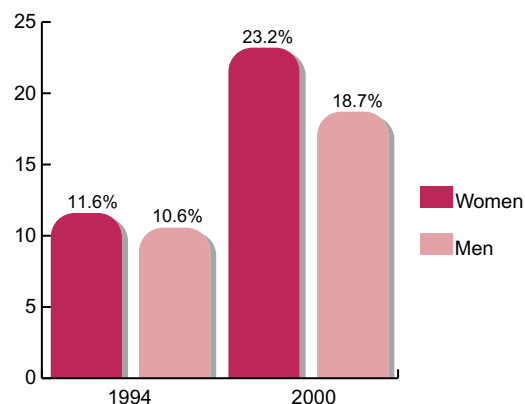


gap had widened with 23% of women at risk of falling below the 60% poverty line compared to 19% of men (see figure 5).

Figure 5: Trends in Risk of Poverty by Gender at 60% of Median Income, 1994 and 2000.

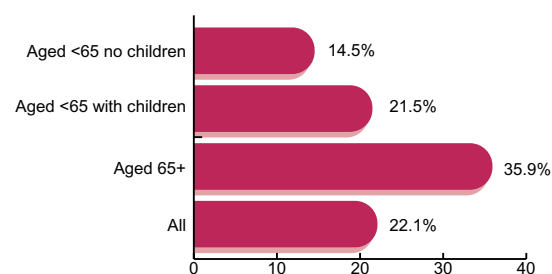


The emerging gap between women and men is primarily among older women. At the 60% line, the risk of poverty for women aged 65+ was 49%, compared with 36% for older men.⁸ This is mainly explained by the fact that social welfare supports, on which many older women tend to depend, are now often below the relative income poverty threshold.

Older People

Between 1994 and 2000, there was a notable increase in the risk of poverty for older people. At the 60% line, the risk of poverty for persons aged 65 or over grew from 6% in 1994 to 43% in 2000. At the 70% line, it rose from 24% to 53%. Pension increases, though significant since 1994, have been lower than household income increases.

Figure 5: Trends in Risk by Presence of Children and Age of Household Reference Person at 60% of Median Income, 2000.

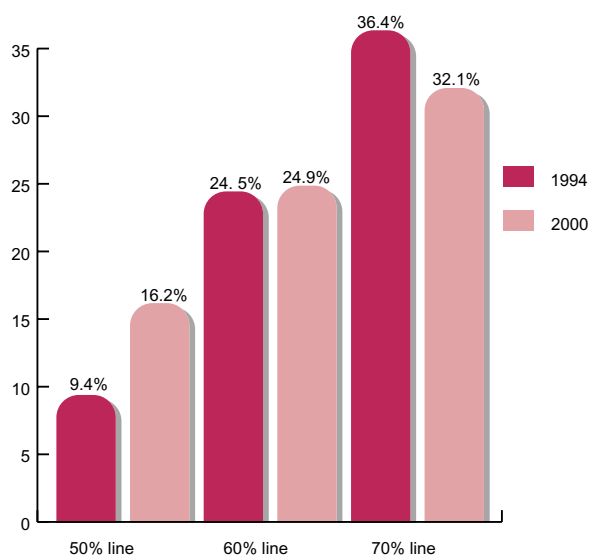


Children⁹

Between 1994 and 2000, the risk of income poverty for children¹⁰ remained unchanged

(25%) at the 60% line. Over the same period, however, the risk for children decreased from 36% to 32% at the 70% line. While children still faced a higher risk of poverty than adults, the gap between the risk for children and adults narrowed. This is due to an increased risk of poverty among older adults and declining unemployment. It is still of concern, however, that between 25% and 32% of children remained at risk of poverty in 2000.

Figure 6: Risk of Children falling below 50%, 60% and 70% of Median Income, 1994 & 2000.



How poor were people?

A head count of those below income lines provides only a partial picture of poverty trends. It is necessary to examine the depth of poverty (how far below the poverty line households fell) and the deprivation levels experienced.

The depth of income poverty increased across all three poverty lines.¹¹ In contrast, there was a sharp decline in the number of persons falling below a real income line¹² from 18% in 1997 to 10% in 2000.

⁸ The gap was significantly less for women and men in the 18-64 year age range at 18% and 16%, respectively.

⁹ See Combat Poverty Agency Poverty Briefing no. 10 entitled *Child Poverty in Ireland*, for a more detailed account of Irish and international data on child poverty.

¹⁰ Figures refer to children under 18 years of age.

¹¹ The measures of depth of poverty are based on the 50%, 60% and 70% median poverty lines between 1994 and 2000.

¹² 'Real incomes' refer to incomes adjusted for inflation. A 'real income' line was set at 50% of average equivalent income in 1997 and updated only with increased prices since that date.

Poverty in Ireland - The Facts: 2000

This summarises the key findings from a major longitudinal study of poverty in Ireland, based on 2000 data, published in *Monitoring Poverty Trends in Ireland: Results from the 2000 Living in Ireland Survey*.¹ From 1994-2000 the numbers experiencing income poverty increased, with a rise from 16% to 22% in the percentage below a central relative income poverty line set at 60% of median income.² However, there was a sharp decrease in the percentage of households experiencing income poverty and basic deprivation, i.e. consistent poverty.

Key Findings from 2000

- 22% of the population were below 60% of median income in 2000, while 28% were below the 70% line.³ For a single person, the 60% line was about €147 per week in 2000 and the 70% line was about €172.
- Households whose head⁴ was retired were at a significantly higher risk in 2000 (34%) than in 1994 (8%) because of rapid increases in average household incomes since 1994 relative to state pension increases.
- Where the household head was unemployed the risk of poverty remained high at 51%. However, due to falling unemployment this group represented a much lower proportion of all those in poverty by 2000.
- Where the household head was ill or disabled, the risk of falling below the 60% poverty line increased significantly from 30% in 1994 to 54% in 2000 - even higher than for the unemployed.
- For households headed by someone working full-time in the home, the risk of falling below the 60% line increased from 21% in 1994 to 48% in 2000.
- Between 1994 and 2000, there was a sharp increase in risk for those in one and two adult households without children. Such increases are explained by the fact that a significant number of these households comprise older people, many of whom rely on inadequate social welfare pensions.
- Over the 1994-2000 period there was a slight increase in risk for households comprising 2 adults and 1 or 2 children. However, the risk for households comprising a couple with 4 or more children or a single adult with children remained high at 46% and 47%, respectively.

¹ Nolan, B., Gannon, B., Layte, R., Watson, D., Whelan, C. and Williams, J. (2002) *Monitoring Poverty Trends in Ireland: Results from the 2000 Living in Ireland Survey*. Dublin: Economic and Social Research Institute.

² NOTE: Figures presented in this Poverty Briefing are for persons below *median* based relative income poverty lines. Unless otherwise stated, the pattern of risk described in this briefing is where the poverty line is derived as 60% of the median.

³ These figures are based on income averaged across individuals.

⁴ The household reference person (or, 'household head') is defined by Eurostat as *the owner or tenant of the accommodation, or if a couple are jointly responsible, the older of the two.*

Consistent Poverty

- Consistent poverty rates fell from 15% in 1994 to 6% in 2000.⁵
- The risk of consistent poverty for those engaged in home duties remained high at 15% in 2000. Lone parent families were also at a high risk of consistent poverty at 26%, as were those affected by unemployment (22%) or illness/disability (11%).⁶

Introduction

Monitoring Poverty Trends in Ireland presents data from the 2000 Living in Ireland Survey. This Economic and Social Research Institute (ESRI) survey is part of an annual EU longitudinal panel survey of the same set of persons in each member state since 1994.

In 1994, 4,048 households were surveyed and 3,467 in 2000. 8,056 people were interviewed. This survey does not include homeless people, many Traveller families, people living in institutions and others not in private households.

Understanding Poverty

Poverty is exclusion from everyday living standards (through lack of income and resources). This is the definition from the Irish government's National Anti-Poverty Strategy (NAPS): *People are living in poverty, if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living which is regarded as acceptable by Irish society generally. As a result of inadequate income and resources, people may be excluded and marginalised from participating in activities which are considered the norm for other people in society.*⁷

How is Poverty Measured?

Poverty is measured by looking at relative household income levels and the experience of deprivation.

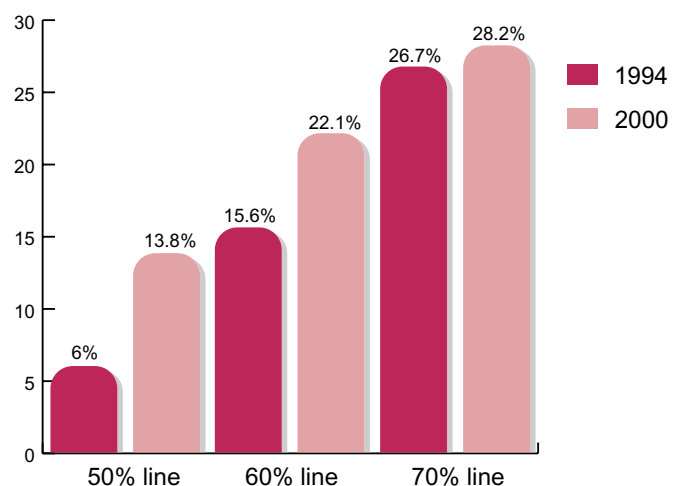
Relative income poverty lines are set at 50%, 60% and 70% of median income - the income level above and below which half the sample lie.

Deprivation is the extent to which someone is denied opportunities considered the norm in society. Eight basic deprivation indicators are used and include inadequate heating, a day without a substantial meal, arrears on mortgage, rent, electricity or gas, second-hand clothes and not having a warm winter coat. Using deprivation indicators with income poverty lines provides a measure of consistent poverty. This shows that those with the lowest incomes do not always have the lowest living standards and those with higher incomes do not necessarily enjoy a higher standard of living. Households experiencing low income and deprivation are identified as being 'consistently poor'.

How Many were Poor?

In 2000, 22% of the population lived on incomes below the 60% relative income poverty line; 28% lived in households below the 70% line. Between 1994 and 2000, the percentage living in income poverty increased at both the 60% and 70% relative income poverty lines (see figure 1).

Figure 1: Percentage of Persons in Households below Median Relative Income Poverty Lines, 1994 and 2000.



Incidence and Risk of Poverty

The *incidence of poverty* is the proportion of those in poverty belonging to a particular group and indicates the extent to which particular groups feature within the population experiencing poverty.

⁵ NOTE: Consistent poverty refers to those with incomes below 70 per cent of median income, combined with basic deprivation.

⁶ Figures refer to risk of poverty by labour force status of the household head.

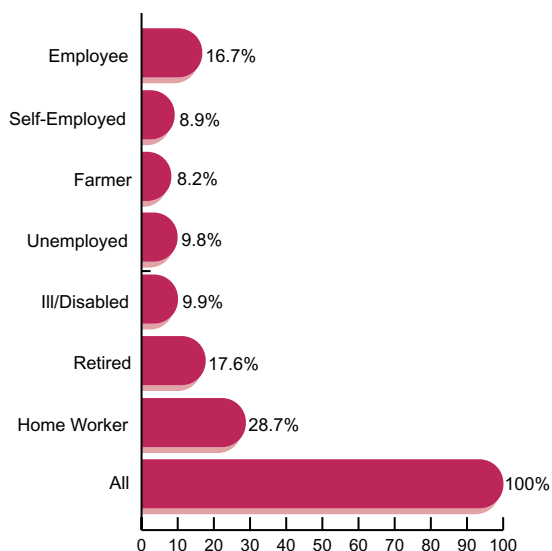
⁷ Government of Ireland (1997) *Sharing in Progress - National Anti-Poverty Strategy*. Dublin: Stationery Office. p.3.

The *risk of poverty* refers to the proportion of a particular group below a poverty line and indicates the extent to which that group is at risk of poverty.

Incidence of Poverty/Significant Facts

Households headed by a person working full-time in the home were the largest income poverty group (29%) in 2000 (see figure 2). Between 1994 and 2000 the percentage of households below the 60% poverty line and headed by an unemployed person decreased dramatically from 41% to 10%. The percentage where the household head was a farmer declined from 11% to 8%. Households headed by a retired person more than doubled as a proportion of the poor from 6% to 18% between 1994 and 1998.

Figure 2: Breakdown of Persons below 60% of Median Income by Labour Force Status of Reference Person, 2000.

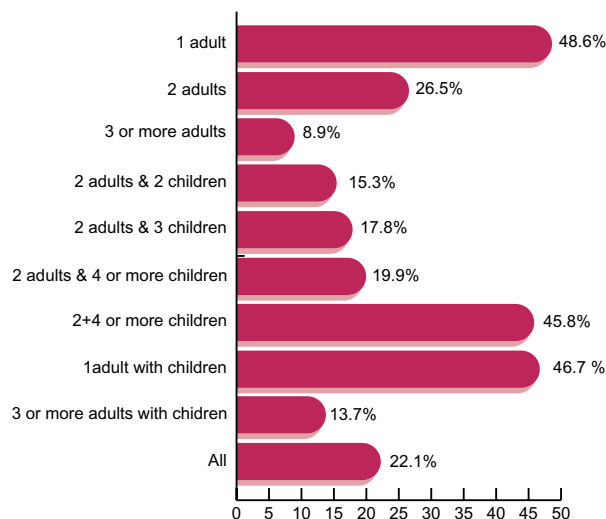


Risk of Poverty/Significant Facts

From 1994 to 2000 there was a major shift in the risk of poverty facing different households. The highest poverty risks in 2000 were for households comprising a single adult, one adult with children, and two adults with three or more children.

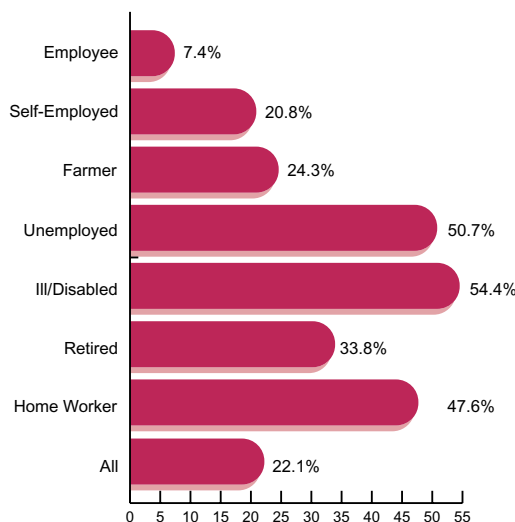
The risk for single adult households increased dramatically from 7% in 1994 to 49% in 2000 at the 60% poverty line. As shown in figure 3, single adult households comprised the highest risk group in 2000.

Figure 3: Risk of Poverty by Household Type at 60% of Median Income by Household Composition, 2000.



In terms of labour force status, households headed by an unemployed person had the highest risk of poverty at the 60% line in 1994. This position changed in 2000 when households headed by an ill/disabled person represented the highest risk group (see figure 4) – rising from 30% in 1994 to 54% in 2000. There was also a notable increase in risk for households headed by an employee from 3% in 1994 to 7% in 2000.

Figure 4: Risk of Poverty by Household Type at 60% of Median Income by Labour Force Status of Household Reference Person, 2000.



Gender

Data for 1994 showed that women experienced a slightly greater risk of poverty than men. By 2000, however, this