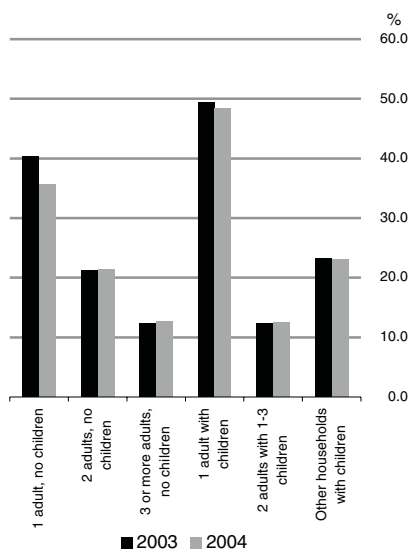




## EU Survey on Income and Living Conditions (EU-SILC) 2004 (with revised 2003 estimates)

**Percentage of persons at-risk-of-poverty classified by household composition, EU-SILC 2003 (revised) and 2004**



	EU-SILC 2003 (revised)	EU-SILC 2004	% Change
<b>Percentage of persons</b>			
at risk of poverty (60% threshold)	19.7	19.4	-
in consistent poverty	8.8	6.8	-
<b>Average income per week</b>			
gross household income (per household)	€868.12	€945.20	8.9
disposable household income (per household)	€689.76	€740.35	7.3
equivalised disposable income (per individual)	€334.63	€359.78	7.5
<b>Poverty threshold</b>			
60% of median equivalised income (per individual)	€175.77	€185.51	5.5

### Almost one in five of the population at risk of poverty

In 2004, almost one-fifth (19.4%) of the population were at risk of poverty. This was marginally lower than the revised estimate of 19.7% for 2003. Persons at risk of poverty are living in households where the income (on an equivalised basis) is less than 60% of the median at an individual level. Members of lone parent households and persons living alone were found to be among the most at risk in both years, with over 48% and almost 36% at risk of poverty respectively in 2004. Other high-risk groups included persons living in rented or rent-free accommodation, the unemployed and the ill or disabled. *See tables 1, 5 & Annex.*

When the risk of poverty is combined with an element of enforced deprivation the survey shows that almost 7% of the population were 'consistently poor' in 2004, compared to almost 9% in 2003. Members of lone parent households had the highest consistent poverty rate in 2004 (31.1%). Higher than average rates were also found among the rental sector (20.7%), the ill or disabled (21.7%) and the unemployed (19.2%). *See table 8.*

#### Revisions to 2003 and comparability between 2003 and 2004

The first results for 2003 (published in January 2005) have been revised following the application of improved re-weighting and calibration methods that are in line with EU recommendations. The effect of the revisions has been to lower both the risk of poverty (from 22.7% to 19.7%) and consistent poverty (from 9.4% to 8.8%) measures. The comparability of year to year changes may be affected in some cases by some adjustments to the survey procedures (see background notes). This is particularly the case with estimates for relatively small sub-populations, where relatively large sampling errors should be taken into account in interpreting trends.

*For more information contact Kathryn Carty on 021-453 5302 or Caroline Barrett on 021-453 5485.*

Published by the Central Statistics Office, Ireland.

Ardee Road Skehard Road  
Dublin 6 Cork  
Ireland Ireland

LoCall: 1890 313 414 (ROI)  
0870 876 0256 (UK/NI)

Tel: +353-1 498 4000 Tel: +353-21 453 5000  
Fax: +353-1 498 4229 Fax: +353-21 453 5492

Both offices may be contacted through any of these telephone numbers.

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Labour Market and Earnings: Labour Market

Director General: Donal Garvey

Enquiries:

Labour Market Statistics Direct Dial (021) 453 5491  
Email: [labour@cso.ie](mailto:labour@cso.ie)  
Queries and Sales Information Section, ext 5032  
[information@cso.ie](mailto:information@cso.ie)

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The ‘total gross annual household income’ averaged over all households was estimated to be just over €49,000 in 2004. This is equivalent to an average of €945 per week, an increase of almost 9% on 2003. Total disposable household income, which is net of income tax and social contributions, increased by over 7% in the year to €740 per week. After adjusting the income figures for household size (see background notes for details) the ‘equivalised total disposable household income’ on an annual basis averaged across all persons in 2004 was €18,773 or €360 per week, reflecting a 7.5% increase on the 2003 figure. The poverty threshold, which is taken as 60% of median equivalised individual income, was estimated at over €9,680 or €185 per week in 2004. *See annex.*

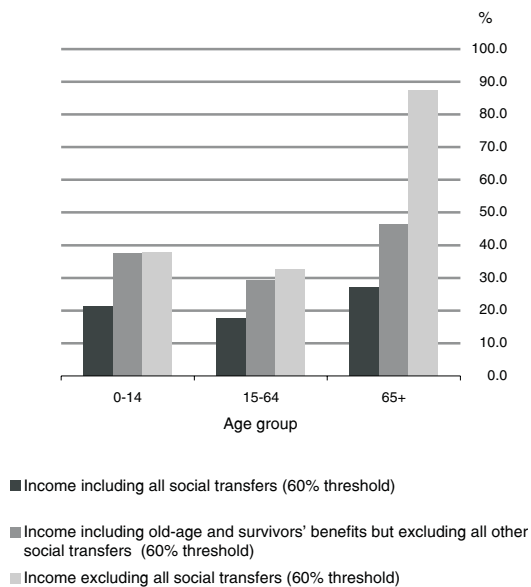
## Social transfers halve the risk of poverty

Excluding social transfers (such as unemployment benefits, child benefit and pensions), the risk of poverty rate would have been close to 40% in 2003 and 2004. The inclusion of these transfers more than halved this risk, from 39.8% to 19.4%, in 2004. *See tables 1 & 4.*

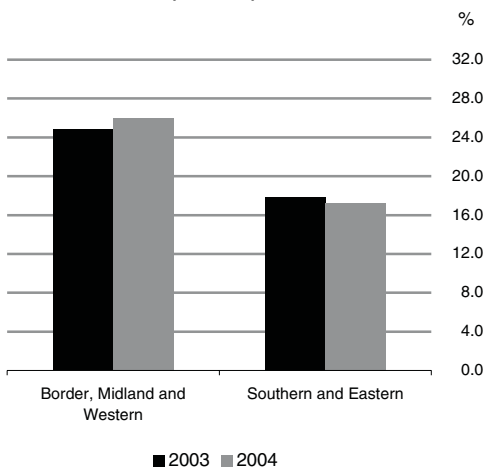
The impact of social transfers is most marked in the case of older persons. When social transfers were excluded from income, over 87% of persons aged 65 and over were found to be at risk of poverty in 2004. The inclusion of old-age and survivor’s benefits reduced this to just over 46%, while the inclusion of other transfers lowered it further to 27.1%. Notwithstanding these improvements, older persons still had the highest risk of income poverty of all age groups in both 2003 and 2004. *See table 4.*

Over 90% of gross household income in the lowest income decile, and almost 85% in the second lowest, was generated from social transfers in 2004. This compares with less than 20% for all households and just 6% for households in the highest income decile. Consistent with this profile, the decile analysis also shows that four out of every five persons living in households in the first income decile were either ‘unemployed’ or ‘not economically active’, while just 10% were ‘at work’. In the top income decile, on the other hand, almost 60% of persons were ‘at work’ with just one in five either ‘unemployed or ‘not economically active’. *See tables 3a & 3b.*

**At-risk-of-poverty-rate (60% threshold) classified by age group, EU SILC 2004**



**Percentage of persons at-risk-of-poverty classified by region, EU SILC 2003 (revised) and 2004**



## Risk of income poverty varies significantly

In addition to age, the risk of poverty varies significantly across most demographic, social, economic and geographic dimensions.

From a gender perspective, the at risk of poverty rate for women was almost 21% in 2004, compared to 18% for men. In comparison, the 2003 rates for women and men were 20.4% and 18.9% respectively. *See table 4.*

Adults and children living in lone parent households and persons living on their own also had significantly higher risks of income poverty, at 48.3% and 35.7% respectively in 2004, than other categories. On average the risk of poverty of persons living in rented or rent free accommodation, at 34.8%, was over double the rate of 16% recorded for persons in owner-occupied households. *See table 5.*

There was a greater risk of poverty among those living in the Border, Midland and Western region (26%) compared with the Southern and Eastern region (17.2%). Overall, persons living in rural areas also showed higher poverty rates than their urban counterparts, with levels of 24.1% and 16.6% respectively in 2004. *See table 5.*

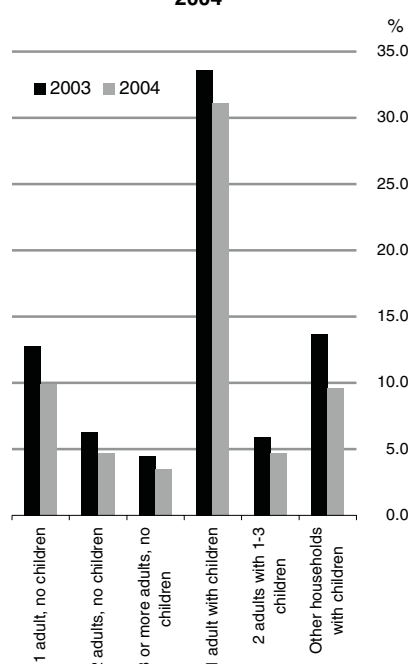
Persons ‘at work’ had by far the lowest risk of income poverty at just 7%. On the other hand, the ill and disabled, unemployed persons and other adults outside the labour force had higher than average risks. *See table 5.*

## Top income group had five times more income than the bottom

In 2004, the income quintile share ratio (S80/S20) shows that persons in the top income quintile had 5 times the equivalised income of those in the bottom

quintile. This reflects no change from the 2003 findings. It should be noted that the S80/S20 ratio is only sensitive to changes in the top and bottom income quintiles. See table 1.

**Percentage of persons in consistent poverty classified by household composition, EU-SILC 2003 (revised) and 2004**



Another summary measure of inequality is the Gini coefficient, which measures the relationship between cumulative shares of the population (or sub-population) arranged according to the level of income and the cumulative share of the equivalised total net income received by them. In the EU-SILC 2004 the Gini coefficient calculated was 31.8% and was somewhat higher than the 31.1% measured in 2003 – indicating a slight disimprovement in the extent of overall inequality. See tables 1 & 4.

The ‘relative at risk of poverty gap’, which is the difference between the median equivalised income of the poor and the 60% threshold, expressed as a percentage of the latter, was just under 20% in 2004. In other words half of those deemed to be at risk of income poverty had an equivalised income at or above 80% of the threshold value. This reflected an improvement on the 2003 situation where the gap was 21.5%. See table 1.

### Almost one-third of persons in lone parent households in consistent poverty

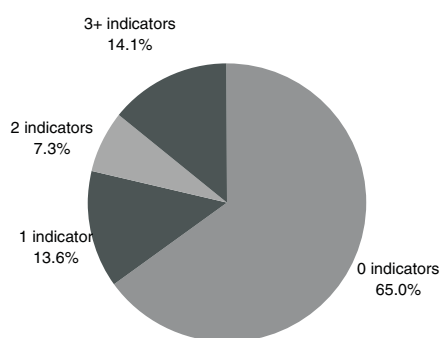
Lone parent households had the highest consistent poverty rate in 2004 at 31.1%, compared with a national rate of just under 7%. Households with 3 adults and no children had the lowest consistent poverty rate at 3.5% in 2004. See table 8.

While the elderly had the highest levels of income poverty among all age-groups, they had the lowest levels of consistent poverty in both 2003 and 2004, at 5.8% and 3.3% respectively. Children aged 0-14, on the other hand, had the highest rates at 12.2% and 9.5% in 2003 and 2004 respectively. See table 8.

The consistent poverty rate for persons living in rented or rent free accommodation, at 20.7% in 2004, was over five times higher than the 3.7% reported in owner-occupied households. Almost 9% of persons in the Border, Midlands and Western region were ‘consistently poor’ in 2004, compared to 6.2% in the Southern and Eastern region. In contrast to the findings on income poverty, higher levels of consistent poverty were found in urban areas compared to rural areas in both 2003 (10.6% against 5.9%) and 2004 (7.6% against 5.5%). See table 8.

Ill or disabled persons and unemployed persons also reported higher than average rates in 2004 of 21.7% and 19.2% respectively. The comparable rates for 2003 were 28.3% for the unemployed and 22.4% for the ill or disabled. See table 8.

**Percentage of persons at-risk-of-poverty classified by the number of deprivation indicators reported, 2004**



### Deprivation highest among households with children

Among households at risk of poverty, households with children had higher deprivation rates than those without children. Lone parent households reported the highest levels, where almost two-thirds of those at risk of poverty experienced enforced deprivation in respect of at least one of the of the eight basic indicators. Almost 42% of ‘other households with children’ with a risk of income poverty reported some level of deprivation, while households with 2 adults and 1-3 children had a rate of over 37%. The level of deprivation in at risk households without children ranged from approximately 22% for 2 adults to almost 28% in single adult households. A similar profile was evident in 2003. See table 7a.

Amongst all households the most common type of deprivation reported in 2004 related to ‘experiencing debt problems to meet ordinary living expenses’ (8.7%). It was particularly prevalent among lone parent households (36.6%) and ‘other households with children’ (13%). In 2003, almost 10% of the population reported experiencing debt problems, including over 40% of persons in lone parent households and 11.5% of ‘other households with children’. See table 6a.



**Table 1 Key national indicators of poverty and social exclusion<sup>1</sup>**

	%				
	LIIS 2000	LIIS 2001	SILC 2003 (initial)	SILC 2003 (revised)	SILC 2004
<b>National/NAPS Indicators using alternative national scale</b>					
At-risk-of-poverty rate					
Equivalised total disposable income:					
Including all social transfers (60% threshold)	20.9	21.9	22.7	19.7	19.4
Including old-age and survivors' benefits but excluding all other social transfers (60% threshold)	28.1	29.5	32.5	30.6	32.7
Excluding all social transfers (60% threshold)	35.3	35.6	38.4	37.2	39.8
Including all social transfers (40% threshold)	4.5	5.3	5.9	5.8	4.4
Including all social transfers (50% threshold)	12.0	12.9	11.1	11.6	11.1
Including all social transfers (70% threshold)	28.1	29.3	29.4	27.7	28.7
Relative at-risk-of-poverty gap <sup>2</sup>	19.3	20.7	16.3	21.5	19.8
Gini coefficient	30.2	30.3	29.6	31.1	31.8
Income distribution (income quintile share ratio)	4.7	4.8	4.7	5.0	5.0
<b>Percentage of persons in 'consistent poverty' using median income threshold<sup>3</sup></b>					
Less than 50% of threshold	2.7	2.9	5.9	5.3	3.9
Less than 60% of threshold	4.3	4.1	9.4	8.8	6.8
Less than 70% of threshold	5.4	4.9	11.6	11.1	9.6
<b>Percentage of households in 'consistent poverty' using mean income threshold<sup>3</sup></b>					
Less than 40% of threshold	2.7	2.5	3.9	4.1	3.1
Less than 50% of threshold	4.5	4.1	7.3	7.9	6.7
Less than 60% of threshold	5.8	5.2	10.2	11.5	10.0

<sup>1</sup> LIIS (Living in Ireland Survey) data provided by the Economic and Social Research Institute.

<sup>2</sup> At risk of poverty gap calculated using Laeken methodology. See background notes for further details.

<sup>3</sup> LIIS consistent poverty figures (shaded) are not comparable with SILC data. See background notes for further details.

**Table 2 Key indicators of poverty and social exclusion (EU definition of Income and modified OECD scale)**

	%	
	2003 (revised)	2004
<b>EU (Laeken Indicators) using modified OECD scale</b>		
At-risk-of-poverty rate		
Equivalised total disposable income:		
Including all social transfers (60% threshold)	20.1	20.9
Including old-age and survivors' benefits but excluding all other social transfers (60% threshold)	31.3	32.9
Excluding all social transfers (60% threshold)	37.0	39.1
Including all social transfers (40% threshold)	5.8	4.8
Including all social transfers (50% threshold)	12.3	11.4
Including all social transfers (70% threshold)	27.0	29.0
Relative at-risk-of-poverty gap	22.4	19.6
Gini coefficient	30.8	31.6
Income distribution (income quintile share ratio)	5.0	5.0

**Table 3a Average size, activity composition and household income classified by gross household income deciles, (2003 revised)**

<b>Decile</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Threshold (€)	< 172.94	-257.83	-369.52	-527.47	-692.50
Number of households in sample	389	394	366	321	295
Adjusted number of households in sample	310	309	309	309	309
Household size (persons per household)	1.34	1.57	2.20	2.69	3.06
<b>Activity composition (persons per household):</b>					
Not yet at school	0.04	0.09	0.10	0.25	0.21
At school	0.08	0.15	0.28	0.50	0.59
At work	0.15	0.22	0.29	0.72	1.13
Unemployed	0.09	0.11	0.14	0.16	0.16
Not economically active	0.97	1.00	1.39	1.06	0.98
<b>Average Weekly Household Income (€)</b>					
<b>Direct Income</b>					
Employee income	4.90	20.66	44.97	162.70	306.14
Employer's social insurance contributions	0.28	0.88	3.04	12.48	28.74
Cash benefits or losses from self-employment	5.78	9.05	17.02	42.00	81.93
Other direct income	4.42	7.03	13.99	19.67	26.82
<b>Total direct income</b>	<b>15.39</b>	<b>37.62</b>	<b>79.03</b>	<b>236.85</b>	<b>443.64</b>
<b>Social Transfers</b>					
Unemployment benefits	12.01	12.54	23.94	25.43	20.14
Old-age benefits	52.72	99.36	122.12	87.46	64.88
Family/children related allowances	10.87	22.09	34.94	49.05	46.90
Housing allowances	10.19	12.36	14.26	15.69	5.99
Other social transfers	27.93	21.22	35.33	25.87	22.59
<b>Total social transfers</b>	<b>113.71</b>	<b>167.56</b>	<b>230.59</b>	<b>203.50</b>	<b>160.49</b>
<b>Gross Income</b>	<b>129.11</b>	<b>205.18</b>	<b>309.62</b>	<b>440.34</b>	<b>604.13</b>
<b>Tax and Social Contributions</b>					
Tax on income and social contributions	0.66	2.13	4.38	21.70	42.69
Employer's social insurance contributions	0.28	0.88	3.04	12.48	28.74
Regular inter-household cash transfers paid	0.41	0.75	0.30	2.13	2.05
<b>Total Tax and Social Contributions</b>	<b>1.36</b>	<b>3.77</b>	<b>7.72</b>	<b>36.30</b>	<b>73.48</b>
<b>Net Disposable Income</b>	<b>127.75</b>	<b>201.41</b>	<b>301.90</b>	<b>404.04</b>	<b>530.66</b>

**Table 3a (contd.) Average size, activity composition and household income classified by gross household income deciles, (2003 revised)**

<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>State</b>	<b>Decile</b>
-886.41	-1,089.47	-1,345.80	-1,773.99	>1,773.99		Threshold (€)
287	265	259	264	250	3,090	Number of households in sample
309	309	309	308	309	3,090	Adjusted number of households in sample
3.08	3.44	3.82	3.77	3.92	2.89	Household size (persons per household)
<b>Activity composition (persons per household):</b>						
0.18	0.20	0.24	0.17	0.25	0.17	Not yet at school
0.56	0.69	0.85	0.56	0.69	0.50	At school
1.41	1.64	1.92	2.23	2.15	1.19	At work
0.09	0.10	0.05	0.06	0.08	0.10	Unemployed
0.84	0.80	0.76	0.75	0.74	0.93	Not economically active
<b>Average Weekly Household Income (€)</b>						
<b>Direct Income</b>						
474.31	650.45	838.58	1,134.86	1,620.58	525.59	Employee income
46.39	64.65	89.62	122.03	180.63	54.85	Employer's social insurance contributions
124.57	123.63	150.51	117.96	443.48	111.57	Cash benefits or losses from self-employment
17.12	13.21	22.14	20.03	54.29	19.87	Other direct income
<b>662.39</b>	<b>851.95</b>	<b>1,100.86</b>	<b>1,394.88</b>	<b>2,298.99</b>	<b>711.88</b>	<b>Total direct income</b>
<b>Social Transfers</b>						
16.83	20.55	20.54	31.75	44.78	22.84	Unemployment benefits
55.36	40.52	26.71	57.91	81.24	68.81	Old-age benefits
36.40	36.81	46.93	34.74	36.83	35.55	Family/children related allowances
2.61	3.30	0.48	0.71	1.21	6.68	Housing allowances
19.64	24.66	16.76	18.17	11.32	22.35	Other social transfers
<b>130.83</b>	<b>125.84</b>	<b>111.42</b>	<b>143.28</b>	<b>175.37</b>	<b>156.24</b>	<b>Total social transfers</b>
<b>793.22</b>	<b>977.79</b>	<b>1,212.28</b>	<b>1,538.16</b>	<b>2,474.36</b>	<b>868.12</b>	<b>Gross Income</b>
<b>Tax and Social Contributions</b>						
81.75	115.42	168.24	245.77	506.44	118.86	Tax on income and social contributions
46.39	64.65	89.62	122.03	180.63	54.85	Employer's social insurance contributions
4.98	4.00	6.26	8.76	16.82	4.64	Regular inter-household cash transfers paid
<b>133.12</b>	<b>184.06</b>	<b>264.13</b>	<b>376.56</b>	<b>703.88</b>	<b>178.35</b>	<b>Total Tax and Social Contributions</b>
<b>660.10</b>	<b>793.72</b>	<b>948.16</b>	<b>1,161.60</b>	<b>1,770.48</b>	<b>689.76</b>	<b>Net Disposable Income</b>

**Table 3b Average size, activity composition and household income classified by gross household income deciles, 2004**

<b>Decile</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Threshold (€)	< 189.48	-278.64	-381.58	-529.98	-727.53
Number of households in sample	730	652	629	588	541
Adjusted number of households in sample	548	548	548	548	547
Household size (persons per household)	1.21	1.65	2.22	2.75	3.07
<b>Activity composition (persons per household):</b>					
Not yet at school	0.03	0.09	0.12	0.17	0.21
At school	0.06	0.18	0.28	0.53	0.59
At work	0.12	0.18	0.32	0.63	1.05
Unemployed	0.08	0.07	0.09	0.19	0.15
Not economically active	0.90	1.12	1.37	1.20	1.04
<b>Average Weekly Household Income (€)</b>					
<b>Direct Income</b>					
Employee income	4.49	15.95	50.46	131.25	303.13
Employer's social insurance contributions	0.21	0.87	3.68	11.48	30.33
Cash benefits or losses from self-employment	5.98	12.23	15.51	46.11	78.00
Other direct income	3.93	7.55	10.91	14.41	26.98
<b>Total direct income</b>	<b>14.61</b>	<b>36.59</b>	<b>80.57</b>	<b>203.25</b>	<b>438.44</b>
<b>Social Transfers</b>					
Unemployment benefits	15.12	20.31	19.29	32.01	23.63
Old-age benefits	78.73	93.05	128.38	104.13	82.77
Family/children related allowances	9.86	31.31	43.51	58.46	48.73
Housing allowances	11.89	15.18	17.86	15.71	6.80
Other social transfers	26.61	31.14	34.52	37.83	27.13
<b>Total social transfers</b>	<b>142.20</b>	<b>190.99</b>	<b>243.56</b>	<b>248.13</b>	<b>189.06</b>
<b>Gross Income</b>	<b>156.81</b>	<b>227.58</b>	<b>324.13</b>	<b>451.38</b>	<b>627.50</b>
<b>Tax and Social Contributions</b>					
Tax on income and social contributions	0.41	1.11	3.67	15.90	42.66
Employer's social insurance contributions	0.21	0.87	3.68	11.48	30.33
Regular inter-household cash transfers paid	0.74	0.57	0.62	2.54	4.06
<b>Total Tax and Social Contributions</b>	<b>1.36</b>	<b>2.55</b>	<b>7.97</b>	<b>29.93</b>	<b>77.05</b>
<b>Net Disposable Income</b>	<b>155.45</b>	<b>225.04</b>	<b>316.16</b>	<b>421.46</b>	<b>550.45</b>



**Table 3b (contd.) Average size, activity composition and household income classified by gross household income deciles, 2004**

<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>State</b>	<b>Decile</b>
-919.75	-1,153.66	-1,451.04	-1,883.02	>1,883.02		Threshold (€)
490	493	479	443	432	5,477	Number of households in sample
548	548	552	543	548	5,477	Adjusted number of households in sample
3.27	3.51	3.62	3.87	3.89	2.91	Household size (persons per household)
<b>Activity composition (persons per household):</b>						
0.25	0.24	0.21	0.23	0.25	0.18	Not yet at school
0.55	0.66	0.65	0.58	0.54	0.46	At school
1.39	1.60	1.90	2.22	2.30	1.17	At work
0.09	0.09	0.09	0.06	0.06	0.10	Unemployed
0.95	0.86	0.75	0.74	0.70	0.96	Not economically active
<b>Average Weekly Household Income (€)</b>						
<b>Direct Income</b>						
481.69	666.77	879.49	1,178.55	1,745.32	545.38	Employee income
53.34	75.65	103.57	145.03	225.23	64.89	Employer's social insurance contributions
111.57	124.25	150.39	153.93	665.65	136.34	Cash benefits or losses from self-employment
18.57	16.95	17.07	25.25	79.23	22.07	Other direct income
<b>665.17</b>	<b>883.62</b>	<b>1,150.52</b>	<b>1,502.75</b>	<b>2,715.43</b>	<b>768.69</b>	<b>Total direct income</b>
<b>Social Transfers</b>						
18.99	20.23	16.81	19.89	48.12	23.44	Unemployment benefits
57.20	54.17	56.49	56.60	79.74	79.13	Old-age benefits
42.98	43.41	40.73	40.79	35.18	39.50	Family/children related allowances
2.42	1.49	0.67	0.50	0.32	7.29	Housing allowances
32.47	27.74	24.60	18.18	11.38	27.17	Other social transfers
<b>154.07</b>	<b>147.03</b>	<b>139.30</b>	<b>135.96</b>	<b>174.75</b>	<b>176.51</b>	<b>Total social transfers</b>
<b>819.24</b>	<b>1,030.65</b>	<b>1,289.82</b>	<b>1,638.72</b>	<b>2,890.17</b>	<b>945.20</b>	<b>Gross Income</b>
<b>Tax and Social Contributions</b>						
79.29	124.86	172.93	261.33	630.96	133.22	Tax on income and social contributions
53.34	75.65	103.57	145.03	225.23	64.89	Employer's social insurance contributions
6.87	7.27	8.76	12.52	23.45	6.74	Regular inter-household cash transfers paid
<b>139.50</b>	<b>207.78</b>	<b>285.26</b>	<b>418.88</b>	<b>879.64</b>	<b>204.85</b>	<b>Total Tax and Social Contributions</b>
<b>679.74</b>	<b>822.87</b>	<b>1,004.56</b>	<b>1,219.84</b>	<b>2,010.53</b>	<b>740.35</b>	<b>Net Disposable Income</b>

**Table 4 Indicators of poverty and social exclusion classified by age and gender**

%

	Age group							
	2003 (revised)				2004			
	0-14	15-64	65+	Total	0-14	15-64	65+	Total
<b>Males</b>								
At-risk-of-poverty rate								
Equivalised total disposable income:								
Including all social transfers (60% threshold)	20.3	17.4	26.4	18.9	19.5	16.4	25.8	18.0
Including old-age and survivors' benefits but excluding all other social transfers (60% threshold)	32.2	26.3	40.8	29.0	36.2	27.5	39.2	30.5
Excluding all social transfers (60% threshold)	33.6	29.3	84.0	35.6	36.5	30.8	85.7	37.4
Including all social transfers (40% threshold)	6.3	5.2	6.7	5.6	5.4	3.8	3.8	4.1
Including all social transfers (50% threshold)	12.7	11.3	11.6	11.6	12.5	9.8	8.5	10.3
Including all social transfers (70% threshold)	24.7	23.5	47.9	26.2	27.9	22.8	47.7	26.4
Gini coefficient	30.0	30.6	30.2	30.6	32.6	31.6	26.7	31.9
<b>Females</b>								
At-risk-of-poverty rate								
Equivalised total disposable income:								
Including all social transfers (60% threshold)	21.7	17.8	32.3	20.4	23.1	18.8	28.2	20.8
Including old-age and survivors' benefits but excluding all other social transfers (60% threshold)	34.1	27.7	53.5	32.2	38.7	30.6	51.6	34.9
Excluding all social transfers (60% threshold)	34.9	30.8	87.8	38.8	39.4	34.4	88.7	42.2
Including all social transfers (40% threshold)	5.6	5.8	6.7	5.9	5.4	4.9	*	4.6
Including all social transfers (50% threshold)	13.2	11.3	11.0	11.6	14.4	11.9	8.0	11.9
Including all social transfers (70% threshold)	27.4	23.7	61.2	29.1	32.1	25.6	57.7	30.9
Gini coefficient	32.1	31.0	25.1	31.5	29.9	31.9	24.5	31.6
<b>Total</b>								
At-risk-of-poverty rate								
Equivalised total disposable income:								
Including all social transfers (60% threshold)	21.0	17.6	29.8	19.7	21.2	17.6	27.1	19.4
Including old-age and survivors' benefits but excluding all other social transfers (60% threshold)	33.2	27.0	48.0	30.6	37.4	29.1	46.2	32.7
Excluding all social transfers (60% threshold)	34.2	30.1	86.1	37.2	37.9	32.6	87.4	39.8
Including all social transfers (40% threshold)	6.0	5.5	6.7	5.8	5.4	4.3	2.9	4.4
Including all social transfers (50% threshold)	13.0	11.3	11.3	11.6	13.4	10.9	8.2	11.1
Including all social transfers (70% threshold)	26.0	23.6	55.4	27.7	29.9	24.2	53.3	28.7
Gini coefficient	30.5	30.8	27.7	31.1	31.3	31.7	25.6	31.8

\* Sample occurrence too small for estimation.

**Table 5 At-risk-of-poverty rate (after social transfers, 60% threshold)**

%

	2003 (revised)			2004		
	Male	Female	Total	Male	Female	Total
<b>Total</b>	<b>18.9</b>	<b>20.4</b>	<b>19.7</b>	<b>18.0</b>	<b>20.8</b>	<b>19.4</b>
<b>Age group</b>						
0-14	20.3	21.7	21.0	19.5	23.1	21.2
15-64	17.4	17.8	17.6	16.4	18.8	17.6
65+	26.4	32.3	29.8	25.8	28.2	27.1
<b>Household composition</b>						
1 adult, no children	40.3	40.5	40.4	36.7	34.9	35.7
2 adults, no children	20.3	22.1	21.2	20.9	21.9	21.4
3 or more adults, no children	12.3	12.5	12.4	11.2	14.4	12.7
1 adult with children	51.4	48.1	49.3	46.8	49.1	48.3
2 adults with 1-3 children	12.1	12.5	12.3	12.0	13.1	12.5
Other households with children	22.4	24.1	23.2	22.1	24.1	23.1
<b>Tenure status</b>						
Owner	14.0	15.0	14.5	14.9	17.1	16.0
Rented or rent free	39.0	41.1	40.1	33.2	36.3	34.8
<b>Region</b>						
Border, Midland and Western	22.9	26.8	24.8	24.4	27.8	26.0
Southern and Eastern	17.5	18.3	17.9	15.8	18.5	17.2
<b>Urban/rural location</b>						
Urban areas	18.2	19.5	18.9	15.0	18.1	16.6
Rural areas	20.0	22.0	21.0	22.8	25.5	24.1
<b>Principal Economic Status (aged 16 and over)</b>						
At work	8.5	6.5	7.6	7.5	6.4	7.0
Unemployed	44.9	33.2	41.5	41.0	25.9	37.2
Student	24.0	22.2	23.1	19.7	27.8	23.6
Home duties	*	31.7	31.8	*	31.8	32.1
Retired	28.2	25.9	27.7	27.9	20.1	26.1
Ill/disabled	58.2	41.6	51.7	52.9	38.2	47.3
Other	*	*	33.9	*	53.5	52.3
Children under 16 years of age	20.8	22.3	21.5	20.6	23.2	21.9

\* Sample occurrence too small for estimation.

**Table 6a Percentage of persons reporting deprivation classified by household composition**

Deprivation Indicators							%
	1 adult, no children	2 adults, no children	3 or more adults, no children	1 adult, with children	2 adults, with 1-3 children	Other households with children	Total
<b>2003 (revised)</b>							
No substantial meal on at least one day in the past two weeks	7.7	8.5	9.0	13.4	8.3	7.4	8.4
Without heating at some stage in the past year	9.3	4.8	8.6	28.4	7.0	5.6	7.6
Experienced debt problems arising from ordinary living expenses	4.2	4.5	6.7	40.3	12.2	11.5	9.7
Unable to afford two pairs of strong shoes	4.0	2.2	3.7	19.1	4.5	5.7	4.6
Unable to afford a roast once a week	7.7	3.7	3.7	24.3	4.1	4.8	5.0
Unable to afford a meal with meat, chicken or fish every second day	4.9	2.3	*	15.7	2.5	3.9	3.1
Unable to afford new (not second-hand) clothes	10.2	5.0	3.8	23.3	2.9	5.8	5.4
Unable to afford a warm waterproof coat	*	2.2	3.2	11.0	2.3	4.1	3.2
<b>2004</b>							
No substantial meal on at least one day in the past two weeks	5.8	3.4	3.0	17.6	4.9	7.5	5.2
Without heating at some stage in the past year	8.0	3.4	2.7	22.9	3.8	8.1	5.4
Experienced debt problems arising from ordinary living expenses	5.0	3.2	5.1	36.6	9.5	13.0	8.7
Unable to afford two pairs of strong shoes	4.4	2.2	2.9	13.1	2.8	5.5	3.8
Unable to afford a roast once a week	7.7	2.6	3.2	23.9	3.2	4.4	4.5
Unable to afford a meal with meat, chicken or fish every second day	4.6	2.1	2.7	16.4	2.8	4.7	3.7
Unable to afford new (not second-hand) clothes	7.4	3.1	4.9	19.0	5.5	6.5	5.8
Unable to afford a warm waterproof coat	2.2	1.1	3.0	7.7	1.8	4.2	2.7

\* Sample occurrence too small for estimation.

**Table 6b Percentage of persons at-risk-of-poverty and reporting deprivation classified by household composition**

Deprivation Indicators							%
	1 adult, no children	2 adults, no children	3 or more adults, no children	1 adult, with children	2 adults, with 1-3 children	Other households with children	Total
<b>2003 (revised)</b>							
No substantial meal on at least one day in the past two weeks	*	*	*	8.1	2.6	2.1	2.1
Without heating at some stage in the past year	5.4	*	1.8	17.0	2.5	3.7	3.1
Experienced debt problems arising from ordinary living expenses	*	*	1.9	21.5	4.2	6.4	4.0
Unable to afford two pairs of strong shoes	*	*	*	10.9	2.3	4.8	2.7
Unable to afford a roast once a week	5.0	2.3	*	11.6	2.5	4.0	2.9
Unable to afford a meal with meat, chicken or fish every second day	*	*	*	7.0	*	2.9	1.8
Unable to afford new (not second-hand) clothes	6.9	2.6	*	14.2	*	4.9	3.2
Unable to afford a warm waterproof coat	*	*	*	*	*	2.7	1.7
<b>2004</b>							
No substantial meal on at least one day in the past two weeks	2.5	*	*	10.1	1.3	4.0	2.1
Without heating at some stage in the past year	3.5	3.4	*	14.4	1.2	4.7	2.5
Experienced debt problems arising from ordinary living expenses	2.0	*	1.0	20.0	3.0	6.5	3.4
Unable to afford two pairs of strong shoes	2.6	2.2	2.9	9.1	1.4	2.5	1.8
Unable to afford a roast once a week	4.7	1.5	1.1	11.9	1.6	2.1	2.2
Unable to afford a meal with meat, chicken or fish every second day	3.0	2.1	*	8.8	1.8	2.2	1.9
Unable to afford new (not second-hand) clothes	3.6	1.7	2.0	11.6	2.6	2.9	2.8
Unable to afford a warm waterproof coat	*	*	*	5.2	1.2	1.5	1.3

\* Sample occurrence too small for estimation.

**Table 7a Percentage of persons classified by the number of deprivation indicators reported and household composition**

	1 adult, no children	2 adults, no children	3 or more adults, no children	1 adult, with children	2 adults, with 1-3 children	Other households with children	Total
%							
<b>Number of deprivation indicators experienced</b>							
<b>2003 (revised)</b>							
0	75.0	80.5	79.3	40.4	77.7	75.4	76.6
1	13.7	12.8	11.5	15.5	13.3	14.1	13.0
2	4.7	3.9	4.8	18.6	3.2	3.3	4.4
3+	6.6	2.8	4.4	25.5	5.7	7.2	6.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>2004</b>							
0	79.6	88.2	85.6	42.1	83.0	77.9	81.7
1	10.5	7.2	9.6	22.6	9.9	10.3	9.9
2	3.4	2.2	1.9	11.1	2.6	3.3	2.9
3+	6.5	2.3	2.9	24.1	4.4	8.6	5.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Table 7b Percentage of persons at-risk-of-poverty classified by the number of deprivation indicators reported and household composition**

	1 adult, no children	2 adults, no children	3 or more adults, no children	1 adult, with children	2 adults, with 1-3 children	Other households with children	Total
%							
<b>Number of deprivation indicators experienced</b>							
<b>2003 (revised)</b>							
0	68.3	70.3	63.4	31.9	52.1	40.9	55.1
1	16.0	16.9	15.2	13.4	*	29.5	19.6
2	*	*	*	27.6	*	*	7.9
3+	*	*	*	27.1	25.0	*	17.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>2004</b>							
0	72.2	78.1	72.7	35.6	62.6	58.3	65.0
1	12.6	12.0	14.9	18.6	11.7	13.8	13.6
2	5.3	*	*	18.5	7.8	8.3	7.3
3+	9.9	*	*	27.3	17.9	19.5	14.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\* Sample occurrence too small for estimation.

**Table 8 Percentage of persons in 'consistent poverty' at 60% level using basic life-style deprivation indicators**

%

	2003 (revised)			2004		
	Male	Female	Total	Male	Female	Total
<b>Total</b>	<b>8.3</b>	<b>9.3</b>	<b>8.8</b>	<b>6.2</b>	<b>7.4</b>	<b>6.8</b>
<b>Age group</b>						
0-14	11.6	12.8	12.2	8.2	11.0	9.5
15-64	7.8	8.7	8.3	5.9	7.1	6.5
65+	*	6.7	5.8	3.8	3.0	3.3
<b>Household composition</b>						
1 adult, no children	15.1	10.7	12.8	13.5	7.0	9.9
2 adults, no children	5.8	6.8	6.3	4.3	5.1	4.7
3 or more adults, no children	4.2	4.9	4.5	3.0	4.0	3.5
1 adult with children	32.3	34.3	33.6	29.1	32.1	31.1
2 adults with 1-3 children	4.8	6.9	5.9	4.1	5.2	4.7
Other households with children	14.0	13.4	13.7	9.2	10.0	9.6
<b>Tenure status</b>						
Owner	3.9	4.5	4.2	3.6	3.8	3.7
Rented or rent free	26.4	27.6	27.0	18.7	22.5	20.7
<b>Region</b>						
Border, Midland and Western	8.7	10.9	9.8	8.2	8.9	8.6
Southern and Eastern	8.2	8.8	8.5	5.5	6.9	6.2
<b>Urban/rural location</b>						
Urban areas	10.2	11.0	10.6	6.9	8.3	7.6
Rural areas	5.4	6.5	5.9	5.1	5.9	5.5
<b>Principal Economic Status (aged 16 and over)</b>						
At work	2.7	2.5	2.6	1.6	1.9	1.8
Unemployed	29.2	*	28.3	21.9	*	19.2
Student	*	11.1	11.5	7.3	10.2	8.7
Home duties	*	12.1	12.2	*	9.4	9.6
Retired	5.7	*	5.7	4.2	*	3.7
Ill/disabled	24.0	*	22.4	20.6	23.4	21.7
Other	*	*	*	*	*	*
Children under 16 years of age	12.0	12.9	12.4	9.0	10.8	9.9

\* Sample occurrence too small for estimation.

# Annex

## Average income measures<sup>1</sup>

	€			
	2003 (revised)		2004	
	Annual	Weekly	Annual	Weekly
<b>National income definition, national equivalence scale</b>				
Total gross household income	45,298	868.12	49,320	945.20
Total disposable household income	35,992	689.76	38,631	740.35
Equivalised total disposable household income	17,461	334.63	18,773	359.78
Equivalised total disposable household income including old-age and survivors' benefits but excluding all other social transfers	15,208	291.45	16,300	312.39
Equivalised total disposable household income excluding all social transfers	13,626	261.14	14,513	278.14
<b>Eurostat income definition, modified OECD scale</b>				
Total gross household income	42,114	807.09	45,683	875.49
Total disposable household income	34,973	670.24	37,504	718.75
Equivalised total disposable household income	19,211	368.17	20,666	396.05
Equivalised total disposable household income including old-age and survivors' benefits but excluding all other social transfers	16,676	319.58	17,883	342.73
Equivalised total disposable household income including old-age and survivors' benefits but excluding all other social transfers	15,067	288.76	16,028	307.16

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

## At-risk-of-poverty thresholds

	€			
	2003(revised)		2004	
	Annual	Weekly	Annual	Weekly
<b>Alternative national scale:</b>				
At-risk-of-poverty				
40% of median income	6,114	117.18	6,453	123.67
50% of median income	7,643	146.47	8,067	154.59
60% of median income	9,172	175.77	9,680	185.51
70% of median income	10,700	205.06	11,293	216.43
Illustrative values (60% level)				
1 adult, no children	9,172	175.78	9,680	185.51
2 adults, 2 children	21,278	407.78	22,457	430.38
<b>Eurostat income definition, modified OECD scale</b>				
At-risk-of-poverty				
40% of median income	6,762	129.59	7,176	137.53
50% of median income	8,452	161.98	8,971	171.92
60% of median income	10,143	194.38	10,765	206.30
70% of median income	11,833	226.78	12,559	240.68
Illustrative values (60% level)				
1 adult, no children	10,143	194.38	10,765	206.30
2 adults, 2 children	21,300	408.20	22,606	433.23

## Background Notes

<b>Purpose of survey</b>	The EU Survey on Income and Living Conditions (EU-SILC) is a voluntary (for potential respondents) survey of private households. It is carried out under EU legislation (Council Regulation No 1177/2003) and commenced in Ireland in June 2003. The primary focus of the survey is the collection of information on the income and living conditions of different types of households. The survey also provides information on poverty, deprivation and social exclusion. This report presents the second set of results from the survey and is based on data collected in the period January to December 2004.
<b>Reference period</b>	Information is collected continuously throughout the year, with up to 130 households surveyed each week to give a total sample of 5,000 to 6,000 households in each year. In 2004, the achieved sample size was 5,477 households and 14,272 individuals. In 2003 however, there was six months data collection, which resulted in a smaller sample of 3,090 households and 8,101 individuals in total. The income reference period for EU-SILC is the 12 months prior to date of interview.
<b>Data collection</b>	Information is collected on laptop computers, using Computer-Assisted Personal Interview (CAPI) software.
<b>Sample design</b>	A two-stage sample design was used. This comprised of a first stage sample of 2600 blocks (or small areas) selected at county level to proportionately represent eight strata reflecting population density. Each block was selected to contain, on average, 75 dwellings.

The eight population density stratum groups used were as follows:

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

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

**Weighting** The first step in the weighting procedure is the calculation of the household design weights. This is the inverse proportion to the probability with which the household was sampled. In terms of EU-SILC, the probability of the selection of a household is based on two elements, the probability of the selection of a block and the probability of selection of a household within that block.

No adjustment was made for non-response as substitutions were made for non-responding households.

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

- Age by sex: Individual population estimates are generated from population projections from census data. Age is broken down into three categories: 0-14, 15-64 and 65+.
- Region: Household population estimates in each of the eight NUTS3 regions are generated using LFS data.
- Household composition: Household composition estimates are also generated from the LFS. The following categories are used:
  - One adult, no children
  - Two adults, no children
  - Three or more adults, no children
  - One adult, one or more children



- Two adults, one to three children
- Other households with children

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

### Definitions of Income

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

- The EU definition of gross income does not include income from ‘private pensions’. These are defined as private schemes fully organised by the individual, where contributions are at the discretion of the contributor independently of their employers or the state. Thus, ‘private pensions’ does not include occupational or state pensions.
- All contributions to pension plans, except for those to private pension plans as defined above, are deducted from gross income when calculating disposable income under the EU definition. No pension contributions of any kind are deducted from gross income in the calculation of disposable income for national purposes.

It should also be noted that employer’s social insurance contributions are also included in gross income. Employer’s social insurance contributions include contributions to private health insurance and life assurance schemes. Employee tax, employee and employer social insurance contribution amounts are deducted from gross income when calculating disposable income.

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

Direct Income:

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

## Social Transfers

- Unemployment benefits
- Old-age benefits (note that this includes all occupational pensions other such social welfare payments to those aged 65 and over)
- Family/children related allowances
- Housing allowances
- Other social transfers
  - Survivors' benefits
  - Sickness benefits
  - Disability benefits
  - Education-related allowances
  - Social exclusion not elsewhere classified

**Disposable income:** Tax, social insurance contributions and occupational pension contributions are also summed to household level and subtracted from the gross household income to calculate the *total disposable household income*. The components of disposable household income are gross household income less:

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

**Equivalence scales:** Equivalence scales are used to calculate the *equivalised household size* in a household. Although there are numerous scales, we focus on two: the modified OECD scale and the national scale. The national scale attributes a weight of 1 to the first adult, 0.66 to each subsequent adult (aged 14+ living in the household) and 0.33 to each child aged less than 14. The modified OECD scale attributes a weight of 1 to the first adult, 0.5 to each subsequent adult and 0.3 to each child aged less than 14. The weights for each household are then summed to calculate the *equivalised household size*.

## Example:

A household consists of 5 people: 2 adults and 3 children. The modified OECD scale gives a weight of 1 to the first adult and 0.5 to each subsequent adult (aged 14+) living in the household, and 0.3 to each child. Thus, this household's *equivalised household size* is  $1 + 0.5 + 0.3 + 0.3 + 0.3 = 2.4$ .

**Equivalised income:** The disposable household income is divided by the *equivalised household size* to calculate the *equivalised income* for each individual, which essentially is an approximate measure of how much of the income can be attributed to each member of the household. This *equivalised income* is then applied to each member of the household.

## Example:

If a household has a total disposable income of 50,000 and the *equivalised household size* is 2.4, the *equivalised income* for this household is 20,833.33 This income is applied to each member of the household.

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

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

**Some Laeken definitions** **At-risk-of-poverty rate:** This is the share of persons with an equivalised income below a given percentage (usually 60%) of the national median income. It is also calculated at 40%, 50% and 70% for comparison. The rate is calculated by ranking persons by equivalised income from smallest to largest and the median or middle value is extracted. Anyone with an equivalised income of less than 60% of the median is considered *at-risk-of-poverty at a 60% level*.

**Inequality of income distribution (S80/S20 quintile share ratio):** This is the ratio of total equivalised income received by the 20% of persons with the highest income (top quintile) to that received by the 20% of persons with the lowest income (lowest quintile).

**Relative at-risk-of-poverty gap:** This is the difference between the median equivalised income of persons below the at-risk-of-poverty threshold and the at-risk-of-poverty threshold, expressed as a percentage of the at-risk-of-poverty threshold.

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

**At-risk-of-poverty rate before social transfers:** This indicator is calculated based on two alternative measures of equivalised income. The first calculates equivalised income as the total disposable household income including old-age and survivor's benefits but excluding all other social transfers. The second excludes all social transfers. *See text on background notes.*

**Gini coefficient:** This is the relationship between cumulative shares of the population arranged according to the level of income and the cumulative share of total income received by them. If there was perfect equality (i.e. each person receives the same income) the Gini coefficient would be 0%. A Gini coefficient of 100% would indicate there was total inequality and the entire national income was in the hands of one person.

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

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

- Educational Disadvantage
- Unemployment
- Income adequacy
- Disadvantaged Urban Areas
- Rural Poverty

The key NAPS indicator derived from EU-SILC is the consistent poverty measure, which combines relative income measures with a lack of what are considered to be basic resources.

### **Consistent poverty**

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

- No substantial meal for at least one day in the past two weeks due to lack of money
- Without heating at some stage in the past year due to lack of money
- Experienced debt problems arising from ordinary living expenses
- Unable to afford two pairs of strong shoes
- Unable to afford a roast once a week
- Unable to afford a meal with meat, chicken or fish (or vegetarian equivalent) every second day
- Unable to afford new (not second-hand) clothes
- Unable to afford a warm waterproof coat

An individual is defined as being in 'consistent poverty' if they are:

- Identified as being at risk of poverty and
- Living in a household deprived of one or more of the eight basic deprivation items listed above (Note that it is enforced deprivation that is relevant in this context. For example, a household may not have a roast once a week. The household is classified as deprived of this basic indicator only if the reason they didn't have it was because they could not afford it).

### **Further information**

#### **Cross-sectional versus longitudinal households**

In 2004, 1,659 (30%) of the households surveyed were longitudinal households. This means that they were surveyed in both 2003 and 2004. Due to the fact that the 2003 survey was only conducted from July to December these longitudinal households were surveyed during the same period in 2004. Note that the full 2003 sample was cross-sectional.

The effect of both the timing of the questionnaire and the cross-sectional versus longitudinal component can be seen in the following table:

**Poverty and deprivation rates for longitudinal and cross sectional respondents, 2003 (revised) and 2004**

	2003 (revised)		2004		
	Longitudinal only (surveyed in 2003 and 2004)	Full sample (Cross-sectional)	Cross-sectional only (surveyed for first time in 2004)	Longitudinal only (surveyed in 2003 and 2004)	Full sample
<b>At risk of poverty rate</b>					
Jan-Jun	n/a	n/a	20.9	n/a	20.9
Jul-Dec	18.2	19.7	18.4	18.1	18.3
Full year	18.2	19.7	20.0	18.1	19.4
<b>Deprivation rates</b>					
Jan-Jun	n/a	n/a	18.0	n/a	18.0
Jul-Dec	23.0	23.4	20.3	17.0	18.5
Full year	23.0	23.4	18.8	17.0	18.3
<b>Consistent poverty rate</b>					
Jan-Jun	n/a	n/a	7.1	n/a	7.1
Jul-Dec	7.7	8.8	7.4	5.7	6.5
Full year	7.7	8.8	7.2	5.7	6.8

**Care needs to be exercised when comparing SILC 2003 and 2004 due to differences in the timing of data collection and the introduction of a longitudinal element to the 2004 sample.**

**Comparing the EU-SILC and the LIIS**

The EU-SILC replaced the Living in Ireland Survey (LIIS) which was conducted by the Economic and Social Research Institute (ESRI). The last results for the LIIS related to the reference year 2001. The LIIS was a panel survey, also known as the European Community Household Panel (ECHP). While the income definitions used are similar there are some operational differences. The income reference period in the LIIS was a standard 12-month calendar period whereas in the EU-SILC a floating 12-month reference period is used (i.e. for each respondent the income reference period is the 12 months preceding the date of interview).

Additionally for the EU-SILC 2003 exercise the interviewing period ran from June through to December and therefore any seasonal issues such as the timing of bonus/commission payments (and hence recall issues) may not be fully accounted for in the EU-SILC 2003 data. However it should be noted that the EU-SILC is a continuous survey and EU-SILC 2004 data is based on a 12-month interviewing period. Notwithstanding these differences, the income data from the two sources and the analyses based on them are broadly comparable. Thus the at risk of poverty rates and related poverty measures such as the Gini coefficient are also broadly comparable between the two surveys.

However, the levels of deprivation reported in the EU-SILC are not comparable with those in the LIIS and the derived consistent poverty measures are also not comparable. Typically the deprivation rates recorded in the EU-SILC were higher than those reported in the LIIS. As a result the derived consistent poverty measures obtained from the EU-SILC are higher than the corresponding LIIS figures. This reflects the sensitivity of indicators of this type to changes in survey methodology and there is confirmation of this effect from other sources both nationally and internationally.

It is not possible to say precisely which methodological changes account for the gap between LIIS and EU\_SILC results. Nevertheless, investigations point towards two main reasons for the differences. Firstly, the question format in the EU-SILC was different to that used in the LIIS (Computer Assisted Personal Interviewing was used in the EU-SILC, which facilitates a direct questioning approach and improves efficiency during data collection). Evidence from other surveys indicates that this tends to result in higher levels of deprivation being reported and it is estimated to have accounted for almost a half of the overall difference observed. Secondly, the LIIS was a panel survey where the same households were surveyed annually over a number of years whereas in the 2003 EU-SILC all households were interviewed for the first time. In 2004, approximately 30% of respondents were longitudinal. For a variety of reasons, households that have previously participated in the survey tend to have different response behaviours to first time interviewees, as evident from the comparison above on cross-sectional and longitudinal households.

**In conclusion, there is a major discontinuity between the LIIS and EU-SILC in the measurement of deprivation and consistent poverty.**

#### **Principal Economic Status Classification**

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

- At work
- Unemployed
- Student
- Engaged on home duties
- Retired
- Ill/disabled
- Other

#### **Household composition**

For the purposes of deriving household composition, a child was defined as any member of the household aged 14 or under. Households were analysed as a whole, regardless of the number of family units within the household. The categories of household composition are:

- One adult, no children
- Two adults, no children
- Three or more adults, no children
- One adult, one or more children
- Two adults, one to three children
- Other households with children

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

**Urban**

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

**Rural**

Mixed urban/rural areas  
 Rural areas

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

**Border, Midland and  
Western NUTS2 Region**

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

**Southern and Eastern  
NUTS2 Region**

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