



**A SOCIAL PORTRAIT OF
PEOPLE OF WORKING AGE
IN IRELAND**

 **SOCIAL
INCLUSION**
Building an Inclusive Society

A SOCIAL PORTRAIT OF PEOPLE OF WORKING AGE IN IRELAND

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November 2007**

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FOREWORD FROM THE MINISTER

It gives me great pleasure to introduce this social portrait of people of working age in Ireland. This is one of a series of reports commissioned by the Office for Social Inclusion from the Economic and Social Research Institute. The reports are based on the lifecycle approach, which underpins the social partnership agreement, *Towards 2016*, and the National Action Plan for Social Inclusion 2007-2016 (NAPinclusion). This portrait is designed to provide data and information on the situation of people of working age in Ireland for use by members of the public as well as policy makers.

The overall aim of the lifecycle approach is to achieve a better balance between individual policies such as social welfare, education and health and the outcomes being achieved in improving welfare and well-being. The approach promotes greater coordination and integration of policies, and their implementation, to achieve better outcomes. The lifecycle stages are children, people of working age, older people and people with disabilities. The NAPinclusion also details policies relating to the communities in which these people live.

The social portraits help in identifying the challenges we face in ensuring that the resources of Government are used to best effect in achieving social inclusion. There is a particular emphasis in this context on the position of vulnerable groups.

Working age people make up most of the population and, over recent years, the working age population has grown, both in numbers and as a share of the total population. Their incomes are also generally higher than the other lifecycle groups. On average, the income level of the working age population at €21,300 is higher

than that of the overall population, which is about €20,000. However, within the people of working age population, there are certain sub-groups that are particularly vulnerable. This social portrait focuses on three of these sub-groups, namely lone parents, the long-term unemployed and the working poor.

Ireland's high level of economic growth over the last decade has resulted in a major increase in employment from just 1.47 million people at the end of 1997 to some 2.247 million (September 2007), with a consequent reduction in the unemployment rate from 10.4 per cent to 4.4 per cent over the same period. In addition, there has been a fall in long-term unemployment.

Notwithstanding this progress, almost 97,900 people are classified by the Quarterly National Household Survey (September 2007) as unemployed, of which 29,700 are long term unemployed. The NAPinclusion acknowledges that employment is the main route out of poverty and lower levels of unemployment have helped to lift a significant number of people out of poverty. However, some people in employment may in certain circumstances remain in poverty at least for a period.

In addition to people classified as unemployed, significant numbers of people of working age receive welfare payments from my Department. These mainly include disability payments and one-parent family payments. A key priority over the next decade is to facilitate as many of these recipients as possible to move from virtually total reliance on this income support to employment.

Income supports are in themselves insufficient to address the poverty and social exclusion experienced by those groups outside the labour force. Additional supports are needed to enhance their employability and also of those employed in low paid jobs. Barriers to employment such as lack of child care also have to be addressed. Measures to deal with these are detailed in the NAPinclusion, which outlines a programme of targets and actions designed to make a decisive impact on the lives of people of working age. The objectives of the NAPinclusion have been prioritised in the commitments contained in the recent Programme for Government, which underlines the Government's fundamental commitment to the social inclusion agenda.

Finally, I would like to thank the Office for Social Inclusion for commissioning this social portrait from the ESRI and, especially, Tim Callan, Tony Fahey, Kieran Coleman, Bertrand Maitre, Brian Nolan, Helen Russell and Christopher T. Whelan from the Institute who prepared this fine report for the Office. Thanks are also due to the National Adult Literacy Agency who provided guidance on plain English standards for the production of the portrait.

A handwritten signature in black ink, appearing to read 'Martin Cullen'.

Martin Cullen TD

Minister for Social and Family Affairs

BROLLACH ÓN AIRE

Cuireann sé an-áthas orm an phortráid shóisialta seo de dhaoine ag aois oibre in Éirinn a chur i láthair. Is ceann de shraith thuarascálacha an tuarascáil seo arna coimisiúnú ag an Oifig um Chuimsiú Sóisialta ón Institiúid um Thaighde Eacnamaíochta agus Sóisialta. Tá na tuarascálacha bunaithe ar an gcur chuige saolré, atá mar bhonn taca ag an gcomhaontú comhpháirtíochta sóisialta, *I dTreó 2016*, agus an Plean Gníomhaíochta Náisiúnta um Chuimsiú Sóisialta 2007-2016 (cuimsitheacht PGN). Dearadh an phortráid seo chun sonraí agus faisnéis a sholáthar faoi staid na ndaoine den aois oibre in Éirinn ar féidir baill den phobal agus déantóirí beartais úsáid a bhaint astu.

Is é aidhm an chuir chuige shaolré ina iomláine ná cothromaíocht níos fearr a ghnóthú idir beartais aonair, cosúil le leas sóisialta, oideachas agus sláinte agus na torthaí a bhaint amach maidir le leas agus folláine a fheabhsú. Cuireann an cur chuige comhordú níos mó agus comhtháthú beartas chomh maith lena bhforfheidhmiú chun cinn, d'fhonn torthaí níos fearr a bhaint amach. Is éard atá i gceist leis na céimeanna saolré ná leanaí, daoine ag aois oibre, daoine breacaosta agus daoine faoi mhíchumais. Cuireann cuimsitheacht PGN mionsonraí ar fáil ar bheartais a bhaineann leis na pobail ina bhfuil cónaí ar na daoine sin chomh maith.

Cabhraíonn na portráidí sóisialta le haithint na ndúshlán atá os ár gcomhair maidir le cinnte a dhéanamh de go mbaintear an leas is fearr as acmhainní an Rialtais chun cuimsiú sóisialta a ghnóthú. Leagtar béim ar leith sa chomhthéacs seo ar staid na ngrúpaí leochaileacha.

Is iad daoine ag aois oibre atá i gceist le tromlach an daonra agus, le blianta beaga anuas, tá méadú tagtha ar an daonra ag aois oibre, idir líon na ndaoine agus mar sciar den daonra iomlán. Bíonn a n-ioncaim níos airde go ginearálta ná aon ghrúpa saolré eile. Ar an meán, tá leibheál ioncaim an daonra ag aois oibre, a bhfuil €21,300 i gceist leis, níos airde ná ioncam an daonra ina iomláine, arb ionann é agus €20,000. Tá foghrúpaí ar leith laistigh de na daoine a bhaineann leis an daonra ag aois oibre, áfach, atá go háirithe leochaileach. Diríonn an phortráid shóisialta sin ar thrí chinn de na foghrúpaí sin, is iad sin, tuismitheoirí aonair, daoine atá difhostaithe go fadtréimhseach agus na daoine atá ag obair ach atá bocht.

Tá méadú ollmhór tagtha ar fhostaíocht mar thoradh ar ardleibhéal mhéadú eacnamaíochta na hÉireann le deich mbliana anuas, agus é méadaithe ó 1.47 milliún duine ag deireadh 1997 go dtí 2.247 éigin milliún (Meán Fómhair 2007), agus laghdú dá bharr sin sa ráta difhostaíochta ó 10.4 faoin gcéad go 4.4 faoin gcéad le linn na tréimhse chéanna. Ina theannta sin, tá laghdú tagtha ar dhifhostaíocht fhadtréimhseach.

In ainneoin an dul chun cinn sin, déantar 97,900 duine sa tSuirbhéireacht Náisiúnta Ráithiúil ar Theaghlaigh (Meán Fómhair 2007) a rangú mar dhifhostaithe, a bhfuil 29,700 acu sin difhostaithe go fadtréimhseach. Aithníonn cuimsitheacht PGN gurb é fostaíocht an príomhbhealach éalaithe ón mbochtaineacht agus chabhraigh leibhéil níos ísle difhostaíochta le líon suntasach daoine teacht slán on mbochtaineacht. D'fhéadfadh roinnt daoine atá fostaithe bheith bocht fós, áfach, ar feadh tréimhse ar a laghad.

Chomh maith leis na daoine a rangaitear mar a bheith difhostaithe, faigheann líon suntasach daoine ag aois oibre íocaíochtaí leasa ó mo Roinnse. Áirítear go príomha orthu sin, íocaíochtaí do dhaoine faoi mhíchumas agus íocaíochtaí do theaghlaigh aon tuismitheora. Príomhthosaíocht a bheidh ann don deich mbliana amach rómhainn ná éascaíocht a dhéanamh don líon is mó is féidir de na faighteoirí sin chun aistriú ó bheith ag brath go hiomlán ar an tacaíocht ioncain seo go dtí fostaíocht.

Ní leor tacaíochtaí ioncain féin chun aghaidh a thabhairt ar bhochtaineacht agus eisiámh sóisialta na ngrúpaí sin lasmuigh den fhórsa saothair. Tá tacaíochtaí breise ag teastáil chun cur lena gcumas fostaíochta agus le cumas na ndaoine siúd a fhostaítear i bpoist ar ioncam íseal. Ní mór dul i ngleic chomh maith le coisc ar fhostaíocht, cosúil le heaspa cúraim leanaí. Déantar cur síos ar bhearta chun aghaidh a thabhairt orthu sin sa chuimsitheacht PGN, a thugann léargas ar chlár spriocanna agus gníomhaíochtaí a dheartar chun tionchar cinnitheach a dhéanamh ar shaol na ndaoine atá ag aois oibre. Tugadh tosaíocht do chuspóirí chuimsitheacht PGN sna tiomantais atá sa Chlár don Rialtas, a cuireadh le chéile le déanaí, agus a leagann béim ar bhuntiomantas an Rialtais don chlár oibre um chuimsiú sóisialta.

Ar deireadh, ba mhaith liom buíochas a ghabháil leis an Oifig um Chuimsiú Sóisialta as ucht na portráide seo ón Institiúid um Thaighde Eacnamaíochta agus Sóisialta a choimisiúnú agus, go háirithe, Tim Callan, Tony Fahey, Kieran Coleman, Bertrand Maitre, Brian Nolan, Helen Russell agus Christopher T. Whelan ón Institiúid a d'ullmhaigh an dea-thuarascáil seo don Oifig. Tá buíochas ag dul don Áisíneacht Náisiúnta Litearthacht do Aosaigh a chuir treoir ar fáil maidir le caighdeáin ghnáth-Bhéarla don phortráid a chur le chéile.



Martin Cullen TD

An tAire Gnóthaí Sóisialta agus Teaghlaigh



DIRECTOR'S STATEMENT

This series of social portraits can make an important contribution to the social inclusion process. The portraits not only provide information on how each of the groups at various stages of the lifecycle are faring, but they will also enable us see the extent to which progress is being made under the National Action Plan for Social Inclusion 2007-2016 (NAPinclusion) and related strategies.

Although people of working age make up the majority of the population, this lifecycle group is very much characterised by its diversity, which results in differences in needs and supports. The age group 18 – 30 is increasingly characterised by participating in education for longer periods than in the past, including taking time out for travel, more frequent changes of jobs and delaying family formation. Vulnerabilities include failure to acquire the necessary education and skills, higher levels of unemployment and lone parenthood, as well as a higher incidence of road accidents, addictions, involvement in crime, and suicide. Those in the age group 30 – 55 are characterised more by working to get established in careers and for a stable family life, and in providing care for their children and elderly parents. Low income employment, unemployment, illness or disability, or family breakdown can result for many in difficulties achieving these goals and a satisfactory standard of living. A majority of those of working age over age 55 have at this stage of their lives attained a comfortable standard of living from having a relatively stable job, home and an adequate income, while their care responsibilities may be greatly reduced compared to the earlier lifecycle stages. Others in this age group, who have not been as fortunate with jobs, relationships or health, may experience poverty also at this stage of their lives.

The diversity amongst the working age population is also evident in the sub-groups covered by this social portrait. This diversity is apparent in the consistent poverty rates for 2005. For the total working age population, the consistent poverty rate was 6.1 per cent, while for those at work the rate was as low as 1.7 per cent. In contrast, the consistent poverty rate for lone parents was 30 per cent, while for the long term unemployed the rate was as high as 31 per cent. Furthermore, one in four of the working poor were in consistent poverty.


Over the past ten years, as this portrait shows, levels of consistent poverty have steadily fallen for people of working age. The major challenge remains to reduce levels of material deprivation even further and, if possible, to exceed the progress of the past decade. This challenge is reflected in the overall poverty goal in the National Action Plan for Social Inclusion, which is to reduce the number of those experiencing consistent poverty to between 2 per cent and 4 per cent by 2012, with the aim of eliminating consistent poverty by 2016. To achieve this end the NAPinclusion is prioritising a series of high level goals and specific actions to improve outcomes in the provision of supports and services for people of working age.

The report also highlights the type and range of data required to ensure effective monitoring of the lifecycle approach. Significant progress is being made with the start of the National Longitudinal Study of Children in Ireland, *Growing up in Ireland*. This will provide valuable information not just on children, but also on families. For example, information will be provided on the circumstances of lone parents and, in due course, it will fill the gap in

our knowledge on the features of non-resident parents and the nature of their relationship with their children. There continue to be data gaps that hinder the monitoring of progress in policies including the problems associated with using general sample surveys, such as the QNHS and EU Statistics on Income and Living Conditions (EU-SILC), to examine the labour market or household characteristics of small groups in the population. Improving our understanding of the characteristics of such groups will require innovative use of administrative data as well as other special data collection exercises to help obtain a more in-depth picture. The Technical Advisory Group, which advises the Office for Social Inclusion on data provision and related matters, is addressing these issues.

The Office for Social Inclusion is fully engaged in all aspects of monitoring and evaluating the progress being made under the NAPinclusion and the related strategies, *Towards 2016*, the social partnership agreement, and the social inclusion chapter of the National Development Plan 2007-2013. It supports and facilitates greater coordination of policies and programmes to achieve better outcomes, and consultation on the evolving process with the key stakeholders. It reports on the outcomes being achieved to all stakeholders and the general public at national level, and to the European Union. The social portraits will greatly assist in providing benchmarks for this work.

Finally, I wish to join with the Minister in thanking the ESRI authors for producing this portrait, and the staff of this Office working on the project.



Gerry Mangan

Director

Office for Social Inclusion

RÁITEAS AN STIÚRTHÓRA

Is féidir leis an tsraith seo de phortráidí sóisialta cur go mór leis an bpróiseas cuimsithe shóisialta. Ní amháin go gcuireann na portráidí faisnéis ar fáil faoi conas atá ag éirí le gach ceann de na grúpaí ag céimeanna éagsúla na saolré, ach cuireann siad ar ár gcumas chomh maith an méid dul chun cinn atá á dhéanamh faoin bPlean Gníomhaíochta Náisiúnta um Chuimsiú Sóisialta 2007-2016 (cuimsitheacht PGN) agus faoi straitéisí gaolmhara a fheiceáil.

Cé gurb iad daoine atá ag aois oibre atá i gceist le tromlach an daonra, tá an éagsúlacht ina mórthréith ag an ngrúpa saolré sin, tréith a chruthaíonn éagsúlachtaí i riachtanais agus tacaíochtaí. Gné a bhaineann níos mó de réir a chéile leis an aoisghrúpa 18 – 30 is ea go dtugtar faoi oideachas ar feadh tréimhsí níos faide ná mar a ghlaclaí san am atá thart, lena n-áirítear am a ghlacadh saor chun taisteal a dhéanamh, athruithe poist níos minice agus moill a chur ar chlann a thógáil. Áirítear ar na leochaileachtaí, gan an t-oideachas ná na scileanna riachtanacha a fháil, leibhéil difhostaíochta níos airde agus tuismitheoirí aonair, chomh maith le tarlú timpistí bóthair níos minice, andúil, rannpháirtíocht i gcoir, agus féinmharú. Is é an tréith is mó a bhaineann leis an aoisghrúpa 30 – 55 ná obair a dhéanamh chun dul chun cinn a dhéanamh ina ngairmeacha agus le haghaidh saoil dhaingin teaghlaigh, agus maidir le cúram a chur ar fáil dá leanaí agus dá dtuismitheoirí scothaosta. Is féidir le fostaíocht ar ioncam íseal, difhostaíocht, breoiteacht nó míchumas, nó cliseadh teaghlaigh deacrachtaí a chruthú do roinnt mhaith daoine agus iad ag iarraidh na spriocanna sin agus caighdeán sásúil maireachtála a bhaint amach. Tá caighdeán compordach maireachtála gnóthaithe ag tromlach na ndaoine ag an aois oibre atá os

cionn 55, trí phost cineál daingean, teach agus ioncam dóthanach a bheith acu, agus a gcuid freagrachtaí cúraim laghdaithe go mór i gcomparáid le céimeanna níos luaithe den tsaoil. D'fhéadfadh go mbeadh ar dhaoine eile san aoisghrúpa seo, nár éirigh chomh maith sin leo le poist, gaolmhaireachtaí ná sláinte, dul i ngleic le bochtaineacht chomh maith ag an gcéim seo dá saol.

Tugtar léiriú soiléir sna foghrúpaí a chlúdaítear leis an bportráid shóisialta seo, ar an éagsúlacht i measc daonra ag aois oibre. Is léir an éagsúlacht sin sna rátaí comhsheasmhacha bochtaineachta don bhliain 2005. Is ionann an ráta comhsheasmhach bochtaineachta don daonra ag aois oibre ar an iomlán agus 6.1 faoin gcéad, agus is ionann an ráta do na daoine sin a bhíonn ag obair agus figiúr chomh íseal le 1.7 faoin gcéad. I gcodarsnacht leis sin, is ionann an ráta comhsheasmhach bochtaineachta do thuismitheoirí aonair agus 30 faoin gcéad, agus tá ráta chomh hard le 31 faoin gcead i gceist leis na daoine atá difhostaithe go fadtréimhseach. Ina theannta sin, bíonn duine as gach ceathrar a bhaineann le lucht na bochtaineachta bocht go leanúnach.

Le deich mbliana anuas, tá leibhéil na bochtaineachta comhsheasmhaí laghdaithe go leanúnach do dhaoine ag aois oibre, mar a léiríonn an phortráid seo. Is é an mórdhúshlán atá ann i gcónaí ná leibhéil díothachta ábhartha a laghdú a thuilleadh agus, más féidir, cur leis an dul chun cinn atá déanta le deich mbliana anuas. Léirítear an dúshlán seo sa sprioc bochtaineachta iomlán atá ag an bPlean Gníomhaíochta Náisiúnta um Chuimsiú Sóisialta, a dhíríonn ar líon na ndaoine a bhaineann leis an réimse sin atá bocht go leanúnach a laghdú

go dtí idir 2 faoin gcéad agus 4 faoin gcéad faoi 2012, agus é mar aidhm aici fáil réidh le bochtaineacht chomhsheasmhach faoin mbliain 2016. Tá an Plean Gníomhaíochta Náisiúnta um Chuimsiú ag tabhairt tosaíochta do shraith spriocanna ardleibhéil agus ghníomhaíochtaí sainiúla chun torthaí a fheabhsú i soláthar tacaíochtaí agus seirbhísí do dhaoine ag aois oibre d'fhonn an méid sin a bhaint amach.

Leagann an tuarascáil béim chomh maith ar chineál agus raon na sonraí a bhfuil gá leo chun monatóireacht éifeachtúil ar an gcur chuige saolré a chinntiú. Tá dul chun cinn suntasach á dhéanamh le tosú an Fadstaidéar Náisiúnta Leanaí in Éirinn, *Growing up in Ireland (Ag Fás Aníos in Éirinn)*. Soláthróidh sé sin faisnéis luachmhar, ní amháin faoi leanaí, ach teaghlaigh chomh maith. Mar shampla, cuirfear faisnéis ar fáil faoi imthosca tuismitheoirí aonair agus, de réir a chéile, lionfaidh sé bearna san eolas atá againn faoi ghnéithe tuismitheoirí nach bhfuil cónaí orthu lena leanaí agus cineál a ngaolmhaireacht lena leanaí. Tá bearnaí sna sonraí i gcónaí a chuireann bac ar mhonatóireacht a dhéanamh i mbeartais, lena n-áirítear na fadhbanna a bhaineann le suirbhéanna ginearálta samplacha a úsáid, cosúil leis an QNHS agus EU-SILC, chun an margadh saothair nó tréithe teaghlaigh grúpaí beaga sa daonra a scrúdú. Beidh gá le húsáid nuálaíoch a bhaint as sonraí riaracháin chomh maith le cleachtuithe bailiúcháin sonraí speisialta chun léiriú níos doimhne a fháil d'fhonn ár dtuiscint ar na tréithe a bhaineann le grúpaí den chineál sin. Tá an Grúpa Comhairleach Teicniúil a chuireann comhairle ar fáil don Oifig um Chuimsiú Sóisialta maidir le soláthar sonraí agus ábhair ghaolmhara ag tabhairt aghaidh ar na saincheistanna sin.

Tá an Oifig um Chuimsiú Sóisialta go hiomlán rannpháirteach sna gnéithe go léir a bhaineann le monatóireacht agus measúnacht a dhéanamh ar an dul chun cinn atá a dhéanamh faoin bPlean Gníomhaíochta Náisiúnta um Chuimsiú Sóisialta agus na straitéisí gaolmhara, *I dTreó 2016*, an comhaontú comhpháirtíochta sóisialta, agus an chaibidil faoi chuimsiú sóisialta den Phlean Forbartha Náisiúnta 2007-2013. Tacaíonn sí le comhordú níos leithne beartas agus clár agus déanann sí éascaíocht don chomhordú sin chun torthaí níos fearr a ghnóthú, agus don chomhairliúcháin maidir leis an dul chun cinn fabhráitheach leis an bpríomhlucht leasa. Tuairiscíonn sé ar na torthaí atá á ngnóthú don lucht leasa go léir agus don phobal i gcoitinne ag an leibhéal náisiúnta, agus don Aontas Eorpach. Cabhróidh na portráidí sóisialta go mór le slata tomhais a sholáthar don obair seo.

Ar deireadh, is mian liom buíochas a ghabháil, i dteannta leis an Aire, le húdair na hInstitiúide um Thaighde Eacnamaíochta agus Sóisialta as ucht na portráide seo a chur le chéile agus le baill foirne na hOifige seo as obair a dhéanamh ar an tionscadal.



Gerry Mangan

Stiúrthóir

An Oifig um Chuimsiú Sóisialta

INTRODUCTION

This is one portrait in a set of social portraits of groups of particular interest in terms of the National Action Plan for Social Inclusion (NAPinclusion). Earlier reports dealt with children and older people. This social portrait focuses on people of working age, which in general means people aged 18 to 64. Working age people make up most of the population. Although the incomes of working age people are generally higher than those of older people, this group includes certain sub-groups that are vulnerable.

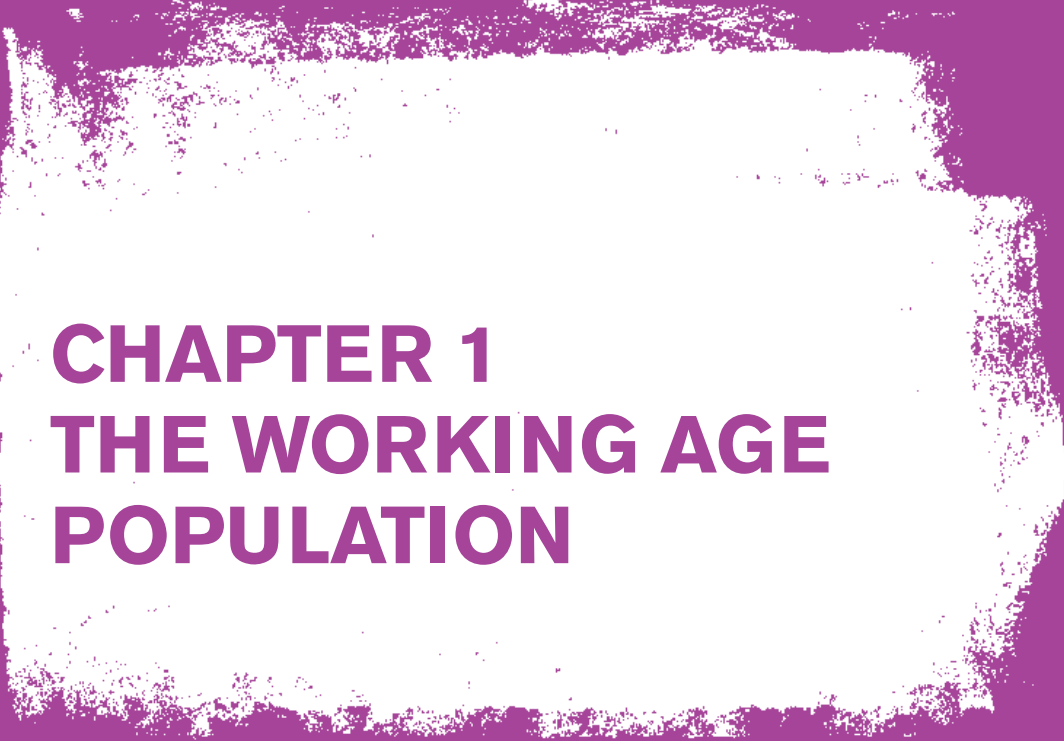
Other important groups cannot be captured adequately by household surveys and will be the subject of further profiles that look in more depth at the available information and future data needs. These groups include Travellers, migrants, ethnic minorities and homeless people.

We look first at the working age population overall before considering groups particularly vulnerable to poverty and social exclusion. Specifically, this social portrait focuses on three groups – one-parent households, the long-term unemployed and the ‘working poor’, all sizeable groups in the population. Household surveys can capture the main features of their circumstances and so we draw on them in compiling this social portrait.

First, however, we define the three groups.

- **A lone parent** is one who has main custody of a child and is not living with the other parent.
- A person who is **long-term unemployed** is unemployed for a year or more.
- The **working poor** are those people who are in work but are living in households that fall below the 60% of median equivalent household income threshold.¹

¹ The median income is the amount of income that is the middle of the overall income distribution if each household's income is listed in order from the smallest to the largest.



CHAPTER 1

THE WORKING AGE POPULATION

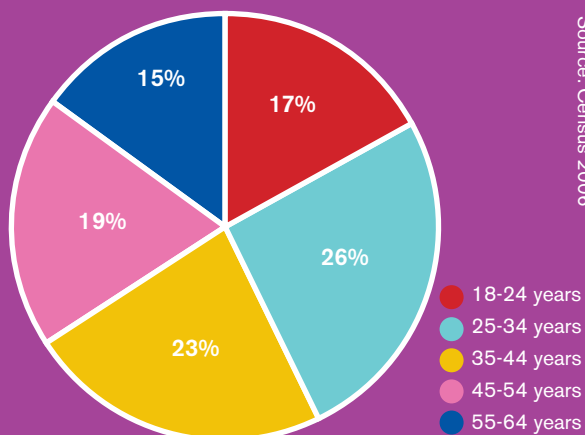
Various statistical sources define working age differently, so we will need to be flexible in the categories used in this portrait. We mainly focus on those aged 18 to 64, but to make appropriate comparisons across time or countries in some cases, we need to look at those aged 15 to 64.

At any point in time a range of factors affect the numbers of the working age population who are actually at work or active in the labour market. For example, increasing numbers taking part in education and a trend towards earlier retirement cause labour market figures to fall, while the growing numbers of women in work have the opposite effect.

How many working age people live in Ireland?

The total number of working age people according to Census 2006 was 2,907,473 if we define working age as 15 to 64 and 2,735,888 if we use the more widespread definition of 18 to 64. Figure 1 breaks down the population aged 18 to 64 and shows that those aged 25 to 34 make up the largest cohort, or group, (26%) while those aged 55 to 64 make up only 15% of the working age population.

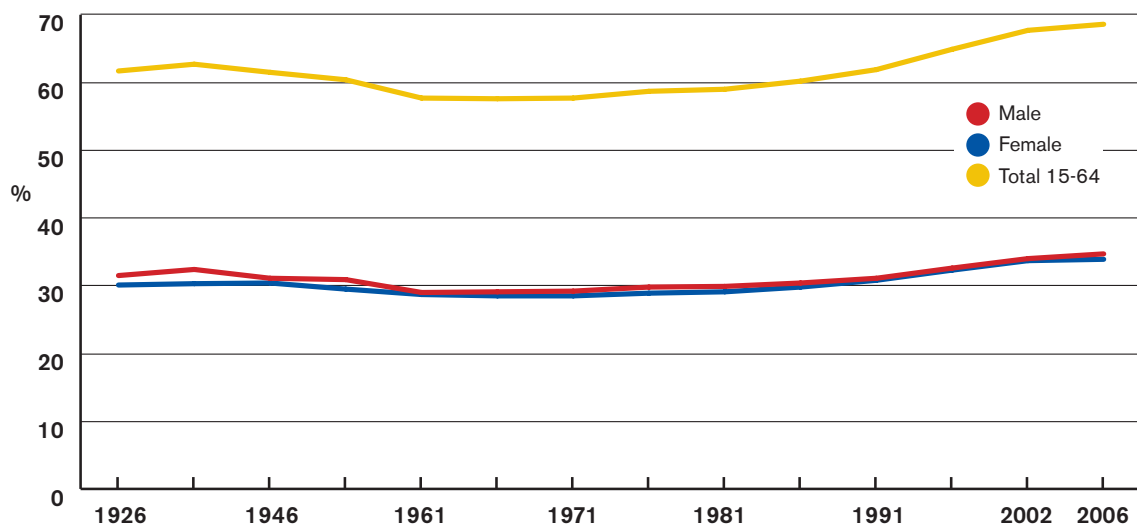
Figure 1: Distribution of working age population, 2006



In Figure 2 we show the size of the working age population in Ireland as a percentage of the total population between 1926 and 2006. We can observe three reasonably distinct periods, related to changing demographic patterns and, in particular, changing patterns of migration. Between 1926 and 1951, the overall percentage in the working age group remained relatively constant and, within this, there was very little variation as a whole or for men and women. Overall, between 62.7% and 60.4% of the population were of working age. Men of working age made up 32.4% of the population in 1926 and 30.9% of the population in 1951. The equivalent figures for women were 30.4% and 29.5%.

Between 1951 and 1971 there was a downward movement, with the overall figure going from 60.4% to 57.7%. For men the figures were 30.9% and 29.2% and for women 29.5% and 28.5%. Between 1971 and 2006 there was a gradual increase in the size of the working age group in the population as a whole, with the overall figure rising from 57.7% to 68.6%. For men, it rose from 29.2% to 34.7% and for women from 28.5% to 33.9%. So the current absolute and proportionate importance of the working age population is greater than at any point in the past.

Figure 2: Working age population as a percentage of the total population 1926-2006: overall and for men and women

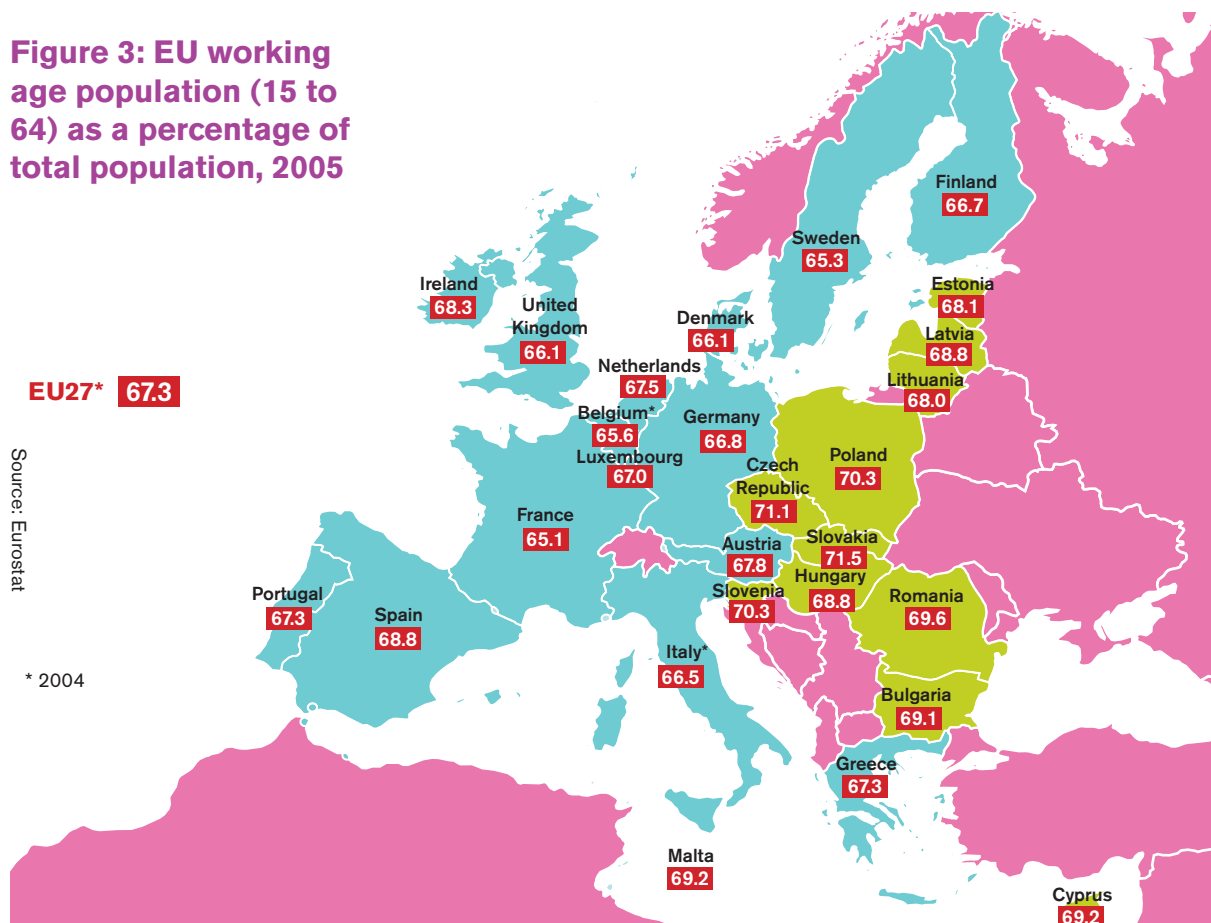


Source: Census of the population

Turning from comparison across time to across countries, in Figure 3 we show the working age population (those aged 15 to 64) as a percentage of the population for each of the 27 EU Member States and the EU as a whole. The

EU average is 67.3%. The range of variation is extremely narrow, running from 65.1% in France to 71.5% in Slovakia. The Irish figure of 68.3% is very close to the EU average.

Figure 3: EU working age population (15 to 64) as a percentage of total population, 2005



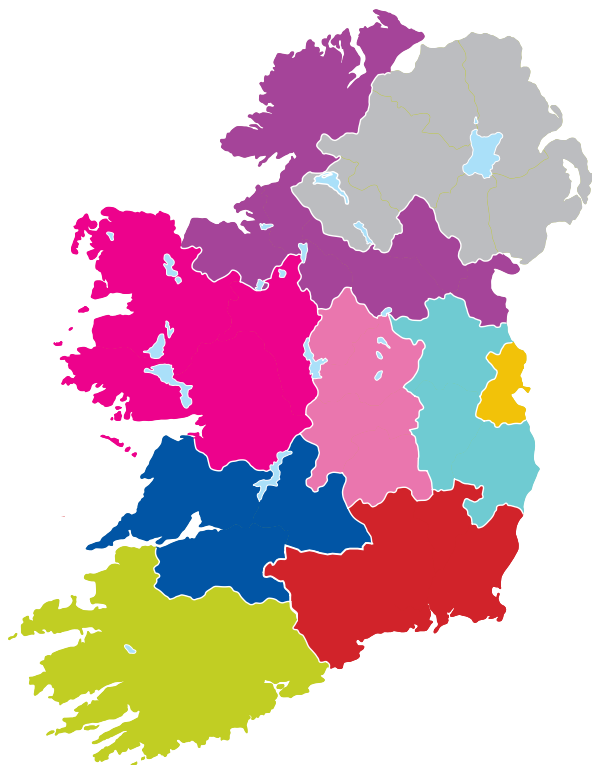


Table 1: Percentage of the working age (15 to 64) and total population by planning region, 2006

	Working Age %	Total Population %
Border	10.6	11.0
Midlands	5.8	5.9
West	9.6	9.8
Mid-West	8.4	8.5
South-West	14.5	14.6
South-East	10.6	10.9
Mid-East	11.3	11.2
Dublin	29.1	28.0
BMW*	26.0	26.8
S&E**	74.0	73.2

* Border, Midlands and Western

** Southern and Eastern

Source: Census 2006

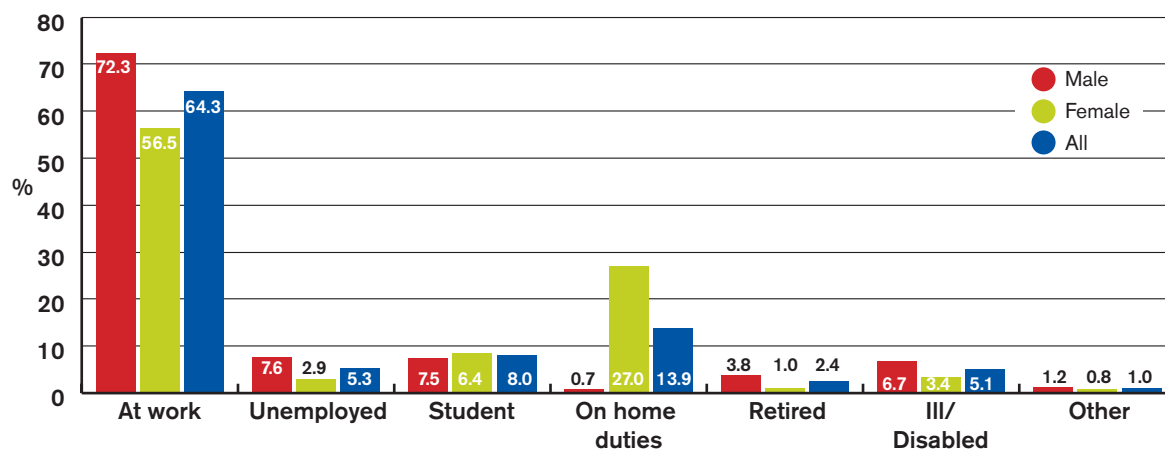
Table 1 uses the eight planning regions in Ireland to show where those of working age are spread around the country and provides a comparison with the overall population and with the population in the two regions in terms of the two-way categorisation of the country into the Southern and Eastern versus the Border, Midlands and Western regions. It is clear that the working age group is spread very much as the population as a whole. Almost 30% are found in Dublin and almost 75% are located in the Southern and Eastern region.

Socio-economic circumstances of the working age population

Employment status

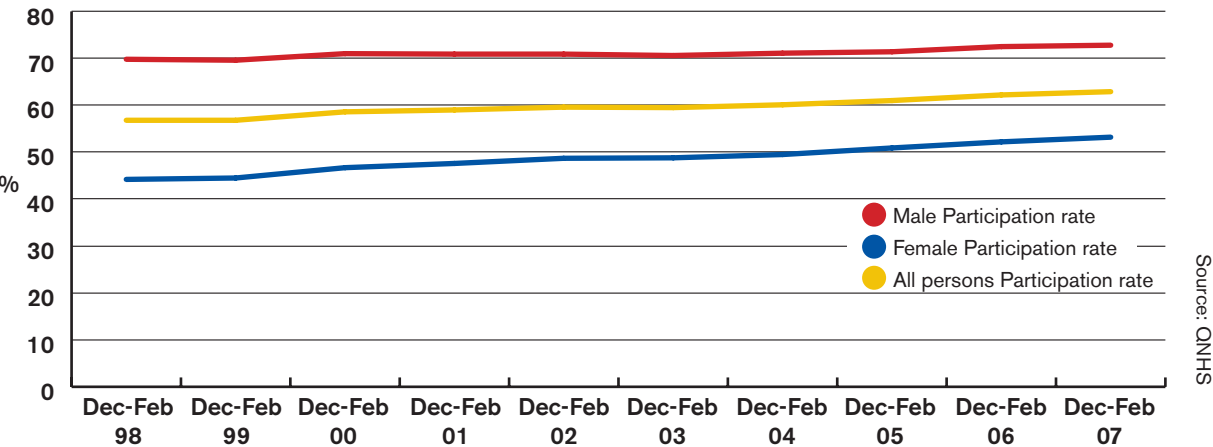
In this section we look, in broad terms, at the socio-economic circumstances of the working age population aged 18 to 64. From Figure 4 we can see that just less than two out of three people of working age are at work. The next largest group are those in home duties, who account for 14% of the working age population, while

Figure 4: Principal economic status of people of working age (18 to 64): overall and for men and women



Source: EU-SILC, 2005

Figure 5: The trend in labour force participation rates 1998-2007: overall and for men and women



students make up about 8% of the working-age population. Unemployed people and those who are ill or disabled each make up 5% of the group, while just over 2% have retired before reaching 66 years of age. Looking at the breakdown by gender, we can see from Figure 4 that almost 75% of men in this age group are at work. A very different picture emerges for women. Related to the fact that some 27% are found in home duties, just 56.5% are at work and the share of women whose principal economic status is unemployed, ill or disabled or retired is in each case a lot lower than for men. There is a slightly higher share of women than men in the student sub-group. Lower female participation overall is related to women’s traditional primary role in child and family care, but this is now changing.

In Figure 5 we use Quarterly National Household Survey (QNHS) data to describe the trend in labour force participation rates over the past decade. Overall this rose from 57% in 1998 to 63% in 2007. For men it increased from 70% to 73% and for women from 44% to 53%. As a result, the gap between men and women narrowed from 12% to 10%.

In Figure 6 we show the trends for unemployment during the same period. Between 1998 and 2007, the overall unemployment rate declined from 8.5% to 4.2%. For men, it went from 8.5% to 4.5% and for women it fell marginally sharper from 8.5% to 3.9%.

Figure 6: The trend in unemployment rates 1998-2007: overall and for men and women

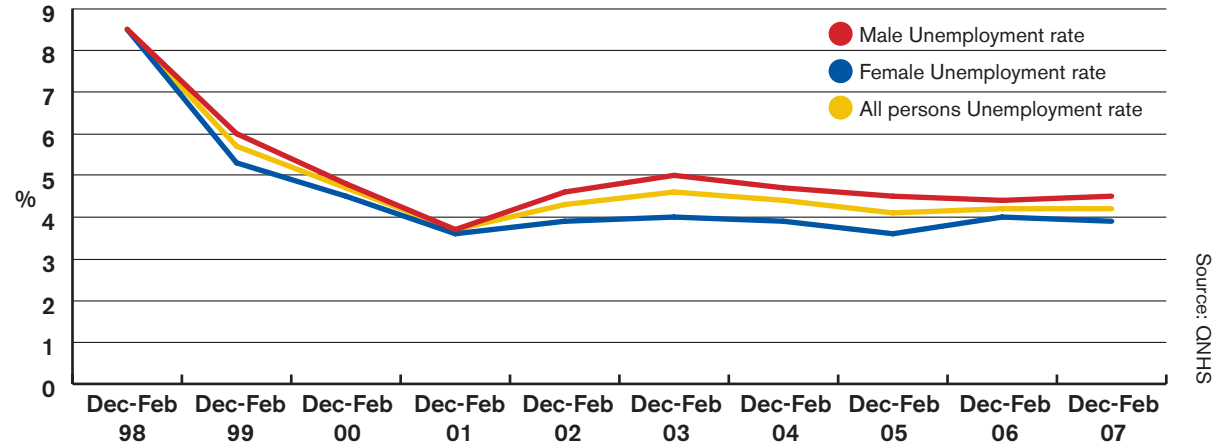


Figure 7: Average household equivalised income by age, 2005



Source: EU-SILC, 2005

Household income

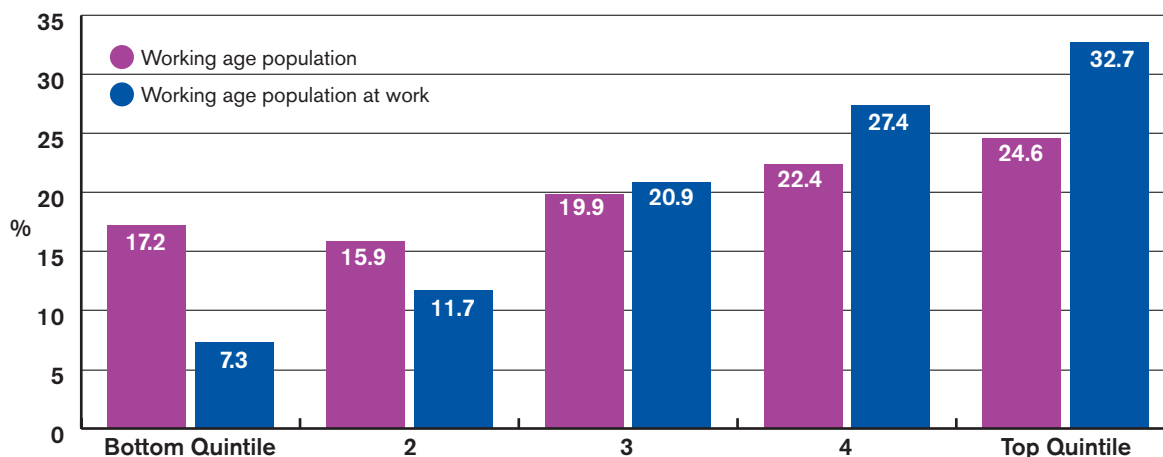
At this point we focus on annual household income. To take account of differences in household size and make-up, we work out the 'equivalised income'.² In Figure 7, we present annual household equivalised income for the working age population as well as for the overall population and older people. In the previous section we saw that almost two-thirds of the working age population is at work and so

receiving income from the labour market. On average, the income level of the working age population, €21,300, is higher than that of the overall population, which is almost €20,000. It is also about 50% higher than that of older people.

In Figure 8 we offer another view of the distribution of income by comparing the distribution across income quintiles of the working age population as a whole with the working age population at work. The general working age population is distributed fairly evenly across quintiles, with 17.2% found in the bottom quintile and 24.6% in the top quintile. In contrast, the working age population at work is heavily concentrated in the upper quintiles.

² We do this by applying for each household a weight of 1.0 to the first adult, 0.66 to each remaining adult and 0.33 to each child and dividing household income by the total number of 'equivalent adults' in the household.

Figure 8: Household equivalised income quintiles for working age, 2005



Source: EU-SILC, 2005

Almost one-third are found in the top quintile and over eight out of ten are located in the top three quintiles. Only 7.3% are in the bottom quintile. Not surprisingly, being at work is a powerful predictor of a household's position in the income hierarchy.

Consistent poverty

We now shift our focus to the consistent poverty measure, which is the principal measure used by the Irish Government in setting targets to reduce poverty. This measure focuses on people who are both on low incomes and experiencing deprivation in terms of a set of basic items they cannot afford to have or do.³ The consistent poverty measure was revised in the NAPinclusion and is now defined as those who earn below the 60% median income threshold⁴ and are deprived of lacking two or more items from an 11-item

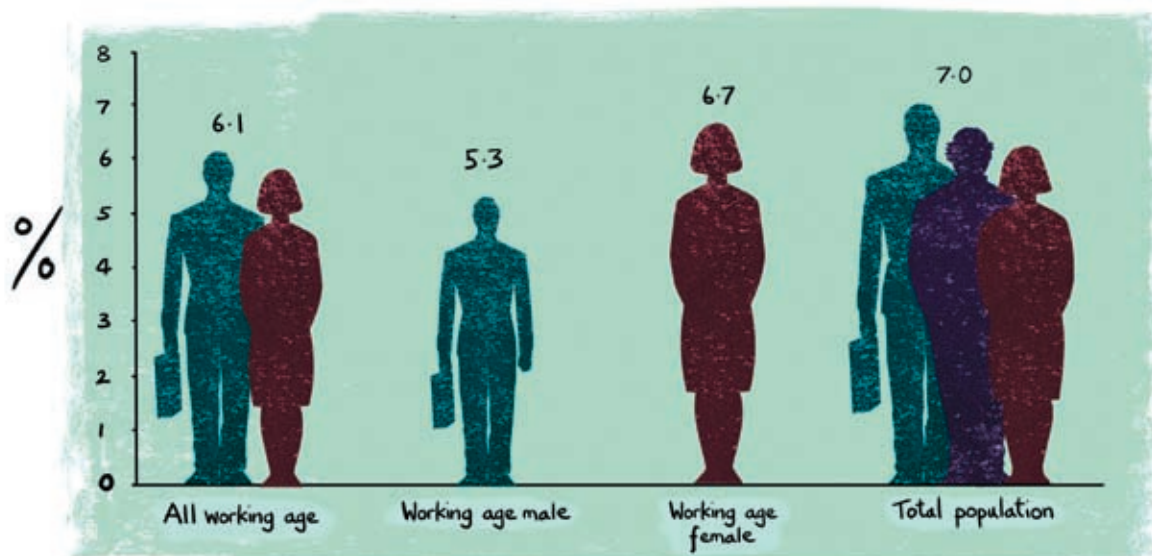
deprivation index devised by the ESRI.⁵ (The 11-item index is in the glossary.) Figure 9 shows the consistent poverty rates in 2005 for those of working age (18 to 64) overall and for men and women. The consistent poverty rate for the overall working age population is 6.1%. This is lower than the rate for the population as a whole, which is 7.0%. The rate for women, at 6.7%, is higher than that for men, at 5.3%. The higher rate for women is due to a number of reasons; including the gender pay gap and the fact that women head up the greater proportion of lone parent households.

In Figure 10 we focus on the working age population at work and compare them with those who are unemployed. As we have seen, the consistent poverty rate for the working age population as a whole is 6.1%, while the rate for the total population is 7.0%. The rate falls sharply to 1.7% for those of working age at work but rises sharply to 23.9% for those who are unemployed, a 15:1 ratio between those who are working and those who are unemployed.

- 3 It is important to note that the surveys generally aim to record where a person or household lacks an item because they say they cannot afford it rather than because they do not want it.
- 4 The median income is the amount of income that is the middle of the overall income distribution if each person's income is listed in order from the smallest to the largest.

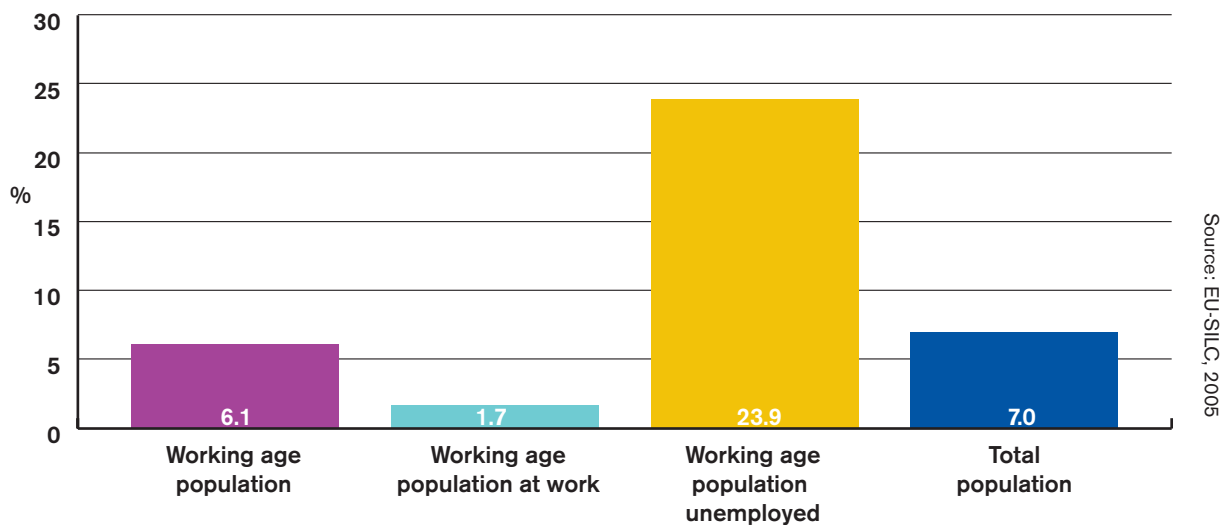
- 5 See Whelan (2007) for a discussion of the consistent poverty index incorporating this index and a comparison with the original measure that used an 8-item deprivation index.

Figure 9 : Consistent poverty rates with the 11-item deprivation list, 2005, for working age population by gender



Source: EU-SILC, 2005

Figure 10: Consistent poverty rates with the 11-item deprivation list, 2005, comparing at work and unemployed groups



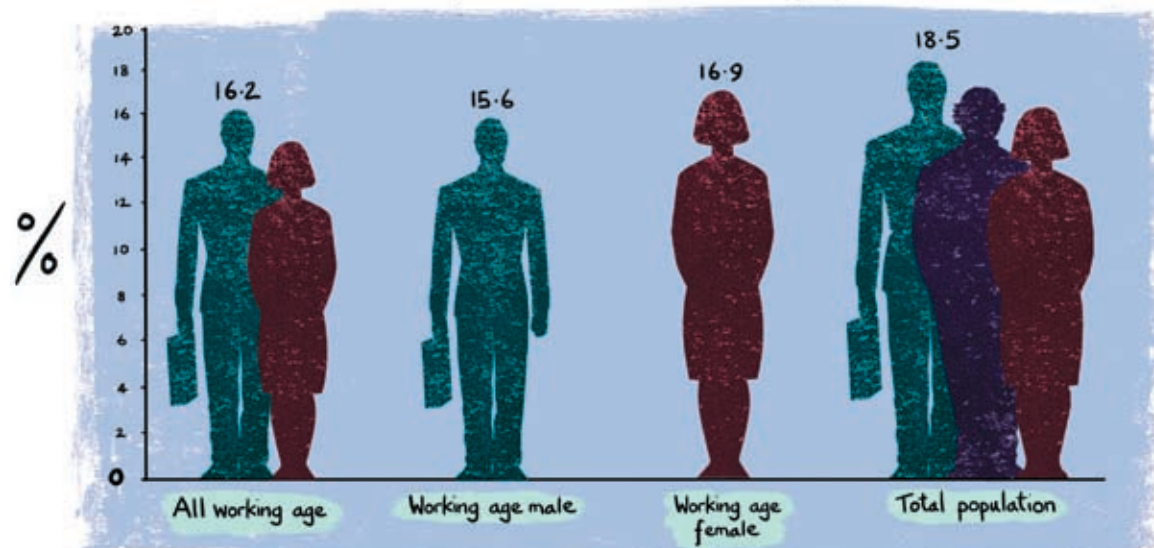
'At risk of poverty'

We now turn to relative income poverty, also known as the 'at risk of poverty' indicator. A person is said to be 'at risk of poverty' when their household receives less than 60% of median income.⁶ While the 'at risk of poverty' measure is often used to make comparisons between countries, there are several factors

that limit its usefulness. These include different levels of economic development between countries or within a country undergoing rapid economic growth, as has been the case in Ireland. However, the measure is one of several used at EU level to monitor progress in tackling poverty. In Figure 11 we can see that the 'at risk of poverty' rates for people of working age are lower than the rates for the total population: 16.2% of the working age population are 'at risk of poverty' compared to 18.5% of the population as a whole. On the other hand, the figure is higher for women than for men, with the respective percentages being 16.9% and 15.6%.

⁶ The 60% threshold is most commonly used at EU level, but the Organisation for Economic Co-operation and Development (OECD) and the United Nations (UN) use a threshold of 50%. The threshold is adjusted for household size, so, for example, the threshold for a household with an adult couple and one child is about twice that for a single adult household.

Figure 11: 'At risk of poverty' rates for people of working age (18 to 64), 2005.



Trends in poverty over time

Conclusions relating to trends in poverty among people of working age depend, crucially, on the indicator on which we focus. In a period of economic growth, a sole focus on 'at risk of poverty' can be misleading, since poverty rates can remain stable or increase even if all incomes rise dramatically in real terms. As Layte *et al.* (2004) show, this has been the case in Ireland.

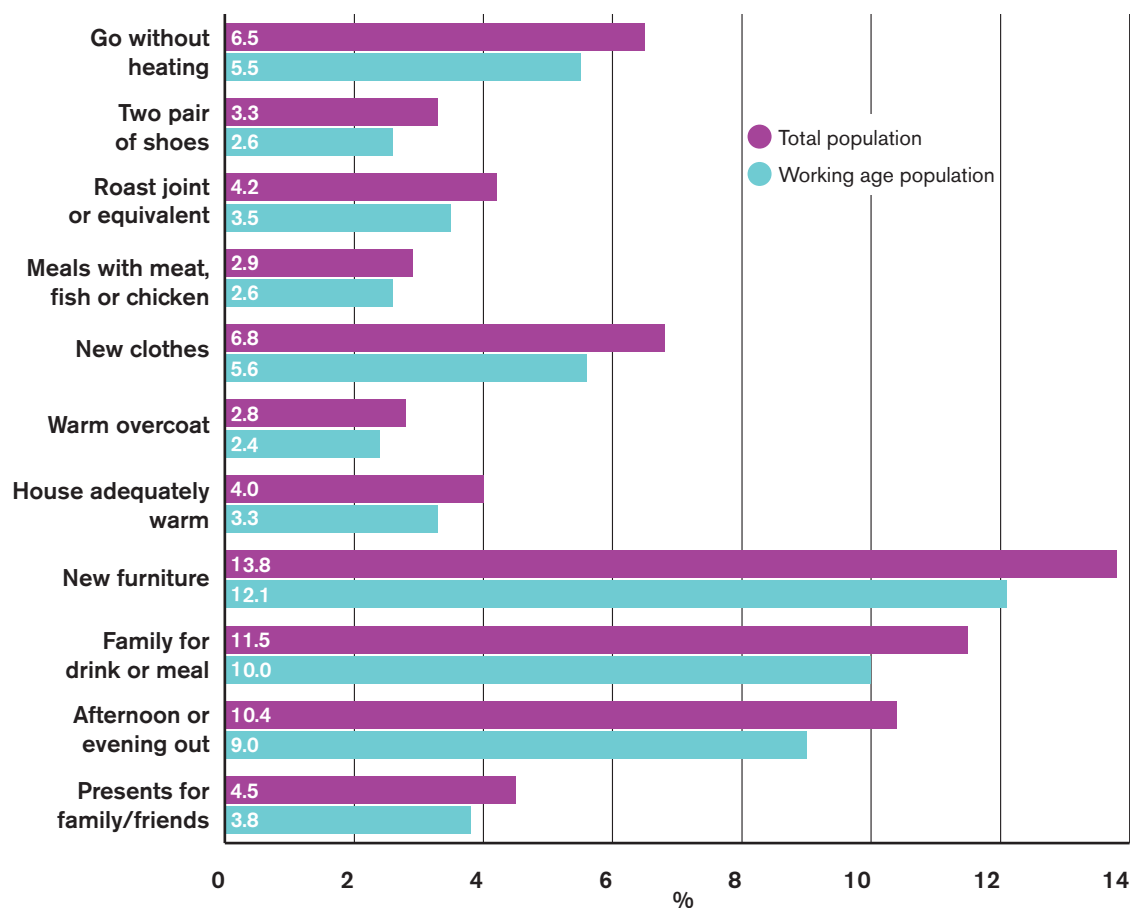
The picture is quite different if, instead of linking income thresholds to average income, we hold them constant in terms of purchasing power. In this case, poverty rates decline dramatically. The consistent poverty measure, which combines an income threshold and a basic deprivation cut-off, provides an intermediate picture of change over time. It reveals a clear downward trend but a more gradual one than that found when allowing for purchasing power. The current European Union Statistics on Income and Living Conditions (EU-SILC) produces slightly higher estimates of

consistent poverty than the earlier Living in Ireland Survey (LIIS) did, but these are not comparable with the earlier figures because of changes in the manner of calculation. The very rapid growth in average incomes in Ireland since 1994 poses particular problems in identifying poverty or social exclusion. The diverging trends that we have discussed represent different aspects of the complex situations associated with this unprecedented period of economic change.

Types of deprivation

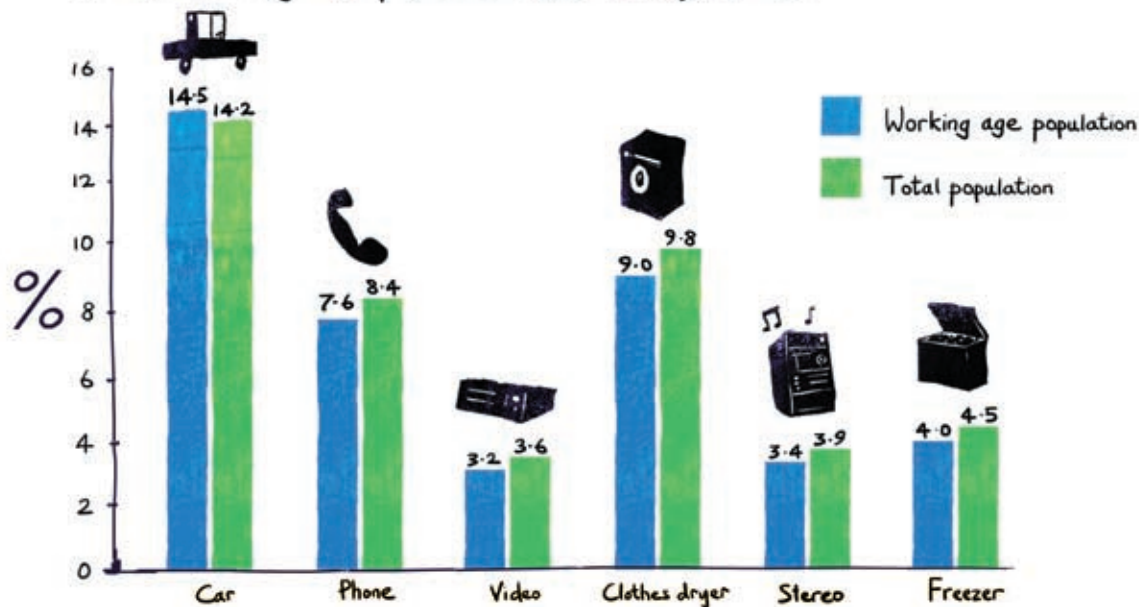
In Figure 12, we look at the specific items that make up the deprivation component of the revised 11-item consistent poverty measure. Across each of the items the deprivation levels are slightly lower for people of working age than for the population as a whole. The highest level of deprivation arises in relation to inability to afford new furniture, where 12% report such deprivation. This is followed by being unable to have family for a meal or drink and being unable to afford an afternoon or evening

Figure 12: Basic deprivation items for working age and total population, 2005



Source: EU-SILC, 2005

Figure 13: Rates of deprivation of selected consumer durables for the working age population (18 to 64), 2005.



Source: EU-SILC, 2005

out. The level of deprivation does not rise above 6% for any of the other items; the range goes from 5.6% for being unable to afford new clothes to 2.4% for being unable to afford a warm waterproof overcoat.

Deprivation of consumer durables

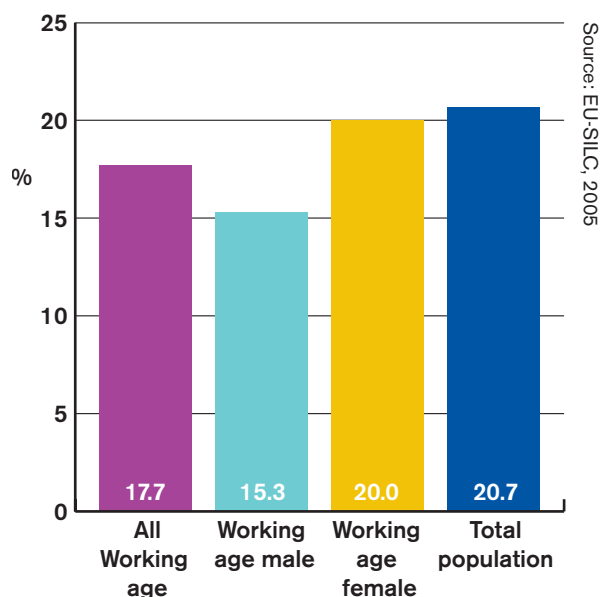
In Figure 13, we extend our analysis of deprivation to a number of widely-owned consumer durables such as a landline telephone, video and stereo. Most people of working age possess each of these items. This time, the figures for the working age and the total population are closer than they were for the basic deprivation items making up the consistent poverty measure. We can see the highest levels of enforced absence in relation to a car, a clothes dryer and a phone, where the respective percentages are 14.5%, 9.0% and 7.6%. For the remaining items relating to a video, stereo and freezer, the figure lies between 3% and 4%.

Economic vulnerability

In Figure 14, we consider what we term 'economic vulnerability'. Such vulnerability is captured by combining information about whether the household is below 'at risk of poverty' thresholds, experiencing enforced basic deprivation and reporting difficulty in making ends meet. Statistical analysis (using

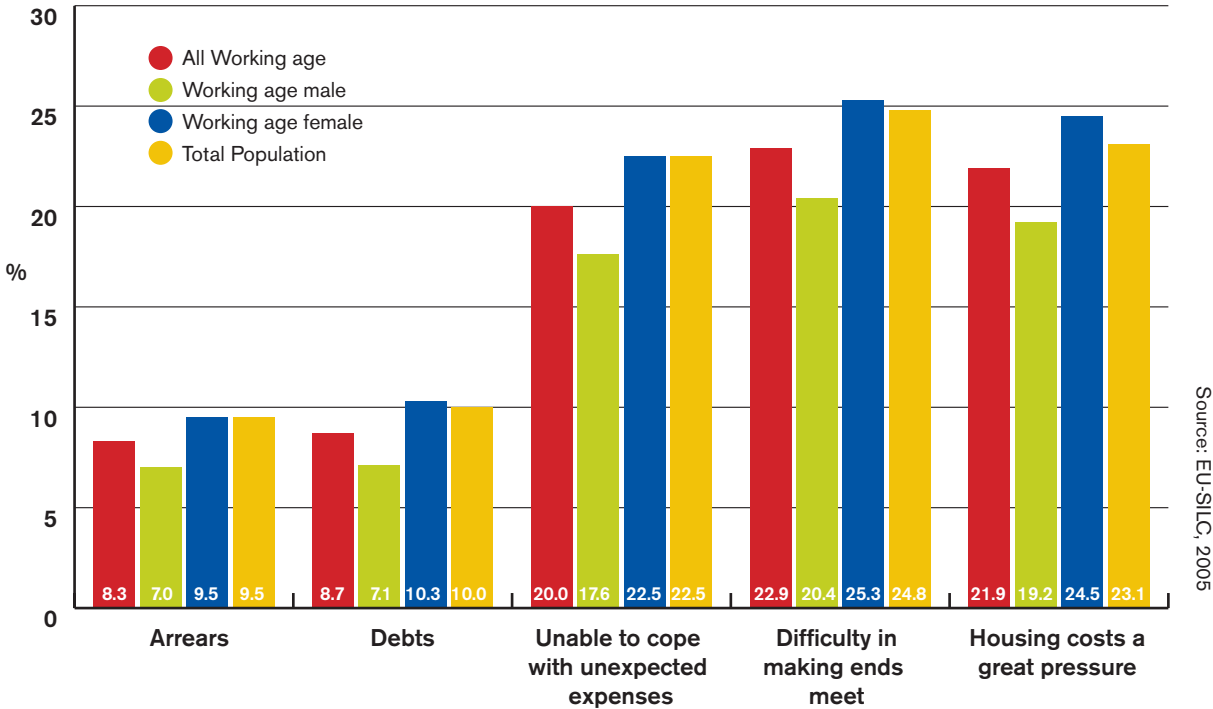
what is known as latent class analysis, which identifies underlying connections between these categories of information) identifies about one in five of the overall population as economically vulnerable in 2005. For the working age population the figure is slightly lower at 17.7% (just over one in six). Levels of vulnerability are higher for women (20%) than for men (15.3%).

Figure 14: Levels of economic vulnerability for the working age population (18 to 64), 2005



Source: EU-SILC, 2005

Figure 15: Subjective economic pressures for the working age population (18 to 64), 2005



Subjective economic pressures

Here we extend our analysis beyond objective circumstances to take into account people's subjective assessments of their own situation using five indicators:

- Going into arrears in relation to rent, mortgage or hire purchase commitments;
- Incurring debts in relation to routine expenses;
- Inability to cope with unexpected expenses;
- Having difficulty or great difficulty in making ends meet; and
- Experiencing housing costs as a great burden.

From Figure 15, we can see that, overall, the reported levels of subjective economic pressure based on these indicators are slightly lower for those of working age than for the overall population. As in the case of basic deprivation, subjective economic pressure levels are higher for women of working age. We see the highest levels of subjective economic pressure in relation to being unable to cope with unexpected expenses, having difficulty in making ends meet and experiencing housing costs as a great pressure. In each case, about one in five of the

working age population report experiencing such stress with the figures ranging from 20.0% to 22.9%. For men the levels of stress are lower, ranging from 17.6% to 20.4%. For women in each case we observe a much higher level of pressure, with 22.5% being unable to cope with unexpected expenses, 24.5% experiencing housing costs as a great pressure and 25.3% having difficulty in making ends meet. So, while one in five working age men typically experiences such pressures, for women the figure is closer to one in four.

In the sections that follow we redirect our attention from the working age group as a whole to specific sub-groups that are known to be particularly vulnerable to poverty and social exclusion.

CHAPTER 2

ONE-PARENT FAMILIES

This chapter draws together information on Ireland's one-parent families. We assess the evidence on the size of Ireland's one-parent family population and profile this group in terms of education levels, income and measures of material deprivation.

One-parent families are a high-risk group in terms of both consistent poverty and 'at risk of poverty'. It is particularly relevant to identify the main features of this group at this time, given the publication of the Government's discussion paper on supporting lone parents and the National Action Plan for Social Inclusion (NAPinclusion).

Lone parenthood

Our focus is on lone parents caring for a dependent child or children. Lone parents are normally parents who have primary custody of a dependent child or children and do not live with their child(ren)'s other parent. Some lone parents co-operate closely with the other parent in caring for the child or have varying forms of joint custody with the other parent. These lone parents are not as 'lone' as others, where, for example, the other parent has died or is for some other reason completely absent.

The term lone parent includes widely differing degrees of 'lone-ness' in parenting. A limitation of available data is that they provide little or no information on the degrees of 'lone-ness' or on the features or role in the family of the parents who do not have custody of the children. Future research will need to address this serious gap in information, given that policy makers are interested in promoting joint parenting between parents who do not live together.

One of the factors affecting our understanding of the degree of 'lone-ness' of lone parents is the increasing level of cohabitation (couples living together). This rose from 31,300 couples in 1996 to 77,600 in 2002 (Layte and Fahey, 2007). The available evidence suggests,

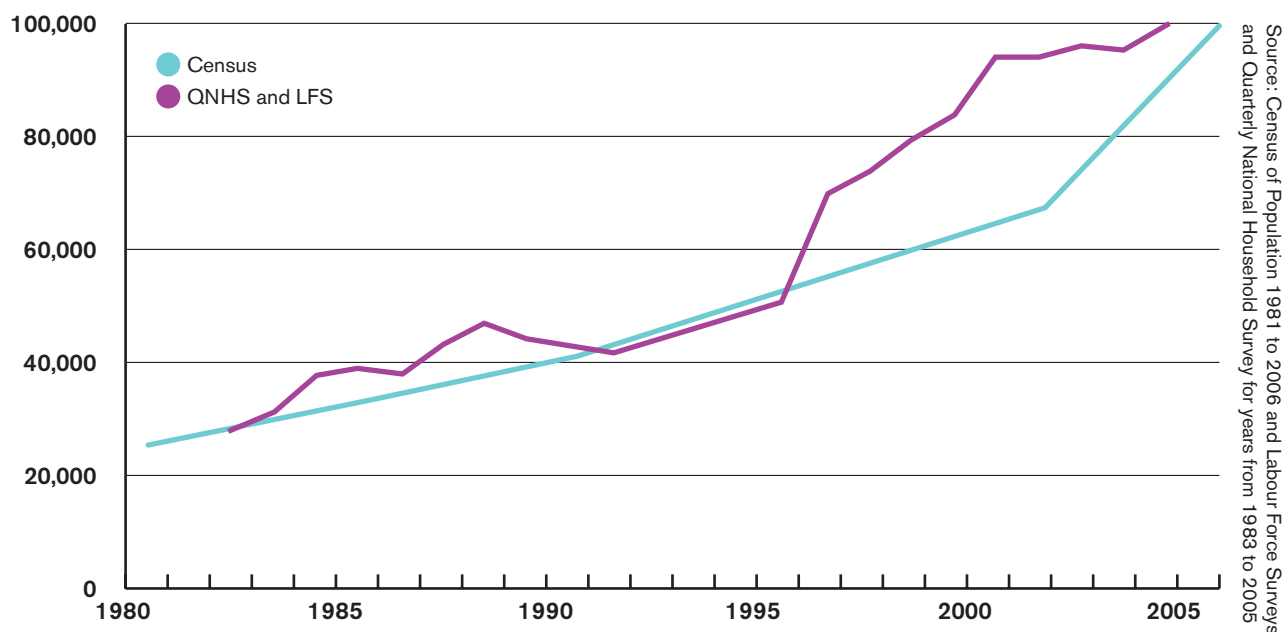
however, that cohabitation is not developing as a long-term alternative to marriage.

Some statistics, both national and international, broaden the focus to include lone parents with children of any age, including adult children. But policy makers regard adult children living with a lone parent as quite different from younger dependent children. Adult children may be receiving support from the parent or, in many cases, may be providing financial or caring support to a parent who is older or infirm. In this section, we refer only to lone parents with younger dependent children.

Definitions of a dependent child vary over time and across countries, depending on the education system and social customs. For practical purposes, we prefer to use a cut off age of 18, as this is typically the age at which children finish second level schooling and at which society gives people the right to vote. But in the case of lone parents, much of the information we can obtain from Irish sources is based on an age limit of 15. In 2002, according to the Census, 12% of children under 15 lived in lone parent families.

As we show later, lone parenthood has increased dramatically over time. In the past, it was linked with the death of a spouse, but the situation has changed more recently because of the large rise in births outside marriage and increasing levels of marriage breakdown. Births outside marriage most strongly indicate change in family life in Ireland. The share of births taking place outside marriage increased from 5% of all births in 1980 to 31% of all births at the end of the 1990s, before then levelling off (Fahey and Layte, 2007).

Figure 16: Growth in the incidence of lone parenthood, 1981-2006



Marital breakdown had been increasing slowly in Ireland before divorce was introduced, though the rate continued to be relatively low. Fahey and Layte (2007) calculate that there was a similar growth in the numbers of people who were separated between 1996 and 2002 and between 1986 and 1996, the decade before the arrival of divorce. The numbers of divorced people showed a bigger relative increase: from 1,000 in 1996 to 35,000 in 2002. Overall, separated and divorced people made up 2.8% of the population who had ever married in 1986 but 9.8% of the same population in 2004. If we include those who remarried, this figure falls slightly to 8.4%.

How many are lone parents?

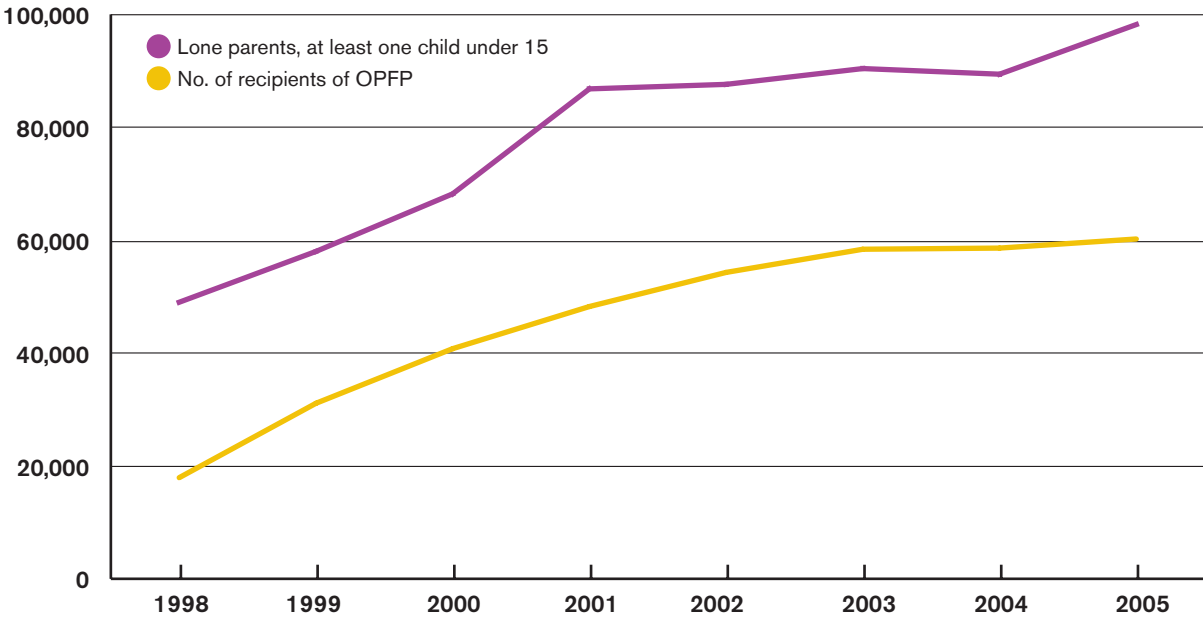
The Census of Population, undertaken every five years, and the more regular Quarterly National Household Survey (QNHS), which gathers data on more than 30,000 households, are the two main sources of data on lone parents in Ireland. (The QNHS has replaced the annual Labour Force Survey (LFS), which gathered similar information regarding lone parents.)

Figure 16 shows the incidence of lone parenthood as measured by these sources, which both use the same age cut-off (under 15).

Each of these sources shows major growth in the incidence of lone parenthood over the past 25 years or so. On the Census measure, the numbers more than trebled from a base of about 30,000 in the early 1980s to just over 98,000 in 2006. This figure is very close to the 2005 QNHS figure of just over 99,000 even though before the most recent Census, the QNHS measure had suggested a more rapid growth since the mid-1990s. Lone parents make up about 4% of the working age population. Most lone parents with children under 15 are female (94%) and only 6% are male.

We do not know exactly why there is a marked difference between the Census and QNHS in the estimates of lone parents at certain points between 1996 and 2002. The Census figures relate to the full population, so there will be a smaller 'sampling error' than in the QNHS, but this is not the only – or the most important – sort of error in measurements of this type. QNHS questionnaires pay more attention to identifying family units within households. This, added to the procedures involved in having an interviewer carry out the survey, may generate more accurate counts of lone parent units. Census 2006 introduced new questions on relationships within the household, which should help to identify lone parents more accurately.

Figure 17: Growth in lone parenthood and in numbers receiving One-Parent Family Payment, 1998-2005



Sources: Quarterly National Household Survey (QNHS), 1998 to 2005 and Statistical Information on Social Welfare Services, 1998 to 2005.

Notes: QNHS figures reflect a snapshot of the population as at April in each year (Q2) and social welfare figures reflect a snapshot as at end December in the previous year. Figures for QNHS for Q2 1998 appear to be an outlier and are replaced by an average of the figures for Q1 and Q3.

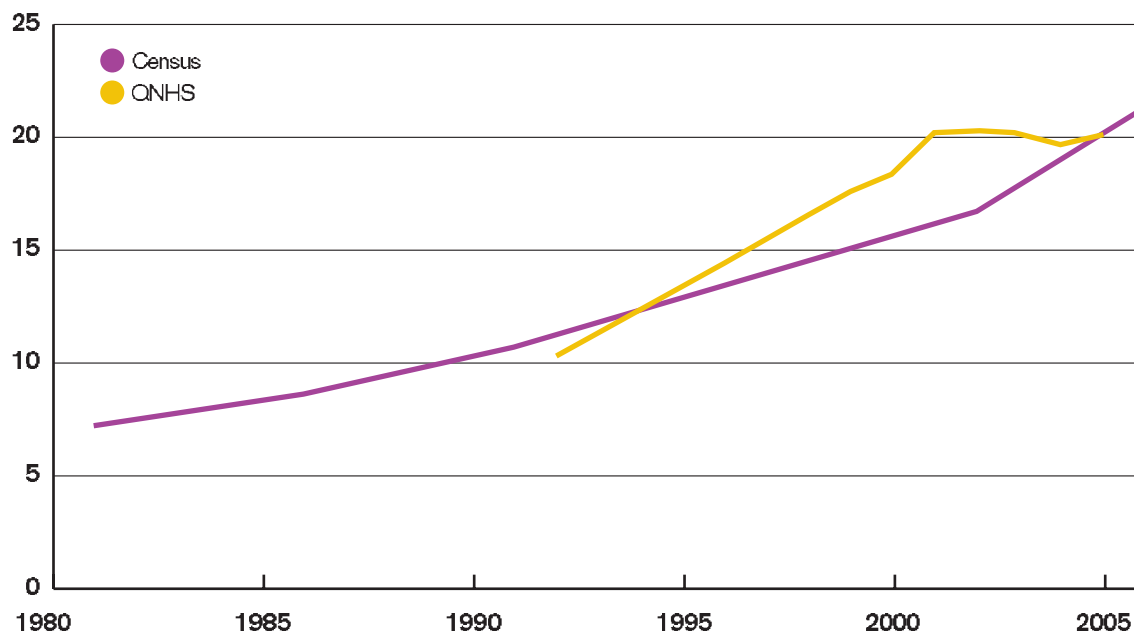
Figure 17 shows recent trends measured by the QNHS, along with the trend in the numbers receiving One-Parent Family Payment, which is paid weekly by the Department of Social and Family Affairs. These figures differ because the QNHS has an age cut off of 15, but the One-Parent Family Payment is available based on a cut-off age of 18 (or 22 if the dependent children are in full-time education). In addition, the QNHS measure will include those who do not qualify for One-Parent Family Payment (on income or other grounds) and those who do qualify but do not claim it. Nevertheless, these independent sources show broadly similar figures of the extent of the increase in lone parenthood. The figures for those receiving One-Parent Family Payment (OPFP) show an increase of 20,000 claimants over the seven-year period, while the QNHS shows an increase of about 25,000. The ratio of the broad QNHS measure to the number of OPFP claimants is about the same at the beginning and at the end of the period.

The rise in lone parenthood in recent decades has been linked with an increase in marital breakdown and a rise in births outside marriage.

Although non-marital births include children born to cohabiting parents, they are mostly linked to lone parenthood. The share of all births made up by non-marital births rose sharply through the 1980s and 1990s, but it has levelled off since 2000 at just below 1 in 3. Marital breakdown and non-marital births can be seen as factors tending to increase the entry into lone parenthood. Increased exits from lone parenthood (for example, through cohabitation or marriage) could in theory balance out the entries, but they have not done so in recent decades.

To compare Ireland with other countries, we need to look at the *rate* of lone parenthood, that is out of every 100 parents with dependent children, how many are lone parents? The trend in the rate of lone parenthood for Ireland is set out in Figure 18. Census statistics show a tripling of the rate, from 7% to 21%, between 1981 and 2006. Quarterly National Household Survey (QNHS) statistics show a faster rate of increase but suggest that the rate has levelled off at about 20% in the five years from 2001.

Figure 18: Lone parent families as proportion of all families with children aged under 15, 1981-2006



Lone parent families on average have fewer children than two-parent families and so account for a smaller share of the number of children than they do of the number of families. In 2006, 21.3% of families were lone parent families, but only 14% of children aged under 15 lived in those families (Census, 2006). Fahey and Russell (2001) found that the greatest gap in number of children is between lone mothers who have never married and mothers in couples. This gap widens with age. So, for example, among women aged 20 to 24, 79% of never-married lone mothers and 61% of married or cohabiting mothers had only one child, but for mothers aged 35 to 39, the rates were 60% and 12% respectively.

Lone parent households and lone parent families

Lone parent families are not always in 'self-contained' households. Some lone parents may live with one or both of their own parents in a multi-generational household or in other housing arrangements. Some studies do not count lone parent units that are part of a wider household. The charts and figures above are designed to include *both* types of lone parent family – but it

seems that, until recently, the QNHS has been more successful in doing this than the Census. We can gain another view from the SWITCH database, which models the effects of the tax and social welfare system and is based on the Living in Ireland Survey for the year 2000. From this source, it is possible to categorise lone parent families as those with dependent children under age 18. Just over 30% of lone parent families are living in multiple family unit settings, most often a three generation household.⁷ The remaining 70% live in 'self-contained' lone parent households. Within this latter group, about one in four of the lone parent families also contains an 'adult child'. It is somewhat more common in Ireland than in other EU countries for lone parent families to live in a multiple family unit (for example with a grandparent of the dependent child(ren)). We must consider this when looking at international comparisons that are limited to lone parent households and do not include lone parents living with other family units.

⁷ Analysis of the QNHS for 2004 suggests a somewhat lower figure of 20% of lone parent families living in multiple-family households.

Table 2: Rates of lone parenthood in EU15 Member States

Country	% of children living in single mother household (other adults may be present) Luxembourg Income Study, 2000	Single parent households as % of all households with children EU Labour Force Survey, 2005
UK	22	24
Denmark	19	16
Sweden	18	n.a.
Ireland	14	20
Austria	13	12
Finland	13	10
Germany	13	16
Belgium	11	18
France	n.a.	14
Netherlands	8	13
Spain	7	6
Luxembourg	7	9
Portugal	n.a.	7
Italy	5	6
Greece	4	5

Sources: Luxembourg Income Study (LIS) Key Figures 2000 or nearest available, accessed at <http://www.lisproject.org/keyfigures.htm> on 31/05/2006. Data are drawn from income surveys for each country. For details see the LIS website and the EU Labour Force Survey data in Eurostat News Release 59/2006.

Incidence of lone parenting: Ireland in an EU context

A number of difficulties occur when the rates of lone parenthood across countries are compared (see Bradshaw, 1998 for details). Here we focus on measures provided by two independent sources, the Luxembourg Income Study (LIS) and the Eurostat Labour Force Survey. Table 2 shows the rates of lone parenthood (number of lone parent families per hundred families with dependent children) for EU15 countries. There are large differences between these measures, detailed in the table, but some important points clearly emerge. The lowest rates of lone parenthood are in the EU's southernmost Member States (Spain, Greece, Portugal and Italy). High rates are recorded in the UK, Denmark and Sweden. Ireland's position is broadly in the middle, with a rate of 14 lone

parents per hundred families.⁸ Countries with the highest rates of lone parenthood were those in which lone parent families make up nearly 20% of all families.

The LIS study does not contain any figures for the EU25. The Eurostat survey suggests the average rate of lone parent families in the EU25, excluding Ireland and Sweden, is 13%. Some caution is needed in interpreting the Irish situation in an EU context. Census and QNHS data suggest that the rate of lone parenthood in Ireland may be approaching 20% – close to the rates for the UK, Denmark and Sweden. One explanation for this may be that Irish lone parents are more likely than those in other countries to live in multi-unit households.

⁸ This is an estimate of the proportion of *children* in lone parent families, rather than the proportion of families. As lone parent families are on average smaller than other families, this is lower than the 16.7% quoted earlier for lone parents as a proportion of all families. Data sources also differ.

Social and labour market characteristics of lone parents

Having looked at the numbers of lone parents in Ireland, we now consider their social and labour market characteristics. In this section we draw on evidence from our own study of the Quarterly National Household Survey 2006, second quarter. This provides a large sample of lone parents with detailed information on labour market situation, housing and educational achievement. Unlike other sources, the QNHS collects information on a large number of lone parents who do not head their own households. One disadvantage of this source, however, is that we can only consider parents with dependent children under age 15, rather than our preferred cut-off age of 18. Even for this source, the sample size of lone fathers is too small to allow detailed analysis. When we present detailed breakdowns on individual characteristics, we concentrate on lone mothers and compare them with married or cohabiting mothers.

We repeat many of the analyses contained in Fahey and Russell (2001) based on data from 1997, which allow us to comment on changes over time. The large increases in lone parenthood in recent years and the booming economy may mean that there are some changes in the social make-up and labour market situation of lone parents since 1997.

Table 3 shows that most (94%) lone parents with children under 15 are female and only 6% are male. Lone fathers make up a higher share of separated, divorced or widowed lone parents, while their share is lower among single lone parents. Lone parents who never married make up the biggest share of lone parents (66%),

while just under one third (29%) are separated or divorced and the remaining 4% are widowed.⁹ The share of lone parents who have never married has increased compared to the 1997 figures, but this is likely to be due to better data collection on multi-family units within the same household. Overall, 83% of lone parents in the sample are heads of households with 17% in multi-unit households. The latter are most likely to be never-married lone mothers living in their parents' home.

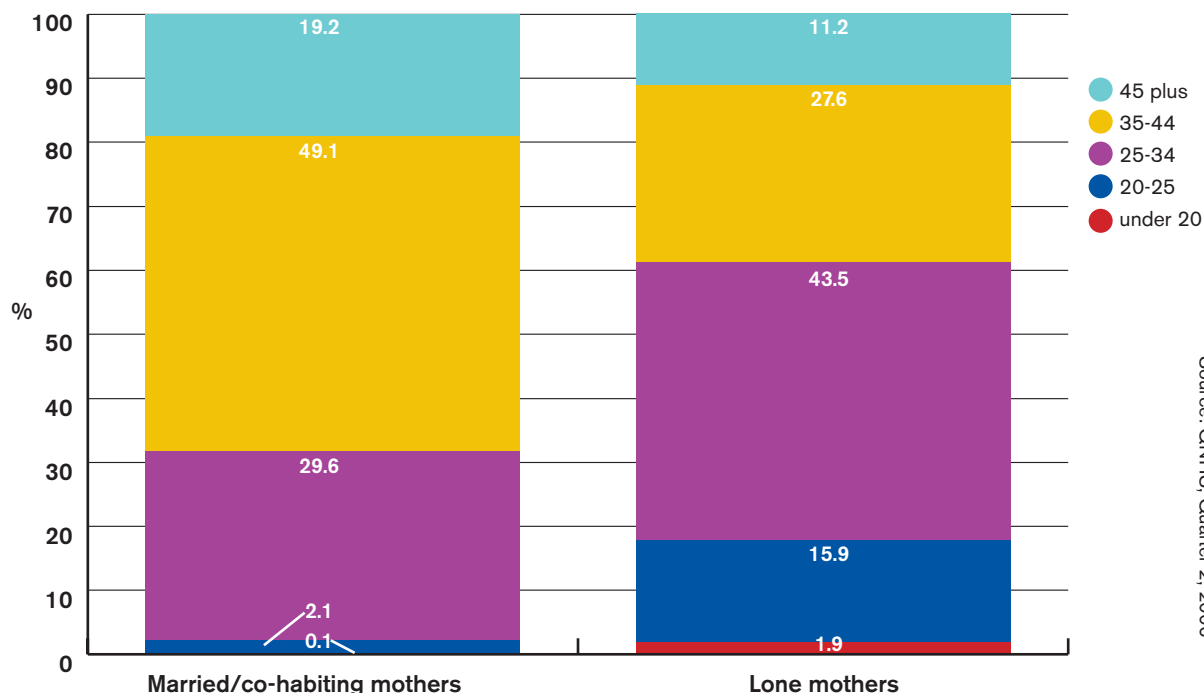
Table 3: Composition of lone parents with children under the age of 15, 2006

	%
Male	6.3
Female	93.7
	100.0
Under 25	17.0
25 to 34	42.2
35 to 44	28.2
45 plus	12.6
	100.0
Head of household	83.3
Multiple family units	16.7
	100.0
Single	66.1
Widowed	4.4
Divorced or separated	29.4
	100.0

Source: QNHS, Quarter 2, 2006

⁹ 6% of lone parents record their marital status as married even though they are not living with a partner. It is likely that these cases involve de facto separations where there has been no legal change of status, so they have been included in the separated category.

Figure 19: Age profile of mothers with children under 15 years, 2006



The age profile of lone parents does not match the stereotypical picture of teenage mothers sometimes painted in the media. Figure 19 shows that the largest group are those aged 25 to 34, who account for 42.2% of lone parents, followed by the 35 to 44 age group. Only 17% of lone parents are aged under 25 years and less than 2% are aged under 20. Nevertheless, lone mothers are younger than married or cohabiting mothers with children under 15. Only 2% of married mothers are aged under 25. Most married mothers are aged 35 to 44 years.

The age profile of lone parents is strongly related to their route into lone parenthood. Those who become lone parents through marital breakdown or widowhood are older than those who have never married. Similarly, lone parents living within a larger household are more likely to be younger than those who head a household: 39% of lone parents in multi-unit households are aged under 25, compared to 11% of those heading their own household.

Educational attainment

Lone mothers have significantly lower levels of education than married or cohabiting mothers (see Figure 20). Almost 13% of lone mothers

have no formal qualifications, compared to just 7% of other mothers. A further 27% of lone mothers have only lower secondary level qualifications, compared to 15% of married or cohabiting mothers. Lone mothers are also a lot less likely to have a third level qualification: only 18% fall into this category.

These education levels influence the types of jobs that lone mothers enter. Figure 20 shows that almost two-thirds of single lone parents are found in the second level education categories. Within the lone mother group, those who are divorced or separated have more diverse educational achievements: more of them are found both in third level education and with no qualifications.

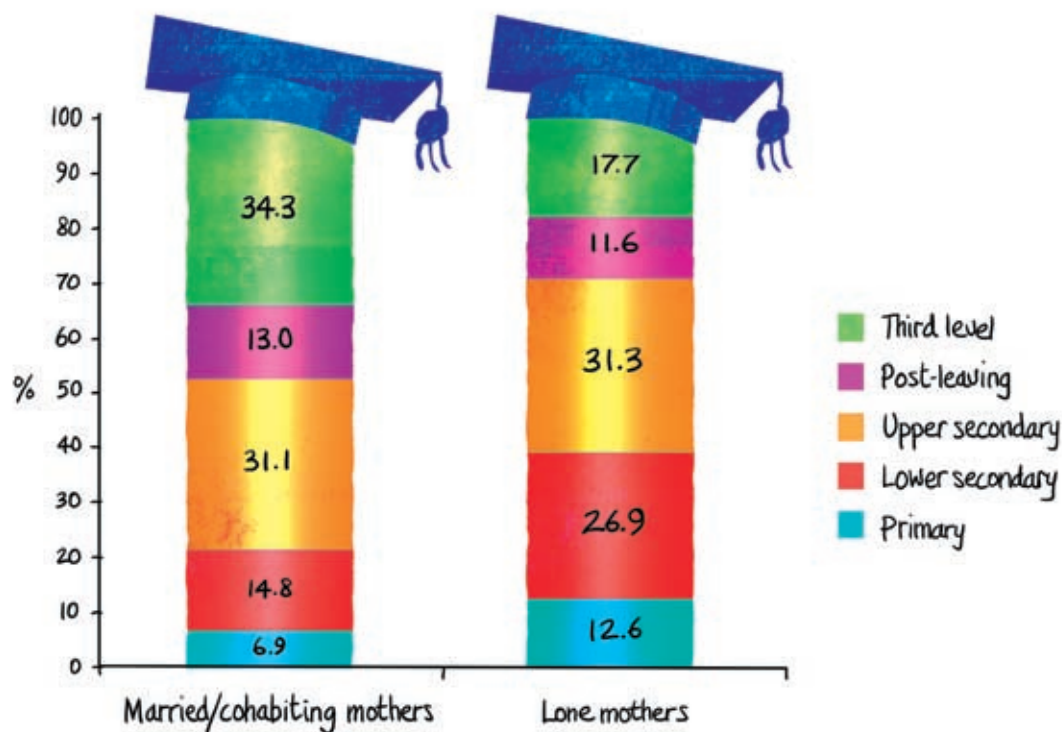
Housing tenure and location

Lone parents differ from other parents in terms of housing tenure.¹⁰ Figure 21 shows that almost 30% of lone parents are in local authority housing, compared to 7% of parents in couple households.¹¹ Lone parents are also much more

¹⁰ The tenure information was only available in the micro data QNHS Q2 2004.

¹¹ As this is a household level characteristic there is no need to select only women in couple households we can therefore keep lone fathers in the lone parent figures.

Figure 20: Highest educational attainment of mothers with children under 15, 2006.

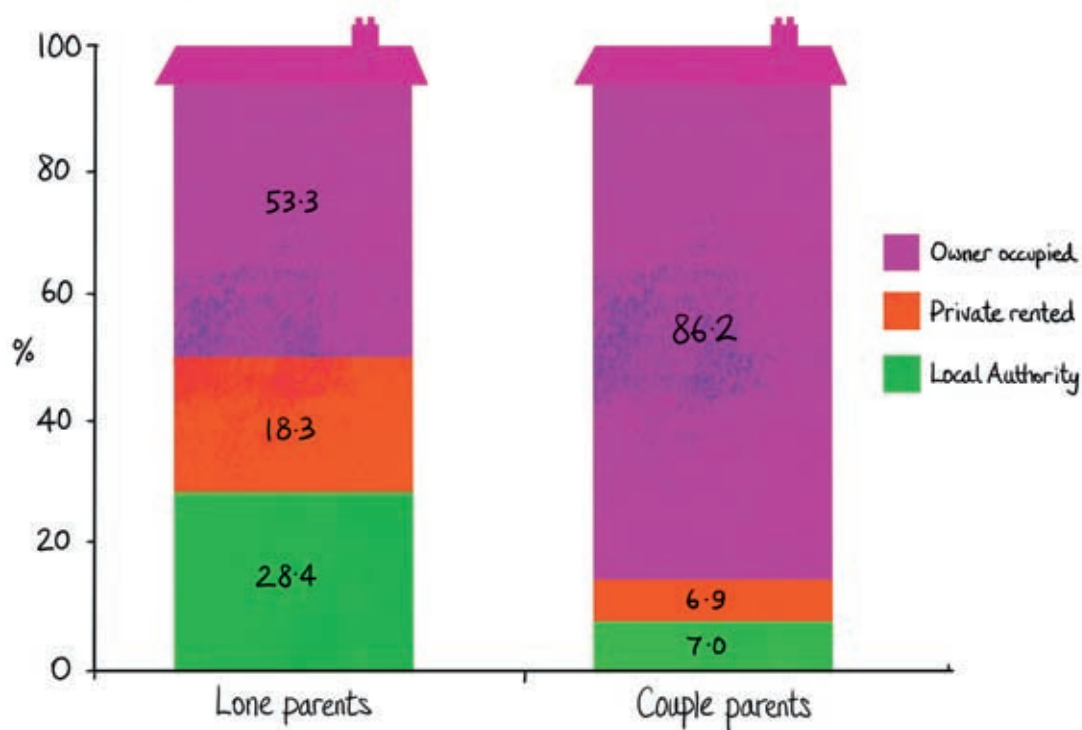


Source: ONHS, Quarter 2, 2006

likely to be in private rented accommodation and a lot less likely to own their own home. The type of housing occupied by lone parents is strongly related to their position in their households. Lone

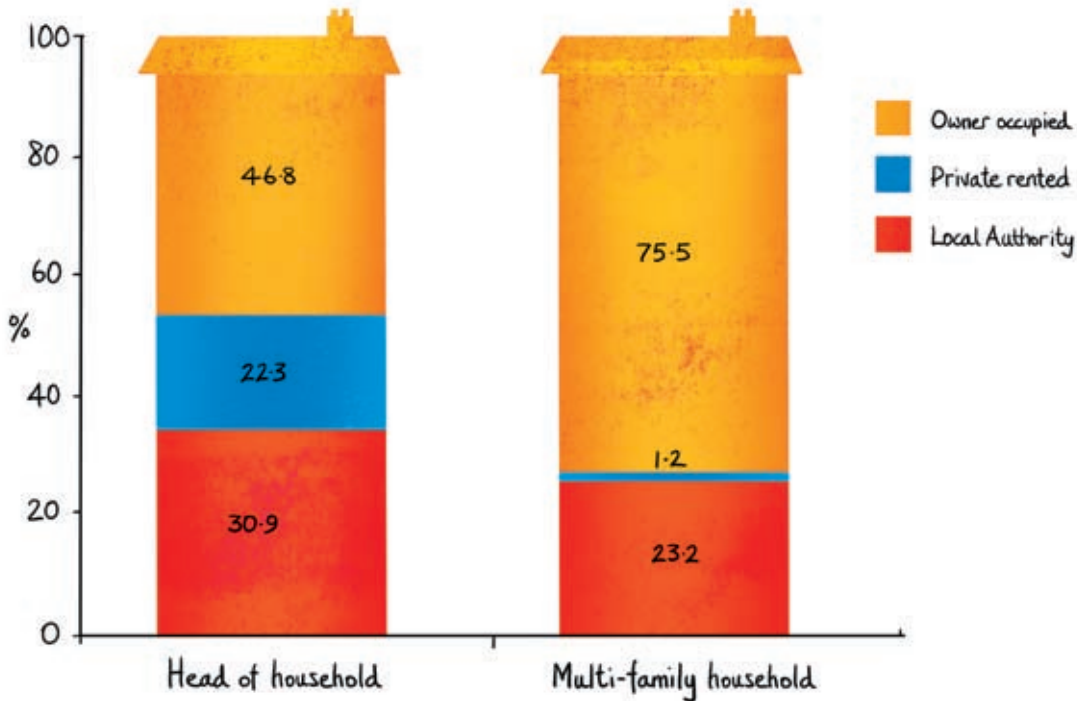
parents who head their households are more concentrated in the local authority and private rented sectors.

Figure 21: Type of housing tenure among lone parents and couple parents, 2004.



Source: ONHS, Quarter 2, 2004

Figure 22: Type of housing tenure among lone parents by household status, 2004.



Source: ONHS, Quarter 2, 2004

As we can see from Figure 22, three-quarters of lone parents who live with other family groups, largely their own parents, are in owner-occupied housing. This makes their housing situation more like that of married couples, but the main difference is that they do not own the home themselves.

At this point we focus on the geographical location of lone parents across counties and use figures from the Department of Social and Family Affairs. Table 4 presents the numbers of those receiving One-Parent Family Payment (OPFP) from 1999 to 2004 across all counties. In 2004, the largest number of people receiving OPFP (27,741) lived in Dublin (city and county). Next was Cork county, where fewer than one-third this number (8,201) were receiving OPFP. More than 3,000 people were receiving OPFP in Limerick, Donegal, Wexford and Galway.

Between 1994 and 2004, the counties featuring the largest number of recipients have stayed the same. These figures relate to total increases in those receiving OPFP, which are obviously affected by the size of the counties. But when we compare relative increases between counties, we get a slightly different picture. Between 1994 and 2004, the number of those receiving One-Parent Family Payment increased by 14%, but some counties recorded a much higher increase than others. Four counties, Carlow, Cavan and Kerry and Longford, recorded an increase of over 30% since 1999. Another seven counties experienced a rise of more than 25%. The lowest rate of increase was in Dublin county, where only an extra 2.8% received OPFP by 2004.

Table 4: County location of those receiving One-Parent Family Payment, 1999-2004

	1999	2000	2001	2002	2003	2004	% change
Carlow	912	1,011	1,052	1,136	1,158	1,193	30.8%
Cavan	597	663	726	760	813	839	40.5%
Clare	1,346	1,453	1,667	1,603	1,626	1,669	24.0%
Cork	7,109	7,502	7,686	8,079	8,130	8,201	15.4%
Donegal	2,470	2,642	2,773	2,985	3,098	3,209	29.9%
Dublin	26,983	27,774	28,056	27,820	27,374	27,741	2.8%
Galway	2,727	2,907	3,149	3,324	3,286	3,153	15.6%
Kerry	1,692	1,855	1,986	2,090	2,148	2,220	31.2%
Kildare	2,468	2,649	2,741	2,884	2,939	3,026	22.6%
Kilkenny	963	1,022	1,066	1,123	1,118	1,120	16.3%
Laois	704	782	856	889	898	902	28.1%
Leitrim	245	252	273	268	283	300	22.4%
Limerick	3,285	3,445	3,562	3,683	3,687	3,648	11.1%
Longford	539	553	598	659	703	709	31.5%
Louth	2,348	2,526	2,694	2,816	2,847	2,953	25.8%
Mayo	1,325	1,445	1,588	1,675	1,684	1,705	28.7%
Meath	1,540	1,639	1,731	1,862	1,896	1,975	28.2%
Monaghan	732	763	822	829	843	859	17.3%
Offaly	926	976	1,052	1,095	1,120	1,160	25.3%
Roscommon	459	474	532	562	568	559	21.8%
Sligo	814	866	900	920	935	869	6.8%
Tipperary	2,164	2,330	2,479	2,579	2,589	2,635	21.8%
Waterford	2,108	2,232	2,385	2,481	2,481	2,276	8.0%
Westmeath	1,158	1,234	1,370	1,449	1,450	1,487	28.4%
Wexford	2,471	2,646	2,845	2,984	3,032	3,129	26.6%
Wicklow	2,289	2,466	2,522	2,587	2,584	2,575	12.5%
Total	70,387	74,119	77,142	79,195	79,296	80,103	13.8%

Source: Department of Social and Family Affairs

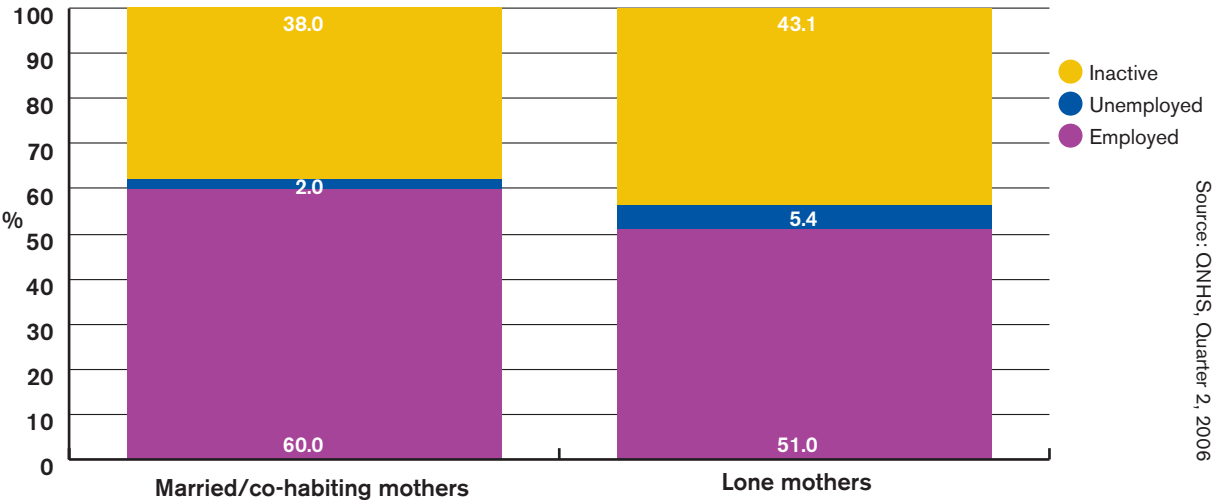
Labour market status

Lone mothers are less involved than married mothers in the labour force: 57% are active in the labour market compared to 62% of married mothers.¹² Where a greater difference emerges is

in the share of employed, inactive and unemployed mothers. In Figure 23, we see that a higher share of lone mothers (5%) are unemployed, than of married women with children under 15 years (2%). We also see that 51% of lone mothers are employed compared to 60% of other mothers. Levels of employment have grown significantly for both groups since 1997, when the rates of employment were 38% for lone mothers and 42% for married mothers with children under 15 years (Fahey and Russell, 2001, p. 52).

¹² Figures are based on principal economic status as defined by the respondent. The pattern of results is almost identical if we use an ILO definition of employment status. (The ILO definition classifies someone as employed if they carry out work for payment or profit for one hour or more during the survey reference week.)

Figure 23: Employment status of lone mothers and married or cohabiting mothers, 2006



It is generally known that women with higher levels of education are more likely to participate in the labour market. However, the labour market participation rate of lone mothers is even higher than one would expect given their educational levels. This becomes clearer when we compare the labour market situation of lone mothers with married or cohabiting mothers within educational categories (Figure 24). At the lower level of education, a higher share of lone mothers are in the labour market compared to other mothers,

and among those with higher educational levels the participation rates are almost identical for the two groups.

A slightly different picture emerges if we look at employment rates (Figure 25). Except for those at the lowest education level, lone parents have a lower employment rate than other mothers, although the differences are modest beyond the lower secondary level.

Figure 24: Labour force participation rates of lone and married or cohabiting mothers by education level, 2006

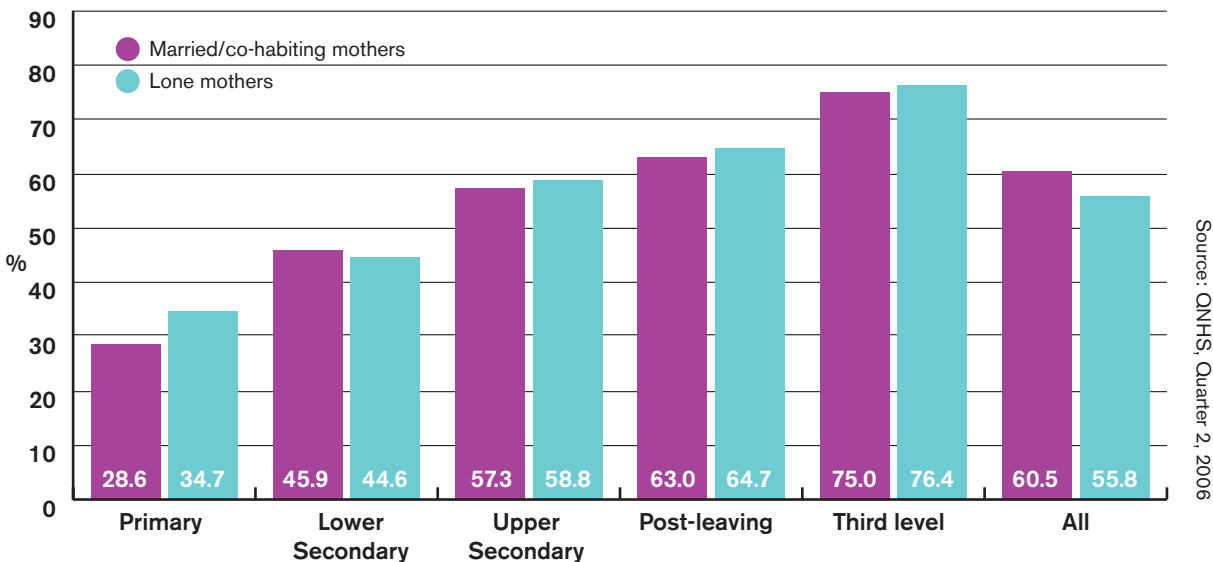
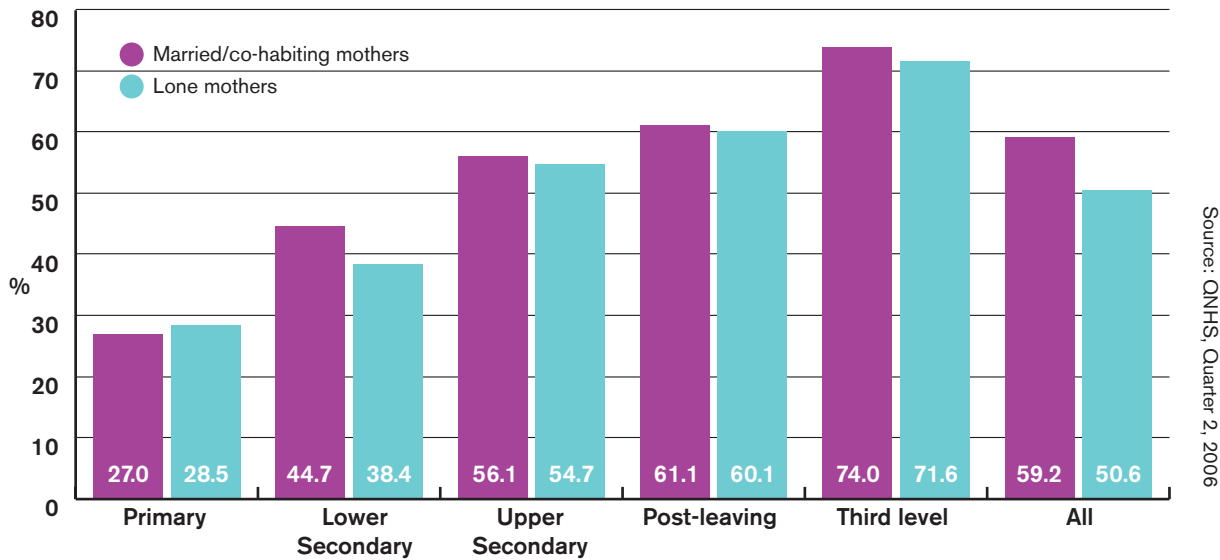


Figure 25: Employment rates among lone and married or cohabiting mothers by education level, 2006



Nature of employment among lone parents

Differences appear in the quality of employment between the two groups (see Figure 26). Employed lone mothers are under-represented in the top occupational groups. For example, only 8.4% of lone mothers are in the managerial category, compared with 12.6% of married or cohabiting mothers, and 6.6% are in the

professional category, compared with 15.2% of the other mothers. These gaps are also notable at the bottom end of the occupational scale: 24.5% of lone mothers are employed in personal services compared to 13.6% of other mothers. Part of the disadvantage experienced by lone mothers in the labour market reflects the fact that women in general have more difficulties in gaining access to employment in managerial and skilled manual occupations.

Figure 26: Occupational position of lone and married or cohabiting mothers with children under 15 years, 2006

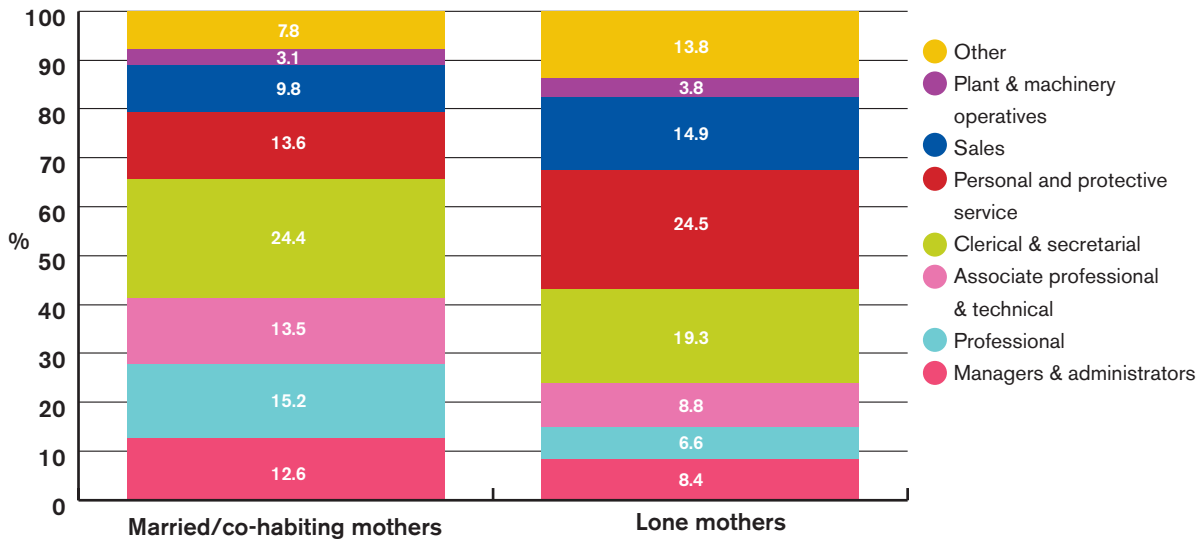
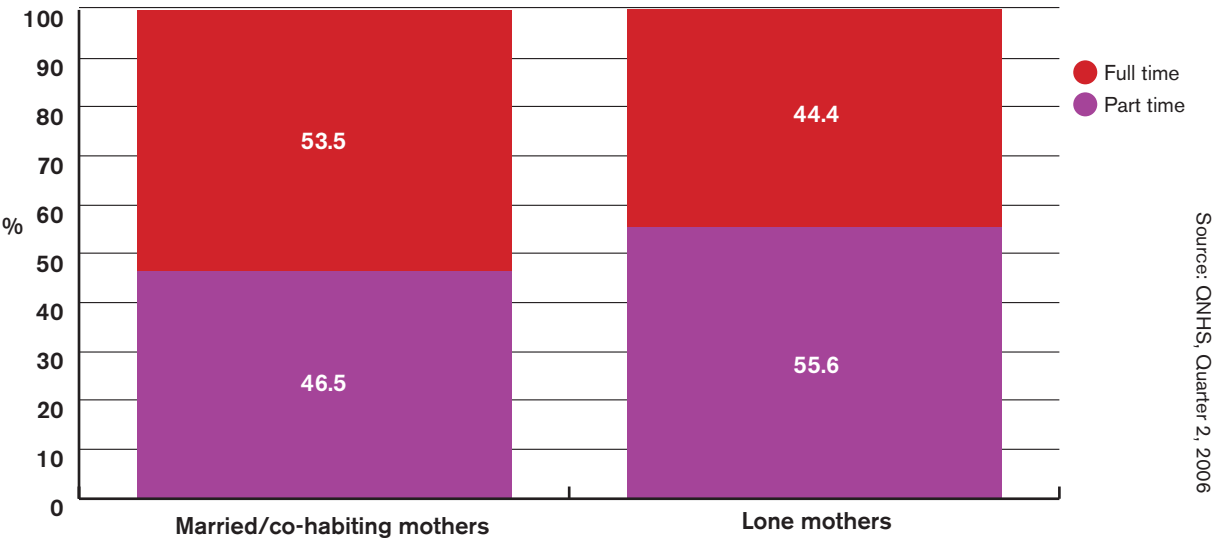


Figure 27: Full-time and part-time employment among working mothers with children under 15 years, 2006



Almost 56% of lone mothers in employment are working part-time, defined as less than 30 hours a week (see Figure 27). This compares to 46.5% of other mothers with children under 15 years and to 32% of all employed women. The relatively high level of part-time employment among lone parents is partly related to their involvement in part-time Community Employment (CE) schemes. It is likely that most participants in these schemes would define themselves as ‘at work’ and that they would also be defined as employed according to the International Labour Organisation (ILO) definition of employment.¹³ It is not possible to identify CE participants in the micro-data of the Quarterly National Household Survey (QNHS). However, FÁS figures for 2005 suggest that 7,000 lone parents were taking part in CE at the end of 2005.¹⁴ So it is likely that a large minority of the 49,359 employed lone parents recorded in the 2006 QNHS are likely to be in Government-supported employment. We should note, however, that the FÁS figures are based on those receiving One-Parent Family Payment and use a different age cut off. There are no up-to-date figures on what lone parents do after they finish CE schemes.

Nevertheless, the increase in employment among lone parents since 1997 occurred in spite of a cut-back in the number of places in Community Employment schemes in recent years. Clearly lone parents have benefited from the very large growth in employment among the population over the past decade.

Participation in training and education

Employment is a key factor in understanding the risk of poverty and social exclusion faced by lone parents. Education and training represent important routes to employment. As we have seen earlier, lone parents have relatively low levels of education.

A large number of lone parents (receiving OPFP) take part in Community Employment. This scheme is attractive to lone parents because it is part-time, provides access to childcare and does not affect benefit payments. The figures outlined in Table 5 relate to 2005 and suggest that relatively few lone parents are involved in other forms of publicly-supported training. Of lone parents who finished training in 2005, 89% were in CE schemes, where they made up just under a third of all participants. Lone parents are also over-represented in the Social Economy and Job Initiative programmes, possibly because these offer childcare. They are under-represented in all other training programmes.

13 People who worked in the week before the survey for one hour or more for payment or profit, including work on the family farm or business and all people who had a job but were not at work because of illness, holidays etc. in the week.

14 Figures provided directly by FAS.

Table 5: Lone parents' participation in training and work programmes, 2005

Participants in FAS schemes 2005	All	Lone parents	Lone Parents as % of total
Total	75,332	9,832	13.1
Wider Horizons	181	1	0.6
Community Training Centres	1,834	111	6.1
Local Training Initiatives	2,634	160	6.1
Linked Work Experience	227	10	4.4
Specialist Training Providers	1,500	40	2.7
European & other initiatives	105	2	1.9
Social Economy	696	166	23.9
Community Employment	29,385	8,762	29.8
Job Initiative	1,966	464	23.6
Employment Support Scheme	54	1	1.9
Apprenticeship	17,748	3	0.0
Bridging / Foundation	6,468	50	0.8
Return to Work	1,229	4	0.3
Specific Skills Training/JTS	6,840	42	0.6
Traineeship	2,042	14	0.7
Sponsored Training	2,423	2	0.1

Figures provided by FAS.

In this table, we regard lone parents as those receiving One-Parent Family Payment.

In many cases, lone parents make up less than 2% of the total number of participants. We lack up-to-date figures for the Vocational Training Opportunities Scheme (VTOS), but figures for 2000 suggest that lone parents made up 12.2% of all participants in this programme. It is a matter of concern that lone parents are concentrated in the schemes that are least successful in helping people access employment and are extremely under-represented in skills training, which is most effective (Fitzpatrick Associates, 2003).

The Back to Education Allowance (BTEA) provides a further support for education. In 2004/5, 1,514 lone parents claiming One-Parent Family Payment took part in the BTEA scheme from a total of 7,308 participants. Most of these lone parents were involved in third level education, with only 35 enrolled in second level. The numbers of lone parents claiming this allowance has increased since 2001/2, but there is still room for increased involvement especially among those with low initial qualifications

(Government Discussion Paper, Proposals for Supporting Lone Parents, p. 87).

Lone parents' access to childcare

A number of studies have highlighted the cost of childcare as a very large barrier to lone-parents taking up employment, education and training, especially because of the low earnings and incomes of this group (NESF, 2001; Russell *et al.*, 2000; Russell and Corcoran, 1999). Figures from the Equal Opportunities Childcare Programme show that children of lone parents represent about 19% of all children attending services supported by the programme (ADM, 2005). But according to the Census 2002, only 12% of children under 15 live in lone parent families. This suggests that children of lone parents are slightly over-represented in Government-supported childcare. However, while children of lone parents have greater access to childcare, we need to look at this finding in terms of lone parents' much lower

Table 6: Main type of childcare among those using non-parental care, 2002

	Pre-school children		Primary school children	
	Lone parents	Couples	Lone parents	Couples
Unpaid relative/friend	41%	28%	50%	40%
Paid relative/friend	13%	12%	13%	15%
Paid carer	14%	32%	24%	35%
Crèche/Montessori etc.	26%	24%	6%	6%
Other	6%	4%	6%	3%
	100%	100%	100%	100%

Source: QNHS Childcare Module 2002, based on figures published by the CSO 2003.

ability to afford private childcare services (Government Discussion Paper, Proposals for Supporting Lone Parents, 2006).

In Table 6, we see that there are some notable differences in the type of childcare used by lone and couple parents. Among parents who rely on non-parental care, couple parents are much more likely to use paid carers, while lone parents are more dependent on informal unpaid arrangements. This pattern holds whether we focus on care for pre-school or primary school children. However, the share using centre-based care is very similar for both groups of parents of both age groups.

Socio-economic circumstances of lone parent households

The Quarterly National Household Survey does not contain information on the financial situation of individuals or households. So to examine issues of income, poverty and deprivation, we turn to the EU Statistics on Income and Living Conditions (EU-SILC) 2005 for the most accurate information. For this section, we can apply our preferred age cut-off of 18 for children.

We saw previously that most lone parents head their own households. The rest of those parenting without a spouse or partner are in fact living in households with other adults. Often these are multi-generational households (for example they may include the lone parent's own parents), but sometimes one of the adults is a child of the lone parent who is aged 18 or

over. This household situation for lone parents and their children considerably influences their incomes, living standards and other aspects of disadvantage.

Whelan *et al.* (2005) showed in 2001 that exactly a third (33%) of all lone parents and their children had household income below 60% of the median, but that 43% of people in households headed by a lone parent faced the same situation. The research also found that 27% of all lone parents reported that they were deprived of at least one item from a set of eight basic items, but 40% of those in lone-parent headed households had the same level of deprivation. For this reason, in the section dealing with income and standards of living, we decided to focus our analysis on 'single-adult-with-children-only' households, so excluding multi-generational households and households where one or more of the lone parent's children is over 18.

Household income

We begin by looking at household income and compare the situation of households headed by lone parents to those of two-parent households. The household income measure includes income for all members and from all sources. We take household size and composition into account by calculating 'equivalised income'.

From Figure 28 we can see that the average equivalised income of lone parent headed households is a lot lower than that of two-parent households and is also well below the average for all households. Two-parent households have

Figure 28: Average annual household equivalised income for lone parent and two-parent households, 2005.



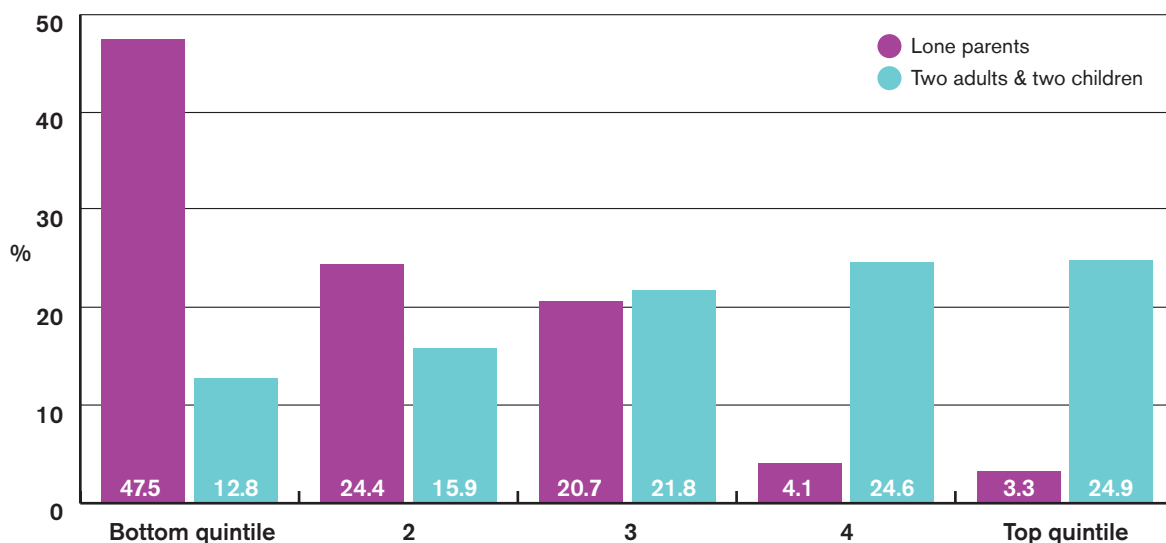
Source: EU-SILC 2005
Parents with children under 18 years

over 80% more income than do lone-parent households.

Average annual income is a very summary measure of the income distribution. So we look next at how lone parent households and two-parent households are distributed across income quintiles (Figure 29). These figures show that lone parent households are very highly concentrated in the

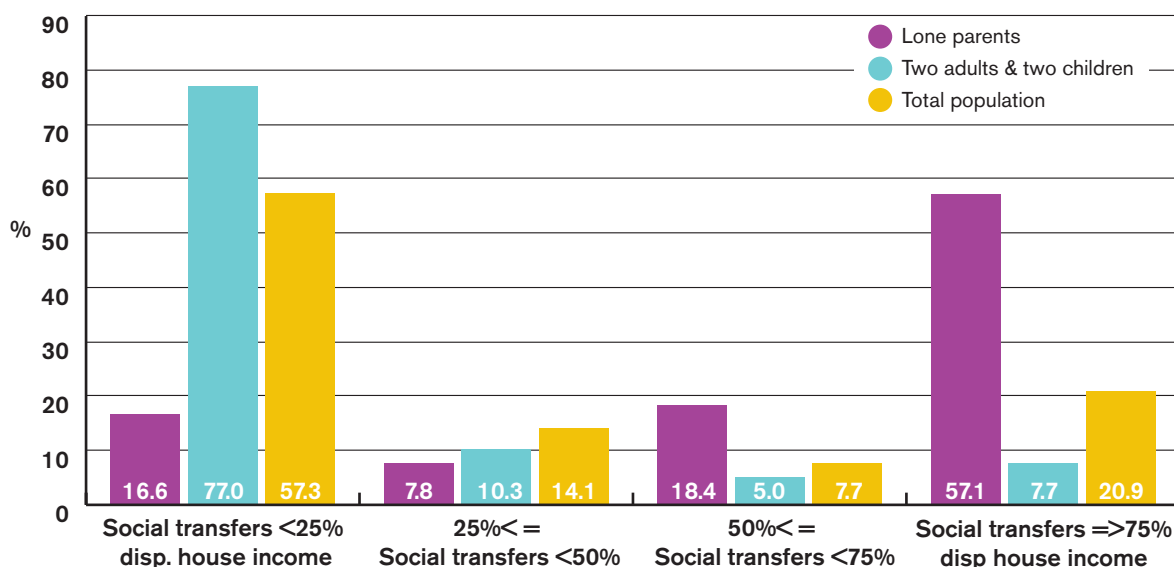
bottom end of the income distribution. Almost half of lone parent households are found in the bottom fifth of the income distribution and a further 24% are in the second bottom quintile. This compares to just 29% of two-parent households with children who fall into the bottom two quintiles. At the other end of the income range, 3% of lone parent households are located in the top income quintile, compared to 25% of two parent households.

Figure 29: Household equivalised income quintile position of lone parent and two-parent households, 2005



Source: EU-SILC 2005
Parents with children under 18 years

Figure 30: Reliance on social transfers, 2005



From Figure 30 we see that the income level of lone parent households is strongly connected to their level of reliance on social transfers. Over half of lone parent households (57%) receive three-quarters or more of their household's income from social welfare. Only 8% of two-parent households with two-children under 18 are in the same situation. As a result, the reliance on social transfers for lone parents is seven to eight times greater than two-parent households with two-children. A further 18% of lone parents rely on the State for 50% to 75% of their household income, compared to 5% of two-parent households with two-children who have the same reliance. Even though a similar proportion of lone mothers and married mothers are in work, the difference in income level arises because, unlike married mothers, lone mothers who head their own households do not live with another adult in employment. Lone parents who are not employed are likely to be wholly dependent on State benefits. The One-Parent Family Payment is available to those in employment earning up to a relatively generous threshold,¹⁵ so even among those in employment, a large share of income is likely to come from social transfers.

The gap between lone parent households and others needs to be placed in the context of the large increase in the number of households with more than one earner. Russell *et al.* (2003) show that the number of households in which all adults were at work increased from 35% in 1994 to 46% in 2001.

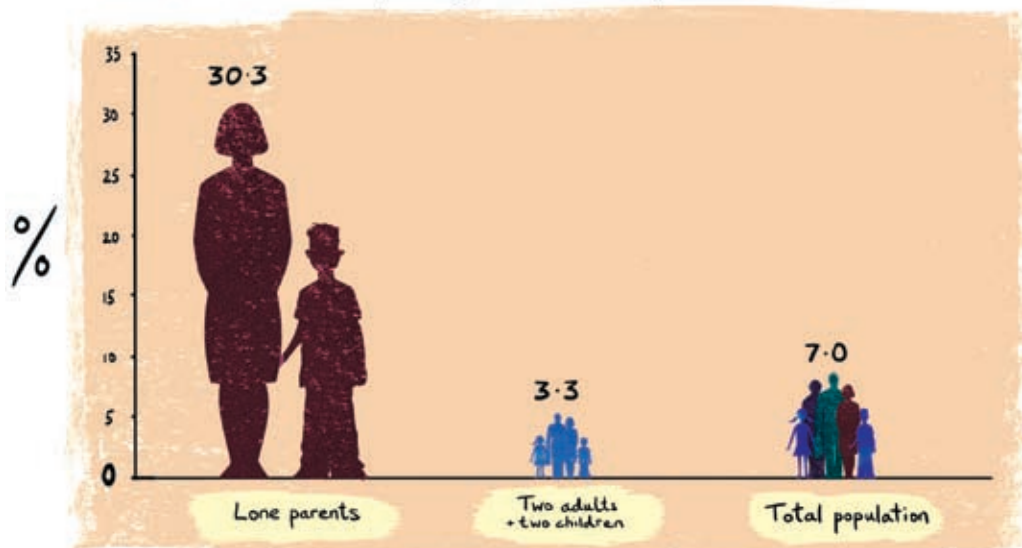
Consistent poverty

Income provides only a partial insight into the standard of living of households. Measures of deprivation are a valuable and complementary source of information in measuring poverty. As we noted earlier, consistent poverty is the principal measure used by the Irish Government in setting targets to reduce poverty. This measure focuses on people who are both on low incomes and experiencing deprivation in terms of a set of 11 items they cannot afford to have or do.

In Figure 31 we focus on the 11-item deprivation index, which forms the basis of the consistent poverty measure in the new NAPinclusion. Lone parent households are known to experience high consistent poverty rates: 30.3% were in consistent poverty in 2005, compared to 3.3% for two-parent households with two-children and 7.0% for the population as a whole.

¹⁵ In 2006 OPFP claimants could earn €146 per week while keeping the full benefit. Those earning between €146 and €375 qualified for a reduced payment. Those who earned more than €375 could continue to claim a transitional half-rate payment for a further 6 months.

Figure 31: Consistent poverty rates for lone parents, 2005



Source: EU-SILC, 2005
Parents with children under 18 years

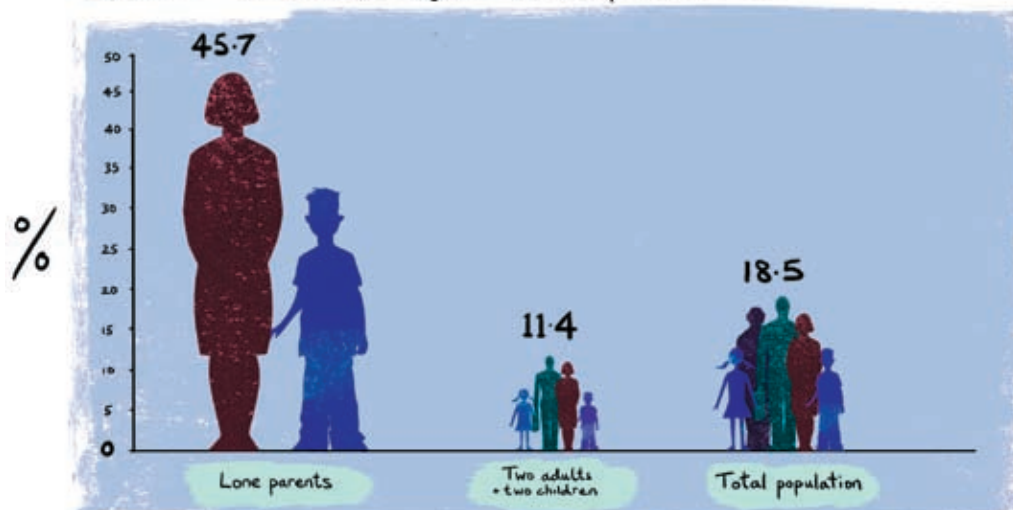
Trends over time from the Living in Ireland Survey suggest that consistent poverty among lone parents fell significantly between 1994 and 2001 (Whelan *et al.*, 2005, p. 38). The EU-SILC 2005 produces much higher estimates of consistent poverty than the 2001 LIIS, but this should not be interpreted as a reversal in the trend because the change in series makes the figures incomparable (CSO, 2005). The comparisons between lone parent households and the whole population are very similar in 2005 and in 2001, despite the change in series. At both points, the consistent poverty rate among lone parents is four and a half times higher than the average (see Government Discussion Paper, Proposals for Supporting Lone Parents, 2006).

'At risk of poverty'

We now turn to relative income poverty, also known as the 'at risk of poverty' indicator. A person is said to be 'at risk of poverty' when their household receives less than 60% of median income. The definition reflects the fact that not all those with low incomes experience deprivation, but the measure has particular problems in a period of a very rapid rise in living standards.

Figure 32 shows that lone parent households have much higher 'at risk of poverty' rates than average. Almost half of lone parent households earn less than 60% of median income, so falling into the 'at risk of poverty' category. This rate

Figure 32: 'At risk of poverty' rates for lone parents, 2005



Source: EU-SILC, 2005
Parents with children under 18 years

compares to 18.5% for the whole population and is nearly four times higher than the rate of 11.4% for two-adult households with two-children.

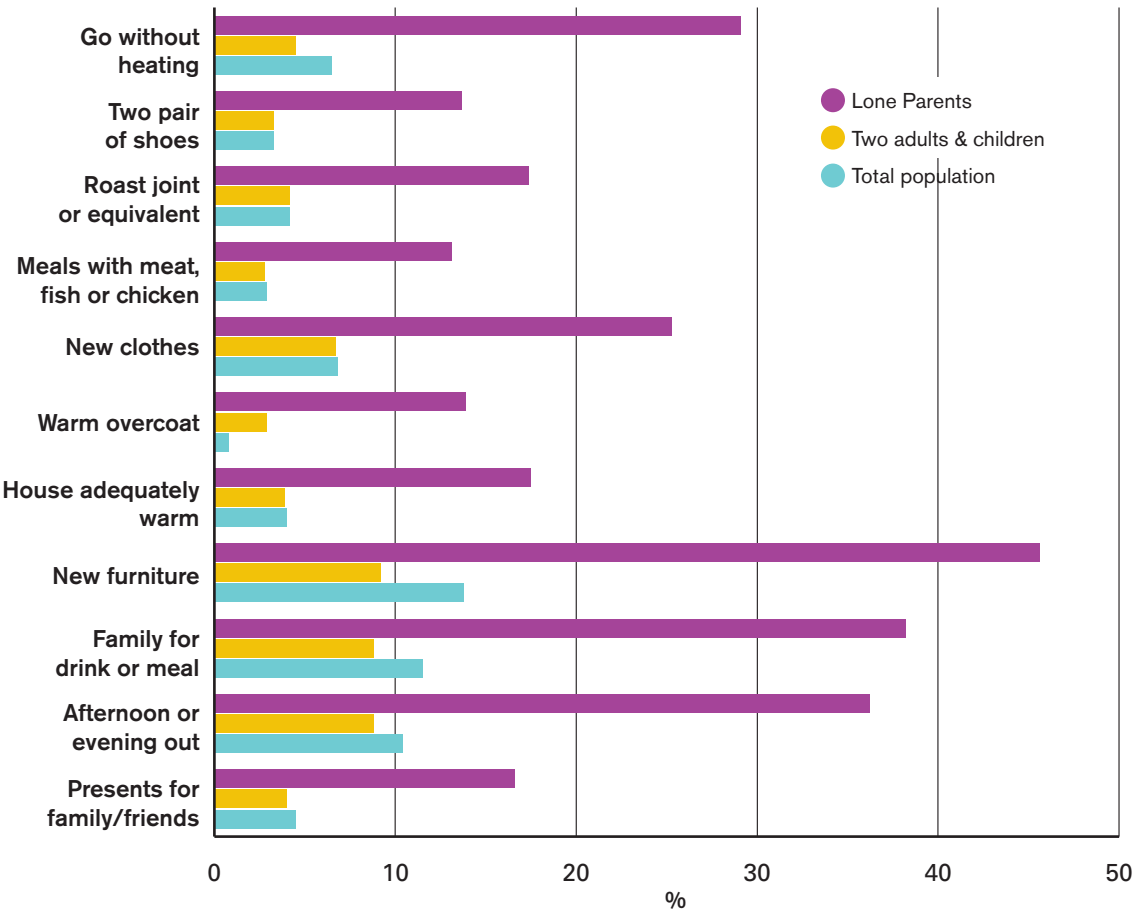
Figures from the Living in Ireland Surveys (LIIS) suggest that the share of lone parents who fall below the 'at risk of poverty' threshold has increased over time, from 36% in 1994 to 43% in 2001 (Whelan *et al.*, 2005). This is slightly higher than the increase for the whole population over the same time period (from 16% to 22%). The initial EU-SILC results for 2003 suggested that this trend continued. However, because of the change in series we should be extremely cautious about comparing the two sets of figures. On the other hand, EU-SILC results for 2005 show that the 'at risk of poverty' rate for lone parent households went down from 49% in 2003 to 41% in 2005. A breakdown of this 'at risk of poverty' rate by gender shows that the reduction is more due to the fall in the 'at risk of

poverty' rate for females (from 48% to 38%) than for males (51% to 47%).

Types of deprivation

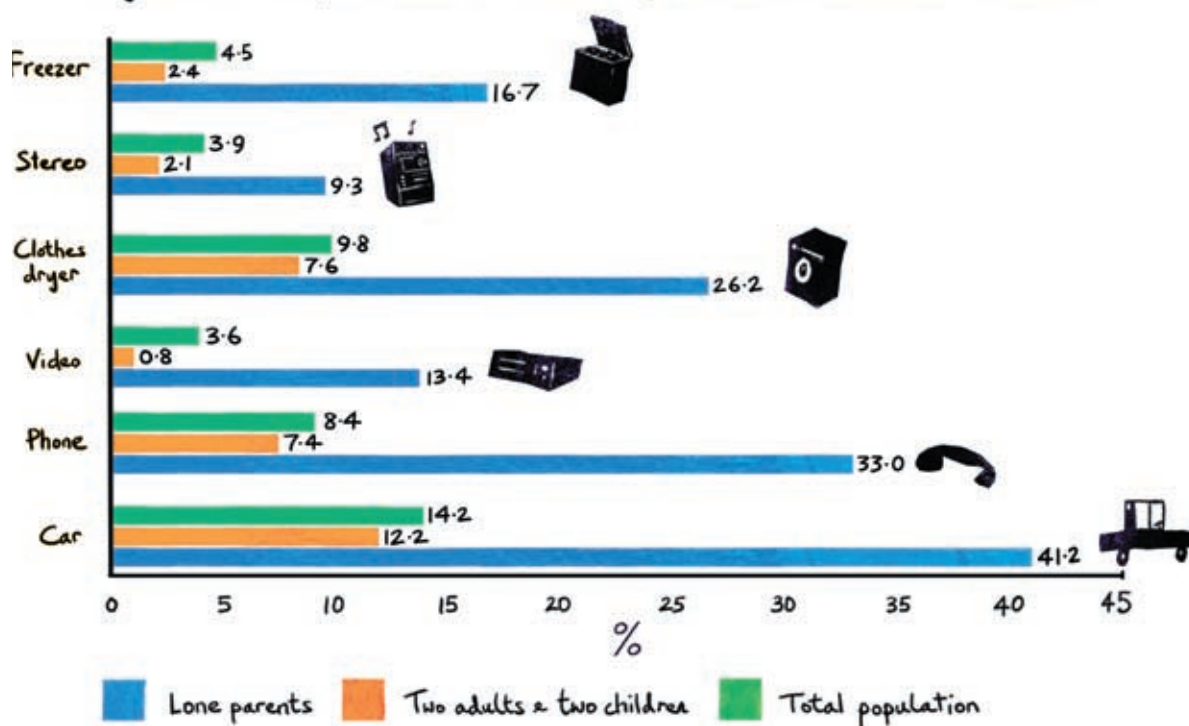
In Figure 33 we look at the levels of deprivation for each of the 11 basic items broken down by type of household. For three of these items, more than one in three lone parent households are deprived. For new furniture, 46% of lone parent households are deprived, for being able to have family or friends for a drink or meal the rate is 38% and for being able to afford an afternoon or evening out the rate is 36%. For going without heating and new clothes, the figure is 25% or above. For the rest of the items, the figure ranges between 13% and 18%. On the other hand, the level of deprivation for two-adult and two-children households does not rise above 10% for any of the indicators. For seven of the 11 items the level

Figure 33: Deprivation levels on basic items for lone parent households, two-adult-two-children households and the population as a whole, 2005



Source: EU-SILC, 2005
Parents with children under 18 years

Figure 34: Deprivation in terms of selected consumer durables



Source: EU-SILC, 2005
Parents with children under 18 years

of deprivation is below 5%. For the population as a whole the level of deprivation goes above 10% in only three cases: afternoon or evening out, family or friends for a drink or meal, and new furniture.

Deprivation of consumer durables

In Figure 34, we look at access to a range of widely available consumer durables. Again, lone parent households differ greatly from other households. Lone parent households are disadvantaged across the whole range of items considered. Over 40% of lone parent households cannot afford a car compared to 14% of all households and 12% of two-adult and two-children households. This is likely to affect ability to access jobs and services, particularly for lone parents living outside the main cities. A similar pattern emerges for other consumer items. For example, 26% of lone parent households cannot afford a clothes dryer while 33% cannot afford a fixed line telephone. This compares with less than 8% of two-adult and two-children households for both of these items. Of course, if we look at these findings without comparing different household types, the fact that so many lone parent households can afford

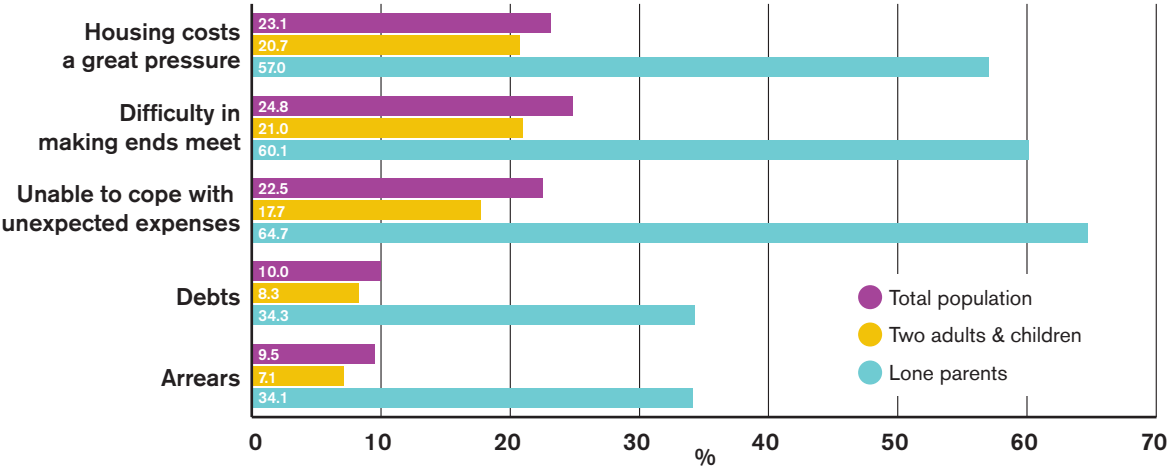
these items reflects the general increase in living standards since the early 1990s.

Subjective economic pressure

The poverty and deprivation experienced by lone parents compared with the whole population are reflected in subjective experiences of economic pressure – those reported by lone parents themselves – as outlined in Figure 35. Overall, 60% of lone parent households report that they find it difficult to make ends meet. This compares to just 25% of the population as a whole. Similarly, 65% of lone parent headed households say they are unable to cope with unexpected expenses and 57% report that housing costs are a great pressure. These rates are three to five times higher than those for two-adult and two-children households and are far higher than the rates for households as a whole. The economic difficulties of lone parent households are shown by the fact that 34% have debts arising from routine expenses and are in arrears on their rent or mortgage or in hire purchase repayments.

Source: EU-SILC, 2005
Parents with children under 18 years

Figure 35: Subjective economic pressures, 2005



Economic vulnerability

The final measure of economic situation that we examine is ‘economic vulnerability’. This is captured by combining information about whether a household is below the ‘at risk of poverty’ threshold, experiences enforced basic deprivation and reports difficulty in making ends meet. This method identifies 20% of the population as economically vulnerable. From Figure 36, we can see that the share of lone parent households defined as economically vulnerable is over 60%, compared with 13% of two-adult and two-children households.

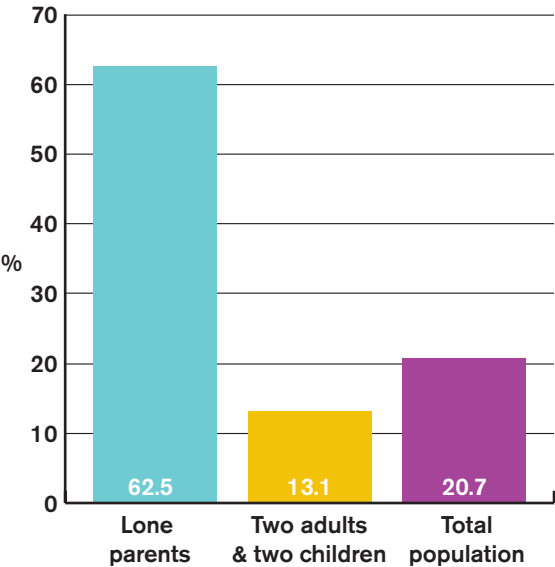
These socio-economic results show that relative to other household types, lone parent households are seriously disadvantaged across a range of measures of current living standards and in terms of their long-term resources and vulnerability to future economic hardship.

Future prospects and data needs

The number of lone parent families in Ireland has been increasing steadily over the last two decades, but there are a number of signs that this is beginning to level off. The share of all families with children that are lone parent families has remained stable for the last four years, as has the number claiming One-Parent Family Payment. So it is unlikely that the very rapid growth in recent decades will continue into the future. However, lone parents are likely to continue to account for a large portion of families with children in Ireland. Consequently, tackling the very considerable levels of poverty and deprivation experienced by these families remains a matter of priority.

Upward trends in the labour market participation and employment of lone parents suggest that lone parents have responded to employment growth and to changes in the benefit system designed to encourage people to work. Nevertheless those parenting alone face continuing difficulties in combining employment and care for their children. Without a partner to share caring responsibilities, lone parents

Figure 36: Levels of economic vulnerability, 2005



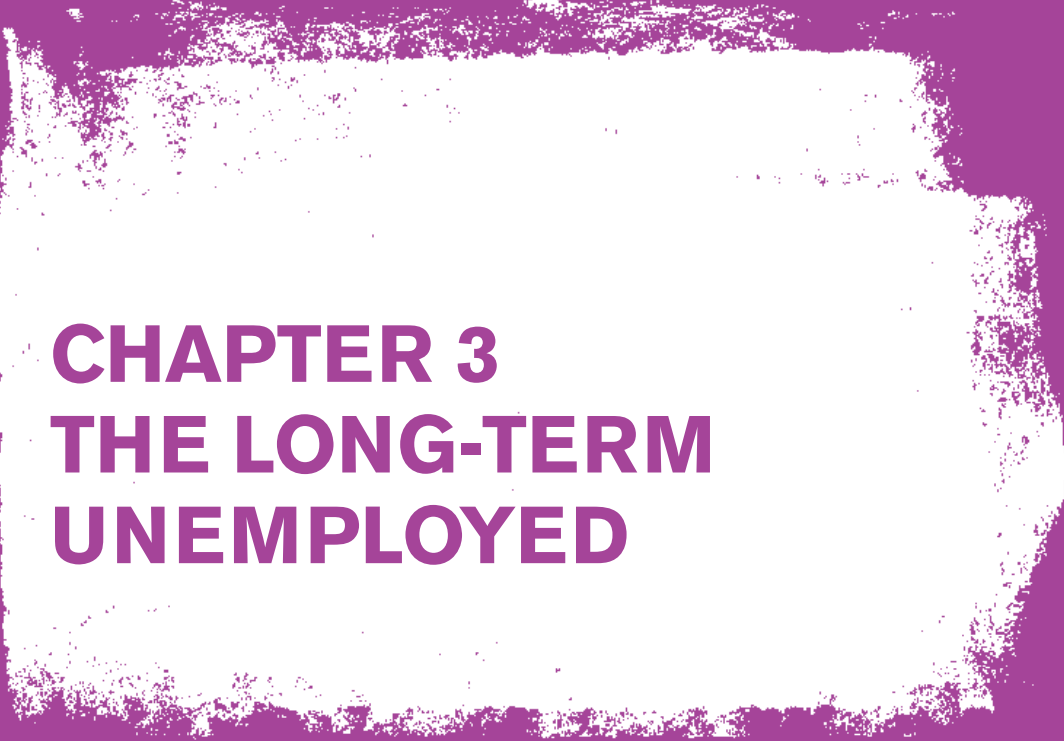
Source: EU-SILC, 2005
Parents with children under 18 years

rely much more on childcare arrangements (be they formal or informal) and on flexible working arrangements to work or take part in education or training courses. So a continued increase in employment among this group depends on developments in childcare and on flexible work and training options.

There remain a number of large gaps in our knowledge and in the existing data relating to lone parents. The most basic of these relates to the number of lone parent families in Ireland. As noted at the start of this report, the definitions of lone parent families vary between data sources. This coupled with differences in data collection, mean that the estimates of the number of lone parents tend to vary from source to source.

We also lack knowledge about the paths followed by lone parent families over time. For example do they enter partnerships or remain lone parent families for extended periods? We are currently restricted to examining snapshots of lone parent families at different points in time. The number of lone parent families captured in the Living in Ireland Survey is too few to allow us to reach reliable conclusions regarding change over time. The new National Longitudinal Survey of Children – *Growing Up in Ireland* – will help fill this information gap. Data collection began for the nine-year old cohort (group) in May 2007, while the survey of children at birth is scheduled for early 2008. The data will be an enormous source of information for studying family life in Ireland. Understanding the duration of lone parenthood and being able to separate its causes from its consequences through information gathered over time is essential from a policy perspective.

Growing up in Ireland also aims to provide valuable information on the features of non-resident parents and the nature of their relationship with their children. This important aspect of family life is currently absent from the picture provided by national statistics. Filling this gap will help shed light on the degree of 'loneness' in the parenting experienced by lone parent families.



CHAPTER 3

THE LONG-TERM UNEMPLOYED

We now turn to long-term unemployed people. With unemployment falling dramatically from the mid-1990s, the numbers in long-term unemployment are very much lower than they once were.

However, the risk of poverty and exclusion facing this group remains high and they continue to be a focus for policy. We begin with a discussion of how the long-term unemployed are identified and measured as a group, before looking at their features and their socio-economic circumstances.

What is long-term unemployment?

The extent of unemployment and how it is changing over time are currently measured in Ireland, as in many other countries, primarily through regular large-scale household surveys. The Quarterly National Household Survey (QNHS), carried out by the Central Statistics Office, provides the main measures of employment and unemployment based on a representative sample of the population. This is complemented by the Census of Population. Data on the numbers 'signing on' for social welfare provide useful information on those who are counted on what is known as the Live Register, but they do not provide a reliable base for measuring trends in unemployment. This is because some unemployed people do not appear on the Live Register and some of those on the Register would not meet the usual conditions for defining and measuring unemployment. Most importantly, these include the condition that the person must not be working but must be available for and actively seeking work.

We need to explain how we define the terms 'not at work', 'available for work' and 'actively seeking work' before using a concrete measure of unemployment. The Quarterly National Household Survey (QNHS) counts as unemployed those who:

- did not work for an hour or more for pay or profit in the week before the survey,
- are available for work within the next two weeks, and
- had taken specific steps in the previous four weeks to find work.

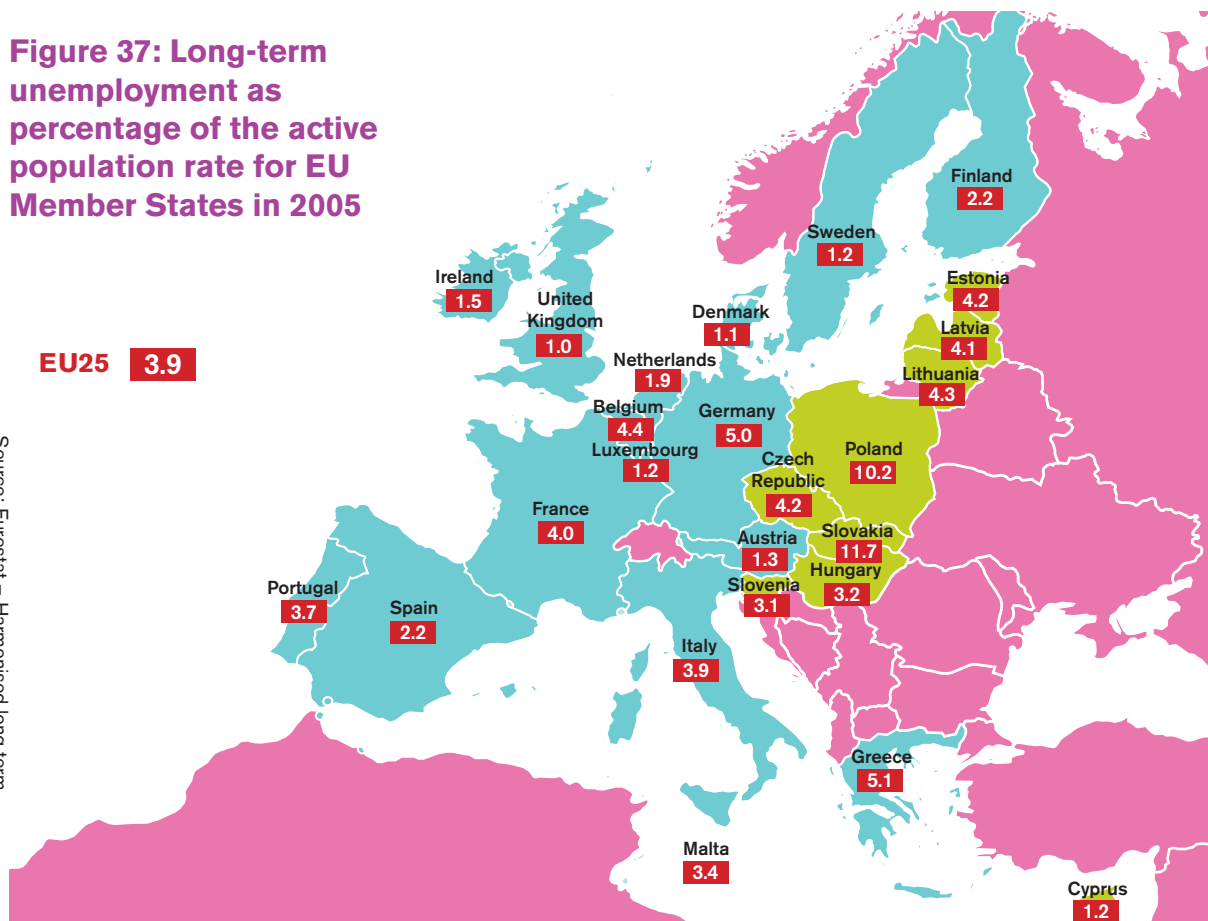
This definition matches the approach usually adopted by statistics offices elsewhere. The length of unemployment is measured as 'the length of time since a person last had a job or began looking for work, whichever is the most recent'. Long-term unemployment is normally measured using a cut-off of 12 months. In other words, the long-term unemployed are those who are measured as unemployed for a year or more.

How many are long-term unemployed?

Figures from the QNHS show the long-term unemployment rate at 1.2% of the total labour force in the first quarter of 2007, its lowest level since the middle of 2002. The long-term unemployment rate has been below 2% since 2000, in contrast to earlier periods: as recently as 1997, the long-term unemployment rate was close to 6%. With the overall unemployment rate currently at just over 4%, this means that long-term unemployment comprises almost 30% of total unemployment. Once again that is a good deal lower than a decade ago, when long-term unemployment accounted for as much as 54% of total unemployment.

Figure 37: Long-term unemployment as percentage of the active population rate for EU Member States in 2005

Source: Eurostat – Harmonised long term unemployment rate – annual data



With the labour force currently standing at just over 2 million people, the total number counted as unemployed in the QNHS is 91,800, of whom 26,000 are long-term unemployed. The numbers in long-term unemployment in the QNHS have varied between 20,000 and 30,000 since 2000, having been as high as 90,000 in 1997. (In other words, the number in long-term unemployment a decade ago was about the same as the overall number of unemployed people currently).

In Figure 37, we show the variation in the long-term unemployment rate for EU Member States in 2005. The overall EU rate is 3.9%. Across countries, it ranges from a low of 1.0% in the UK to a high of 11.7% in Slovakia. Ireland is at the lower end of the scale.

Where do the long-term unemployed live in Ireland?

In Table 7 we show the spread of long-term unemployment and overall unemployment by planning region and regional authority. The QNHS shows that 70% of the long-term unemployed are in the Southern and Eastern region while 30% are in the Border, Midlands and Western region. This broadly reflects the spread of the overall unemployed population. Over one in four of the long-term unemployed are found in Dublin. The remainder are spread relatively evenly across the other regions with the highest segment of 16% being found in the Border region and the lowest of 4% in the Midlands.



Table 7: Long-term unemployment composition by planning region, 2006

	Long term unemployed %	Total unemployed %
Border	15.9	13.1
Midlands	4.1	4.2
West	10.3	10.0
Mid-West	11.8	9.6
South-West	11.4	12.9
South-East	12.5	12.5
Mid-East	7.7	7.8
Dublin	26.2	30.0
BMW*	30.3	27.3
S&E*	69.7	72.7

Source: QNHS, Database direct, Quarter 4, 2006

* Border, Midlands and Western

** Southern and Eastern

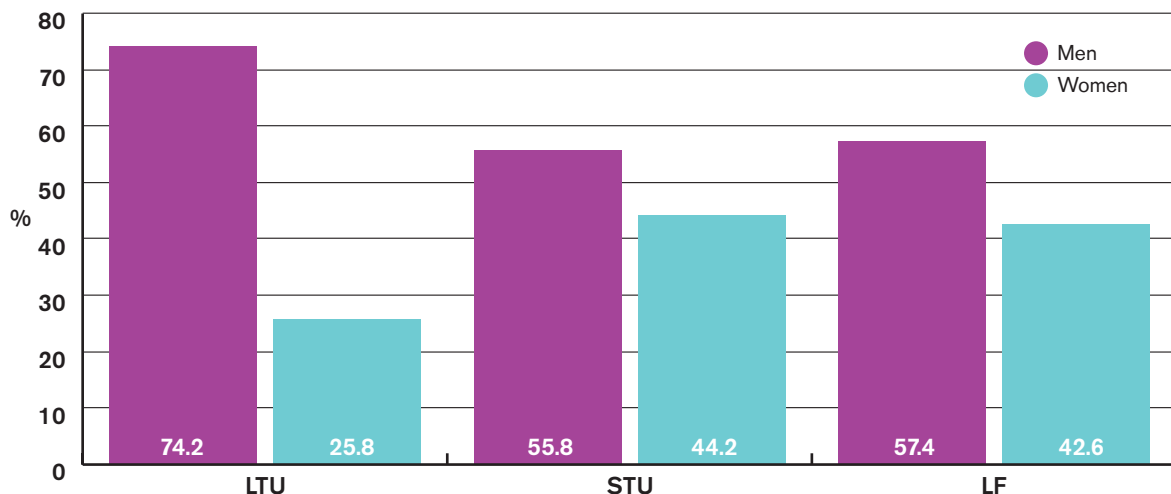
Who are the long-term unemployed?

Published results from the QNHS provide a broad picture of the long-term unemployed by age and gender. Figure 38 compares the gender breakdown of the long-term unemployed with that of the short-term unemployed and of the labour force as a whole. We see that three-quarters of the long-term unemployed are men and a quarter are women. In contrast, the gender

breakdown of short-term unemployed and the labour force as a whole are similar, with around 56% being men and 44% being women.

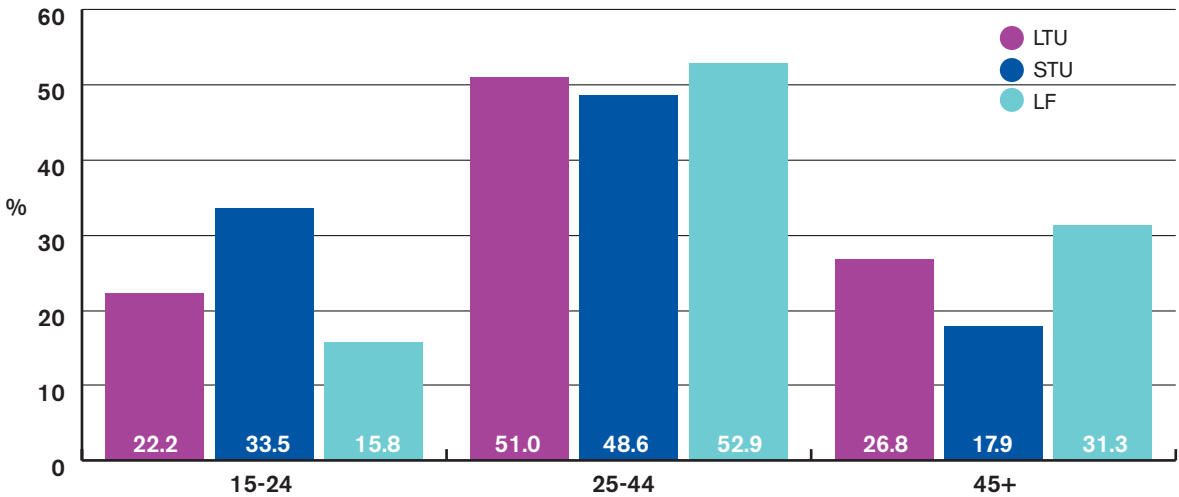
This means that the long-term unemployment rate is a good deal higher for men (at 1.6%) than for women (at 0.7%). The short-term unemployment rate, on the other hand, is higher for women: 3.1% versus 2.9% for men. As a result, the overall unemployment rate is slightly higher for men.

Figure 38: Long-term unemployed (LTU), short-term unemployed (STU) and labour force (LF) by gender, 2007



Source: QNHS, Quarter 1, 2007

Figure 39: Long-term unemployed (LTU), short-term unemployed (STU) and labour force (LF) by age group, 2007



Source: QNHS, Quarter 1, 2007

The profile of the long-term unemployed by age is also distinctive, as shown in Figure 39. We see that the long-term unemployed are on average older than those who are short-term unemployed. Those aged 45 or over make up 27% of long-term unemployed people but only 18% of the short-term unemployed. In addition, only one in five of the long-term unemployed are aged between 15 and 24. One-third of the short-term unemployed are in this age group. The 25-44 age group make up half of each group. So the contrast between the groups relates to the over-representation of the long-term unemployed among those aged 45 or over and of the short-term unemployed among those aged between 15 and 24.

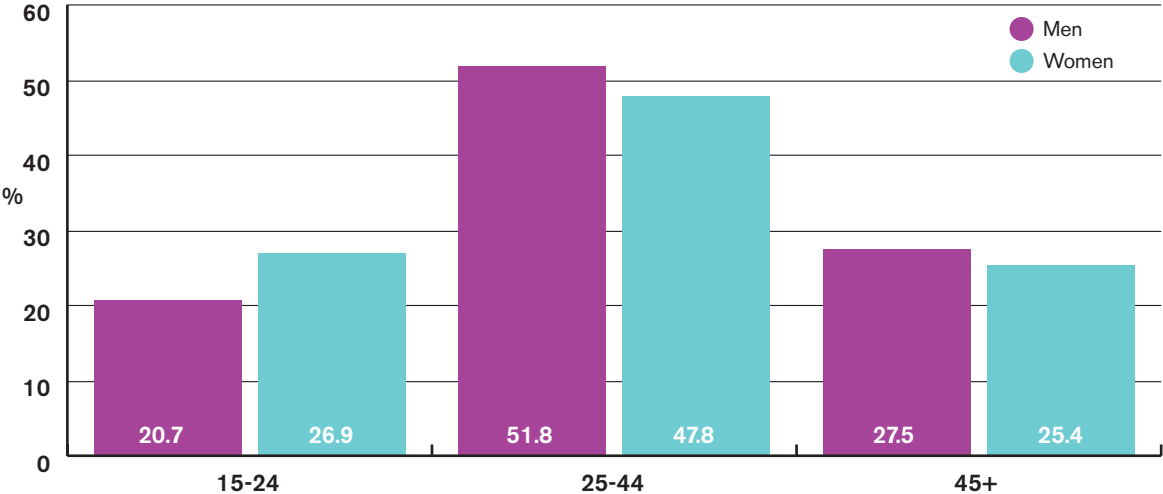
There is also a modest difference in the age of the long-term unemployed by gender, as shown

in Figure 40. Long-term unemployed males are slightly more likely to be in the older age group, with 27% being aged 45 or over. This compares with 25% of long-term unemployed females in the same age group.

At this point we consider the marital status and position in the household of the long-term unemployed using information obtained in the QNHS.¹⁶ From Figure 41, we see that about 33% of the long-term unemployed are married, almost 60% are single, and 7% are widowed, divorced or separated (mostly divorced or separated). Long-term unemployed males and females are quite similar in this respect,

¹⁶ This involves analysis of the micro-data from the survey rather than reliance on figures published by the CSO.

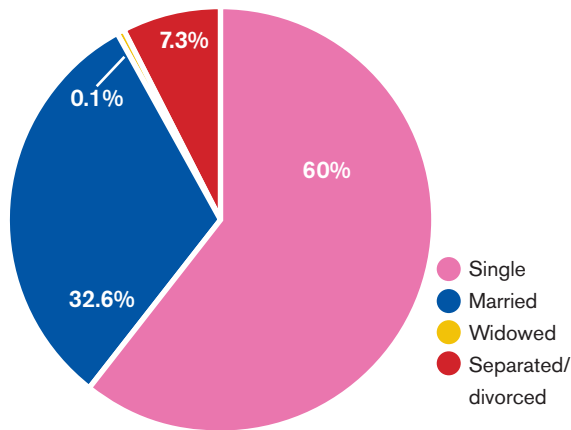
Figure 40: Long-term unemployed by gender and age group, 2007



Source: QNHS, Quarter 1, 2007

Figure 41: Long-term unemployed by marital status, 2006

Source: QNHS, Quarter 2, 2006

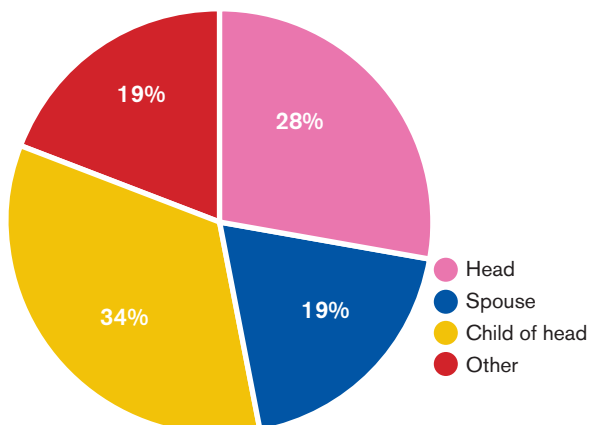


but slightly more long-term unemployed men are married while slightly more long-term unemployed women are widowed, divorced or separated.

We can also look at the position that the long-term unemployed person occupies in their household, whether as the head of the household, the spouse of the head, a child of the head and/or of their spouse or other relationship (using a system employed by the CSO in the QNHS). We see in Figure 42 that only 28% of the long-term unemployed are a household head and 19% are the spouse of the head. The total in both of these categories has fallen from 55% in 1998 to 47% in 2006. So most long-term unemployed people are either adult children of the head and/or of their spouse or are in the 'other' category (such as the partner of a working age child of the household head or of their spouse).

Figure 42: Long-term unemployed by position in household, 2006

Source: QNHS, Quarter 2, 2006

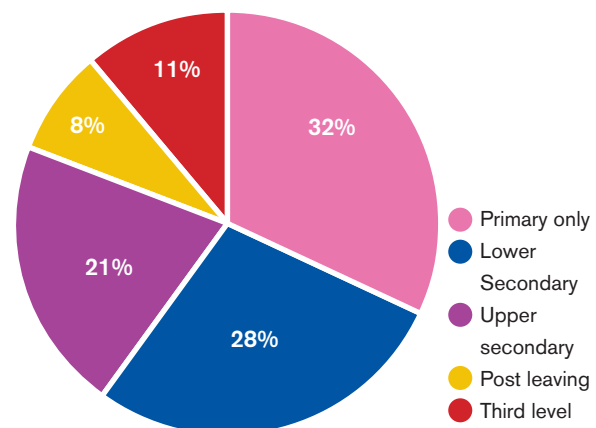


The long-term unemployed and education

The education level of an individual is likely to be a key influence on the fact that they are long-term unemployed in the first place. We see in Figure 43 that one-third of long-term unemployed people have only a primary level educational qualification (compared with only 10% of the labour force as a whole). A further 28% have only a lower secondary level education. This means that over 60% of the long-term unemployed have a level of education that is likely to put them at a disadvantage in the labour market. At the other end of the educational spectrum, about 11% of the long-term unemployed have achieved a third level qualification, both degree and non-degree. Of course the actual number of long-term unemployed with a third level qualification is extremely small.

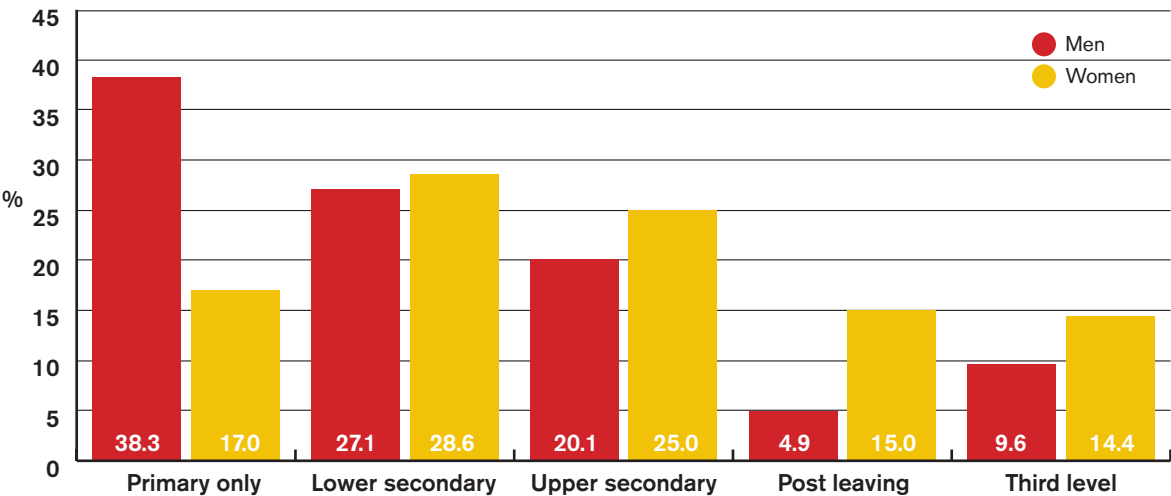
Figure 43: Long-term unemployed by education, 2006

Source: QNHS, Quarter 2, 2006



The position of long-term unemployed men in educational terms is even more disadvantaged than it is for women, as shown in Figure 44. Almost 40% of long-term unemployed men compared with 17% of long-term unemployed women have no educational qualification beyond primary level. On the other hand, the share of long-term unemployed women with a Leaving Certificate or third level qualification is considerably higher than for men.

Figure 44: Long-term unemployed by gender and education, 2006



Source: QNHS, Quarter 2, 2006

Socio-economic circumstances of the long-term unemployed

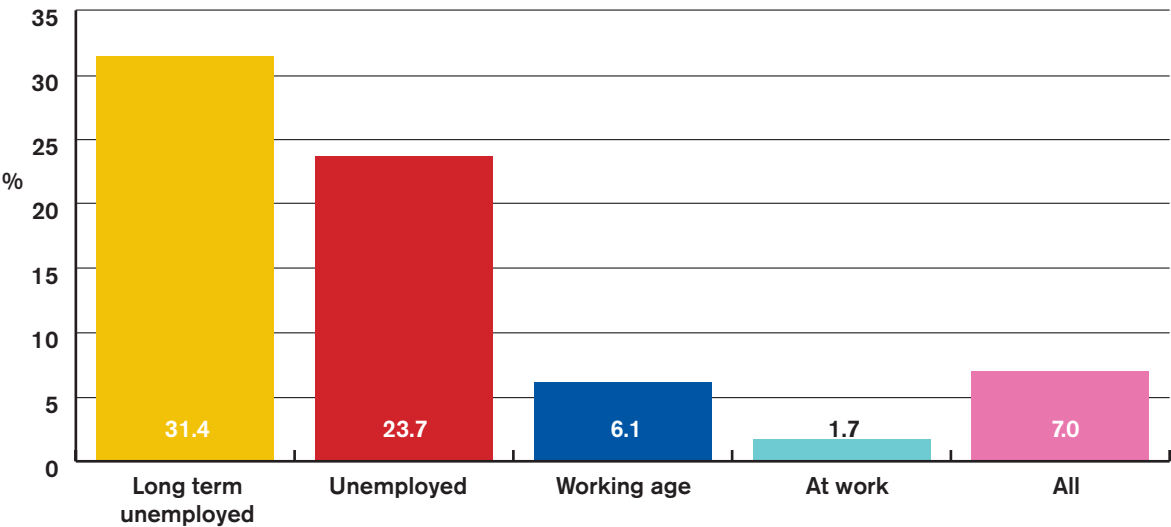
One would expect long-term unemployment to be linked to low income and to deprivation and to have a much greater impact than short-term unemployment on these areas. The longer unemployment persists, the more people use up any savings or other assets and reduce their ability to borrow or draw on assistance from others.

As a result, we could expect a continued low level of current income to lead more towards deprivation and away from ordinary living patterns. How much this occurs depends on whether long-term unemployed people are receiving adequate social welfare transfers and other supports and on whether other income is coming into their household. As we have seen, most long-term unemployed people are neither the household head nor their spouse, so often there may indeed be income from work coming to other members of their household. To obtain information about the socio-economic circumstances of the long-term unemployed and their households, we have to turn from the QNHS to the EU-SILC household survey, also carried out by the CSO since 2003.

Consistent poverty

As we noted earlier, consistent poverty is the principal measure used by the Irish Government in setting targets to reduce poverty. Figure 45 shows that 31.4% of long-term unemployed people are in consistent poverty, based on the 60% of median income threshold and the revised 11-item deprivation index. This is similar to the consistent poverty rate for lone parents but considerably higher than the rate of consistent poverty for the unemployed as a whole (23.7%) and for those at work (1.7%).

Figure 45: Consistent poverty rates with revised 11-item deprivation list for long-term unemployed versus others, 2005



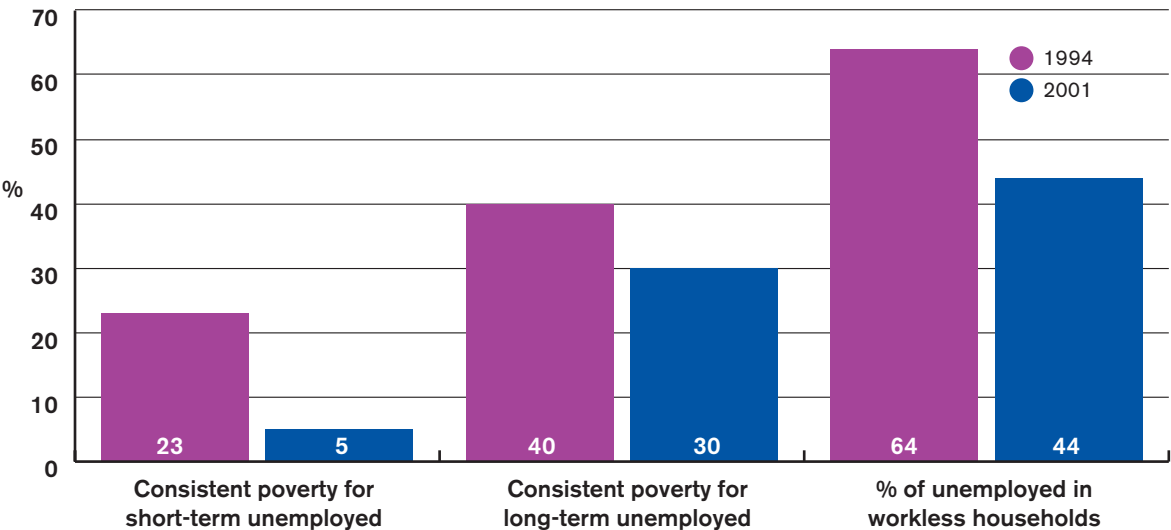
Source: EU-SILC, 2005

Research on the data from the Living in Ireland Surveys from 1994 to 2001, as set out in Figure 46, show that there was a very large fall in consistent poverty rates¹⁷ for the short-term unemployed: from 23% in 1994 to only 5% in 2001. The research shows that the rate of consistent poverty for the long-term unemployed also fell, but not as markedly (see Whelan, Nolan and Maitre, 2005): from over 40% to about 30%. This was linked in particular to the declining share of unemployed people who were living in

households where nobody was at work: in 1994 64% of the unemployed were in these 'workless households', but by 2001 this was down to 44%. However, the data from the Living in Ireland Surveys and the more recent EU-SILC show that the long-term unemployed continue to be very seriously disadvantaged compared with the rest of the population, even though they make up a very much smaller group than they did a decade ago.

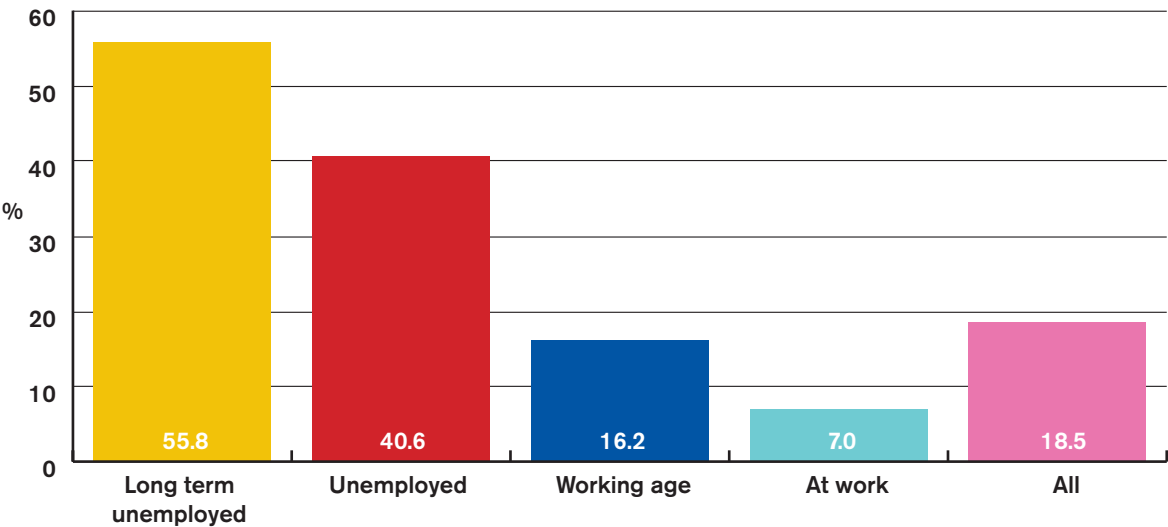
17 This was based on the earlier eight-item deprivation index.

Figure 46: Consistent poverty rates (based on the original 8-item deprivation index) for short-term and long-term unemployed and share of unemployed in workless households, 1994-2001



Source: Living in Ireland Survey, 1994, 2001

Figure 47: ‘At risk of poverty’ rate (60% median) for long-term unemployed versus others, 2005



Source: EU-SILC, 2005

‘At risk of poverty’

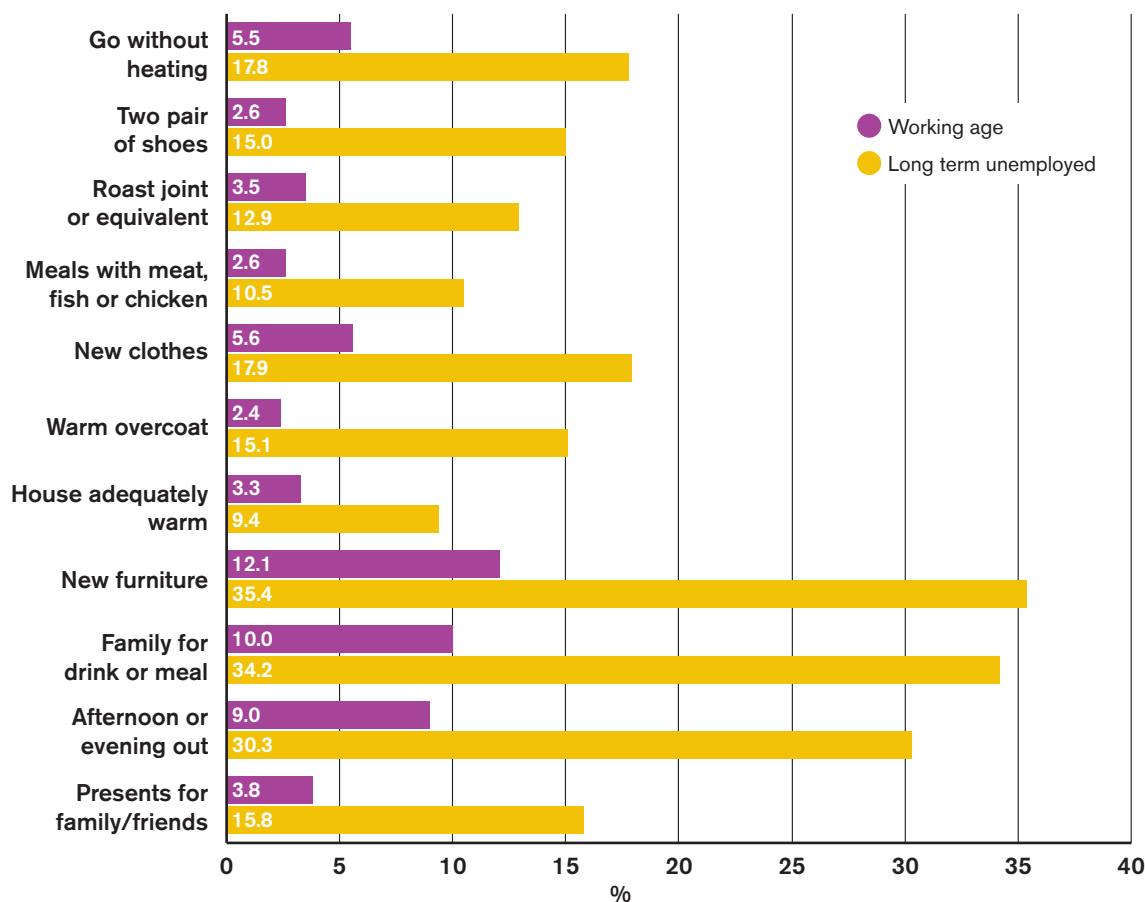
We now turn to relative income poverty, also known as the ‘at risk of poverty’ indicator, which we have already described in this social portrait. Identifying the long-term unemployed in that survey so that they correspond as closely as possible to the measure in the QNHS measure, we find that in the EU-SILC 2005 survey over half – 55.8% - were ‘at risk of poverty’. As Figure 47 illustrates, this compares with 7.0% of those at work and 18.5% of the total population.

Figure 47 also shows that the rate for all those of working age – with whom the long-term unemployed might also usefully be compared – is below the overall average, at 16.2%. If we focus on the unemployed as a whole, we find that 40.6% fell below the 60% median income threshold. So the ‘at risk of poverty’ rate for the long-term unemployed is considerably higher than that for all those unemployed. A large number of the long-term unemployed who are above the 60% median income threshold are just a little above it. We can see this by using a higher threshold set at 70% of the median income: in this case, almost three quarters of the long-term unemployed fall below that income level.

Types of deprivation

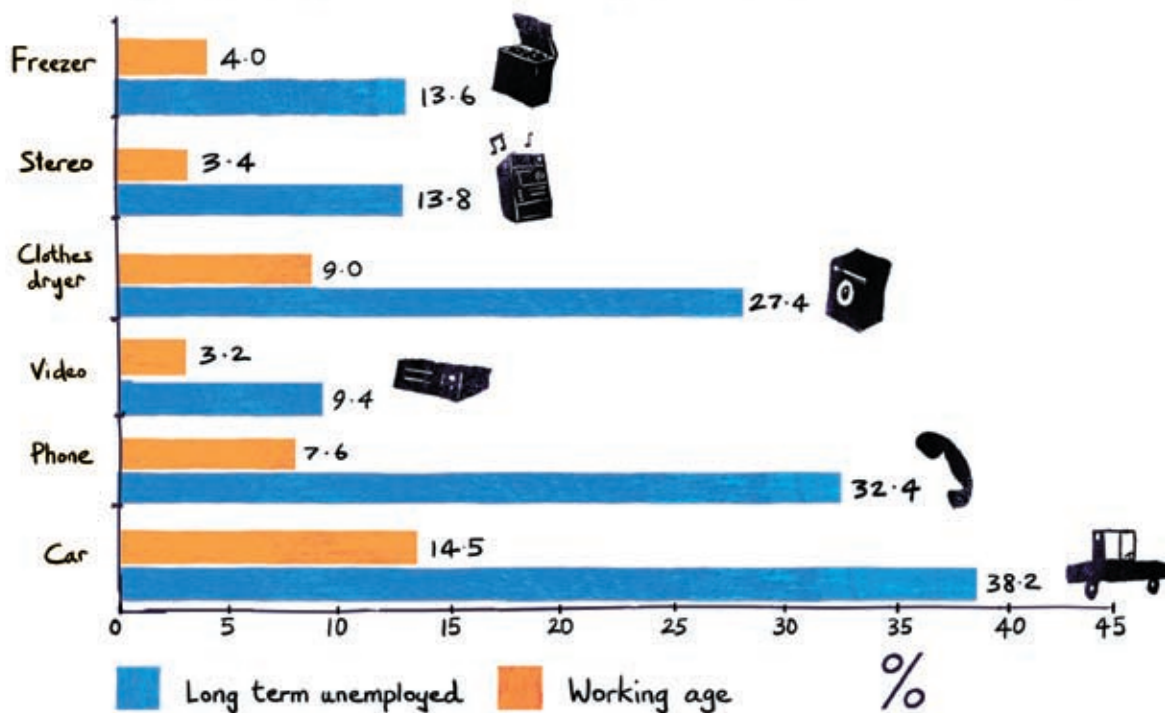
In Figure 48 (next page) we set out the levels of deprivation on the 11-item basic deprivation index that forms part of the revised NAPinclusion consistent poverty measure. For the long-term unemployed the deprivation level for three of these items is more than 30%: being able to afford new furniture; having family or friends for a drink or a meal; and being able to afford an afternoon or evening out. For five of the remaining items the rate is above 15%. These include being able to afford presents for family and friends; a warm overcoat; new clothes; two pairs of shoes; and going without heating. We see that the lowest level of deprivation for long-term unemployed people is not being able to afford to keeping the house adequately warm (9%). In contrast, the highest level of deprivation for those of working age is 12%. For eight of the 11 items, the rate of deprivation does not rise above 6%.

Figure 48: Basic deprivation items for the long-term unemployed and for those of working-age, 2005



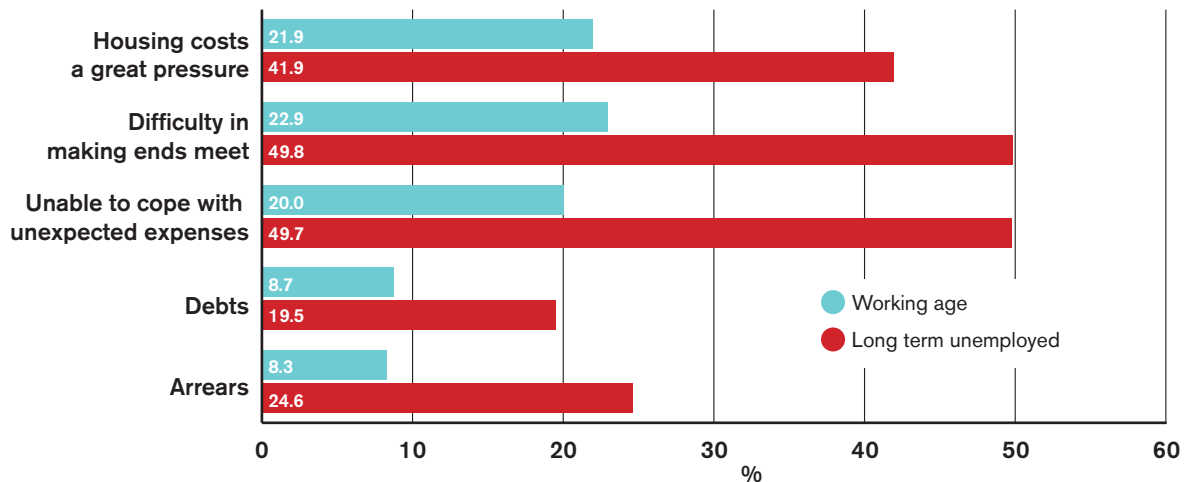
Source: EU-SILC, 2005

Figure 49: Deprivation in terms of selected consumer durables, 2005



Source: EU-SILC, 2005

Figure 50: Subjective economic pressures for long-term unemployed, 2005



Source: EU-SILC, 2005

Deprivation of consumer durables

In Figure 49, we look at deprivation levels in relation to consumer durables. Almost two-fifths of the long-term unemployed cannot afford a car. One-third cannot afford a phone and over one in four cannot afford a clothes dryer. For the remaining items the levels are a good deal lower with 14% being deprived of a stereo or freezer and 9% deprived of a video recorder. The deprivation levels for the long-term unemployed are two to four times higher than for the working age group as a whole.

Subjective economic pressure

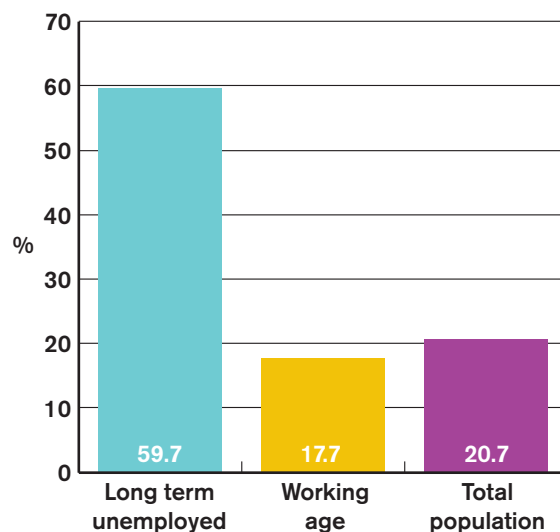
As is clear from Figure 50, the long-term unemployed are about two to three times more likely than the overall working age population to say that they are experiencing economic pressures. One in two long-term unemployed people report that they have difficulty coping with unexpected expenses and that their household has great difficulty or difficulty in making ends meet compared with other households. In each case, the rate is more than twice that for the working age population as a whole. Between 20% and 42% of the long-term unemployed also report pressures in relation to arrears, debts and housing costs.

Economic vulnerability

The final measure of socio-economic circumstances we present relates to 'economic vulnerability'. As we have noted earlier, this is captured by combining information about whether a household is below the 'at risk of poverty' threshold, is experiencing enforced

basic deprivation and reports difficulty in making ends meet, using a technique known as latent class analysis. Data from the EU-SILC 2005 survey identify almost 21% of the total population as economically vulnerable. Figure 51 shows that when this approach is applied to the situation of the long-term unemployed, we find that 60% would be categorised as 'economically vulnerable'. So the long-term unemployed are over three times more likely than the average person to be economically vulnerable and are almost four times more likely than those of working age to be categorised in this way.

Figure 51: Levels of economic vulnerability for long-term unemployed, 2005



Source: EU-SILC, 2005

Future prospects and data needs

Given recent levels of economic growth, long-term unemployment is at an historic low. As a result, it is important to understand why certain people still find themselves unemployed for more than a year and to have an early warning of any increase in the level of long-term unemployment.

The Quarterly National Household Survey regularly monitors the numbers of the long-term unemployed and the EU-SILC survey will still record the socio-economic circumstances of these individuals and their households. However, there is a limit to how deeply these general surveys can probe any specific group, in particular what is now a small group in the population. As a result, other special data collection exercises may need to take place regularly, using administrative as well as survey data to help obtain a more in-depth picture.

Any such research should not just consider the individual and their particular needs in terms of training and so on, but also record the circumstances of the wider household in which they live. This is because an individual's labour force situation often both affects and is affected by their household circumstances. Data also need to record the labour force situation of long-term unemployed people by reference to their initial education and training and the level of long-term experience they have in the labour market. Finally, they need to help us study the relationships between receiving social welfare, being long-term unemployed and being inactive in labour force terms.

CHAPTER 4

THE ‘WORKING POOR’

This section of the social portrait of people of working age considers the situation of the ‘working poor’ who, as the term suggests, are vulnerable to poverty.

We start by discussing what the term ‘working poor’ means and how many ‘working poor’ people live in Ireland. We then consider who the ‘working poor’ are in terms of their age and education level. We proceed to examine the types of households in which the ‘working poor’ live and we finish with a look at their socio-economic circumstances.

Who do we mean by the ‘working poor’?

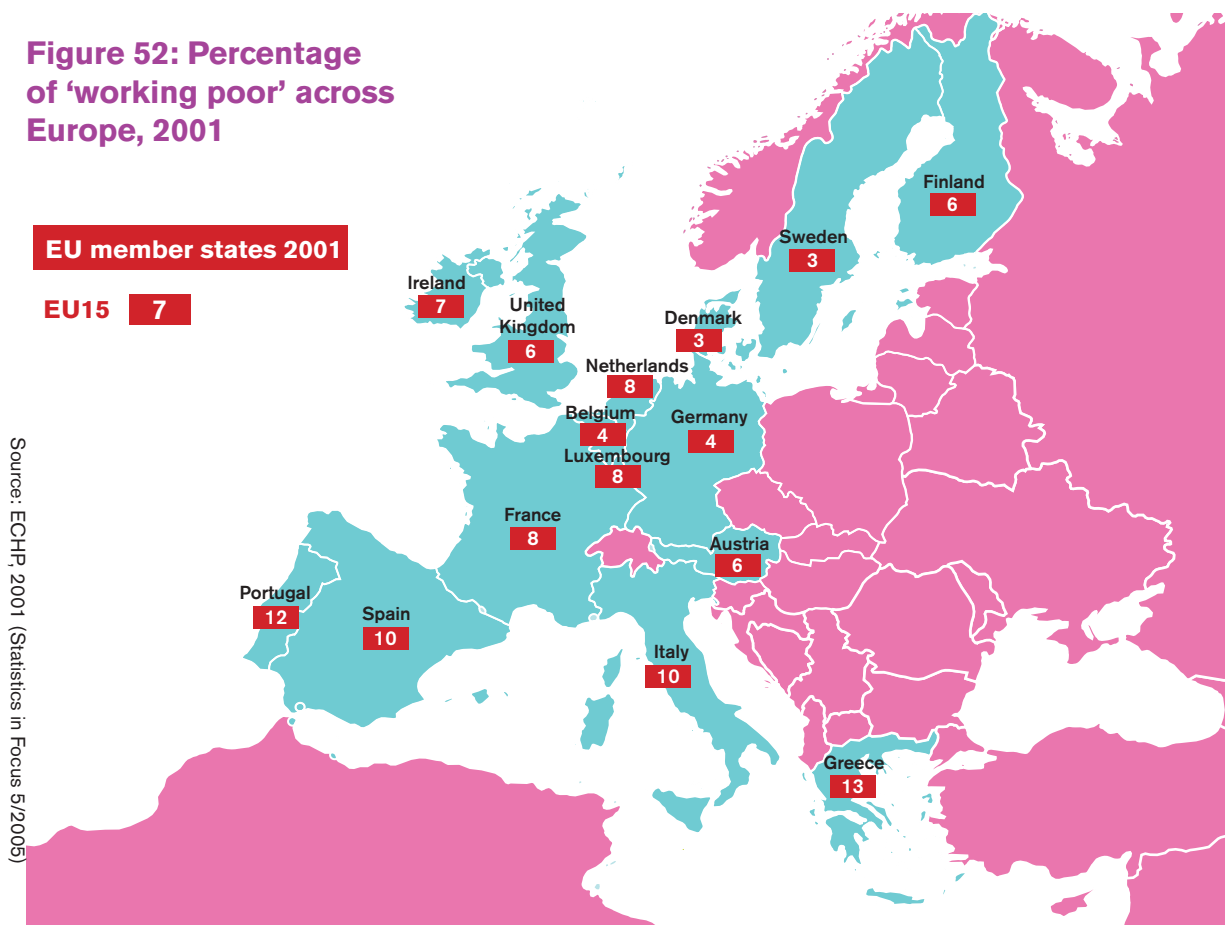
Since the mid-1990s, the numbers in employment in Ireland have risen dramatically. This has occurred at the same time as a very sharp fall in unemployment. This has been very positive for those affected, but we cannot assume that being at work always ensures adequate income. Both in Ireland and in the broader EU, there has been an increasing focus on the situation of the ‘working poor’. This is a broad concept and is particularly complicated because being “at work” is something that is based on an individual level, whereas poverty status or risk of poverty is usually based on the situation of the household in which the person lives - in particular the total income coming into the household and how that relates to the number of people that income must support.

In an EU context, the indicators of social exclusion adopted at the Laeken European Council in 2001 identify those living in households falling below the 60% of median income threshold as being ‘at risk of poverty’. Individuals who are themselves in work but are members of these households can be recorded as the ‘working poor’. This approach has been adopted in, for example, studies for Eurostat and

the European Foundation for the Improvement of Living and Working Conditions (Bardone and Guio, 2005; Pena-Casas and Latta, 2004). This group might be labelled more fully as ‘working and at risk of poverty’, because low income on its own is not a reliable measure of poverty. To assess the extent to which this group might be considered ‘poor’ we will use other indicators of their socio-economic status and vulnerability. However, the short-hand description ‘working poor’ is convenient, and in this section of the people of working-age social portrait we will use this label.

To examine the situation of the ‘working poor’ more fully, we need to define not just poverty status but also ‘working’. Typically, all those who are either employees or self-employed (including farmers) are counted as being ‘at work’. This will include all those working at a particular point in time and, for example, students working during their holidays. However, much of the concern about ‘working poor’ seems to refer to employees who earn too little to keep their families out of poverty. From that perspective, it is important to separate employees from the self-employed, whose incomes are particularly difficult to measure accurately. In addition, the poverty level of households is sometimes categorised based on whether the ‘household reference person’ is at work, as this may be a key factor in the income of the household. The situation of other household members is also important, and we may also be concerned about those who are ‘secondary earners’ in low-income households.

Figure 52: Percentage of 'working poor' across Europe, 2001



How many are 'working poor'?

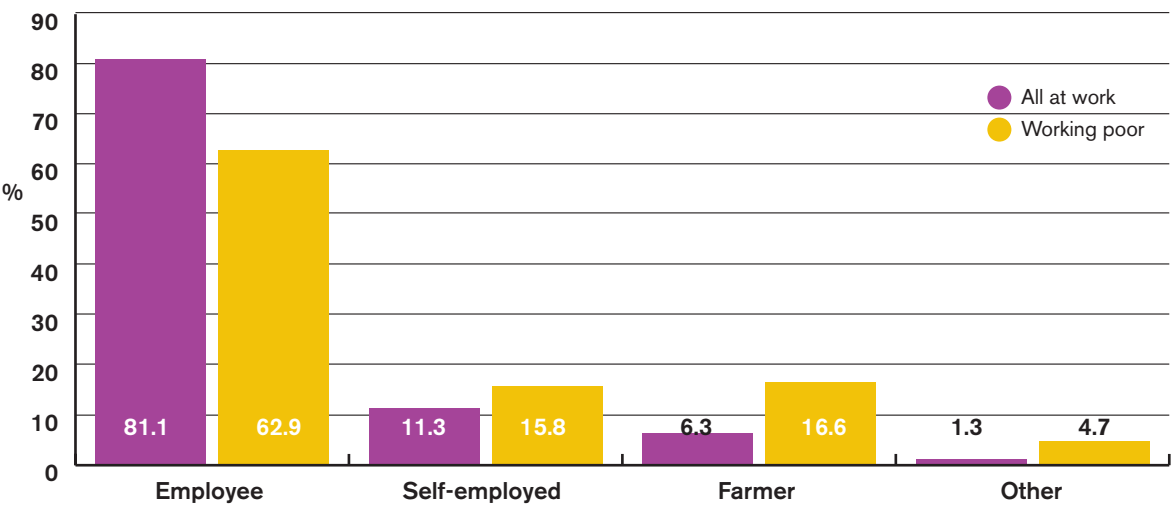
The results for Ireland from the EU-SILC survey in 2005 indicate that 7% of those at work are 'working poor', based on the definition we have used above. This represents about 120,000 people in the population, out of the 1.71 million whose main activity is being in work. If we focus on employees only, then 5.4% of employees in the 2005 survey are in households that are 'at risk of poverty'. This represents about 76,000 people in the population, out of a total of 1.39 million employees.

Figure 52 shows estimates of the number of 'working poor' for the EU-15 countries from the European Community Household Panel Survey of 2001. At this point the Irish level was identical to the overall EU-15 level of 7%. Ireland occupied a middle position, with seven countries having lower levels and seven having higher ones.

Employment status

Figure 53 shows that one-third of the 'working poor' are defined as self-employed or farmers. Farmers are especially likely to be counted as 'working poor': they make up less than 7% of those at work (as measured in EU-SILC 2005) but almost 17% of the 'working poor'. Self-employed other than farmers make up about 11% of those at work but 16% of the 'working poor'. Employees, on the other hand, account for over 80% of those at work but only about 63% of the 'working poor'.

Figure 53: Principal economic status of ‘working poor’ and all at work, 2005



Source: EU-SILC, 2005

Where someone is working part-time, they are more likely to be counted as ‘working poor’. Just over three-quarters (76%) of those at work are working more than 30 hours a week, but this is true of only 52% of the working poor. Therefore, 48% of the working poor work part time i.e. less than 30 hours a week. The part-time working poor are more likely to be women when compared with the total working poor population, 78% versus 72%. They are also more likely than the total working poor population to be in lone

parent households (17% versus 8%), single adult households (9% versus 6%) and households with three or more adults (22% versus 13%).

Where the ‘working poor’ live in Ireland

In Table 8 we set out the spread of the ‘working poor’ by planning region. The ‘working poor’

Table 8: ‘Working poor’ and all at work composition by planning region, 2005

	Working poor %	All at work %
Border	18.0	10.3
Midlands	6.6	5.1
West	16.5	9.1
Mid-West	14.5	7.8
South-West	10.0	13.8
South-East	12.1	9.3
Mid-East	8.2	11.8
Dublin	13.9	32.7
BMW*	41.2	24.6
S&E**	58.8	75.4

Source: EU-SILC, 2005

* Border, Midlands and Western
** Southern and Eastern

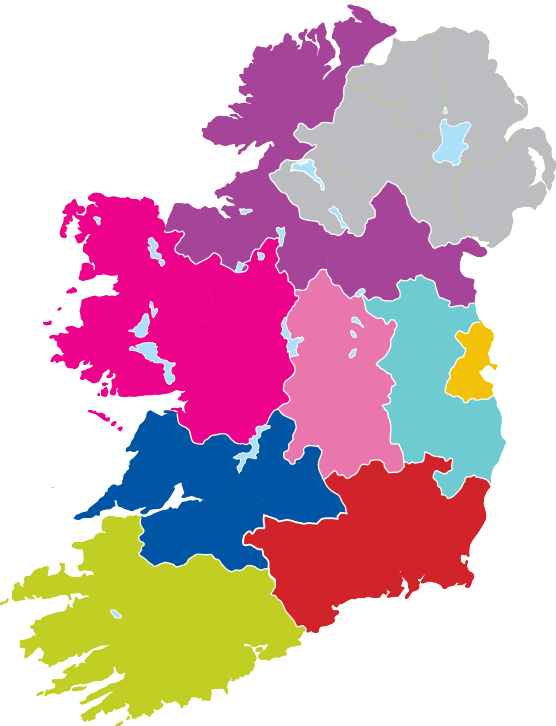
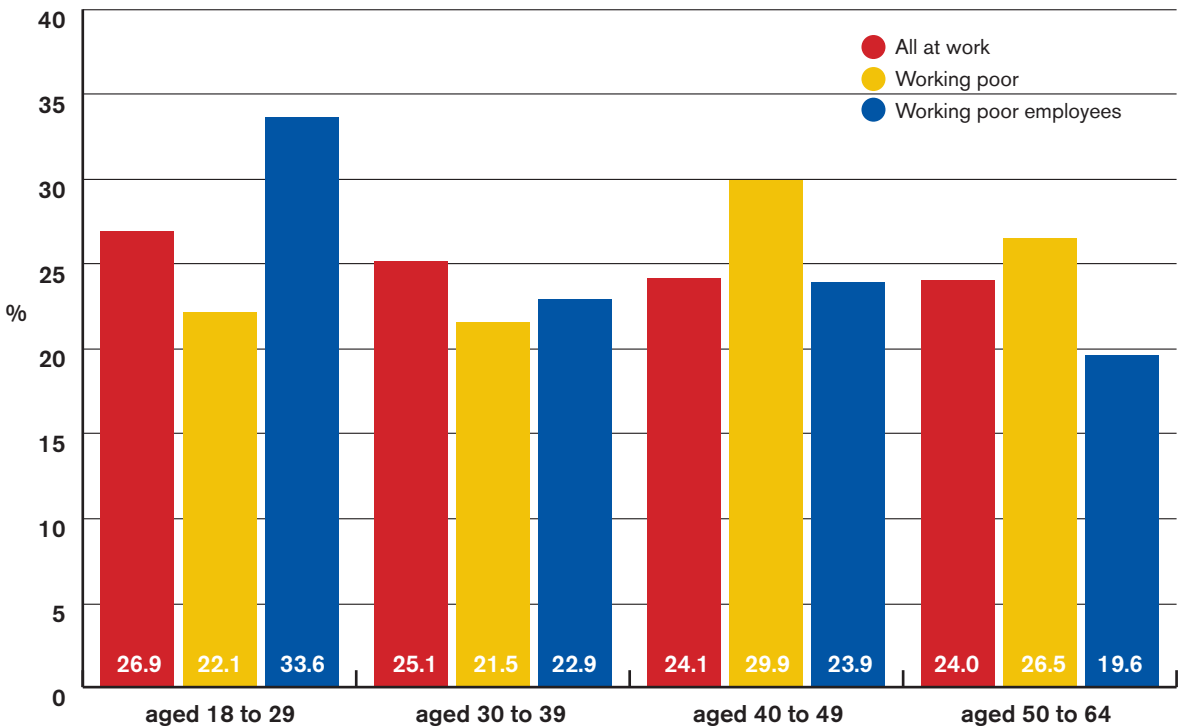


Figure 54: Age profile of ‘working poor’ and all at work, 2005



Source: EU-SILC, 2005

are over-represented in the Border, Mid-West and West regions. For each of the three regions involved, the percentage of ‘working poor’ is almost double the percentage of all those at work there. Taking the Border, Midlands and Western (BMW) region as a whole, we find that one in four of those at work and two in five of the ‘working poor’ live there. On the other hand, while three in four of those at work are in the Southern and Eastern regions, only three in five of the ‘working poor’ are located there. This occurs mainly because the ‘working poor’ are particularly unlikely to be in Dublin, with one in seven working poor, compared with one in three of all those at work, found there. These findings are consistent with the age and occupational spread of the working poor.

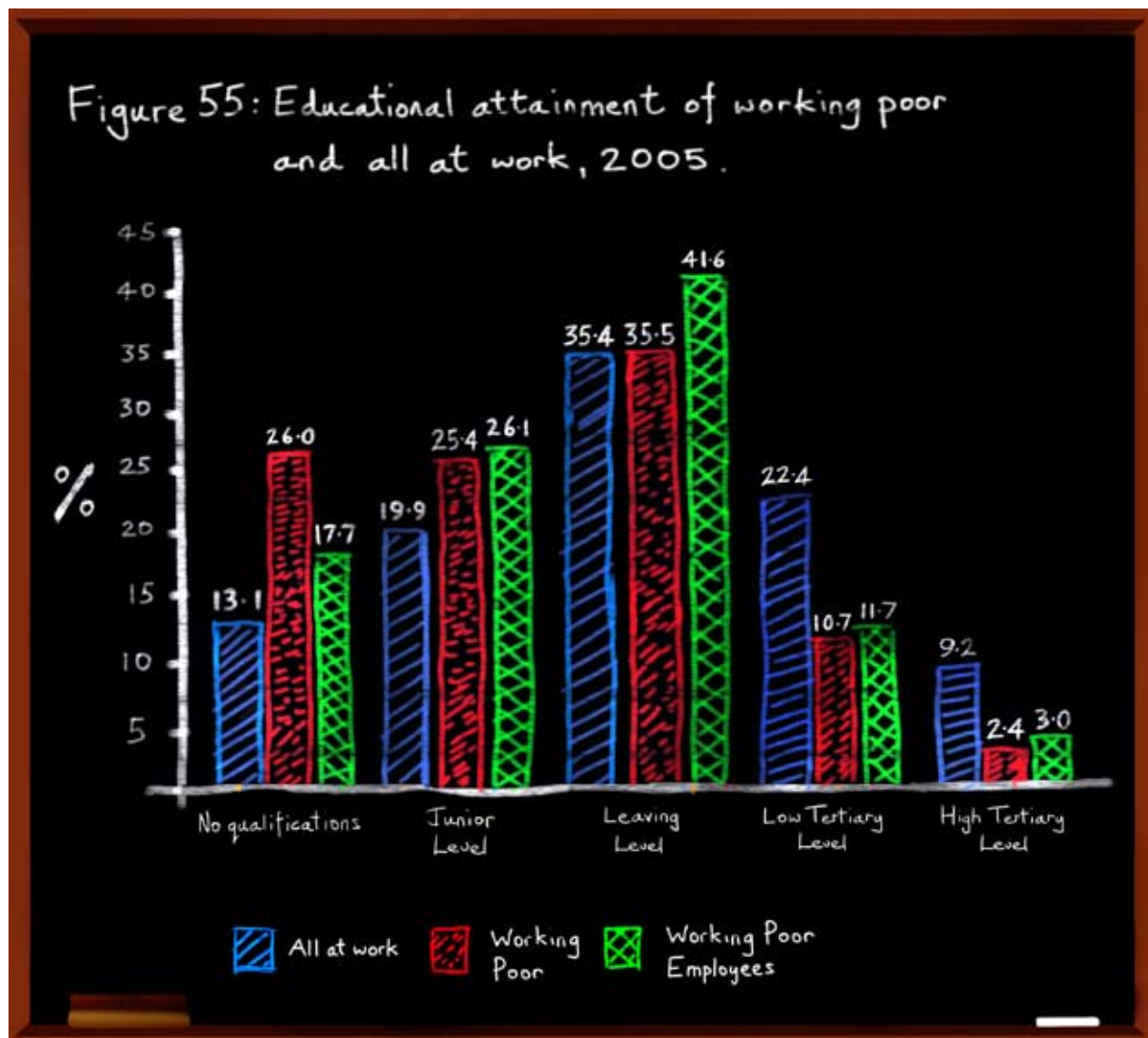
Who are the working poor?

We now examine the profile of those who are measured as ‘working poor’, focusing first on their own individual features before turning to those of their household. Figure 54 breaks down the age of all those who are at work and earning

less than 60% of median income. We see that, compared with all those at work, the ‘working poor’ are more concentrated in the older age ranges: 57% are aged 40 or over, compared with 44% of the workforce as a whole. This reflects the older age of self-employed people (including farmers), though ‘working poor’ employees are not very different in age from all employees.

Men make up 61% of the overall ‘working poor’, compared with 57% of all those at work. However, men make up only 49% of ‘working poor’ employees, compared with 52% of all employees.

Figure 55 shows that the ‘working poor’ have much lower levels of education than all those at work: 26% have no education beyond primary level compared with 13% of all those at work. Only about 50% of the ‘working poor’ have a Leaving Certificate or higher qualification. This compares with 67% of all those at work. ‘Working poor’ employees have slightly higher levels of education than do self-employed working poor, but they are still disadvantaged when compared with others at work.



The households of the 'working poor'

We now turn from the individual characteristics of the 'working poor' to the type of households in which they live. The features of these households are likely to be critical in understanding why they are 'at risk of poverty'.

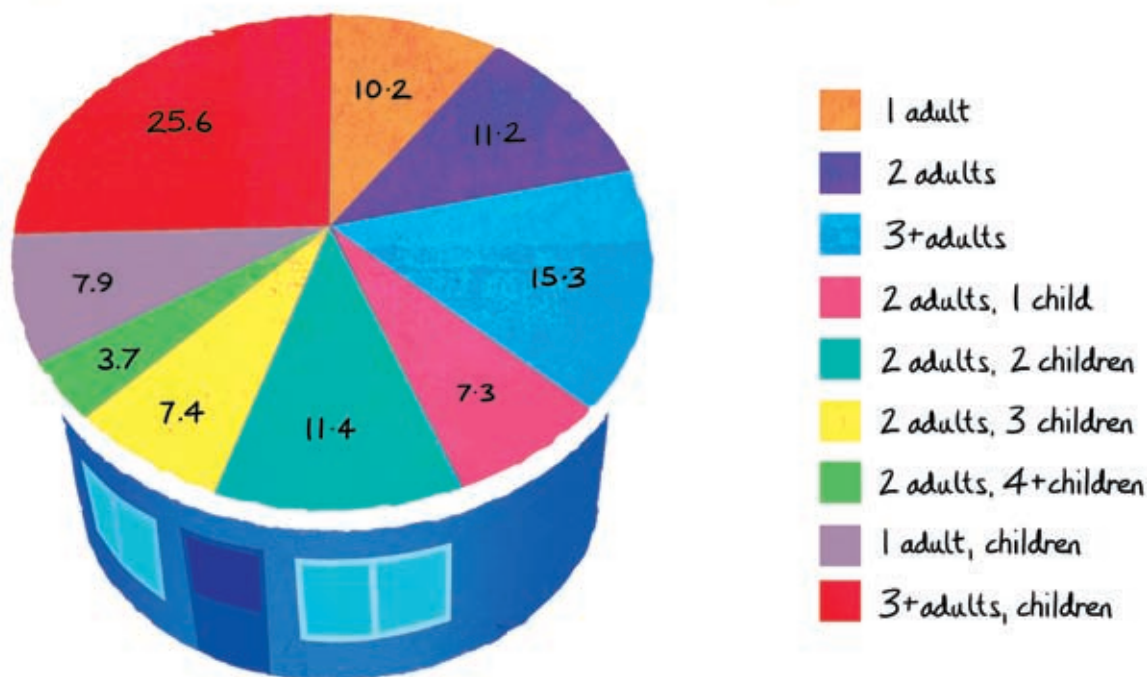
We show in Figure 56 the make-up of the households of all 'working poor' and in Figure 57, the make-up of the households of working poor employees in particular. From Figure 56, we see that 63% of the overall 'working poor' population are in households with children. Since only 8% are lone parents with children, 55% are in households with two or more adults and children. This is another illustration of the fact that a group may be exposed to a high level of risk but still make up a small share of the overall

group. The largest share of 'working poor', 26%, are in households with three or more adults plus children. In many cases, these are a couple with children, some of whom are aged 18 or over.

Figure 57 shows that 'working poor' employees are even more likely to be in households with children. About 9% are in households of just one adult with a child or children, but almost 60% are in households with two or more adults and children. Strikingly, only 6% are living alone.

So most of the 'working poor', and 'working poor' employees in particular, are below the income threshold not because their individual income is below the 'at risk of poverty' threshold for a single person, but because the total income coming into the household is below the threshold for a household of their size and make-up.

Figure 56: Household type for 'working poor', 2005.

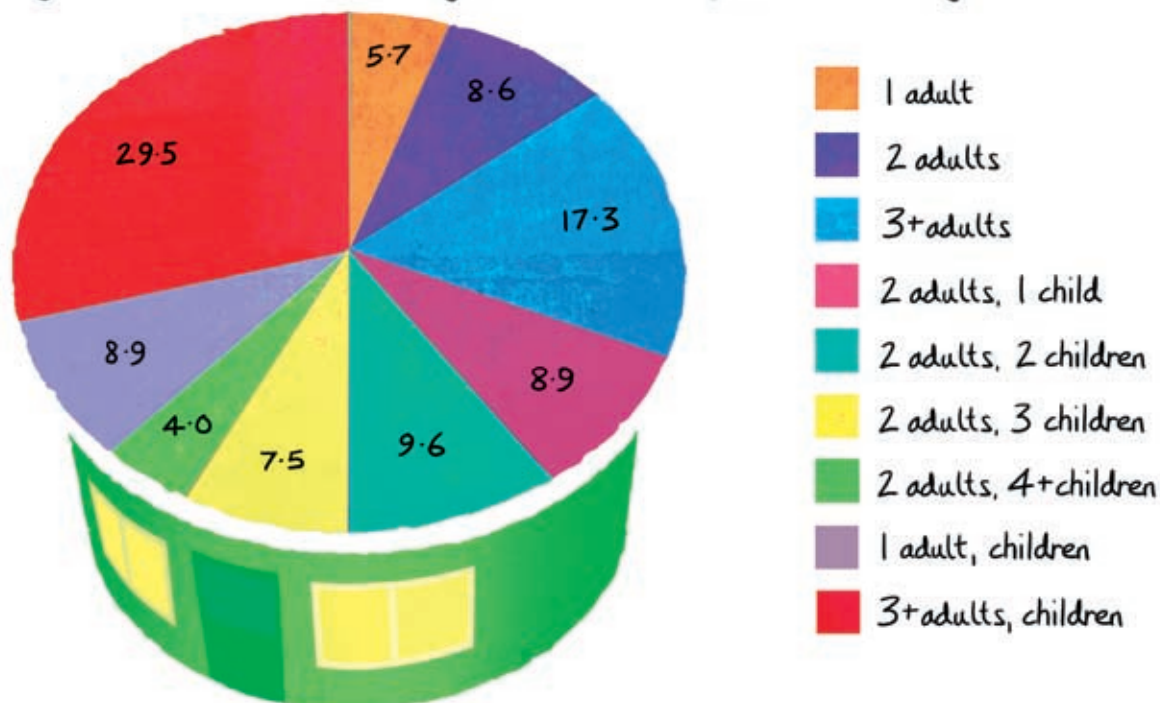


Source: EU-SILC, 2005

As well as household size and make-up, the other key element is the number of people in the household with an income and the sources of that income. What is distinctive about the 'working poor' is how few of their working age adult members are actually in work, as illustrated in

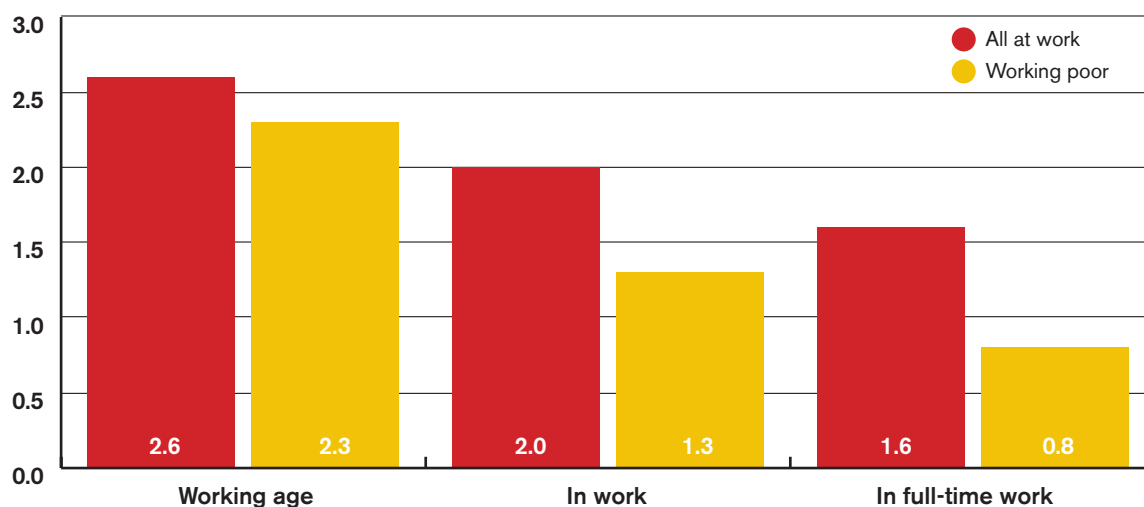
Figure 58. This figure shows that for all households with people of working age, the average number of working age adults in their household is 2.6. For the 'working poor', the figure is only slightly lower, at 2.3. However, for all those at work the average number of people in the household in

Figure 57: Household type for 'working poor' employees, 2005.



Source: EU-SILC, 2005

Figure 58: Numbers in the household in work for the ‘working poor’ and all at work, 2005



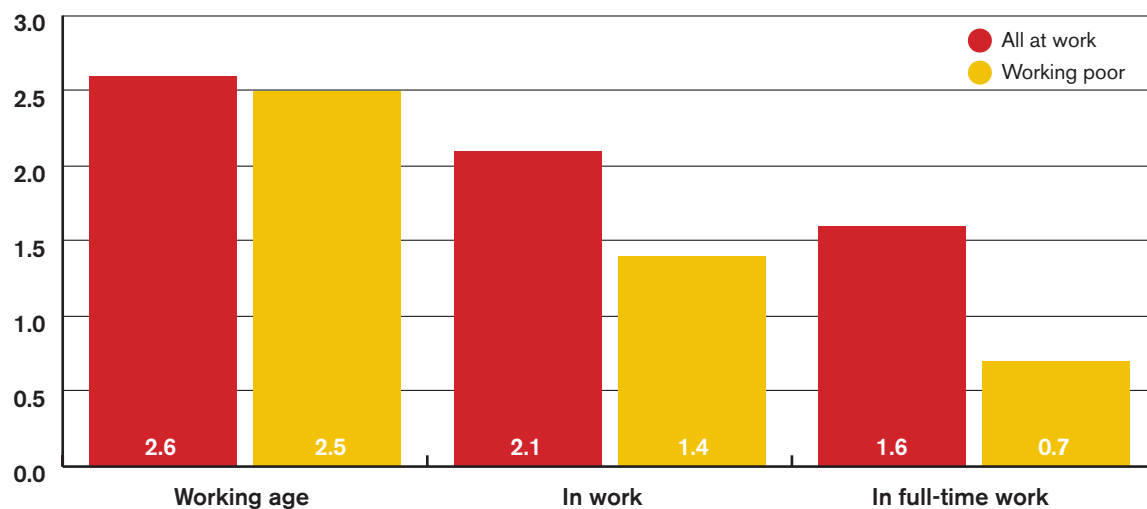
Source: EU-SILC, 2005

work is 2.0, whereas for the households of the ‘working poor’ the average number of people in work is only 1.3. The gap is even greater when we focus on those in full-time work: an average of 1.6 people in households of all those at work and 0.8 in households of the ‘working poor’.

particular. For all employees, there is an average of 2.6 people in the household of working age, an average of 2.1 of whom are in work and 1.6 are in full-time work. For ‘working poor’ employees, on the other hand, there are almost as many working age adults in the household (at an average of 2.5), but there are only 1.4 in work and only 0.7 in full-time work.

Figure 59 looks at the household situation of all employees and ‘working poor’ employees in

Figure 59: Numbers in the household in work for ‘working poor’ employees and all employees, 2005



Source: EU-SILC, 2005

Socio-economic circumstances of the 'working poor'

Household income

Unlike the other vulnerable groups examined in this set of social portraits, the 'working poor' are by definition on low levels of income – all earn less than 60% of the median income threshold. Median equivalised household income among the 'working poor' is just over €8,100 and for 'working poor' employees €8,300 (EU-SILC 2005). The figure for the population as a whole is almost €16,700. The 'working poor' were in the bottom one-fifth of the overall income distribution. In terms of income sources, Figure

60 shows that for 33% of the 'working poor', income from social welfare made up at least half of all the income coming into the household, while this was true of only 7.6% of those at work.

Consistent poverty and 'at risk of poverty'

While the 'working poor' are all 'at risk of poverty', only a minority of the 'working poor' are also in consistent poverty using the 11-item deprivation index. While 7% of those at work are 'working poor', Figure 61 shows that only 1.7% of the 'working poor', or one in four, is in consistent poverty. The figure is slightly lower for 'working poor' employees.

Figure 60: Social welfare transfers as a percentage of total household income, 'working poor' versus all at work, 2005

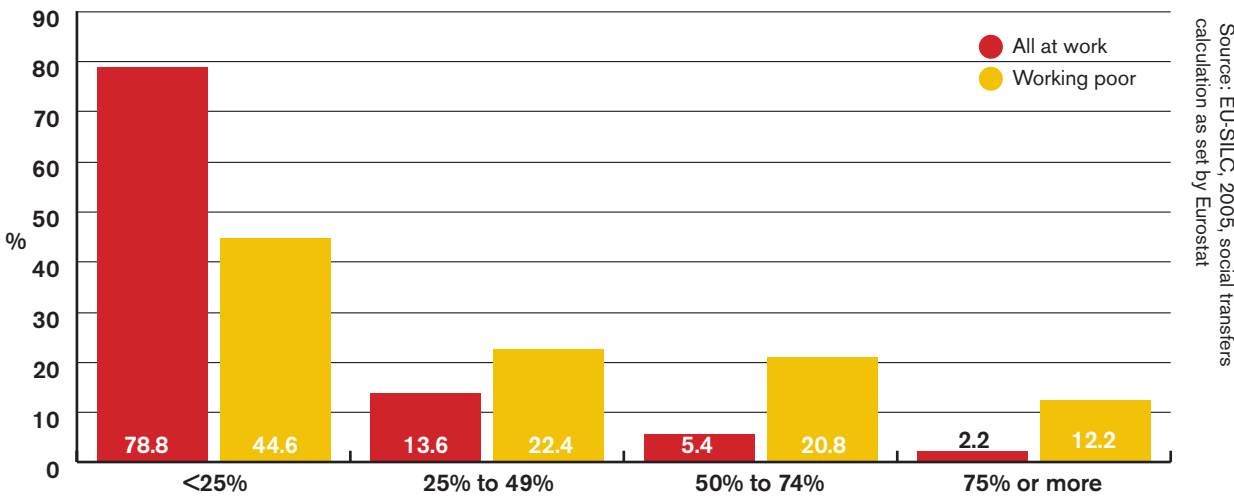


Figure 61: 'At risk of poverty' and consistent poverty (with 11-item index) for all those at work and for all employees, 2005

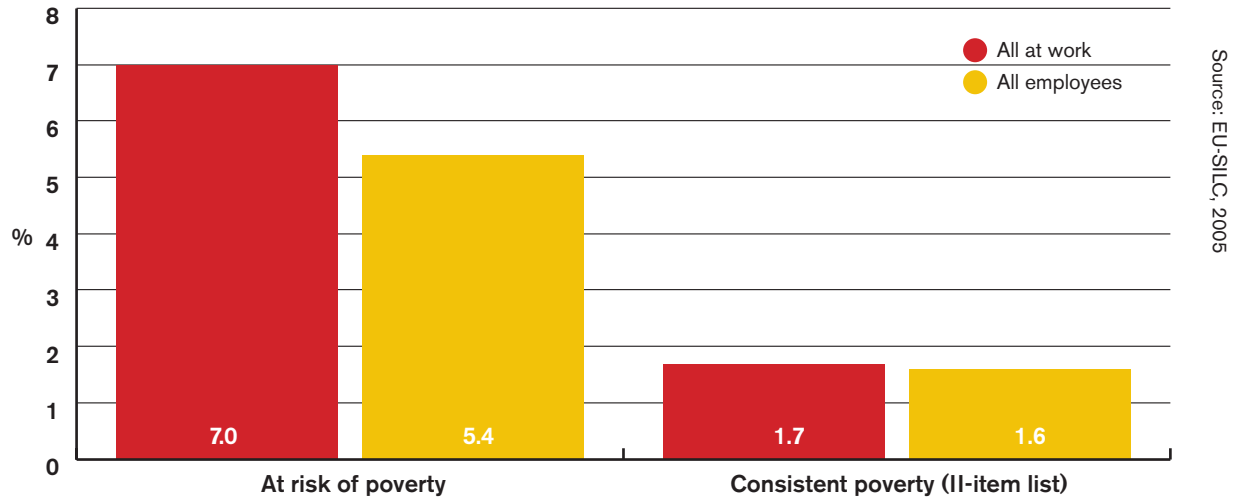
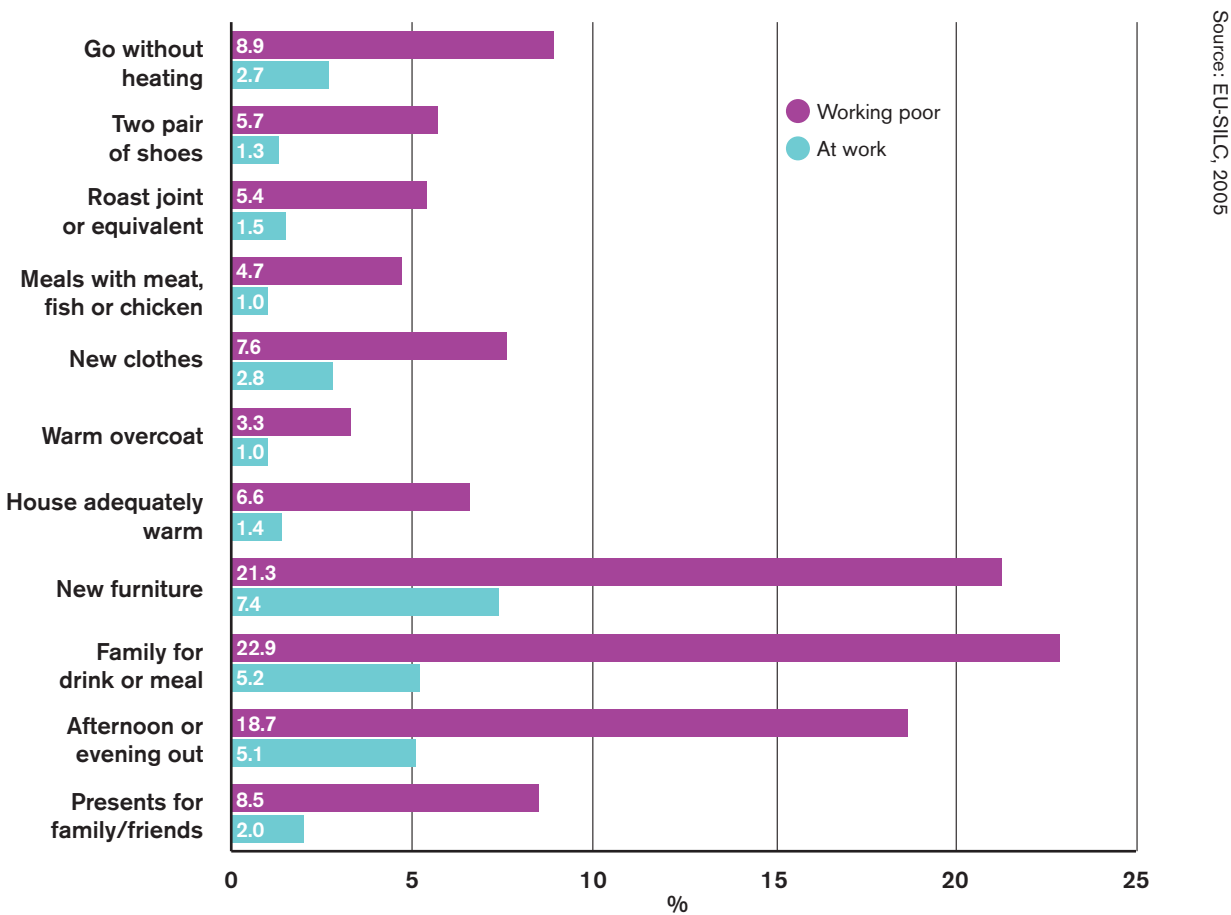


Figure 62: Economic strain items for all of those at work and for ‘working poor’, 2005



Types of deprivation

In Figure 62 we compare levels of deprivation on each of the eleven deprivation items that make up the consistent poverty index for those at work and the ‘working poor’. About 20% of the ‘working poor’ report themselves as experiencing deprivation in terms of not being able to afford new furniture, have family for a meal or drink or have an afternoon or evening out. Deprivation levels for the remaining items are a good deal lower and range between 9%, for going without heating, to 3%, for not having a warm overcoat. In contrast, for those at work, deprivation levels never exceed 7.5% and remain below 3% for eight of the 11 items.

Deprivation of consumer durables

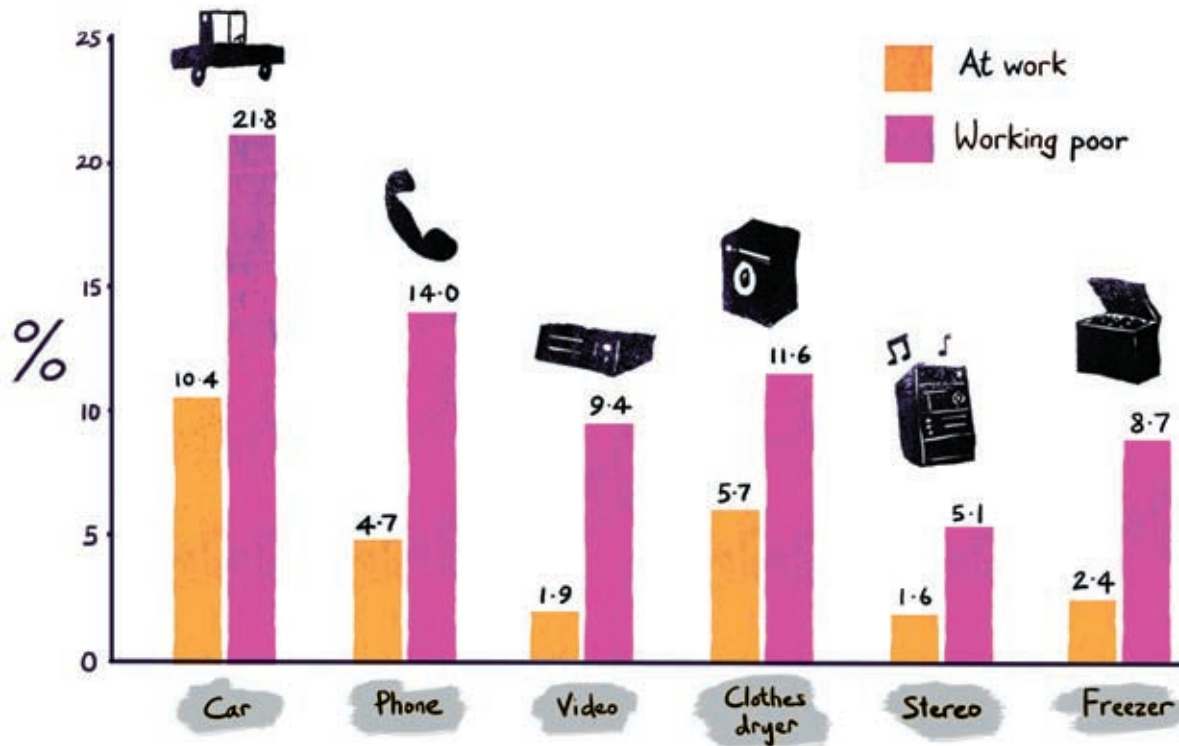
In Figure 63 we extend our analysis by looking at selected consumer durables. Just over one-fifth (21.8%) of the ‘working poor’ report that they are

unable to afford a car, compared with 10.4% of those at work. In addition, 14% of the working poor cannot afford a phone, compared with 4.7% of those at work, and 11.6% cannot afford a clothes dryer, compared with 5.7% of working people. There is a similar gap in deprivation levels for a freezer and a stereo, but a much wider gap in terms of affording a video recorder: the ‘working poor’ are five times more likely to be deprived of this consumer item.

Subjective economic pressure

In Figure 64, we can see that the ‘working poor’ report much higher levels of economic pressures. Twice as many ‘working poor’ as those at work said that they had recent experience of arrears on mortgage, rent or utility bills, experienced debt problems to meet ordinary living expenses or experienced housing costs as a great pressure. An even wider gap emerges in relation to experiencing difficulty in making ends meet and could not meet unexpected expenses: 2.5

Figure 63: Deprivation in terms of selected consumer durables, 2005.



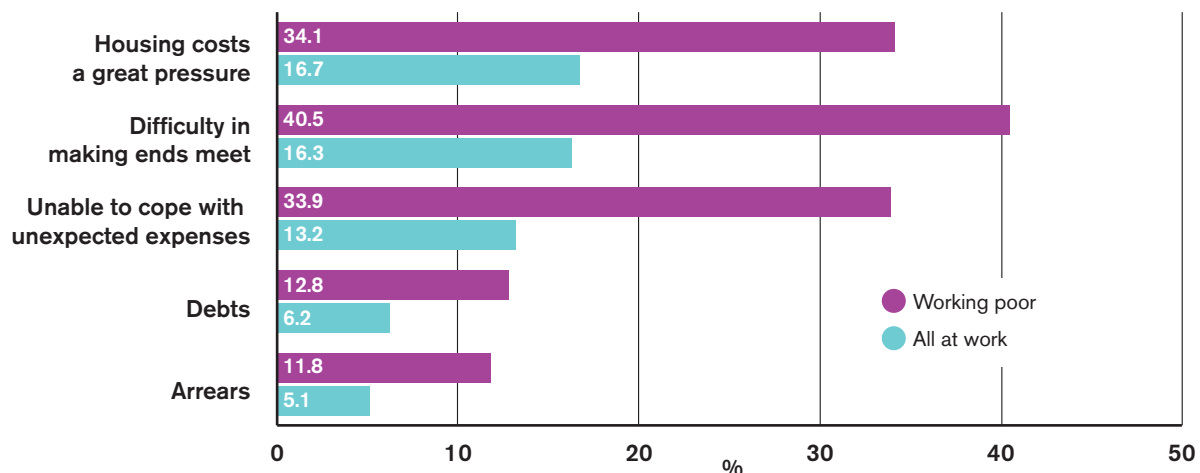
Source: EU-SILC, 2005

times more working poor reported problems in both cases. In total, 40.5% of 'working poor' households reported difficulties in making ends meet, 34% have difficulty in coping with unexpected expenses and experience housing costs as a great pressure and 12% experience problems with arrears or debts.

Economic vulnerability

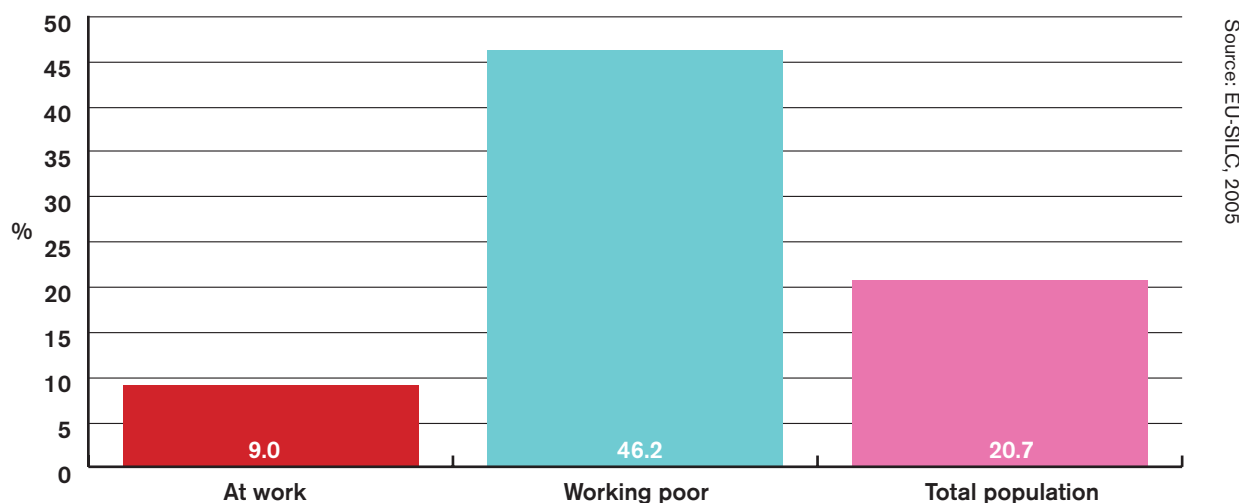
The final measure of socio-economic circumstances we present relates to 'economic vulnerability'. This, as we have noted earlier, is captured by combining information about whether a household is 'at risk of poverty', experiencing enforced deprivation and reporting difficulty in making ends meet. As Figure 65

Figure 64: Subjective economic pressure for all at work versus 'working poor', 2005



Source: EU-SILC, 2005

Figure 65: Levels of economic vulnerability of the 'working poor', those at work and total population, 2005



reveals, when this approach is applied to the situation of all those at work, we find that 9% would be categorised as 'economically vulnerable'. For the small percentage of those at work who are 'working poor', this figure is much higher, at 46%. So, overall, the economic situation of the 'working poor' is clearly disadvantaged, across a range of indicators.

2006. This obtains very detailed information about individual earnings (from the employer) and characteristics (from the employee). It should be possible to use EU-SILC and the results from the National Employment Survey together to understand much more about the relationships between low pay at the level of the individual and low income (relative to needs) at the level of the household.

Future prospects and data needs

As far as the 'working poor' are concerned, EU-SILC will continue to be the primary source of information on future developments. It will be particularly valuable in monitoring and investigating household work patterns and how they relate to incomes. However, it will be important to link this survey to other relevant sources and analytical tools to be able to understand and respond to emerging trends.

The Quarterly National Household Survey allows us to track changes in employment patterns but mostly at the level of the individual: more could be done to exploit its potential to provide information about household-level working patterns. Since the QNHS does not obtain information about earnings, a potentially very important recent addition to the available data sources is the CSO's National Employment Survey, carried out first in 2003 and then in

Finally, studying the way the tax and social insurance systems and social welfare transfers impact on incomes is a key element in understanding why some households are 'at risk of poverty' even though they contain people at work. The SWITCH tax benefit model developed at the ESRI provides a valuable analytical tool in studying these interactions. However, this type of model can only be based on reasonable assumptions about the take-up of benefits, notably the in-work benefits that may be given a key role in combating in-work poverty, such as Family Income Supplement. Improving understanding of the current pattern of take-up of such benefits, and more generally understanding why large numbers show up in household surveys with very low incomes from work, is a clear priority in terms of this vulnerable group.

CHAPTER 5

CONCLUSIONS

The working age population as a whole

The working age group account for most of the population and are generally better off than the rest of the population. However, certain sub-groups are considerably more vulnerable than the group as a whole. In recent years, the working age population has grown, both in numbers and as a share of the total population.

Ireland is now close to the EU average in terms of share of the total population made up by those of working age. The group is spread across the country in a manner similar to the population as a whole.

Over two-thirds of the group are at work. The figure is a lot higher for men because a large minority of women are in full-time home duties. Related to this, the consistent poverty rate for the working age group is lower than it is for the population as a whole (6.1% compared to 7.0%), particularly so for men (5.3%). The advantage they enjoy in terms of the 'at risk of poverty' indicator is even greater. This general pattern of advantage over the population as a whole is observed across a range of indicators, with consistent differences between men and women.

Lone parents

Lone parents are defined as 'those who have primary custody of a dependent child and are not living with the other parent'. Current data does not provide information on degrees of 'loneness'. The level of lone parenthood has grown a lot over the past 25 years so that lone parents now make up just over 20% of parents with dependent children compared to 7% in 1981. The rise is associated with corresponding increases in marital breakdown and births outside marriage. Lone parent families make up a smaller share of the total number of children than two-parent families do. The Irish rate

of lone parenthood is at the upper end of the EU scale, but comparisons are complicated by the fact that over 30% of lone parent families in Ireland are living in multi-generational households.

The great majority of lone parents are women. Two-thirds are 'never married' and this figure has been increasing. Almost one-third are separated or divorced. The age profile of lone parents does not match the stereotypical portrait of teenage mothers. Less than 2% are aged under 20 and less than one in five is aged under 25. Lone mothers, however, do have lower educational levels. Most lone parents are in owner-occupied households, but in many cases they may not own the accommodation, shown for example by the fact that 30% are in local authority housing. The level of labour market participation of lone parents is similar to that of married women, but a higher level of lone parents is unemployed. Their relatively high rate of participation, given their lower levels of education, is due to their participation in Community Employment schemes. However, the quality of employment enjoyed by lone parents is relatively poor and very few are involved in forms of education and training other than CE schemes.

The household situation of lone parents considerably influences their material circumstances. Lone parent households are particularly disadvantaged: they rely heavily on social welfare transfers and almost half are found in the bottom income quintile. This is true even though a similar share of lone mothers

and married mothers are in work. The difference arises because lone mothers do not generally live with others who are in work.

While the number of lone parents has been increasing steadily, there are a number of signs that it is beginning to level off. However, lone parents will continue to make up a significant share of families in Ireland. Lone parents have responded to employment growth and efforts to reduce disincentives to work. However, a continued increase in employment will depend on developments in childcare and the provision of flexible work and training options.

The long-term unemployed

The level of long-term unemployment has declined sharply in recent years, to a current level of 1.3%. The long-term unemployed now make up a much smaller share of the total number of unemployed, which has also fallen, to the point where Ireland is at the lower end of the EU scale of long-term unemployment.

This type of unemployment is more often experienced by men than unemployment overall. It is also concentrated among those under age 25 and age 45 or over. Only a quarter of long-term unemployed people are heads of household. Although they make up a very much smaller group than they did a decade ago, the long-term unemployed continue to be seriously disadvantaged and are particularly so in terms of their educational levels. To further understand their circumstances, we need data that record both their household situation and changes in their labour market participation over time.

The 'working poor'

The numbers in employment have risen dramatically, but we cannot assume that being at work always guarantees an adequate income. Here we have defined those individuals who are themselves at work but are living in households with income below the 60% income threshold as 'working poor'. Much of the concern with this group centres on employees whose wages are too low to keep their families out of poverty. Our findings indicate that 7% of those at work fall into this category. One third of this group are self-employed, half of whom are in farming. The 'working poor' are particularly unlikely to be located in Dublin and are also more likely to be working part-time. The level of 'working poor' in Ireland at 7% is similar to the overall EU level.

The 'working poor' are concentrated in the older age ranges and have particularly low levels of education. They are also particularly likely to be concentrated in households with children, with the largest share being in households with three or more adults plus children. Most of the 'working poor', and in particular the 'working poor' employees, are below the 'at risk of poverty' threshold not because their individual income is below the threshold for a single person but because the total income coming into the household is below the threshold for a household of that size and make-up. The crucial factor is not the situation of those in work but how few of the adults in the household are actually in work.

Although the 'working poor' are all by definition 'at risk of poverty', only a quarter are consistently poor. However, the 'working poor' emerge as significantly disadvantaged compared with those at work in relation to a range of indicators. Improving our understanding of patterns of take up of in-work benefits is a clear priority.

GLOSSARY

'At risk of poverty' thresholds: Income thresholds derived as proportions of median income, for example, 60% of the median income in a sample

Consistent poverty: Originally, a measure of poverty of those who were 'at risk of poverty' and deprived of **at least one out of the following 8 items** considered necessary to ensure a basic standard of living:

- Two pairs of strong shoes
- A warm waterproof overcoat
- Buy new not second-hand clothes
- Eat meals 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
- Had a day in the last two weeks without a substantial meal due to lack of money
- Experienced debt problems arising from ordinary living expenses

Now, a measure of poverty of those who are 'at risk of poverty' and deprived of **at least two out of the following 11 items**:

- Without heating at some stage in the past year due to lack of money
- Unable to afford two pairs of strong shoes
- Unable to afford a roast joint (or its equivalent) once a week
- Unable to afford a meal with meat, chicken or fish (or vegetarian equivalent) every second day

- Unable to afford new (not second-hand) clothes
- Unable to afford a warm waterproof coat
- Keep the home adequately warm
- 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

Economic vulnerability: A measure of the economic situation of a household based on whether it is 'at risk of poverty', experiences enforced basic deprivation and has difficulty making ends meet

Employment rate: The employment rate is the proportion of the working-age population that is working

Equivalence scales: A set of scales used to measure household income and adjust it to take into account the greater needs of larger households

EU 15: Member States of the European Union before 1 May 2004, namely, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, United Kingdom

EU 25: Member States of the European Union since 1 May 2004, namely the EU 15 plus Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia

EU 27: Member States of the European Union since 1 January 2007, namely EU25 plus Bulgaria and Romania

EU-SILC: European Union Statistics on Income and Living Conditions; in Ireland an annual survey carried out by the Central Statistics Office since 2003

Household equivalent or (equivalised) income: Household income adjusted by equivalence scales to take account of differences in household size and make-up

Inactive: The inactive population is the working-age population that is not in the labour force

Job Initiative: The Job Initiative is a programme providing full-time employment for people who are 35 years of age or over, unemployed for 5 years or more, and in receipt of social welfare payments over that period

Labour force participation: The labour force participation rate is a measure of the proportion of the working-age population that engages actively in the labour market, either by working or looking for work

LIIS: Living in Ireland Survey, a household survey carried out by the Economic and Social Research Institute between 1994 and 2001

Lone parent: A parent who has primary custody of a dependent child and is not living with the other parent

Long-term unemployed: Those who are measured as unemployed for a year or more

Median: The value that divides a sample in half, for example, the income level exactly in the middle of a scale of income from highest to lowest

Planning region: One of eight regions into which Ireland has been divided for certain planning and governmental purposes

Quintile One-fifth of a sample divided into five equal parts to show how income, for example, is spread throughout the population; each quintile represents where a person's or household's income is located

Risk of poverty: A term used by the European Union to denote whether a household or individual earns below the 60% of median income threshold

Social welfare transfers: Cash paid from various social welfare schemes to individuals or households

'Working poor': A household below the 'at risk of poverty' threshold (for example 60% of median equivalised income) even though some of its members are in paid work

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