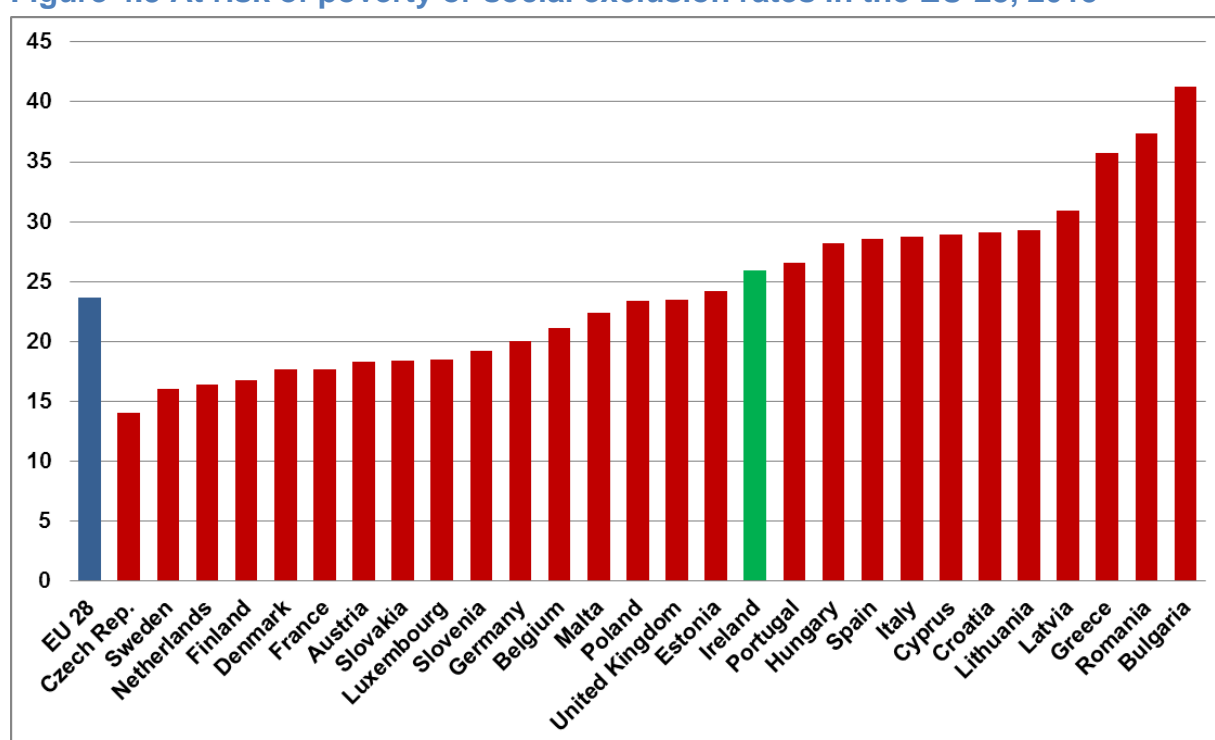
Source: Eurostat EU-SILC, various years

³⁰ In 2010, the Europe 2020 poverty target was set using the latest available data (2008) for all 27 member states. Croatia joined the European Union on 1st July 2013, becoming the 28th member state. Data for Croatia is not available before 2010. Figures exclude Croatia, which contributes an additional 1.2-1.4 million to the target population.

4.4 Comparative EU-28 at risk of poverty or social exclusion rates

As measured using EU-SILC data for 2015, Figure 4.3 shows that the proportion of people experiencing poverty or social exclusion (AROPE) in Ireland is 25.9 per cent, down from 27.5 per cent in 2014. This compares to an EU-28 average of 23.7 per cent. Ireland ranks 17th of the 28 member states on the AROPE indicator in 2015. The relatively higher rate of AROPE is due to the high rate of very low work intensity reported for Ireland. Ireland rates better than average on the at-risk-of-poverty and deprivation measures.³¹

Figure 4.3 At risk of poverty or social exclusion rates in the EU-28, 2015

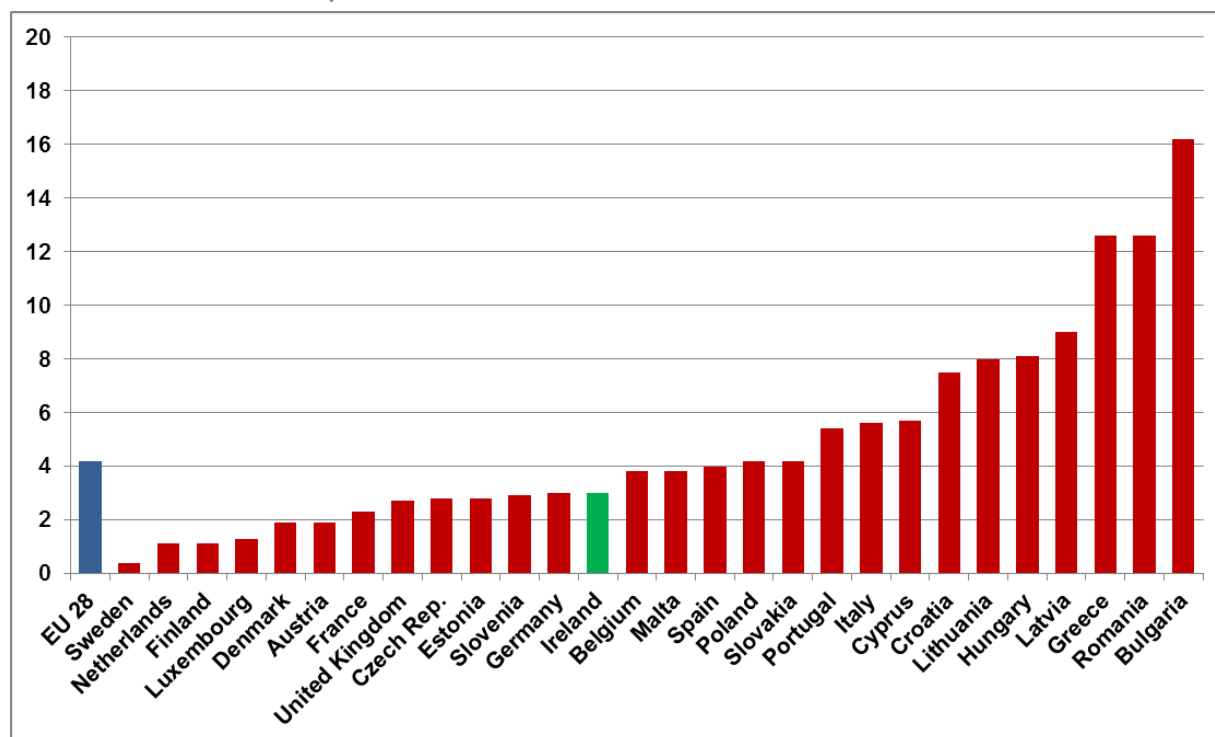


Source: Eurostat EU-SILC

It is possible using EU-SILC data to focus on the overlap of at-risk-of-poverty and severe material deprivation, excluding the very low work intensity (VLWI) measure. Using this measure, Figure 4.4 indicates that 3 per cent of the population in Ireland were both at-risk-of-poverty and severely materially deprived in 2015, which is below the EU average of 4.2 per cent in 2015. Ireland ranks 13th of the 28 member states using this indicator in 2015.

³¹ Following an examination of the data discrepancy with the very low work intensity measure in Ireland, the CSO have advised the Labour Force Survey is the definitive source of employment data, including household joblessness.

Figure 4.4 Combination of at-risk-of-poverty and severe material deprivation in the EU-28, 2015



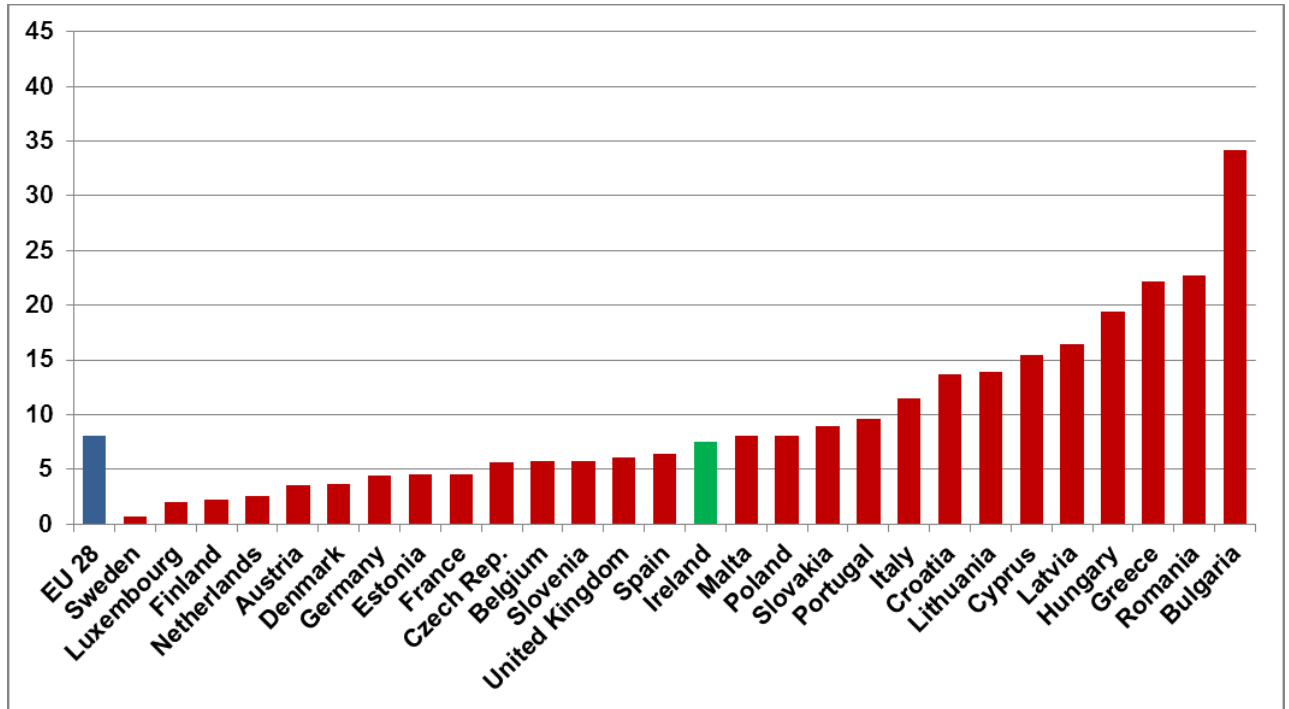
Source: Eurostat EU-SILC

As Figure 4.4 above shows, if the VLWI indicator is removed from AROPE, Ireland's position in the EU-28 ranking order improves by four places.

4.5 Comparative EU-28 severe material deprivation rates

Figure 4.5 shows that in 2015, the rate of severe material deprivation in Ireland was 7.5 per cent, down from 8.4 per cent in 2014. This is below the EU-28 average of 8.1 per cent. Ireland ranks 15th of the 28 member states.

Figure 4.5 Severe material deprivation rates in the EU-28, 2015

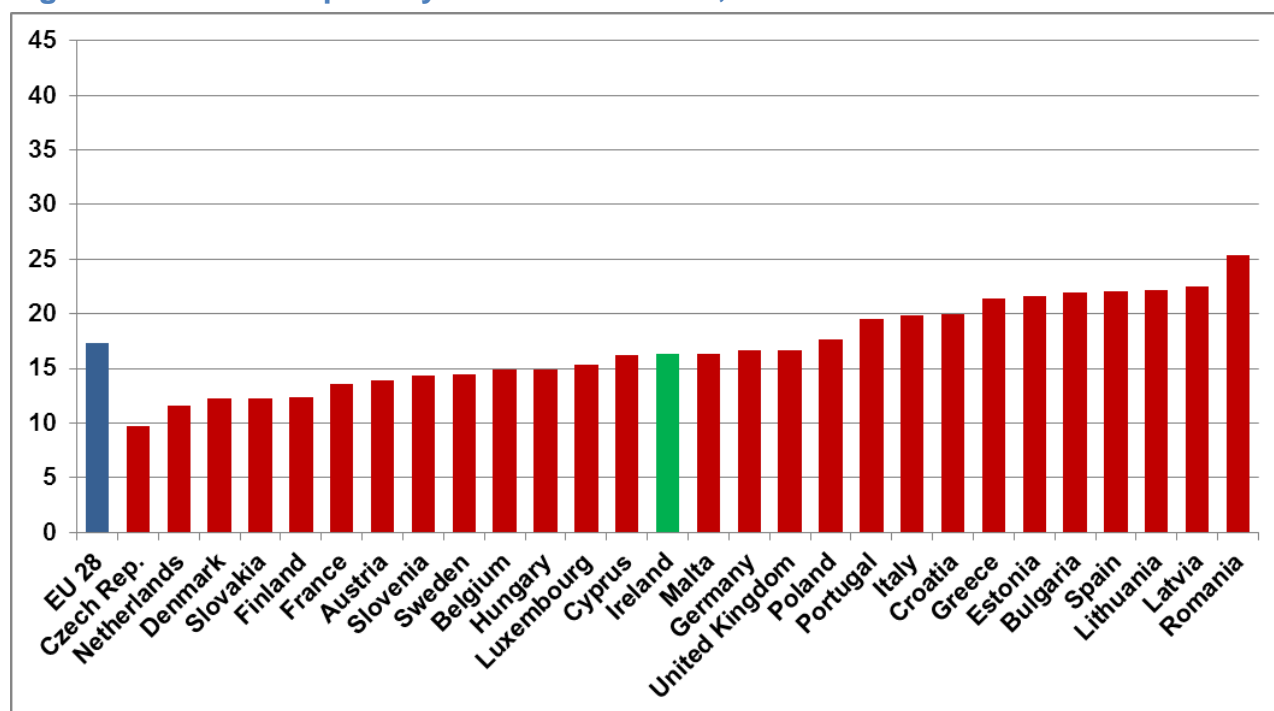


Source: Eurostat EU-SILC

4.6 Comparative EU-28 at-risk-of-poverty rates

Figure 4.6 shows that, using EU-SILC data for Ireland, the at-risk-of-poverty rate was 16.3 per cent in 2015, largely unchanged from the 2014 rate of 16.2 per cent.³² This is below the EU-28 average of 17.3 per cent in 2015. Ireland ranks 14th of the 28 member states on this indicator.

Figure 4.6 At-risk-of-poverty rates in the EU-28, 2015



Source: Eurostat EU-SILC

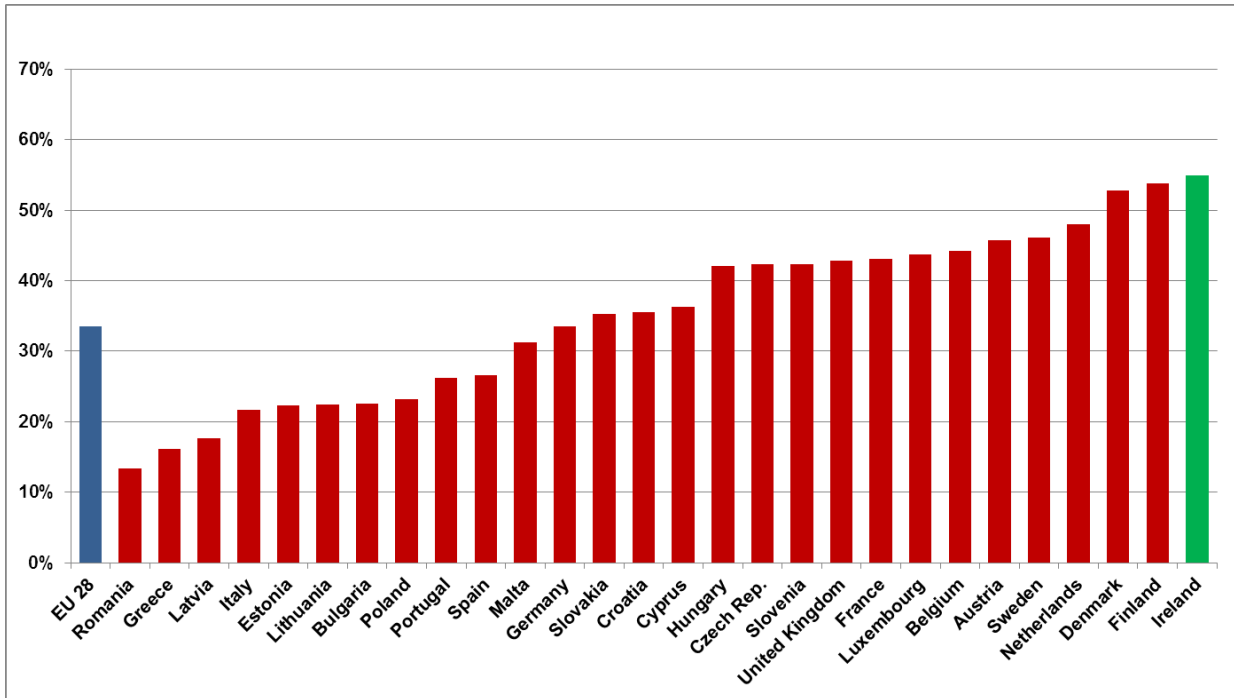
4.7 Impact of social transfers across the EU-28

Ireland continued to be among the best performing EU countries in reducing poverty and inequality through social transfers (excluding pensions). Using comparable data from Eurostat for 2015, Ireland's performance in reducing poverty at 55 per cent was far in excess of the EU-28 norm of 33.5 per cent and above the 42.8 per cent reduction achieved in the UK.³³

³² Using EU-SILC data for Ireland in 2015, the average weekly at-risk-of-poverty threshold was €249.39, an increase of 7 per cent on the 2014 threshold of €234.01.

³³ The data from Eurostat for Ireland vary slightly from the national indicators due to the different income concept used.

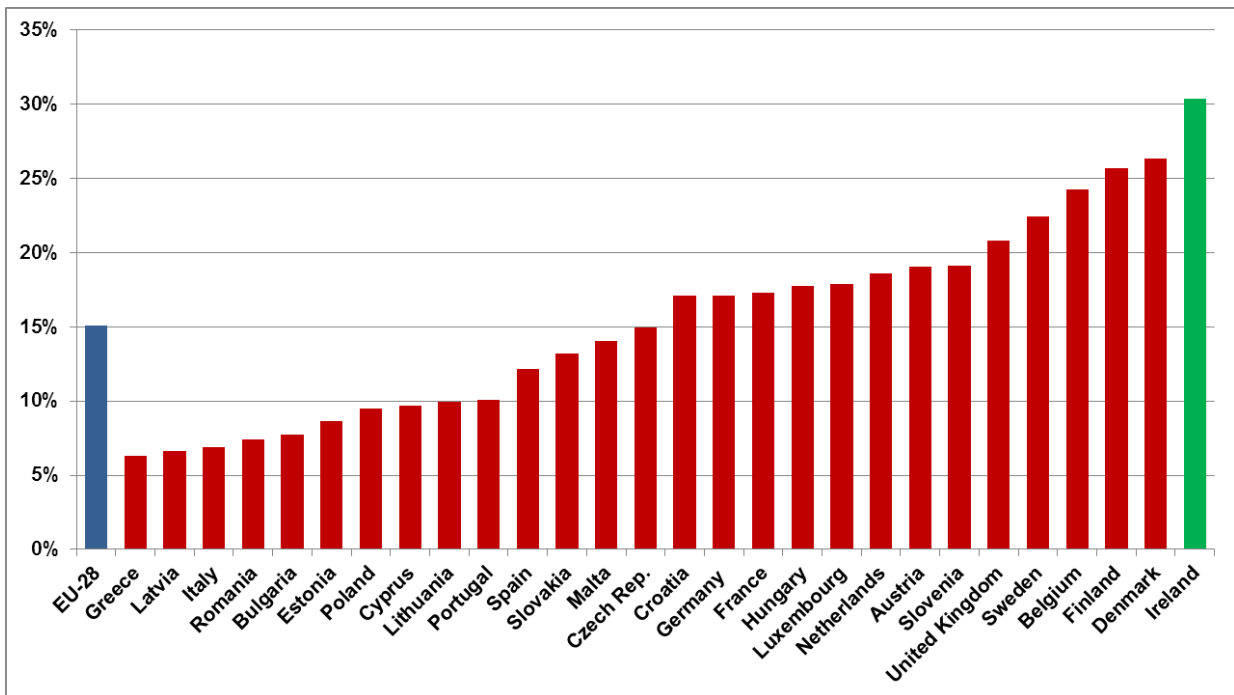
Figure 4.7 Poverty reduction effect of social transfers in the EU-28, 2015



Source: Eurostat EU-SILC, 2015

In 2015, Irish social transfers reduced the Gini coefficient from 42.8 to 29.8, an income inequality reduction effect of 30.4 per cent. Ireland was the best performing EU member state, reducing income inequality by twice the EU average.

Figure 4.8 Impact of social transfers on income inequality in the EU-28, 2015



Source: Eurostat EU-SILC, 2015

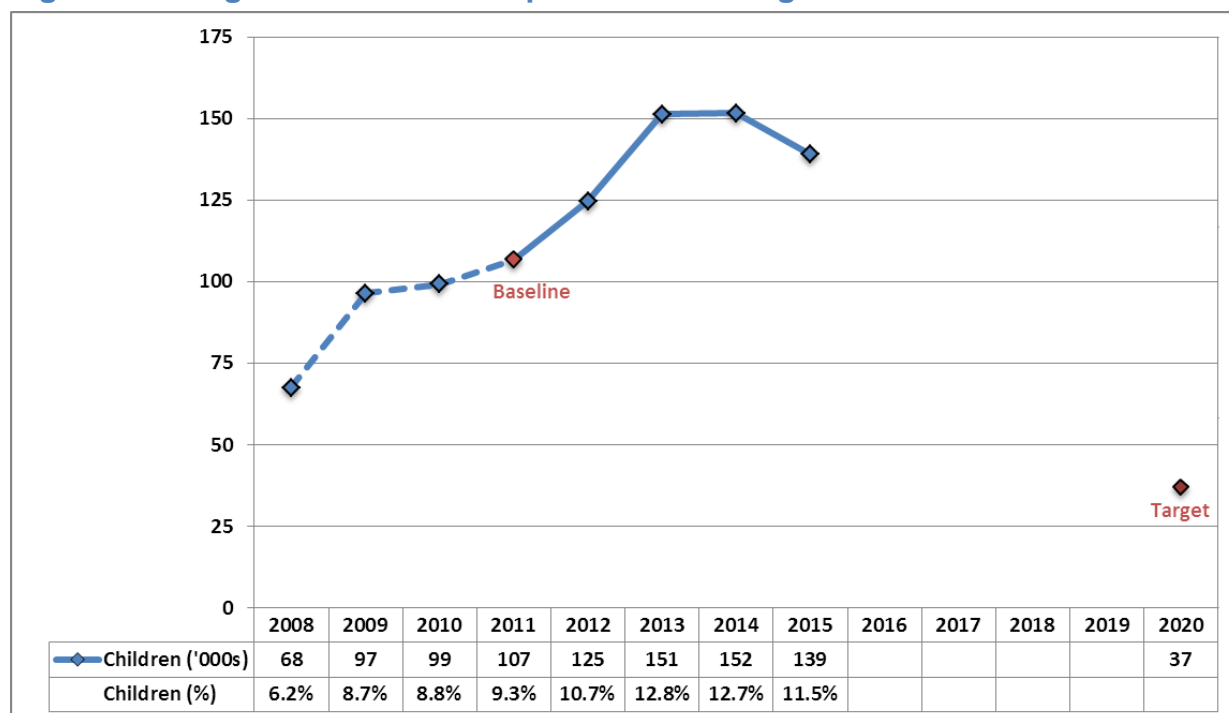
Section 5: Child poverty target and related indicators

5.1 Child-specific poverty target

To lift over 70,000 children (aged 0-17 years) out of consistent poverty by 2020, a reduction of at least two-thirds on the 2011 level.

Figure 5.1 shows that there were 139,000 children in consistent poverty in 2015, a decrease of 13,000 children on 2014. This means that a new figure of 102,000 children have to be lifted out of consistent poverty to meet the target by 2020.

Figure 5.1 Progress on the child-specific social target

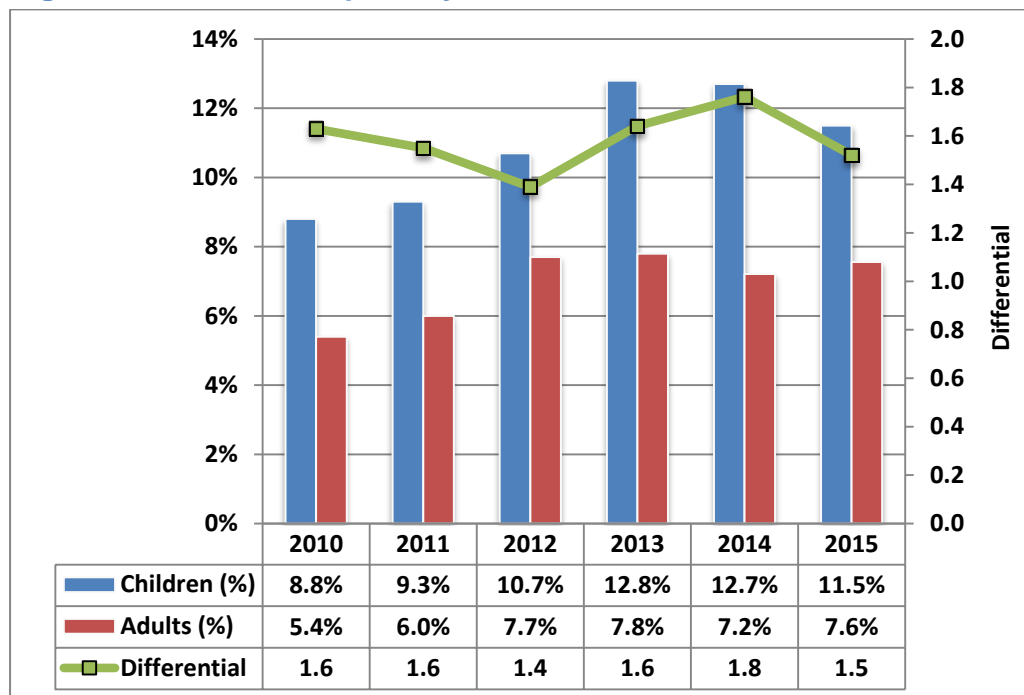


Source: SILC, various years

This target also seeks to reduce the higher consistent poverty risk for children as compared to adults (aged 18 years and over) and for households with children as compared to non-child households.

The left-hand side of Figure 5.2 shows that children had a consistent poverty rate of 11.5 per cent in 2015, compared to 7.6 per cent for adults (aged 18 years and over). The right-hand axis of the Figure looks at the differential between consistent poverty rates for adults and children. It shows that children were 1.5 times more likely to experience consistent poverty than adults, an increase on the 2012 figure of 1.4, though a decrease on the 2014 figure of 1.8.

Figure 5.2 Consistent poverty rates for adults and children

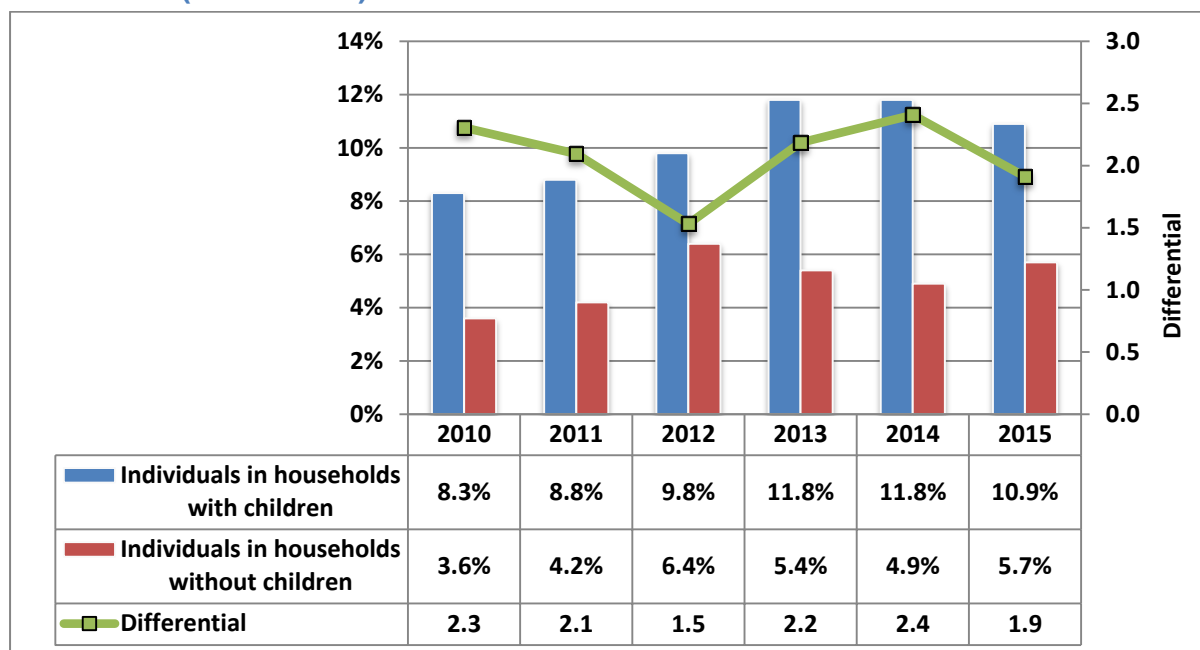


Source: CSO SILC and analysis of SILC by the ESRI, various years

The left-hand side of Figure 5.3 compares the consistent poverty rates for individuals in households with and without children. In 2015, people in households with children had consistent poverty rates of 10.9 per cent, compared to 5.7 per cent for those in non-child households. The rates in 2014 were 11.8 per cent and 4.9 per cent respectively.

The right-hand axis of Figure 5.3 shows the differential between consistent poverty rates for households with and without children. It finds that people in households with children were almost 2 times more likely to experience consistent poverty than those in households without children, a decrease on the 2014 figure of 2.4.

Figure 5.3 Consistent poverty rates for households with and without children (individuals)



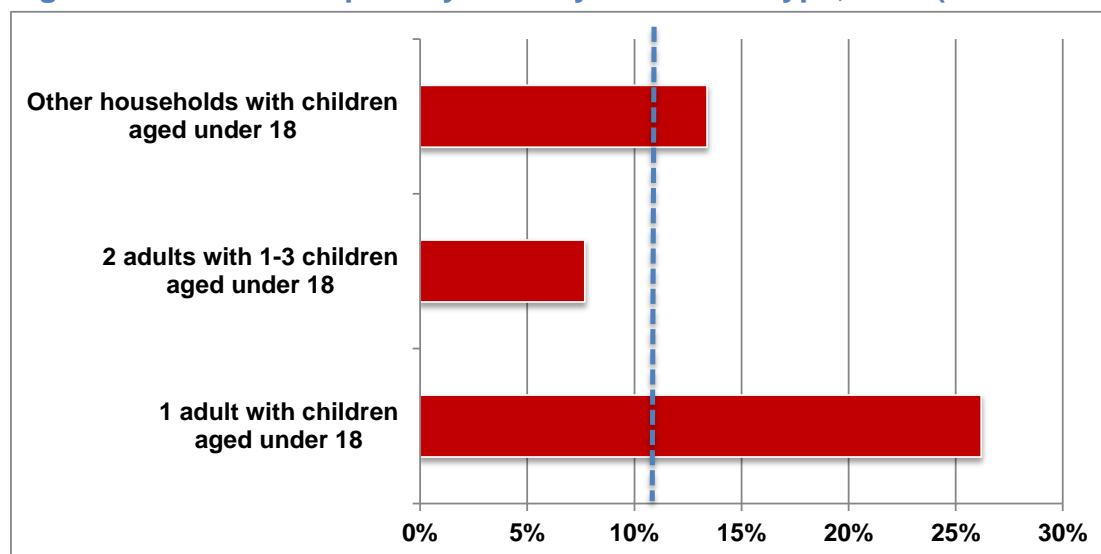
Source: Analysis of SILC by the ESRI, various years

5.2 Consistent poverty rates by household composition

Figure 5.4 compares the consistent poverty rates in different households with children. In 2015, lone parent households and other households with children had consistent poverty rates above the rates for individuals in households with children (10.9 per cent).

The rate for lone parent households increased in 2015 by 1.2 percentage points to 26.2 per cent whereas the rate for other households with children remained at the 2014 rate of 13.4 per cent. The pattern of these households being above the national average remains the same.

Figure 5.4 Consistent poverty rates by household type, 2015 (individuals)



Source: SILC, various years

5.3 Other poverty indicators for children and young people

The National Policy Framework for Children and Young People 2014-2020 (*Better Outcomes, Brighter Futures*) sets out indicators across key national outcome areas. Tables 5.1 and 5.2 set out the progress to date on key indicators in relation to poverty among children and young people. Consistent poverty, deprivation and at-risk-of-poverty rates for these groups were above the national average in 2015. In 2015, social transfers reduced the at-risk-of poverty rate for children from 41.4 per cent to 19.5 per cent, a poverty reduction effect of 52.6 per cent. The comparable figure in 2014 was 53.2 per cent.

Table 5.1 Other poverty indicators for children

	Children (0-17 years)					
	2010	2011	2012	2013	2014	2015
Consistent poverty	8.8%	9.3%	10.7%	12.8%	12.7%	11.5%
Deprivation	30.5%	32.1%	32.3%	37.3%	36.1%	31.4%
At-risk-of-poverty before social transfers (ex-pensions)	50.2%	49.8%	45.5%	44.4%	43.4%	41.1%
At-risk-of-poverty after social transfers	18.4%	18.8%	19.8%	19.6%	20.3%	19.5%
Poverty reduction effect of social transfers (ex-pensions)	63.3%	62.2%	56.5%	55.9%	53.2%	52.6%

Source: SILC, various years

The impact of social transfers on the at-risk-of-poverty rate for young people was 41.2 per cent in 2015 (reducing the rate from 47.1 to 27.7 per cent). This was an increase on the poverty reduction effect of 39.6 per cent in 2014.

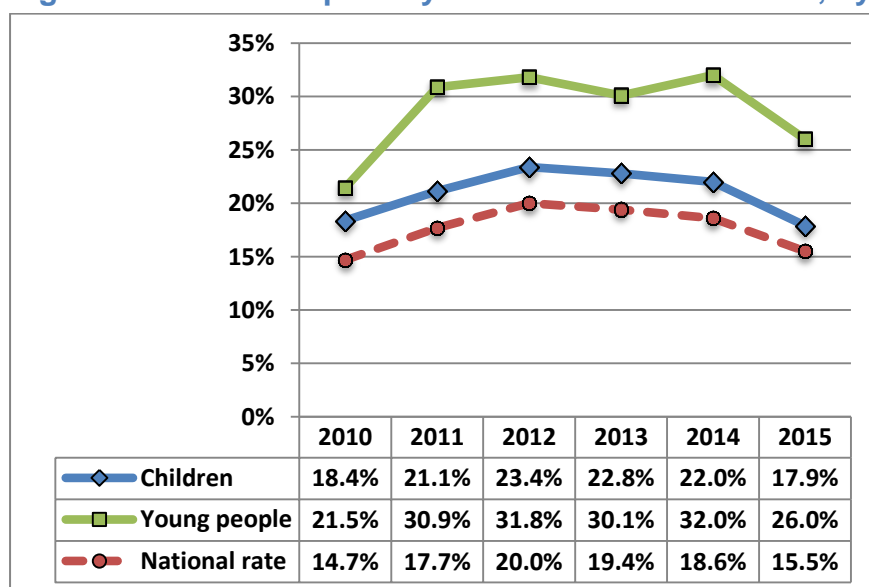
Table 5.2 Other poverty indicators for young people

	Young People (15-24 years)					
	2010	2011	2012	2013	2014	2015
Consistent poverty	9.0%	12.1%	12.3%	14.9%	14.3%	15.6%
Deprivation	24.5%	26.8%	32.5%	36.3%	34.4%	31.0%
At-risk-of-poverty before social transfers (ex-pensions)	48.8%	53.2%	55.3%	50.6%	50.2%	47.1%
At-risk-of-poverty after social transfers	21.5%	29.4%	28.3%	26.7%	30.3%	27.7%
Poverty reduction effect of social transfers (ex-pensions)	55.9%	44.7%	48.8%	47.2%	39.6%	41.2%

Source: SILC, various years

Figure 5.5 looks at the at-risk-of-poverty rate anchored in 2010 values for children and young people. In 2015, the at-risk-of-poverty rate for children anchored in 2010 values was 17.9 per cent, while the rate for young people was higher at 26 per cent. Both were above the national rate of 15.5 per cent, though both rates declined in 2015, by 4.1 and 6 percentage points respectively.

Figure 5.5 At-risk-of-poverty anchored in 2010 values, by age group



Source: CSO SILC, various years

Further analysis to report the differences in consistent poverty rates by children's age-bands (0-5 years; 6-11 years; and 12-17 years) is presented in Table 6.1 in the next section. The Table shows that the consistent poverty rates for older children (i.e. those aged from 12 to 17 years) are consistently higher than the two other age categories. The next highest consistent poverty rates were among children aged from 6 to 11. Children under the age of 6 years had the lowest rates. Consistent poverty rates fell across each of the three age-bands in 2015.

5.4 Medium-term perspective on the child-specific social target

Table 5.2 compares the changes in consistent poverty rates for children across two time periods; economic growth (2005 to 2008) to economic crisis / early recovery (2009 to 2015).

It shows that the consistent poverty rate for children (aged 0-17 years) increased from an average of 8.7 per cent in 2005 to 2008 to 10.4 per cent in 2009 to 2015. The general increase across the periods shows the social impact of the economic crisis.

Table 5.2 Medium-term perspective on the child poverty indicator

	2005 - 2008	2009 - 2015	Difference
Child poverty	8.7%	10.4%	↑ 1.7(pp)

Source: SILC, various years

Section 6: Life-cycle groups and social inclusion indicators

This section monitors trends in indicators relating to life-cycle groups and social inclusion. The first part presents the consistent poverty indicator disaggregated by social group while the second describes a broader range of social inclusion indicators which relate to specific social policy issues.

6.1 Consistent poverty rate for social groups

Table 6.1 shows that a number of groups continued to be disproportionately affected by consistent poverty. In 2015, groups with the highest rates of consistent poverty (25-26 per cent) were individuals who were unemployed and those living in lone parent families or social housing. Those in employment, older people, and people living in owner occupier housing were least affected by consistent poverty.

Analysis for 2015 shows that the consistent poverty rate for people with a disability³⁴ i.e. those reporting to be severely limited in normal activities due to a health problem, was 18.4 per cent in 2015. This compared to a rate of 9.9 per cent the year before. However, this figure (like other statistics for very small groups in the survey) has been volatile in recent years. This is due to smaller sample sizes. It is not possible to say with certainty whether the change over the year is statistically significant and indicative of a sustained trend.

Children (0-17 years) and young people (15-24 years) also had consistent poverty rates above the national average at 11.5 and 15.6 per cent respectively. This contrasted with a rate of 8.7 per cent among people of working age (18-64 years) and 2.7 per cent for older people (65+ years).

³⁴ The SILC does not include a question on 'disability'. Therefore, a proxy measure is used for people aged 16 years or over who respond that they have been 'strongly limited' in activities people usually do in the last six months because of a health problem.

Table 6.1 Consistent poverty rate for social groups³⁵ (individuals)

	Rate						Share
	2010	2011	2012	2013	2014	2015	2015
National rate	6.3%	6.9%	8.5%	9.1%	8.8%	8.7%	100.0%
Gender							
Male	5.8%	6.9%	8.5%	8.8%	8.6%	8.3%	47.1%
Female	6.8%	6.9%	8.4%	9.5%	9.0%	9.1%	52.9%
Life-cycle groups							
Children (0-17 years)	8.8%	9.3%	10.7%	12.8%	12.7%	11.5%	35.7%
0-5 years	5.8%	7.6%	7.8%	8.5%	9.0%	8.4%	-
6-11 years	8.5%	10.6%	13.2%	11.1%	10.7%	8.5%	-
12-17 years	11.8%	14.0%	16.9%	18.1%	15.6%	11.8%	-
Young people (15-24 years)	9.0%	12.1%	12.3%	14.9%	14.3%	15.6%	-
Working age (18-64 years)	6.2%	6.8%	8.7%	8.9%	8.5%	8.7%	60.2%
Older people (65+ years)	0.9%	1.9%	2.6%	2.3%	2.1%	2.7%	4.1%
Specific groups							
People with a disability³⁶	8.4%	4.9%	11.6%	8.1%	9.9%	18.4%	7.4%
Unemployed	16.0%	16.5%	20.8%	25.9%	24.2%	26.2%	20.4%
Non-Irish³⁷	7.8%	7.4%	8.3%	9.9%	9.4%	10.1%	11.0%
Vulnerable households							
Lone parent families	13.6%	16.4%	19.9%	26.2%	25.0%	26.2%	14.6%
Social housing tenants	17.3%	21.5%	21.0%	26.0%	23.6%	24.9%	43.5%
Rented at market rate	10.6%	6.8%	9.9%	10.0%	10.5%	11.3%	19.5%

Source: SILC and analysis of SILC by the ESRI, various years

6.2 Social inclusion indicators

Table 6.2 shows that weekly mean equivalised nominal disposable income increased by 4 per cent to €446.55 in 2015. Weekly mean equivalised real disposable income

³⁵ The SILC dataset will not facilitate disaggregation for all of the nine equality groups. Those excluded are civil status, sexual orientation, religion, race and membership of the Traveller community.

³⁶ See footnote 34 for definition of proxy measure used to identify people with a disability in SILC survey data.

³⁷ This is based on whether someone identifies themselves as being an Irish citizen / national. It was quoted in the ESRI/The Integration Centre Annual Monitoring Report on Integration.

increased by a similar proportion (up 4.2 per cent) to €441.45 in 2015. Real equivalised weekly social transfers as a proportion of gross income declined marginally from 24 per cent in 2014 to 23.1 per cent in 2015.

Table 6.2 Social inclusion indicators³⁸

	2010	2011	2012	2013	2014	2015
Nominal equivalised disposable income (per week)	€424.26	€410.89	€413.53	€421.52	€429.21	€446.55
Real equivalised disposable income (per week)³⁹	€439.82	€420.08	€413.53	€417.27	€423.71	€441.45
S80:S20 income quintile share ratio	4.8	4.9	5.1	5.0	5.1	4.7
Gini coefficient	31.4	31.1	31.8	32.0	32.0	30.8
Relative at-risk-of-poverty gap	17.7%	19.5%	20.5%	18.2%	19.0%	18.1%
In-work poverty	5.7%	6.5%	5.9%	5.3%	6.0%	5.8%
Food poverty	10.0%	11.4%	11.8%	13.2%	13.1%	11.5%
Financial exclusion⁴⁰	n/a	n/a	n/a	11.8%	10.7%	8.6%
Economic stress	0.27	0.29	0.32	0.33	0.27	0.24
Health status (fair to bad)⁴¹	16.7%	20.5%	17.5%	17.9%	17.4%	17.5%

Source: SILC and analysis of SILC by the ESRI, various years

³⁸ See definitions provided in the Glossary in Appendix 1.

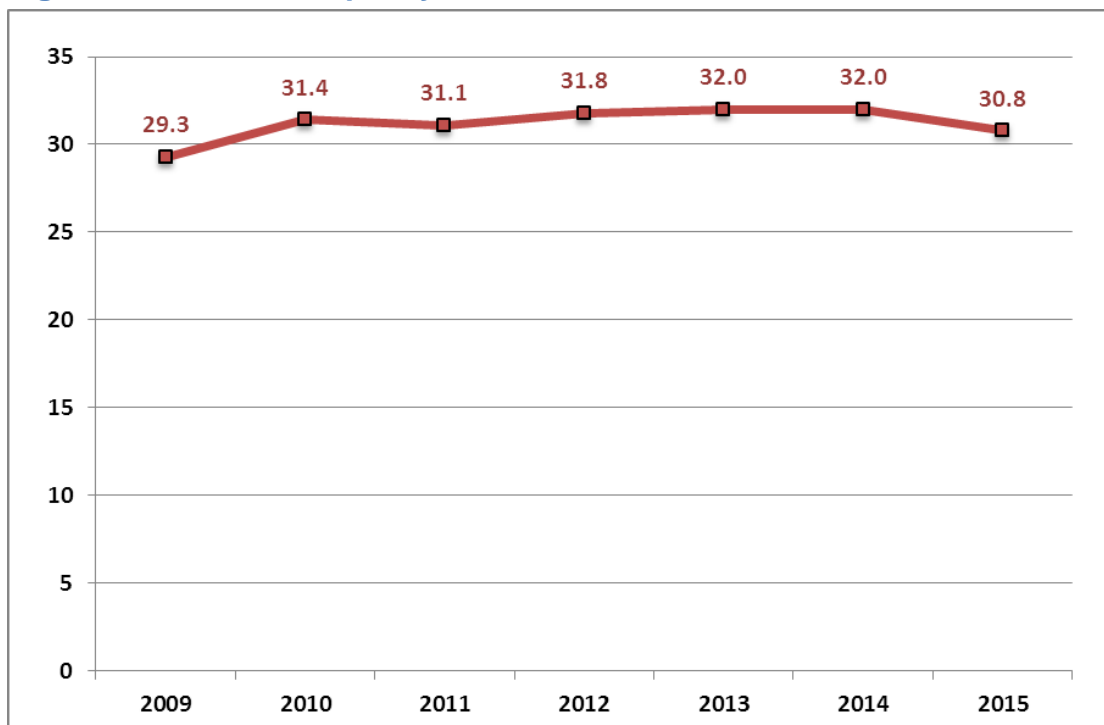
³⁹ Real income figures have been adjusted for inflation by applying a deflator (0.99 per cent) to the nominal income figures. The deflator is derived from the monthly Consumer Price Index and takes into account the rolling nature of the income data collected by SILC (CSO (2014), *Survey on Income and Living Conditions (SILC) 2012*, Cork: CSO). The deflator base year is 2012, as such the real and nominal values of equivalised disposable income are the same in 2012.

⁴⁰ There was a break in the series in 2013 as the question on financial exclusion changed to separate out having a bank current account from the use of it for money management. The explanatory text defining the services offered by these types of accounts also changed.

⁴¹ This indicator is based on the health status (fair to very bad) of the household reference person.

Income inequality declined between 2014 and 2015 based on both the Gini coefficient and the income quintile share ratio. Figure 6.1 illustrates the trend in income inequality measured using the Gini coefficient over the period 2009 to 2015. It shows that the level of income inequality was 32 in 2014 and 30.8 in 2015. On a comparative basis, the gap between the rich and the poor is smaller in Ireland compared to the EU-28 average (29.8 vs 31).⁴²

Figure 6.1 Income inequality



Source: SILC, various years

Food poverty and financial exclusion emerged as social policy issues in recent years. As with the stabilisation in the main poverty measures, these items also saw improvements in 2015. Food poverty (as measured by an enforced lack of one of three food deprivation items) was experienced by 11.5 per cent of the population in 2015, a reduction on the 2014 rate of 13.1 per cent.⁴³ In 2015, 8.6 per cent of households experienced financial exclusion (i.e. did not have access to a bank current account) and this was a reduction of 2.1 percentage points on 2014.

⁴² <http://ec.europa.eu/eurostat/web/income-and-living-conditions/data/main-tables>

⁴³ The purpose of the technical paper on *Constructing a Food Poverty Indicator for Ireland using the Survey on Income and Living Conditions* was to develop a deprivation-based measure of food poverty. For discussion of this see: www.welfare.ie/en/Pages/Food-Poverty.aspx

In-work poverty decreased from 6 per cent in 2014 to 5.8 per cent in 2015. Economic stress is a measure of the change in economic fortunes of Irish households through items such as debt, housing costs, and the difficulties and stresses of managing on reduced household incomes.⁴⁴ The mean level of economic stress reduced from 0.27 in 2014 to 0.24 in 2015.

Health inequality, based on the health status (defined as fair to very bad) of the household reference person, was largely unchanged at 17.5 per cent in 2015.⁴⁵

⁴⁴ This indicator was developed in the technical paper on *Trends in Economic Stress and the Great Recession in Ireland* published in 2014. See glossary for full definition. For a detailed discussion see: www.welfare.ie/en/Pages/Trends-in-Economic-Stress-and-the-Great-Recession-in-Ireland.aspx

⁴⁵ In 2013, the Government published *Healthy Ireland: A Framework for Improved Health and Well-being 2013-2025*, which included a commitment to reduce health inequalities. To reflect this goal a health inequality measure was added to the Monitor in 2012.

Section 7: Spatial distribution of poverty

This section examines poverty trends from a spatial perspective. An important point to note is that spatial analysis using SILC is limited due to the sample size. As such, the analysis in this section focuses on regions and rural-urban characteristics alone. This limited spatial analysis of national poverty indicators can be complemented by micro-level data on select socio-demographic indicators from the Census (e.g. the Pobal Haase-Pratschke Deprivation Index⁴⁶ and the SAHRU National Deprivation Index⁴⁷).

7.1 Rate of consistent poverty by region

The highest rate of consistent poverty by NUTS 2⁴⁸ level was recorded for the Border, Midland and Western region at 9.9 per cent, which was above the national average of 8.7 per cent. This compared to 8.3 per cent in the Southern and Eastern region.

Map 1 shows the rates of consistent poverty across NUTS 3⁴⁹ regions in 2015. The highest rate was 11.9 per cent in the Border region, this decreased from 15.5 per cent in 2014. In contrast, the Mid-East experienced the lowest level at 6 per cent, a slight decrease from 6.7 per cent in 2014. Further analysis is required to determine if the changes are statistically significant. Other regions with rates above the national average were the South-West (11.4 per cent) and the South-East (10.1 per cent).

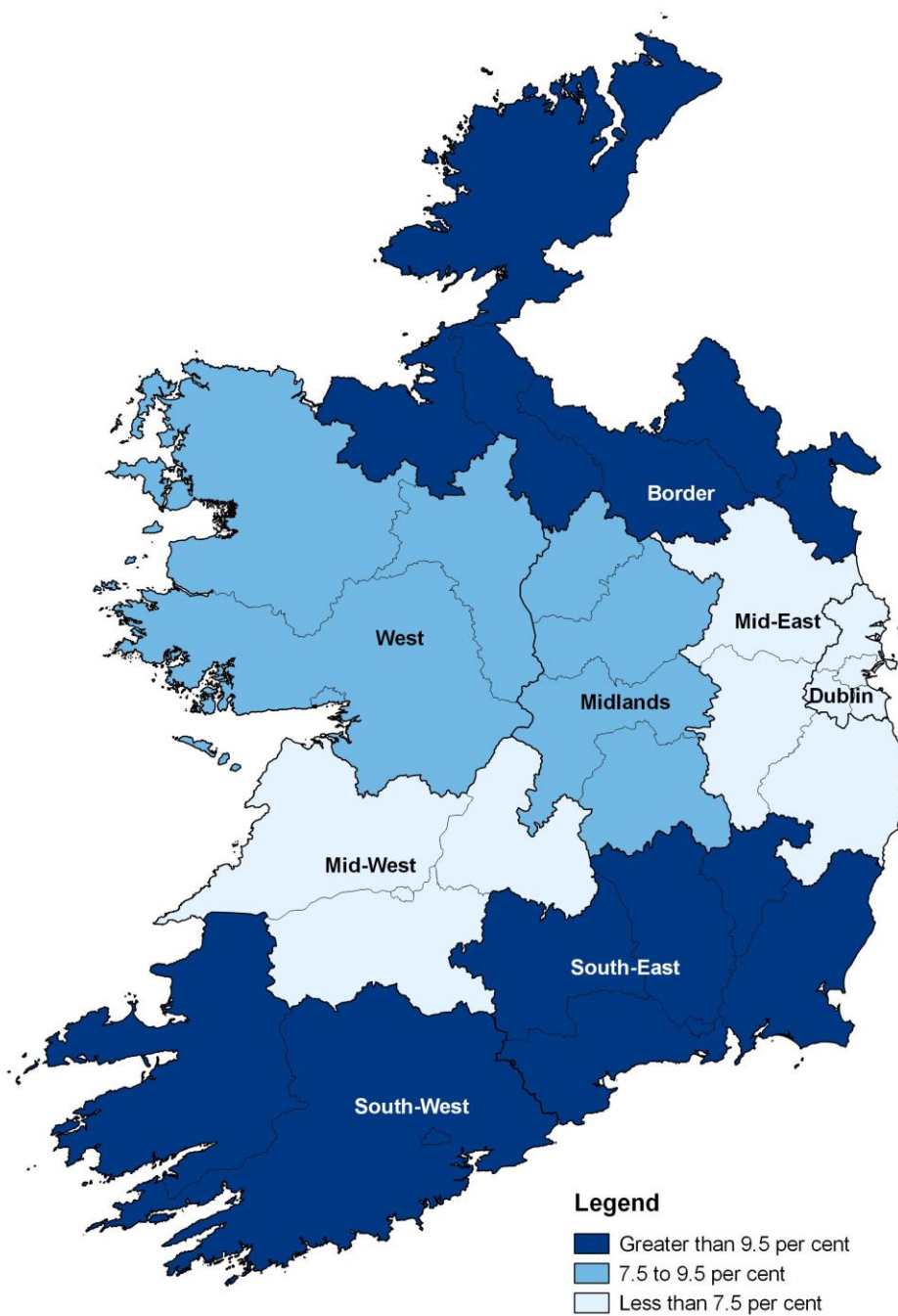
⁴⁶ See: <https://www.pobal.ie/Pages/New-Measures.aspx>

⁴⁷ The Small Area Health Research Unit (SAHRU) is based in the Department of Public Health and Primary Care in Trinity College Dublin. See: <http://www.sahru.tcd.ie/services/deprivation.php>.

⁴⁸ NUTS 2: the Border, Midland & Western (BMW) region and the Southern & Eastern (SE) region.

⁴⁹ NUTS 3: Border, Midlands, West, Dublin, Mid-East, South-East, Mid-West; and South-West.

Map 1: Rate of consistent poverty in NUTS 3 regions, 2015



7.2 Rate of consistent poverty by rural-urban characteristics

Table 7.1 presents more detailed information on the rate of consistent poverty, across five locational categories. In 2015, the highest consistent poverty rates were found in towns with populations between 1,000 and 5,000 (11.9 per cent), followed by towns with populations greater than 5,000 people and mixed urban/rural areas which were both at the national average rate (of 8.7 per cent). The rates in cities and suburbs (8.5 per cent) and in rural areas (7.9 per cent) were below the national average. There was a downward trend in consistent poverty rates in towns with populations greater than 5,000 people and in mixed urban/rural and rural areas between 2014 and 2015. All other areas were stable or experienced an increase.

Table 7.1 Consistent poverty rates by rural-urban characteristics

	Rate						Share
	2010	2011	2012	2013	2014	2015	2015
National rate	6.3%	6.9%	8.5%	9.1%	8.8%	8.7%	100%
Cities and suburbs	5.5%	4.9%	7.3%	6.5%	7.4%	8.5%	42.5%
Towns and environs with pop=>5,000	7.0%	9.6%	11.2%	10.3%	12.4%	8.7%	8.9%
Towns and environs with pop 1,000<=<5,000	13.0%	10.1%	13.9%	10.8%	11.2%	11.9%	12.8%
Mixed urban / rural areas	5.7%	7.5%	8.8%	11.7%	10.6%	8.7%	10.5%
Rural	5.9%	6.5%	7.0%	9.3%	7.6%	7.9%	25.3%

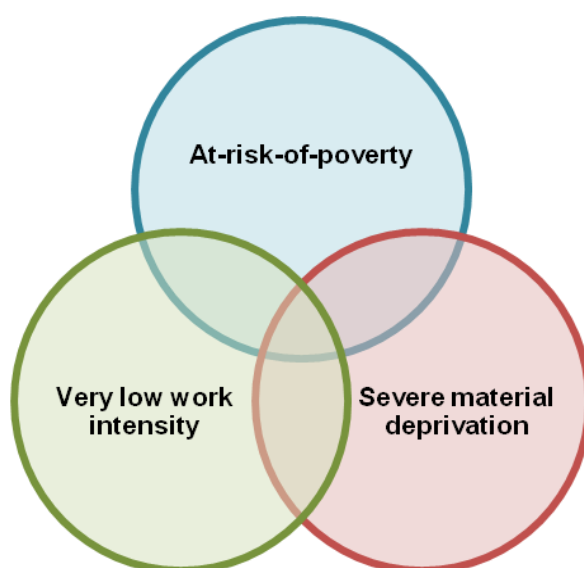
Source: Analysis of SILC by the ESRI, various years

Appendix 1: Glossary

Adults in jobless households are defined in the QNHS as adults aged 18 to 59 years living in households where no member of the household is working. Students aged 18 to 24 years living in households composed solely of students are excluded.

At-risk-of-poverty: Persons are regarded as being at-risk-of-poverty if their equivalised income is below 60% of the median income. In 2015, the at-risk-of poverty threshold was €12,000 per annum or €229.97 per week for a single person. It was €27,840 or €533.54 a week for a family of 2 adults and 2 children.

At risk of poverty or exclusion: This EU measure combines the number of people who experience at-risk-of-poverty, severe material deprivation, or very low work intensity. This measure is the basis for the Europe 2020 poverty target. In cases where people experience more than one of these indicators, they are counted only once. The Irish version of this measure is 'combined poverty'.



At-risk-of-poverty anchored in time: The proportion of people with an equivalised disposable income below the at-risk-of-poverty threshold calculated in survey year N, adjusted by inflation over subsequent years. It essentially measures the percentage of the population falling below an at-risk-of-poverty threshold of an earlier year, after accounting for the effects of inflation. This indicator is also referred to as an absolute measure of poverty, which reflects changes in fixed living circumstances, as distinct from changes in relative living standards.

Basic deprivation: People who are denied – through lack of income – at least 2 items from a list of 11 indicators are regarded as experiencing deprivation. This is enforced deprivation as distinct from the personal choice not to have the items. The following 11 basic items are used to construct the deprivation index:

- unable to afford two pairs of strong shoes;
- unable to afford a warm, waterproof overcoat;
- unable to afford new (not second-hand) clothes;
- unable to afford a meal with meat, chicken or fish (vegetarian equivalent) every second day;
- unable to afford a roast joint or its equivalent once a week;
- without heating at some stage in the last year through lack of money;
- unable to afford to keep the home adequately warm;
- unable to afford to buy presents for family or friends at least once a year;
- unable to afford to replace any worn-out furniture;
- unable to afford to have family or friends for a drink or meal once a month; and
- unable to afford a morning, afternoon or evening out in the last fortnight for entertainment.

The indicator of basic deprivation was developed by the Economic and Social Research Institute using data from the *Survey on Income and Living Conditions*. See Maitre B., Nolan B. and Whelan C. (2006) *Reconfiguring the Measurement of Deprivation and Consistent Poverty in Ireland*, Dublin: ESRI, for further information.

Combined poverty: Ireland's contribution to the EU target is based on reducing the population in 'combined poverty'. This is the combination of three indicators – consistent poverty or at-risk-of-poverty or basic deprivation. It is similar to the EU composite measure, 'at risk of poverty or exclusion'.

The exclusion of very low work intensity from the Irish measure is not the only difference between the Irish and EU composite indicators. The at-risk-of-poverty measure generates different results at EU and national levels as a result of differences in the definition of gross income. The EU definition does not include income from private pensions or the value of goods produced for own consumption. Also, employers' social insurance contributions are included in the national definition of gross income but are excluded from the EU definition. The EU uses an alternative equivalence scale (the OECD scale) to that used for national indicators in Ireland. The OECD attributes a weight of 1 to the first adult, 0.5 to each subsequent adult and 0.3 to each child. In terms of deprivation, the national approach identifies those experiencing 'basic deprivation' (lacking 2 or more out of 11 basic items) whereas the EU approach is based on 'severe material deprivation' (lacking 4 or more from a 9 item list). The effect of these differences has generally been a higher at-risk-of-poverty rate using EU definitions rather than national definitions.

Consistent poverty: This is a measure of poverty used in the *National Action Plan for Social Inclusion 2007-2016* that takes account of the household's living standards as well as the household size, composition and total income. Persons are regarded as being in consistent poverty if their income is below 60% of the median income (i.e. at-risk-of-poverty) and are deprived of at least 2 out of the 11 items on the basic deprivation list. (See [Box 1](#))

Disposable income: Tax and social insurance contributions are summed to household level and subtracted from the gross household income to calculate the total disposable household income.

Economic stress: This is a measure that captures the change in economic fortunes of Irish households by going beyond income to include items such as debt, housing costs, and the difficulties and stresses of managing on reduced household incomes. Specifically, it combines five identified economic stress items:

- Difficulty making ends meet;
- Arrears;
- Housing costs that are a heavy burden;
- Inability to save; and
- Going into debt to meet ordinary living expenses.

A mean level of economic stress of 0 means that there is no economic stress on any of the items while a score of 1 means there is difficulty on all the items.

Employment rate: the employment rate is the proportion of the working-age population that is employed. The International Labour Organisation (ILO) definition of employed persons are those aged 15 years and over who have worked for payment or profit in the reference week (usually the week preceding the survey) or who had a job from which they were temporarily absent for reasons such as holidays, maternity leave or sick leave.

Equivalence scales: A set of relativities between the needs of households of differing size and composition, used to adjust household income to take into account the greater needs of larger households. In Ireland the national scale attributes a weight of one to the first adult (aged 14+) and 0.66 to each subsequent adult and a weight of 0.33 to each child. International comparisons such as that done by Eurostat uses the modified OECD scale which attributes a weight of one to the first adult (aged 14+) and 0.5 to each subsequent adult and a weight of 0.3 to each child.

Equivalised income: This refers to household income from all sources adjusted for differences in household size and composition (number of adults and children). It is calculated by dividing total disposable (i.e. after tax) household income by the equivalence scale value. It can be interpreted as income per adult-equivalent.

EU-LFS: European Union Labour Force Survey is based on harmonised national surveys carried out across the EU and designed to provide data on labour force status of people aged 15 and over. In Ireland the QNHS produces the labour force data for the EU-LFS.

EU-SILC: European Union Statistics on Income and Living Conditions is a voluntary household survey carried out annually in a number of EU member states allowing comparable statistics on income and living conditions to be compiled. In Ireland, the Central Statistics Office (CSO) has conducted the survey since 2003. The results are reported in the Survey on Income and Living Conditions (SILC). Any data as compiled by Eurostat and any reference to the questions or questionnaire in the household survey is here referred to as 'EU-SILC'.

Financial exclusion refers to a process whereby people encounter difficulties accessing and/or using financial services and products in the mainstream market that are appropriate to their needs and enable them to lead a normal social life in the society in which they belong. It is measured by the percentage of individuals/households with no current account.

Food poverty is the inability to have an adequate and nutritious diet due to issues of affordability or accessibility. It is measured by the percentage of individuals experiencing one or more of the following:

- Unable to afford a meal with meat, or vegetarian equivalent, every second day;
- Unable to afford a weekly roast dinner (or vegetarian equivalent); and
- Missing one substantial meal in the last fortnight due to lack of money

Gini coefficient 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.

GDP stands for Gross Domestic Product and is an estimated value of the total worth of a country's production and services, within its boundary, by its nationals and foreigners, calculated over the course on one year.

GNP stands for Gross National Product and is an estimated value of the total worth of production and services, by citizens of a country, on its land or on foreign land, calculated over the course on one year.

Inflation is measured using the Consumer Price Index which is designed to measure the change in the average level of prices (inclusive of all indirect taxes) paid for consumer goods and services by all private and institutional households in the country and by foreign tourists holidaying in Ireland.

Jobless households capture the share of persons under the age of 60 in households where no working-age adult is in employment (according to the International Labour Organisation – see 'employment rate' definition above).

In-work poverty measures the at-risk-of-poverty rate among adults (16+) who are 'in-work', based on their self-defined principal economic status.

Long-term unemployment rate measures the long-term unemployed population (greater than 12 months' unemployment; ILO definition) as a proportion of total active population.

Median income is calculated by ranking the population by equivalised income from smallest to largest and the median or middle value is extracted. This is considered a more appropriate measure than mean income which can be skewed by extreme values.

Nomenclature of Units for Territorial Statistics (NUTS): A hierarchical classification of administrative boundaries developed by Eurostat. The purpose of NUTS is to provide a common designation for different levels of administrative geographic boundaries across the EU regardless of local language and naming conventions. NUTS 2 refers to the Border, Midland & Western (BMW) region and the Southern & Eastern (SE) region. NUTS 3 refers to the Border, Midlands, West, Dublin, Mid-East, South-East, Mid-West; and South-West.

Participation rate: the labour force participation rate is a measure of the proportion of the working-age population that engages actively in the labour market, either by working or looking for work.

Poverty and social exclusion: these terms are defined broadly in the *National Action Plan for Social Inclusion 2007-2017* as follows:

‘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.’

The two concepts are very similar when used in Irish policymaking but poverty is sometimes used in the narrower context to refer to low income (or wealth). On the other hand, social exclusion is almost always used in the broader sense, to refer to the inability to participate in society because of a lack of resources that are normally available to the general population.

Poverty reduction effect of social transfers measures the effectiveness of social protection spending in reducing poverty. This is done by measuring the at-risk-of-poverty rate before and after social transfers.

QNHS: Quarterly National Household Survey is a large-scale nationally representative survey of private households. It was introduced in September 1997 to replace the annual Labour Force Survey. It is designed to provide reliable quarterly labour force statistics and is carried out by the Central Statistics Office. Any data or analysis in this paper that is sourced specifically from the CSO is here referred to as ‘QNHS’.

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). This indicator is used to estimate the depth of poverty. In policy terms, it indicates the scale of transfers which would be necessary to bring the incomes of those concerned up to the poverty threshold.

S80:S20 income quintile share ratio measures inequality in the distribution of income. It is the ratio of the average 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).

Severe material deprivation: This indicator is defined as the share of the population with an enforced lack of at least 4 out of 9 material deprivation items. The 9 items are:

- arrears on mortgage or rent payments, utility bills, hire purchase instalments or other loan payments;
- capacity to afford paying for one week’s annual holiday away from home;
- capacity to afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day;
- capacity to face unexpected financial expenses [set amount corresponding to the monthly national at-risk-of-poverty threshold of the previous year];
- household cannot afford a telephone (including mobile phone);
- household cannot afford a colour TV;
- household cannot afford a washing machine;
- household cannot afford a car; and
- ability of the household to pay for keeping its home adequately warm.

SILC: In Ireland, the Central Statistics Office (CSO) is responsible for carrying out the EU-SILC survey. They produce analysis in accordance with Irish national poverty targets, indicators and related issues. These results are reported in the Survey on Income and Living Conditions (SILC). Any data or analysis that is sourced specifically from the CSO is here referred to as 'SILC'.

Social transfers: Social transfers are income from non-market sources. This includes state means-tested allowances, state non-means-tested benefits (such as child benefit and payments based on prior social insurance benefits), occupational pensions, foreign pensions and other non-market transfers (such as from other households or from charities). They are generally categorised in SILC as unemployment benefits, old-age benefits, occupational pensions, children/family related allowances, housing allowances and other social transfers such as survivors, sickness or disability benefits.

Unemployment rate measures the unemployed population as a proportion of total active population aged 15 years or more.

Very low work intensity refers to the share of the population aged 0-59 years living in households where the working-age adults worked less than 20 per cent of their total work potential during the previous 12 months. A working-age person is defined as a person aged 18 to 59, not being a student aged between 18 and 24. This measure of poverty is used in defining the 'at risk of poverty or exclusion' indicator for the EU poverty target. The work intensity of working-age adults is applied to all children in the household. (See 'Work intensity').

Vulnerable to consistent poverty identifies the population experiencing basic deprivation and whose equivalised income is between 60% and 70% of the median. This indicator facilitates monitoring of flows into and out of consistent poverty. See Box 2.

Work intensity: This is an indicator of the amount of available work time the working-age adults in a household actually spend at work. It is calculated as the proportion of person-months over the reference year that working-age adults (aged 18-59 years) actually spend in employment. An adjustment is made to the calculation for those who work part-time. Work intensity is often presented in five categories:

- Very low work intensity = less than 20 per cent;
- Low work intensity = 20 per cent to less than 45 per cent;
- Medium work intensity = 45 per cent to 55 per cent;
- High work intensity = over 55 per cent to 85 per cent; and
- Very high work intensity= over 85 per cent to 100 per cent.



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