

Briefing on 2020 Income and Poverty Data

At Risk of Poverty Rate 2018-2020



Impact of COVID-19 income supports on at risk of poverty rates 2020



At Risk of Poverty Rate by Principal Economic Status 2020

	Employed	Unemployed	Retired	Unable to work due to long-standing health problems	Student / pupil	Fulfilling domestic tasks
With COVID-19 Supports	6.7%	32.6%	9.2%	34.0%	16.2%	20.3%
Without COVID-19 Supports	15.1%	43.2%	10.4%	36.7%	26.0%	26.4%

*COVID-19 Income Supports refers to the Temporary and Employment Wage Subsidy Schemes (WSS) and the Pandemic Unemployment Payment (PUP)

CSO, Survey of Income and Living Conditions 2020

Points of interest

INCOME, POVERTY & POVERTY LEVELS IN DIFFERENT SOCIETAL GROUPS
.....

INEQUALITY
.....

KEY POINT FROM CSO POVERTY INSIGHTS REPORT 2018-2020
.....

CONCLUSION

Introduction:

The Central Statistics Office recently published the Survey of Income and Living Conditions (SILC) for 2020 and Poverty Insights - Income Reference Periods 2018 to 2020. These reports provide us with important information on income, poverty, and inequality in Ireland and the groups most impacted. They also help us to see how Ireland is progressing towards its poverty target of reducing Consistent poverty to 2% or less by 2025 which was adopted in the Roadmap for Social Inclusion 2020-2025. This is a roll over of the same target that was previously set for 2020.

This briefing document will highlight important points in the data around poverty. Giving an overview of the data and its findings.

Income, Poverty & Poverty levels in different societal groups

Income

- The amount of disposable income each person had in 2020 was €23,675. This is the median (middle) disposable income which also takes account of differences in household size and the number of adults and children.

At-risk of Poverty

- In 2020, 13.2% of the population, or over 647,000 people were living below the poverty line (or were at risk-of poverty) as they had an income that was less than 60% of the median disposable income, so less than €14,205 per annum or €272.23 per week
- If all social transfers were excluded from income, the at risk of poverty rate would have been 37.9%.
- The cost of renting has a major impact on the risk of poverty with almost half (49.8%) of those who rented from a local authority and 55.9% of those renting in the private rental sector. -(i.e. accessing housing supports such as the Housing Assistance Payment, Rent Supplement, or the Rental Accommodation Scheme) are at risk of poverty after the cost of rent was deducted from their income.



"Building on the work of its predecessors, the Roadmap aims to reduce the number of people in consistent poverty in Ireland to 2% or less and to position Ireland within the top five countries in the EU under a number of leading social inclusion measures."

Enforced Deprivation

- Enforced deprivation refers to those who cannot afford two or more of the eleven items considered essential. In 2020 15.6% of the population or over 776,000 people experienced enforced deprivation. *

**13.2%
were at
risk of
poverty in
2020**

Consistent Poverty

- Consistent poverty refers to those who are both at risk of poverty and who experience enforced deprivation. In 2020, 5% or one in twenty of the population were in consistent poverty. This is over 249,000 people.
- The Roadmap for Social Inclusion aims to reduce the national consistent poverty rate to 2% or less and to make Ireland one of the most socially inclusive States in the EU by 2025.

**776,000 people
experienced
enforced
deprivation**

Poverty levels among different groups in society

- The report highlight the level of poverty among different groups in society with some experiencing higher levels of poverty than the general population. This includes those who are unemployed, those who are unable to work due to long-standing health problems, lone parent households and households with one adult under 65yrs, with no-one at work and where someone is renting or living rent free.
- This is highlighted in the table and graph below. However, due to the size of the population used in the survey it does not include the poverty levels among groups such as Travellers, Roma, migrants, and other ethnic minorities or those who are homeless, and it cannot tell us what the impact of poverty has on people or communities, including disadvantaged socio-economic communities.

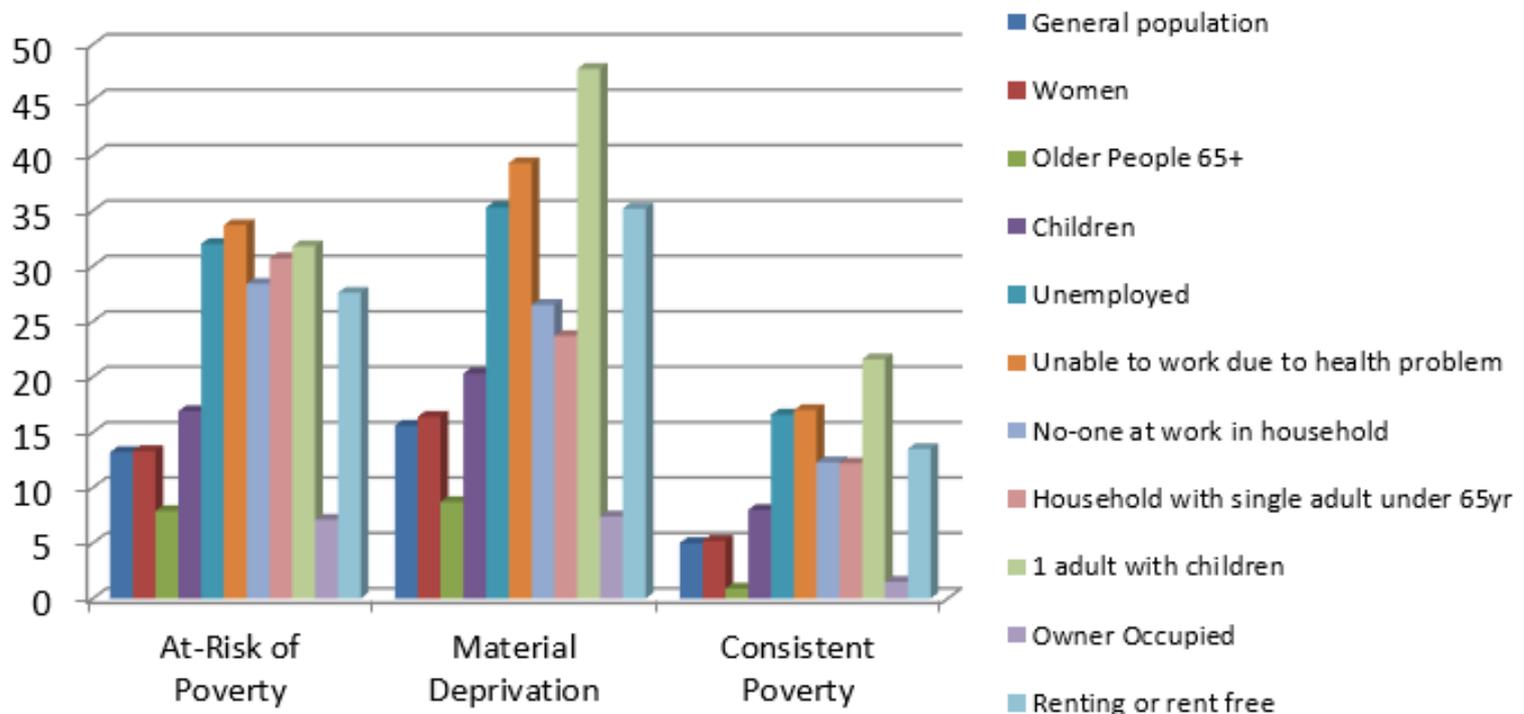
**1 in every 20
people
experience
consistent
poverty**

** Enforced deprivation: the eleven items that are considered essential under enforced deprivation are 'Two pairs of strong shoes; A warm waterproof overcoat; Buy new (not second-hand) clothes; Eat meal with meat, chicken, fish (or vegetarian equivalent) every second day; Have a roast joint or its equivalent once a week; Had to go without heating during the last year through lack of money; Keep the home adequately warm; Buy presents for family or friends at least once a year; Replace any worn out furniture; Have family or friends for a drink or meal once a month; Have a morning, afternoon or evening out in the last fortnight for entertainment*

<i>Table: Poverty levels for selected groups 2020</i>	At-Risk of Poverty	Enforced Deprivation	Consistent Poverty
General population	13.2%	15.6%	5%
Women	13.3%	16.4%	5.2%
Older people 65+	7.9%	8.7%	0.9%
Children	16.9%	20.3%	8%
Unemployed	32%	35.3%	16.6%
Employed	6.3%	9.9%	1.7%
Unable to work due to long-standing health problems	33.7%	39.3%	17%
Lone parent households	31.8%	47.8%	12.2%
Household with one adult under 65yrs	30.7%	23.7%	12.2%
Household with no-one at work	28.4%	26.5%	28.4%
Household where someone is renting or living rent free	27.6%	35.2%	27.6%
Household in owner occupied accommodation	7.1%	7.4%	1.5%

A full table is available on CSO SILC 2020 (Table 3.1)

Graph: Poverty levels for selected groups 2020



Income Inequality

Income inequality is measured in two different ways and reported in the SILC. One is the quintile share ratio and the other is the Gini coefficient

- **The quintile share ratio** is the ratio of disposable income of the 20% of people with the highest income compared to the 20% with the lowest. In 2020 the top 20% has 37.9% of all disposable income, or over four times that of the bottom 20% who had 9.2%. This gave a quintile share ratio of 4.1.
- **The Gini coefficient** measures income equality across the entire income distribution. A Gini coefficient value of 0% means perfect equality, indicating that income is distributed equally amongst all persons. A Gini Coefficient of 100% indicates perfect inequality where all the income is held by one person. In 2020 the Gini coefficient was 28.8%. If calculated before social transfers were included in income, the Gini coefficient would have been 44.9%



The incomes of the top 20% was more than four times that of the bottom 20%

“Like slavery and apartheid, poverty is not natural. It is man-made and it can be overcome and eradicated by the action of human beings.”

- Nelson Mandela

Key points from the CSO Poverty Insights report for 2018-2020

In order to address the changes in how the data was collected on income and poverty for 2020, which means it is not possible to compare the findings to previous years, the CSO produced a separate Poverty Insights Report which covered the period from 2018-2020. This report also captures some of the impact of the Covid-19 income supports. The following are some of the main findings.

- The at risk of poverty level for 2020 was 13.2%, slightly down from 13.4% in 2018. Without COVID-19 income supports the at risk of poverty rate in 2020 would have been 20.9%.
- Consistent poverty rate for 2020 was 4.5%, down from 5% in 2019 (Due to how it is calculated in this report consistent poverty is different than in the SILC)

Conclusions

- The Government has committed to reviewing the Roadmap for Social Inclusion 2020-2025 this year. This review must ensure that the measures outlined in the Roadmap are adequate to achieve the aim of reducing consistent poverty to 2% or less by 2025, and that these measures are implemented.
- Tackling the root causes of poverty can only be achieved in any effective way through the implementation of a genuinely integrated strategy across all relevant policies. This includes economic, social and environmental policy. It must ensure that everyone has access to an adequate income, quality services and the opportunity to access a decent job. It must also involve proofing all relevant policy for its impact on poverty and give an effective and meaningful voice to those impacted by poverty in how policies are developed and implemented.
- Many in society have an income that is not adequate to meet the cost of living or to enable them to live with dignity. As a priority the Government needs to ensure that everyone has access to an adequate income, whether this is from work or social welfare, or a mix of both. The Government must also tackle the drivers of the cost of living, including the cost of services such as housing as highlighted in the SILC report, and the more recent increases in the cost of energy and fuel.

EUROPEAN ANTI-POVERTY NETWORK IRELAND

THE MISSION OF EAPN IRELAND IS TO PUT THE ERADICATION OF POVERTY AT THE TOP OF THE IRISH AND EUROPEAN POLICY AGENDA AND EMPOWER GROUPS WORKING TO END POVERTY TO UNDERSTAND AND INFLUENCE POLICY-MAKING.

EAPN IRELAND, 100 NORTH KING STREET, SMITHFIELD, DUBLIN 7, IRELAND;
PHONE: +353 (0) 1 8745737 EMAIL: ENQUIRIES@EAPN.IE WEBSITE: WWW.EAPN.IE TWITTER: @EAPNIRELAND



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