

Social Risk and Social Class Patterns in Poverty and Quality of Life in Ireland

An analysis of the CSO Survey on Income
and Living Conditions, 2004 to 2013

Dorothy Watson
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An Roinn Coimirce Sóisialaí

Department of Social Protection

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Abstract

While previous research on social exclusion in Ireland has highlighted the impact of the recession and the different experiences of life-cycle groups, the present report brings these two concerns together. The study examines poverty and deprivation trends over the period 2004 to 2013, from economic boom through recession to early recovery. The analysis shows that poverty and deprivation fell significantly during the boom (2004-2007). At-risk-of-poverty remained largely unchanged after this, while basic deprivation increased and consistent poverty increased during the late recession. Basic deprivation captured the drop in living standards earlier than the other measures and has persisted at a high level into early recovery.

The study also looks at how social risk and social class jointly influence social exclusion. Social risk groups can be understood as groups that differ in terms of barriers to their capacity to acquire sufficient income for their needs through the labour market. They include groups distinguished on the basis of life-cycle stage (such as children, young adults, and older people) as well as groups such as lone parents and people with a disability. The results indicate that basic deprivation increased over the recession and early recovery (2008-2013) period for all social risk groups and social classes. There were some differences between the social risk groups in the significance of social class. For instance, the social class differences in deprivation tended to be less pronounced for lone parent families, those with a disability and older people than for other working-age adults and their children.

The study uses the special SILC module in 2013 on wellbeing to examine quality of life (QoL) problems in Ireland in 2013. An important finding is that the types of QoL challenges differ in important ways across the life-cycle, with poor health and lack of safety the most pressing concerns for older people while financial strain and crowded accommodation are more significant for younger adults. The findings have important implications for policy. Of particular importance, given the child poverty target adopted in Ireland, is the significance of lone parenthood in accounting for the higher poverty rate of children than adults.

Key words: poverty; quality of life; social risk; social class; recession; Ireland; Survey on Income and Living Conditions

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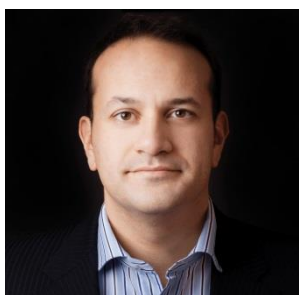
List of acronyms

AHCR	Adjusted head count ratio
CSO	Central Statistics Office
ESeC	European Socio-economic Classification
EU-SILC	European Union Statistics on Income and Living Conditions
GDP	Gross Domestic Product
JA	Jobseeker's Allowance
NAPinclusion	National Action Plan for Social Inclusion
NESC	National Economic and Social Council
QNHS	Quarterly National Household Survey
QoL	Quality of Life
SILC	Survey on Income and Living Conditions
WHO	World Health Organisation

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Foreword from the Minister for Social Protection



It is now well accepted that we cannot rely solely on economic growth and income-related measures to monitor social progress. Our well-being both as individuals and collectively as a society cannot be measured solely in monetary terms; it depends just as much, if not more so, on our sense of security, our access to quality services, our sense of belonging to a community – of being cared for and of being able to care for others.

In that context this report on *Social Risk and Social Class Patterns in Poverty and Quality of Life in Ireland* is a timely and welcome addition to the evidence base informing social policy. The analysis utilises a multi-dimensional Quality of Life approach to examine the changes in living conditions that arose over an unprecedented decade of boom, recession and early recovery.

The outputs from this and other studies will be, and are, used to inform our understanding of poverty, to help identify and prioritise policy goals and to frame and assess the options available to achieve these goals. I commend the team in the ESRI for their pioneering research over many years to develop indicators to assess and evaluate social progress. The report makes a strong contribution to this work. I also want to thank the Social Inclusion Division in the Department which initiated the study and managed it through to its publication.

A handwritten signature in blue ink that reads "Leo Varadkar". The signature is fluid and cursive, with the first name "Leo" and the last name "Varadkar" clearly distinguishable.

Leo Varadkar, TD
Minister for Social Protection

Réamhrá ón Aire Coimirce Sóisialaí



Glactar leis anois nach féidir linn brath go hiomlán ar fhás eacnamaíoch agus ar bhearta a bhaineann le hioncam chun súil a choinneáil ar dhul chun cinn sóisialta. Ní féidir ár leas mar dhaoine aonair agus mar shochaí a thomhas i dtéarmaí airgeadaíochta; braitheann sé chomh maith céanna, agus níos mó seans, ar chomh sábháilte agus a airímid, ar ár rochtain ar sheirbhísí ardchaighdeán, ar bhraistint chomhuintearais – ar an gcúram a fhaighimid agus ár gcumas cúram a chur ar fáil do dhaoine eile

Sa chomhthéacs sin tá an tuarascáil seo maidir le *Riosca Sóisialta agus Pátrúin Aicme Shóisialta i mBochtaineacht agus Cáilíocht Beatha in Éirinn* tráthúil agus riachtanach don bhonn fianaise a chuireann beartas sóisialta ar an eolas. Úsáideann an anailís cur chuige Cáilíochta Beatha iltoisí chun na hathruithe ar dhálaí maireachtála a tháinig chun cinn le linn deich mbliana borrrha, cúlaithe agus téarnaimh gan fasach a scrúdú.

Baintear agus bainfear úsáid as aschuir an staidéir seo agus staidéar eile, chun muid a chur ar an eolas maidir lenár dtuiscint ar bhochtaineacht, chun cabhrú linn spriocanna beartais a aithint agus a chur in ord tosaíochta agus chun measúnú a dhéanamh ar na roghanna atá ar fáil chun na spriocanna sin a bhaint amach. Molaim an fhoireann san ESRI as a gcuid taighde ceannródaíoch le blianta fada chun táscairí a fhorbairt ionas gur féidir measúnú agus meastóireacht a dhéanamh ar dhul chun cinn sóisialta. Cuireann an tuarascáil go mór leis an obair seo. Ba mhaith liom buíochas a ghabháil chomh maith leis an Rannán um Chuimsiú Sóisialta sa Roinn a chur tús leis an staidéar agus a rinne bainistíocht nó gur foilsíodh é.

Leo Varadkar, TD

An tAire Coimirce Sóisialaí

Executive summary

Background

In this report, we examine trends in poverty and deprivation between 2004 and 2013 by social risk group and social class. We also examine the broader quality of life (QoL) of these groups in 2013. We distinguish social risk groups on the basis of their different capacities to meet their needs through paid work, either directly through their own work or indirectly through work of other family members. The social risk groups are:

- lone parents and their children
- working-age adults with a disability and their children
- 'other children' under age 18
- young adults (aged 18 to 29)
- 'other working-age adults' (aged 30 to 65) and
- older people (aged 66 and over).

Social classes, on the other hand, can be understood as groups who have different life chances linked to their market power – typically associated with the ownership of assets (such as employers) or having marketable skills (such as professionals). We distinguish six classes based on the occupation of the householder:

- higher professional/ manager (e.g. senior manager, doctor, solicitor)
- lower professional/ manager (e.g. middle manager, teacher, nurse)
- intermediate and technical work (e.g. clerical worker, lab technician)
- self-employed and farmer (with fewer than ten employees)
- lower service, sales and technical occupation (e.g. shop assistant, taxi driver, carpenter) and
- unskilled manual worker (e.g. labourer, cleaner, canteen assistant).

We address the following research questions:

1. What were the trends in at-risk-of-poverty, basic deprivation and consistent poverty from 2004 to 2013 for the different social risk groups?
2. To what extent were there differences between the social risk groups in multidimensional quality of life, understood as having several distinct quality of life problems?

3. How important are income poverty and deprivation as components of multidimensional quality of life problems? Does this differ between the social risk groups?
4. How do variations in poverty and in QoL problems by social risk group differ from variations by social class?

Data and methods

The data for the report come from the Survey on Income and Living Conditions (SILC) – an annual survey conducted by the Central Statistics Office. Here we focus on the data from 2004 to 2013. The 2013 data was the latest available at the commencement of the study. The research looks at trends in at-risk-of-poverty, basic deprivation and the overlap between the two, consistent poverty, across this period. We also use data from a special module in 2013 to examine quality of life differences. Quality of life includes eleven dimensions: income poverty, deprivation, financial strain, poor health, mental distress, crowded accommodation, housing quality problems, neighbourhood problems, mistrust in institutions, lack of safety and lack of social support. Someone with problems on three or more of these dimensions is considered as having multiple QoL problems. The broader range of challenges included in the multidimensional QoL indicator captures elements of lived experience that are not reflected in the national poverty indicators.

Trends in poverty and deprivation, 2004 to 2013

Between 2004 and 2007 the country experienced the final years of an economic boom followed by the sharpest and deepest recession in the history of the State with the beginnings of recovery in terms of employment levels and economic growth in 2013.

At-risk-of-poverty fell significantly during the boom (2004-2007) and continued to fall in the early recession (2008-2009) but has remained largely unchanged since then (14-16 per cent). In periods of boom and bust, relative income measures and those based on changes in absolute living standards can behave very differently. Where incomes generally are rising or falling sharply, relative poverty measures fail to capture the profound changes in purchasing power faced by most households. In this respect, our analysis suggests during the recession the indicator of basic deprivation, which captures an inability to afford a basic standard of living in terms of

adequate food, clothing, heating for the home and basic social participation, did a better job in capturing the drop in living standards of Irish families.

Basic deprivation had been falling in the boom years (from 15 per cent in 2005 to 12 per cent in 2007), but rose steeply during the recession to 27 per cent by 2012 and to 31 per cent in 2013. This persistence of basic deprivation into early recovery may be a lagged effect of the erosion of savings or the accumulation of debt during the recession.

Consistent poverty fell significantly during the boom (from 7 per cent in 2004 to 4 per cent in 2008). It rose significantly in the late recession, doubling to 8 per cent in 2012 and remained at that level in 2013.

Poverty and deprivation trends by social risk groups and social class

Basic deprivation increased in the recession for all social risk groups. It was highest for lone parent families (58 per cent in 2013) and families of a working-age adult with a disability (49 per cent in 2013) and lowest for adults over the age of 66 (16 per cent). The rates were 28 per cent for 'other children', 32 per cent for young adults (under the age of 30) and 23 per cent for other adults aged 30 to 65. The patterns across groups for at-risk-of-poverty and consistent poverty were similar, with the same groups having high and low levels.

Basic deprivation increased for all social classes over the period, with the largest jump between early and late recession. The lower service/sales/technical class proved the only exception to this with their deprivation rates rising sharply in the early recession. This was because the sectors that many of them worked in were badly affected by the economic crisis (e.g. construction and retail).

We also examined whether the social class differences in at-risk-of-poverty and deprivation were similar across social risk groups. The analysis revealed that there were some differences, but they involved fairly modest departures from the overall impact of social class.

Social risk groups and quality of life

There were differences between the social risk groups in terms of the level of quality of life problems – differences which generally mirror the patterns found for basic deprivation and at-risk-of-poverty. A higher level of problems was found among lone parent families and families of a working-age adult with a disability. On the other hand, older people did not stand out as being distinctively protected from QoL problems with a level similar to that of adults aged 30 to 65.

There were important differences in the nature of the QoL problems affecting the different social risk groups. Among older people, poor health and a lack of a sense of safety were more salient. Among working-age adults, particularly those with children, financial strain and crowded accommodation were an issue. Mistrust in institutions and poor housing quality were relatively more important for adults aged 18 to 29. Mental distress and poor health emerged as distinctively important for working-age adults with a disability. Children of lone parents and children of a working-age parent with a disability were more likely than other children to live with a parent experiencing mental distress.

Poverty and quality of life

As noted above, the pattern across social risk groups in terms of the level of QoL problems was similar in some ways to the pattern in terms of at-risk-of-poverty and deprivation. Quality of life is closely related to material disadvantage while capturing important elements of the lived experience that are not reflected in the national poverty indicators.

Social risk, social class and quality of life

Differences in the level of multiple QoL problems were greater by social class than by social risk group. The most disadvantaged social class was 5.0 times more likely than the least disadvantaged social class to have multiple QoL problems (unskilled manual and higher professional/managerial, respectively). The gap between the most disadvantaged and least disadvantaged social risk groups was 3.4 times (working-age families affected by disability and older people, respectively).

On the other hand, there was more variation in the composition or type of QoL problems by social risk group than by social class. When people in different social classes had multiple QoL problems, they tended to be the same types of problems. There were important differences between social risk groups in terms of which dimensions were more likely to be problematic, such as poor health being more salient for older people and crowded accommodation being more significant for families with children.

Social risk groups and child poverty

We examined whether the distinction between social risk groups was useful in accounting for the higher consistent poverty rate of children compared to adults. The results indicated that much of the difference was due to the fact that a higher proportion of children than adults are found in social risk groups with the highest poverty levels. Focusing on the gap in consistent poverty rates between adults and children:

- 23 per cent of the gap is due to the lower consistent poverty rate of older people
- 55 per cent is due to the fact that more children than adults are in lone parent families
- 5 per cent is due to the higher proportion of children than adults in families of a working-age adult with a disability and
- 17 per cent is accounted for by factors other than social risk group membership.

Limitations and further research

There are a number of issues that were not addressed here but that could be examined in future research. These include a comparison of the level and composition of QoL problems in Ireland to other European countries and the potential policy implications of cross-national variation.

Policy implications

We identified a number of areas where the findings have implications for policy. In summary, the main implications are:

- The continuing high level of basic deprivation suggests that, despite the rise in employment, it will take time for the living standards of households to recover from the recession.
- The impact of the recession across social classes was very general. Levels of disadvantage rose sharply but in a manner that preserved rather than exacerbated social class differentials. As a consequence of this general impact, policies aimed at supporting recovery will need to take account of issues of general concern – such as housing and childcare – as well as the traditional income supports to vulnerable groups.
- There is considerable overlap between being poor according to the national poverty indicators and having multiple QoL problems. This implies that service delivery and evaluation of outcomes across a range of policy areas – health, mental health and housing as well as social inclusion – need to take account of the complexity of the challenges facing those who are multidimensionally disadvantaged.
- The high levels of poverty and QoL problems among the families of lone parents and working-age adults with a disability implies that the labour market barriers they face need specific attention as well as ensuring an adequate income and quality services for those excluded from work. Addressing labour market barriers includes the provision of affordable childcare, meeting the requirement for flexible work, protecting secondary benefits such as medical cards as well as the traditional focus in activation policy on training and work experience.
- The importance of taking account of the household dimension in addressing patterns of disadvantage was reinforced by the finding that about half of the higher consistent poverty rate of children compared to adults was due to their greater concentration in lone parent families.
- Finally, the joint analysis of social risk and social class pointed to the importance of taking account of both the barriers to market participation experienced by the vulnerable social risk groups and variations in market power by social class.

Chapter 1: Introduction and context

1.1 Introduction

A concern with life-cycle differences in the risk of income poverty and social exclusion can be traced back to Charles Booth's analysis of the significance of old age and an inability to work as causes of income poverty in London in the early twentieth century (Booth, 1886-1903; see also Rowntree, 1902). More recently, DeWilde (2003) has linked the development of the European welfare state to a political commitment to smoothing out the supply of resources across the life-cycle (see also Leisering and Liebfried, 1999; Taylor-Gooby, 2004). In Ireland, the National Economic and Social Council (NESC, 2005) report on the *Developmental Welfare State* reinforced an awareness of the need to take account of differences between life-cycle stages in societal expectations regarding how individuals and families relate to the labour market as their primary source of income.

Life-cycle differences can be seen as a subset of a broader set of challenges arising from the increasing 'commodification' of welfare in the post-industrial economy, whereby needs are increasingly met through the market rather than through the family or as an entitlement from the state (Taylor-Gooby, 2004; Esping-Andersen, 1990). Social risk groups can be understood as groups distinguished on the basis of barriers to their capacity to acquire sufficient income for their needs through the market or family. Differences by age group are one type of constraint, particularly the situation of children, who are expected to be engaged in education and training, and older people, who are not expected to continue working beyond a socially recognised retirement age. In the Irish context, people with a disability were included as a distinct group identified in the national anti-poverty strategy (NAPinclusion, 2007, see also NESC 2005), and notwithstanding the association between age and disability, they are better understood as a social risk group rather than a life-cycle 'stage'. Unlike life-cycle stages, disability is a relatively enduring condition.

Another group of particular concern in Irish policy consists of lone parents. Traditionally, they were not expected to be in employment as it was assumed that the (mostly female) lone parents would be fully occupied in caring for their children. The increasing employment rate of married and cohabiting mothers has changed this assumption. Recent policy changes in Ireland, since 2012, have reinforced the

expectation that lone parents will seek employment once the youngest child reaches the age of seven.

This report builds on the earlier work (Russell, Maître and Nolan, 2010) that monitored the evolution of poverty and deprivation for the different life-cycle groups between 2004 and 2007. In that period, there was a decline in the at-risk-of-poverty rate and the consistent poverty rate, particularly among older households. This report continues in that tradition by tracing the evolution of at-risk-of-poverty, consistent poverty and basic deprivation for these groups as Ireland moved into recession and early recovery.

We extend that earlier work in a number of other directions, as well as covering a longer time period. First, following an approach by Whelan and Maître (2008) and Whelan, Nolan, and Maître (2008), we examine how social class and social risk group membership interact to influence at-risk-of-poverty and basic deprivation outcomes for individuals and households. This will inform our understanding of the role played by the welfare state, as studied by Whelan & Maître (2008).

Second, we extend the analysis further by taking advantage of the 2013 SILC module to examine a broader range of quality of life (QoL) outcomes, including health, mental health, housing and social relationships. This analysis draws on the results of a technical report that developed a multidimensional indicator of quality of life (Watson, Maître, Whelan and Russell, 2016). This broader perspective is in line with a general commitment in European policy to take into account a wide range of outcomes in assessing the goals and effectiveness of economic and social policy. The focus of this new commitment is not just on economic growth, although a restoration of growth is very important in remedying the negative effects of the recession on employment and living standards, but also on dimensions such as health, psychological wellbeing, housing and social relationships (e.g. European Commission, 2013; Stiglitz, Sen and Fitoussi, 2009; OECD, 2013).

Third, we go beyond the earlier analysis in distinguishing lone parents and their children as a distinct social risk group. We also distinguish young adults from other adults of working-age, since these groups have also become a particular policy concern in recent years (Department of Social Protection, 2013). As lone parents

and people with a disability are not distinguished by their life-cycle stage we adopt the broader term 'social risk groups' rather than life-cycle groups.

As well as being relevant to national programmes to tackle poverty and social exclusion, the analysis draws out the significance of at-risk-of-poverty and basic deprivation for physical and emotional health, housing and social cohesion. This means that the results will be relevant to a wide range of policy areas. The focus on social risk groups will provide important data that is relevant to policy on children, young adults, on older people and on people with a disability. The examination of outcomes such as health, housing, environment quality and social relationships will also broaden the relevance of the findings beyond a focus on poverty. As such, the findings will be relevant to policy on health, housing and the environment as well as social cohesion.

In the remainder of this chapter, we begin by providing an overview of the economic context in the period covered by the analysis here. Then we discuss previous research and analysis of social risk groups and social classes. Drawing on this earlier work we specify the research questions addressed in this report and, finally, provide an outline of the contents of Chapters 2 to 5.

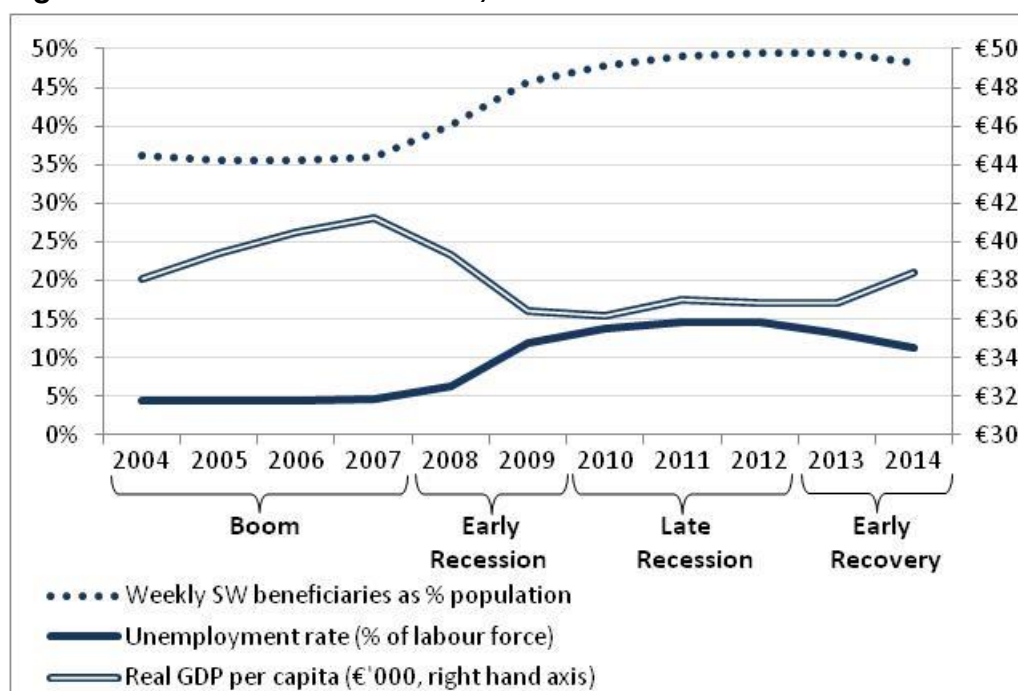
1.2 The economic context

The period from 2004 to 2013 is covered by the analysis in this report. It covers a period of dramatic economic change, encompassing the last years of economic growth, the Great Recession and early recovery. Figure 1.1 shows a number of economic indicators in the period from 2004 to 2014. Gross Domestic Product (GDP) is an indicator of the net value of goods produced in the economy. The chart shows real GDP per capita in thousands of Euro at constant (2010) prices. This had increased from €38,000 per capita in 2004 to €41,000 in 2007 before falling to €39,000 in 2008 and €36,000 in 2009, remaining in the €36,000 to €37,000 range for several years before rising to €38,000 by 2014.

The chart also shows the unemployment rate. The standardised, seasonally adjusted unemployment rate had been at a historically low rate between 2004 and 2007 (between 4.5 and 4.7 per cent), before beginning a steep rise in late 2008. The rate in 2008 was about six per cent but it rose to 12 per cent in 2009, reaching a high of

14.7 per cent by 2012 before falling to 11 per cent by 2014. In response to falling employment levels in the recession, the percentage of the population in receipt of weekly social welfare payments increased sharply. As shown in the chart, this figure was about 36 per cent between 2004 and 2007 but had risen to 49 per cent by 2011 to 2013. The crucial role of such transfers in buffering the impact of the recession is shown by the fact that in 2013 they resulted in a 20 per cent reduction in the Gini coefficient of inequality from 0.586 based on market income to one of 0.313 for total disposable income, including social transfers (Savage et al., 2015a).

Figure 1.1 Economic indicators, 2004 to 2014



Source: Real GDP per capita from Eurostat (http://ec.europa.eu/eurostat/ Table tscec_100; Chain linked volumes, 2010, Euro per capita). Department of Social Protection, Statistical Report on Social Welfare Services 2013 (Table A8 on number of beneficiaries of weekly social welfare payments as a percentage of population). CSO Seasonally Adjusted Annual Average Standardised Unemployment Rates, from www.cso.ie (Table LRA04, downloaded April 9, 2015)

At certain points in the report, we distinguish between distinct periods based on these economic conditions. The boom period (2004 to 2007) was characterised by low unemployment and GDP growth. The early recession in 2008 and 2009 was the period of the sharpest rise in unemployment and the sharpest fall in GDP, together with rising levels of welfare dependence. The later recession in 2010 to 2012 was characterised by continuing high unemployment and welfare dependence levels, though the rate of increase in unemployment was not as sharp. The early recovery

year of 2013 was when the unemployment level began to fall and GDP started to increase.

1.3 Previous research

1.3.1 The context of the changing welfare state

Taylor-Gooby (2004) speaks of the need to rebuild the welfare state around the changing capacities and roles of the three ‘welfare pillars’ of markets, families and the state. Markets are the main source of welfare for most working-age adults because their incomes come via the market and many of their welfare needs are met through purchasing goods and services. Families provide welfare through care services (mainly for children and adults with a disability), through pooling of income from the market and pooling of risk such as the income shocks associated with illness or unemployment (Western et al, 2012). Finally, governments provide welfare by virtue of a redistributive social contract which has its roots in collective solidarity.

In the context of the three pillars, we could see social classes as distinguished on the basis of differing command over marketable resources (such as capital, marketable skills or organisation-specific knowledge). Social risk groups, on the other hand, can be distinguished on the basis of the extent to which they experience external barriers to their market access – barriers that may be linked to the family role expected of them (mainly caring responsibilities); linked to restrictions on the capacity to pool risk across family members associated with living alone and lone parenthood; due to their life-cycle stage (such as children or retirees); or due to factors such as disability that limit their capacity to labour.

1.3.2 Social classes

Social classes, in the Weberian tradition, are understood as social groups that share a common set of determinants of their life chances (Weber, 2010). They need not be conscious of themselves as a class or act politically in order to promote their interests. Social class is intended to capture a relatively enduring position with respect to life chances, affecting not just the person’s current situation but their circumstances in the event of illness or disability and also on retirement. The classification we adopt here is the occupation-based system underlying the European Socio-economic Classification (ESeC), which draws on the work of John

Goldthorpe and Robert Erikson (Erikson and Goldthorpe, 1993). We take the social class position of the person responsible for the accommodation to characterise the social class position of the household. If a couple is responsible for the accommodation, the higher of their two social classes is likely to be most consequential for the life chances of the household, and this is used to classify the household.¹

Not only do we see differences in outcomes by current social class, but also a continuing effect of social class of origin on outcomes later in life. Pintelon et al. (2013) draw on the module on intergenerational poverty in the 2005 EU-SILC to consider the impact of social class of origin on later outcomes such as ill health, unemployment, single parenthood and low-paid employment. The authors find clear evidence of a sizeable influence of social class of origin, pointing to the enduring relevance of social class of origin throughout the life-cycle. Although we cannot examine social class of origin here, the enduring influence of social class is important in examining outcomes for older people. It will have been quite some time since many of them would have last worked in the occupation on the basis of which their social class is determined.

1.3.3 Social risk groups

Taylor-Gooby (2004) distinguishes between ‘old’ social risks linked to the industrial economy and ‘new’ social risks which emerge with the post-industrial service economy (see also Bonoli, 2005). According to Taylor-Gooby, the function of the welfare state is to provide for needs which were not adequately met through the market or through familial provision. These include (a) interruptions of income such as unemployment, illness, disability and retirement; (b) life-cycle stages where there is a mismatch between income and needs, such as childhood, the stages of family formation and parenting young children, and (c) areas where state provision is deemed more efficient, such as regulating the provision of health and education services.

¹ Taking the most advantaged social class in couple households tends to increase the proportion of individuals in the higher social classes compared to classifying individuals based on individual occupation. This would ignore the tendency to pool resources within households, however (see Watson, Maître and Cantillon, 2013).

With the emergence of a post-industrial service economy, however, an additional set of challenges has emerged. New social risks are those associated with the move to a post-industrial service economy, particularly the increasing importance of education which threatens to marginalise those with lower levels of education; the rising labour market participation of women which creates challenges in meeting social care needs; the ageing population bringing a greater need for care services and the move towards private provision of services such as pension schemes which can lead to some groups being excluded.

Taylor-Gooby emphasises the significance of these social risks at a broad societal level, but we could also view several of them as linked to different kinds of challenges or barriers to participation in employment, which is the main way of accessing resources in a modern capitalist society for those without substantial capital (Bonoli, 2007; Pintelon et al., 2013). When viewed in terms of barriers to participation, social risks can be seen as involving challenges that are linked to:

- life-cycle stage: children and people older than 'working-age'
- personal resources: illness or disability may limit a person's capacity to work as well as involving additional costs associated with treatment, medication or disability-specific devices and aids
- non-work caring responsibilities: responsibility for childcare or others who have an illness or disability is likely to reduce the time available for paid work.

Working-age adults without employment may be sub-divided based on human capital – skills, education, experience, time out of work and so on. However, in our view, these subdivisions are better regarded as sources of variation within social risk groups (such as among lone parents or other working-age adults) rather than as constituting distinct social risk groups. In addition, human capital characteristics tend to cumulate over time while membership of a social risk group is often associated with a particular transition: becoming a lone parent, retiring, acquiring a disability. Further, since education and work experience directly affect the marketability of labour, we would argue that they are better seen as more closely related to the social class dimension than to social risk group membership.

In social policy, there is sometimes a need to distinguish groups based on outcomes for targeting purposes. Examples include the long-term unemployed or those at risk

of poverty. We do not treat these as social risk groups since the concept of social risk as we apply it here is linked to factors which are relatively enduring and which influence the risk of outcomes such as unemployment or poverty rather than being based on the outcomes themselves.

1.3.4 Connection between social risk and social class

One of the questions we address here concerns how social class and social risk group membership jointly influence outcomes. Based on analysis conducted on SILC 2005, Whelan and Maître (2008) argue that life-cycle effects are distinct from social class differences but that the scale of life-cycle differences varies by social class. In other words, the authors found a significant interaction between social class and life-cycle group membership for indicators of social exclusion.

In this report, we expand the analysis to include the impact of social risk group membership and social class on quality of life (QoL). We draw on earlier work on the measurement of multidimensional QoL deficits (Watson et al., 2016) to deepen our understanding of the interrelationship between social class and life-cycle group membership. This work added to our capacity to distinguish between the *level* of QoL problems (such as the number of problems experienced) and the *composition* of QoL problems (such as whether the problems are in the area of poverty, housing, health and so on). This affords us a unique opportunity to investigate the relative contributions of social class and life-cycle processes to a broader range of outcomes.

1.3.5 Trends and patterns in at-risk-of-poverty and basic deprivation

As part of the context for the report we describe the trends in the two component indicators of the Irish national social target for poverty reduction². To be at-risk-of-poverty involves living in a household where disposable income, after adjusting for household size and composition, is below 60 per cent of the median income. Basic deprivation involves an inability to afford 2 or more of 11 basic goods and services,

² The national social target for poverty reduction (NSTPR) aims to reduce consistent poverty to 4% by 2016 (interim target) and to 2% or less by 2020, from a baseline rate of 6.3% in 2010. The National Action Plan for Social Inclusion 2007-2017 is the strategic framework for the whole-of-Government actions underpinning achievement of this overall objective. Progress towards these targets is reported annually in the [Social Inclusion Monitor](#).

including adequate food, clothing, home heating, replacing worn-out furniture and participation in social activities.

At-risk-of-poverty and basic deprivation had both been declining before the recession, with at-risk-of-poverty falling from 19.4 per cent in 2005 to 16.5 per cent in 2007 while basic deprivation fell from 14.1 per cent to 11.8 per cent in the same period. Basic deprivation increased with the recession, reaching a peak of 30.5 per cent in 2013. The rate of at-risk-of-poverty fell below its 2007 level because of the combined effect of the fall in incomes from work (so that the poverty threshold fell) and the safety net provided by the social protection system for most of those becoming unemployed (Watson and Maître, 2013).³ The percentage of the population benefitting from weekly social welfare payments rose from 35 per cent in the boom to close to 50 per cent at the peak of the recession (see Figure 1.1, above).

1.3.6 Previous research on social risk groups

This report returns to a theme of earlier analyses (e.g. Whelan and Maître, 2008; Russell, Maître and Nolan, 2010) in investigating trends in the poverty and social exclusion experience of different social risk groups: children, working-age adults, older people and people with a disability. Earlier work focusing on the at-risk-of-poverty rate in the 2004 to 2007 period had shown that the decline in at-risk-of-poverty was most pronounced for older people (Russell, Maître and Nolan, 2010).

Risk factors varied by life-cycle group (Russell, Maître and Nolan, 2010). Among children, family type (particularly lone parenthood) was associated with increased at-risk-of-poverty levels and the rate became more concentrated in lone parent families in the period. Among working-age adults, unemployment and household joblessness were strong predictors of at-risk-of-poverty. In the older age group, living alone was associated with a substantially higher income poverty risk. In the context of declining median income levels, recent figures from SILC showed a substantive increase in basic deprivation for some vulnerable groups such as children, lone parents and single elderly (CSO, 2015).

³ Central Statistics Office (CSO) StatBank Table S1A12, accessed July 21 2016. www.cso.ie

Analyses since the start of the recession have shown the increasing significance of household joblessness as a risk factor for poverty (Watson, Maître and Whelan, 2012); the important role of social transfers in protecting jobless households from at-risk-of-poverty but their failure to prevent basic deprivation (Watson and Maître, 2013; Savage et al., 2015b); and the high at-risk-of-poverty and deprivation rates among families with children (Watson, Maître and Whelan, 2012).⁴

The at-risk-of-poverty rate for children has been higher than for adults in Ireland, like most European countries (with the exception of the Scandinavian countries), and research has also documented the adverse impact on the recession on the socio-emotional wellbeing of children in families that experience economic vulnerability during the recession (Watson, Maître and Whelan, 2012; Watson et al., 2014; Watson et al., 2015b). Although much analysis of the circumstances of children treats them as a single 'life-cycle' group, in this report we distinguish children of lone parents and those whose parents have a disability from 'other children'.

The circumstances of children are closely linked to those of their parents in the working-age category. As noted above, an issue of particular importance to the working-age population is access to employment and we have seen how the unemployment rate soared during the recession. In addition, the phenomenon of household joblessness increased with the recession, particularly for households with children. In 2007 12 per cent of Irish children were in jobless households, rising to 20 per cent in 2012 before dropping back to 16 per cent by 2014 (Watson, Maître and Russell, 2015c).

Among working-age adults, there are certain groups that are particularly vulnerable to at-risk-of-poverty. In this regard, lone parents and working-age people with a disability are of particular concern and these are identified separately in this report. Lone parents have consistently emerged as a group at higher risk of social exclusion, financial exclusion and economic vulnerability in Ireland (Russell, Maître and Donnelly, 2011; Watson, Maître and Whelan, 2012; Whelan, Maître and Russell, 2015). Research drawing on the Quarterly National Household Survey (QNHS)

⁴ The percentage of the population benefitting from weekly social welfare payment rose from 35 per cent in the boom to close to 50 per cent at the peak of the recession (see Figure 1.1).

Equality Modules suggested that while working-age people with a disability face lower employment rates, their circumstances were not as strongly affected by the recession as were the circumstances of their non-disabled counterparts (Watson, Kingston and McGinnity, 2013). This is not a positive news story, however, but a case of those with less to lose being somewhat less affected by the recession. Other research suggests that the employment rate of people with a disability in Ireland is below what is typical in other European countries (Watson, Kingston and McGinnity, 2013, Figure 1.1). In addition, people with a disability face higher costs associated with the disability itself so that for a given level of income their standard of living would be expected to be lower. Work by Cullinan, Gannon and Lyons (2010) suggested that, at the at-risk-of-poverty threshold, costs for people with a disability are roughly one third higher than those for people without a disability.

Apart from lone parents and working-age people with a disability, we also treat young adults as a specific social risk group in this report. Young adults face particular challenges in making the transition to employment (McCoy et al, 2014). This was exacerbated during the recession (Kelly et al, 2014), when youth transitions out of unemployment fell sharply and education became even more important to getting a job.

Relative to their younger counterparts, older people have fared better in terms of at-risk-of-poverty and social exclusion in recent years. Previous research has documented the fact that policies to protect the basic pension rates ensured that older people were protected from the worst effects of the recession (Watson and Maître, 2013). The lower at-risk-of-poverty and deprivation rates of pensioners were found from the early 2000s onwards (Watson and Maître, 2012).

1.3.7 Social risk groups and social classes as jointly influencing outcomes

The analysis here goes beyond a focus on social risk groups to examine how social risk and social class interact. Being a member of a disadvantaged social risk group, such as a lone parent family, and a disadvantaged social class (such as a lower-skilled manual worker) can be seen as an example of multiple risk factors for outcomes such as poverty, housing problems or neighbourhood problems. Here, we use the term 'multiple risk factors' to refer to the presence of several relatively independent risk factors (Nolan and Whelan, 1999; Berthoud, 2003; Whelan, Nolan

and Maître, 2007; Watson and Lunn, 2010). In this context, a frequently-posed question is whether membership of two groups, both of which are disadvantaged in certain respects, is in some sense worse than membership of either one. Barrett and McCarthy (2007), for instance, find that immigrant women in Ireland suffer an additional pay penalty, compared to men and native women. Other research has also shown interactions between life events and social class position in accounting for at-risk-of-poverty (Vandecasteele, 2005, 2010; Whelan and Maître, 2008).

However, drawing on a set of distinctions made by Berthoud (2003), Watson and Lunn (2010) note that there are two senses in which someone who is a member of two different risk groups may be 'worse' off. One is termed 'additive' disadvantage and occurs where they experience the sum of the negative consequences of membership in each group. To illustrate with the example of having a disability and being an early school leaver with respect to employment, an early school leaver with a disability would experience the reduction in employment associated with having a disability *plus* the reduction associated with being an early school leaver.

The second way in which someone may be 'worse' off is where the disadvantage is multiplicative: as well as the negative effects of belonging to either group, there is an additional negative impact associated with membership in both. To return to the above example, an early school leaver with a disability would experience the reduction in employment associated with having a disability *plus* the reduction associated with being an early school leaver *plus* an additional reduction associated with being a member of both groups.

However, there is also a third possibility where the effects are 'non-additive': the consequences of membership in both groups are not quite as bad as we would expect if the effects were independent. In the example of the early school leaver with a disability, the reduction in employment is less than we would expect based on the independent reductions associated with having a disability and being an early school-leaver.

In an analysis of a number of different outcomes associated with gender and disability, Watson and Lunn (2010) found that the non-additive pattern was the most common but that examples of additive and multiplicative disadvantage were also

found, depending on the outcome.⁵ Other research on the impact of the recession on different groups has also suggested that the impact was greater for those working-age families that had been relatively protected before the recession, such as people without a disability (Watson, Kingston and McGinnity, 2013) and couple families rather than lone parents (Watson et al., 2014).

In general, Watson et al. (2011) note the importance of paying careful attention to the processes underlying disadvantage and the ways in which these processes may interact. It cannot be assumed that where membership in each of two groups is each associated with a negative outcome, members of both groups will be 'doubly disadvantaged', or indeed that a pattern found for one outcome will be found for others.

The concept of multiple risk factors as it is used here is different from the concept of cumulative disadvantage, which has been used to refer to processes that operate over time, with earlier disadvantage persisting or even interacting with later events to exacerbate disadvantage (e.g. Nolan and Whelan, 1999; Layte and Whelan, 2002; Vandecasteele, 2010). An example here might be coming from a family where parents have low levels of education which increases the risk of low education and, later, of unemployment or low earnings.

1.4 Research questions

Building on earlier research, this study addresses the following research questions:

1. What was the trend in at-risk-of-poverty, basic deprivation and consistent poverty from 2004 to 2013 for the different social risk groups?
2. To what extent are there differences between the social risk groups in multidimensional quality of life, understood as having several distinct quality of life problems? Are there differences in the (a) level of multi-dimensional QoL problems and (b) composition of multidimensional QoL problems?
3. How important are income poverty and material deprivation as components of multidimensional quality of life problems? Does this differ between the social risk groups?

⁵ In a statistical model with an interaction term, additive disadvantage would result in a non-significant interaction; multiplicative disadvantage would result in a significant interaction with the same sign (plus or minus) as the main effects and non-additive disadvantage would result in a significant interaction term with the opposite sign to the main effects.

4. How do variations in poverty and in multidimensional QoL problems by social risk group differ from variations by social class?

Based on the literature discussed above, we might expect that the impact of the recession would be felt mainly by adults of working-age, with older people relatively protected. This should be most evident in the basic deprivation indicator since, as noted above, basic deprivation was better than at-risk-of-poverty in capturing the shock to living standards caused by the recession. Given the earlier findings about how people with a disability and lone parents fared in the recession, we anticipate that their deprivation rate, already high, may have increased less than the deprivation rate of those who had been relatively protected before the recession.

Since material wellbeing is such a core element of quality of life, we would expect to see a similar pattern across social risk groups, with higher levels of multiple QoL problems among lone parents and people with a disability than among other working-age adults and higher levels of problems among younger than older people. Finally, previous analyses of age and social class differences in multiple QoL problems showed strong variation in the level of problems by both age and social class but a greater variability in the composition of problems across age groups (Watson et. al., 2016). We would expect the level of QoL problems to be highest for the lone parent families and those of people with a disability, and expect the composition of QoL problems for these groups to be similar to those of working-age adults. On the other hand, as suggested by earlier research, we would expect health problems and a lack of safety to be more important for older than younger adults.

1.5 Report outline

In the next chapter, we describe the data and methodology used in the analysis, including the unit of analysis, the population on which we focus and the definition and measurement of at-risk-of-poverty, deprivation, consistent poverty and quality of life (QoL) deficits.

In Chapter 3, we provide an overview of the trends in at-risk-of-poverty, basic deprivation and consistent poverty by social risk group and social class over time.

In Chapter 4, we examine differences by social class and social risk group in multidimensional quality of life.

In the final chapter, we draw together the results to answer the research questions and point to the implications for social and economic policy.

Chapter 2: Data and methodology

2.1 Introduction

This chapter discusses the data and methods of analysis used in the study. The analysis draws on the Survey on Income and Living Conditions (SILC) for the years from 2004 to 2013, and we discuss this data source below. We then describe the measurement of at-risk-of-poverty, basic deprivation, consistent poverty and the identification of the social risk groups and social classes. Finally, we provide details on the measurement of multidimensional quality of life (QoL) problems, outlining the contribution it can make to understanding the circumstances of social risk groups and social classes.

2.2 Data

The Survey on Income and Living Conditions (SILC) is a nationally representative survey of private households conducted annually by the Central Statistics Office (CSO). It was introduced in 2004 and is an EU-wide harmonised survey designed to gather data on household income and living standards. It is the major source of data on social inclusion and inequality in Europe. It is designed as a rotating panel, where each sampled person remains in the survey for four years and with one quarter of the sample replaced each year. In this study, we treat the data as a set of repeated cross-sections rather than analysing it longitudinally. In other words, we focus on trends over time rather than on the dynamics for particular households.

The data, which include children as well as adults, can be linked at the household level so as to identify total household income. We focus on the period from 2004 to 2013, since 2013 was the most recent year available at the time the analysis commenced. Analysing the data over the period 2004 to 2013 allows us to examine the impact of the boom, recession and early recovery on trends in poverty and deprivation for the different social risk groups and social classes.

The SILC has a number of advantages for an analysis of social exclusion:

1. Large sample size. The survey includes data on between 11,000 and 15,500 persons in each year. As a result, there are almost 130,500 persons on whom information is available from 2004 to 2013 (Appendix Table A2.1).

2. SILC is widely accepted as the definitive dataset for analyses related to household income and standard of living in Ireland.
3. The special module on wellbeing in 2013 allows an analysis of a broader set of indicators of quality of life, moving beyond at-risk-of-poverty and basic deprivation.

All results are based on weighted data. Sample weights are constructed for the SILC data by the Central Statistics Office to ensure that the sample is representative of the national population. After re-weighting based on the inverse of the probability of household selection (design weights), the SILC sample is calibrated to population totals for age by sex (four age categories), region (eight regions) and household composition (six categories) (CSO 2012, p. 88). The analyses here adjust the standard errors for weighting of the data and clustering of the observations at household level.⁶

2.3 Measuring at-risk-of-poverty, basic deprivation and consistent poverty

Income is measured at the household level over the twelve months preceding the interview. All sources of income of all household members are included. As well as weekly social welfare payments, less frequent payments are also included (such as Child Benefit, which is paid monthly, and payments such as Back to School Clothing and Footwear Allowance) along with the cash value of near-cash benefits (e.g. free electricity, gas and TV licence).

In constructing the indicator of at-risk-of-poverty, we take disposable income – the level of household income after tax and social transfers such as pension or unemployment benefits. The measurement of at-risk-of-poverty also takes account of household size and composition by using an equivalisation scale. This involves an adjustment to income so that we can compare incomes of households that differ in size. The Irish national equivalisation scale allows a weight of 1 for the first adult in a household, 0.66 for each subsequent adult (over the age of 14) and 0.33 for each child. Equivalised income is a household's disposable income divided by the

⁶ The standard errors tend to be larger when analysing data that are weighted and where the sample is clustered. This results in wider confidence intervals than in a simple random sample. Adjustments for weighting and clustering were made using the 'svy' prefix in Stata (StataCorp, 2013a and b; Thompson, 2012; and Williams, 1978).

household equivalisation scale. A household is at-risk-of-poverty if its equivalised income is below 60% of the median equivalised income.

Basic deprivation involves living in a household that is unable to afford 2 or more of 11 basic goods and services, such as adequate food and clothing, adequate heat for the home and the ability to socialise (see glossary for list of basic deprivation items). Consistent poverty involves being below the at-risk-of-poverty threshold *and* lacking 2 or more of these basic goods and services (see CSO, 2015 for details).

2.4 Measuring social risk group membership and social class

2.4.1 Social risk group membership

In the analysis, we focus on a number of social risk groups. These are groups that face a distinct set of risks of social exclusion, linked to barriers to labour market participation. For the purpose of the descriptive analysis in this report, we have identified the groups in such a way that they are mutually exclusive, as shown in Table 2.1. The logic here is that the Irish social protection system assigns people to distinct groups, based on whether they are of working-age, whether they are a lone parent and whether they have a disability. In deciding whether to include lone parents with a disability in the 'lone parent' or 'people with a disability' group, we were guided by the strength of the association with at-risk-of-poverty, basic deprivation and economic stress. This was stronger for lone parenthood than for disability (see Appendix Table A2.2). As a result, lone parenthood took precedence over disability in deciding on the classification.⁷

The first group consists of lone parents (of any age, but the vast majority are aged under 66). These are (usually) women or (sometimes) men who do not have a partner (i.e. they are not married or cohabiting) and who have at least one child under the age of 18 living with them. These account for four per cent of the population across the period and an additional six per cent of the population are resident children of lone parents.

⁷ Although lone parents with a disability could be regarded as being 'doubly disadvantaged', tests showed that the interaction between lone parenthood and having a disability is not statistically significant for at-risk-of-poverty, basic deprivation or high economic stress.

It is worth noting that lone parenthood is more significant for children than for adults in the sense that a higher proportion of children (22 per cent) than of adults (six per cent of working-age adults) are found in lone parent households. In fact, 37 per cent of children are either children of a lone parent or of an adult with a disability. This compares to 20 per cent of working-age adults who are either a lone parent or an adult with a disability. So children are over-represented in these vulnerable family types.

The presence of a disability is indicated by responses to a question on whether, for at least the last six months, a health problem limited the person in terms of activities people usually do.⁸ Working-age adults with a disability are those aged between 18 and 66 (i.e. not yet qualifying for a state pension), excluding lone parents, who are limited or strongly limited in terms of the activities they usually do. They account for nine per cent of the population and their resident children under the age of 18 make up another four per cent.

Table 2.1 Social risk groups – definitions and sizes of groups, 2004 to 2013

	Total
Lone parents (all ages)	4%
Child < 18 of lone parent	6%
Working-age adult aged 18-65 with a disability (excluding lone parents)	9%
Child < 18 of adult aged 18-65 with a disability	4%
Other children under 18	17%
Young adults aged 18-29 (not a lone parent, not with a disability)	15%
Other working-age adults aged 30-65 (not a lone parent, not with a disability)	36%
Older people aged 66+	11%
Total	100%

Source: SILC data for Ireland, 2004 to 2013, weighted, analysis by authors. Note: due to rounding, the percentages may not add up to 100%

The remaining groups shown in the rows of the table consist of other children under the age of 18 (17 per cent of the population), young adults aged 18 to 29 (15 per cent of the population), other working-age adults aged 30 to 65 (36 per cent of the

⁸ The exact question wording in SILC is "For at least the last 6 months have you been limited in activities people usually do, because of a health problem? (If limited, specify whether strongly limited or limited)."

population) and older people aged 66 and over (11 per cent of the population). These groups are not lone parents and, apart from those aged over 66 (who may also have a disability), are not people with a disability.

There are some areas of overlap between the social risk groups, as shown in Table 2.2. The second column in the table shows that some adults with a disability are classified in other groups. The question on disability was asked of those aged 16 and over. Of all those with a limiting condition, 62 per cent met the criteria for classification as a working-age person with a disability. Almost one third were aged 66 or over, and therefore not 'working-age'. Smaller percentages of those with a limiting condition were classified on the basis of lone parenthood (four per cent), for the reasons noted above, or being themselves children (one per cent).

Table 2.2 Social risk groups, 2004 to 2013 – overlap and classification

Social risk group:	Age group and presence of disability					
	Age 16+ has disability	% <18, parent has disability	Age < 18	Age 18-29	Age 30-65	Age 66+
Lone parents (all ages)	4%	0%	0%	5%	6%	0%
Child < 18 of a lone parent	0%	20%	22%	0%	0%	0%
Working-age adult with a disability (age 18-65, excl. lone parents)	62%	0%	0%	7%	17%	0%
Child < 18 of adult aged 18-65 with a disability	0%	80%	14%	0%	0%	0%
Other children under 18	1%	0%	63%	0%	0%	0%
Young adults aged 18-29 (not lone parent, not with a disability)	0%	0%	0%	87%	0%	0%
Other working-age adults aged 30-65 (not lone parent, not with a disability)	0%	0%	0%	0%	77%	0%
Older people aged 66+	32%	0%	0%	0%	0%	100%
Total	100%	100%	100%	100%	100%	100%

Source: SILC data for Ireland, 2004 to 2013, weighted, analysis by authors. Note: Due to rounding, total percentages may not add up to 100%

Among children of parents with a disability, 20 per cent are classified as children of lone parents on the basis of their parent not being married or cohabiting. It is worth noting that a significant proportion of children are in these vulnerable families: among

all of those aged under 18, 22 per cent are children of lone parents and 14 per cent are children of a parent with a disability.

Among those aged between 18 and 29, five per cent are classified as lone parents and seven per cent are classified as having a disability. Among the working-age adults aged 30 to 65, six per cent are classified as lone parents and a higher percentage (17 per cent) are classified as working-age adults with a disability. Virtually all of the adults aged 66 and over are classified according to age: less than one per cent are lone parents and even if they had a disability they would not meet the criteria for the category 'working-age adult with a disability'.

2.4.2 Social class

Social class is the European Socio-economic Classification (ESeC; Rose and Harrison, 2010). The ESeC is a classification designed to identify groups with broadly similar life chances related to their occupational position. We take the social class position of the person responsible for the accommodation to characterise the social class position of the household. If currently in employment, it is based on their current main job. If they worked in the past, it is based on their previous occupation so that pensioners, for instance, are classified based on their pre-retirement jobs. If a couple is responsible for the accommodation, the higher of their social classes is chosen, as this is likely to be most consequential for the life chances of the household. The ten ESeC social class categories are grouped into six, as shown in Table 2.3, as several of the classes have less than 10 per cent of the population.

Overall, the sizes of the aggregated social classes vary from 11 per cent of the population for self-employed/farmer to 22 per cent for the lower professional/ managerial social class.

With the ESeC classification system, professionals are included in ESeC class 1 or 2, whether they are self-employed or employees. The logic here is that their professional qualifications, rather than their employment status, will be the main driver of their life chances. Nevertheless, the self-employed/farmers are quite a diverse group and their fortunes were markedly affected by the recession, as we shall see. First, there is an important contrast between farmers and most other self-employed persons in the value

of the assets that they own. Farm land is an important asset on the strength of which the owner may borrow, either for investment or to smooth some of the fluctuations in farm income. Second, there are difficulties in measuring income for the self-employed, with indicators tending to understate their command over resources (e.g. Parker, 2004; Hurst, Li and Pugsley, 2014). As a result, the at-risk-of-poverty level of the self-employed is often much higher than we would expect based on direct measures of living standard such as basic deprivation. A third reason for the diversity of the self-employed concerns their experience of the recession. Since the self-employed are not eligible for insurance-based unemployment payments, when the volume of business fell during the recession their best strategy may have been to remain in self-employment on much reduced incomes. In similar circumstances, an employee might be made redundant and begin to claim unemployment-related social protection payments. As a result of the recession, the self-employed in exposed sectors such as construction and retail are likely to have experienced a major reduction in their incomes.⁹

Table 2.3 Social class categories, size 2004 to 2013

Detailed categories	Size	Aggregated categories	Size
Higher professional / managerial (ESeC 1)	17%	Higher professional / managerial (ESeC 1)	17%
Lower professional / managerial (ESeC 2)	22%	Lower professional / managerial (ESeC 2)	22%
Intermediate (ESeC 3)	8%	Intermediate / technician (ESeC 3 & 6)	14%
Lower technician (ESeC 6)	6%		
Self-employed (ESeC 4)	8%	Self-employed /farmer (ESeC 4 & 5)	11%
Farmers (ESeC 5)	3%		
Lower service / sales (ESeC 7)	12%	Lower service/sales/technical (ESeC 7 & 8)	17%
Skilled workers (ESeC 8)	5%		
Routine (ESeC 9)	15%	Unskilled manual (ESeC 9 & 10)	19%
Never worked and not classified (ESeC 10)	4%		

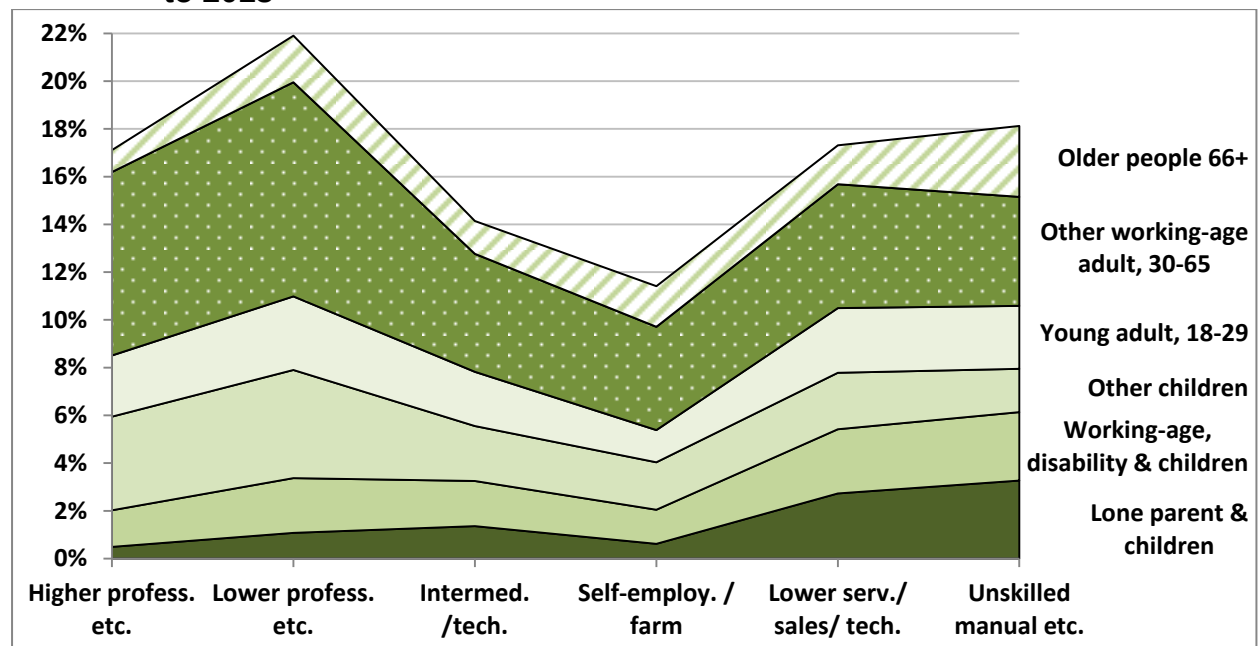
Source: SILC data for Ireland, 2004 to 2013, weighted, analysis by authors. Note: Due to rounding, total percentages may not add up to 100%

⁹ In fact, the self-employed with low incomes may be entitled to means-tested Jobseeker's Allowance and a range of supports and secondary benefits. However, the third report of the Advisory Group on Tax and Social Welfare notes that there appears to be a misperception among the self-employed that they are not entitled to income support while unemployed.

2.5 Distribution of social risk by social class

There is some correspondence between social risk and social class. For instance people in higher social classes have a smaller average number of children and there is a higher risk of lone parenthood and disability among the lower social classes. Figure 2.1 and Table 2.4 show the percentage of the population in each social risk group by social class cell.

Figure 2.1 Population distribution by social class and social risk group, 2004 to 2013



Source: SILC data for Ireland, 2004 to 2013, weighted, analysis by authors

Table 2.4 Population distribution by social class and social risk group, 2004 to 2013

	Higher profess. etc.	Lower profess. etc.	Inter-med. /tech.	Self-employ. & farmer	Lower serv./ sales/ tech.	Un-skilled manual	Total (Col %)
Lone parent & children	0%	1%	1%	1%	3%	3%	10%
Working-age with a disability & children	2%	2%	2%	1%	3%	3%	13%
Other children	4%	5%	2%	2%	2%	2%	17%
Young adult, 18-29	3%	3%	2%	1%	3%	3%	15%
Other working-age adult, 30-65	8%	9%	5%	4%	5%	5%	36%
Older people 66+	1%	2%	1%	2%	2%	3%	11%
Total (Row %)	17%	22%	14%	11%	17%	18%	100%

Source: SILC data for Ireland, 2004 to 2013, weighted, analysis by authors. Note: Due to rounding, total percentages may not add up to 100%

It is clear from the table that 'other working-age adults aged 30-65' comprise by far the largest social risk group, followed by 'other children' and 'young adults aged 18-29'. Among these large groups, there is a greater concentration in the higher and especially the lower professional/managerial social class.

Lone parents and their children are over-represented in the unskilled manual social class, as are working-age adults with a disability, though to a much lesser extent. Older people are also over-represented in this social class and in the self-employed/farmer social class and they are under-represented in the higher professional/managerial class. This pattern among older people largely reflects changes over time in the occupational structure, with a growth in the number of professional occupations and a fall in the numbers working in farming.

It is worth noting that groups that we might think of as being 'doubly disadvantaged' in social risk and social class terms – especially lone parents and people with a disability in the unskilled manual social class – are rather small in size. Taken together with their children, these groups account for a total of just six per cent of the population. In contrast, 'other adults aged 30 to 65' and 'other children' in the higher and lower professional/managerial social class account for 26 per cent of the population, rising to 32 per cent if we add 'other adults aged 18 to 29' in these social classes. This means that the impact of changes in risk of income poverty or deprivation among lone parents in the unskilled manual social class on overall levels of income poverty and deprivation would be very modest.

2.6 Analysis methodology

The SILC survey, as noted above, follows individuals over a four-year period. This means that when we pool the dataset across years, an individual may be present more than once, in different years. Because the same person may be observed more than once and because there is clustering within the household, we control for clustering in the models.¹⁰

¹⁰ Clustering and weights reduce the precision of sample estimates. The impact on standard errors was taken into account using the 'svy' routine in Stata (StataCorp, 2013a and b; Cochran, 1977; Heeringa et al., 2010; Kish, 1965; Levy and Lemeshow, 2008; Skinner et al., 1989; Stuart, 1984; Thompson, 2012; and Williams, 1978).

In reporting the results of statistical models, we focus on results that are statistically significant at the $p \leq .05$ level. In the descriptive tables, we do not specifically comment on statistical significance. Because of the very large sample size, even very small differences will be statistically significant. In our commentary, we focus on the size of the difference rather than its statistical significance. We report the number of cases analysed in all tables and we do indicate where an apparent pattern is not statistically significant because it is based on a smaller subset of cases.

2.7 Measuring multidimensional quality of life

2.7.1 The quality of life indicators

In 2013, a special module was added to the SILC survey designed to capture a range of dimensions of quality of life (QoL) in addition to the core variables collected. The QoL module was completed by adults in the household who were interviewed directly (i.e. excluding those interviewed by proxy). The QoL index used here is described in more detail in a technical paper (Watson, Maître, Whelan and Russell, 2016). Here we briefly present the indicators, methodology and overall results. The indicators included in the QoL measure are shown in Table 2.5.

The measure captures income poverty, deprivation, financial strain, poor health, mental distress, housing problems (crowded accommodation and housing quality problems), neighbourhood problems, lack of social support, mistrust in institutions and lack of safety.

In the present analysis, we take the indicators for adults who were interviewed in person and also assign them to the children of these adults, using the scores of the mother where possible, so that we can see how children are affected by inequalities in QoL.

Table 2.5 Dimensions of quality of life and indicators of each dimension

Indicators	Description
Income Poverty	In household with equivalised income below 60% median
Deprivation	Eleven basic goods and services identified in the national basic deprivation measure, covering an inability to afford adequate food, clothing, heating, replacing worn furniture and basic social engagement.
Financial strain	A single composite indicator based on five items: Difficulty making ends meet Housing costs burdensome Going into debt to meet ordinary living expenses Arrears on mortgage/rent or utility bills Inability to save
Health problems	Self-rated health is 'fair', 'bad' or 'very bad'
Mental distress	WHO 5-item indicator of mental distress, frequently feeling nervous, depressed, down; infrequently feeling happy, calm
Crowded accommodation	Number of persons per room and number of persons per bedroom.
Housing quality problems	An indicator based on two items – dampness and insufficient light.
Neighbourhood problems	Local Nuisance – an indicator based on three items – problems with noise, pollution and crime in the area.
Institutional mistrust	An indicator based on three items: Low level of trust in political system, legal system, police
Lack of social support	An indicator based on two items: someone to talk to and able to get help from others
Lack of safety	An indicator based on one item, feeling unsafe walking in area after dark.

2.7.2 The adjusted head count ratio (AHCR) methodology

The adjusted head count ratio (AHCR, Alkire and Foster, 2007, 2011a, 2011b) is designed to yield an index which allows us to describe both the *level* of QoL problems and the *composition* of QoL problems for different groups. So, for instance, it allows us to say (a) whether one group experiences 'more severe' multidimensional QoL problems than another in terms of the number of problems and (b) whether the groups differ in terms of the relative contribution of the different dimensions of QoL - in other words, in terms of the composition of their QoL problems.

Having chosen the indicators, the next step in the AHCR methodology is to decide at what level the person will be regarded as having a QoL problem on each indicator. The rationale we adopted, following Whelan, Nolan and Maître (2014) was to take the at-risk-of-poverty rate as a benchmark. At-risk-of-poverty is a widely used

indicator of income poverty in the EU as well as in Ireland. In 2013 the at-risk-of-poverty rate across the entire population in Ireland was just over 15 per cent. On each QoL indicator, we took the threshold that identifies as close as possible to the most 'disadvantaged' 15 per cent. Each of the 11 indicators was weighted equally, following Whelan, Nolan and Maître (2014). Equal weighting and the adoption of a similar threshold on the indicators allows a certain standardisation at the level of the individual indicator. This facilitates comparison across indicators in terms of the contribution of each kind of problem to the total set of problems for different groups. Having done this, we can rule out differing thresholds or different weights as a possible cause of one type of problem being more prevalent than another.

Table 2.6 describes the threshold adopted for each indicator and the percentage identified as experiencing disadvantage on each. Since the development of the QoL indicator was based on adults aged 16 and over who were interviewed directly, their at-risk-of-poverty rate is a little lower (14.6 per cent) than for the general population (15.2 per cent).

Table 2.6 Threshold adopted on indicators of each dimension

Dimension	Indicator and Threshold	% identified
Income poverty	At-risk-of-poverty (below the 60% median income poverty threshold)	14.6%
Deprivation	Deprivation (lack 4 or more of the 11 basic deprivation items)	13.0%
Financial strain	Financial strain (5-item scale: threshold taken as having problems on 4 or 5 of the items).	16.0%
Health problems	Health problems (self-rated health 'very bad', 'bad' or 'fair')	19.8%
Mental distress	Mental distress (average on 5-item scale: threshold taken as those scoring 2 or higher on the scale ranging from 0 to 5).	16.1%
Crowded accommodation	Crowding (additive scale for number persons per room / bedroom, ranging from 0.06 to 2.06; threshold taken as score of 1.24 or higher.)	17.3%
Housing quality problems	Dwelling quality problems (the 2-item scale: threshold taken as having problems either with dampness or with insufficient light).	18.2%
Neighbourhood problems	Local nuisance (3-item scale: threshold taken as having problems with noise, crime or pollution in the local area.)	20.2%
Institutional mistrust	Institutional mistrust (3-item scale; threshold taken as those scoring 2.1 or higher on a scale ranging from 0 to 3).	16.1%
Lack of social support	Lack social support (2 item scale: threshold taken either having nobody with whom to discuss personal matters or nobody to ask for help).	6.7%
Lack of safety	Lack safety (feel 'very unsafe' in local area after dark)	12.2%

Source: SILC 2013, analysis by authors. Population aged 16 and over on whom we have data from a direct interview (N=5760)

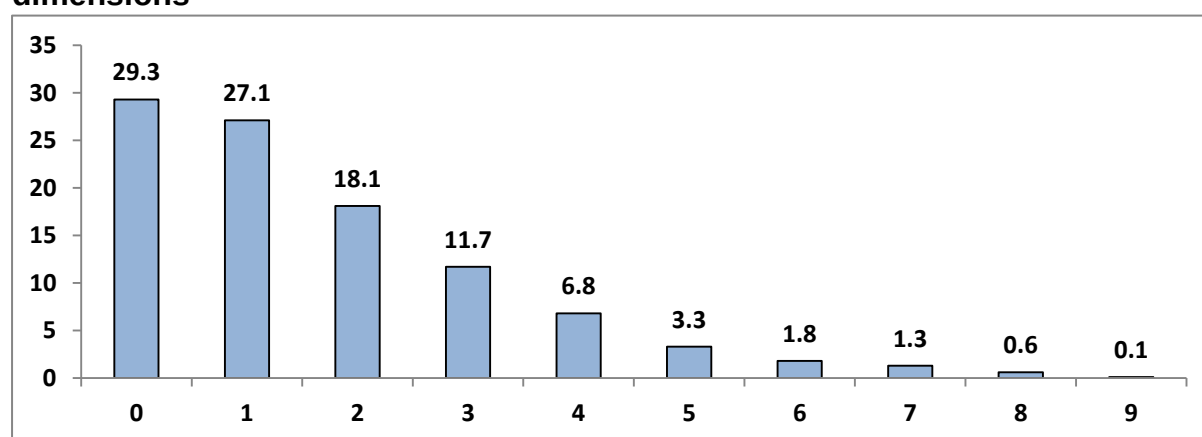
The threshold for the deprivation items was 4 or more items, which is higher than the basic deprivation threshold of 2 or more. The level of basic deprivation in 2013 was over 30 per cent – much higher than the 15 per cent which is the target threshold. The level identified by the 4+ threshold is 13 per cent – much closer to the target.

Apart from lacking social support, the range across the dimensions is from about 12 per cent to about 20 per cent. The threshold on the indicator for lacking social support is lower at just 6.7 per cent, because very few people identify a lack of social support on either one of these indicators.

The third step in constructing the AHCR index involves deciding on the multidimensional threshold: on how many indicators must a person have problems in order to be considered as having multidimensional QoL problems (Whelan, Nolan and Maître, 2014). We are not interested in particular QoL problems that may occur in isolation, but in the presence of multiple QoL problems. Thus, someone who has poor health but none of the other problems would not be considered as experiencing multidimensional QoL problems.

Figure 2.2 shows the percentage of the adults who exceeded the threshold on each number of dimensions. Again, there is a certain level of arbitrariness in deciding on where to set this threshold. As the number of dimensions increases, the percentage of adults experiencing that level of QoL problems declines, reaching less than one per cent by the time we get to eight indicators.

Figure 2.2 Percentage of adults experiencing QoL deficits by number of dimensions



Source: SILC 2013, analysis by authors. Population aged 16 and over on whom we have data from a direct interview (N=5,760)

In deciding on the threshold above which a person would be considered as having multidimensional QoL problems, we clearly need to go beyond one dimension, or the person would not experience multiple problems. A threshold of two or more dimensions would identify a very large group (44 per cent of the population) and risks including those who have problems on only two dimensions that are quite closely related, such as financial strain and income poverty or health and mental distress. Choosing a threshold of 3 or more indicators would identify 25.5 per cent of adults as experiencing multiple QoL deficits, while a threshold of four or more indicators would identify only 13.9 per cent of the adults. Identifying the larger group (25.5 per cent of adults) has the merit of making more cases available within subgroups (such as age groups or social classes) for whom the AHCR could be decomposed for the purpose of examining composition. Therefore, we adopt the threshold of 3 or more here: someone experiencing problems on 3 or more of the 11 indicators is regarded as having multidimensional quality of life problems.

It can be seen from this reasoning that there is a certain degree of arbitrariness in deciding on the threshold. This means that the overall level of multidimensional QoL problems in the population inherits some of this arbitrariness. The main use of the indicator, however, is in comparing the levels across groups in the population rather than attaching any meaning to the overall level in itself.¹¹

Three different indicators of the *level* of multidimensional disadvantage can be derived from the AHCR methodology (see Table 2.7): the head count, intensity and adjusted head count ratio (AHCR). The three indicators are described as follows:

1. The *head count*, H, is the proportion of people who are experiencing multidimensional QoL problems (3 or more such problems): 25.5 per cent.
2. The *intensity*, I, is the proportion of the QoL indicators on which those with 3 or more problems experience a difficulty. This is 37.1 per cent in the present case, indicating that, on average, those adults who are experiencing multidimensional QoL problems have problems over one third, or on just over 4 of the 11 indicators.

¹¹ Watson et al. (2016) conducted a set of sensitivity tests which showed that the conclusions regarding the comparisons between age groups and social classes were robust under the choice of different thresholds.

3. The *adjusted head count ratio* (AHCR) is the product of the head count and the intensity, which is 9.5. This does not refer to a percentage of the population – this is what the head count does. An AHCR of zero would indicate that no member of the population experiences problems with 3 or more of the QoL indicators. An AHCR of 100 would indicate that all members of the population have problems on all 11 dimensions – a highly unlikely occurrence. Expressed as a percentage (i.e. 9.5 per cent) it can be interpreted as the QoL problems experienced by the population as a percentage of the maximum possible across the 11 dimensions. The AHCR figure is particularly useful when comparing different groups in the population, as we do for social risk groups and social classes, in Chapter 4.

Table 2.7 Three indicators of the level of multidimensional QoL problems among adults

	Level of QoL problems
H: Head count (% of population with problems on 3+ QoL indicators)	25.5%
I: Intensity (Of those with 3+ problems, on what % of the 11 indicators do they have a problem, on average?)	37.1%
AHCR: Adjusted head count ratio (the total QoL problems experienced by the population as a percentage of the maximum possible, H x I)	9.5

Source: SILC 2013, analysis by authors. Population aged 16 and over on whom we have data from a direct interview (N=5,760)

As noted above, one of the strengths of the AHCR methodology is that it allows us to decompose the overall AHCR score for a population into the contribution made by the different dimensions. This is illustrated in Table 2.8. The contribution of each indicator is constrained so that they sum to 100. In interpreting the decomposition, it is worth remembering that because each person with multidimensional QoL problems has a deficit on at least 3 indicators, the maximum that any single indicator could contribute would be 33 per cent.

The figures in the table show the contribution of each type of deficit to the total number of deficits across all the individuals who are multidimensionally disadvantaged. So, income poverty accounts for 7 per cent of the total, deprivation for 10 per cent and so on. Seven of the indicators each contribute 10 to 11 per cent to the total ACHR: financial strain, mental distress, health problems, neighbourhood problems, housing quality problems, deprivation and mistrust in institutions. Three indicators each contribute 6 to 8 per cent: crowded accommodation, income poverty

and lack of safety. Lack of social support, which is not common in the population, contributes just 4 per cent.

Table 2.8 Decomposition of the AHCR for multidimensional QoL problems

	Contribution
Income poverty	7.4%
Deprivation	10.1%
Financial strain	11.2%
Health problems	10.9%
Mental distress	11.1%
Crowded accommodation	8.2%
Housing quality problems	10.1%
Neighbourhood problems	10.5%
Institutional mistrust	9.8%
Lack social support	4.3%
Lack of safety	6.4%
Total	100.0%

Source: SILC 2013, analysis by authors. Population aged 16 and over on whom we have data from a direct interview (N persons = 5,760; N persons multi-dimensionally disadvantaged = 1106; N deficits among those with multidimensional disadvantage = 5,928)

The contribution of each indicator to the total is a function of the extent to which the QoL problem occurs as part of a multidimensional QoL constellation. The variation across indicators for the overall population is not large, but the decomposition is of more interest when we compare different groups, as we do in Chapter 4. Note that this decomposition is different from the percentage of the total population who have problems on each dimension (i.e. above the individual indicator threshold), as shown in Table 2.6. The figures in Table 2.8 are percentages of the total multidimensional QoL package represented by each dimension rather than percentages of persons with problems on each dimension. Table 2.6 does not consider whether the person has problems on any of the other QoL dimensions.

2.8 Summary

In this chapter, we have described the SILC data that is analysed in this study, noting the benefits in terms of large sample size, representativeness and availability of comprehensive indicators of household income and living standards. The analysis is based on individuals living in private households with household characteristics (such as type, size, presence of children) treated as attributes of the individual. The population for the study consists of people of all ages. The key indicators for the trend analysis are at-risk-of-poverty, basic deprivation and consistent poverty. The analysis is based on weighted data, and significance tests take account of weights and clustering within households.

Our analysis of quality of life is based on a special wellbeing module of SILC data collected in 2013. The data is available for adults aged 16 years and over who were interviewed directly (i.e. excluding those interviewed by proxy). We take the indicators for adults who were interviewed in person and also assign them to the children of these adults, using the scores of the mother where possible, so that we can see how children are affected by inequalities in QoL.

Chapter 3: Trends in poverty and deprivation

3.1 Introduction

In this chapter we document the trends in at-risk-of-poverty, basic deprivation and consistent poverty by social risk group between 2004 and 2013, focusing in particular on how this was affected by the recession. The analysis is mainly descriptive in this chapter, with some statistical modelling of the joint impact of social risk and social class on poverty and deprivation. The unit of analysis is the person, with household level variables such as at-risk-of-poverty and basic deprivation attributed to each household member.

3.2 Overall trends in at-risk-of-poverty, basic deprivation and consistent poverty

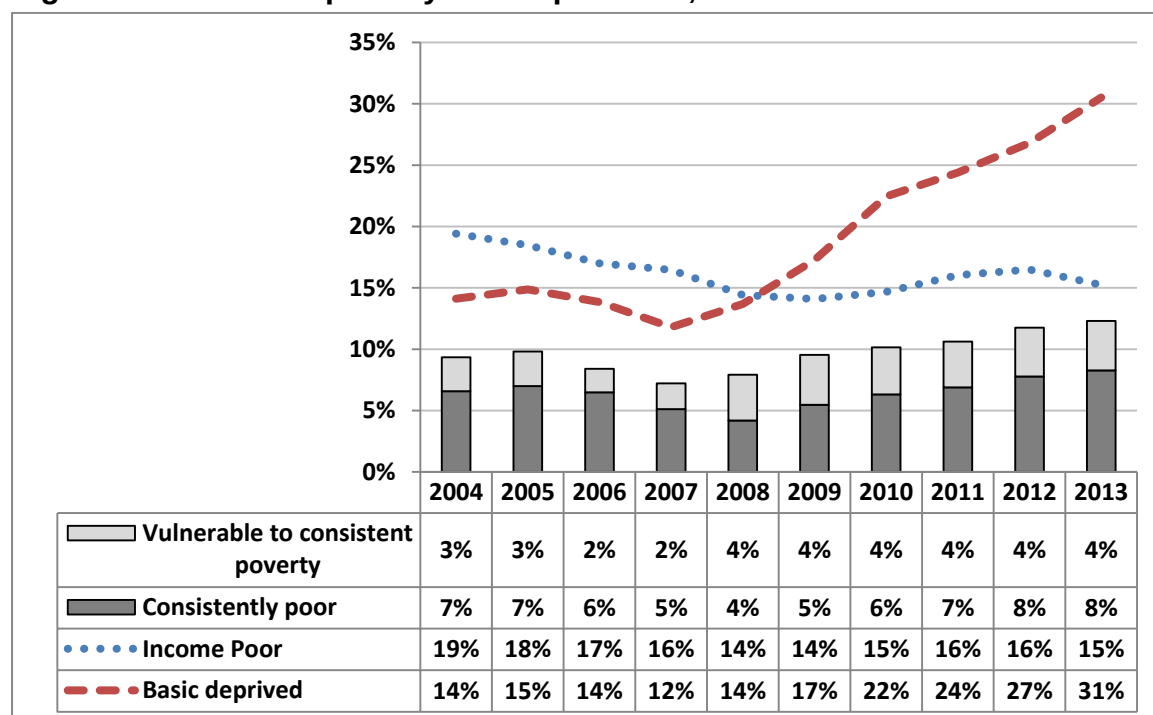
Figure 3.1 shows the trends in at-risk-of-poverty and basic deprivation and between 2004 and 2013. The figure also shows the trend for:

- consistent poverty, which involves being both income poor and lacking 2 or more of the 11 basic deprivation items, and
- vulnerability to consistent poverty, which involves lacking 2 or more of the 11 basic deprivation items and being above the 60% but below the 70% at-risk-of-poverty threshold. This indicator, taken together with consistent poverty, is designed to take account of the fact that the at-risk-of-poverty measure did not do a very good job of capturing living standards during the recession (see Watson and Maître , 2013), by looking at those with a slightly higher income but still experiencing basic deprivation.

The impact of the recession can be seen in that basic deprivation, consistent poverty and being vulnerable to consistent poverty all increased after 2007. At-risk-of-poverty is the exception and this reflects the fact that this indicator does not capture the substantial decline in real income when there is a general fall in incomes. Because the at-risk-of-poverty threshold fell when the recession began, due to falling incomes from work, and because social welfare payments provided a floor below which income would not fall for most households, the level of at-risk-of-poverty continued to fall until after 2009 (Watson and Maître, 2012, 2013). While the stability in relative at-risk-of-poverty rates and indeed the Gini coefficient show the crucial role of automatic stabilizers associated with welfare state intervention (Savage et al.,

2015a), they fail to capture important consequences of the economic crisis on the living standards of individuals and households above this threshold.

Figure 3.1 Trends in poverty and deprivation, 2004 to 2013



Source: SILC data, 2004 to 2013; population of all ages. The margin of error for a 95% confidence interval varies slightly by indicator and year (being lower where the percentage is lower). The average margin of error is $\pm 1.7\%$ for at-risk-of-poverty; $\pm 1.8\%$ for basic deprivation; $\pm 1.1\%$ for consistent poverty and $\pm 1.4\%$ for vulnerable to consistent poverty

A contrasting picture is provided by the basic deprivation indicator which is likely to be influenced not only by current income but also by declines in real income, increasing debt, erosion of savings and weakening of economic support networks. The level of basic deprivation began to rise in 2008 (from 12 to 14 per cent) and continued to rise year-on-year to reach 31 per cent in 2013. Because at-risk-of-poverty was still falling in 2008, although basic deprivation levels had begun to rise, the level of consistent poverty did not begin to increase until 2009. Adding the 'vulnerable to consistent poverty' indicator gives a little more weight to basic deprivation, by relaxing the at-risk-of-poverty threshold. Although it did not change much between 2007 and 2008, it had risen significantly by 2009 (the consistently poor plus those vulnerable to consistent poverty rose from seven per cent in 2007 to almost 10 per cent in 2009).

The fact that basic deprivation rose early in the recession and was slow to stabilise suggests that it is acting something like a 'permanent income' indicator which might capture longer-term command over resources than current income and the income poverty that is derived from it. The permanent income hypothesis, developed by Milton Friedman (1957), assumes that consumption is a function not only of current income but also of expected income in the future. The measure of basic deprivation, which relies heavily on the idea of being unable to afford to have or do certain things, is likely to encourage the respondent to draw on their expectations of future income, their needs, their level of savings and debt as well as on their income at a point in time.

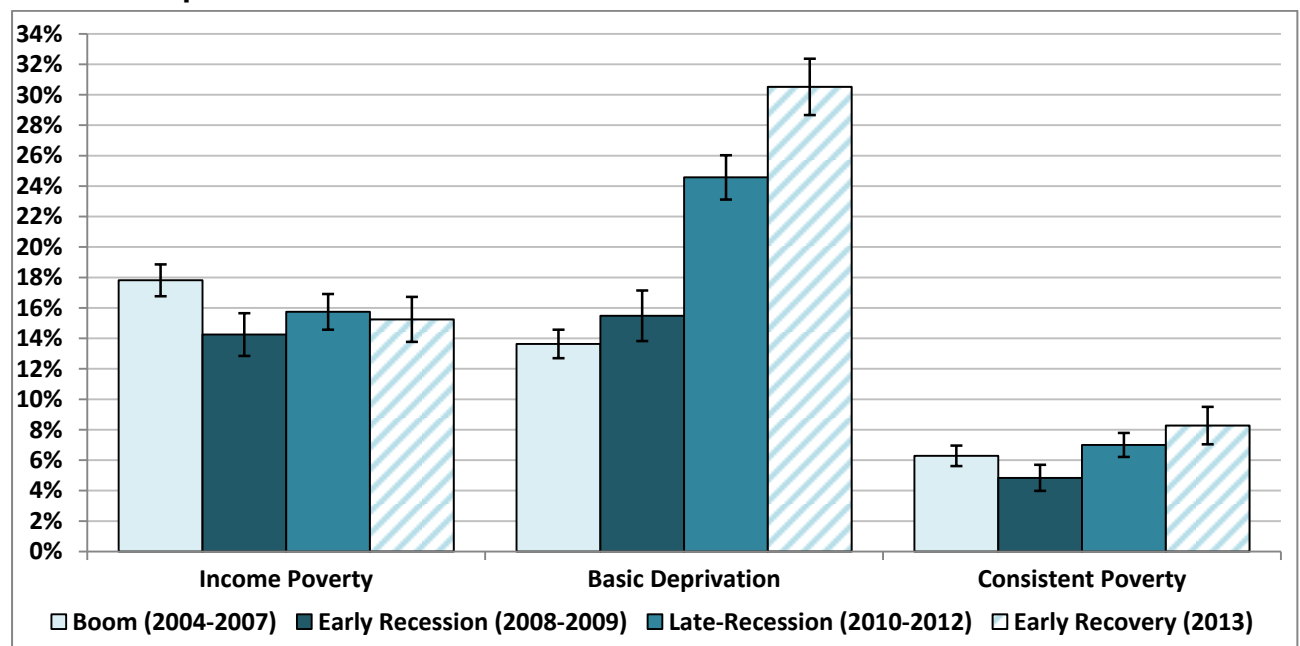
To make the presentation of trends in subsequent sections clearer, we divide the period into four time spans:

- boom: 2004 to 2007 (low unemployment, economic growth)
- early recession: 2008 and 2009 (rapidly rising unemployment, welfare rates stable or rising)
- late recession: 2010 to 2012 (unemployment rising more slowly; welfare cuts)
- early recovery: 2013 (unemployment begins to fall).

The overall levels of at-risk-of-poverty, basic deprivation and consistent poverty in these time periods are shown in Figure 3.2. The chart also shows (with vertical 'error bars') the bounds of the 95 per cent confidence interval around the percentages. When comparing two percentages (e.g. for at-risk-of-poverty in the boom and early recession), if the confidence intervals do not overlap, we can be 95 per cent confident that the rate is different for the two periods because, given the sample size and design, a difference this big is unlikely to have occurred by chance. The term 'statistical significance' is used to refer to differences that are large enough that we can be very confident (95 per cent confident) they did not occur by chance. If there is a substantial overlap between the confidence intervals, the difference is 'within the margin of error' and we cannot be sure (at 95 per cent) that a difference of this magnitude could not occur by chance. In Figure 3.2, for instance, the fall in at-risk-of-poverty between the boom and early recession was statistically significant but the increase between the early and late recession was 'within the margin of error' (i.e. not statistically significant).

As we saw earlier, the trends over time differed for the three indicators. The at-risk-of-poverty rate fell significantly during the boom and remained low in the early recession, but the change after 2009 was within the margin of error. In the case of basic deprivation – the inability to afford 2 or more of 11 basic goods or services – the increase between the boom and early recession was within the margin of error but there was a significant increase between the early and late recession and between the late recession and early recovery. Because its two components (at-risk-of-poverty and basic deprivation) are moving in different directions, the change over time in consistent poverty is more muted. Consistent poverty fell significantly during the boom and remained low in the early recession, but rose significantly in the late recession and remained at roughly the same level in 2013. In the next section, we examine whether these trends over time differed by social risk group.

Figure 3.2 At-risk-of-poverty, basic deprivation and consistent poverty by period



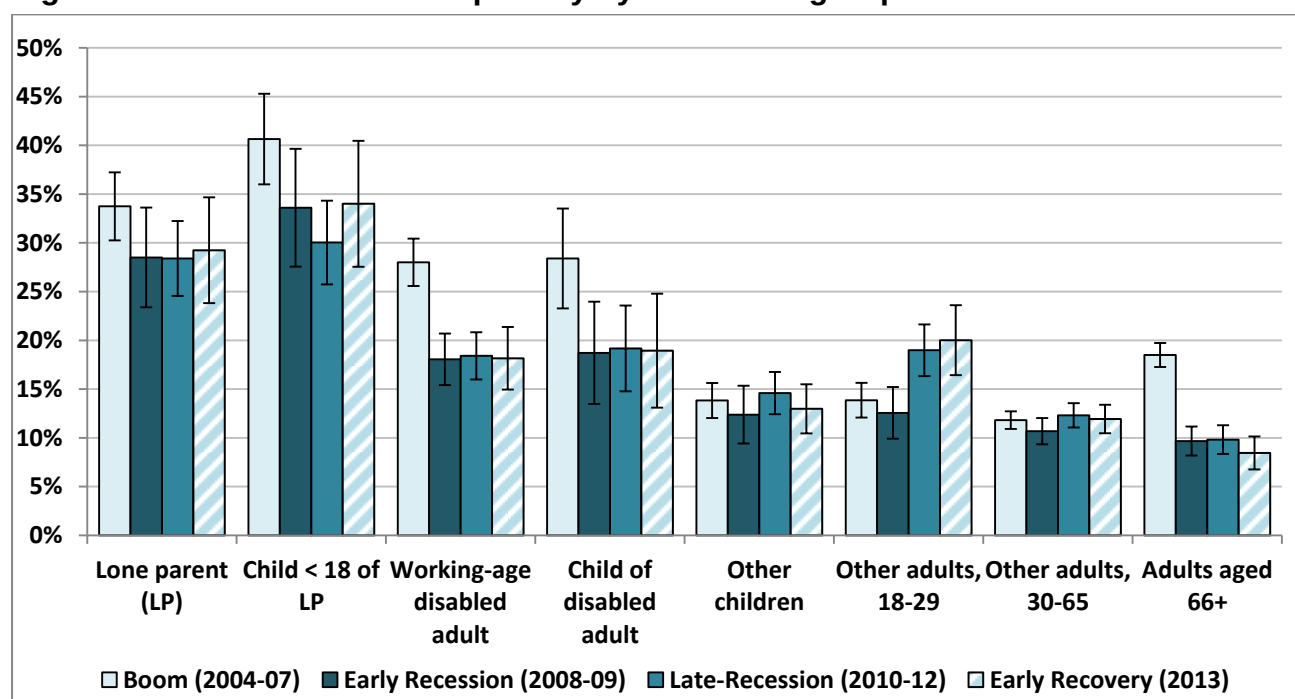
Source: SILC data, 2004 to 2013; population of all ages

3.3 Social risk and trends in at-risk-of-poverty, basic deprivation and consistent poverty

We now turn to the differences in at-risk-of-poverty and basic deprivation by social risk group, using the same four periods as identified above: the boom years (2004 to 2007), the early recession when unemployment was rising most rapidly (2008 and 2009), the late recession (2010 to 2012) and early recovery (2013).

Figure 3.3 shows the trends in at-risk-of-poverty by social risk group. As well as showing the estimated rate in each group of years, the error bars in the figure give an indication of the confidence interval for each estimated rate. The confidence interval is the range in which we can be 95 per cent confident that the true rate lies, given the characteristics of our sample. The confidence intervals are wider when we have a smaller sample (for lone parents compared to 'other working-age adults aged 30 to 65', for instance).¹² Where the confidence intervals do not overlap, we can be 95 per cent confident that the differences between groups or across periods are statistically significant.

Figure 3.3 Trends in at-risk-of-poverty by social risk group



Source: SILC data, 2004 to 2013, analysis by authors. The margin of error for each estimate is shown by the error bars in the chart

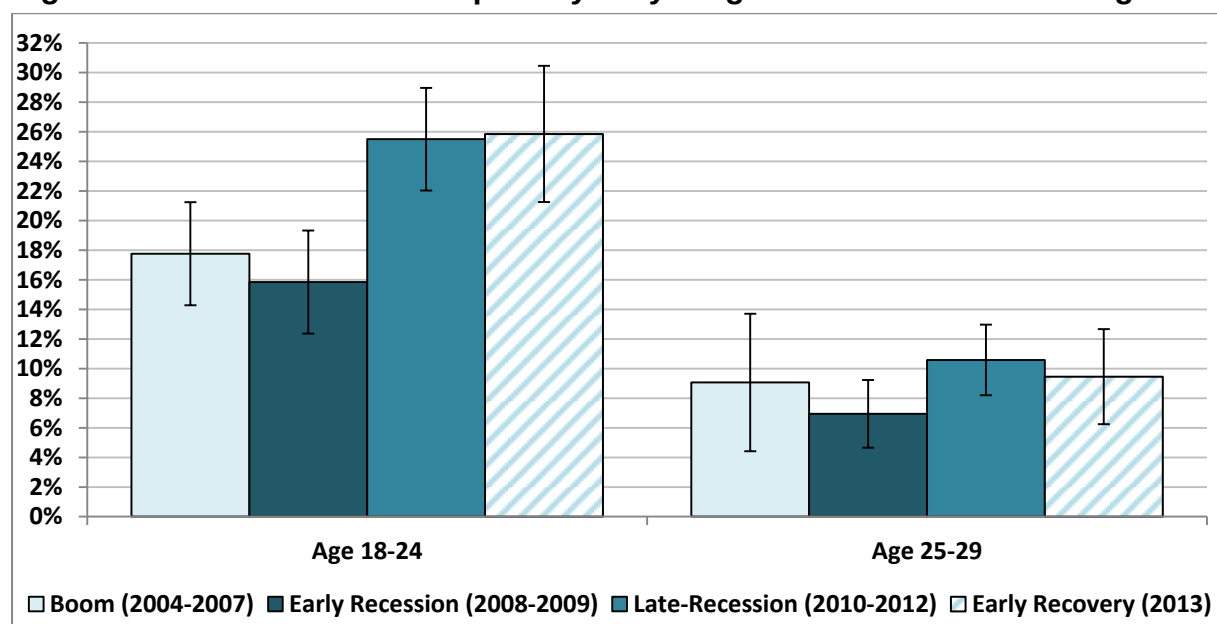
The main pattern in the figure is the higher at-risk-of-poverty rates for lone parents and their children than for all the other social risk groups. The next highest rates are found for working-age adults with a disability and their children.

¹² The confidence interval is also wider where the estimated rate is closer to 50 per cent (i.e. farther from zero or 100 per cent), but this is of less consequence in Figure 3.3 than the differences in sample size. Note that the confidence intervals are based on robust standard errors estimated using Stats's 'svy' sub-routine.

In terms of change over time, we noted above that the at-risk-of-poverty rate fell between 2004 and 2007, remaining low in 2008 to 2009, before rising again but not reaching the 2004 levels. We see from Figure 3.3 that the trend differed by social risk group. The fall compared to the boom years was evident for older people and for people with a disability and their children. The rate had been falling for these groups during the boom years and continued to fall into the early recession. Among young adults the at-risk-of-poverty rate increased in the late recession and early recovery, which is likely to be linked to a reduction in their social welfare entitlements from Jobseeker's Allowance in 2010. There is no significant change over time for other working-age adults and for children (other than children of lone parents and people with a disability) – the rates for the different time periods have overlapping confidence intervals.¹³

Figure 3.4 looks in more detail at the 18 to 29 age group, breaking it down into those under and over age 25. The changes in the rate of payment of Jobseeker's Allowance (JA) introduced in 2010 applied to young people aged less than 25 years. The basic rate of JA was cut from €204.30 per week in 2009 for all ages to €196 per week in 2010 for those aged over 25 years or those under 25 with dependent children; €150 per week for new claimants aged 22 to 24 and €100 per week for new claimants aged from 18 to 21 years. It is clear from Figure 3.4 that the increase in the at-risk-of-poverty rate affected those under the age of 25. The at-risk-of-poverty rate increased from 16 per cent in the period 2008 to 2009 to 26 per cent after 2010. Among those aged from 25 to 29, on the other hand, the change over the four periods was not statistically significant.

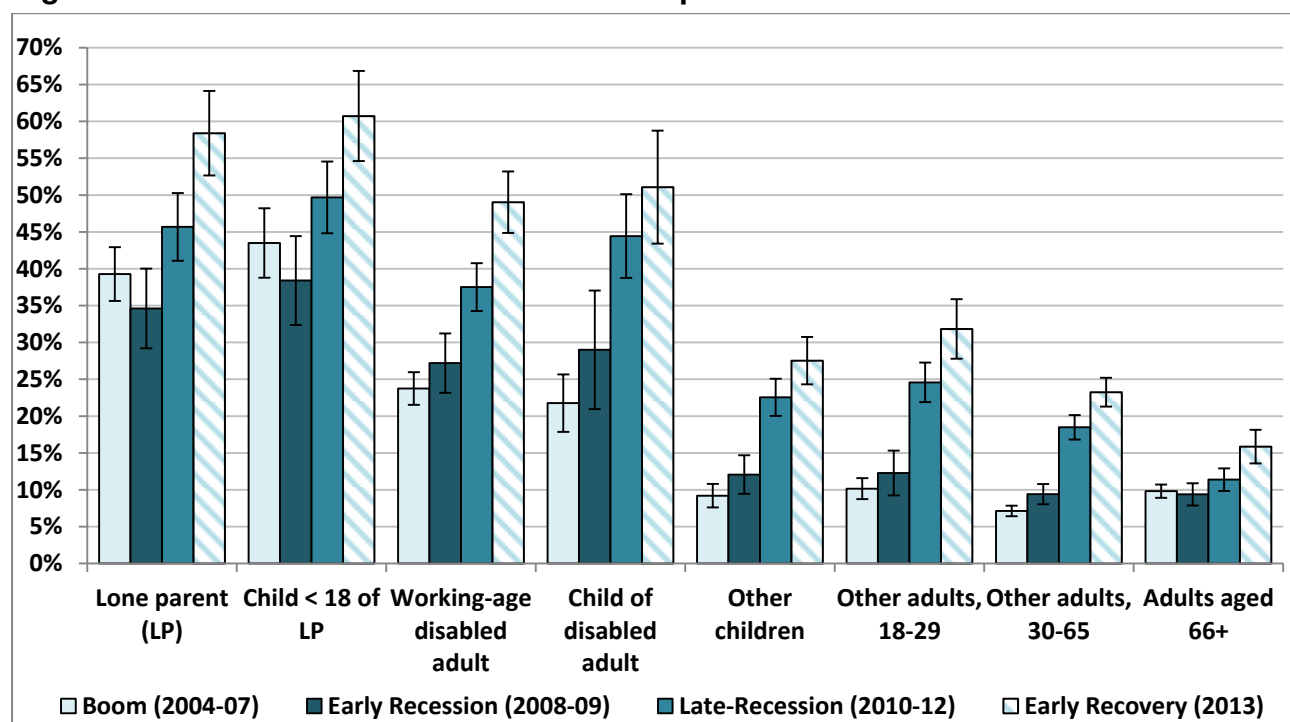
¹³ It is possible that differences may be statistically significant where confidence intervals overlap because the test for the difference between two proportions is more efficient: if confidence intervals overlap slightly, the two proportions may still be statistically significantly different.

Figure 3.4 Trends in at-risk-of-poverty for young adults under and over age 25

Source: SILC data, 2004 to 2013, analysis by authors, with 95% confidence interval shown by the error bars. The figures include adults aged from 18 to 29 excluding lone parents and people with a disability

Figure 3.5 turns to basic deprivation levels in the four periods for the different social risk groups. There is an increase over time in the level of basic deprivation for all groups, with the smallest increase (as well as the lowest level) among those aged 66 and over. For older people, the basic deprivation level was about 10 per cent in the boom years and the levels in early and late recession remained below 15 per cent. The level was highest in 2013 at just over 15 per cent. In fact, this pattern whereby levels of basic deprivation tended to be highest in 2013 is a general one, although for some groups, such as other children and children of a parent with a disability, the confidence interval overlaps with that from the late recession. This means that, without a more powerful test, we cannot be sure that the level increased significantly between late recession and early recovery. The highest level of basic deprivation is found among lone parents and their children, followed by people with a disability and their children.

Another noteworthy pattern in the figure is that the level of basic deprivation was significantly higher for all groups except older people in the late recession (2010 to 2012) than in 2008 to 2009. This coincides with the period of cuts to some supplementary social welfare payments, jobseekers payments to young adults and the universal Child Benefit.

Figure 3.5 Social risk and trends in basic deprivation

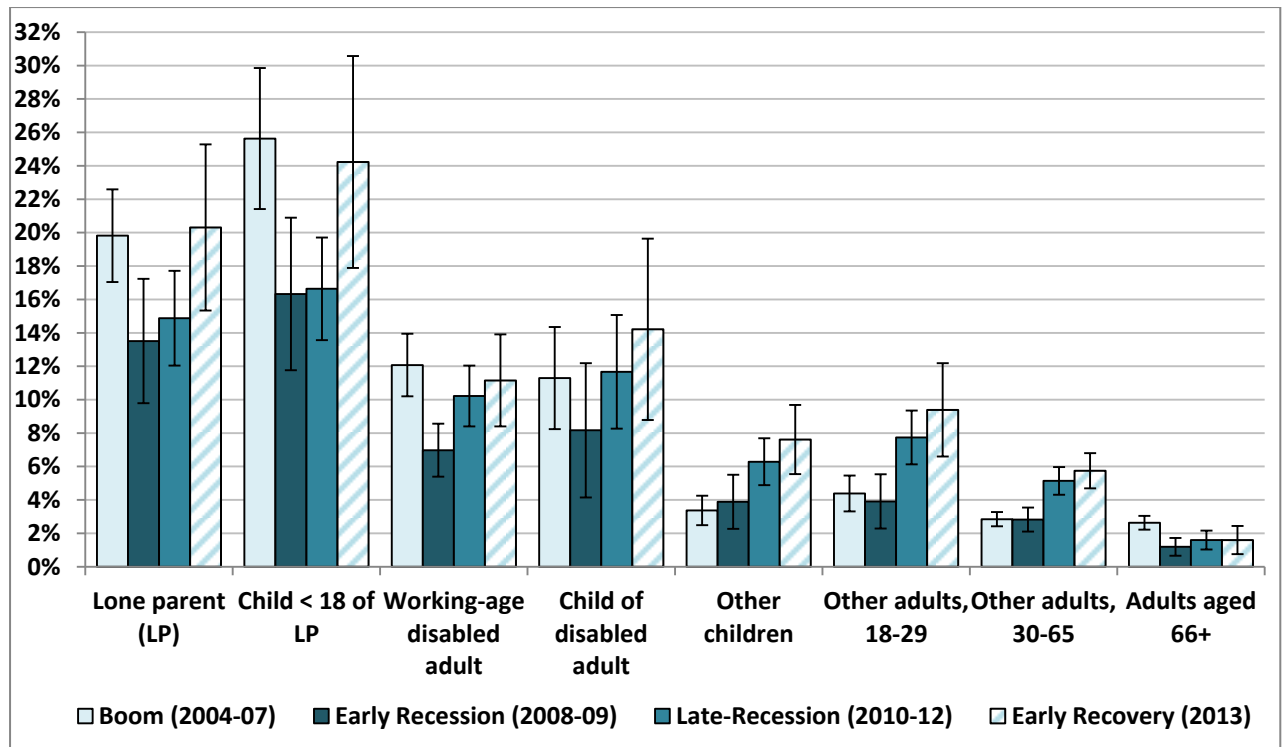
Source: SILC data, 2004 to 2013, analysis by authors, with 95% confidence interval shown by the error bars

In Figure 3.6 below we examine the trends in consistent poverty by social risk group. Consistent poverty is influenced by both at-risk-of-poverty and basic deprivation and also by any change in the overlap between the two. As we saw in the previous charts, at-risk-of-poverty tended to decline over the period while basic deprivation tended to increase. As a result of these different trends, the change in consistent poverty differs across groups. In the case of lone parents and their children and people with a disability and their children, the confidence intervals overlap for the period from 2008 onwards, indicating that the changes were not statistically significant. There was a significant drop for some groups between the boom and early recession (lone parent families, adults with a disability, older people). This is because the average from 2004 to 2007 was calculated over a period where consistent poverty was falling more sharply for these groups.

The pattern for other children suggests that consistent poverty levels were higher in 2013 than in the boom years but that the increase was gradual throughout the recession. Among working-age adults (both those aged under and over 30) there was a significant increase in consistent poverty between early and late recession, in line with the pattern we saw for basic deprivation and coinciding with the main cuts in

social welfare payments. Among older people, the rate of consistent poverty was lower in the recession and recovery years than in the boom years, with no significant changes between 2008 and 2013.

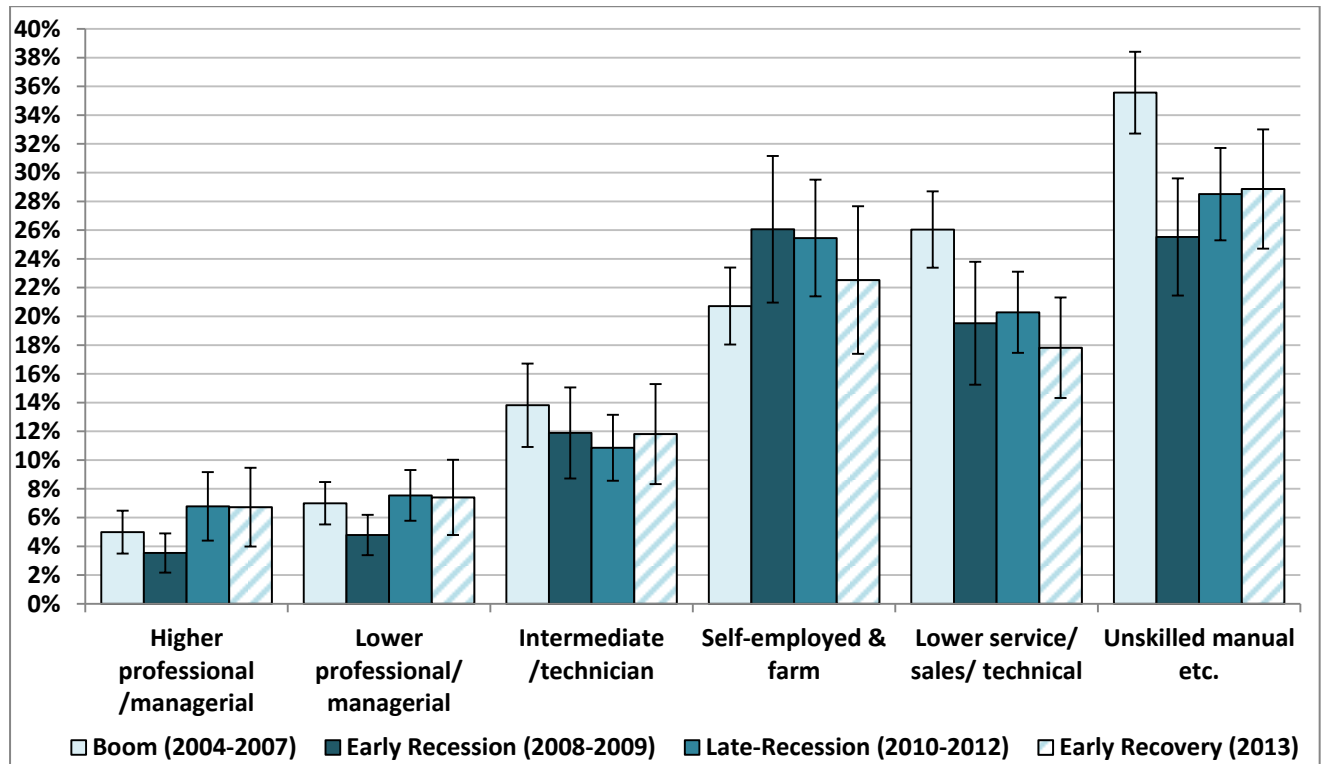
Figure 3.6 Social risk and trends in consistent poverty



Source: SILC data, 2004 to 2013, analysis by authors. The 95% confidence interval for each estimate is shown by the error bars

3.4 Social class and trends in at-risk-of-poverty, basic deprivation and consistent poverty

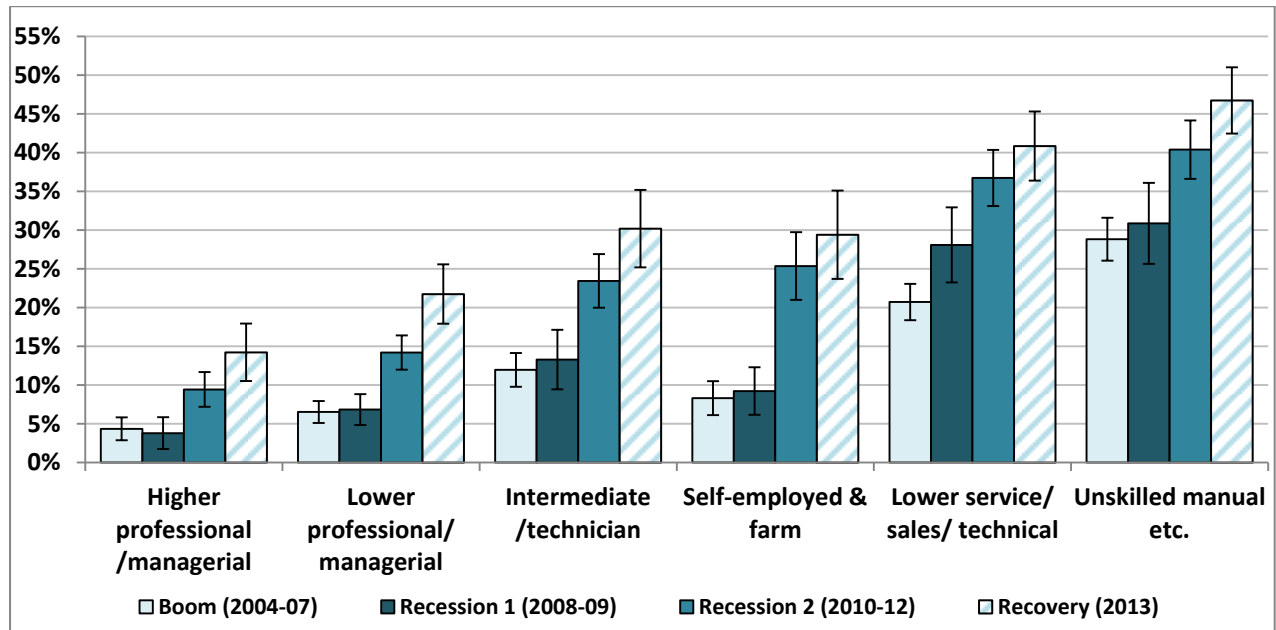
In this section we examine changes in the national indicators of poverty and social exclusion by social class. Figure 3.7 shows the social class differences in the level of at-risk-of-poverty by period. The trend over time, as noted above, is affected by the fall in the income poverty threshold as a result of the collapse of market incomes during the recession, combined with the ‘floor’ provided by the social protection system that, for most of those without work, provided at least some income. As a result, the measure of relative income poverty did not adequately capture the drop in living standards people encountered as a result of the recession. For the higher and lower professional/managerial classes, the at-risk-of-poverty rate was lower in the early recession than the average figure for the 2004-2007 and then increased so that it was higher in the late recession with little sign of an improvement in 2013.

Figure 3.7 Social class and trends in at-risk-of-poverty

Source: SILC data, 2004 to 2013, analysis by authors. The 95% confidence interval for each estimate is shown by the error bars

For the intermediate/technician social class, the differences between the periods were not statistically significant. For lower service/sales/technical and the unskilled manual social classes, the rate was also lower in the early recession than the average across the boom years but differences since then were within the margin of error. Among the self-employed/ farmer social class the level of at-risk-of-poverty was relatively high but changes across the period were within the margin of error. As noted earlier, at-risk-of-poverty may overstate the level of social exclusion of this social class because of difficulties in measuring income for the self-employed.

Figure 3.8 shows the pattern for basic deprivation. Here the impact of the recession is clearer. There was an increase in basic deprivation for all social classes, with the largest jump between early and late recession. An exception was the lower service/sales/technical social class, which experienced a significant increase in basic deprivation early in the recession as the sectors where many of them worked (particularly construction and retail) were badly affected by the economic downturn.

Figure 3.8 Social class and trends in basic deprivation

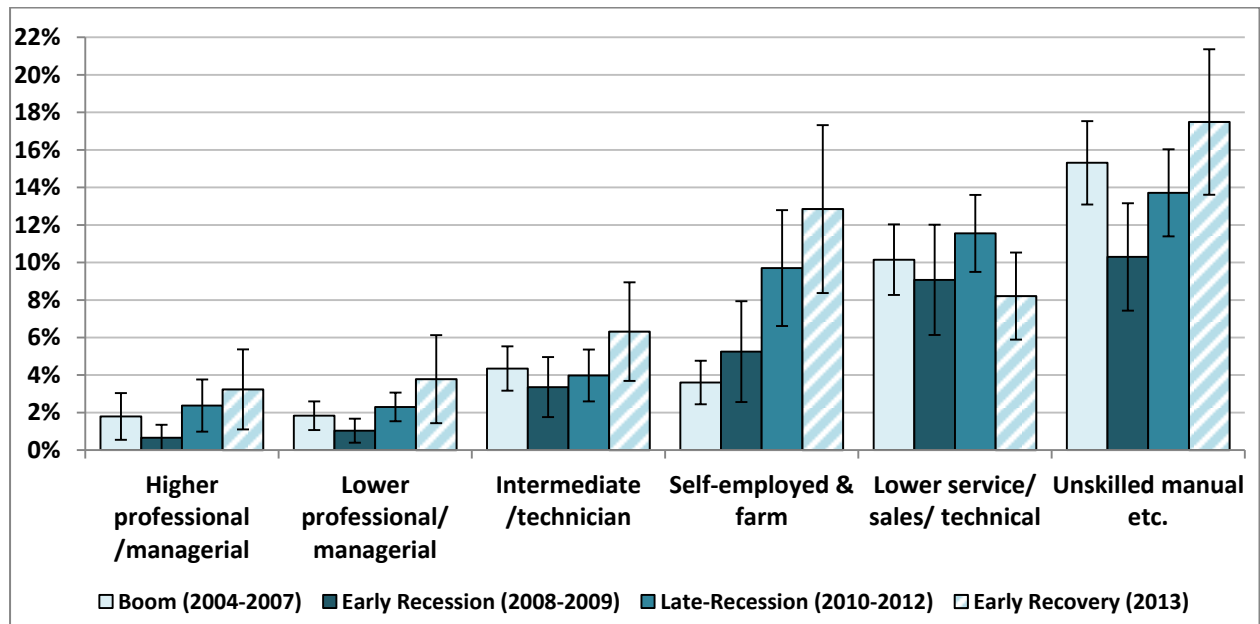
Source: SILC data, 2004 to 2013, analysis by authors. The 95% confidence interval for each estimate is shown by the error bars

The increase in basic deprivation over the period was particularly marked for the self-employed/farmer class, for whom the rate jumped from under 10 per cent before 2009 to over 25 per cent thereafter. There is an indication of a further increase in deprivation between late recession and early recovery, and this is statistically significant for all social classes except the self-employed/farmer and lower services/sales/technical classes. This persistence of deprivation into early recovery when employment is beginning to rise is consistent with the idea that basic deprivation goes beyond current income to capture elements of the erosion of resources during the recession.

In Figure 3.9 we show the social class differences and changes over time for consistent poverty. Turning first to the social class differences, we see that consistent poverty is highest for the unskilled manual social class than for the other social classes, although the difference compared to the self-employed/farmer and lower service/sales/technical social classes are statistically significant only in the boom years. The consistent poverty rate for the intermediate social class in the boom years and early recession was above the rate for the higher and lower professional/managerial social classes but the gap between these classes is within the margin of error in late recession and early recovery.

The consistent poverty rate for the self-employed/farmer social class was higher than the rate for the professional/managerial social classes from the early recession onwards. It was close to the rate for the intermediate/technician social class in the boom, but rose more rapidly from early in the recession and was significantly higher from the late recession onwards.

Figure 3.9 Social class and trends in consistent poverty



Source: SILC data, 2004 to 2013, analysis by authors. The 95% confidence interval for each estimate is shown by the error bars

Because at-risk-of-poverty and basic deprivation were moving in opposite directions (except for the self-employed) as Ireland entered recession, the changes over time in consistent poverty within most of the social classes are modest and within (or barely outside) the margin of error. Compared to the boom years, the only marked increase in consistent poverty over time was for the self-employed, for whom the rate was higher from late recession onwards than in the boom.

3.5 Formal test for differences in trend over time by social risk and social class

The analysis so far has focused on the social risk and social class patterns over time in at-risk-of-poverty, basic deprivation and consistent poverty. In general, we found that the similarities were more striking than the differences between social risk groups or between social classes in terms of their experience of the recession. In particular, it did not appear to be the case that groups that were disadvantaged at

the outset, such as lone parents, people with a disability or those in the unskilled manual social class, had a 'worse' recession than those social risk groups and social classes that were more favoured.

We conducted a series of more formal tests to check whether this was still the case when we controlled for both social risk group and social class (see Appendix Tables A3.1 and A3.2). The results confirmed that the changes in at-risk-of-poverty with the recession were relatively small while basic deprivation rose sharply for all groups. As we saw above, at-risk-of-poverty showed a fall for working-age adults with a disability and their children and for older people, compared to the boom, while the rate increased for young adults in the late recession and for the self-employed in the early recession. The level of basic deprivation showed a general increase, particularly in the late recession and 2013, compared to the average across the boom years, but a more modest increase for some of the initially more vulnerable groups, such as lone parents and their children and for working-age adults with a disability. The increase in basic deprivation was also less pronounced for older people.

In general, the statistical model confirmed the conclusion that the recession did not disproportionately affect those who had initially been more vulnerable to deprivation and at-risk-of-poverty. In some respects, those with less to lose actually lost less as a result of the economic crisis. This does not mean that they escaped unscathed: all social risk groups and social classes experienced increased deprivation during the recession but the increase was very general across groups. Arguably, those who had been in a relatively vulnerable position at the outset had fewer resources with which to protect themselves and their families from the economic shocks. The fact that they did not suffer more than the average in terms of increasing levels of deprivation points to the important role played by the social protection system in providing basic resources during the recession.

3.6 Combined effects of social risk and social class

Before leaving the analysis of at-risk-of-poverty and basic deprivation it is worth asking whether the social class differences in each indicator are similar in the different social risk groups. For instance, looking at the period from 2004 to 2013 as

a whole, are the social class differences in at-risk-of-poverty and deprivation similar for lone parents and for older people?

Addressing these questions raises issues relating to the impact of multiple risk factors. As noted in Chapter 1, we use the following terminology:

- ‘Additive’ disadvantage refers to the situation where social risk group and social class combine in additive fashion so that the impact of either variable is unaffected by one’s circumstances in relation to the other. For example, being in the unskilled manual social class and being a lone parent both increase the risk of deprivation, but the increase is about the same no matter what social class a lone parent belongs to, or no matter what social risk group someone in the unskilled manual social class belongs to. In a statistical model, an interaction between social class and social risk would not be statistically significant.
- ‘Multiplicative’ disadvantage refers to the situation where social risk group and social class combine so that the impact of either variable is intensified by one’s circumstances in relation to the latter. For example, we might find that being a lone parent increased the risk of deprivation more for those in the unskilled manual social class than for someone in the higher professional/managerial social class. In a statistical model, the interaction between social risk and social class would be statistically significant and in the same direction as the main effects of social risk and social class.
- ‘Non-additive’ disadvantage refers to the situation where social risk group and social class combine so that the impact of each variable is moderated by one’s circumstances in relation to the other. For example, we might find that being a lone parent increased the risk of deprivation less for those in the unskilled manual social class than for someone in the higher professional/managerial social class. In a statistical model, the interaction would be significant but opposite in sign to the main effects. It would be as if those with most to lose were most affected by each additional risk factor.

There is a tendency to assume that disadvantage cumulates so that people with several different challenges, such as having a disability and being in a lower social

class, are in a worse position than those who have just one of these disadvantages. The data here allow us to examine the extent to which this is true.

The extent to which disadvantages combine in different ways will depend to some extent on the overlap between groups. In the unlikely event of almost perfect overlap, there is ‘redundancy’ when it comes to explaining differences in the outcome. If almost all lone parents were in the unskilled manual social class, for instance, then it would not be possible to look at social class differences among lone parents (Layte and Whelan, 2002; Watson and Lunn, 2010; Whelan et al., 2007). However, as we saw in Figure 2.1, while there is some tendency for lone parents and working-age adults with a disability to be over-represented in the unskilled manual social class, these social risk groups are found in all of the social classes.

In what follows, our focus is on the interaction between social risk groups and social class and whether they combine in an additive manner or whether the impact of either factor is shaped by circumstances in relation to the other (non-additive or multiplicative). In other words, is there an interaction between disadvantages and what is the nature of the interaction? To avoid too much complexity, we combine the data across years and look at the average pattern by social risk and social class and test whether there is a significant interaction between the two. The finding that there were only relatively minor differences by social class and social risk group in the changes over time mean that this simplification does not result in a significant loss of information, as long as we control for the overall changes over time.

Turning first to at-risk-of-poverty, the full model is shown in Appendix Table A3.3. The model controls for region, period and whether the person is an Irish national. In Figure 3.10 we present the results by social risk group. The chart shows the adjusted risk of income poverty we would expect to see across social class if the social class differences were the same for all social risk groups (the dashed line) and the pattern observed when we allow the social class patterns to vary by social risk group (the solid line). The dashed lines follow the same pattern across social classes and differ only according to the average difference in at-risk-of-poverty rate across social risk group, with the highest rates for lone parent families and the lowest rates for older people.

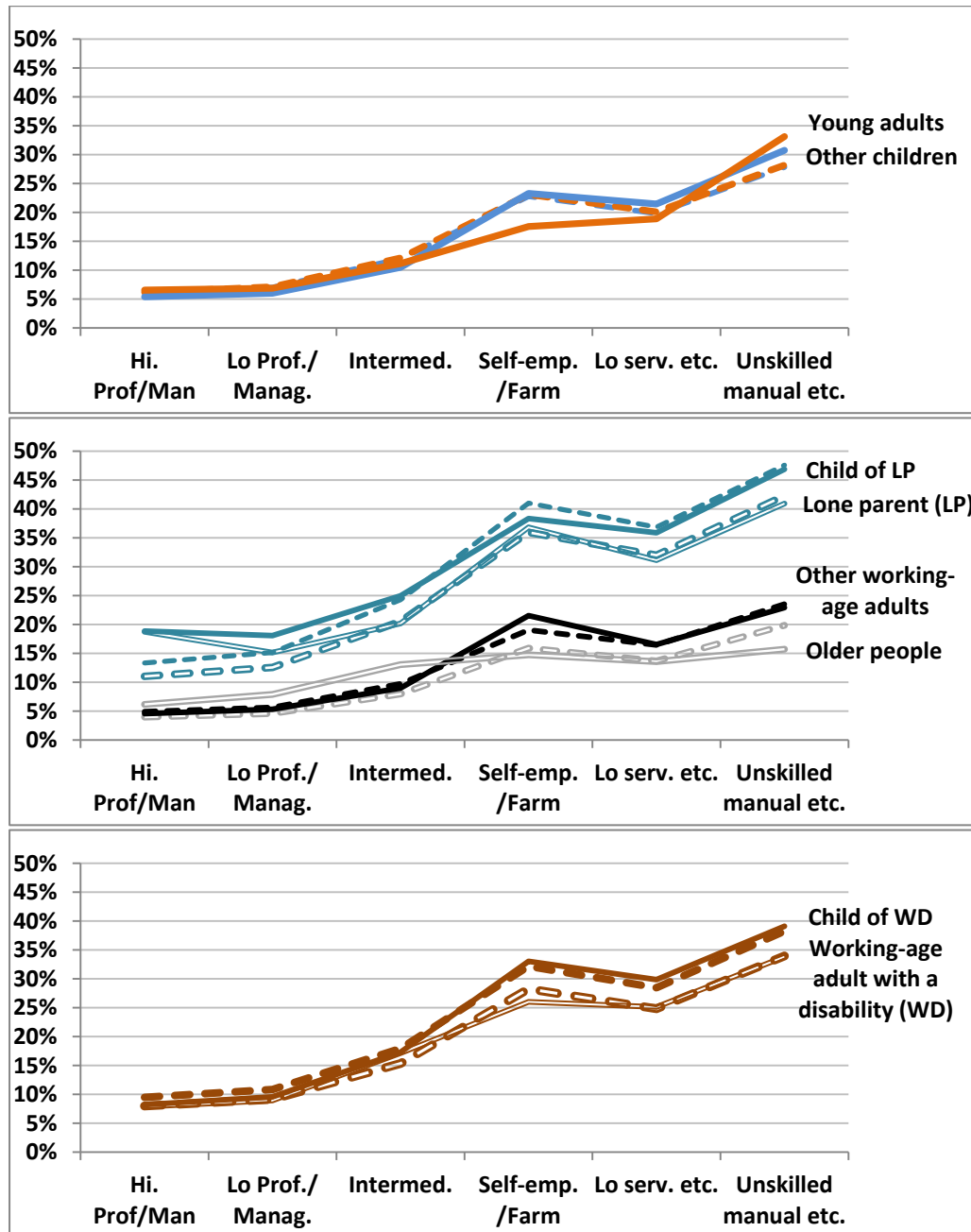
In general, as can be seen from Figure 3.10, the dashed lines and solid lines are very close because the differences in social class pattern across social risk groups are small. There were some differences in the social class pattern for lone parents, young adults and older people.

Lone parents generally follow the same pattern by social class as the other social risk groups, with the exception of the higher rate of at-risk-of-poverty for the lone parents in the higher professional/ managerial social class. This can be seen in the middle panel of Figure 3.10, where the solid line lies above the dashed line for lone parents and their children in the higher professional/managerial social class. This suggests that lone parents in the higher professional/managerial social class do not benefit as much as other groups from their advantaged social class position. We could speculate that this might be due to having to work reduced hours because of the cost of childcare or due to lower earnings because of being less likely to be promoted.

Young adults who are self-employed/farmers and those who are in the unskilled manual social class also differ. This can be seen from the top panel of Figure 3.10. Young adults in the self-employed/farmer social class do not experience the increase in income poverty risk found among those in other age groups in this social class. The young adults in the unskilled manual social class experience a larger increase in the at-risk-of-poverty rate associated with membership in this class than is true of other age groups. As noted earlier, this is likely to be related to the cuts in social welfare payments to unemployed young adults as the recession progressed.

The third group for whom the social class pattern is a little different is older people. The social class pattern is not as pronounced for this group as it is for younger adults as we can see from the flatter shape of the solid than the dashed line for this group in the middle panel of Figure 3.10. The at-risk-of-poverty rate of those in the higher and lower professional/ managerial and intermediate/technical social classes are higher than we would expect if these social classes experienced the same advantage as they do among younger adults. At the same time, the at-risk-of-poverty rate for the unskilled manual social class is lower than might be expected.

Figure 3.10 At-risk-of-poverty by social risk and social class

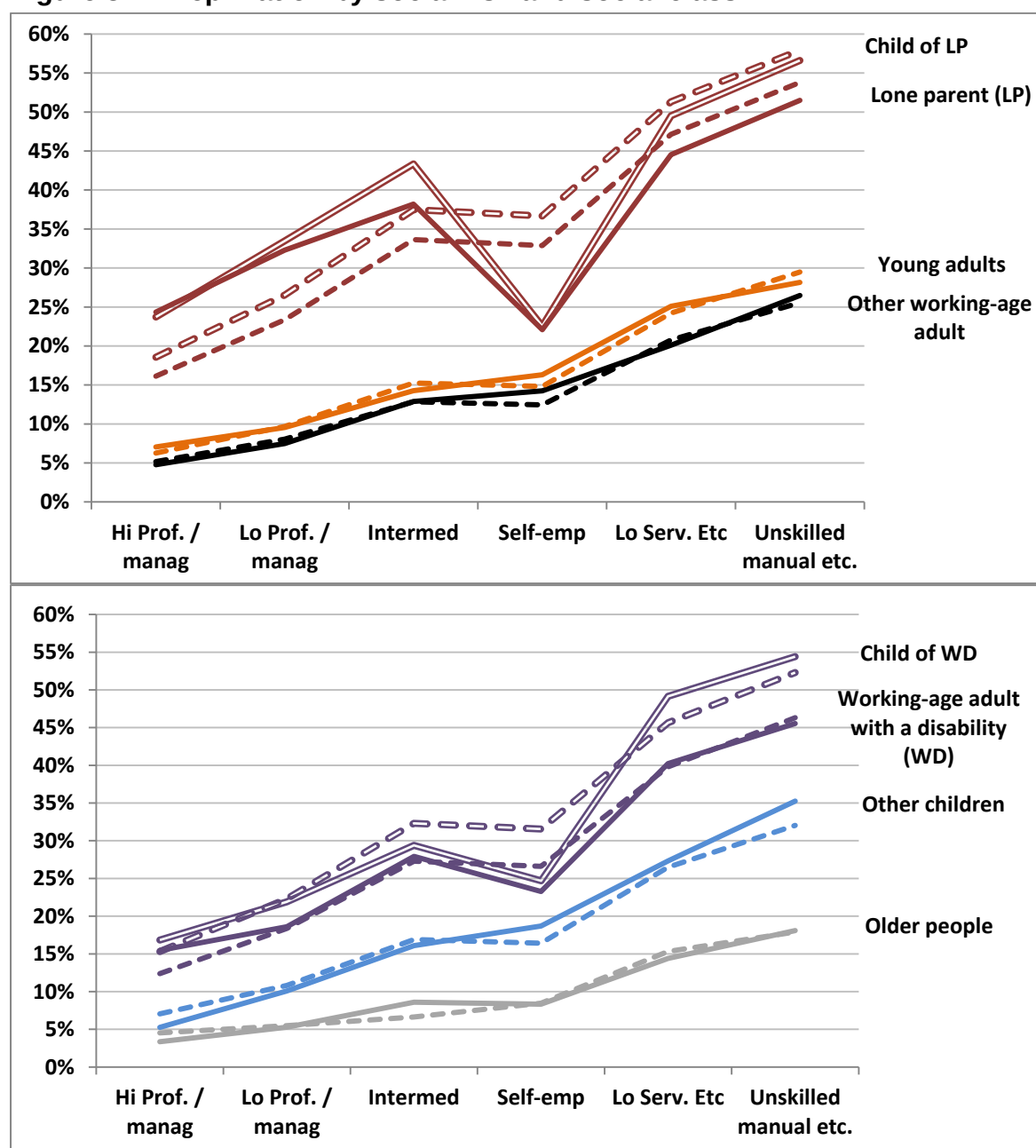


Source: SILC data, 2004 to 2013, analysis by authors. Adjusted % is based on model in Appendix Table A3.3; dashed lines show adjusted % poor where social class differences were constrained to be equal across social risk groups; solid lines show the adjusted % allowing social class patterns to vary by social risk group

If you recall that the social class of older people depends on their occupation before retirement, then the pattern for older adults can be understood as reflecting a narrowing of the income range after retirement. This is because the pensions of higher-income occupations are lower than their pre-retirement salaries and because the State Pension sets a floor in retirement, which benefits those whose earnings may have been low during their working lives. Figure 3.11 shows the result of a

parallel analysis conducted for basic deprivation and is based on the model in Appendix Table A3.4.

Figure 3.11 Deprivation by social risk and social class



Source: SILC data, 2004 to 2013, analysis by authors. Adjusted % based on model in Appendix Table A3.3; dashed lines show adjusted % poor where social class differences were constrained to be equal across social risk groups; solid lines show the adjusted % allowing social class patterns to vary by social risk group

As before, the dashed lines show the pattern where we constrain the differences by social class to be the same across social risk groups while the solid lines show the pattern when we allow the social class patterns to vary by social risk group. There

are only three groups where we see a social class pattern that is much different from the overall social class pattern and in all cases this relates to the lower than average rate of deprivation among those in the self-employed/farmer social class.

The three that show this lower than expected rate of deprivation for the self-employed social class are lone parents and their children (shown in the top panel of Figure 3.11) and children of working-age adults with a disability (shown in the lower panel of the figure). There are also some very slight differences from the overall social class pattern for other children (i.e. children other than those of lone parents or working-age adults with a disability). In this case, the deprivation rate increases slightly more than average where the person is self-employed or where they are the unskilled manual social class. The social class differences among other children are slightly sharper than average, as can be seen in the steeper slope of the solid line compared to the dashed line (representing the average social class pattern) for this social risk group.

The social class pattern is very close to average for the remaining social risk groups: working-age adults aged 30 to 65, older people and younger adults.

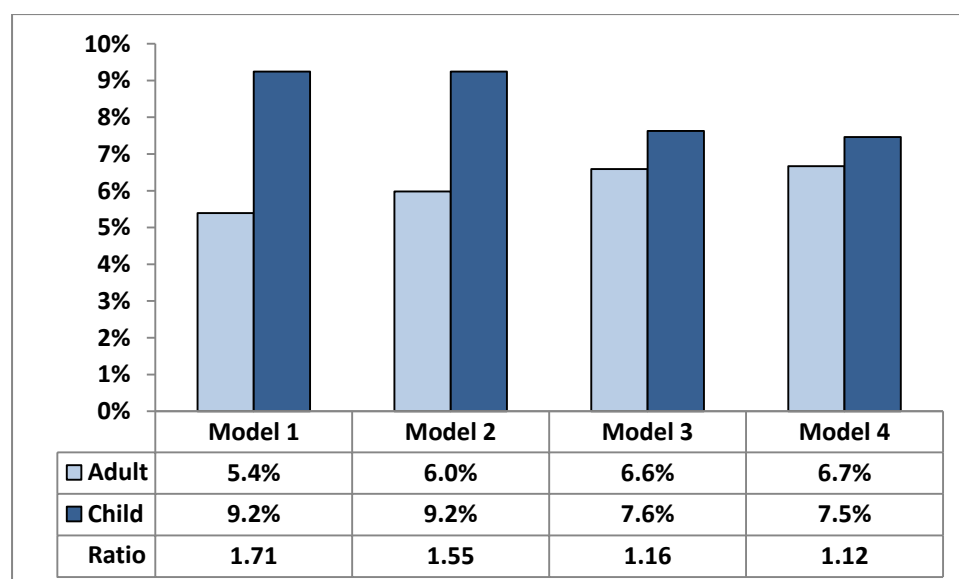
3.7 Understanding the higher consistent poverty rate of children

We noticed above that the poverty and deprivation rates of other children are quite close to those of other working-age adults age 30 to 65. One issue prompted by this finding is the question of how much of the 'excess' poverty of children compared to adults is due to (a) the relatively insulated position of pensioners and (b) the greater extent to which children are found in vulnerable households such as lone parent households or living with working-age adults with a disability. Focusing on consistent poverty, Figure 3.12 shows the actual consistent poverty rate of children and adults (Model 1) and how this would look different if we statistically removed the influence of the lower consistent poverty rate of older people (Model 2), the higher consistent poverty rate of children in lone parent households (Model 3) and the higher consistent poverty rate of children living with working-age adults with a disability (Model 4).

The overall gap in consistent poverty is 71 per cent: the rate for children is 1.71 times the rate for adults (Model 1). If we remove older people, the gap falls to 55 per cent, with the rate for children 1.55 times that of working-age adults (Model 2). Still focusing on working-age adults, if we assume that the same percentages of adults and children are in lone parent households, the gap drops very substantially to 16 per cent, with the children's rate 1.16 times that of adults. Recall that a higher proportion of children than of working-age adults are found in lone parent households: 22 per cent of children under the age of 18 live in a lone parent household compared to just six per cent of working-age adults.

Removing the difference due to living in a household where there is a working-age adult with a disability has a smaller effect because there is a more even balance of adults and children in these households. Taking account of working-age adults with a disability reduces the gap to 12 per cent or a ratio where the consistent poverty level for children is 1.12 times that of working-age adults.

Figure 3.12 Adjusted consistent poverty rate for adults and children under different conditions



Source: SILC data, 2004 to 2013, analysis by authors. Adjusted % based on model in Appendix Table A3.5; Model 1: all adults compared to children; Model 2: working-age adults compared to children; Model 3: working-age adults and assuming same percentage of adults and children in lone parent households; Model 4: working-age adults, assuming same percentage of adults and children in lone parent households and in household where a working-age adult has a disability

If we think of these factors as reducing the excess consistent poverty of children compared to adults (the additional 71 per cent), the results suggests that the lower poverty rate of older people accounts for about 23 per cent of the gap, the greater exposure of children than adults to lone parenthood accounts for a further 54 per cent; the slightly higher exposure of children to working-age disability accounts for a further five per cent and 17 per cent of the gap is not accounted for by these factors.

3.8 Summary

In this chapter the analysis focused on the trends in at-risk-of-poverty, basic deprivation and consistent poverty from 2004 to 2013 and also examined whether the at-risk-of-poverty and deprivation patterns by social class varied by social risk group.

At-risk-of-poverty fell during the boom and remained low in the early recession but changed relatively little thereafter. Basic deprivation increased from the late recession onwards with a further significant increase in 2013. Consistent poverty fell during the boom and was low in the early recession but rose significantly between the early and late recession, remaining at about the same level in 2013.

Across social risk groups, all three indicators (at-risk-of-poverty, basic deprivation and consistent poverty) were highest for lone parents and their children, followed by working-age people with a disability and their children and with the lowest rate among adults of retirement age.

Looking at trends in at-risk-of-poverty, basic deprivation and consistent poverty by social risk, the overall impression was one of more similarities than differences in the experiences of the different groups. Any differences between groups tended to be a matter of degree. In the case of at-risk-of-poverty, the lower rates in the early recession than the average across the boom years was statistically significant for working-age adults with a disability and their children and for older people. There was a significant increase in at-risk-of-poverty after 2009 for young adults under age 25. The increase in basic deprivation between early and late recession was seen for all but those of retirement age. The increase between the late recession and early recovery was also fairly general across social risk groups. Consistent poverty fell

during the boom before rising again for lone parents and their children and for working-age adults with a disability in the later recession. For other working-age adults and their children, the rate was similar in the boom and early recovery but rose significantly from 2010 onwards. Among older people, the rate was lower in the early recession than the average across 2004 to 2007 but there was no significant change thereafter.

When comparing social classes, all three indicators – at-risk-of-poverty, basic deprivation and consistent poverty – show a higher level of disadvantage for the unskilled manual class than the higher and lower professional/managerial classes, with the intermediate and self-employed/farmer social classes and the lower service/sales/technical social class in between these two poles. In terms of change over time, the lower at-risk-of-poverty rate in the early recession than the average across the boom years was most marked for the two lowest social classes. There was a rise in at-risk-of-poverty between the early and late recession for the higher and lower professional/ managerial class. Other than this, changes over time in at-risk-of-poverty by social class were within the margin of error. The increase in basic deprivation between the early and late recession was found for all social classes. The further increase between the late recession and early recovery was statistically significant for all except the self-employed/farmer and lower service/sales/technical social classes.

The trends in consistent poverty were more mixed. The differences between the time periods were within the margin of error for the intermediate and unskilled manual social classes but were significantly higher in the late recession for the lower professional/ managerial class (compared to the early recession) and the self-employed/farmer class (compared to the boom years). There was a significant fall between late recession and early recovery for those in the lower service/sales/ technical group but not for the other social classes.

As well as analysing the experiences of social risk and social class groups separately, we examined the joint effects of social risk and social class. This involved asking whether the social class differences in at-risk-of-poverty and basic deprivation were similar for the different social risk groups. In general, the social class patterns

were very similar across social risk groups, suggesting that the dominant pattern was one of 'additive disadvantage'.

There were some differences but they were modest in size. For instance, lone parents and adults with a disability (particularly those with children) did not benefit as much as the other social risk groups from being in the higher professional/managerial social class. In the case of lone parents and their children this was very marked for the risk of basic deprivation and was also evident for at-risk-of-poverty. In the case of older people, the social class differences in at-risk-of-poverty (and to a much lesser extent in deprivation) were more muted than for younger adults, which is consistent with both the reduction in incomes as people reach retirement, on the one hand, and the safety net provided by the State Pension, on the other.

Finally, we examined whether the distinction between social risk groups was useful in accounting for the excess poverty of children compared to adults. The results indicated that much of the excess poverty of children compared to adults was because of the differences in their distribution across social risk groups. The analysis suggested that the lower poverty rate of older people accounts for about 23 per cent of the excess consistent poverty of children compared to adults; the greater exposure of children than adults to lone parenthood accounts for a further 54 per cent; the slightly higher exposure of children to working-age disability in the household accounts for a further five per cent and 17 per cent is not accounted for by these social risk factors.

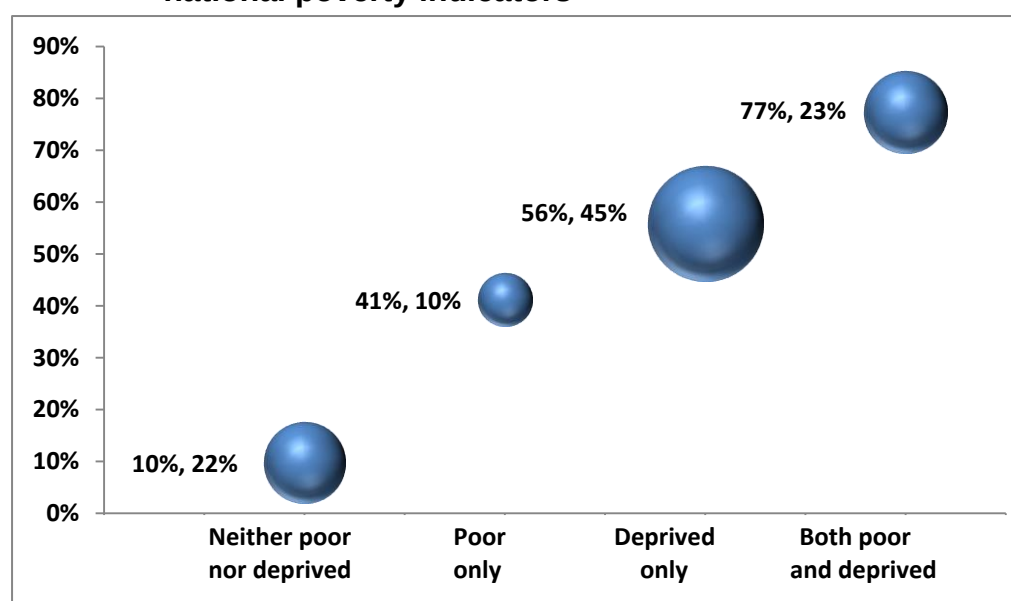
Chapter 4: Social risk, social class and quality of life

4.1 Introduction

In this chapter we focus on the extent to which levels and profiles of quality of life problems differ by social risk group and social class. We focus on 2013 as the quality of life (QoL) indicators we used were collected as part of a special module to SILC in that year (see Chapter 2). We present the overall level of multidimensional QoL problems across social risk and social class groups, the relative contribution of each of these groups to the overall set of QoL problems and finally explore whether there are differences in the QoL problems experienced by each of the groups.

As noted in Chapter 2, we draw on the adjusted head count ratio (AHCR) methodology of Alkire and Foster (2007, 2011) in order to construct an index of multidimensional QoL problems. Our interest is not in a single problem that might occur in isolation – such as someone having poor health but no other QoL problems. Rather, the focus is on multiple QoL problems: people who experience at least 3 of the 11 QoL problems (income poverty, deprivation, financial strain, health problems, mental distress, crowded accommodation, housing quality problems, neighbourhood problems, lack of social support, feeling unsafe in the local area and mistrust in institutions).

Before investigating the level and composition of multiple quality of life problems in more detail, it is worth asking how this indicator compares with the more familiar national measures of at-risk-of-poverty, basic deprivation and consistent poverty. This is shown in Figure 4.1, which shows the relationship between these three indicators and the head count indicator – the percentage of the population with 3 or more quality of life problems. The chart is a bubble chart, which allows us to display level of risk and profile of risk group at the same time. The height of the bubble and the first number in the chart shows the risk of having 3 or more quality of life problems. This ranges from just 10 per cent for those who are neither poor nor deprived, through 41 per cent for those who are income poor only, 56 per cent for those experiencing basic deprivation only and 77 per cent for those who are both income poor and deprived (the consistently poor).

Figure 4.1 Relationship between having three or more QoL problems and national poverty indicators

Source: SILC data, 2013, analysis by authors. Height of bubble and first percentage shows the risk of having three or more QoL problems; size of bubble and second percentage shows the composition of those with three or more QoL problems in terms of the four groups (neither poor nor deprived, poor only, deprived only, both)

The size of the bubble and the second number next to each bubble shows the profile of those with 3 or more QoL problems in terms of the poverty and deprivation categories – the percentage of people with multiple QoL problems in each of the four at-risk-of-poverty and basic deprivation categories. The biggest group (45 per cent) consists of those who are deprived only, followed by the consistently poor (23 per cent), those who are neither poor nor deprived (22 per cent) and those who are income poor only (10 per cent). Again, we see a relatively strong association between basic deprivation and having 3 or more QoL problems: those experiencing basic deprivation make up 68 per cent of the population with 3 or more QoL problems. Deprivation and multiple QoL problems are not identical, however, and close to one third of those who have multiple QoL problems are not experiencing basic deprivation at all.

Looking at the association from the perspective of the proportion of those who are deprived or poor who also have three or more QoL problems, the figures are 62 per cent and 61 per cent, respectively. There is a strong association, then, between having three or more quality of life problems and the poverty indicators – especially basic deprivation and consistent poverty, but they are not identical. Given the

overlap between the groups identified by the QoL indicator and the national poverty indicators, we would expect to see a great deal of similarity between the groups experiencing multiple QoL problems and those experiencing poverty and deprivation.

4.2 Head count, intensity and AHCR by social risk group

We now turn to the level of multidimensional QoL problems by social class in Table 4.1. The head count is simply the percentage of people with 3 or more of the 11 problems; the intensity is the proportion of the 11 problems experienced by those who experience 3 or more problems and the adjusted head count ratio (AHCR) is the product of these two.

In Table 4.1 we show the three indicators of the level of multidimensional QoL problems by social risk group. As a reference, we also show how the more familiar indicators of disadvantage, at-risk-of-poverty and basic deprivation vary by social risk group. The levels of at-risk-of-poverty and basic deprivation are highest for lone parents and adults with a disability, and the children of both these groups. The levels are lowest for older people.

Table 4.1 Level of multidimensional QoL problems, at-risk-of-poverty and basic deprivation by social risk

	Multidimensional QoL problems			At-risk-of-poverty	Basic deprivation
	H: Head count	I: Intensity*	AHCR		
Lone parent	46%	40% (4.4)	19	29%	58%
Child of lone parent	48%	42% (4.6)	20	33%	60%
Working-age adult with disability <66	55%	41% (4.5)	22	19%	49%
Child of a working-age adult with disability	53%	42% (4.6)	22	19%	50%
Other children	24%	35% (3.9)	8	12%	26%
Young adults age 18-29	26%	35% (3.9)	9	19%	31%
Other working-age adults	19%	35% (3.9)	7	12%	24%
Older people	20%	33% (3.6)	7	8%	16%
Total	28%	38% (4.1)	11	15%	31%
Ratio of highest to lowest value	2.9	1.3	3.4	4.2	3.7

Source: SILC data, 2013, analysis by authors. Note: * Intensity column shows the percentage and (in parentheses) the average number of deficits per group. Ratios have been rounded to the nearest values

For the head count measure (H) we observe a similar pattern across the social risk groups: the level is high for lone parents and their children and adults with a disability and their children and is low for older people. There are some differences, however. Multidimensional QoL problems are more common for adults with a disability and their children than for lone parents and their children while the reverse is true of at-risk-of-poverty and deprivation.

Another difference is that the situation of older people is closer to that of other working-age adults aged 30 to 65 when we take account of a broader range of dimensions (as in the multidimensional QoL indicator) than when the focus is on at-risk-of-poverty and basic deprivation. The reason for this is that the QoL measure includes some indicators on which older people are more likely to have problems (such as health, for example).

Looking at the intensity results, we can see that there is less variation than for the head count indicator, with a range from 33 per cent to 42 per cent. The figures in parentheses show the average number of QoL problems experienced by those with 3 or more such problems. This ranges from 3.6 for older people to 4.6 for children of lone parents and children of a working-age adult with a disability.

The AHCR is the product of the head count (H) and the intensity (I) measures. As there is less variation for the latter measure than for the former, the distribution of the AHCR is very similar to the one for the head count. The AHCR range goes from 7 to 22 with the lowest score being for the older age group and the highest for the people with a disability and their children.

The last row of the Table 4.1 shows the ratio of the highest to lowest values of social risk groups across the QoL, at-risk-of-poverty and basic deprivation measures. The AHCR (3.4) is lower than the corresponding ratios for at-risk-of-poverty (4.2) and deprivation (3.7), a finding that parallels those in Watson et al. (2016) regarding variation across age groups.

The AHCR for the population can be interpreted as the total 'package' of multidimensional QoL problems in the population: the percentage of the maximum

possible problems (if every person had problems on all 11 items). We can decompose this total package into the contribution coming from each social risk group. This will depend on the size of the social risk group and on the average AHCR within that group.

This decomposition is shown in Table 4.2. For reference, the last column shows the overall distribution of the population into the social risk groups while the middle column shows the contribution from each group to the overall AHCR. This allows us to distinguish groups that are under-represented in their contribution to the overall AHCR and those that are over-represented, relative to their sizes. In the former group we have older people, other working-age adults and other children, with contributions of 7 per cent, 23 per cent and 18 per cent, while they represent 12 per cent, 36 per cent and 23 per cent of the population respectively. At the other side of the spectrum we have lone parents and adults with a disability and their respective children. Together these groups contribute to almost half the AHCR while they represent less than a quarter of the population.

Table 4.2 Decomposition: percentage of total multidimensional deficits accounted for by each social risk group

	Contribution to total multidimensional QoL deficits	% of persons in this social risk group
Lone parent	7.4%	4.2%
Child of lone parent	12.3%	6.5%
Working-age adult with disability <66	16.5%	7.8%
Child of a working-age adult with disability	10.8%	5.1%
Other children	17.9%	22.6%
Young adults age 18-29	5.2%	5.8%
Other working-age adults aged 30-65	22.5%	36.0%
Older people	7.4%	12.0%
Total	100%	100.0%

Source: SILC data, 2013, analysis by authors

4.3 Decomposing multidimensional QoL by dimension for social risk groups

One of the properties of the AHCR methodology is that we can decompose the relative contribution of each dimension to the overall AHCR of different groups. We present this decomposition by social risk group in Table 4.3 and Figure 4.2. Across all social risk groups, problems of housing quality, institutional mistrust and lack of social support are of similar relative importance. The largest variation across all

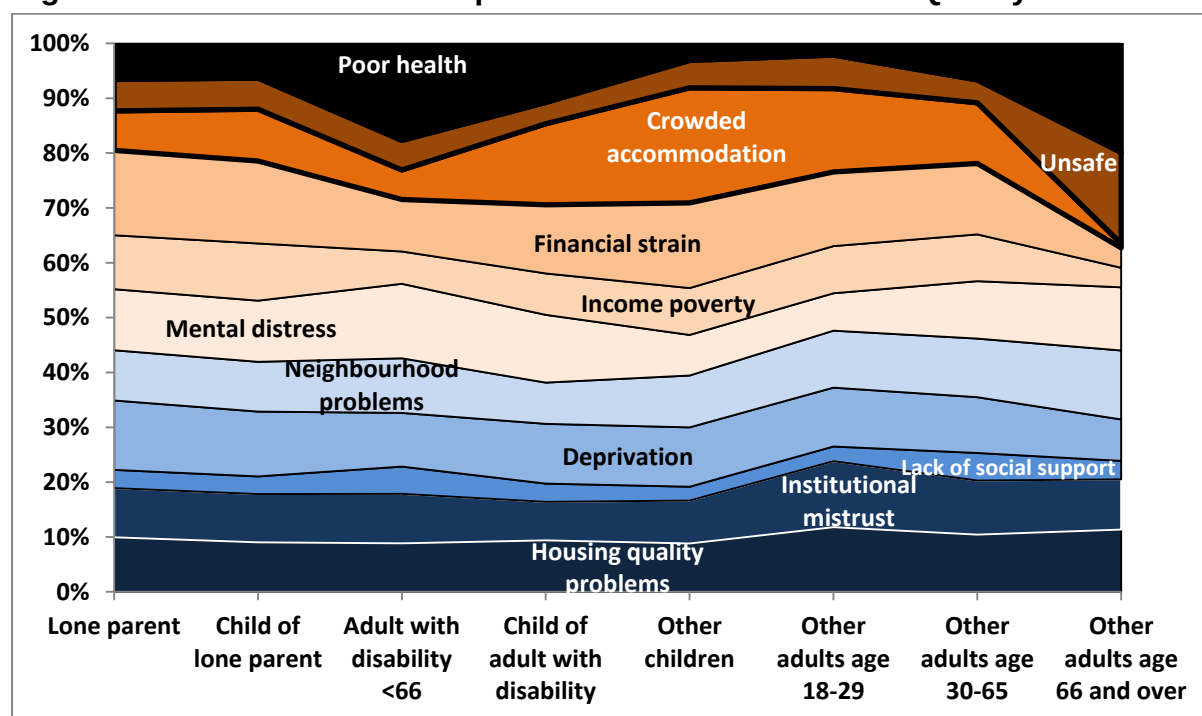
groups is for health problems (more important for older people and adults with a disability), lack of safety (older people) and crowded accommodation (families with children, except for lone parents who tend to have smaller households).

Table 4.3 Dimensional decomposition of multidimensional QoL (AHCR) by social risk

	Lone parent	Child of lone parent	Adult with disability <66	Child of adult with disability	Other children	Young adults age 18-29	Other adults age 30-65	Older people
Housing quality problems	10%	9%	9%	9%	9%	12%	10%	11%
Mental distress	11%	11%	14%	12%	7%	7%	10%	12%
Institutional mistrust	9%	9%	9%	7%	8%	12%	10%	9%
Lack of social support	3%	3%	5%	3%	3%	3%	5%	3%
Financial strain	15%	15%	9%	13%	16%	14%	13%	4%
Crowded accommodation	7%	9%	5%	15%	21%	15%	11%	1%
Deprivation	13%	12%	10%	11%	11%	11%	10%	8%
Income poverty	10%	10%	6%	8%	9%	9%	9%	4%
Neighbourhood problems	9%	9%	10%	8%	9%	10%	11%	13%
Unsafe	6%	6%	5%	4%	5%	6%	4%	17%
Poor health	7%	6%	18%	11%	3%	2%	7%	20%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Source: SILC data, 2013, analysis by authors. Note: Due to rounding, total percentages may not add up to 100%

Figure 4.2 Dimensional decomposition of multidimensional QoL by social risk



Source: SILC data, 2013, analysis by authors

Financial strain is also more of an issue for younger rather than older adults, particularly for lone parents. Mental distress is more important for adults with a disability than it is for other groups.

Income poverty and deprivation have a modest impact as a component of overall multidimensional QoL problems, with the exception of lone parents and older people. It is somewhat more significant for lone parents and less important for older people. Note that this is not to say that the social risk groups do not differ in terms of their at-risk-of-poverty and basic deprivation rates. The differences are very substantial, as we saw above in Table 4.1. Rather, it means that when we focus on those experiencing multidimensional QoL problems (i.e. having problems on 3 or more of the 11 items), the significance of income poverty and deprivation is broadly similar across social risk groups under the age of 66.

4.4 Head count, intensity and AHCR by social class group

We now proceed to a similar analysis of multidimensional QoL by social class. As noted in Chapter 2, the measure of social class that we used is the European Socio-Economic Classification (Rose and Harrison, 2010). This measure is designed to identify groups of individuals with similar life chances based on their occupational position. Every member of a household is assigned the social class position of the person responsible for the accommodation, selecting the most advantaged social class position within a couple in cases of shared responsibility. The ESeC classification has ten categories and we combine them to generate six categories as shown in Table 4.4 (see Chapter 2 for details).

As in the previous section, we first look at the level of multidimensional QoL problems by social class and, for reference we also show the familiar indicators of at-risk-of-poverty and basic deprivation (Table 4.4). Looking first at the head count results (H), there is a strong relationship between the social class position and the head count. The head count shows the percentage of each social class experiencing at least 3 of the QoL problems. Only 10 per cent of the higher professional/managerial social class experience at least 3 of the 11 QoL problems, while the figure is 43 per cent for the unskilled manual social class. There is a large increase

in the head count as one moves from the lower professional/ managerial class to the intermediate/technician class, with an increase from 17 per cent to 31 per cent.

Table 4.4 Level of multidimensional quality of life deficits, at-risk-of-poverty and basic deprivation by social class

	Multidimensional QoL problems				
	H: head count	I: intensity*	AHCR	At-risk-of-poverty	Basic deprivation
Higher professional/managerial (ESeC 1)	10%	33% (3.7)	3	6%	13%
Lower professional/ managerial (ESeC 2)	17%	35% (3.9)	6	7%	21%
Intermediate /technician (ESeC 3 & 6)	31%	38% (4.2)	12	12%	31%
Self-employed /farmer (ESeC 4 & 5)	34%	37% (4.0)	12	25%	31%
Lower service /sales/technical (ESeC 7 & 8)	38%	38% (4.1)	14	18%	43%
Unskilled manual (ESeC 9 & 10)	43%	40% (4.4)	17	28%	47%
Total	28%	38% (4.1)	10	15%	31%
Ratio of highest to lowest value	4.1	1.2	5.0	5.0	3.6

Source: SILC data, 2013, analysis by authors. Note:*Intensity column shows the percentage and (in parentheses) the average number of deficits per group. Ratios were rounded to one decimal place

For those reporting at least 3 of the 11 QoL problems, the intensity indicates the percentage of the maximum possible QoL problems they experience. The intensity is higher for the unskilled manual social class (4.4 of the 11 problems, on average) and lowest for the higher professional/managerial social class (3.7 QoL problems on average).

The distribution of the AHCR follows the same pattern across the social classes as we observed for the head count measure. The higher professional/managerial class has the lowest AHCR at three and the rate rises sharply to six for the lower professional/managerial class, 12 for the intermediate social class and rises to 17 for the unskilled manual class.

Comparing the results for the AHCR with the at-risk-of-poverty and basic deprivation measures we note that the pattern of distribution of disadvantage is similar between

the measures, with the lowest level for the higher professional/managerial social class and the highest level of disadvantage for the unskilled manual social class.

The final row of Table 4.4 shows that overall there is a much larger variation across social class than there is for social risk groups (see Table 4.1). The ratio of the highest AHCR to the lowest across social classes is 5.0 while the corresponding ratio across social risk groups was 3.4. This highlights the link between social class and relative advantage or disadvantage across a broad range of dimensions.

In Table 4.5 we show the respective contribution of each social class to the overall 'package' of multidimensional QoL problems in the population. For reference, the last column shows the relative sizes of the social classes. The higher and lower professional/managerial social classes contribute, respectively, three and almost two times less to the overall QoL deficit than their representation in the population. The intermediate and self-employed categories contribute roughly in proportion to their representation in the population. The lower service/sales and unskilled manual classes are over-represented in terms of their contribution to overall QoL problems by roughly one and a half times their representation in the population.

Table 4.5 Decomposition: per cent of total multidimensional deficits accounted for by each social class group

	Contribution to total multidimensional QoL deficits	% of persons in this social class
Higher professional/managerial	5.5%	16.9%
Lower professional/managerial	13.9%	24.0%
Intermediate/technician	14.9%	13.4%
Self-employed/farmer	11.7%	9.9%
Lower service/sales/technical	24.0%	17.7%
Unskilled manual	29.9%	18.2%
Total	100%	100%

Source: SILC data, 2013, analysis by authors

4.5 Dimensional decomposition of multidimensional QoL by social class

We now turn to whether there are social class differences in the composition of multidimensional QoL problems among those who experience at least 3 of the 11 problems (Table 4.6 and Figure 4.3). We note first that overall there is less variation in the relative contribution of each indicator across social classes than across social

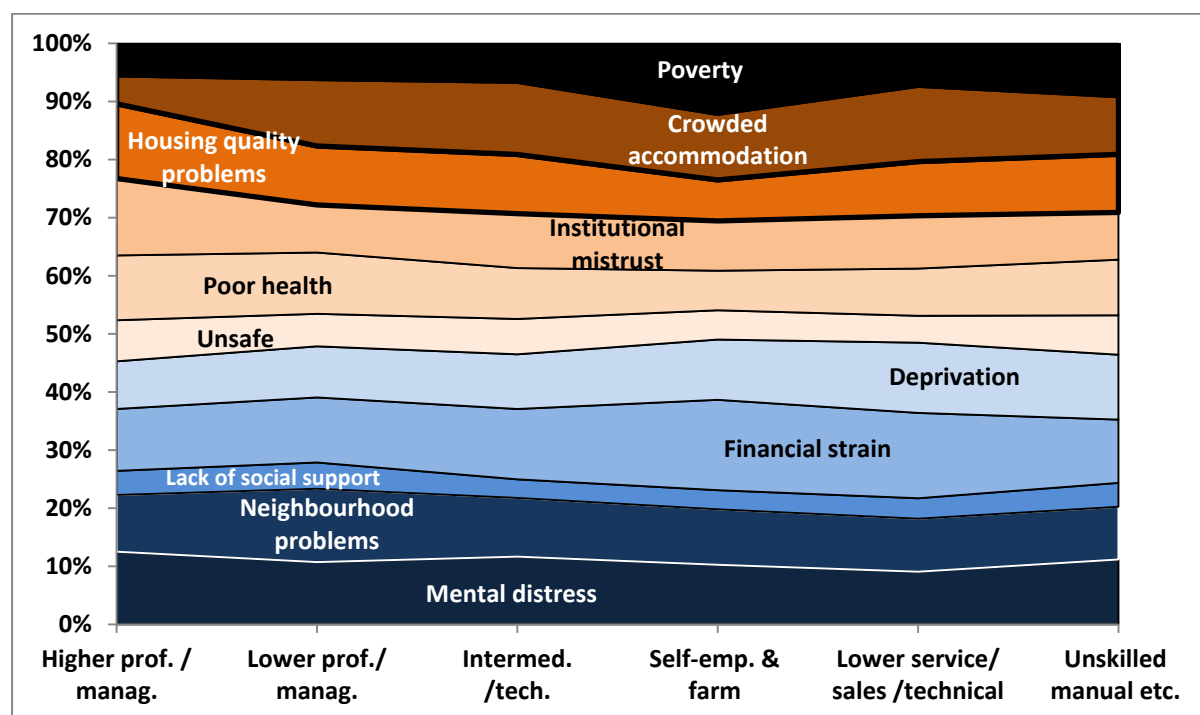
risk groups: although there are substantial social class differences in the level of multidimensional QoL problems, there are only slight social class differences in the types of different problems among those who have 3 or more problems.

Table 4.6 Dimensional decomposition of multidimensional QoL (AHCR) by social class

	Higher profess. etc.	Lower profess. etc.	Inter-med / tech.	Self-employ. /farm	Lower serv. / sales / tech.	Unskilled manual
Housing quality problems	13%	10%	10%	7%	9%	10%
Mental distress	13%	11%	12%	10%	9%	11%
Institutional mistrust	13%	8%	9%	9%	9%	8%
Lack of social support	4%	5%	3%	3%	4%	4%
Financial strain	11%	11%	12%	16%	15%	11%
Crowded accommodation	5%	12%	13%	11%	13%	10%
Deprivation	8%	9%	9%	10%	12%	11%
Income poverty	5%	6%	7%	12%	7%	9%
Neighbourhood problems	10%	13%	10%	10%	9%	9%
Unsafe	7%	6%	6%	5%	5%	7%
Poor health	11%	11%	9%	7%	8%	10%
Total	100%	100%	100%	100%	100%	100%

Source: SILC data, 2013, analysis by authors. Note: Due to rounding, total percentages may not add up to 100%

Figure 4.3 Dimensional decomposition of multidimensional QoL (AHCR) by social class



Source: SILC data, 2013, analysis by authors

The most noticeable difference between the social classes is the greater significance of income poverty and financial strain for the self-employed and farmer social class and the very small contribution of crowded accommodation to the QoL problems of the higher professional/managerial social class. In general, however, the differences between social classes are rather modest and it is the similarities rather than the differences that are more striking.

4.6 Interaction between social risk and social class

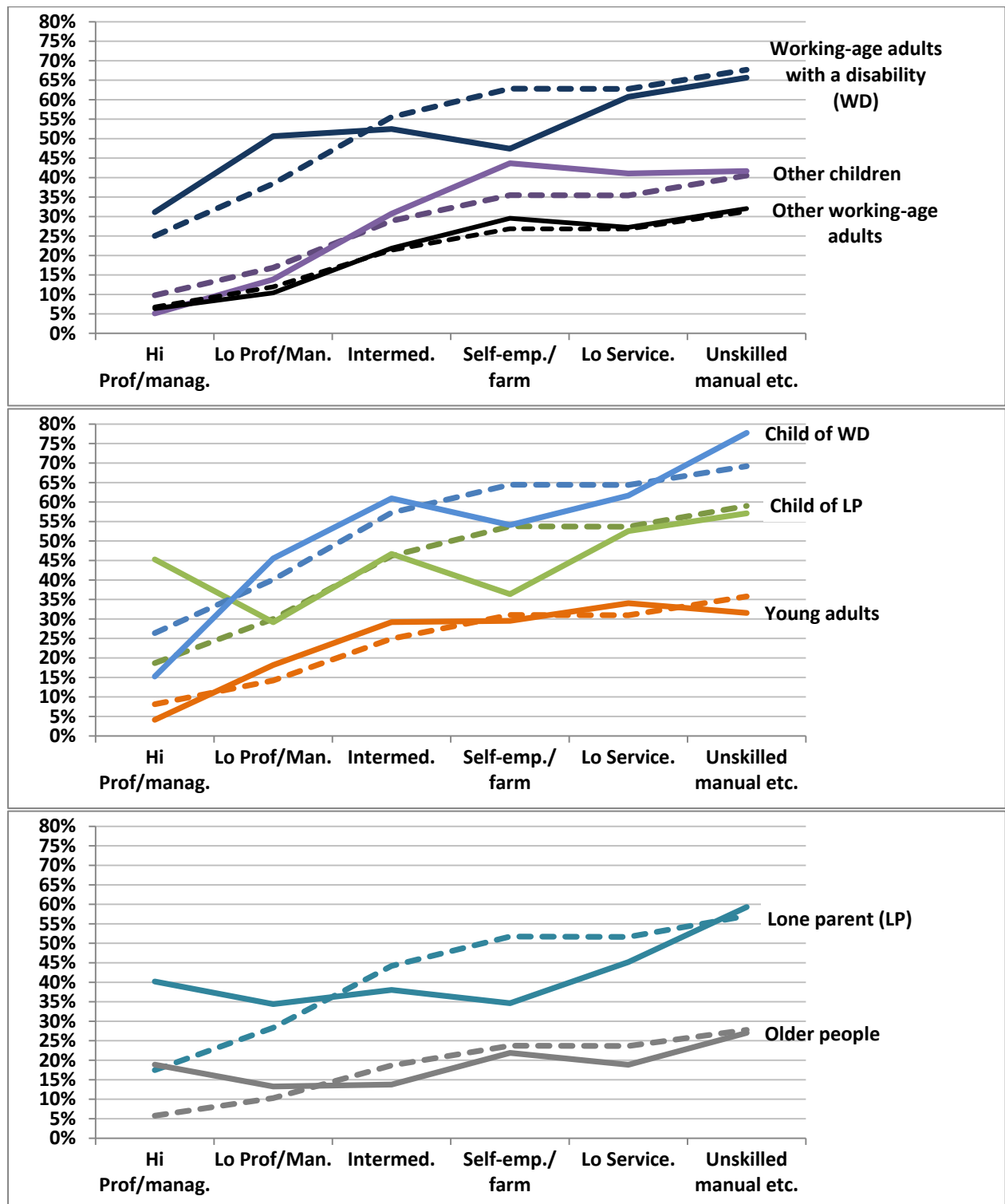
Before leaving this chapter we examine whether the differences in the level of multidimensional QoL problems by social class are the same in the different social risk groups. We check this by constructing a model for having multiple (3 or more) QoL problems with an interaction between social risk and social class. The full model is shown in Appendix Table A4.1. Here we focus on the results presented in graphical form in Figure 4.4. As in the previous chapter, the figure shows the social class pattern we would expect to see if the social class differences were the same across social risk groups, shown by the dashed lines, and the social class differences observed when we allow them to vary across social risk groups, shown by the solid lines. Where the two lines are different, this suggests that the social class patterns for a particular social risk group are different from the average.

In general, the differences between the social classes show more variation by social risk group when examining multiple QoL problems than in the case of at-risk-of-poverty and basic deprivation. The differences between the dashed lines and the solid line are of two kinds: the lower than average rate of QoL problems among the self-employed/farmer social class in certain social risk groups and the sharper than average social class relationships for some social risk groups.

The rate of QoL problems is lower than average among the self-employed in certain vulnerable social risk groups (working-age adults with a disability and their children, lone parents and their children). This finding could well be a selection effect. In order to be self-employed the individual would need to have either capital resources to set up a business, marketable skills that lend themselves to self-employment or both. As a result, those who are self-employed among lone parents and adults with a disability are likely to be unusual and the lower-than average rate of QoL problems

may be reflecting this fact rather than signifying that self-employment would improve the circumstances of all lone parents or working-age adults with a disability.

Figure 4.4 QoL problems by social risk and social class



Source: SILC data, 2013, analysis by authors. The dashed lines show adjusted percentages from a model with the effects of social class constrained to be equal across social risk groups (Model 1 in Appendix Table A4.1). The solid lines show the adjusted percentages from a model that allows the social class pattern to vary by social risk group (Model 2, with interactions, from Appendix Table A4.1)

The other result that can be seen in the figure is that the social class differences in the rate of QoL are larger for some social risk groups than others. The larger than average social class differences can be seen in that the solid line representing the actual social class differences for the group is steeper than the dashed line, which represents the pattern we would see if all social risk groups had the same social class differences. For instance, among children of working-age adults with a disability, the solid line is lower than the dashed line for the higher professional/managerial social class and higher than the dashed line for the unskilled manual social class. This is also true, though the pattern is not as strong, for other children. For these groups, the line representing the social class differences is steeper than average.

The opposite is true among lone parents and their children, working-age adults with a disability¹⁴ and older people. For these groups, the social class differences are less marked than average, mainly because the higher/professional/managerial social class has a higher rate of QoL problems than expected. This suggests that for lone parents, working-age adults with a disability and older people, being in the higher professional/managerial social class does not bring the same level of benefits as it does for other social risk groups. This is similar to the pattern we observed for at-risk-of-poverty and basic deprivation in the last chapter.

Another, though less marked, difference in the social class pattern can be seen by comparing 'other adults age 30-65' and 'other children'. The social class differences in the rate of QoL are sharper for children than for adults, reflecting the tendency for larger families to have more QoL problems.

4.7 Summary

In this chapter we explored the levels and composition of the QoL deficits for both social risk and social class groups. The social risk analysis showed that lone parents and working-age adults with a disability, as well as their respective children,

14 The pattern differs for working-age adults with a disability who are parents and those who are childless. Some additional analysis showed that parents with a disability tend to be older, on average, than their childless counterparts and fewer of them are in the unskilled manual social class.

experienced the highest level of QoL deficits, while older people experienced the lowest levels.

The social class analysis revealed that the unskilled manual social class had the highest levels of multidimensional QoL problems while the higher professional/managerial class had the lowest levels.

The analysis revealed that once we focus on the group with 3 or more QoL problems, there is less variation by social class than by social risk group in the relative importance of the different dimensions of QoL. There were substantial differences in the composition of multidimensional QoL problems by social risk group: health problems are considerably more important for older people and working-age adults with a disability; concerns about safety are more important for older people and crowded accommodation primarily affects families with children. There was less variation in the composition of multidimensional QoL problems by social class, with the most noticeable pattern being the higher level of income poverty and financial strain among the self-employed/farmer social class. The analysis in Chapter 3 showed that the level of at-risk-of-poverty did increase for the self-employed/farmer social class from the early recession onward.

In the final section, we examined whether the social class differences were similar across social risk groups. We found that for some social risk groups the social class differences were less marked than for others (such as lone parents and their children, older people and working-age adults with a disability). For other groups, particularly the children of working-age parents with a disability, the social class differences were sharper than average. The social class differences also tended to be sharper for 'other children' than for 'other working-age adults'. The differences between adults and children are due to differences between families with children and those without children and between larger and smaller families.

The reasons for the variation across social risk group in the size of the social class differences in QoL are likely to depend on the group in question. In the case of older people, for instance, the variation in occupational pensions is likely to be less than the variation in pre-retirement earnings and the majority of older people are entitled

to a State Pension. This will tend to narrow the differences in living standards by social class, which is linked to the pre-retirement occupation. In the case of lone parents, the main factor moderating the social class differences is that lone parents in the higher professional/managerial class do not benefit as much from their class position as those in other social risk groups. This is true of quality of life and the indicators at-risk-of-poverty and basic deprivation, as we saw in the last chapter. It would take further in-depth research to understand why this is the case, but we could hypothesise that it is linked to the lone parents working fewer hours, experiencing breaks in job tenure or facing reduced promotion chances. In the case of children of working-age adults with a disability, the reasons for the sharper social class differences in QoL are unclear. The pattern may be linked to the availability of income continuance coverage – an occupation-linked insurance scheme to maintain income in the event of disability – that is likely to be more common in higher social class occupations.

Chapter 5: Conclusions and policy implications

5.1 Introduction

In this report, we examined trends since 2004 in the national poverty indicators by social risk group and social class. In the modern capitalist welfare state, there is an implicit consensus that people will generally meet their welfare needs through the market or family. For most people, incomes come via the market and many of their welfare needs are met through purchasing goods and services. Families provide welfare through care services (mainly for children and adults with a disability), through pooling of income from the market and pooling of risks such as illness or unemployment. In liberal welfare states such as Ireland and the UK, the State is the welfare provider of last resort, stepping in only for those groups whose needs are not met through the market or family. We can think of social risk groups as groups with different capacities to meet their needs through work, either directly through their own work or indirectly through work of other family members. The groups we examine in this report are lone parents and their children, working-age people with a disability and their children, 'other children', young adults (age 18 to 29), and older people (aged 66 and over) and the reference group of working-age adults over 30 but under 66.

Lone parents face a challenge to labour market participation because they have sole responsibility for caring for children. Traditionally, in Ireland, it was not expected that lone parents would be required to work, although this has changed in recent years, with the plans to gradually move lone parents whose youngest child is over the age of seven onto the register of jobseekers. There was a similar expectation that people with a disability would not be expected to work. Again, the emphasis on inclusion of people with a disability has brought about a change in this attitude, although research on the costs of disability suggests that people with a disability face higher costs in taking-up employment. Children are expected to be engaged in full-time education and the State has made some provision to assist parents with the additional costs associated with children. Young adults, particularly those coming onto the labour market in a period of recession, face challenges in making the transition from education to work. Since 2010, the amount of Jobseeker's Allowance payable to adults under the age of 25 has been cut more sharply than the rate for adults aged over 25. Adults in the 30 to 65 age group who are neither lone parents

nor have a disability are the ones we might expect to be in a most advantageous position with respect to work. Adults over the age of 66, which is the qualifying age for the State Pension, are expected to be retired.

In the welfare state, the unemployed are often regarded as a specific risk group and there are provisions made to provide financial support to the unemployed and their families. We do not identify the unemployed as a specific risk group in this paper, however, preferring to view unemployment as an outcome of varying duration that is likely to be experienced with greater frequency by some social risk groups (lone parents, adults with a disability, young adults) than others (adults aged over 30).

Social classes are distinguished by their position within the market with respect to their employment relations. Those with highly marketable skills (professionals, managers, technicians) or capital assets (the self-employed and employers) will be in a more favourable position than the unskilled. Within this, there is also a distinction between the 'service relationship' to the employer, which involves a relationship of trust and is associated with white collar work, and the 'labour relationship' which is associated with work that is more routinised, such as lower service, sales and manual jobs. We use the household social class in the report and assign it to all household members. This is the social class of the person responsible for the accommodation or, if a couple is responsible; it is that of the most advantaged class position of the two partners. Therefore, when two partners work, for instance, the social class of the household is taken as the social class of the partner with the most advantaged social class. There is also a small group for whom no occupational information is provided because none of the adults have ever worked. In the analysis here, we combine them with the unskilled manual social class because the numbers are relatively small.

We addressed a number of research questions regarding the link between social risk, social class and social exclusion:

1. What was the trend in at-risk-of-poverty, basic deprivation and consistent poverty from 2004 to 2013 for the different social risk groups?
2. To what extent are there differences between the social risk groups in multidimensional quality of life, understood as having several distinct

quality of life problems? Are there differences in the (a) level of multidimensional QoL problems and (b) composition of multidimensional QoL problems?

3. How important are income poverty and material deprivation as components of multidimensional quality of life problems? Does this differ between the social risk groups?
4. How do variations in poverty and multidimensional QoL problems by membership of social risk group membership differ from variations by social class?

In the following we draw out the findings of the report to address each of these questions in turn, summarise the findings by social risk group and then the implications of the findings for policy.

5.2 Trends in at-risk-of-poverty by social risk and social class

5.2.1 Overall trends

The period from 2004 to 2013 was one of dramatic change in Ireland. Between 2004 and 2007 the country experienced the final years of an economic boom that was at least partly fuelled by a property bubble. The years from 2008 to 2012 were marked by the sharpest and deepest recession in the history of the State, followed by the emergence of economic recovery beginning in 2013. The trends over this period in poverty were predictable in some respects but were perhaps surprising in others. The various indicators of poverty and social exclusion behaved quite differently with the onset of the recession.

The indicator of basic deprivation is designed to capture an inability to afford a basic standard of living in terms of adequate food, clothing, heating for the home and basic social participation. Basic deprivation had been falling in the boom years, and had dropped from 15 per cent in 2005 to 12 per cent in 2007. Thereafter it rose steeply, reaching 27 per cent by 2012 but continuing to rise to 31 per cent in 2013. While the sharp increase with the recession was not surprising, the fact that the rate continued to increase into 2013 was less expected.

At-risk-of-poverty is a relative measure since it is assessed with respect to median household incomes. While overall incomes fell sharply as a result of the recession, this indicator remained surprisingly stable. Although people may have experienced a sharp drop in real incomes, the fact that the indicator is relative to median income means that this change in circumstances was masked by the overall fall in incomes. As a result, at-risk-of-poverty which had fallen from 19 per cent to 16 per cent between 2004 and 2007 fell further to 14 per cent in 2008 and 2009, rising to 16 per cent in 2011 and 2012 before dropping back to 15 per cent in 2013.

Consistent poverty, which involves being both income poor (at-risk-of-poverty) and deprived, had also been falling in the boom years from seven per cent in 2004 to four per cent in 2008. The rise in the recession was moderated because the sharp increase in deprivation was dampened by the relative stability of at-risk-of-poverty. Nevertheless, consistent poverty rose to eight per cent in 2012 and 2013.

5.2.2 Patterns and trends by social risk group

The rate of at-risk-of-poverty was highest for lone parent families (29 per cent to 34 per cent in 2013 depending on family size), followed at some distance by working-age adults with a disability (18 per cent in 2013) and the lowest rate in 2013 was for older people (8 per cent).

The trends over time were broadly similar across social risk groups, with a fall between the boom and early recession (although this was statistically significant only for older people and for working-age adults with a disability and their children). This, as noted above, was due to the general collapse in incomes from work which caused the poverty threshold to drop combined with the safety net provided by social protection payments.

The most distinctive at-risk-of-poverty pattern during the recession was for young adults. This group experienced an increase in at-risk-of-poverty in the late recession, mainly driven by the increase for adults aged between 18 and 24. The timing coincides with the cut in Jobseeker's Allowance for this age group.

Basic deprivation was highest for lone parents and their children (58 and 61 per cent, respectively in 2013) and for working-age people with a disability and their children (49 and 51 per cent, respectively). The higher rate for children reflects the higher rate for households with larger numbers of children. Over time, the risk of basic deprivation increased for all social risk groups. This indicator was better than at-risk-of-poverty in capturing the fall in standards of living with the recession. For most social risk groups basic deprivation was significantly higher in 2013 than in 2010 to 2012. This persistence into early recovery may be a function of the erosion of savings, the accumulation of debt or a deferral of routine repairs, maintenance and replacement of household goods and appliances during the recession.

Consistent poverty was highest for lone parents and their children (20 and 24 per cent, respectively). Across groups, the change over time in consistent poverty was more muted than the change in its component indicators of at-risk-of-poverty and basic deprivation since these were moving in opposite directions early in the recession. By the end of the recession, the rate of consistent poverty was lowest for older adults. This group was less reliant on market income and they were relatively protected by State Pension rates that had risen substantially during the later boom years. As a result, they did not experience the shock that affected working-age adults and their children. The rate of consistent poverty was higher in the late recession and early recovery for other working-age adults and their children.

The analysis by social risk group suggested that much of the difference between consistent poverty of children compared to adults was linked to the different distribution of adults and children across social risk groups. The lower poverty rate of older adults accounts for about 23 per cent of the excess consistent poverty of children compared to adults; the greater exposure of children than adults to lone parenthood accounts for a further 54 per cent; the slightly higher exposure of children to working-age disability in the household accounts for a further five per cent and 17 per cent is not accounted for by these social risk factors.

5.2.3 Patterns and trends by social class

In terms of social class, the highest risk of income poverty was for the unskilled manual social class and the lowest rate was for the higher professional/ managerial

social class. The at-risk-of-poverty rate of the self-employed / farmer social class was relatively high, similar to that of the lower technical/sales/service social class.

The trend over time was broadly similar across social classes, with the fall between the boom and 2008 most marked for the unskilled manual social class. The self-employed/farmer social class were an exception: they experienced a significant increase in at-risk-of-poverty between the boom and early recession.

Like at-risk-of-poverty, basic deprivation was highest for the unskilled manual social class and the lowest rate for the higher professional/managerial social class. While the self-employed/farmer social class had an at-risk-of-poverty rate that was higher than average, their level of basic deprivation was lower – more similar to that of those in the intermediate/technical social class. There was an increase over time in basic deprivation for all social classes with a very marked increase between early and late recession for the self-employed/farmer class.

The rate of consistent poverty was lowest for the higher professional/managerial social class and highest for the unskilled manual social class. The pattern of change over time was influenced by both the at-risk-of-poverty and deprivation changes. Consistent poverty showed a broadly similar pattern across social classes during the recession, with an upward trend that persisted into early recovery. Apart from the self-employed, there was a tendency for consistent poverty to be lower in the early recession (influenced by the pattern for at-risk-of-poverty) than in the boom. For the lower technical/sales/service social class there was some suggestion of a fall in consistent poverty in 2013 but there was no evidence of a fall for other social classes.

5.2.4 Social risk as modifying social class patterns

We also examined whether the social class differences in at-risk-of-poverty and basic deprivation were similar across social risk groups. The analysis revealed that there were some differences between the social risk groups but they were a matter of influencing the degree of social class differences rather than being distinct patterns. The most noticeable differences were among lone parents, working-age adults with a disability and older people.

Lone parents and working-age adults with a disability (particularly those with children) did not benefit as much as the other social risk groups from being in the higher professional/managerial social class. In the case of lone parents and their children this was very marked for basic deprivation and was also evident for at-risk-of-poverty. The reduced benefit from being in the higher social classes may be linked to reduced labour supply because of the person's disability or because of the need to combine childcare with work.

In the case of older people, the social class differences in at-risk-of-poverty (and to a much lesser extent in basic deprivation) were less sharp than for younger adults. This is consistent with both the reduction in incomes from work as people reach retirement age, on the one hand, and the safety net provided by the State Pension to those with inadequate (or no) occupational pensions, on the other. Taken together, these narrow the inequalities in income. It is worth noting that the differences are more noticeable when it comes to at-risk-of-poverty, however. Nevertheless, the social class differences – particularly in the risk of basic deprivation – remain very substantial among older people.

5.3 Social risk and quality of life

In considering quality of life (QoL) we include 11 dimensions: income poverty, material deprivation, financial strain, health problems, mental distress, crowded accommodation, housing quality problems, neighbourhood problems, lack of social support, feeling unsafe in the local area and mistrust in institutions. It is worth noting that our interest in quality of life in this paper is very specific. First, we focus on QoL problems rather than on the positive end of the spectrum. This focus derives from the concern with social exclusion: with those who are excluded from the normal or typical patterns of living rather than with those who are thriving. The second key aspect is that we are interested in multidimensional QoL problems: the individual must experience problems on 3 or more of the 11 dimensions in order to be considered as having multidimensional QoL problems. Thus, someone with a health problem, but with none of the remaining ten problems, would not be considered as having *multidimensional* QoL problems. For brevity in the following, we simply refer to QoL problems, with the understanding that what is meant is multidimensional QoL problems in this sense.

There were clear differences in both the level and the composition of QoL problems by social risk group. The adjusted head count ratio (AHCR) is an indicator of the level of QoL problems that takes account of both the head count (i.e. level) of people with 3 or more such problems and the intensity of their problems (the number of problems they have). The level of QoL problems was highest for working-age people with a disability and their children (with AHCR scores of 22) and for lone parents and their children (ACHR scores of 19 and 20, respectively). The level was lowest for adults over 30, with an AHCR score of 7 for both working-age adults over 30 and older people. The variation in the level of QoL problems by social risk group – with a ratio of 3.4 between the highest and lowest group – was similar to variation in basic deprivation (ratio of 3.7) but less than the variation in at-risk-of-poverty (ratio of 4.2).

There were also differences in the composition of QoL problems by social risk group. When we focus on the *composition* of QoL problems, we are asking what proportion of all the QoL problems of those experiencing 3 or more such problems are accounted for by each type of problem – income poverty, health problems, housing quality problems and so on. These differences in the salience of the dimensions by social risk group were particularly marked for crowded accommodation, which mainly affected families with children, and health problems which were more salient for older people and working-age adults with a disability. Other differences included the greater relative importance of mental distress among adults with a disability and lack of safety among older people; the importance of housing quality problems and institutional mistrust among young adults and of income poverty among lone parents.

5.4 At-risk-of-poverty, deprivation and quality of life

Income poverty and material deprivation are included as dimensions of the QoL indicator, although the deprivation indicator that is part of the QoL index is based on lacking 4 or more of the 11 basic goods and services (rather than lacking 2 or more in the case of basic deprivation).¹⁵ As noted above, our concern with QoL here is concentrated on QoL problems that are multidimensional – the person must have issues on at least 3 of the 11 dimensions. This means that being income poor or deprived, on their own, would not be sufficient in order for a person to be considered

¹⁵ This was done, as noted in Chapter 2, to keep the initial thresholds on all the dimensions as similar as possible.

as having *multidimensional* QoL problems: they would need to have problems on 3 or more of the 11 dimensions.

In looking at the contribution of income poverty and material deprivation to the composition of QoL problems (Table 2.8), we saw that income poverty tended to be less central than deprivation. For instance, income poverty accounted for about seven per cent of the total ‘package’ of QoL deficits in the population compared to ten per cent for material deprivation. This is despite the fact that a similar starting threshold had been selected on each item, as we saw in Table 2.6. This suggests that material deprivation is more central to the experience of multiple types of disadvantage than income poverty measured at a point in time. The centrality of deprivation was also reflected in the finding that two thirds of those with basic deprivation also had three or more QoL problems (Figure 4.1).

Examining the association from the perspective of the proportion of those who are experiencing basic deprivation or at-risk-of-poverty who also have 3 or more QoL problems, the figures are 62 per cent and 61 per cent, respectively. Even though the level of basic deprivation in 2013 was about twice the level of at-risk-of-poverty, the group it identifies is just as likely to have multidimensional QoL problems.

When we looked at the analysis by social risk groups, we found a similarly greater relative significance of deprivation than of at-risk-of-poverty. The same was generally true across social classes, with the exception of the self-employed/farmer social class. This exception is consistent with other research that points to the tendency of the self-employed to show higher levels of income poverty than we would expect based on their level of material deprivation. This has been interpreted as arising because of difficulties in accurately measuring the incomes of the self-employed.

The fact that the income poor constitute only one third of those experiencing multidimensional disadvantage while those experiencing basic deprivation constitute two thirds partly reflects the fact that the rate of basic deprivation in 2013 was about double the rate of income poverty. This may also reflect the behaviour of the at-risk-of-poverty indicator during the recession. Because it is a purely relative measure, it did not do as well as the basic deprivation indicator in capturing the drop in living standards in a context where the median income fell. In other words, the relative

centrality of at-risk-of-poverty and basic deprivation to QoL in general could well be a feature of the recession and early recovery and might change in a period of economic stability.

5.5 Social class variations in quality of life

As well as examining differences in the level and composition of QoL problems by social risk group, we examined the differences by social class. Turning first to the level of QoL problems, we found substantial differences in the levels by social class. Taking the AHCR score as an indicator of the level of QoL problems we found a ratio of 5.0 between the social class with the highest and lowest AHCR scores. This ratio compares to a ratio of 3.4 between the social risk groups with the highest and lowest AHCR scores. The level of QoL problems was highest for the unskilled manual social class and lowest for the higher professional/managerial social class.

The analysis of social class differences in the *composition* of QoL problems showed much less variation in the relative importance of different dimensions by social class than by social risk group. The similarities in the composition of QoL problems were more striking than the differences. The only real difference was the greater importance of income poverty and financial strain among the self-employed/farmer social class. Apart from this, when members of different social classes had multidimensional QoL problems, they looked quite similar in terms of which problems were present.

Finally, we examined whether the social class differences in the level of quality of life problems varied by social risk group. The social class differences were apparent for all social risk groups but for some the level of QoL problems varied less than average by social class. This was true of lone parent families and working-age adults with a disability. Members of these social risk groups in the self-employed/farmer social class also fared relatively better than expected for that social class.

For other groups, especially children of parents with a disability and to a lesser extent other children, the social class differences were more pronounced. This suggests that social class differences in QoL are sharper for households with children than for those without children, with lone parent households being an exception to this. In the case of lone parents, the pattern is mainly due to the fact

that those in the highest social class do not benefit as much in QoL terms as their counterparts in other social risk groups. This might be the case if the sole responsibility for caring for children makes it more likely that the lone parent will work part-time.

5.6 The experience of social risk groups

The discussion so far has focused on the experiences of social risk groups one outcome at a time. This facilitated the comparison across social risk groups and made it clear that the groups experiencing the greatest levels of difficulty are lone parent families and families of a working-age adult with a disability. It is worth pulling together the results for each group, however, to draw out the main challenges experienced by the groups.

Members of **lone parent families** constitute ten per cent of the population (four per cent are lone parents and six per cent are children of lone parents). They are found across the social class distribution but are over-represented in the lower social classes. They experienced the highest rate of at-risk-of-poverty, basic deprivation and consistent poverty in the period and were second only to working-age adults with a disability in the extent of multiple QoL problems in 2013. The increase in poverty and deprivation over time was not disproportionate. Compared to the levels of poverty and deprivation in the boom years, the increase was greater for groups that had been relatively immune, such as 'other working-age adults'. In terms of the composition of QoL problems, lone parents are fairly similar to other working-age adults but crowded accommodation is less likely to be an issue because of their smaller family size than couple households. On the other hand, material deprivation is a more significant issue for lone parent families.

People in families of **working-age adults with a disability** constitute 13 per cent of the population (nine per cent are working-age adults with a disability and four per cent are children of these parents). They are somewhat over-represented in the lower service/technical/sales and unskilled manual social classes. There are fewer children in these families (partly because the adults tend to be older and partly because people who have a disability earlier in life are less likely to have children). This group has the second highest rate of at-risk-of-poverty and basic deprivation (next to lone parents) and the highest extent of multiple QoL problems. Like lone

parents, their level of disadvantage across the poverty and QoL indicators is much higher than for other social risk groups. Along with older people, health problems form a higher proportion of their QoL problems than is true for other groups. Mental distress is also more significant in this group than in other social risk groups.

Young adults aged 18 to 29 constitute 15 per cent of the population. Their rates of at-risk-of-poverty, basic deprivation and consistent poverty tend to be somewhat lower than those of children but higher than those of other working-age adults (aged 30 to 65). At-risk-of-poverty for young adults increased between early and late recession, driven by the pattern for those aged under 25 whose Jobseeker's Assistance payments were cut in 2010. As a result, by the late recession and early recovery the rate of at-risk-of-poverty among young adults was higher than that of 'other children' (i.e. children not in a lone parent family or living with a parent with a disability). In addition, in the late recession and early recovery the basic deprivation rate of young adults was about the same as that of other children. Their rate of multiple QoL problems in 2013 was also similar to that of other children. Housing quality problems and mistrust in institutions were more of an issue for the young adults than for other social risk groups.

'Other children' aged under 18 (i.e. children not in a lone parent family or living with a parent with a disability) make up 17 per cent of the population. They have a higher at-risk-of-poverty rate than working-age adults aged 30 to 65 both because of the higher poverty rate of families with children (compared to adults with no children) and the association between family size and the poverty rate. The at-risk-of-poverty rate did not increase significantly in the recession but the rate of basic deprivation rose sharply. The level of multiple QoL problems is similar to that of young adults and a little higher than that of other working-age adults aged 30 to 65. Looking at the composition of multiple QoL problems, we see that financial strain and crowded accommodation are more likely to affect 'other children' than other adults.

When we consider all children under the age of 18 (including children of lone parents and children of working-age adults with a disability), the consistent poverty rate is about 70 per cent higher than for adults. If we restrict the comparison to adults under the age of 66, the rate is 55 per cent higher. Much of this gap is due to lone

parenthood: if we statistically remove the effects of lone parenthood, the consistent poverty rate for children is just 16 per cent higher than for working-age adults.

‘Other working-age adults’ (i.e. not lone parents and not working-age adults with a disability aged 30 to 65) are the largest group at 36 per cent of the population. This group had the lowest rate of basic deprivation in the boom years but it rose very sharply during the recession exceeding that of older people by the late recession. Like most other social risk groups, the level of basic deprivation was higher in 2013 than during the recession. The rate of multiple QoL problems is low, similar to that of older people, but crowded accommodation and financial strain are more important for those aged 30 to 65 than older people.

Older people aged 66 and over constitute 11 per cent of the population. The rate of at-risk-of-poverty and basic deprivation among this group had been falling in the boom years and, unlike other groups, there was little change in the levels during the recession. Older people have a low rate of multiple QoL problems – similar to that of other working-age adults. They are distinctive in terms of the composition of multiple QoL problems, however, with poor health and lack of a sense of safety relatively more important, with much less significance given to crowded accommodation, financial strain or income poverty QoL issues.

5.7 Limitations and further research

As with much research, this study answered some questions but also revealed a number of patterns worthy of further exploration.

The analysis here was cross-sectional. Although SILC is a longitudinal dataset, the survey design means that the number of cases available for longitudinal analysis is smaller than the number available for cross-sectional analysis. We emphasised cross-sectional analysis in this study, but there is scope to examine whether the trajectories in terms of at-risk-of-poverty and basic deprivation are different by social risk group.

It was possible to examine QoL problems only at one point in time: 2013. This was a year that followed five years of recession. The results here may have been influenced by the particularities of this period. In particular, the relatively small

contribution made by income poverty to multidimensional QoL problems may be a function of the weakness of this indicator in capturing the sharp drop in real incomes that came with the recession. The analysis could be replicated for other years on the Irish SILC data with several of the QoL indicators, including income poverty, material deprivation, financial strain, poor health, crowded accommodation, housing quality problems and neighbourhood problems (but not mental distress, mistrust in institutions, lack of safety, lack of social support as these were only available on the 2013 module).

Several of the quality of life indicators (including health, mental distress, social support, sense of safety) are available for all adults within a household who were interviewed directly. This would allow an examination of whether there are differences within households in quality of life. Potential differences between household members by age and gender may sometimes be obscured since, in the conventional measures of at-risk-of-poverty and basic deprivation, it is assumed that all household members share the same standard of living. This research would benefit equality policy with respect to gender and age.

While the present analysis focused on Ireland, the development and application of a relatively new methodology to the analysis of multidimensional quality of life drawing on the SILC 2013 module has the potential to inform analysis of the 2013 SILC module across the full range of EU countries included in SILC 2013. The authors have also worked on the measurement of quality of life across 34 countries using the European Foundation for the Improvement of Living and Working Conditions (Eurofound) datasets (Watson, Maître and Kingston, 2014). The research presented here can build synergy between the Department of Social Protection research programme and the work of Eurofound.

There was a puzzling interaction between social risk and being in the self-employed/farmer social class that could only be noted but not fully explored here. Lone parents and working-age adults with a disability who were in the self-employed/farmer social class were less likely to experience basic deprivation or multiple quality of life problems than those in the intermediate social class. Further analysis would be needed to establish whether this is a selection effect, is linked to hours worked or job

security or whether self-employment may be a possible route to an improved quality of life for these groups.

5.8 Policy discussion

There are several findings in this report that have significant implications for policy, including the trends over time, the very general impact of the recession across social classes, the differences in experience of income poverty and basic deprivation by social risk group, the differing QoL patterns by social risk group and the continuing significance of both social risk group and social class to understanding inequalities in quality of life and the lessons learned about the different social risk groups.

The findings on the **trends** in at-risk-of-poverty and especially in basic deprivation, with the rate continuing to be high into 2013 and 2014, suggests that despite the rise in employment it will take time for the living standards of households to recover from the recession. Although 2013 was the first year of recovery in terms of employment levels and economic growth, the results suggest that it cannot be seen as the beginning of recovery in terms of living standards as captured by basic deprivation. We hypothesise that this may be linked to some combination of the erosion of savings, the accumulation of debt and an increasing sense of insecurity in households as a result of the recession. The trends analysis also pointed to the importance of the basic deprivation indicator in that it captured the fall in living standards that came with the recession in a way that would not have been possible if we had relied on the at-risk-of-poverty indicator alone.

The analysis of **trends by social class** indicated that the recession affected all social classes. Focusing on the basic deprivation indicator, we saw that the recession did not disproportionately affect those social classes that had been more vulnerable to deprivation pre-recession. In some respects, those who initially had less lost less as a result of the economic crisis. This does not mean that they escaped unscathed: all social classes experienced increased deprivation during the recession, but the increase was very general across groups. Arguably, those who had been in a relatively vulnerable position at the outset had fewer resources with which to protect themselves and their families from the economic shocks. The fact that they did not suffer more than the average in terms of increasing levels of deprivation points to the important role played by the social protection system in

providing basic resources during the recession. This is seen, in particular, in the fact that the at-risk-of-poverty rate rose only moderately during the recession. Basic social protection payments were not sufficient to prevent a substantial rise in basic deprivation, however. The general impact of the recession across social classes indicates that the policies needed to support recovery will need to take account of issues of general concern – such as housing and childcare – as well as the traditional income supports to vulnerable groups.

The analysis of **social risk groups** showed that **lone parents** and their children and working-age adults with a **disability** and their children were particularly vulnerable with much higher rates of at-risk-of-poverty, basic deprivation and QoL problems. Apart from these groups, we saw that rates of disadvantage tended to be higher for children and young adults than for adults aged 30 to 65 while the rates were lower for older people. The significance of lone parenthood and of living with a working-age adult with a disability for the wellbeing of children was also highlighted by the analysis. Estimates suggested that about half of the excess consistent poverty of children compared to adults was due to the greater concentration of children in lone parent families. Once again, this pointed to the importance of taking account of **the household composition dimension** in order to understand patterns of disadvantage. It is not just the fact of childhood but the family context of children that matters. A higher proportion of children than adults are found in lone parent families and this contributed to the higher rate of disadvantage among children than among adults.

The disadvantage experienced by lone parents may be partly a function of selection into lone parenthood based on low levels of education and early parenthood (Hannan and Halpin, 2014) but is also linked to the real challenges involved in parenting alone in a context where lone parents are increasingly expected to work but childcare is both scarce and expensive. Not all lone parents are in the lower-skilled or 'never worked' social class, as we saw in Chapter 2. The results in Chapter 3 showed that those lone parents in the professional/managerial social class benefit less than other social risk groups from their relatively advantaged social class position. The challenges of parenting alone are likely to result in the need to work shorter hours or to select a job that fits with the demands of childcare rather than selecting a job in order to maximise earnings and career progression. The findings

regarding lone parents and working-age adults with a disability suggest that the labour market barriers faced by these groups need specific attention. This will require some tailoring of programmes to support participation, including childcare and continuing income support as well as the traditional activation measures of training and job search help. The significance of health issues for people with a disability means that concerns regarding the (eventual) loss of a medical card may be particularly pressing and may need specific policy attention.

The finding of an association between multidimensional QoL problems and at-risk-of-poverty and especially basic deprivation have implications for the complexity of issues facing service users in areas such as health, housing support and social care. This has **implications for service delivery and for monitoring** the success of interventions across a range of policy areas. Improving the health and housing circumstances of those experiencing multiple QoL problems is likely to require a multi-departmental co-ordinated approach. The evaluation of progress in areas such as health and mental health service delivery and outcomes needs to take account of the complexity of the challenges facing those who are multidimensionally disadvantaged.

The analysis of the composition of QoL problems highlighted the **differences in the nature of the QoL challenges** faced by different social risk groups. Crowded accommodation and financial strain were more of an issue for households with children and for younger adults than for older people. Among older people, poor health and a lack of sense of safety were bigger problems. Poor health and mental distress were more salient among working-age adults with a disability. Housing quality problems and mistrust in institutions were somewhat more important among young adults than the other social risk groups. These different patterns have implications for a range of policy areas, including health, financial services, housing, criminal justice and policing and political participation and active citizenship.

The results also indicated that **both social class and social risk group differences are important** to understanding social exclusion. These dimensions have their roots in different social processes, such as non-market barriers to participation (personal capacity, life-cycle stage and family role or support) in the case of social risk groups and bargaining power in the market (capital, skill, experience) in the case of social

classes. There is some association between the dimensions, as we saw in Chapter 2. This is most marked for lone parent families as they are more likely to be found in the lower services/sales/technical and the unskilled manual social classes than in the higher professional/managerial social class. However the relationship is not perfect and vulnerable social risk groups such as lone parent families and families of working-age adults with a disability are found across all social classes. In comparing the inequalities by social class and social risk group for the indicator of QoL problems in Chapter 4, we found that the differences in the *level* of problems tend to be larger by social class than by social risk group. However, as noted above, there is greater variability by social risk group than by social class in the composition of QoL problems. Thus, both social class and social risk group have a place in accounting for social exclusion. The most disadvantaged people are those in the unskilled manual social class who are also in vulnerable social risk groups, especially children in lone parent families and in working-age families with a disability.

The finding of considerable overlap between having 3 or more quality of life problems and the poverty indicators – especially basic deprivation and at-risk-of-poverty, points to the fact that many of those identified by the **national poverty indicators** will experience QoL problems of several different kinds. Some of these problems, such as problems with crowded accommodation, housing quality and neighbourhood problems are likely to be directly improved by increasing the level of current resources available to the household while others, including health problems, a lack of a sense of safety and mental distress, may have multiple and more complex roots, including exposure over a longer period to a lack of resources and difficult living circumstances. The analysis suggested that the at-risk-of-poverty and basic deprivation indicators taken together would identify 78 per cent of those experiencing multiple QoL problems. The main significance of the QoL indicator is not in identifying a new sub-population experiencing severe QoL challenges but in describing the multiplicity and complexity of the challenges of those already identified by the national poverty indicators.

The findings from the study point to the need for comprehensive measures – adequate income support, inclusive labour markets and access to quality services – to address these challenges across all vulnerable groups. Previous research (Watson and Maître, 2013) has shown that social transfers have been effective at

reducing at-risk-of poverty in Ireland. This suggests that there is limited room for income supports to further reduce income poverty. Broader actions and interventions are required. A number of policy initiatives are relevant in this regard and address the challenges faced by particular social risk groups. These include:

- The Updated National Action Plan for Social Inclusion (NAPinclusion, Department of Social Protection, 2016b) contains measures to address early childhood development, youth exclusion, access to the labour market including measures for people with disabilities, migrant integration, social housing and affordable energy.
- The Comprehensive Employment Strategy for People with a Disability (Department of Justice, Equality and Law Reform, 2015) was developed to address the barriers and to employment of this group, so as to improve their pathways to work over time. A priority action was the establishment of an interdepartmental group to examine issues associated with making work pay for people with disabilities.
- The Pathways to Work Strategy (Department of Social Protection, 2016) is relevant to working age adults. It continues to prioritise the enhancement of employment prospects of those who are long-term unemployed and young unemployed adults. It is envisaged that it will expand services and supports to other non-employed adults, including those who may not be registered as unemployed.
- The Better Outcomes, Brighter Futures framework (Department of Children and Youth Affairs, 2014) coordinates policy across areas that impact on children and young people's lives. In addition, the EU-wide Youth Guarantee, to which member states signed up in 2013, is designed to address the employment and training needs of young adults up to the age of 25 and aims to prevent them falling into long-term unemployment (see Department of Social Protection, 2013b).
- The National Positive Ageing Strategy (Department of Health, 2013) outlines cross-departmental goals and objectives required to promote positive ageing, including enabling older adults to participate in economic, social and family life.

These are ambitious strategies that will need to be adequately resourced if they are to lead to real improvements in the lives of the most vulnerable social risk groups.

Appendix tables**Appendix Table A2.1 Social risk groups – number of cases, 2004 to 2013**

	Minimum per year	Average per year	Total 2004-2013
Lone parents (not married or cohabiting and has child under age 18)	354	416	4,163
Child under age 18 of lone parent (not a lone parent himself or herself)	637	719	7,194
Working-age adult aged 18-65 with a disability (excluding lone parents)	838	1,169	11,685
Child under age 18 of a working-age adult with a disability (excluding lone parents or children of lone parents)	359	476	4,764
Other children aged 0 to 17 (not lone parent, children of lone parents or child of a working-age adult with a disability)	1,784	2,156	21,556
Young adults (aged 18-29, not a lone parent of person with a disability)	1,114	1,378	13,775
Other working-age adults aged 30-65 (not lone parent or person with a disability)	3,888	4,474	44,736
Older people	1,726	2,260	22,601
Total	11,005*	13,047**	130,474

Source: SILC data for Ireland, 2004 to 2013, unweighted, analysis by authors

Note: * this is not the sum of the column. It is the smallest sample size across the years 2004 to 2013;

** this is not the sum of the column. It is the average sample size across the years 2004 to 2013

Appendix Table A2.2 Impact of lone parenthood and disability on at-risk-of-poverty, basic deprivation and financial strain (odds ratios)

	At-risk-of-poverty	Basic Deprivation	Economic Stress
Female vs. male	0.94*	n.s.	n.s.
Age 18-29 vs. 66+	1.52***	3.00***	4.43***
Age 30-64 vs. 66+	1.29***	2.22***	3.22***
Lone parent vs. Not	2.72***	3.97***	3.56***
Disability vs. Not	1.83***	2.92***	2.27***
Early recession vs. Boom	0.75***	1.18*	1.27***
Late recession vs. Boom	n.s.	2.30***	2.13***
Recovery vs. Boom	n.s.	3.31***	2.90***
Constant	0.13***	0.04***	0.05***

Source: SILC data for Ireland, 2004 to 2013, weighted data analysis by authors. Includes adults aged 18 and over. Showing odds ratios that are statistically significant at $p \leq 0.05$ from a logistic regression model on weighted data with standard errors adjusted for weights and clustering. Additional checks showed that the interaction between lone parenthood and having a disability not statistically significant for at-risk-of-poverty, basic deprivation or high financial strain at *** $p \leq .001$; ** $p \leq .01$; * $p \leq .05$

Appendix Table A3.1 Model for at-risk-of-poverty with interaction between time period and other variables (odds ratios)

		Model 1	Model 2			
		(No Interactions)	Main effect	Interactions with period		
				Early Recession	Late Recession	Recovery
Social risk	Lone parent	2.41***	2.70***	0.84	0.81	0.88
	Child of lone parent	3.00***	3.70***	0.79	0.64**	0.83
	Working-age, disability	1.68***	2.27***	0.61***	0.56***	0.61***
	Child of parent with disability	2.04***	2.76***	0.59*	0.58**	0.57*
	Other children	1.26***	1.26***	1.01	1.04	0.93
	Young adults	1.28***	1.08	1.05	1.49***	1.55**
	Other working-age adults 30-65 (ref)	1.00	1.00	1.00	1.00	1.00
	Older people	0.80***	1.18**	0.52***	0.50***	0.44***
Social class	Higher profess. etc. (ref)	1.00	1.00	1.00	1.00	1.00
	Lower profess. etc.	1.16	1.25	1.03	0.84	0.78
	Intermediate etc.	2.10***	2.54***	1.29	0.57	0.6
	Self-employed / farmer	4.60***	4.13***	2.11*	1.06	0.89
	Lower service etc.	3.85***	4.97***	1.08	0.58*	0.47*
	Unskilled manual	6.04***	7.42***	1.03	0.64	0.59
Region	BMW	1.28***	1.52***	0.73	0.69**	0.99
	Dublin	0.67***	0.67***	1.16	0.95	0.95
	South & East (ref)	1.00	1.00	1.00	1.00	1.00
Nationality	Irish (ref)	1.00	1.00	1.00	1.00	1.00
	Non-Irish	1.19	1.87***	0.57*	0.48***	0.60*
Period	Boom (ref)	1.00	1.00	1.00	1.00	1.00
	Early recession	0.74***	0.82			
	Late recession	0.87*	1.73*			
	Recovery	0.85*	1.59			
Constant		0.06***	0.04***			
N cases		130,474	130,474			

Source: SILC data for Ireland, 2004 to 2013, analysis by authors. Showing odds ratios from logistic regression on weighted data with standard errors adjusted for weights and clustering. Checked for statistical significance at *** $p \leq .001$; ** $p \leq .01$; * $p \leq .05$

Appendix Table A3.2 Model for basic deprivation with interaction between time period and other variables (odds ratios)

		Model 1	Model 2			
		(No Interactions)	Main effect	Interactions with period		
				Early Recession	Late Recession	Recovery
Social risk	Lone parent	3.62***	5.74***	0.53***	0.45***	0.63**
	Child of lone parent	4.32***	6.90***	0.53**	0.44***	0.59**
	Working-age, disability	2.64***	3.21***	0.83	0.69***	0.88
	Child of parent with disability	3.40***	3.43***	1.05	1.05	0.99
	Other children	1.40***	1.42***	1.03	0.99	0.95
	Young adults	1.23***	1.25**	0.90	1.00	1.08
	Other working-age adults 30-65 (ref)	1.00	1.00	1.00	1.00	1.00
	Older people	0.63***	1.05	0.68**	0.43***	0.50***
Social class	Higher profess. etc. (ref)	1.00	1.00	1.00	1.00	1.00
	Lower profess. etc.	1.62***	1.45	1.27	1.12	1.15
	Intermediate etc.	2.75***	2.55***	1.42	1.11	0.95
	Self-employed / farmer	2.65***	1.91**	1.3	1.86*	1.43
	Lower service etc.	4.99***	4.34***	1.95	1.15	0.87
	Unskilled manual	6.62***	6.54***	1.5	0.96	0.73
Region	BMW	1.28***	1.42***	0.86	0.85	0.91
	Dublin	1.22**	1.29*	0.97	0.94	0.88
	South & East (ref)	1.00	1.00	1.00	1.00	1.00
Nationality	Irish (ref)	1.00	1.00	1.00	1.00	1.00
	Non-Irish	1.38***	1.90***	0.53**	0.69*	0.73
Period	Boom (ref)	1.00	1.00			
	Early recession	1.17*	1.04			
	Late recession	2.31***	2.90***			
	Recovery	3.32***	4.51***			
Constant		0.03***	0.02***			
N cases		130,474	130,474			

Source: SILC data for Ireland, 2004 to 2013, analysis by authors. Showing odds ratios from logistic regression on weighted data with standard errors adjusted for weights and clustering. Checked for statistical significance at *** $p \leq .001$; ** $p \leq .01$; * $p \leq .05$

Appendix Table A3.3 Model for at-risk-of-poverty with interaction between social risk and social class (odds ratios)

		Main effect	Interactions				
			Lo Prof. / manag.	Inter-med.	Self-emp. / farmer	Lo Serv.	Unskilled manual
Social risk	Lone parent	4.84***	0.66	0.53	0.44*	0.48*	0.49*
	Child of lone parent	4.89***	0.81	0.70	0.47	0.59	0.62
	Working-age, disability	1.79*	0.98	1.18	0.72	0.95	0.97
	Child of parent with disability	1.86*	1.01	1.14	0.97	1.16	1.17
	Other children	1.19	0.96	1.00	0.93	1.17	1.26
	Young adults	1.46*	0.90	0.87	0.53**	0.80	1.15
	Other working-age adults 30-65 (ref)	1.00	1.00	1.00	1.00	1.00	1.00
	Older people	1.37	1.11	1.11	0.46***	0.58*	0.46***
Social class	Higher profess. etc. (ref)	1.00					
	Lower profess. etc.	1.17					
	Intermediate etc.	2.06***					
	Self-employed / farmer	5.78***					
	Lower service etc.	4.16***					
	Unskilled manual	6.27***					
Region	BMW	1.27***					
	Dublin	0.67***					
	South & East (ref)	1.00					
Nationality	Irish (ref)	1.00					
	Non-Irish	1.16					
Period	Boom (ref)	1.00					
	Early recession	0.74***					
	Late recession	0.87*					
	Recovery	0.85*					
Constant		0.05***					
N cases		130,474					

Source: SILC data for Ireland, 2004 to 2013, analysis by authors. Showing odds ratios from logistic regression on weighted data with standard errors adjusted for weights and clustering. Model without interactions is Model 1 in Appendix Table A3.1. Checked for statistical significance at *** $p \leq .001$; ** $p \leq .01$; * $p \leq .05$

Appendix Table A3.4 Model for basic deprivation with interaction between social risk and social class

		Main Effect	Interactions between class and social risk				
			Lo Prof/ Manag.	Intermed.	Self-emp.	Lo Service.	Unskilled manual
Social risk	Lone parent	6.75***	0.93	0.66	0.26**	0.5	0.46*
	Child of lone parent	6.51***	1.02	0.86	0.27**	0.64	0.60
	Working-age, disability	3.75***	0.77	0.72	0.50***	0.75	0.65*
	Child of parent with disability	4.17***	0.86	0.70	0.49*	0.99	0.85
	Other children	1.11	1.26	1.18	1.26	1.37*	1.39*
	Young adults	1.52*	0.86	0.74	0.77	0.88	0.72
	Other working-age adults 30-65 (ref)	1.00	1.00	1.00	1.00	1.00	1.00
	Older people	0.95	0.75	0.50*	0.58*	0.75	0.63
Social class	Higher profess. etc. (ref)	1.00					
	Lower profess. etc.	1.63***					
	Intermediate etc.	3.01***					
	Self-employed / farmer	3.40***					
	Lower service etc.	5.22***					
	Unskilled manual	7.59***					
Region	BMW	1.28***					
	Dublin	1.23**					
	South & East (ref)	1.00					
Nationality	Irish (ref)	1.00					
	Non-Irish	1.37***					
Period	Boom (ref)	1.00					
	Early recession	1.18*					
	Late recession	2.31***					
	Recovery	3.31***					
Constant		0.03***					
N cases		130,474					

Source: SILC data for Ireland, 2004 to 2013, analysis by authors. Showing odds ratios from logistic regression on weighted data with standard errors adjusted for weights and clustering. Model without interactions is Model 1 in Appendix Table A3.2. Checked for statistical significance at *** $p \leq .001$; ** $p \leq .01$; * $p \leq .05$

Appendix Table A3.5 Model for consistent poverty

	Model 1	Model 2	Model 3	Model 4
Child vs. adult	1.79***	1.60***	1.18***	1.13***
Over 65		0.30***	0.35***	0.26***
Lone parent family			3.87***	3.97***
Working-age family with a disability				2.50***
Constant	0.06***	0.06***	0.06***	0.05***

Source: SILC data for Ireland, 2004 to 2013, analysis by authors. Showing odds ratios from logistic regression on weighted data with standard errors adjusted for weights and clustering. Dependent variable is consistent poverty. N cases = 130,474. Checked for statistical significance at *** $p \leq .001$; ** $p \leq .01$; * $p \leq .05$

Appendix Table A4.1 Model for having 3+ quality of life problems with interaction between social risk and social class

		Model 1 (No interactions)	Main effect	Model 2				
				Interactions				
				Lo Prof./ man.	Inter-med.	Self-emp.	Lo. serv. / sales	Unskilled manual
Social risk	Lone parent	2.93***	9.95***	0.46	0.22*	0.13*	0.22**	0.31*
	Child of lone parent	3.18***	12.27**	0.29	0.26*	0.11*	0.24*	0.23*
	Working-age, disability	4.63***	6.68***	1.33	0.59	0.32*	0.62	0.61
	Child of parent with disability	4.96***	2.65*	2.73	2.12	1.06	1.63	2.82
	Other children	1.50***	0.79	1.75	2.00*	2.34*	2.36**	1.92
	Young adults	1.23	0.63	3.03	2.33	1.58	2.19	1.55
	Other working-age adults 30-65 (ref)	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Older people	0.85	3.44***	0.38*	0.17***	0.19***	0.18***	0.23***
Social class	Higher profess. etc. (ref)	1.00	1.00					
	Lower profess. etc.	1.87***	1.71*					
	Intermediate etc.	3.76***	4.13***					
	Self-employed / farmer	5.09***	6.20***					
	Lower service etc.	5.08***	5.52***					
	Unskilled manual	6.31***	6.97***					
Region	BMW	1.09	1.1					
	Dublin	1.32*	1.34*					
	South & East (ref)	1.00	1.00					
Nationality	Irish (ref)	1.00	1.00					
	Non-Irish	1.15	1.13					
Constant		0.06***	0.06***					
N cases		8,932	8,932					

Source: SILC data for Ireland, 2004 to 2013, analysis by authors. Showing odds ratios from logistic regression on weighted data with standard errors adjusted for weights and clustering. Checked for statistical significance at *** $p \leq .001$; ** $p \leq .01$; * $p \leq .05$

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Glossary

Adjusted head count ratio (AHCR): Alkire and Foster (2007, 2011a and b) developed this approach to examine differences between groups in the level and pattern of multidimensional disadvantage. In other words, it goes beyond statements about whether one group has a greater overall level of disadvantage than another, to identify the particular aspects of life – access to material resources, social relationships, health and so on – on which different groups may be challenged. It captures both the extent and depth of multidimensional disadvantage.

At-risk-of-poverty: a term used at EU level to denote whether a household's income falls below the 60% of median income threshold. It is also known as relative income poverty.

At-risk-of-poverty anchored at a moment in time: the proportion of people with an equivalised disposable income below the at-risk-of-poverty threshold calculated in survey year N, adjusted by inflation over subsequent years. It essentially measures the percentage of the population falling below an at-risk-of-poverty threshold of an earlier year, after accounting for the effects of inflation. This indicator is also referred to as an absolute measure of poverty which reflects changes in fixed living circumstances, as distinct from changes in relative living standards.

At risk of poverty or exclusion: this EU measure combines the number of people who experience at-risk-of-poverty or severe material deprivation or very low work intensity. This measure is the basis for the Europe 2020 poverty target. In cases where people experience more than one of these indicators, they are counted only once. The Irish version of this measure is the combination of at-risk-of-poverty and basic deprivation.

At-risk-of-poverty thresholds: income thresholds derived as proportions of median income. These are based on the household income adjusted for household size and composition (referred to as equivalised income). A household at-risk-of-poverty has an adjusted (or equivalised) income below 60% of the median adjusted household income. The at-risk-of-poverty rate takes account of household income from all sources, number of adults and number of children in the household. There are some minor differences in the income concept and the equivalence scale between the Irish and EU measures of at-risk-of-poverty.

At-risk-of-poverty rate after social transfers: is the percentage of the population with an equivalised income of less than 60% of the median income once all social transfers have been included.

Basic deprivation: people who are denied – through lack of income – at least **two items on this list of 11** are regarded as experiencing relative deprivation. This is enforced deprivation as distinct from the personal choice not to have the items. Eleven basic items are used to construct the deprivation index:

- unable to afford two pairs of strong shoes
- unable to afford a warm waterproof overcoat
- unable to afford new (not second-hand) clothes
- Unable to afford a meal with meat, chicken or fish (vegetarian equivalent) every second day
- unable to afford a roast joint or its equivalent once a week
- without heating at some stage in the last year through lack of money
- unable to afford to keep the home adequately warm
- unable to afford to buy presents for family or friends at least once a year
- unable to afford to replace any worn out furniture
- unable to afford to have family or friends for a drink or meal once a month
- unable to afford a morning, afternoon or evening out in the last fortnight for entertainment.

The indicator **of basic deprivation** was developed by the Economic and Social Research Institute using data from the *Survey on Income and Living Conditions*. See Maître B., Nolan B. and Whelan C. (2006) *Reconfiguring the Measurement of Deprivation and Consistent poverty in Ireland*, Dublin: ESRI, for further information on the indicator.

Combined poverty: Ireland's contribution to the Europe 2020 poverty target is based on reducing the population in 'combined poverty'. This is the combination of three indicators – consistent poverty or at-

risk-of-poverty or basic deprivation. It is similar to the EU composite measure, 'at risk of poverty or exclusion'.

Confidence interval: whenever we use data from a probability sample to draw conclusions about the population, there is a degree of uncertainty around our estimates. This is often reported as a confidence interval. This is the range within which we can be 95 per cent confident that the population figures lies. For instance, recent calculations of the persistent at-risk-of-poverty rate show a rate of 9.5 per cent (Confidence Interval ± 1.7 per cent). This means that we can be 95 per cent confident that the 'true' rate in the population lies between 7.8 per cent and 11.2 per cent (i.e. between 9.5-1.7 per cent and 9.5+ 1.7 per cent). In general, for a smaller sample size the confidence interval will be wider.

Consistent poverty: this is a measure of poverty used in the *National Action Plan for Social Inclusion 2007-2017 (NAPinclusion)* that takes account of the household's living standards as well as the household size, composition and total income. A household is consistently poor if the household income is below the at-risk-of-poverty threshold (see above) and the household members are deprived of **at least 2 out of the 11 items** on the basic deprivation list.

Correlation: a correlation between two variables refers to a statistical relationship of dependence between these two variables. This relationship of dependence can be measured by a correlation coefficient and there are many of them. There are many correlation coefficients and the most known is the Pearson correlation coefficient which measures the strength of the linear relationship between two variables.

Deprivation: see definition for basic deprivation above for measure of deprivation used in the *NAPinclusion*.

Difference between Irish and EU 'combined poverty' measures: both Ireland and the EU use a 'combined poverty' measure for the Europe 2020 poverty target. The Irish measure is based on a combination of two indicators – at-risk-of-poverty and basic deprivation – while the EU measure is based on a combination of three indicators - at-risk-of-poverty, severe material deprivation and very low work intensity (VLWI).

The exclusion of VLWI from the Irish measure is not the only difference. The at-risk-of-poverty measure is different at EU and national levels as a result of differences in the definition of gross income. The EU definition does not include income from private pensions or the value of goods produced for own consumption. Also employers' social insurance contributions are included in the national definition of gross income but are excluded from the EU definition. The EU also uses an alternative equivalence scale (the OECD scale) to that used for national indicators in Ireland (see below). The effect of these differences has generally been that a higher at-risk-of-poverty rate is recorded using EU definitions rather than national definitions.

In relation to deprivation, the Irish approach identifies those who are experiencing 'basic deprivation' (lacking 2 out of 11 items). The EU approach involves identifying those who are experiencing 'severe material deprivation' (lacking 4 or more of 9 items), which is a much stricter criterion than the Irish one. The Irish measure identifies a slightly higher proportion of the population as deprived and has been found to have a higher reliability in the Irish context.

Discrimination: generally used to refer to unfair treatment of a person on the basis of his/her membership of a particular group, in terms of, for example, gender, nationality, disability or race.

Economic stress: Economic stress is measures using four items: difficulty in making ends meet, being in arrears on housing or utility bills, finding housing costs a heavy burden and having to borrow in order to meet everyday living expenses. High economic stress involves experiencing two or more of these difficulties.

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 employed. The International Labour Organisation (ILO) definition of employed persons are those aged 15 years and over who have worked for payment or profit in the reference week (usually the week

preceding the survey) or who had a job from which they were temporarily absent for reasons such as holidays, maternity leave or sick leave.

Equivalence scales: a set of relativities between the needs of households of differing size and composition, used to adjust household income to take into account the greater needs of larger households. In Ireland the national scale attributes a weight of one to the first adult (aged 14+) and 0.66 to each subsequent adult and a weight of 0.33 to each child. International comparisons such as the one done by Eurostat uses the modified OECD scale which attributes a weight of one to the first adult (aged 14+) and 0.5 to each subsequent adult and a weight of 0.3 to each child.

Equivalised income: This refers to household income from all sources adjusted for differences in household size and composition (number of adults and children). It is calculated by dividing total disposable (i.e. after tax) household income by the equivalence scale value. It can be interpreted as income per adult-equivalent.

EU-LFS: *European Union Labour Force Survey* is based on harmonised national surveys carried out across the EU and designed to provide data on labour force status of people aged 15 and over. In Ireland the QNHS produces the labour force data for the EU-LFS. Any data as compiled by Eurostat and any reference to the EU definitions is here referred to as 'EU-LFS'.

Europe 2020 poverty target: defines its target population using a combination of three indicators (at-risk-of-poverty, severe material deprivation and very low work intensity), a group which is described as being at risk of poverty or exclusion.

EU-SILC: *European Union Statistics on Income and Living Conditions*; this is a voluntary household survey carried out annually in a number of EU member states allowing comparable statistics on income and living conditions to be compiled. In Ireland, the Central Statistics Office (CSO) have been conducting the survey since 2003. The results are reported in the Survey on Income and Living Conditions (SILC). Any data as compiled by Eurostat and any reference to the questions or questionnaire in the household survey is here referred to as 'EU-SILC'.

EU 28: Member States of the EU i.e. Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, the United Kingdom, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia, Bulgaria, Romania and Croatia.

European Socio-Economic Classification (ESeC): the ESeC is an occupationally based classification but has rules to provide coverage of the whole adult population. The information required to create ESeC is:

- occupation coded to the minor groups (i.e. three-digit groups) of EU variant of the International Standard Classification of Occupations 1988 (ISCO88 (COM))
- details of employment status, i.e. whether an employer, self-employed or employee
- number of employees at the workplace
- whether a worker is a supervisor
- economic sector (agriculture or other industries).

Financial exclusion: refers to a process whereby people encounter difficulties accessing and/or using financial services and products in the mainstream market that are appropriate to their needs and enable them to lead a normal social life in the society in which they belong. It is measured by the percentage of individuals/households with no current account.

Financial strain: is a composite indicator based on five items: difficulty making ends meet, housing costs burdensome, going into debt to meet ordinary living expenses, arrears on mortgage/rent or utility bills, and inability to save.

Gini coefficient: is the relationship between cumulative shares of the population arranged according to the level of income and the cumulative share of total income received by them. If there was perfect equality (i.e. each person receives the same income) the Gini coefficient would be 0%. A Gini coefficient of 100% would indicate there was total inequality and the entire national income was in the hands of one person.

Household: a household is usually defined for statistical purposes as either a person living alone or a group of people (not necessarily related) living at the same address with common housekeeping arrangements – that is, sharing at least one meal a day or sharing a living room or sitting room.

Household equivalent (or equivalised) income: household income adjusted to take account of differences in household size and composition by means of equivalence scales.

Household joblessness: the share of persons under the age of 60 in households where no working-age adult is in employment (according to the International Labour Organisation – see ‘employment rate’ definition above).

In-work poverty: is measured as the risk of income poverty for individuals who were employed for more than half the income reference period. It is calculated at the individual level for adults who are at work either full-time or part-time. The indicator captures being at work and, at the same time, being in a household ‘at-risk-of-poverty’.

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.

LFS: in Ireland, the Central Statistics Office (CSO) is responsible for producing the required data for EU-LFS from the Quarterly National Household Survey (QNHS). They produce reliable quarterly labour force statistics.

LIIS: the 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.

Material deprivation (EU): this indicator is one of the European Commission’s common indicators on social protection and social inclusion. It measures the proportion of the population lacking at least three out of the following nine items:

- arrears on mortgage or rent payments, utility bills, hire purchase instalments or other loan payments
- capacity to afford paying for one week’s annual holiday away from home
- capacity to afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day
- capacity to face unexpected financial expenses (set amount corresponding to the monthly national at-risk-of-poverty threshold of the previous year)
- household cannot afford a telephone (including mobile phone)
- household cannot afford a colour TV
- household cannot afford a washing machine
- household cannot afford a car
- ability of the household to pay for keeping its home adequately warm.

Mean: the average value (for example, the average income in a sample obtained via household survey).

Median: the value that divides a sample in half (e.g. the income level above and below which half the people in a sample fall).

Median income: is calculated by ranking the population by equivalised income from smallest to largest and the median or middle value is extracted. This is considered a more appropriate measure than mean income which can be skewed by extreme values.

Multidimensional Quality of Life (QoL): Someone with problems on 3 or more of the 11 indicators of Quality of Life is considered as having multiple QoL problems. The 11 QoL dimensions in the 2013 SILC include: income poverty, deprivation, financial strain, poor health, mental distress, crowded accommodation, housing quality problems, neighbourhood problems, mistrust in institutions, lack of social support and lack of safety.

Odds ratios: measure the association between a characteristic and an outcome. The odds ratio is the ratio of the odds that an outcome will occur given a particular characteristic, compared to the odds of the outcome occurring in the reference group. For instance, an odds ratio of 2.5 for employment entry (the outcome) for adults under age 25 (the characteristic) compared to those aged 55 to 59 (the reference group) means that the odds of entering employment is 2.5 times higher for the younger adults than for the older group, with other characteristics controlled. Odds ratios with a value greater than one indicate that the characteristic increases the chances of the outcome compared to the reference group. An odds ratio less than one means that the characteristic reduces the chances of the outcome compared to the reference group.

Poverty gap: the shortfall in incomes for those who fall below the at-risk-of-poverty threshold.

Poverty and social exclusion: these terms are defined in the *Updated National Action Plan for Social Inclusion 2015-2017* (NAPinclusion) as:

‘People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living which is regarded as acceptable by Irish society generally. As a result of inadequate income and resources people may be excluded and marginalised from participating in activities which are considered the norm for other people in society.’

The two concepts are very similar when used in Irish policymaking but poverty is sometimes used in the narrower context to refer to low income (or wealth). On the other hand, social exclusion is almost always used in the broader sense, to refer to the inability to participate in society because of a lack of resources that are normally available to the general population.

Poverty reduction effect of social transfers: measures the effectiveness of social protection spending in reducing poverty. This is done by measuring the at-risk-of-poverty rate before and after social transfers.

QNHS: *Quarterly National Household Survey*; this is a large-scale nationally representative survey of private households. It was introduced in September 1997 to replace the annual Labour Force Survey. It is designed to provide reliable quarterly labour force statistics and is carried out by the Central Statistics Office. Any data or analysis in this paper that is sourced specifically from the CSO is here referred to as ‘QNHS’.

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, ranging from the bottom quintile (lowest fifth or 20 per cent) to the top quintile (highest fifth or 20 per cent).

Re-calibration: this is a technique used to adjust sample weights to ensure they are representative of the population.

Relative at-risk-of-poverty gap: is the difference between the median equivalised income of persons below the at-risk-of-poverty threshold and the at-risk-of-poverty threshold expressed as a percentage of the at-risk-of-poverty threshold (60% of median equivalised income). This indicator is used to estimate the depth of poverty. In policy terms, it indicates the scale of transfers which would be necessary to bring the incomes of those concerned up to the poverty threshold.

Severe material deprivation: this EU indicator measures the proportion of the population lacking at least four of the nine items listed in the EU index of material deprivation (see definition above).

S80/S20 quintile share ratio: This measures inequality in the income distribution. It is the ratio of total equivalised income received by the 20 per cent of persons with the highest income (top quintile) to that received by the 20 per cent of persons with the lowest income (lowest quintile).

SILC: in Ireland, the Central Statistics Office (CSO) is responsible for carrying out the EU-SILC survey. They produce analysis in accordance with Irish national poverty targets, indicators and related issues. These results are reported in the Survey on Income and Living Conditions (SILC). Any data or analysis that is sourced specifically from the CSO is here referred to as ‘SILC’.

Social welfare transfers: cash receipts paid from various social welfare schemes received by the individual or household.

Very low work intensity (VLWI): The EU measure of joblessness at the household level. It consists in the adult members of the household working for less than 20 per cent of the potential working time in the reference year. (See also 'Work intensity, below).

Vulnerable to consistent poverty: This is a group who experience the same level of basic deprivation as the consistently poor (lack two or more of the 11 basic items), but who have a slightly higher household income: their incomes (after adjusting for size and composition) are above the 60% income poverty threshold but below the 70% income poverty threshold.

Work intensity: This is an indicator of the amount of available work time the working-age adults in a household actually spend at work. It is calculated as the proportion of person-months over the reference year that working-age adults (18 to 59) actually spend in employment. An adjustment is made to the calculation for those who work part-time. Work intensity is often presented in five categories:

- Very low work intensity: Less than 20 per cent
- Low work intensity = 20 per cent to less than 45 per cent
- Medium work intensity = 45 per cent to 55 per cent
- High work intensity = over 55 per cent to 85 per cent
- Very high work intensity= over 85 per cent to 100 per cent.

Wellbeing: is "a positive physical, social and mental state. It requires that basic needs are met, that individuals have a sense of purpose, that they feel able to achieve important goals, to participate in society and to live lives they value and have reason to value. Wellbeing is enhanced by conditions that include financial and personal security, meaningful and rewarding work, supportive personal relationships, strong and inclusive communities, good health, a healthy and attractive environment, and values of democracy and social justice" (NESC, 2009, p. 3).