

SOCIAL POLICY AND INCOME ADEQUACY IN THE REPUBLIC OF IRELAND THE IMPORTANCE OF SOCIAL CLASS AND FAMILY CYCLE

DAVID B. ROTTMAN, DAMIAN F. HANNAN AND MIRIAM M. WILEY*

The Economic and Social Research Institute, Dublin

(Read before the Society, 28 May 1981)

1. INTRODUCTION

This paper is intended to stand as part of the growing literature on income distribution in the Republic of Ireland.¹ Specifically, it builds on previous work concerned with the description and analysis of the impact of state taxation and transfer payments on that distribution. The focus, therefore, is on the comparison of direct income with disposable income, the difference reflecting the net effect of state policy. Along with that focus, we share with our predecessors a common data source: the 1973 Household Budget Survey. The use of that source, which is primarily designed to collect data on household expenditure, imposes certain limitations and difficulties, which we share with earlier studies. These will be discussed in the appropriate sections of the paper.

Though familiar in theme and in the type of data analysed, this paper departs in some basic respects from what has been done thus far. Our approach is sociological, in contrast to the economic model implicit in most work on income distribution. The changed emphasis is most concretely evident in the use made of two basic concepts – social class and family cycle – and also in our decision to express inequality on the basis of a contrast between actual household income and an estimated “minimal” required income, which is one approach to the measurement of poverty. As a result, vertical inequalities are specified as differences between social classes, and horizontal inequalities occur across the family cycle. Inequality is represented by the proportion of households without adequate incomes in each category.

The model we have adopted stresses the importance of social class and family cycle as sources of income inequality among households. Social class in our sense represents consistent household differences in control over economic resources used for generating income, differences that have been reinforced by social factors that tend to create “closed” social groupings. Factors such as the infrequency of inter-class mobility and residential segregation by class index that closure. Family cycle, in contrast, represents the exigencies of income availability and expenditure requirements that are to some extent associated with the stages through which all families move. However, the pattern and the magnitude of such changes can be shown to vary among social classes, generating other class-linked

*This study was made possible by the co-operation of the Central Statistics Office in providing the analysis of the 1973 Household Budget Survey data. The specifications we devised for the data analysis were translated into computer programs and by special arrangement the CSO ran those programs on the 1973 Survey tapes, forwarding the results to us after ensuring that all obligations of confidentiality to respondents had been satisfied. We are grateful to the CSO for their co-operation and to the individuals involved in responding to our request.

¹Relevant studies include National Economic and Social Council (1975), Norton (1976), P.T. Geary (1977), Nolan (1977-78), Central Statistics Office (1980), and O Cinneide (1980).

inequalities.

The combined effects of social class and family cycle can be expressed by adapting a formula used by Treas and Walther (1978, p. 872): income inequality is a weighted function of relative income differences between social classes, the differences between the households comprising each social class at the various family cycle stages, and the differences among households in each class/family cycle cell. Weights would be derived from group shares in total income and the proportion of all households the group represents.

Social class and family cycle obviously subsume some variables traditionally included in micro-economic studies of income determination, such as age, education, type of industry, and marital status – and omit others (cf. Walsh and Whelan, 1976). A model based on social class and family cycle inequalities is useful, in our opinion, because of what it can reveal about the extent and location of the redistributive effects of social policy, as represented in direct taxation and direct transfer payments. Taxation and transfer policies are devised to meet a variety of objectives, of which redistribution need not be explicitly included, and indeed such policies are developed in a piecemeal manner over substantial periods of time. But the net impact is to redistribute income along the dimensions of social class and family cycle, and we will assess that redistribution in terms of income adequacy.

Part 2 of the paper explains and attempts to justify our use of the three main concepts social class, family cycle, and poverty. In Part 3, the inequalities found in the distribution of incomes among social classes and family cycle stages before state intervention – that is, in direct income – will be contrasted with those found for disposable income, after redistribution has occurred through taxation and transfer payments. The implications we derive from the analysis will be presented in Part 4.

2. CONCEPTS AND VARIABLES

Social Class

The term social class implies that a category of individuals or families possess a similar or common package of resources used for exchange in the market to produce relatively similar levels of income or other material benefits. Social classes are therefore ultimately based on market relationships within the economy. The range of distinct social class categories is necessarily partly a function of the distinctions one makes in the kind and extent of resources controlled, and therefore can only be determined empirically for a particular society. The cohesiveness necessary to justify the description social class, however, stems from the social mechanisms by which these “economic” relationships become translated into non-economic social structures (Giddens, 1973, p. 165); that is into identifiable groups which are relatively closed, with limited possibility for those born into a group to transfer out of it through educational, social, or marriage mobility channels. It is thus by social processes that certain criteria based on market participation become major social class boundaries. In our view, income inequalities result from the distribution of resources – property, skills, credentials – that are associated with the major social class categories.

This approach stems from the work of Weber, and follows the basic principles for updating Weber’s ideas advocated by Giddens (1973), and less centrally those of Parkin (1971, 1979) and Goldthorpe (1980). Despite pressures of space, two basic points will be made in the hope that our line of argument will be made clearer for non-sociologists: the meaning of market situation or capacity (the economic base of class formation) and the social mechanisms of class formation that structure the numerous distinct market situations we can observe into a small number of social classes.

Our interest is in economic distinction that determines the distribution of life chances:

class situation means the typical probability of (1) procuring goods (2) gaining a position in life and (3) finding inner satisfactions, a probability that derives from the relative control over goods and skills and from their income-producing uses within a given economic order (Weber, 1968, p. 302).

People come to the markets – commodity, credit, and labour – unequally. Where people have a common set of goods, services, or skills for market exchange, and consequently a similar standard of living and similar life experiences, Weber denoted a “class.” For class we can exchange the term “market situation”, of which hundreds may be identifiable. But in any historical situation, a finite number of combinations of such economic “classes” form “social classes”. Though classes are created through impersonal processes – being direct reflections of the market – other factors intervene to provide the continuity necessary to transform the economic relationship into a distinct social group. The key to understanding this is mobility (Weber, 1968, p. 302): “a social class makes up the totality of class positions within which individual and intergenerational mobility is easy and typical”; this is the second, social, process in social class formation. Social classes are thus perpetuated within families due to the distribution of mobility chances – class differentials for participation in higher level education, and consequent attainment of professional or technical skills, are one aspect – and through the resultant shared experiences, residential segregation, common positions in the division of labour and in authority hierarchies, this closure is reinforced. A social class, therefore, will evince a distinct package of attitudes and beliefs to coincide with the closed social networks of its members.

The available categorisations, such as the CSO’s social groups, are not valid representations of either market situations (economic classes) or the more complex social classes in which we are interested. They were constructed for different purposes. We therefore set out to devise a set of categories relevant to contemporary Ireland. At this stage, our work has yielded what correspond to economic classes. However, data on the extent of mobility via education and marriage, as well as the overall frequency of mobility over careers and generations, suggest where social class boundaries are likely to be found.

Following Giddens (1973), we begin with an assumption that there are three basic types of market capacity which individuals can offer in the market – property, credentials attesting to the possession of certain knowledge and skills, and manual labour power – and to the extent “that these tend to be tied to closed patterns of inter and intergenerational mobility, this yields the foundation of a three-class system typical of capitalist society: an ‘upper’, ‘middle’, and ‘lower’ or ‘working’ class” (1973, p. 107). But the exact combinations that prevail in any society and period depend on the specific political and economic context.

One of the most widely cited attempts at operationalising class categories for a specific setting is the seven-category representation of the British class structure developed by Goldthorpe and his colleagues (1980), for use in their analysis of a 1972 survey of social mobility. Two criteria were central: (a) market situation, a combination of occupation and employment status that yielded categories with common sources and levels of income, equivalent economic security, and opportunities for advancement, and (b) work situation, an emendation to Weber’s model, found concretely in an individual’s location within the authority and control hierarchies of a particular process, with autonomy of the individual the main indicator.

- Class I Higher-grade (well-educated) professionals; administrators with considerable authority; proprietors of substantial concerns.
- Class II Lower-grade professionals; junior administrators and managers; supervisors of non-manual workers.
- Class III Routine non-manual workers: such as clerical or sales employees.

- Class IV Petty Bourgeoisie: small proprietors, including all farmers, and self-employed artisans.
- Class V The “blue collar elite”: lower-grade technicians and supervisors of manual workers.
- Class VI Skilled manual workers, with apprenticeships or comparable training.
- Class VII Semi-skilled and unskilled manual workers, including all agricultural workers.

Classes I and II form a “Service Class” which in effect runs capitalist society by the exercise of power and expertise in the name of corporate entities, while III, IV and V correspond to an “Intermediate Class”, with VI and VII forming the “Industrial Working Class”.

Though the additional distinctions made are useful for explaining variations in income, work conditions, and general benefits from economic activity, the main barriers to mobility are, according to Goldthorpe, contained in the threefold distinction. He therefore concentrates on the three “social classes”.

Any classification scheme that purports to capture the distinctions denoted by social class will be problematic – and contentious. Goldthorpe’s categories, however, are instructive. First, the categories in some instances contain a mixture of employees, the self-employed, and employers. Second, categories such as lower professional workers merge individuals whose “market capacity” is limited to that category with other individuals on career paths that will ultimately take them to the top category. Third, the agricultural sector is covered only tenuously – included as an afterthought. For any society in which agriculture is of substantial economic importance and a substantial proportion of households are engaged in agriculture, especially if there is substantial variance in the resources available for so doing, a more differential approach is required.

The classification we adopted makes more distinctions than did Goldthorpe, but shares his conviction that a small number of boundaries are of particular importance, corresponding to “social classes”. Examinations of the available Irish data on social, educational, and marriage mobility is suggestive of where those boundaries are located. Clear differences exist: (a) between manual and non-manual workers (the social group position of small and marginal farmers being more closely allied with manual workers than to other proprietors) and (b) within both groupings, distinctions between upper and lower levels are identifiable.

Unfortunately, the data on mobility do not strictly refer to “class” groupings, whether the latter is conceived in Marxian or Weberian terms. Nevertheless, given the clarity of the results, it can be asserted that the basic social group distinctions based on similar life chances in education, social mobility, and intermarriage, are not at this stage of Irish economic development based on common positions in relations of production. The closest “connecting links”, to use Giddens’ phrase, incorporate marginal farmers (< 30 acres) with lower manual workers (unskilled and semi-skilled manual workers and farm labourers). Such “farmers” lack sufficient resources to generate an independent income. If they move into employment it is into unskilled manual work, and their children’s mobility chances are no different than those of semi-skilled manual workers. All the evidence available, therefore, tends to show that life chances and social mobility inequalities are somewhat greater in Ireland than in Great Britain. However, perhaps because the Irish economy is at a less advanced stage of development, with many economic relationships and social group bonds based on non-industrial forms of production, the bases and nature of “class” groupings are more diverse. Thus, though in Giddens’s (1973) terms the mediating forces of class formation appear stronger in Ireland – in restricted social mobility – their impact is blunted because of the diversity in actual economic relationships. In terms of factors determining income levels, as well as the role of the state in income determination, distinct economic positions – small and marginal farmers and unskilled manual workers –

have quite similar positions. In Marxian terms, these two groupings occupy quite distinct class positions. Despite this, they share many economic interests and are roughly equally deprived in terms of life chances.

The following economic class categories have been developed:

1. *Large Proprietors*: Owners who are employers in industry, construction, the provision of professional and technical services, as well as wholesale and retail services. All farmers with more than 100 acres who employ labour have been included (representing 2.2 per cent of all households).
2. *Small Proprietors*: The primary income source is from ownership of wholesale, retail, or industrial enterprises in which labour is not employed. Self-employed artisans and service workers are included, as are manual workers who are employers of other manual workers (4.0 per cent of all households).
3. *Large Farmers*: Those with holdings of 100 or more acres but who do not employ labour and farmers with 50 to 100 acres who do use hired labour (3.4 per cent of all households).
4. *Medium Farmers*: Those with holdings of 50 to 100 acres who are not employers. (5.1 per cent of all households).
5. *Small Farmers*: Have holdings of 30 to 50 acres or have less than 30 acres but are employers (5.9 per cent of all households).
6. *Marginal Farmers*: With less than 30 acres and without employees (7.4 per cent of all households).
7. *Higher Professionals*: A category that includes both self-employed and employed professionals, as well as senior executive and administrative employees (4.5 per cent of all households).
8. *Lower Professionals*: Households headed by individuals in professions that are less restrictive in the required credentials and also junior administrative and managerial employees (3.7 per cent of all households).
9. *Intermediate and Routine Non-Manual Workers*: Junior ranks of non-manual workers in industry, commercial life, and public administration, as well as qualified technicians, all employees (11.0 per cent of all households).
10. *Skilled Manual Workers*: Household heads with clearly defined occupational skills, attested to through an apprenticeship or through some other form of training (12.7 per cent of all households).
11. *Service Workers*: Non-manual workers who have skills roughly equivalent to those of semi-skilled manual workers, examples being, postmen, bus conductors, roundsmen, and caretakers (7.8 per cent of all households).
12. *Semi-skilled Manual Workers*: Possess recognised occupational skills, though these tend to be specific to particular industries (8.7 per cent of all households).
13. *Unskilled Manual Workers*: Those with undifferentiated labour power (14.7 per cent of all households).

On the basis of the information contained in the Household Budget Inquiry, 92 per cent of all households can be classified into one of the above categories. The remainder are treated as a residual, consisting mainly of households that are not actively participating in the economy. This is the most marginal of all groups, and therefore must be considered in any study of poverty, though their lack of a clear class position makes their inclusion awkward. Therefore, the residual is treated as category 14.

We are not suggesting that the 14 categories are an adequate representation of the Irish economic class structure for all purposes: they were devised for a particular purpose – explaining the distribution of income. In social structural terms, four major cleavages in the structure are central: there is a bourgeoisie (1), in the classic sense; a petit bour-

geoisie (2-5), subdivided into farmers and non-farmers; a middle class of non-manual employees (7-9); and a working class (10-13). To facilitate the analysis of the data on income adequacy, the crucial distinctions in Part 3 will be “white collar” middle class; working class, proprietorial, and farm households. We recognize that agriculture is a sector, and not a class, but for some purposes it seems preferable to use this sectoral difference as a basis for comparison. Elsewhere, however, farm households are disaggregated into farm households with more than 50 acres (categories 3 and 4) and less than 50 acres (categories 5 and 6).

Family Cycle

The concept of family cycle – alternatively termed life cycle – provides a useful approach to measuring and explaining differences among households that affect both the income flow to households and the outflows required for consumption. The number of people in a household, the number of income earners as opposed to consumers, the ages of household members, their family relationships, can be subsumed under one concept that captures the major stages through which most households pass. As a variable, family cycle reflects the changes over a family’s life course in its needs and its “economic power” – the number of income earners in relation to the number of consumers for which household income must provide.

In part, the exigencies of family cycle stages, involving continuous adjustments to household incomes and to pressures on household budgets, are shared by all households. But distinct patterns are associated with particular social classes, and consequently a distinctive profile of state taxation and transfer effects. In Rowntree’s (1899) classic study of York, a typical working class family was observed to pass through alternating periods of want and comparative plenty. In such households a child is born and raised in poverty, at least until he (or she) or some of his siblings begin work and augment their father’s meagre wages within the parental household. He then enters a period of comparative prosperity, which lasts until after his own marriage and until he has one or two small children. Then poverty again overtakes the worker and his family and this period “will last perhaps for ten years, i.e., until the first child is fourteen years old and begins to earn money”, (Rowntree, 1899). The greater the number of dependent children, the greater the prolongation of the poverty period at this stage of the cycle. While the children are earning, and before they leave home, the labourer and his family may enjoy another period of prosperity, “only to sink back again into poverty when his children have married and left him . . .”

Variation in the extent and intensity of economic pressures on the family or household unit at the basic “pressure points” of the family cycle depend chiefly on:

- (a) The flexibility of the wage or income received over the life cycle: If wages are inflexible and cannot be increased by greater effort, the problems will be greatest when the number of household dependants is greater (Rowntree, 1899; Loomis and Beegle, 1951); however, in the small farm or family business context, adjustments are possible to increase the family resources during the critical stages of the life cycle. The farm or business family is not restricted by an inflexible wage but may increase its output and income by greater effort (Loomis 1945, pp. 190-195; Loomis and Beegle, 1951, pp. 77-87). Similarly, the retention within the parental household of older wage-earning children expands the income of working class families.
- (b) The extent to which the age or life cycle stage at which wages/salaries peak coincides in the family cycle with that at which consumption peaks. (Oppenheimer, 1974). (These are far less likely to coincide amongst the working class.)

- (c) The extent to which savings at one stage can be stored or invested to provide support at later stages (Henretta and Campbell, 1976) and
- (d) the extent to which State transfers through children's allowances, taxation allowances, pensions and other income maintenance and health and welfare programmes help to even out the troughs, (Donnison, 1975; Layard, *et al.*, 1978).

“Horizontal inequalities” (i.e., over the life cycle) are likely to be maximised among lower working class families, where wages are inflexible and “peak” at relatively early ages (35-40), where there are large numbers of dependent children, and where state transfers cannot adequately rectify the mismatch between income and need. In general, considerable family cycle variation will be found by social class in the probability of marriage, the number and spacing of children, the dispersal pattern of children, and the financial transition associated with retirement. These affect income flows and the consumption patterns.

There is no consensus among researchers on how to measure family cycle. Rowntree, and many of those he influenced, used four stages: (i) a marriage and early childbearing stage; (ii) a stage of childbearing or family formation in which all the children are young and dependent; (iii) a stage where only older working children remain, others having left home; (iv) a family dispersal and dissolution stage – the “empty nest” stage. (See Glick, 1955, 1977; Loomis and Beegle, 1951.) For our purposes, at least two additional stages are required: (a) pre-family formation, in which young adults have left home and are living as “singles” in their own households, and (b) older adult single people who have never married. This last is not a “stage” in the main cycle. It is strictly the final stage to the subsidiary “single” cycle, where the individual did not marry and reproduce the family cycle. But in this sense it can be thought of as a continuation or sub-category of the “empty nest” stage, where both parents have died and an older child or children remains unmarried in the parental household. Since this latter phenomenon is most marked amongst farmers, and they account for the greater proportion of cases involved, it seems a defensible procedure.

Unfortunately, the Household Budget Survey file does not include information on age at marriage or on the age of the eldest child; no information is available on children who have left home. There is comprehensive information, however, on the marital or family status of the head of the household (HOH) and on the relationship of all household members to the head of the household, as well as the ages of all children and adults in the household. On this basis, a number of alternative family cycle classifications were devised, of which the following appears to be the most clearcut and defensible.

1. *Young Single Household*: HOH is single, less than 40, no children of the HOH. Most people in this category will get married and proceed through the cycle.
2. *Young Married*: HOH is married, with wife present in the household, with HOH < 40 and/or wife < 45, no children of HOH. Since only a small minority will remain childless, nearly all of these are young marriages.
3. *Family Formation*: HOH married, but only with children less than 5 years old in the household.
4. *Middle Childrearing*: HOH married with children. Children less than 5 years and children older than 5 in the household. Families here are at the last stage of family formation nearing completion of childbearing.
5. *Complete*: HOH married, no children less than 5, children 5-10 in household and with or without children over 10. Childbearing here is completed in nearly all cases. some of the older children may have left.
6. *Early Dispersal*: HOH married with children, none less than 10; children of 10-15 present with or without children over 15. This is a clearly Dispersal stage.

7. *Dispersal*: HOH married with children; none less than 15; children of 15-20 present, with or without children of 20 and over.
8. *Two Generation Adult*: HOH married with children; none less than 20.
9. *"Empty Nest" Stage*: HOH >40 and ever-married, and/or wife >45. There are no children in the household.
10. *Old "Single" Household*: HOH > 40, Single, no children. Few HOHs in this category are less than 50 years old; few will ever marry. Often they are, in reality, the residual "child" stage of category 8 households, both parents having died. This is particularly true of farm households.

These ten stages are approximate; however, in our opinion, they capture the changes households experience as they progress from newly formed units to eventual dissolution through the death of their "founders". Table 1 provides some of the demographic characteristics of households at each stage.

Table 1: *Some Demographic and Economic Characteristics of the Average Household at each stage of the Life Cycle*

	Family Cycle Stage										E ²
	1	2	3	4	5	6	7	8	9	10	
1. Average Age of HOH (standard deviation)	28.3 (6.3)	35.8 (11.7)	36.0 (11.6)	41.6 (10.0)	47.8 (8.4)	53.8 (8.0)	59.2 (7.2)	68.6 (9.1)	66.5 (9.2)	60.5 (11.4)	61%
2. Average No. of Persons in Household	2.1	2.3	4.2	6.9	6.1	5.0	3.8	2.8	1.7	1.7	62%
3. Average No. of children (<15) in Household	0.1	0.1	1.9	4.4	3.2	1.6	-	-	-	0.1	70%
Total Nos. at each stage	253	199	806	1428	680	841	591	674	1287	862	7621

Stages 9 and 10 have been disaggregated for all other tables in the paper to permit a clearer appreciation of the financial circumstances of the elderly. Both stages will have an "a" or "b", with the former including all households in which the head is less than 65 and the latter subcategory all households in which the head is aged 65 or older. When so disaggregated, stage 9a has a mean HOH age of 57.5 and 9b of 72.7; the average age for 10a HOHs is 53.2 and for 10b, 72.7. It is worth noting that subcategory "a" comprises 40.5 per cent of stage 9 households and 62.6 per cent of those in stage 10.

Income Adequacy and Poverty:

The fairly recent memories of children without shoes, of widespread insanitary housing, and of malnutrition define for many what it is to be poor. The last twenty years of accelerated economic development have dulled sensitivities to the inequities which have survived that process.

Magill, April, 1980

For some, poverty is indeed equated with destitution, with underfed children and pathetic parents struggling daily to simply maintain the existence of their families. The suggestion that a poverty problem has persisted despite the profound economic changes of the past two decades will doubtlessly be queried by such observers: "But where are the poor?" There is no doubt that poverty in Ireland today does not typically manifest itself as the destitution of former times – but it does exist. Its definition, however, is necessarily more complex and given the scope for alternative approaches, a careful

specification of how the term is being applied becomes essential. We should make clear that there is not, and cannot be, a definition of poverty that is applicable to all societies and all situations: any meaningful definition must be placed within the particular context being studied.

Poverty, then, is a concept applicable to an array of circumstances and conditions; it takes on meaning only within the terms of reference of a particular investigation. The approach taken in this paper is to define poverty as a lack of income relative to need. So our concern is with income adequacy, not with defining a level of income commensurate with destitution; and adequacy is measurable only in the relative perspective of current societal conditions.

Our choice of definition follows both from recent developments within the study of poverty and from the purpose of this paper, with the latter consideration having the decisive weight. The type of household we wish to identify is one in which an adequate income is problematic, with the level of income available highly sensitive to changes in the household's circumstances. Such households are constantly "at risk" of being unable to meet their requirements, and we are interested in the impact of state policy on the proportion of households in social class categories and family cycle stages which can be so described. The most important choice for the researcher, therefore, is that of the standard of need that a household's income must exceed to be judged adequate. For our purposes, it is inappropriate to define that need simply at the standard set by specific social welfare programmes, which are not typically intended as adequate income substitutes.

Since our approach runs counter to the common sense images some people may have of poverty and the poor, in this section we seek to provide the rationale for our choices. Particular attention will be placed on the adoption of a relative approach based on income adequacy and on the specific manner in which standards of need have been established to reflect household compositions.

Defining Poverty

The extensive literature on methodologies for establishing the level of poverty in a society can be condensed, though not without loss, to pre-1960s and post-1960s orthodoxies. The seminal work on the measurement of poverty was Rowntree's (1899) study of York. Rowntree established a poverty line based on an assessment of the cost of maintaining a basically nutritious diet and providing for other minimal personal requirements. Adopted as a standard of "need" and applied in surveys of household income, it was used to establish the proportion of the population that was poor. This allocation has been termed as "absolute" approach to identifying the poor, for it assumes that there exists an absolute cut off point, which we can establish empirically, above which households are not in poverty.

As long as poverty was considered a readily identifiable problem, an absolute poverty line seemed viable. However, by the 1960s such confidence has been eroded. In the so-called "rediscovery of poverty" during that decade, the concept of poverty came to be used in a more sophisticated, and complicated, manner. Poverty came to be defined as a relative concept lacking the characteristics of a rigid boundary. Both this usage and its operational specification in research have been most influentially explored in the work of Townsend. The starting point for his work is stated: "Our general theory, then, should be that individuals and families whose resources, over time, fall seriously short of the resources commanded by the average individual or family in the community in which they live, whether that community is a local, national, or international one, are in poverty" (Townsend, 1962, p. 225).

In his mammoth study, *Poverty in the United Kingdom*, Townsend (1979) employs three distinct standards for measuring poverty as he defines it. The first is the poverty

level implicit in the state's social welfare arrangements, an official poverty line which takes its rationale from its parliamentary sanction. A second approach is the "relative income standard of poverty", which ranks households in terms of their income and adopts some percentage of the average (e.g., 50 per cent) below which households are defined as in poverty. However, Townsend concentrates on his third approach, a "relative deprivation standard of poverty," in which "descending the income scale, it is hypothesized that, at a particular point for different types of family, a significantly large number of families reduce more than proportionately their participation in the community's style of living. They drop out or are excluded. These income points can be identified as a poverty line." (Townsend, 1979, p. 249).

The dependence on a substantial array of data relevant to standard of living to produce the "deprivation index" precludes the application of this definition in any but a purposely designed survey. Like most researchers on the topic of poverty, we have an abundance of information on income, but comparatively limited insight into the living conditions of households. In our approach, therefore, Townsend's basic definition of poverty is made operational in terms of an inadequate income relative to need. The crucial question becomes that of defining "need". It is to that question that we now turn.

Establishing Standards of Adequacy

The approach we have adopted owes most to the example provided by the Royal Commission on the Distribution of Income and Wealth's Background Paper No. 5, *The Causes of Poverty*. Income and need are compared, with "need" expressed as a statutory poverty line implicit in the Supplementary Benefit standard. When income and need were compared for the households included in the 1975 General Household Survey, all households with incomes less than 140 per cent of their entitlements under Supplementary Benefit (SB) were considered to be in poverty. Both the authors of *The Causes of Poverty* report and Townsend (1979, p. 246) argue that 140 per cent marks a cut off point at which significant changes occur in the impact of state policies on household income. However, flexibility is introduced by the provision in the report of the numbers of households corresponding to the following seven income to income need ratios: (1) incomes at or below 100 per cent of SB entitlements; (2) between 100 and 120 per cent; (3) between 120 and 140 per cent; (4) between 140 and 200 per cent; (5) between 200 and 250 per cent; (6) between 250 and 500 per cent; and (7) incomes more than 500 per cent of SB entitlements.

In this study we have adopted the definition of poverty as inadequate income relative to need. We also make use of the seven divisions of income to need ratios, which permits flexibility to interpretation and a check on the effect of the 140 per cent cut off mark. It was necessary, however, to establish an appropriate legislative benchmark for our work.

Like the authors of *The Causes of Poverty*, we are restricted to a definition of need, and therefore of poverty, that is income-specific and which does not take account of other aspects of deprivation; the need constitutes the definition of the poverty line against which the adequacy of incomes will be measured. Incomes falling below this poverty line are said to be inadequate relative to the stated definition of need.

The structures and administration of the social welfare system are necessarily a reflection, at least in part, of the state's policies on income maintenance and income distribution. In 1973, as now, a three-tier social welfare system operated in Ireland. The bottom tier was the scheme of last resort – Home Assistance. The next level is comprised by Assistance payments and the highest level by payments of Benefits. For ease of exposition, the Unemployment Assistance scheme may be taken to represent all payments in the middle tier and Unemployment Benefits all payments at the top tier.

The search for an appropriate definition of need led Layard *et al.*, (1978) to adopt the

Supplementary Benefit scale rates as the poverty line implicit in state policy in Britain. In Ireland in 1973 the Home Assistance Scheme filled a role similar to the SB scheme in Britain – the scheme of “last resort”, providing an immediate response to need or a supplement for other income provision by the state. There were, however, significant differences between the operation of the two schemes. Supplementary Benefit was administered according to very specific circumstances of eligibility for alternative scale rates. The amount of entitlement was determined by qualification on the basis of clearly defined need. Scales of provision were based on scales of need. By comparison, criteria for administering the Home Assistance scheme in Ireland in 1973 were not clearly defined: the amount of money payable to any particular applicant was decided at the discretion of the Assistance Officer. Though eligibility was determined following the administration of a means test, such tests were not standardised, and the determination of eligibility and of the amount payable were the responsibility of individual Assistance Officers. In practice, the Unemployment Assistance payments scale for rural residents appears to have constituted an implicit reference point when officers were making their decisions. It should also be noted that when claimants did receive payments of Home Assistance it was not generally presumed to be their sole source of income (Carroll and Elliott, 1977). This means that payment of Home Assistance was not expected or intended to provide full support for claimants. The assumption that they would be supplemented by support – usually family or friends – gave rise, we believe, to payments below subsistence level. We therefore decided that the Home Assistance scheme is not an appropriate base for use in the calculation of need.

Entitlement to Unemployment Assistance is established through the administration of a means test. The way in which this test is administered by officials of the Department of Social Welfare may well vary between officers who may continue to exercise some discretion in the determination of the “real” means of the applicant and the level of payment recommended. In contrast, entitlement to Unemployment Benefit (UB) is a right earned through payment of insurance contributions. Entitlement and rates of payment are clearly defined. While applicants for, and recipients of, Unemployment Assistance may feel stigmatised, there has always been an air of respectability about recipients of insurance benefits. Benefits have tended to be higher than Assistance payments which

Table 2: *Percentage by which Unemployment Benefit Entitlement exceeds Unemployment Assistance Entitlement (Urban Rate) for selected Households*

<i>Type of Household</i>	<i>October 1972</i>	<i>July 1973</i>
	<i>per cent</i>	<i>per cent</i>
Single Adult	21.6	18.3
Married Couple	16.7	14.4
Married Couple + Two Children	16.3	13.4
Married Couple + Three Children + One Adult Dependant*	15.2	12.6
Married Couple + Five Children	18.0	14.2

*Dependent Adult Rate Taken as: Rate for Person with Adult Dependant – Person without Dependant (this applied only for Unemployment Assistance Scales)

continues to reinforce the divide between them. Table 2 illustrates the percentage by which UB exceeded US in 1972 and 1973.

In deciding between UB and UA as a base from which to calculate poverty lines an important point of consideration is the extent to which each could be accepted as reflecting the concept of a subsistence income as employed by the State. In a recent study Ó Cinneide (1980) makes the point that on their introduction in 1933 there was no suggestion that UA rates were in any way adequate as a replacement income, rather that "the total cost of the measure now before the Dail is estimated to reach the maximum limit of the amount which can be provided for this purpose" (*Dail Debates*, Vol. 49, Cols. 1664, 1774, 27 Sept. 1933). The fact that changes in the level of payment within this scheme have been based on a framework which was not envisaged as a replacement income to begin with raises serious questions about the appropriateness of current rates of payment.

Work in progress by Hughes (1980) on the origins of the Unemployment Benefits scheme suggests that both the original benefit levels and subsequent modifications to them reflected a rational decision-making process – not the haphazard approach sometimes imagined. In particular, a link with the Beveridge Report (1942) seems likely, establishing a base according to which post-Emergency unemployment benefit structures were constructed in Ireland. Certainly there is a basic stability in the level of benefits over that period, as related to the average industrial wage and other considerations, which makes sense in these terms.

It is also clear that the pre-1974 flat-rate benefits were officially viewed as being, in the words of a former Minister for Social Welfare, such that they could not possibly "enable insured persons to maintain anything approaching their accustomed standard of living during longer periods of sickness or unemployment" (*Dail Debates*, 21 November, 1972, Col. 2049; cited in Hughes, 1980).

On the basis of the above deliberations, the UB scale obtaining in October, 1972 were adopted as the index of need, with a household's composition – the numbers and ages of household members – used to establish its entitlements.² A cut-off of 140 per cent of that entitlement is the main estimate of "need" – but alternative cut-offs were also calculated. The reader can as a result determine how changing to more radical or conservative criteria might alter our findings.

In contrast to the decisions required to establish a measure of need, it was easier to adopt a standard income variable, disposable income as stated in the Household Budget Survey. Unlike Layard *et al.*, (1978) we did not subtract imputed rent and rent from

²Taking a single adult without dependants as the standard, the following implicit adult equivalence weights derive from the Unemployment Benefits scheme: a married couple, 1.68; the first two children under age 15, .24; all other children under age 15, .18; a child over 15 or other adult dependant, .68. Roche (1980: Appendix D) using the Unemployment Assistance rural rates obtaining in July 1973 and adding children's allowances where appropriate, adopted a rather different weighting: married couple, 1.75; each child under 18, .45; and children over 18 and other adults, .75. In practice, all equivalence scalings narrow the income distribution at the lower end, though differences in the weights given to children have more effect than differences in those for single adults (Royal Commission on the Distribution of Income and Wealth, Report No. 6, p. 173). While the approach taken by Roche contrasts with our own in that his higher weights for children act to increase the number of households with incomes below a threshold and to increase the proportion of such households which have children, the net impact is counterbalanced by the different treatments given to children's ages. It should, however, be stressed that the choice of equivalence scales affects both the numbers found to be in poverty and the composition of the "poor" households. Roche tested the sensitivity of his results to variation in the choice of weights for children. By reducing the weight for children less than six to .25, the overall number of households defined as poor fell by about seven per cent, but the number of households with children in poverty by about 16 per cent (Roche, 1980, D. 4).

disposable income, a procedure that, in effect, reduces the incomes of home-owners.

One final consideration, involving a decision that materially affects the results obtained, needs discussion. The complexities of a household budget survey extends the data collection time substantially beyond that typical of survey research. Inflation and social policy changes, therefore impinge on comparability of households in the sample. What impinges most acutely on our own analysis is the implementation in July, 1973 of new Unemployment Benefit scales, replacing these obtaining when data collection commenced in November, 1972. Thus 42 per cent of households in the sample were interviewed after the scales we used were changed (Roche, 1980: H1). Like Roche, we believe that maintaining a consistent standard outweighs whatever disadvantages accrue from the change in the implicit official definition of minimal required income. The 1972 scales were therefore used throughout, the objective being a standard by which each household could be assessed relative to all households in the nation. Such a preference is inherent in the Unemployment Benefit scheme, which as a contributory scheme treats all households as varying in need only on the basis of composition. In any case, any impact on living standards would occur only after a lag.

The consequences of using the October, 1972 scales can be assessed in Table 3, which provides the weekly amount of benefits that would be made available to five alternative household compositions. Approximately 20 per cent would be added to the cut-off point if the 1973 rates were applied. As a practical matter, our decision is conservative, as it uses the lower of the two standards to establish the level of need for which income must be adequate. Further practical implications can be seen by comparing the average industrial wage for 1972 and 1973, provided in the right hand side of Table 3, to the cut-off points adopted. It should be kept in mind that many, perhaps most, households have available sources of direct income other than chief income earner's income. Additional wage income added between 44 and 103 per cent to that contributed by the head of household (Rottman *et al.*, 1982) in working class households, depending on the level of skill.

3. AN ANALYSIS OF THE DISTRIBUTION OF POVERTY

In the analysis that follows, we examine the distribution of households with inadequate incomes along the vertical dimension of social class and the horizontal dimension of family cycle. The interaction of social class and family cycle effects will be of particular interest.

The analysis is based on the data collected for the 1973 Household Budget Survey, using the weightings devised by the CSO to correct the sample for differentials in response rates that under and over represent various types of household. In the published CSO reports, the total sample is 7,748 households. That number is diminished here by approximately 80 households to exclude households to allow for households that could not be classified on the major variables the CSO constructed at our request.

The percentage of households with disposable incomes below the threshold of adequacy we have defined is the appropriate measure of the level of poverty. The difference between that percentage and the equivalent measure of direct income indexes the net effect of state interventions. Direct income is that obtained in exchange for employment or from self-employment, and also includes income derived from economic activity in the form of investments, property, and private pension schemes. Disposable income is the amount left once direct income has been supplemented by state transfers and lessened with the payment of direct taxation. The Gini coefficients for 1973 are .439 for direct income and .364 for disposable income (Nolan, 1977/78, p. 107).

The Household Budget Inquiry is designed to collect data on expenditure not income. Extensive and detailed self-reported income estimates are made by respondents represent-

Table 3: Actual 1972-73 Unemployment Benefit Entitlements: For selected types of households

Type of Household	Cut-off Points for relating Income to Unemployment Benefit												Ave. Ind. Wage (b)		
	100% (a)		120%		140%		200%		250%		500%		% diff.	1972	1973
	Oct. '72- June '73	July 1973	Oct. '72- June '73	July 1973	Oct. '72- June '73	July 1973	Oct. '72- June '73	July 1973	Oct. '72- June '73	July 1973	Oct. '72- June '73	July 1973	June- July 1973	£	%
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	%
Single Adult	5.55	6.55	6.66	7.86	7.77	9.17	11.10	13.10	13.88	16.38	27.75	32.75	18	23.75	28.56
Married Couple	9.30	10.80	11.16	12.96	13.02	15.12	18.60	21.60	23.25	27.00	46.50	54.00	16	23.75	28.56
Married Couple + 2 Children	12.00	14.50	14.40	17.40	16.80	20.30	24.00	29.00	30.00	36.25	60.00	72.50	21	23.75	28.56
Married Couple + 3 Children + 1 Dependent Adult	16.75	20.25	20.10	24.30	23.45	23.35	33.50	40.50	41.88	50.63	83.75	101.26	21	23.75	28.56
Married Couple + 5 Children	15.00	19.00	18.00	22.80	21.00	26.60	30.00	38.00	37.40	47.50	75.00	95.00	27	23.75	28.56

Source (a) Report of the Department of Social Welfare, 1972-75. Table 43 – Maximum rates of Benefit.

(b) Statistical Abstract of Ireland 1972-73 Table 112. Average of Weekly Earnings of all Industrial Workers in Industries producing Transportable Goods.

ing the best source for research on income distribution in Ireland; however, caution is required. That respondents typically understate their income is hardly surprising and is not in itself an obstacle to making the comparisons that are needed, but the extent of underreporting is related to the nature of the income source, with the self-employed being the most modest in describing their financial situation. Obviously this does affect the differences between categories such as those we are using. It is a difficulty inherent to the study of income distribution. Even if it were possible to assume complete candour on the part of those participating in a survey, the complexities of expressing accurate weekly returns from self-employment, rent, dividends, and interest will be greater than those encountered when inquiring about wages (though income in the form of bonus payments presents similar problems in deriving weekly estimates).³

Table 4 gives the cumulative frequency distribution for the ratios of UB entitlements to direct and disposable income, by intervals of 0.50. Though the medians (the standard way of indicating the central tendency in such information) are close – 2.28 for direct and 2.31 for disposable incomes – the impact of state transfers at the lower income levels is manifest: 16 per cent of households had ratios of less than 0.5 for direct income and 1.3 per cent for disposable income. The impact on higher incomes is not apparent in this table, partially because taxation does not have a comparable dramatic effect and partially because of the format of the table. However, the medians provide a useful benchmark to be used when comparing family cycle stages and when comparing social classes. It is also a useful basis for making comparisons with other countries, though there is unlikely to be a standard measure of “need” that can be applied. Using the US Social Security Administration’s poverty line, based on minimal consumption requirements for a particular household, Plotnick and Skidmore (1975, p. 43) found a median “welfare ratio” of 2.25 based on 1965 data.

Table 4 is informative primarily about the extent of inequality represented in the lower end of the income distribution and about the substantial supplement state transfers payments make to direct income, which is often non-existent among such households. It thus reflects one aspect of inequality. Table 5, which is abstracted from Appendix Table 1, examines the percentage of households which fall within each of the seven ranges of income to need ratios. Though the median ratios cited previously differed little for the two types of income, dispersion shown in Table 5 is distinct.

Our interest is in comparisons between social classes and family cycle stages, but the necessary reference point with which to begin is an assessment of the percentage of the total population of households without adequate incomes. If the 140 per cent of Unemployment Benefit entitlements is accepted as the cut-off point, then from Table 5 we find 19.9 per cent with *disposable* incomes that can be so characterised. Were 120 per cent of UB levels used, then the percentages would be 13.5, while the use of the basic UB level yields 6.8 per cent with incomes falling short of “need”. From the direct income percentages, the redistributive effect is clear: by taking tax and transfers into consideration, the incidence of inadequate income (measured at 140 per cent) is nearly one-third; using the actual UB cut-off yields a reduction of 70 per cent.

When households are treated as an aggregate, undifferentiated by social class or family cycle, the redistributive impact of state transfer payments and taxation is obscured: disposable and direct household incomes have nearly identical median income to UB entitlement ratios. The nature of what the aggregate conceals can be seen in Table 6, in which

³Useful discussions of the problems of survey-derived income data can be found in Abel-Smith and Townsend (1965), Townsend (1970), Fiegehen *et al.*, (1977) and Layard *et al.*, (1978). A full discussion of the income-expenditure discrepancy in our class categories can be found in Rottman *et al.*, (1982).

Table 4: Household Income Relative to Unemployment Benefits: Cumulative Percentages

Ratio of Income to UB below	Type of Income	
	Direct	Disposable
	%	%
.5	15.7	1.3
1.0	22.1	6.8
1.5	30.9	22.8
2.0	42.6	39.4
2.5	55.7	56.6
3.0	66.1	69.4
3.5	73.9	78.5
4.0	80.5	84.7
4.5	85.0	89.1
5.0	88.5	92.4
5.5	91.3	94.3
6.0	93.4	95.6
6.5	94.9	96.6
7.0	95.9	97.3
7.5	96.6	97.8
8.0	97.2	98.1
8.5	97.7	98.5
9.0	98.1	98.8
9.5	98.4	98.9
10.0	98.7	99.1
Over	100.0	100.0
Median Ratio for All Households	2.28	2.31
	N = 7733	

Table 5: Household Income as a Percentage of Unemployment Benefits Entitlements

	Percentages of All Households (N = 7655)							
	100 or less	100-120	120-140	140-200	200-250	250-500	Over 500	
Direct Income	22.2	3.1	3.7	13.7	13.1	32.8	11.5	100.0
Disposable Income	6.8	6.7	6.4	19.6	17.3	35.7	7.6	100.0

the two ratios are given separately for the 14 social class categories. Though the differences between categories and types of income are proportionate to what would be found using actual income amounts adjusted by adult equivalence scales, the medians are the most relevant specification for the study of income adequacy.

Among households deriving income primarily through property ownership, the differences between direct and disposable incomes are slight if negative (with disposable income less than direct) or are positive. For marginal property owning categories in agriculture, the importance of state transfers is obvious. In households categorised as small farmers, the increment to the median is 10 per cent; with marginal farmers, the change is an additional 45 per cent. In the latter category, the median household would be only marginally above the level of income provided to unemployment benefit recipients.

Table 6: *The Ratio of Household Income to Unemployment Benefits Entitlement: Medians for the 14 Class Categories*

<i>Class Category</i>	<i>Household Income</i>	
	<i>Direct</i>	<i>Disposable</i>
Large Proprietor	4.53	4.25
Small Proprietor	2.50	2.42
Large Farmer (> 100 acres)	3.50	3.57
Medium Farmer (50-100)	2.74	2.83
Small Farmer (30-50)	1.96	2.16
Marginal Farmer (< 30)	1.12	1.62
Higher Professional	4.94	4.21
Lower Professional	4.34	3.81
Intermediate Non-Manual	3.34	3.04
Skilled Manual	2.50	2.40
Service Workers	2.40	2.33
Semi-skilled Manual	2.21	2.16
Unskilled Manual	1.63	1.86
Residual	0.40	1.35

Among households mainly dependent on wage employment, there is also a diversity in the median, and in the difference between the two types of income. The medians show a gradation that makes sense in terms of a boundary between manual and non-manual workers, and in terms of the skill differentials within each side of that divide. All three white collar groups are, in aggregate, redistributing income to other groups: when taxes and transfers are taken into account, the median is reduced 17 per cent for higher professional households, 14 per cent for lower professional households, and 10 per cent for intermediate non-manual workers. Smaller reductions in the median result for all manual workers except the unskilled, for whom the median rises from 1.63 to 1.86. For the residual category, in which households frequently lack any direct income, the result of transfer payments is to bring the median to just below the line adopted here for measuring poverty.

Horizontal inequalities, as manifested in the risk of being without an adequate income, are measured here through changes over the family cycle. Of course, our data base limits the analysis to a cross section, from which inferences are made to the process of change that occurs as households move from formation stages through stages of expansion and the contraction in size, and ultimately to the stage at which the couple is again on its own.

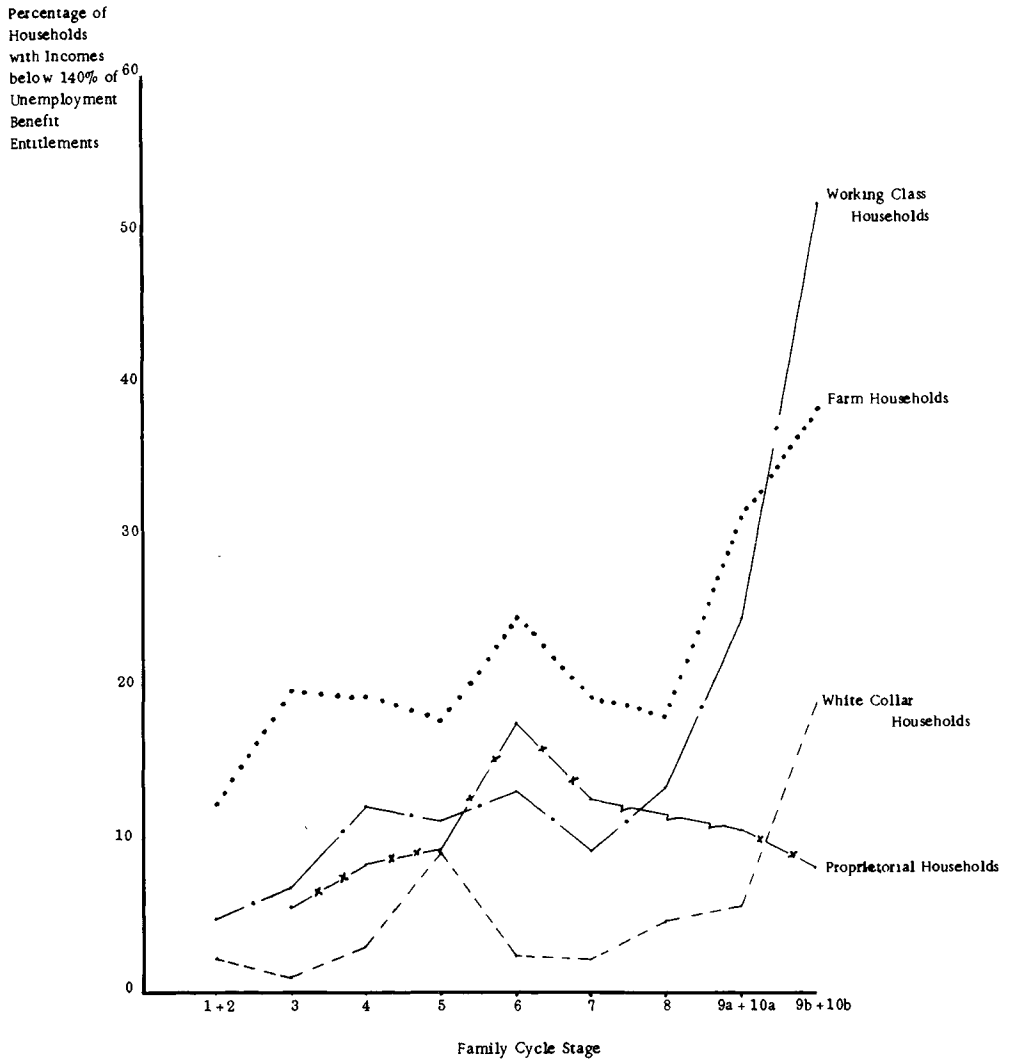
Table 7 summarises the distribution of households in poverty by family cycle stages, for all households and for the four main groupings of social classes: white collar, working class, farm, and proprietorial. (The distributions can be examined more conveniently in Figure 1.) Again, percentages are computed for direct and for disposable household income. That differentiation makes clear the circumstances of households most likely to correspond to our definition of poverty, with high levels concentrated in households comprised of the elderly, and also in the middle stages of the family cycle. Indeed, gaps between the amount of income received by household members and household need as represented by a household's composition are bridged most adequately in stages 4, 5, 7 and 8, based on the proportionate addition made by state transfers. At the middle stages of the family cycle, with the size of the household expanding or "complete", state actions

Table 7: Households with Incomes below 140 per cent of Unemployment Benefit Entitlements: Percentages of Households by Family Cycle Stage

Family Cycle Stage	All Households			White Collar Households ¹			Working Class Households ²			Farm Households ³			Proprietorial Households ⁴		
	Direct	Disposable	N	Direct	Disposable	N	Direct	Disposable	N	Direct	Disposable	N	Direct	Disposable	N
1 + 2	10.1	6.4	455	3.3	2.2	181	5.6	4.8	126	21.7	12.3	106	–	–	24
3	10.8	7.7	811	1.4	1.0	201	9.1	6.8	401	26.8	19.8	123	2.5	5.5	63
4	18.5	11.4	1434	3.3	3.0	330	19.4	12.2	764	36.0	19.5	204	10.8	8.3	105
5	20.4	12.5	687	9.8	9.1	133	18.6	11.1	335	31.0	18.0	138	15.2	9.4	60
6	22.7	17.1	844	7.5	2.4	139	19.7	15.8	393	33.1	24.9	215	20.0	17.8	70
7	18.3	12.0	596	4.6	2.1	105	15.4	9.2	285	28.6	19.5	152	17.8	12.7	33
8	31.2	16.3	650	10.3	4.7	97	28.1	13.5	302	28.9	18.3	138	–	–	12
9a + 10a	38.2	28.8	1082	7.7	5.6	142	31.9	24.8	351	44.2	31.3	396	15.6	10.9	64
9b + 10b	69.7	49.6	1096	31.6	19.1	136	77.6	51.7	405	59.0	38.5	195	21.6	8.1	37
All households	29.0	19.9	7655	7.5	4.9	1464	26.3	17.5	3364	37.2	24.5	1668	13.8	10.6	469

¹Higher Professional, Lower Professional and Intermediate Non-Manual Households.²Skilled Manual, Service Workers, Semi-skilled Manual and Unskilled Manual Households.³All Farm households.⁴Large Proprietors and Small Proprietors.

Figure 1 *Households with incomes below 140 per cent of unemployment benefit entitlements: percentages by family cycle stage and social class (disposable income)*



reduce the numbers with inadequate income by nearly 40 per cent. An equivalent or greater difference is found at the dispersal family cycle stages, 7 and 8, in which most children have left the household.

Table 7 also provides comparable percentages of households in poverty separately for each of the four main groupings of social class: white collar, working class, farm, and proprietorial. Of these, all but the farm households correspond to a recognised class boundary. First, the percentage in poverty for all households in a grouping should be examined to provide the benchmark for comparisons. The variation present is considerable, ranging from 24.5 to 4.9 per cent.

The percentages of households without adequate disposable incomes are: white collar, 4.9; working class, 17.5; farm, 24.5; and proprietorial, 10.9. As can be seen from the comparable percentages based on direct income, the impact of state interventions is considerable. Had it not been for those interventions, the percentages of households for the four categories would have been 7.5, 26.3, 37.2, and 13.8, respectively. Overall, the reductions do not operate so as to change the basic disparities among the categories, though the reduction for proprietorial households is considerably less than the one-third reduction that takes place in the other three groupings.

The figures given in Table 7 are informative primarily about the percentages of households in specific categories – combinations of social class and family cycle stage – that have incomes inadequate for requirements and about the degree to which state transfers mitigate the prevalence of poverty in the category. In terms of social class, the main interest is in differences between property owning and non-property owning households and between white collar and working class households. These basic differences in market capacity will, of course, conceal variation within a category. Where feasible, these will be considered, especially for farm household. For the horizontal inequalities of family cycle stages, the interest is chiefly in three contrasts: family formation stages, those stages in which the family size is essentially complete, and the stages of dispersal. The gap between households headed by the elderly and other households is of particular importance, as it represents an aspect of financial well-being that reflects differences in market situations beyond income size – security of income.

The potential for being in poverty among property-owning households will reflect primarily the value of the resources being used to generate income and the diversity among households in need. For categories of employees, there are the differentials in market capacity not accommodated in the white collar/manual divide, differences in level of skills or qualifications, and the additional consideration of differences in “risk” of not being in employment. Specifically, Table 7 merges households with heads in full-time employment with other households in which there may be no individual receiving a direct income. Therefore, it is useful to disaggregate further, and this is done in Table 8. The percentages in poverty overall and at each family cycle stage are given separately for households with heads in employment and those in which the heads of household is not employed. By adhering to a definition of poverty that is based on the Unemployment Benefits scales, poverty should be virtually non-existent where a full-time wage earner is present in a household. Though that is not entirely correct, the disaggregation reveals the very substantial role of economic activity. Nearly 42 per cent of working class households with heads not in employment have disposable incomes inadequate to their needs, based on our measure. This contrasts with the 4.2 per cent for households with employed heads. The proportionate change attributable to state policy is about one-third (from 64%) for households without an employed head and over one-quarter (from 5.9%) for other working class households.

In most respects, the importance of transfer payments in removing households from poverty is greatest at the middle, child-rearing, stages for households with employed

Table 8: Working Class Households with Incomes below 140 per cent of Unemployment Benefit Entitlements: Percentages by Family Cycle and Employment Status of the Head of Household*

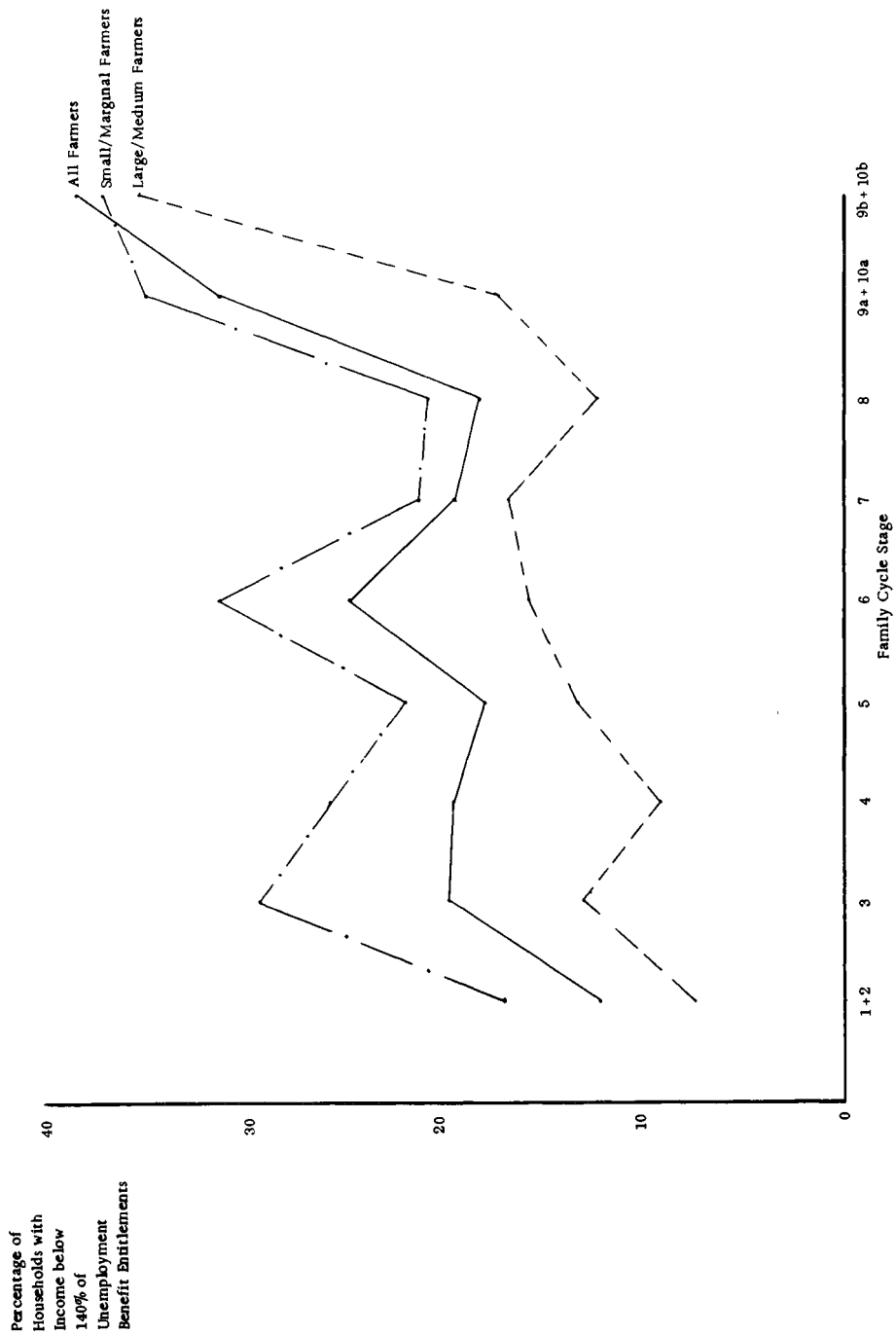
Family Cycle Stage	Household Head not in Employment			Household Head in Employment			Percent of Households with Head not in Employment
	Direct	Disposable	N	Direct	Disposable	N	
1 + 2	—	—	8	0.0	0.0	119	6.3
3	54.1	41.5	56	1.6	1.1	345	14.0
4	67.9	44.0	145	8.0	4.7	619	19.0
5	65.3	31.3	60	8.3	6.7	275	17.9
6	52.3	37.8	101	8.5	8.3	293	25.7
7	33.8	18.4	108	4.2	3.6	177	37.9
8	36.6	17.5	228	2.2	1.1	74	75.5
9a + 10a	81.7	67.5	126	4.4	1.8	225	35.9
9b + 10b	85.8	57.3	358	14.6	8.3	48	88.2
All Households	63.7	42.0	1189	5.9	4.2	2175	35.3

*Head of households *not* in employment are those defined by the CSO as being either “out of work” (unemployed but seeking work; unemployed through illness; and those not yet at work), or “not working” (engaged in home duties; retired; and in full-time education).

heads and greatest at the late stages for other households (see Table 8). Poorly paid workers – at least as indicated by the percentages in poverty among the households with heads in employment – are only slightly reduced at stages 6 and 7, when income requirements are high, though the proportionate reduction is more substantial in the family formation stages. However, if attention is directed at the household situations in which poverty is most acute among the employed, then transfer payments are less than efficient in raising the amount of income available. In contrast, the importance of transfer payments for augmenting direct income to households without an employed head of household is clear at all stages, though the magnitude of the reduction varies. Poverty is pervasive where the head of household is not employed, whatever measure of income or stage of the family cycle is considered. And the proportion of households without an employed head is substantial: 21.6 per cent of all working class households in stages 3 to 7 do not have a head in employment. Despite rather substantial flows of income via transfer payments into such households, the percentage falling below our poverty line is very high – at the family formation stages over 40 per cent have disposable incomes below their requirements. However, it is clear that for most working class households, the real hardship will come at the later stages, with the exception of those households in which the head remains in employment.

Returning to Table 7, poverty is obviously most prevalent among farm families. 24.5 per cent have incomes inadequate to their needs; however, this understates the situation. It will be recalled from Table 6 that the median income to need ratios were highly differentiated among farm households according to the resources being farmed, as indicated by the size of farm and the presence or absence of hired labour. If only small and marginal farmers are considered, 29.8 per cent have disposable incomes below the poverty level; 14.9 per cent of medium/large farmers have incomes below our level of adequacy. Moreover for farm households, the role of state transfer supports in alleviating the precarious situations of households differs, as can be shown in the proportionate reduction through state interventions in the percentages found to have inadequate incomes: without the net tax and transfers effect 37.2 per cent of small/marginal farm households

Figure 2 *Farm households with incomes below 140 per cent of unemployment benefit entitlements: percentages by family cycle stage and size of farm*



would be below the adequacy threshold; the reduction for large/medium farm households was from 17.4 per cent. Thus, interventions in the form of transfers and taxes substantially reduce the inequalities among farm households.

Clearly, disaggregation of farmers by size of resources is as revealing as that between gainfully and not gainfully occupied employees. The distribution of households by family cycle stage without an adequate income (given at both 100 and 140 per cent of UB entitlements) can be found in Table 9, graphically represented for the 140 per cent threshold in Figure 2. Until old age, the percentages follow the imperative of resource levels. The overall pattern, however, requires attention first. Returning to Table 7, or to either figure, it can be seen that compared to non-farm sector households, those of farmers are receiving the benefits of state transfers in a systematic manner. The pattern is to level the distribution of households with inadequate income across the family cycle. At stages 3 through 8, about 20 per cent of households are in poverty, in contrast to the less systematic, often cyclical changes recorded in non-farm households. Also, despite the greater prevalence of poverty among farm households, the transition to old age is less abrupt, at least in the relative perspective of other types of households. The risk of being in poverty is greatest after stage 8, but the contrast to the circumstances that obtained previously is less pronounced than for non-farm households.

Consistently, the proportionate change in the percentages between direct and disposable incomes is more substantial for the small and marginal farmer households. And in some instances, toward the later stages, in large/medium households the percentages are equivalent, or the percentage for disposable income exceeds that for direct. Given the small numbers of households involved, it is the absence of a redistributive effect that is of note at those stages, rather than the specific percentages observed. At earlier stages, and especially the childrearing stages, the impact of tax and transfers is to greatly reduce the differential in the potential for being without an adequate income that exists on the basis of resource level. This is particularly true of the last stages of the family cycle measure. But in contrast to non-farm and non-proprietorial households generally, the transition to old age seems gradual.

The apparent cushioning of the impact of old age on income adequacy for property

Table 9: *Farm Households with Incomes below 100 and 140 per cent of Unemployment Benefit Entitlements: Percentages by Family Cycle and Size of Farm*

Family Cycle Stage	Large/Medium Farmers					Small/Marginal Farmers				
	100% or Less		Below 140%		N	100% or Less		Below 140%		N
	Direct	Disposable	Direct	Disposable		Direct	Disposable	Direct	Disposable	
1 + 2	9.4	1.9	13.2	7.5	53	18.9	5.7	30.2	17.0	53
3	10.9	10.0	14.4	13.0	74	31.5	12.9	44.8	29.4	48
4	5.0	5.0	14.3	9.2	83	37.3	9.3	50.4	25.9	119
5	8.2	3.2	16.7	13.4	65	27.3	7.0	41.2	22.0	71
6	4.5	4.5	19.7	15.8	89	23.7	8.1	42.5	31.4	126
7	4.8	3.7	16.0	16.8	61	22.5	8.6	37.0	21.2	92
8	4.6	1.9	9.8	12.3	53	31.6	8.6	40.1	20.9	84
9a + 10a	18.2	15.7	19.8	17.4	121	37.6	17.9	53.6	35.0	263
9b + 10b	26.5	17.6	35.3	35.3	34	51.9	15.4	62.8	37.2	156
					633					1012

owning households is particularly pronounced when the percentages are examined for proprietorial households. In strong contrast to the situation of white collar and working class households, in which the percentages in poverty are highest in the last stages of the family cycle, those for proprietorial households are low. It should be noted, however, that at most stages of the family cycle, and overall, a higher percentage of proprietorial households are in poverty than is the case for either white collar households or those working class households with an employed head. At least when all proprietorial households are merged into one grouping, their material situation is not markedly better than other groups, except in terms of the consistency with which income and need remain tied throughout the family cycle.

There are systematic differences among the four groupings of household both in the distribution of poverty across the family cycle and in the impact of tax and transfers in supplementing or replacing direct income. Taking each group's overall percentage as a point of comparison, the differences are clear. For white collar households, the risk of poverty seems tied to very specific factors in the family cycle: with stages 5 and 8 having comparatively high percentages, but with the highest percentage found among households headed by the elderly. In working class households, percentages with direct income below our poverty threshold are fairly constant for those stages in which children are likely to be present. Three tiers can be seen: before the arrival of more than one child, (1-3), child-rearing (4-7), and dispersal (8-10). The addition of state transfer payments has the most substantial proportionate impact at the child-rearing stages and in stage 8.

4. CONCLUSIONS

Social class, family cycle, and poverty are key concepts for research on income inequality. But their complexities and the variety of usages in the literature require us to make clear how they are being treated and to justify what we have done on the basis of usefulness. We hope that together Parts 2 and 3 accomplish that objective.

The analysis of data in Part 3 was intended to indicate where poverty, as we defined it, was located in 1973 particularly by social class and family cycle, and to elaborate on the change between direct and disposable income through redistribution: how does redistribution operate in class and family cycle terms? Examined as an aggregate – for example, in the difference between the median ratios for the two types of income – the redistribution is concealed. This paper, however, presents evidence bearing on how redistribution occurs through state transfers along social class and family cycle dimension.

In offering interpretations of the analysis, some limitations of the evidence need emphasis. Most basically, the income data are self-reported, and such information is known to understate the actual income available to households; certainly a household's expenditure typically exceeds its reported income. Any study based on the Household Budget Survey will therefore tend to find more households below a given threshold than would be the case if "true" incomes were knowable. The problem of understatement also impinges on comparisons among categories, particularly class or occupational categories: the percentages with inadequate incomes will overrepresent somewhat households of the self-employed.

There are other obstacles to inter-category comparisons which are based on differences in household circumstances rather than technical factors. As an income source, property has a potential value, if sold, that skills or labour power lack. Therefore, though income levels of a property-owning and an employee category may be similar, the underlying economic security may be substantially different. A similar effects stems from patterns of housing, with the material situation of those categories in which home ownership pre-

dominates enjoying an advantage not adequately reflected in our analysis.

If social class can be considered as a category of individuals and families defined independent of their level of income, then we have a framework for understanding how income inequality is generated and perpetuated. The risk of being in poverty is clearly distributed along social class lines, as evinced in the white collar/manual gap in poverty risk and in the clear differentials of that risk within each of those basic categories.

Among employees, the clearest social class differentials relevant to poverty is the probability that a household will have a head who is not in employment. That risk is greatest among the marginal working class categories, though it is a general difference between white collar and working class households. Even at the middle stages of the family cycle, a substantial proportion of working class households were without an employed household head. Poverty as we have defined it is rare among households with income from employment, at least where it is on a full-time basis. Taking only stages 1 through 7 of the family cycle, and thus eliminating households in which the comparison is of limited relevance, the concentration of poverty among households without employed heads is striking indeed.

Differences are equally evident among households deriving income primarily from ownership of property, agricultural and otherwise. Differences in the type and quality of resources for creating income are structured, and the concept for expressing that structure is social class, at least to a sociologist. What is particularly of interest in the data for Ireland is the similarity of the circumstances of marginal working class and marginal property owning categories in the prevalence of poverty.

Examination of the horizontal inequalities present over the family cycle highlights some interesting differences between the four groupings: white collar, working class, farm, and proprietorial. First, there is a clear difference between categories of employees and categories of property owners in the pattern through which poverty is distributed at the various stages. That contrast is manifest particularly in the extent to which poverty is concentrated in the later stages, corresponding roughly to post-retirement ages. For employees, poverty is markedly more common in those later stages than earlier in the cycle, and the levels of poverty found in the later stages is substantial, even for white collar employees. Though the data are cross-sectional, it seems reasonable to conclude that the circumstances of categories of employees, however favourable during years of employment, are not such as to ensure a post-retirement income adequate for household needs. This contrasts sharply with the situation of households deriving income from the ownership of property. Even where the property being used to generate income is of marginal value, the distribution of poverty across the family cycle is diffused: there is less of the abrupt transition associated with retirement for employees. Of course, the Household Budget data to some extent obscures the equivalent event in farm and non-farm proprietorial households: the handing over of the means of production to the next generation. It is likely that the position of head of household would transfer with the property, and the old couple would become, in effect, dependants of their children.

In evaluating vertical inequalities, those between social classes, the best evidence on the redistribution attributable to the net effect of state tax and transfers is the median income to need ratios for the 14 class categories. Though redistribution is clearly taking place, it is not a consistent transfer of resources from the highest to the lowest income earners. Such a clear pattern of redistribution appears to occur only among the categories of employees. In particular, the median disposable incomes of large farmers are higher than their direct incomes – such households are net beneficiaries of the state's interventions. Non-farm proprietorial households experience little adjustment to their financial well-being when taxation and transfers are taken into consideration; the contrast to all three categories of white collar employees is striking.

Contrasting direct to disposable incomes across the family cycle, the presence of redistribution that acts to even out horizontal inequalities can be seen. Here the role of the state seems more dramatic and more consistent, though the nature of that role varies among the social class groupings. When the net effect of taxation and transfers is expressed in terms of actual weekly incomes (Rottman *et al.*, 1982), it can be seen that white collar employees are experiencing net losses at nearly every stage of the family cycle while proprietorial households, including large farmers, are net beneficiaries at nearly every stage of the family cycle when taxation and transfer payments are considered. By highlighting such differences in the workings of state policy, we feel the usefulness of our emphasis on social class and family cycle as they relate to poverty has been supported.

REFERENCES

- ABEL-SMITH, B., and P. TOWNSEND, 1965. *The Poor and the Poorest*, London: G. Bell & Sons Ltd.
- CARROLL, DEIRDRE and MARY ELLIOTT, 1977. *The Administration of the Home Assistance Service*, Dublin: National Committee on Pilot Schemes to Combat Poverty, Unpublished Research Report.
- CENTRAL STATISTICS OFFICE, 1980. *Redistributive Effects of State Taxes and Benefits on Household Income in 1973*, Dublin: Stationery Office.
- DONNISON, D., 1975. *An Approach to Social Policy*, Dublin: NES, Paper No. 8.
- FIEGHEAN, G.C., P.S. LANSLEY and A.D. SMITH, 1977. *Poverty and Progress in Britain 1953-1973*, Cambridge University Press.
- GIDDENS, A., 1973. *The Class Structure of the Advanced Societies*, London: Hutchinson & Co. Ltd.
- GLICK, P., 1955. "The Life Cycle of the Family", *Marriage and Family Living*, 17, 1, 3-9.
- GLICK, P., 1977. "Updating the Life Cycle of the Family", *Journal of Marriage and the Family*, 39, 1, 1977, pp. 5-14.
- GOLDTHORPE, JOHN, 1980. *Social Mobility and Class Structure in Modern Britain*, Oxford: Clarendon Press.
- HENRETTA, J.C. and R.T. CAMPBELL, 1976. "Status Attainment and Status Maintenance: A Study of Stratification in Old Age", *American Sociological Review*, 41, pp. 981-992.
- HUGHES, GERARD, 1980. "The influence of the Beveridge Report on the structure and adequacy of unemployment and sickness benefit in Ireland". Unpublished manuscript, The Economic and Social Research Institute.
- LAYARD, R., D. PIACHAUD, and M. STEWART, 1978. *The Causes of Poverty*, Background Report No. 5 to Report No. 6 of The Royal Commission of the Distribution of Income and Wealth, HMSO.
- LOOMIS, C., 1945. *Studies of Rural Social Organisation in the United States, Latin America and Germany*, Michigan: Edwards Brothers, Inc.
- LOOMIS, C. and J.A. BEEGLE, 1951. *Rural Social Systems*, New York: Prentice-Hall Inc.
- NOLAN, BRIAN, 1977-78. "The personal distribution of income in the Republic of Ireland", *Journal of the Statistical and Social Inquiry Society of Ireland*, Vol. XXIII, Part V., pp. 91-139.
- NORTON, D., 1976. "Income Distribution in the Republic of Ireland: A Note", *Social Studies*, July, pp. 66-74.
- O CINNEIDE, SEAMUS, 1980. "Poverty and inequality in Ireland," in George and Lawson, (eds.), *Poverty and Inequality in Common Market Countries*. London: Routledge and Kegan Paul.
- OPPENHEIMER, G.K., 1974. "The Life Cycle Squeeze: The Interaction of Men's Occupation and Family Life Cycles", *Demography*, Volume 11, No. 2: 237-245.
- PARKIN, FRANK, 1971. *Class Inequality and Political Order*, London: MacGibbon Kee.
- PARKIN FRANK, 1979. *Marxism and Class Theory: A Bourgeois Critique*, London: Tavistock.
- PLOTNICK, ROBERT and FELICITY SKIDMORE, 1975. *Progress Against Poverty*, New York: Academic Press.
- ROCHE, J.D., 1980. *The Dimensions of Poverty in Ireland in 1973*. Unpublished M.Sc. dissertation, Department of Statistics, Trinity College, Dublin.
- ROTTMAN, DAVID, DAMIAN HANNAN, NIAMH HARDIMAN and MIRIAM WILEY, 1982. *The Distribution of Income in the Republic of Ireland: A Study in Social Class and Family Cycle Inequalities*, Dublin: The Economic and Social Research Institute, Paper 109.
- ROWNTREE, B.S., 1899. *Poverty: A Study of Town Life*, London: Macmillan.
- TOWNSEND, PETER, 1962. "The meaning of poverty", *British Journal of Sociology* Vol. 13 (September).

- TOWNSEND, PETER (ed.) 1970. *The Concept of Poverty*, London: Heinemann.
- TOWNSEND, PETER, 1979. *Poverty in the United Kingdom*, Penguin Books.
- TREAS, J. and R.J. WALTHER, 1978. "Family Structure and the Distribution of Family Income", *Social Forces*. Volume 56, No. 3, pp. 866-880.
- WALSH, BRENDAN and BRENDAN WHELAN, 1976. "A micro-economic study of earnings in Ireland", *The Economic and Social Review*, Vol. 7 (January), pp. 199-217.
- WEBER, MAX, 1968. *Economy and Society*. G. Roth and C. Wittich (trs. and eds.). New York: Bedminister Press (first published 1921).

Appendix Table 1: Household income relative to unemployment benefits by family cycle all households*

<i>Household income as percentage of unemployment benefits</i>									
<i>Family cycle stage</i>	<i>1 100 or less</i>	<i>2 100-200</i>	<i>3 120-140</i>	<i>4 140-200</i>	<i>5 200-250</i>	<i>6 250-500</i>	<i>7 Over 500</i>		<i>N</i>
	<i>per cent</i>								
1	6.2	3.5	1.9	4.8	7.3	40.0	36.3	100.0	255
	2.4	2.4	1.5	10.7	6.8	55.4	20.8		
2	6.9	0.6	0.6	3.7	8.6	42.3	37.4	100.0	200
	3.4	1.4	1.6	5.0	12.2	52.1	24.5		
3	7.8	1.5	1.5	12.9	15.6	48.2	12.6	100.0	811
	3.3	2.1	2.3	15.1	20.6	48.6	7.9		
4	12.7	2.6	3.2	19.5	19.4	34.1	8.6	100.0	1,434
	4.2	3.0	4.2	23.3	23.1	36.1	6.2		
5	11.5	3.7	5.2	21.7	16.0	34.7	7.3	100.0	687
	4.1	3.7	4.7	26.8	20.7	34.7	5.3		
6	13.1	3.9	5.7	15.1	16.4	37.8	8.0	100.0	844
	4.7	5.0	7.4	20.8	21.1	36.0	5.1		
7	11.0	3.3	4.0	14.7	13.3	41.3	12.3	100.0	596
	5.3	2.6	4.1	18.3	17.8	45.5	6.5		
8	22.3	4.1	4.8	11.5	11.2	33.9	12.1	100.0	650
	6.1	4.5	5.8	18.2	15.5	42.2	7.7		
9a	30.1	2.2	4.5	10.7	9.7	27.4	15.4	100.0	530
	9.5	10.0	6.6	19.9	13.8	27.7	12.6		
9b	60.5	3.8	3.9	9.1	6.3	12.1	4.3	100.0	769
	10.0	22.7	16.2	20.3	12.3	15.4	3.3		
10a	33.3	2.8	3.0	10.8	7.3	26.9	15.9	100.0	552
	16.8	8.2	6.5	15.5	9.6	33.2	10.3		
10b	65.0	4.1	3.8	6.8	5.6	10.1	4.6	100.0	327
	18.1	18.2	15.2	21.8	11.0	12.0	3.7		
<i>All households</i>	22.2	3.1	3.7	13.7	13.1	32.8	11.5	100.0	7,655
	6.8	6.7	6.4	19.6	17.3	35.7	7.6		

*Each cell contains direct/disposable incomes.

Appendix Table 2: Household income relative to unemployment benefits by family cycle: white collar households*

Family cycle stage	Household income as a percentage of unemployment benefits							N	
	1 100 or less	2 100-120	3 120-140	4 140-200	5 200-250	6 250-500	7 Over 500		
	<i>per cent</i>								
1	0.7 3.0	2.3 0.0	0.0 0.0	1.2 2.3	2.4 1.6	45.5 69.4	47.9 23.7	100.0	122
2	2.7 0.0	0.0 0.0	0.0 0.0	0.0 1.4	1.4 3.2	29.7 54.3	66.2 41.1	100.0	59
3	0.6 0.6	0.4 0.0	0.4 0.4	4.4 4.5	5.0 6.4	60.6 72.7	28.6 15.5	100.0	201
4	2.8 1.8	0.2 0.7	0.3 0.5	8.0 7.8	10.4 13.2	57.3 62.6	20.9 13.3	100.0	330
5	5.4 2.7	1.9 3.3	2.5 3.1	10.6 9.2	7.8 13.5	53.6 59.7	18.1 8.5	100.0	133
6	3.5 0.7	2.1 0.0	1.9 1.7	6.6 13.2	12.0 13.3	51.6 62.4	22.3 8.7	100.0	139
7	2.3 2.1	0.8 0.0	1.5 0.0	4.9 9.7	12.4 16.1	47.5 62.0	30.5 10.2	100.0	105
8	3.9 1.8	1.1 0.8	5.3 2.1	8.4 11.8	17.1 16.4	32.0 49.5	32.4 17.6	100.0	97
9a	7.7 5.3	0.0 2.1	1.4 1.4	1.3 4.0	5.2 3.9	37.2 44.5	47.3 38.8	100.0	76
9b	23.3 2.9	6.3 9.7	4.1 9.1	9.6 12.9	10.1 19.3	35.3 36.9	11.3 9.3	100.0	103
10a	4.4 1.4	1.5 0.0	0.0 0.0	4.4 11.0	6.0 2.6	28.7 45.8	55.1 39.2	100.0	66
10b	22.4 5.9	0.0 3.2	0.0 3.6	13.1 22.8	12.6 9.6	36.8 45.3	15.1 9.5	100.0	33
<i>All households</i>	4.9 2.0	1.3 1.4	1.3 1.5	6.2 8.3	8.7 10.7	48.1 59.1	29.5 16.9	100.0	464

*Each cell contains direct/disposable incomes

Appendix Table 3: Household income relative to unemployment benefits by family cycle: working class households*

Family cycle stage	Household income as a percentage of unemployment benefits							N	
	1 100 or less	2 100-120	3 120-140	4 140-200	5 200-250	6 250-500	7 Over 500		
	<i>per cent</i>								
1	3.3	0.0	0.0	6.8	9.2	53.9	26.7	100.0	54
	3.3	0.0	0.0	10.0	15.6	60.4	10.7		
2	5.6	0.0	1.6	2.4	8.5	59.0	23.0	100.0	72
	1.4	2.2	1.0	6.8	14.3	66.5	7.8		
3	7.3	1.0	0.8	18.0	21.4	48.0	3.6	100.0	401
	2.6	3.1	1.1	20.7	30.5	40.9	1.1		
4	13.2	2.4	3.8	26.3	25.2	26.9	2.2	100.0	764
	4.0	3.9	4.3	30.5	30.3	26.0	1.0		
5	8.6	3.7	6.3	27.1	21.4	31.4	1.7	100.0	335
	3.2	2.4	5.5	34.3	27.3	26.4	0.9		
6	12.2	2.8	4.7	16.8	21.7	39.8	2.0	100.0	393
	4.0	5.7	6.1	24.0	27.3	31.9	1.0		
7	9.1	3.3	3.0	15.8	13.9	48.3	6.5	100.0	285
	2.8	1.6	4.8	19.9	18.7	49.8	2.5		
8	20.5	2.6	5.0	13.5	13.8	39.0	5.6	100.0	302
	4.6	4.0	4.9	17.4	17.9	49.3	2.0		
9a	25.0	0.7	2.9	11.9	12.9	38.9	7.6	100.0	197
	6.4	7.8	7.5	22.4	20.4	32.4	3.1		
9b	66.9	2.8	5.1	8.8	5.4	8.9	2.0	100.0	289
	6.5	22.8	21.1	24.7	11.0	13.5	0.4		
10a	33.0	2.0	1.0	11.3	6.0	33.1	13.6	100.0	154
	8.4	15.0	6.5	12.2	14.6	42.2	1.1		
10b	73.8	5.9	4.2	4.9	3.0	5.3	2.9	100.0	117
	10.0	23.1	21.3	25.1	10.1	8.5	2.0		
<i>All households</i>	20.2	2.4	3.7	17.6	17.3	34.1	4.6	100.0	3,364
	4.4	6.6	6.5	24.0	23.3	33.5	1.6		

*Each cell contains direct/disposable incomes.

Appendix Table 4: Household income relative to unemployment benefits by family cycle. farm households*

Family cycle stage	Household income as percentage of unemployment benefits							N	
	1 100 or less	2 100-120	3 120-140	4 140-200	5 200-250	6 250-500	7 Over 500		
	<i>per cent</i>								
1	16.2 0.0	4.8 4.7	5.9 6.5	9.1 24.7	15.7 4.8	20.4 33.4	28.0 25.9	100.0	57
2	13.7 8.8	2.2 2.2	0.0 2.7	11.3 8.9	18.8 21.2	26.4 28.7	27.5 27.5	100.0	49
3	19.4 11.6	3.4 1.5	4.0 6.7	10.8 13.3	16.0 14.2	31.5 37.7	14.9 14.9	100.0	123
4	24.5 7.5	6.3 4.3	5.2 7.7	12.3 20.0	16.1 17.0	25.4 33.5	10.2 10.1	100.0	204
5	19.9 5.6	6.5 6.8	4.6 5.6	21.2 24.0	13.8 17.0	28.5 34.8	5.4 6.2	100.0	138
6	15.8 6.6	7.6 3.7	9.7 14.6	17.2 19.6	12.9 17.1	29.5 31.3	7.3 7.1	100.0	215
7	15.4 6.6	4.6 7.3	8.5 5.6	20.7 23.5	14.8 18.4	25.5 28.3	10.3 10.3	100.0	152
8	21.7 6.8	4.9 3.7	2.3 7.8	14.5 16.9	5.7 15.6	33.7 34.6	17.2 14.6	100.0	138
9a	28.1 12.5	6.5 3.9	10.1 7.7	16.2 29.5	9.3 9.5	18.7 24.9	11.0 11.9	100.0	126
9b	40.1 12.2	8.1 9.2	3.3 8.2	20.2 31.6	12.1 16.5	13.7 19.8	2.6 2.6	100.0	105
10a	35.9 22.5	2.5 4.8	5.6 7.2	12.4 18.3	8.0 9.3	26.3 29.0	9.4 8.9	100.0	270
10b	58.1 24.9	5.0 9.8	6.6 13.4	11.0 23.7	8.1 16.9	9.6 7.6	1.6 3.6	100.0	90
<i>All households</i>	25.9 11.2	5.3 5.1	6.0 8.2	15.1 21.0	12.1 14.7	25.2 29.5	10.5 10.3	100.0	1,668

*Each cell contains direct/disposable incomes.

DISCUSSION

J.P. Roche: It gives one great pleasure indeed to propose a vote of thanks to the authors of this very interesting paper. It is, I am sure you will all agree, a valuable contribution to the gradually increasing literature on income distribution and poverty in Ireland. It is important, moreover, because it breaks new ground in attempting to identify the variation in the risk of poverty over the life or family cycle and to show how far state policy on direct taxation and transfers succeeds or fails in smoothing out income in terms of need over the cycle. It attempts to show also how the effects of that policy help to reduce or reinforce the inequality in income distribution between social classes.

There are three parameters in the authors' paper: social class, family cycle and the measurement of poverty. I propose to confine my remarks to the latter. Regarding social class I merely wish to suggest in passing that it is other state policies, rather than policies on income support, that may have most effect on the rigidities of class structure. As regards the stages of the family cycle, there obviously is room for argument about how many stages should be identified. From the technical point of view I wonder if the large number of stages used by the authors does not create a risk of reducing the reliability of the results, since the larger the number of cells into which the sample is disaggregated, the smaller is the number of households per cell and hence the greater the statistical error.

In looking at the authors' conclusions it is important to bear in mind that they are sensitive to the method of measuring poverty. Regarding this measurement, there are two key issues: the first is the basic level of income that is considered adequate in relation to need and the second is the method of weighting households for differences in composition. Any poverty line or measure of deprivation that is not objectively established creates circularity in the measurement of poverty. This circularity is accentuated when the poverty line is based on official income support measures. For example, the authors chose the Unemployment Benefit (UB) rate as their base. Hence all households depending on a lower level of state income support, are automatically consigned to poverty. Likewise when the basic poverty line is increased by 40 per cent, as the authors have done, then a large number of additional households, including those dependent on Unemployment Benefit itself, are added to those in poverty. In fact all households, wholly dependent on any form of state income support, surveyed in the sample up to July 1973, would have been in poverty at the latter poverty line. The households were surveyed over a period of about 14 months, and substantial increases in social welfare payments were made from July 1973. These increases would have brought some households above the higher poverty line, which would have been in poverty had they been surveyed before July. The risk of distortion from the variation on the levels of income of similar households, depending on the date of survey of the household, is just one of the problems of using the HBS income data.

Regarding the basic income level chosen by the authors one can argue whether the UB rate, which is essentially a short-term one, should be used. In my own study of the risk and distribution of poverty based on the HBS data, which is referred to by the authors, I used the Unemployment Assistance (rural) rate. However, as I took the July 1973 rate, the difference from the UB rate used by the authors was not large. I also increased the basic rate of 40 per cent to get the highest poverty line I used. My main concern regarding the authors' choice of the UB rate is that the resultant equivalence scales (implicit in the UB rates) used to weight children as adults in the household were very low. If you look at the weights for children given in the footnote on p. 182 you will see that the ratio of the cost of a child to that of the head of household is very low. I am reinforced in this observation by the fact that in the major increase in social welfare payments introduced in July 1973 the payments for children in the unemployment rates were increased

by around 50 per cent, or more than double the average, which was a recognition that the relationship of the rates for children and adults was out of proportion. The increases would have raised the adult equivalence scales for children under 15 in the authors' scales by from a quarter to one-third. The effect of under-weighting children is to reduce the number of adult units in the household and hence to increase the household income per adult unit. The larger the number of children in the household the more pronounced is the effect. One consequence of this is to slant poverty towards households in which adults predominate. A second is that it may distort the pattern of risk over the family cycle. A third is that it reduces the overall risk of poverty.

By selecting the UB rate for 1972 the authors may have reduced the risk of poverty in households with children and altered the pattern of risk over the family cycle. I would question the authors' conclusion on p.195 that poverty is rare – presumably they mean the risk of poverty, which is not the same thing as we shall see – in households with income from employment. I am not disputing that their results show this. I am suggesting that the equivalence scales used for children affect the results, since they affect the amount of the income per adult unit. In my own study I used higher equivalence scales for children than the authors. Although my basic poverty line (£5.05 against £5.55) was lower than theirs, the net effect was to increase the number of adult units per household, the effect being greater the larger the number of children in the household.¹ I found a significant risk of poverty in households with a head in employment, even where the head was an employee. In other words low pay was a factor influencing the risk of poverty.

The reason I labour this point is that the authors' findings tend to highlight the risk of poverty as being most acute in old age. I do not dispute that the reduction of income which workers suffer on ceasing to work does increase the risk of poverty, depending on the poverty line you use, but the findings may understate the risk of child poverty. Children tend to be the residuary legatees of the Irish welfare system. Under the evolution of State social policy since 1973 the aged have fared comparatively well. In contrast families with children have fared badly, whether through income tax or transfers, as Eithne Fitzgerald² has shown. My fear is that the findings of the present paper might help reinforce the trend. There is a crying need for a complete overhaul of the system of State income support for children to abolish deprivation or at the very least to remove the anomalies and distortions that now exist. Children's allowances are very important in relation to poverty in low pay households, a connection that goes back as far as Beveridge forty years ago.

The second point on which I would like to comment is on the difference between the risk and incidence of poverty. Even where the risk of poverty is low the incidence of poverty (i.e., numbers poor) may be significant. This is particularly relevant to households with a head in employment. Such households constitutes 70 per cent of the sample and hence even a small risk of poverty may account for a large part of the total poor. These households also obviously contain most of the children. Conversely, where a household group constitutes a small proportion of the sample, e.g., proprietorial households (6%), even a high risk would represent only a low incidence of poverty. The difference between risk and incidence can be illustrated by the following figures from my own study – the figures are based on the poverty line closest to that used by the authors.

¹For an average family (married couple and 3 children) my poverty line plus 40 gave the family a disposable income per head roughly equivalent to two-thirds of the disposable income of a family with average *male* industrial earnings.

²Fitzgerald, Eithne, 1980. *Alternative Strategies for Family Income Support*, Dublin: NESC Report No. 47.

<i>Work Status of Head of Household</i>	<i>% of sample Households</i>	<i>% Poor*</i>	<i>% of all Households Poor</i>	<i>% of all Persons Poor</i>	<i>% of all Children Poor</i>
In Employment	70	13	42	58	67
An Employee	42	9	17	29	40
Out of Work	5	64	14	18	22

*Risk of Poverty

I am not claiming, of course, any particular validity for my findings as such, but they show the importance of identifying the incidence as well as the risk. From the point of view of policy both risk and incidence must be considered. Where the risk is high but the incidence low, relief of poverty may not cost a lot. Where the risk is low but the incidence high, remedial measures may be costly. If the incidence were shown over the family cycle it might reveal interesting differences in the impact of poverty that could have clearer policy implications. It is a pity, therefore, that the authors stopped short at risk.

My final point of comment or criticism concerns the treatment of social policy itself. The authors have treated social policy as a whole. We do not get any picture of whether some policies are more effective than others in reducing the risk of poverty or of why they are. I would have liked to have seen a fuller discussion of policy issues, even though we are dealing with what is largely historical, given the various changes that have occurred since the HBS was undertaken.

There are many other points of interest, but I do not wish to detain you any longer. My comments are in no way intended to be critical of this most valuable pioneering study and I have great pleasure in proposing the vote of thanks to the authors for their stimulating paper.

B.M. Walsh: It gives me great pleasure to join with Mr Roche in congratulating the authors on the important and impressive piece of research they have presented to the Society tonight. I would like to explore a little further the implications of defining poverty in the manner favoured by the authors in their paper. If we consider a household where there is no income other than State transfer payments, then it is clear that this household must be in poverty according to the definition used in this study. None of the State benefits or assistance schemes would guarantee a household 140 per cent of Unemployment Benefits. What is therefore striking about the results in Table 8 of the paper is the very high proportion of certain Life Cycle Stages (LCS) that are *not* poor according to the definition used in the paper. The fact that about 82 per cent of the households in LCS 7 are not poor when the HOH is not in employment seems clear evidence that there are other income earners in the household. I think it would have been very important to make this variable more explicit in the study, rather than somewhat concealing it in the LCS variable.

If we turn to households where the HOH is employed, if there are no other earners in the household, and no substantial income from property, then the authors' poverty variable is the inverse of the "replacement ratio" used in studies of the effects of the social welfare system (and UB in particular) on labour supply. It is important to view this variable from both perspectives, i.e., from the viewpoint of defining poverty and from the viewpoint of measuring disincentive effects in the labour market. The ratio of income to UB entitlement could be regarded as "too low" because the household's income is "too low" (which is essentially the perspective used in this paper) or because the level of benefits is "too high" (which is the view taken by some of those who look at the problem from the labour market perspective).

Neither of these points concerning the definition of poverty need be regarded as too

relevant to the authors' main concern in their paper, which is to explore the factors influencing poverty at a point in time in a population cross section. But they do focus attention on the difficulties of using this approach over time. Raising the level of social benefits would not alleviate poverty according to this way of defining it! For this reason, it might have been preferable to relate household income (per adult equivalent) to some fraction of net industrial earnings, for example. In as much as there has been any movement over time in the ratio of UB to net earnings, the results from the two approaches would reveal different trends in the proportion of the population living in poverty.

The dependent variable implicit in the study is the risk of being poor. But poverty is not an either/or variable, and unless the data force you into using a binary variable my own preference is for working with a continuous variable. The continuous variable that could be used in this context is household income per adult equivalent. Rather than dividing this by the level of UB and taking an arbitrary cut-off point at 1.4 as the demarcation point between "poverty" and "non-poverty", it is possible to study the determinants of household income (per adult equivalent) directly. The dependent variable would then be a continuous variable with the statistical distribution properties that would facilitate regression analysis. A regression analysis would have the advantage of allowing easy assessment of the statistical significance of the explanatory variables, which is not undertaken by the authors in the paper.

The authors show that the most important determinants of the risk of poverty are social class, LCS, and whether the HOH is in employment. I think these results are of great interest. The social class variable is basically a grouping of HOH's occupation, and although they state that it was "defined independent of their level of income" I think it is clearly related to income-earning potential. In the farming community, for example, the four size groupings must be roughly a ranking in order of income. The LCS variable is a major innovation and one which required a great deal of ingenuity and labour to construct.

Examination of Table 1 shows that LCS is highly correlated with the age of HOH. In fact, LCS is really an amalgam of three simpler variables: age of HOH, marital status of HOH, and number of dependent children present in household. I wonder if from some points of view it would not have been more fruitful to have used these variables directly as explanatory variables, rather than the derived and somewhat arbitrary LCS variable. One merit of this alternative approach is that it would help identify what is really responsible for the changing risk of poverty as LCS varies. Is it, for example, the declining earnings potential of an ageing HOH or the increasing burden of dependent children?

This way of looking at the LCS variable directs attention to another possibility, namely, that the crucial variable is neither the age of HOH or the number of dependent children, but rather the number of other earners in the household. The importance of this consideration is, I think, clear from the fluctuations in the risk of poverty between adjacent LC stages. In Table 7, for example, this must be reason for the sharp drop in poverty at LCS 7 for working class and farming families. But could not this be illustrated more directly if a variable for the number of earners per household had been constructed?

An important point to bear in mind concerning the LCS variable the authors have constructed is that it refers, of course, to a cross section of the population at a point of time, rather than to a cohort observed over its life cycle. This is inevitable with the available data. One of the difficulties with cohort analysis is that the data, if they are available, become available only for fairly remote historical periods. But the use of cross section data entails some risks when the phenomenon being studied is changing over time. In the present context, for example, the risk of poverty with respect to LCS may be shifting downwards as more households come into the social welfare and occupational pensions net. By the time the population now in the earlier stage of the life cycle have

reached retirement age, there may be an income-related national pension scheme in force. This would flatten out the graphs shown in Figures 1 and 2, where the most striking feature is the sharp rise in poverty among the retired population.

Finally, I would like to venture some tentative comments on the concept of "social class", which I realise is a topic of great complexity that has exercised social scientists over the centuries. I think it is a little at variance with ordinary usage to define social class in a manner that ignores, for example, all consideration of the origins of the individual (e.g., parent's occupation) or other relevant facts (e.g., spouse's occupation, educational background, etc.). By omitting all these variables, the authors are, it seems, confining themselves to what is very much an economic criterion, namely, HOH's occupation. Would it not be more accurate to refer to this as "economic class", as did Weber, rather than "social class"?

In conclusion, I renew my congratulations to the authors for completing this important research on a topic of great national interest.

S. Cromien: I find this paper stimulating and comprehensive. I join with John Roche and Brendan Walsh in complimenting the authors on the amount of hard work which they have obviously put into it.

Perhaps understandably, because of the difficulty of getting information, the paper's coverage has certain limitations. It assumes that taxation and direct transfers are the sole redistributive mechanisms available to the Government. It does not, for example, take account of non-cash transfers from the State such as education, housing and medical services. In common conversation these are topics which feature when comparisons are drawn between working class and middle class standards of living. Changes in the tax code (e.g., in relation to taxation of married couples) and the change to Pay-Related Social Insurance are possible redistributive methods which are also not included in this paper.

Like Brendan Walsh I have difficulties about the definition of poverty used in the paper. If poverty is to be defined as 140 per cent of unemployment benefit then the "poverty line" is automatically raised by the very act of raising unemployment benefit. In periods when unemployment benefit rises more rapidly than average earnings, the method employed would give perverse results.

So far as general budget policy is concerned, I might remark on the inevitable tension between (a) the social economist who will suggest that a relatively low income and high dependancy ratio by Western European standards calls for high social expenditure in relation to GNP and (b) the fiscal economist who will suggest that the very same factors warrant relatively low taxation. In the final analysis a balance has to be struck pragmatically between these two viewpoints.

D.C. Murphy: I wish to join with the other speakers in congratulating the authors on their interesting paper. As the person responsible in the CSO for the data source used for their analysis there is a sense of personal satisfaction in seeing this large body of detail being used for research purposes. Although the CSO cannot, under the confidentiality guarantees given to respondents, give the basic data tape to outsiders even for research purposes the paper does indicate the extent to which the CSO can and does facilitate research.

In this respect, footnote 1 is a little misleading in the sense that it does not do justice to the vast amount of work which the authors had to undertake for this paper and the more detailed publication which will follow. Unfortunately, it also may give the idea that we in the CSO are busily doing special analyses of this type for researchers on request. I am afraid that this is not the case as our resources are quite stretched. The arrangement with the authors, Mr John Roche, who has already spoken to the paper, and other researchers is that we provide them with the specifications of our 1973 Household Budget

Survey data tape and they compile the required computer programs. We then run these programs on our data tape on which, incidently, households are identified by reference number and not by name and address. We check the print-out to ensure that nothing confidential (i.e., relating to individual households) is being divulged and simply pass these print-outs back to the particular researcher. This arrangement is also possible in other areas, but those wishing to avail of it must realise that there is a very considerable ADP commitment to meet on their side.

As to the paper itself there are a few points which I would like to touch upon briefly. The "family cycle" classification used is very interesting. In fact, we do not have any classification like this on our CSO data tape. We have been in contact with the authors about the exact specifications of this classification with a view, perhaps, to incorporating it on the 1980 Household Budget Survey tape. This we would gladly do if there was a consensus on the type of categories which should be distinguished in this classification.

One point to note about the "economic class" categories used in the paper is that they have been derived by the authors themselves. They are not necessarily identical to the Social Group categories adopted in the Household Budget Survey (HBS) even though the same titles are used in some instances. This could explain any differences in subsample frequencies which may exist between the two analyses.

The two variables "family cycle" and "economic class" are both dependent on who the Head of Household is. It should be made clear that in the 1973 Household Budget Survey we used the usual Census of Population approach, namely, that the Head of Household in individual instances was the person deemed by the household to be such. The CSO does not lay down any specific rules to follow in this regard.

Another point which struck me was the variation in the total sample size in different tables. The 1973 Household Budget Survey was based on a total of 7,748 households. The authors mentioned that they eliminated about 80 of these for various reasons; this would leave a total of 7,668 for their analysis. However the total sample size is 7,721, Table 1; 7,733, Table 4 and 7,655, Table 7 and Appendix Table 1. Perhaps the authors could explain the reason for this?

My own familiarity with work in the field of poverty comes only from trying to meet the data requirements of researchers in this area. In this respect, I am struck by the large potential that exists for further work. For example, an earlier speaker has mentioned that direct taxes and cash benefits are only two of the processes used by Government for the purposes of income redistribution and that indirect taxes (i.e., VAT, duty, etc.) and non-cash benefits (e.g., education, housing, medical services, subsidies, etc.) have not been taken into account in the present exercise. This, of course, can quite readily be done as the CSO also undertook an Income Redistribution Analysis based on the Household Budget Survey results of 1973. The relevant data, therefore, exists which will allow all four redistributive processes to be taken into account in this type of analysis. Furthermore, if some particular poverty line were adopted, it is also possible to segregate the corresponding sample households whose pre- and post-benefit income lie below this line. It would then be possible to produce standard Household Budget Survey tables to analyse the characteristics of these particular households and to quantify the pre-benefit poverty gap for different sub-classifications of them and to examine, for example, the contribution of children's allowances, and other benefits (direct or indirect) in reducing this gap. This is the approach adopted, for example, in the 1979 ILO publication "Poverty and the Impact of Income Maintenance Programmes" which analyse the effectiveness of anti-poverty measures in Australia, Belgium, Norway and the UK.

In conclusion I wish again to congratulate the authors on their paper and to assure them and other researchers of the continued help and assistance of the CSO in their work.

Reply by Dr David Rottman, Professor Damian Hannan and Ms Miriam Wiley: We wish to thank all of the speakers who commented on our paper. The points raised in the course of the discussion will be of considerable value to us as we prepare our full analysis of social class and family cycle income inequalities to be published by the ESRI in 1982. We need to respond immediately, however, to several of the specific points raised during the discussion, and to address the larger issues of absolute vs. relative definitions of poverty, the meaning and reality of social classes, and the advantages of a family life cycle index.

The comments made by Donal Murphy and by John Roche raised specific points regarding our analysis that should be clarified. Mr Murphy notes that the 1973 Household Budget Survey yielded a response of 7,748 households, and that our tables report results based on a slightly smaller number of household units. We were unable to classify 79 households into our family cycle index, and therefore any table reporting classifications based on that index will be correspondingly depleted. Also, in our study of income levels we eliminated from consideration households which reported zero or negative disposable incomes and this affects Table 1 which is drawn from that study. In 15 households anomalies appeared to be present but could not be checked in detail due to our agreement with the CSO, which precludes examination of the responses from individual households. These anomalies, which are extremely rare, involve discrepancies between income variables created specifically for our analysis and the CSO's definitive reported disposable income for a household; such households were not included in Table 1. However, for the analysis of poverty risk, we included all households with incomes that agreed with the CSO's record. Thus, 7,733 households are in Table 4, and excluding households with missing information on their family cycle stage reduces that to 7,665 for Table 7 and Appendix Tables 1-4.

John Roche, in addition to usefully distinguishing our study of poverty "risk" from that of "incidence", raises the issue of appropriate equivalence scales. We were, by definition, limited to the weightings of adults and children implicit in the Unemployment Benefits scales: we opted for a "politically" defined poverty line, and could not introduce alterations in order to affect the number or composition of the poor. Though our use of the October, 1972 Unemployment Benefit payments did have implications for our findings, which Mr Roche has helpfully drawn out, the alternative he proposes, and used in his own study (Roche, 1980), results in a weighting scheme that differs significantly from that used in major inquiries into poverty, such as that recently undertaken on behalf of the Royal Commission on the Distribution of Income and Wealth (Layard *et al.*, 1978, p. 10), in the "cost of a child" factor being used. (The Fiegehen *et al.*, 1977 study also attributes less relative importance (weight) to children than do Roche's equivalence scales.)

At this stage, two conclusions need to be stressed: First, in examining the results of any study of poverty, the consequences of the equivalence weightings should be highlighted, a task that will be facilitated as more studies in Ireland are carried out. Second, we need equivalence scales that are derived independently of social welfare schemes, weightings based on the actual experience of households of different sizes and composition.

We also, of course, need definitions of poverty independent of parliamentary "political" criteria; otherwise, as Mr Cromien notes, we will indeed have ensured that the poor will always be with us. But here our purpose as researchers is to determine the factors most closely associated with the risk of being poor and is clearly distinct from that of a government department directly concerned with immediate policy decisions. However, we hope our research points to directions that policy might usefully follow, directions that could help to lessen the amount of poverty present whether viewed as "absolute" or "relative" poverty. It is, however, unlikely that any defensible definition of poverty in Ireland, or a country of comparable development, resources, and population would have a level of

“poverty” below the 20% or so of the population that we found – unless we adopt a completely poor law “destitution standard”. We would, however, accept that there are substantial income and “welfare need” differences within the 20 per cent isolated and that we should, perhaps, pay more attention to these differentials. There are nevertheless such substantial differences between those below the poverty line and those above, that even if we were to use a much more stringent definition of poverty it is unlikely that it would alter in any substantial way the social composition of the poor. And it is the nature of the social composition of the poor, the way this changes over time and the impact of the state’s taxation and transfer system on their welfare that is the important issue, both to researchers and to policy makers.

Finally, we wish to reiterate our belief that the combination of social class and family cycle indexes of household situations tell us more than would the sum of any set of variables used in constructing our categories. As we were careful to note in our paper, our analysis used analytical distinctions based on the concepts of “economic classes” – an identifiable package of resources (skills, property, or credentials) for economic participation and “social classes”, which are formed by the social closure of “economic classes” in the limited mobility, intra or intergenerationally, that occurs amongst them. We know from studies of social mobility and educational participation that the extent of social class closure in Ireland is greater than in most European countries – including Great Britain. Given this rigidity of social class boundaries in Ireland, and the very substantial inequalities of income and of living conditions associated with these class distinctions, the use of an array of descriptive variables for a family is not a socially valid representation of the realities of inter-household inequalities in Irish society.

Similarly, a set of family life cycle categories is not only more elegant than would be a set of four or five distinct descriptive variables, it is also, we contend, more meaningful. It is the conjunction of ages, marital status, the number of ages of dependants that determines a household’s situation as an income-earning and a consumption unit; and the ten categories isolated effectively summarise the changes that can occur in those circumstances. The most complex set of equations using the component variables will not, in our view, be as informative nor as realistic as categories such as we have devised. The use of such “family cycle” variables goes back at least to the nineteenth century (Rowntree’s work), although its modern usage was popularised by Glick in the 1940s at the U.S. Census Bureau. And that use is not necessarily academic or even policy oriented: family cycle categories are widely used, for example, in consumer research (cf. Patrick Murphy and William Staples, “A modernised family life cycle”, *Journal of Consumer Research*, Vol. 6, 1979).