

## CSO Data Shows Significant Reduction in Inequality

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### Key Point

The results from the 2015 Survey of Income and Living Conditions (SILC) show a significant reduction in inequality.

### Summary of Main Findings

- Median annual equivalised disposable income<sup>1</sup> increased by 6.2% on 2014.
- The Gini coefficient in 2015 was 30.8% compared with 32.0% in 2014.
- The quintile share ratio<sup>2</sup> was 4.7 in 2015 compared with 5.1 in 2014.
- Enforced deprivation<sup>3</sup> was experienced by 25.5% of the population, down from 29.0% in 2014.

The following did not show any statistically significant change in 2015 over 2014:

- The deprivation rate for those at risk of poverty was 51.5% in 2015.
- The consistent poverty<sup>4</sup> rate was 8.7%.
- In 2015, the 'at risk of poverty' rate was 16.9%.

### Other Findings

Education pays. Those with a third level degree or above had a median equivalised real disposable income 2.2 times those with a primary education or below.

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<sup>1</sup> Disposable household income is divided by the *equivalised household size* to calculate equivalised disposable income for each person, 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.

<sup>2</sup> The quintile share ratio is the ratio of the average 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).

<sup>3</sup> Households that are excluded and marginalised from consuming goods and services which are considered the norm for other people in society, due to an inability to afford them, are considered to be deprived. Individuals who experience two or more of eleven items are considered to be experiencing enforced deprivation. This is the basis for calculating the deprivation rate.

<sup>4</sup> An individual is defined as being in 'consistent poverty' if they are both at risk of poverty and are living in a household deprived of two or more of eleven basic deprivation items.

Work pays. The consistent poverty rate of the unemployed (26.2%) was over 12 times that of those at work (2.1%) and over 8 times that of those who were retired (3.2%)

Children are the worst affected by consistent poverty. The level of consistent poverty of those aged under 18 was 11.5 %; over 4 times that of those aged 65 or more (2.7%)

### **Increases in Living Standards**

The results show significant increases in living standards for most categories over the period 2013-15. The data is shown in Table 1.

**Table 1**

Change in Median Equivalised Real Disposable Income 2013-15

<b>State</b>	9.4
<b>Rented at Market Rate</b>	9.1
<b>0-17</b>	8.9
<b>18-64</b>	7.6
<b>65 +</b>	7.4
<b>Unemployed</b>	5.0
<b>At work</b>	3.3
<b>Student</b>	2.6
<b>Not at Work (Illness/Disability)</b>	-3.6

(Source: SILC 2015, Table 1e)

Care should be taken in interpreting these figures. For example, the RTB Rent Index shows an increase in rents of 12.8 per cent in the 2 years to 2015.

The results also show significant increases in disposable incomes per decile over 2014, particularly for the bottom and middle deciles. The data are in table 2.

Table 2

Average Equivalised Disposable Income per Decile			
Decile	SILC 2015	SILC 2014	Increase %
1	146.43	127.83	14.6
2	221.14	206.19	7.3
3	263.17	252.1	4.4
4	302.50	290.21	4.2
5	354.98	333.97	6.3
6	408.56	386.43	5.7
7	471.26	448.81	5.0
8	556.04	533.59	4.2
9	676.73	655.46	3.2
10	1066.78	1,058.60	0.8
<b>State</b>	446.79	429.38	4.1

(Source: SILC 2015, Table A2)