

# Spending Review 2021 – An Assessment of Living Standards: Results from the 2019 Survey on Incomes and Living Conditions

Aoife Doyle

Department Of Public Expenditure and Reform

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### Spending Review 2021 – Overview, Aims & Objectives



#### Overview

• This paper sets out the main results of the 2019 Survey on Income and Living Conditions (SILC), provided by the Central Statistics Office (CSO), which relates to assessing current living standards in Ireland. The SILC is the official dataset for a number of key income, poverty, and social exclusion indicators.

### **Aims and Objectives**

- The aim of this paper is provide an analysis of the 2019 SILC's key income, poverty and social exclusion indicators trends, to explore how they have changed with the economic cycle.
- It also aims to examine the impact that COVID-19 may be having on incomes and poverty, using ad-hoc CSO publications on the impact of COVID-19 on income and poverty metrics.
- The main objectives of this paper are to:
  - 1. Present the main findings of the 2019 SILC in relation to assessing living standards.
  - 2. Evaluate and contrast historical income and living condition trends with 2019 SILC results.
  - 3. Explore the impact of COVID-19 on income and poverty metrics in 2020, using the ad-hoc CSO statistical publications.

## Spending Review 2021 – Key Findings



#### **Key Policy Relevant Findings**

- In 2019, as a result of strong employment and income growth, and an increase in the social transfer rates, income levels increased to exceed previous peak income levels observed in 2008.
  - Real median disposable equivalised income per individual was 13.2% greater than in 2008, while nominal median disposable equivalised income was 15.5% higher than in 2008.
  - o Income inequality as measured by the Gini coefficient after social transfers fell slightly in 2019 by 0.9 ppts.
- While poverty and deprivation rates had been improving in recent years, in line with growth in earnings, 2019 figures deviated somewhat from this trend with a very slight decline in the Consistent poverty rate (-0.1 ppt) and an increase in the Deprivation rate (+2.7 ppts).
  - Older people of pensionable age had the lowest Consistent poverty (2.3%) and Deprivation (11.2%) rate in 2019, while children (aged 0-17) had the highest rates at 8.1% and 23.3% in 2019.
- While there were marked improvements for a number of regions in income and poverty indictors in 2019, these improvements were not uniformly observed for all regions.
  - The Consistent poverty rate was highest in the Border region and South-East region at 8.2% and 10.1% respectively. While this represents a decrease in the consistent poverty rate for Border region since 2018, it is an increase for the South-East region. The South-West saw the largest decrease in the consistent poverty rate down 2.8 ppts to 3.4% in 2019.
- Preliminary findings on the Impact of COVID-19 indicate that lower income employees and employees under the age of 25 appeared on average to experience an increase in their incomes in the year to Q4 2020, due to availing of COVID-19 supports.
  - Between Q4 2019 to Q4 2020, the median weekly income of COVID-19 support recipient employees in the first income quintile increased by 41%, while recipients of COVID-19 supports under age of 25 recorded an annual increase in median weekly earnings of 23.5%.