



## Wealth distribution in Ireland

There is limited recent up to date information available on wealth in Ireland and different reports use different measurements. The current economic crisis has had an impact on much of the wealth in Ireland but it would be a mistake to think that this has eroded the incomes of Ireland's wealthiest people.

A recent study by Merrill Lynch in 2010 found that the number of those with more than \$1m (€814,640) to spend increased by almost 2,000 by the end of 2009, having decreased drastically in 2008. The study recorded the wealth of anyone who had more than \$1m in cash and assets excluding their primary residence and jewellery, art or other collectables. The rise in millionaires by 2,000 people marked the first rise in the number of "super-rich" in the country for two years moving back towards its peak of 2007<sup>1</sup>.

The Sunday Independent's "rich list", published in 2010, showed that despite the recession and Ireland's economic downturn, its top 300 richest people are worth close to 50bn euro<sup>2</sup>.

Prior to the recession, Irish per capita wealth ranked second among the leading OECD countries, behind Japan, in a report published by the Bank of Ireland in 2007. This report shows that wealth per capita stood at € 196,000 per head in 2006, up from €168,000 in 2005. On top of this, total wealth exceeded 1 trillion, personal savings of 10 billion in 2005 were set to double over the following ten years. 30,000 Irish were cash millionaires and 100,000 were millionaires if the worth of their house is included. At the time, 330 Irish individuals had net worth in excess of €30m, 2,970 ranging from €5m to €30m, while 29,700 had net worth of between €1m to €5m, along with 6 Irish billionaires<sup>3</sup>.

This same study also highlights the extent of inequality in wealth distribution in Ireland. It highlighted that the top 1% of the Irish population held 20% of the wealth, the top 2% controlled 30% and the top 5% disposed of 40% of private assets. Excluding the value of housing, the concentration of wealth mounts up to 1% controlling 34% of all wealth.

While many media outlets place much emphasis on the emergence of an extremely wealthy elite in Ireland, very little research has been done into wealth inequalities. While the OECD Country Statistical Profile for Ireland made in 2010 showed that in 2008 Gross National Income (GNI) per capita stood at €25,904<sup>4</sup>. According to a report by Tasc, an independent think tank concerned with economic inequality, of the EU-15, Ireland ranked first in terms of earning inequality in 2006<sup>5</sup>. In a survey they conducted as part of their research they found that well over two-thirds (70%) of respondents felt that wealth is distributed unfairly in Ireland. OECD findings support this analysis of wealth distribution,

<sup>1</sup> Merrill Lynch Global Wealth Management and Capgemini, 14th annual World Wealth Report, June 2010

<sup>2</sup> <http://www.independent.ie/national-news/number-of-irish-millionaires-soars-2230552.html>

<sup>3</sup> Bank of Ireland, Wealth of the Nation 2007.

<sup>4</sup> <http://stats.oecd.org/Index.aspx?DatasetCode=CSP2010>

<sup>5</sup> TASC, 2008. The Solidarity Factor -Public Perceptions of Unequal Ireland.

citing Irish wealth distribution as among the most unequal in the developed world. Unfortunately the study of wealth distribution in Ireland has been quite limited so far.

In terms of income inequality, the Gini coefficient measurement reveals that in 2008 the top 20% of people had incomes 4.4% greater than that of the lowest 20%. This is just below the EU average<sup>6</sup>.

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<sup>6</sup> Central Statistics Office, 2009. Survey of Income and Living Conditions 2009. Dublin