

Income Distribution

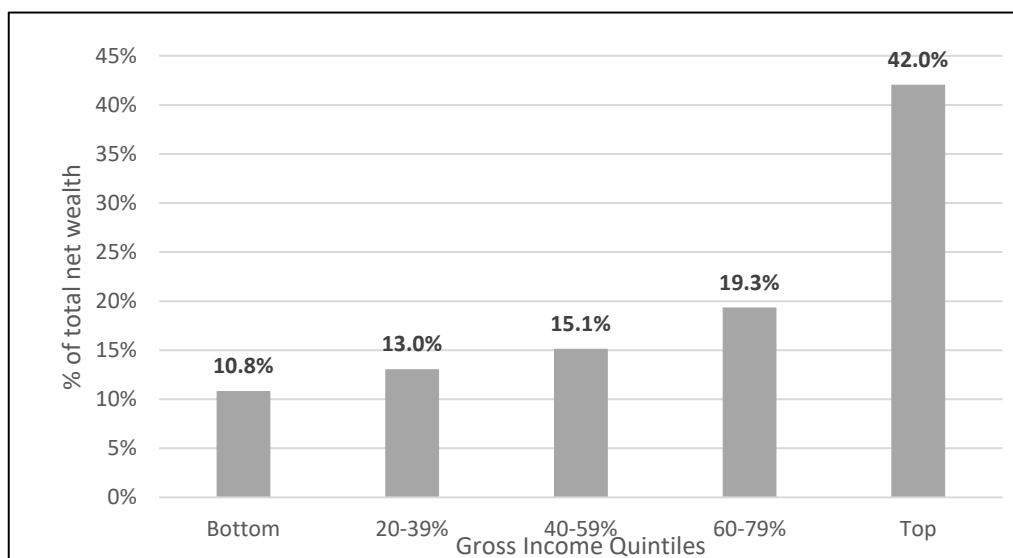
Table 7.1: Levels of Deprivation for Eleven Items Among the Population and Those in Poverty, 2023 (%)

| Deprivation Item | Total Popula- tion | Those in Poverty |
|---|-------------------------------|-----------------------------|
| Without heating at some stage in the past year | 10.8 | 18.8 |
| Unable to afford a morning, afternoon or evening out in the last fortnight | 11.8 | 24.8 |
| Unable to afford two pairs of strong shoes | 2.0 | 6.3 |
| Unable to afford a roast once a week | 4.2 | 9.7 |
| Unable to afford a meal with meat, chicken or fish every second day | 1.6 | 3.9 |
| Unable to afford new (not second-hand) clothes | 8.1 | 20.5 |
| Unable to afford a warm waterproof coat | 1.2 | 4.3 |
| Unable to afford to keep the home adequately warm | 7.2 | 12.5 |
| Unable to replace any worn out furniture | 17.8 | 38.5 |
| Unable to afford to have family or friends for a drink or meal once a month | 12.3 | 26.9 |
| Unable to afford to buy presents for family or friends at least once a year | 5.2 | 12.0 |

Source: CSO (2024).

Note: Poverty as measured using the 60 per cent median income poverty line.

Chart 7.1: Distribution of Net Wealth by Gross Income Quintile, 2020



Source: Compiled from CSO HFCS online database

Income Distribution

Deprivation

Income alone does not tell the whole story concerning living standards and command over resources. It is necessary to look more broadly at exclusion from society because of a lack of resources. This requires looking at other areas where ‘as a result of inadequate income and resources people may be excluded and marginalised from participating in activities that are considered the norm for other people in society’.¹ Although income is the principal indicator used to assess wellbeing and ability to participate in society, there are other measures. In particular, these measures assess the standards of living people achieve by assessing deprivation through use of different indicators.

Since 2007 the CSO has presented 11 measures of deprivation in the SILC survey, compared to just eight before that. *Social Justice Ireland* and others have expressed serious reservations about the overall range of measures employed in this indicator. We believe that a whole new approach to measuring deprivation should be developed. Continuing to collect information on a limited number of static indicators is problematic in itself and does not present a true picture of the dynamic nature of Irish society. However, notwithstanding these reservations, the trends are informative and offer some insight into the changes in income over recent years on households and living standards across the state.

The results presented in table 7.1 shows that in 2023 the rates of deprivation recorded across the set of 11 items varied between 1.2 and 17.8 per cent of the Irish population. Overall, 70 per

cent of the population were not deprived of any item, while 12.7 per cent were deprived of one item, 5.6 per cent were without two items and 11.8 per cent were without three or more items. Among those living on an income below the poverty line, one-third (33.8 per cent) experienced deprivation of two or more items.

Ireland’s Wealth Distribution

While data on income and poverty levels has improved dramatically over the past two decades, a persistent gap has been our knowledge of levels of wealth in Irish society. Data on wealth is important, as it provides a further insight into the distribution of resources and an insight into some of the underlying structural components of inequality. A welcome development has been the publication of the Household Finance and Consumption Survey (HFCS) since 2015. For the first time, its results offer robust information on the types and levels of wealth that households in Ireland possess. To date there have been three rounds of the HFCS published, with the latest for 2020 published during 2022. Chart 7.1 demonstrates, wealth is dramatically concentrated in the top quintile (twenty per cent group) of the income distribution. The Gini coefficient for net wealth in 2020 was 65, more than twice the level recorded for income inequality.

Policy Priorities

- Accept that persistent poverty should be used as the primary indicator of poverty measurement and assist the CSO in allocating sufficient resources to collect this data.

¹<http://www.socialinclusion.ie/NationalAnti-PovertyStrategy-SharinginProgress1997.pdf.pdf>