Social Risk and Social Class Patterns in Poverty and Quality of Life in Ireland, 2004 - 2013

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This research briefing summarises the findings from a report examining poverty and deprivation trends over the ten-year period 2004 to 2013. It looks at trends across social classes and social risk groups such as lone parents, people with a disability and children.

Internationally, there has been widespread agreement on the need for broader measures of social progress that go beyond income and economic growth, to look at quality of life (QoL) dimensions such as health, relationships, the lived environment and trust in societal institutions. The study provides insights on how QoL problems in 2013 vary across social risk groups and social classes.

The report is an output of the Department of Social Protection and the Economic and Social Research Institute research programme on monitoring poverty trends.

Main findings

- Basic deprivation fell from 15% in 2005 to 12% in 2007, but increased sharply to reach 31% in 2013. At-risk-of-poverty fell from 19% in 2004 to 14% in 2008, and has remained largely unchanged since then at 14%-16%. Consistent poverty - the overlap between poverty risk and deprivation - fell from 7% in 2004 to 4% in 2008, before doubling to 8% in 2013. Poverty and deprivation rates stabilised in 2014.
- This upward trend was common across social classes and social risk groups. Deprivation in the unskilled manual class rose from 29% during the boom to 47% in 2013. The higher professional/managerial class saw their rates treble to 14%.
- In 2013, lone parent families (c. 60%) and families of an adult with a disability (c. 50%) had the highest deprivation rates, while older people had the lowest (16%).
- Young adults had higher poverty and deprivation rates than other adults, with their at-risk-of-poverty rates rising between early and late recession driven by the trend for those under 25.
- In 2013, 28% of the population experienced 3 or more quality of life (QoL) problems. Multiple QoL problems were more common for adults with a disability (55%), their children (53%), lone parents (46%) and their children (48%).
- Financial strain and material deprivation were the most significant QoL issue for lone parent households in 2013. For families of working-age adults with a disability, it was health and mental distress.
- Families of an adult with a disability were 3.4 times more likely to have multiple QoL problems than other adults over 30 years (excluding lone parents).
- In 2013, the level of QoL deficits experienced by older people was similar to that of other adults (19%-20%). Poor health and a lack of safety were the most important QoL issues for older people. Meanwhile, crowded accommodation and financial strain were the significant QoL issues for other adults.
- The unskilled manual social class were 5 times more likely to have multiple QoL problems than the higher professional/ managerial social class in 2013. There was less variation in the type of QoL problems across social class.

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Introduction

The Department of Social Protection is responsible for monitoring and reporting on poverty trends and targets to inform anti-poverty and social inclusion policies and practice. This latest research report examines trends in poverty and deprivation in Ireland over the ten-year period, 2004 to 2013. It looks at patterns across social classes, and the life-course, during the boom, recession and early recovery. It focuses on social risk groups such as lone parents, people with a disability and children.

The report also looks at the significance of both social risk and social class for QoL problems in Ireland in 2013. It shows which QoL deficits are most common among the different social risk groups. It looks at the interaction between social risk and social class in terms of the effects on at-risk-of-poverty, basic deprivation, consistent poverty and QoL.

The analysis highlights the varied challenges facing people in these groups and the importance of multidimensional responses that look beyond income to a more holistic QoL perspective – to their health, housing, social interactions, living environment and personal wellbeing.

Definition and data

The report uses the Survey on Income and Living Conditions (SILC) to examine poverty and deprivation trends over the period 2004 to 2013. SILC is an annual survey conducted by the Central Statistics Office. In 2013, the survey had a special module on QoL containing over 20 additional questions on wellbeing alongside its core questions on poverty, deprivation, health and housing.

In an associated exploratory study for the Department, the researchers developed a multidimensional QoL index for Ireland using this special module. The index comprises 11 indicators (see **Box 1**).

Box 1 defines the main poverty, deprivation and QoL concepts used in the report.

Box 1: Poverty, deprivation and QoL

Consistent poverty: This indicator is the overlap of two component indicators: at-risk-of-poverty and basic deprivation. A person is in consistent poverty if they are both income poor and deprived.

At-risk-of-poverty: People are regarded as being at-risk-of-poverty if their equivalised income is below 60% of the median income. *In 2013, the at-risk-of poverty threshold was €10,531 per annum or €201.82 per week for a single person.*

Basic deprivation: This measure captures individuals who are denied – through a lack of income – at least 2 or more of 11 basic necessities.

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

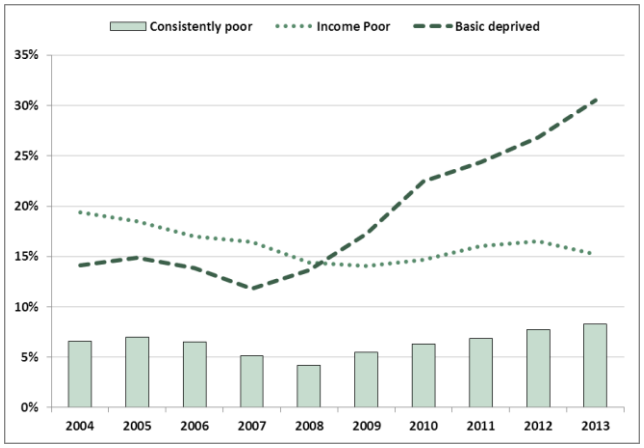
Multidimensional Quality of Life (QoL): Someone with problems on 3 or more of the 11 wellbeing indicators is considered as having multiple QoL deficits.

The 11 QoL measures in the 2013 SILC are: income poverty, an inability to afford certain basic goods and services, financial strain, poor health, mental distress, crowded accommodation, housing quality problems, neighbourhood problems, mistrust in institutions, lack of social support and lack of safety.

Section 1: Trends in poverty and deprivation, 2004 to 2013

Between 2004 and 2007 Ireland experienced the final years of an economic boom. This was followed by a deep recession with early signs of recovery in employment levels and economic growth in 2013. **Figure 1** shows the impact of the recession with consistent poverty and basic deprivation increasing after 2007.

Figure 1: Poverty and deprivation trends



Source: SILC 2004 to 2013

At-risk-of-poverty fell significantly between the boom and early recession, but has remained largely unchanged since then (14-16 per cent). In periods of boom and bust, where incomes are rising or falling sharply, relative income measures can fail to capture the changes in purchasing power faced by most households.

Basic deprivation did a better job in capturing the drop in living standards experienced by Irish families during the recession. It had been falling during the boom (from 15 per cent in 2005 to 12 per cent in 2007), but rose steeply after that to reach 31 per cent in 2013.

Consistent poverty fell significantly during the boom (7 per cent in 2004 to 4 per cent in 2008). It rose significantly in the recession, doubling to reach 8 per cent in 2012 and 2013.

The latest CSO SILC shows poverty rates stabilised in 2014. At-risk-of-poverty was 16.3 per cent, deprivation was 29 per cent and consistent poverty was 8 per cent.

Box 2 defines the understanding of social risk groups and social classes used in the study.

Box 2: Social risk and social class

Social risk groups: In modern welfare states, most people meet their needs through the market – usually through their own work or that of their families. Social risk groups are those who have different levels of difficulty in achieving a satisfactory living standard because of specific barriers to labour market participation.

The groups examined in the briefing are:

- Lone parents and their children
- Working-age adults with a disability and their children
- Other children
- Young adults (age 18-29)
- Other working-age adults (age 30-65)
- Older people (aged 66 and over).

The barriers are linked to the challenge of combining work and sole-caring responsibilities, personal capacity, or are linked to life-course stages (children are expected to be in full-time education; young adults face the challenge of making the transition into work and older people are expected to retire from work).

Social Classes: Social classes can be understood as groups who have differing levels of power in the market, either because they own assets, or have marketable skills or because they hold positions of trust in an organisation. The class is defined using the European Socio-Economic Classification:

- Higher professional/managerial
- Lower professional/managerial
- Intermediate/technician
- Self-employed/farmer
- Lower service/sales/technical
- Unskilled manual.

Section 2: Trends by social risk groups and social class, 2004 to 2013

This section examines the trends in poverty and deprivation over the period 2004 to 2013 across social risk groups and social classes.

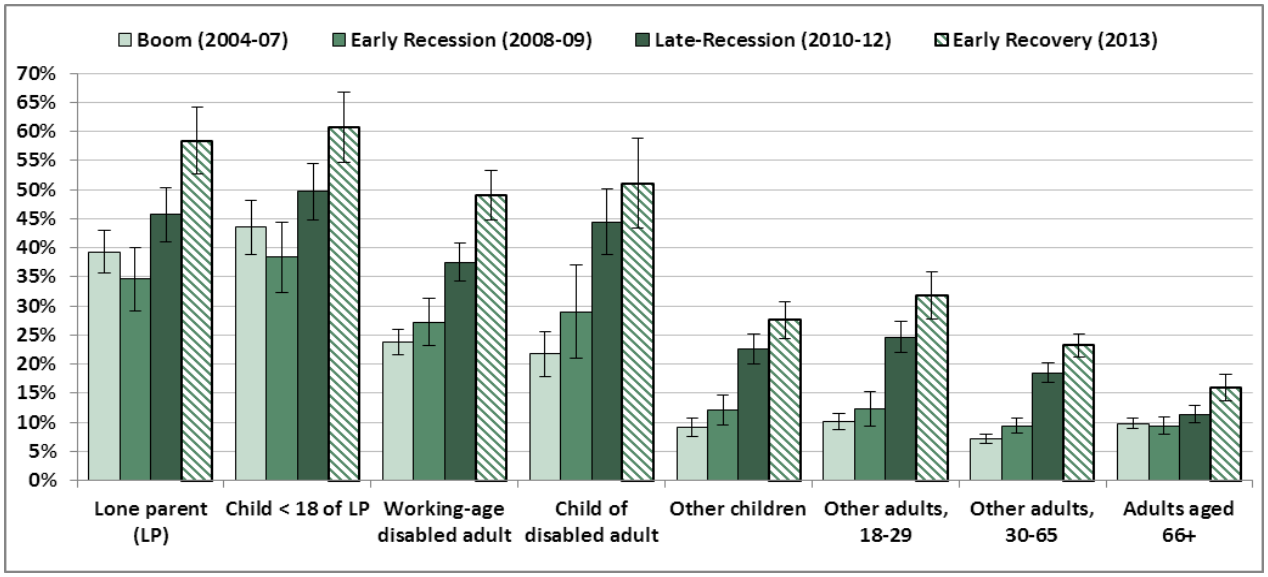
Social risk groups

Basic deprivation increased over this period for all social risk groups (see **Figure 2**). By 2013, it was highest for lone parent families (close to 60 per cent), followed by families of a working-age adult with a disability (about 50 per cent) and was lowest for older people (16 per cent). In 2013, the rates ranged from 23 to 32 per cent for other children, young adults and other working-age adults.

The pattern across groups for at-risk-of-poverty and consistent poverty were similar, with the same groups having high and low levels. Looking at the trend in at-risk-of-poverty, older people and families of working-age adults with a disability saw their rates fall during the boom into the early recession and then remain at this lower level. In comparison, the at-risk-of-poverty rate of young adults increased in the late recession and early recovery.

Consistent poverty rates fell for some groups between the boom and early recession (i.e. lone parent families, working-age adults with a disability, and older people). There was a gradual increase in consistent poverty for other children across the period. Among working-age adults (both those under and over 30), there was a significant increase in consistent poverty between the early and late recession. Older people had the lowest consistent poverty rates across the period.

Figure 2: Basic deprivation by social risk group, 2004 to 2013



Source: SILC 2004 to 2013

Social classes

Basic deprivation increased for all social classes over the period (see **Table 1**) with the largest increase between early and late recession. The lower service/sales/technical class were the only exception as their deprivation rates rose at the start of the recession. Many in this class worked in sectors badly affected by the crisis (e.g. construction and retail). Basic deprivation for

Table 1: Basic deprivation by social class in the boom and early recovery

	2004-07	2013
Higher professional / managerial	4%	14%
Lower professional / managerial	7%	22%
Intermediate / technician	12%	30%
Self-employed / farmer	8%	29%
Lower service / sales / technical	21%	41%
Unskilled manual	29%	47%

Source: SILC 2004-07 and 2013

this group rose from 21 per cent during the boom to 41 per cent by early recovery, second highest after the unskilled manual social class (47 per cent).

The higher and lower professional/ managerial classes saw their deprivation rates treble to 14 and 22 per cent respectively. The self-employed/farmer class experienced the biggest increase in absolute terms - a 21 percentage point rise to 29 per cent. The intermediate/technician class saw their rates increase by 18 percentage points to 30 per cent.

Social risk group and social class interactions

The research examined the interactions between social class and social risk groups to see whether there was an added impact of being in both groups. In general, the study found that social class differences in deprivation and poverty risk were similar across social risk groups. So, being in the unskilled manual social class increases deprivation, but the increase is similar no matter what social risk group the person belongs to.

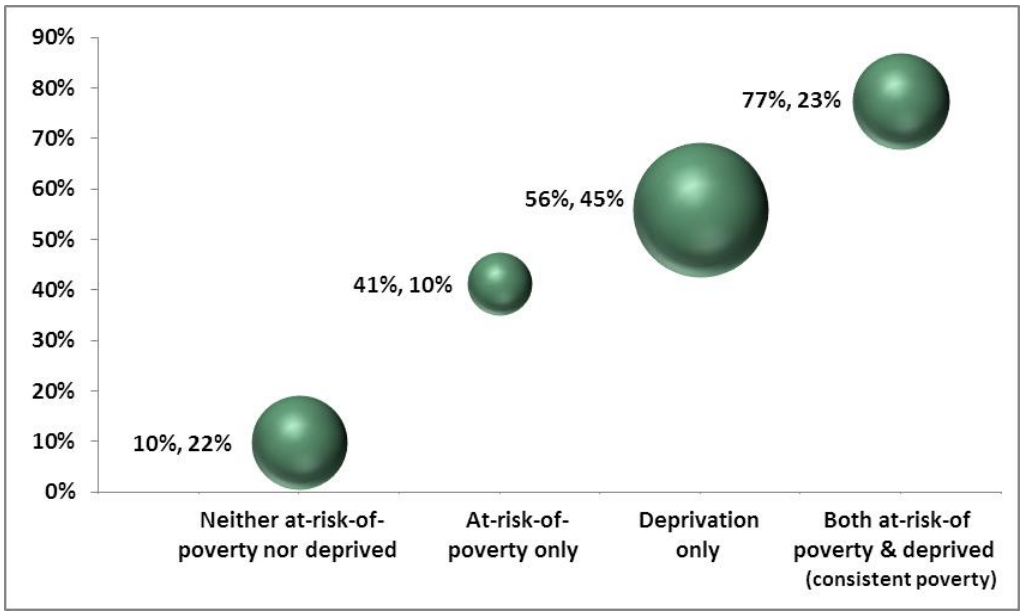
Section 3: Social risk, social class and quality of life, 2013

The analysis found that 28 per cent of the population in 2013 experienced multiple quality of life (QoL) problems – that is having problems on 3 or more of the 11 wellbeing measures (see **Box 1**).

Figure 3 shows the strong relationship between multidimensional QoL problems and the national poverty indicators. The height of the bubbles and first percentage gives the level of multiple QoL problems: 10 per cent of people who were not at-risk-of-poverty or deprived had multiple QoL problems; 77 per cent of those who were at-risk-of-poverty and deprived (i.e. in consistent poverty) had multiple QoL problems.

The size of the bubbles and the second percentage in **Figure 3** profiles the population experiencing multiple QoL problems. Over one fifth (22 per cent) of them were not at-risk-of-poverty or deprived; 10 per cent experienced at-risk-of poverty only; 45 per cent were deprived only and the remainder (almost a quarter) were in consistent poverty.

Figure 3: Relationship between multiple QoL problems and the national poverty indicators, 2013



Source: SILC 2013

The strong relationship between the QoL measure and the national poverty indicators is not surprising given the material deprivation dimension in the QoL measure. As such, the analysis should find similarities between the social risk groups and social classes experiencing multiple QoL problems and those experiencing poverty and deprivation.

Social risk groups

In 2013, multidimensional QoL problems were more common for adults with a disability (55 per cent) and their children (53 per cent) than for lone parents (46 per cent) and their children (48 per cent) (see **Table 2**). The reverse was true for at-risk-of-poverty and basic deprivation. Lone parents and their children had higher poverty and deprivation rates than adults with a disability and their children. In the case of QoL, the situation of older people was closer to that of other adults (19-20 per cent) than was the case for the poverty indicators.

More detailed analysis in the report shows that families of a working-age adult with a disability were 3.4 times more likely to have multiple QoL problems than adults over 30 years (excluding lone parents) in 2013.

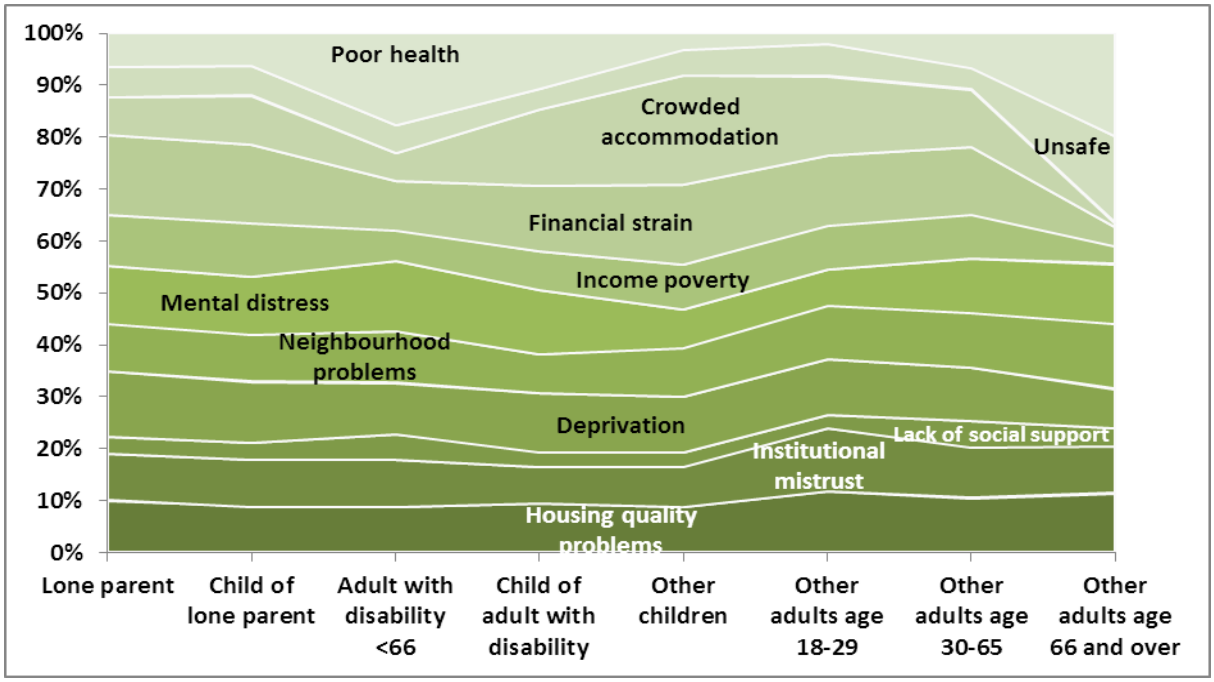
Table 2: Level of multiple QoL deficits, at-risk-of-poverty and basic deprivation by social risk group, 2013

	Multiple QoL deficits	At-risk-of-poverty	Basic deprivation
Lone parent	46%	29%	58%
Child of a lone parent	48%	33%	60%
Working-age adult with a disability	55%	19%	49%
Child of an adult with a disability	53%	19%	50%
Other children	24%	12%	26%
Young adults	26%	19%	31%
Other working-age adults	19%	12%	24%
Older people	20%	8%	16%
Total	**28%**	**15%**	**31%**

Source: SILC 2013

One of the strengths of the multidimensional QoL index is that it shows the relative contribution of each QoL dimension to the multiple QoL problems experienced across the life-course in 2013 (see **Figure 4**). The largest variation across groups was for health problems, which were more important for older people and working-age adults with a disability. There were

Figure 4: Dimensional decomposition of multidimensional QoL by social risk, 2013



Source: SILC 2013

also differences on the lack of safety and crowded accommodation dimensions. Safety issues were more important for older people, and crowded accommodation more salient for families with children, other than lone parents who tend to have smaller households.

In 2013, income poverty and deprivation, as a component of multiple QoL problems, were slightly more significant for lone parents compared with other groups. Financial strain was more of an issue for younger adults than older people, particularly lone parents. Mental distress was more important for working-age adults with a disability than it was for other groups.

The analysis shows that housing quality problems, institutional mistrust and lack of support were of similar, relative importance across all social risk groups in 2013.

Social classes

The study shows there was a strong relationship between multiple QoL problems and social class position in 2013. The unskilled manual social class (43 per cent) and the lower service/sales/technical social class (38 per cent) experienced the highest rates of multiple QoL problems (see **Table 3).** Higher and lower professional /managerial social classes had the lowest rates in 2013, at 10 per cent and 17 per cent respectively. In 2013, the unskilled manual social class had higher poverty and deprivation rates than the other social classes.

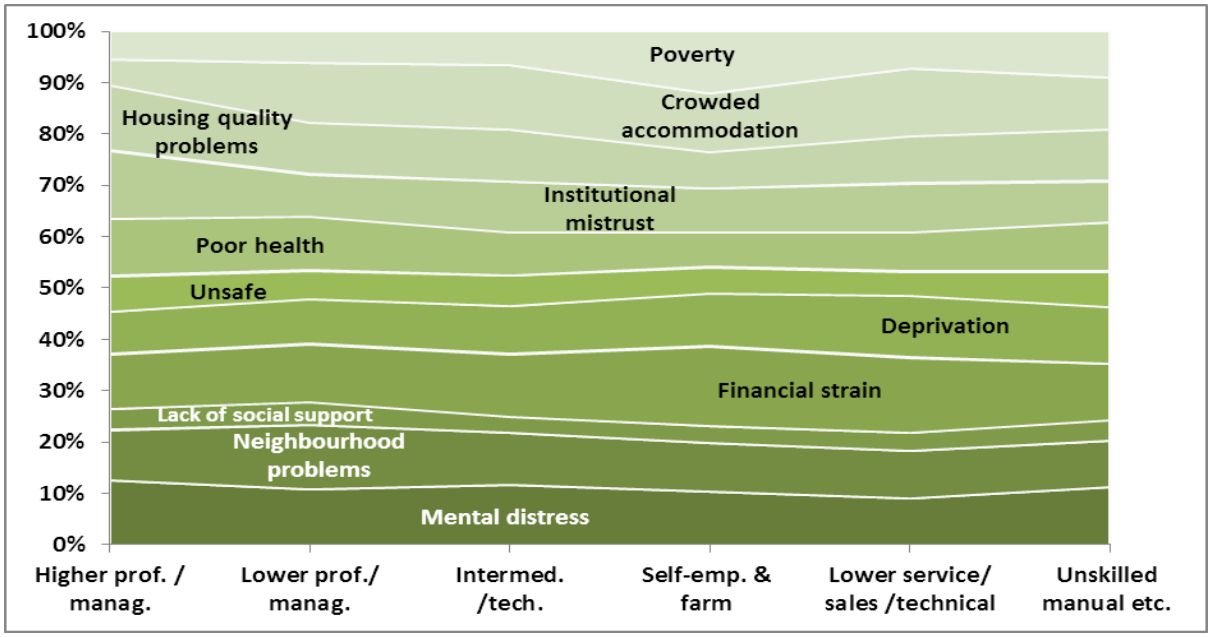
More detailed analysis in the report shows that the unskilled manual class was 5 times more likely to have multiple QoL problems than the higher professional/managerial class.

Table 3: Level of multiple QoL deficits, at-risk-of-poverty and basic deprivation by social class, 2013

	Multiple QoL deficits	At-risk-of-poverty	Basic deprivation
Higher professional / managerial	10%	6%	13%
Lower professional / managerial	17%	7%	21%
Intermediate / technician	31%	12%	31%
Self-employed / farmer	34%	25%	31%
Lower service / sales / technical	38%	18%	43%
Unskilled manual	43%	28%	47%
Total	**28%**	**15%**	**31%**

Source: SILC 2013

Figure 5: Dimensional decomposition of multidimensional QoL by social class, 2013



Source: SILC 2013

The multidimensional QoL index is broken down to show the relative contribution of each QoL dimension for the different social classes in 2013 (see **Figure 5**). There was less variation in the type of QoL problems experienced across social classes.

The most noticeable differences were the greater importance of income poverty and financial strain for the self-employed /farmer social class and lower significance of crowded accommodation for higher professional/managerial class.

Section 4: Policy implications and further research

This section considers the policy implications emanating from the examination of poverty and deprivation trends over the ten-year period, and the quality of life issues in 2013. It also highlights areas for future research.

- The persistence of high levels of basic deprivation into 2013 (30.5 per cent) and 2014 (29 per cent) implies that, despite improved economic growth and employment levels, it will take time for living standards to recover.
- While levels of disadvantage rose across social classes during the recession; they did so in a general way, preserving existing social class and income differences. The general impact points to the need for policies supporting recovery to take account of issues of general concern – such as housing and childcare – as well as income supports to vulnerable groups.
- The high levels of poverty and QoL problems among the families of lone parents and adults with a disability imply that the labour market barriers they face need specific attention as well as ensuring adequate income and access to quality services for those not working. These include affordable childcare, flexible work arrangements, protecting secondary benefits (e.g. medical cards) and support for training, job search help and work experience.
- The QoL indicator, given its composition, describes the multiplicity and complexity of the challenges of those already identified by the national poverty indicators. Service delivery and the evaluation of interventions across a range of policy areas – health, mental health, housing and social inclusion – need to take account of this complexity.
- Comprehensive measures – adequate income support, inclusive labour markets and access to quality services – are needed to address the complexity of the challenges facing vulnerable groups. Previous research has shown social transfers are effective at reducing poverty in Ireland. There may be limited scope for further improvement in this area. Broader integrated actions and interventions are required, such as those outlined in the updated National Action Plan for Social Inclusion.
- The research points to the significance of lone parenthood and adult disability in accounting for the higher poverty rate of children compared to adults. In addressing disadvantage, consideration should be given to the household dimension. The family context of children makes a substantial difference to their level of poverty.
- The QoL analysis in this paper was based on data from 2013, a transition point between the crisis and early recovery. Eurostat intend to run another wellbeing module in EU-SILC in 2018. It would be useful to replicate the analysis to judge whether the transition point is a factor in the findings.
- Future research could examine longitudinal poverty and deprivation experiences of different social risk groups; differences in QoL between adults in a household; and QoL in Ireland compared with other EU Member States.

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