

Quarterly Economic Facts

January 2013



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About NERI and this publication

The Nevin Economic Research Institute (NERI) has been established to provide information, analysis and economic policy alternatives. Further information about NERI may be obtained at our website www.NERInstitute.net

The purpose of this Quarterly Economic Facts (QEF) document is to provide regular, accessible and timely statistical information so as to equip trade unions and others in understanding economic trends and comparisons. All data are sourced from official sources with a clear link or reference to the website or publication from where they are drawn. Every care has been taken to ensure that the data were valid at the time of this release.

Each release of the QEF is complemented by another release – Quarterly Economic Observer which is available on the NERI website.

The Nevin Economic Research Institute
Quarterly Economic Facts
January 2013

This document is also available in electronic format on our website:
www.NERInstitute.net

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Overview

Recent years have seen a huge growth in the supply, range and timeliness of data from a variety of official agencies including the Central Statistics Office (CSO), the Northern Ireland Statistics and Research Agency (NISRA), Eurostat, the Organisation for Economic Cooperation and Development (OECD), the International Monetary Fund (IMF) as well as other agencies. Much of the data are publicly and readily available online together with detailed notes about the data. The QEF is not intended to provide an alternative to these sources. It provides a signpost to available sources of data. It selects a few indicators from key areas of concern: employment, unemployment, earnings and labour cost, inequality in income, poverty and public finances.

It is intended to expand and change a selection of indicators over time to cover a somewhat broader range of topics under each heading. However, to avoid information over-load (a not infrequent feature of many of the major statistical sources) it is planned to keep the overall number of indicators shown in this and subsequent editions within a reasonable and manageable size. Comments, queries and suggestions are welcome both in relation to the content as well as the overall scope of this publication.

Each indicator is laid out as follows:

- Definition
- Chart
- Data Table
- Interpretation
- Technical Notes and Sources.

For the purposes of comparisons across European States typically two averages are used where possible: EU 27 for all Member States and EU 15 for those Member States that were in the Union prior to 2004. The latter constitute a more homogeneous group in terms of GDP per capita. Unless otherwise stated, averages at the level of EU 27 or EU 15 are unweighted means.

Please note that, unless otherwise specified, all references to 'Ireland' in this edition of QEF refers to the Republic of Ireland only.

1 People in Paid Work

- Indicator 1.1a*** Employment and Unemployment Trends (Republic of Ireland)
- Indicator 1.1b*** Employment and Unemployment Trends (Northern Ireland)
- Indicator 1.2a*** Employment Change by Sector in the Republic of Ireland – Peak to Present
- Indicator 1.2b*** Employment Change by Sector in Northern Ireland – Peak to Present
- Indicator 1.3*** Numbers Employed in the Wide Public Sector (Republic of Ireland)
- Indicator 1.4*** Trends in Numbers Employed in the Public Sector in the Republic of Ireland (2008-2012)

Indicator 1.1b Employment and Unemployment Trends (Northern Ireland)

Indicator defined

Share of employed, unemployed and economically inactive in population of working age in Northern Ireland

Reference period for latest available data used in this indicator is 2012. Data extracted on 19 June 2012. Next update due Spring 2013

Chart 1.1b Share of employed, unemployed and 'economically inactive'

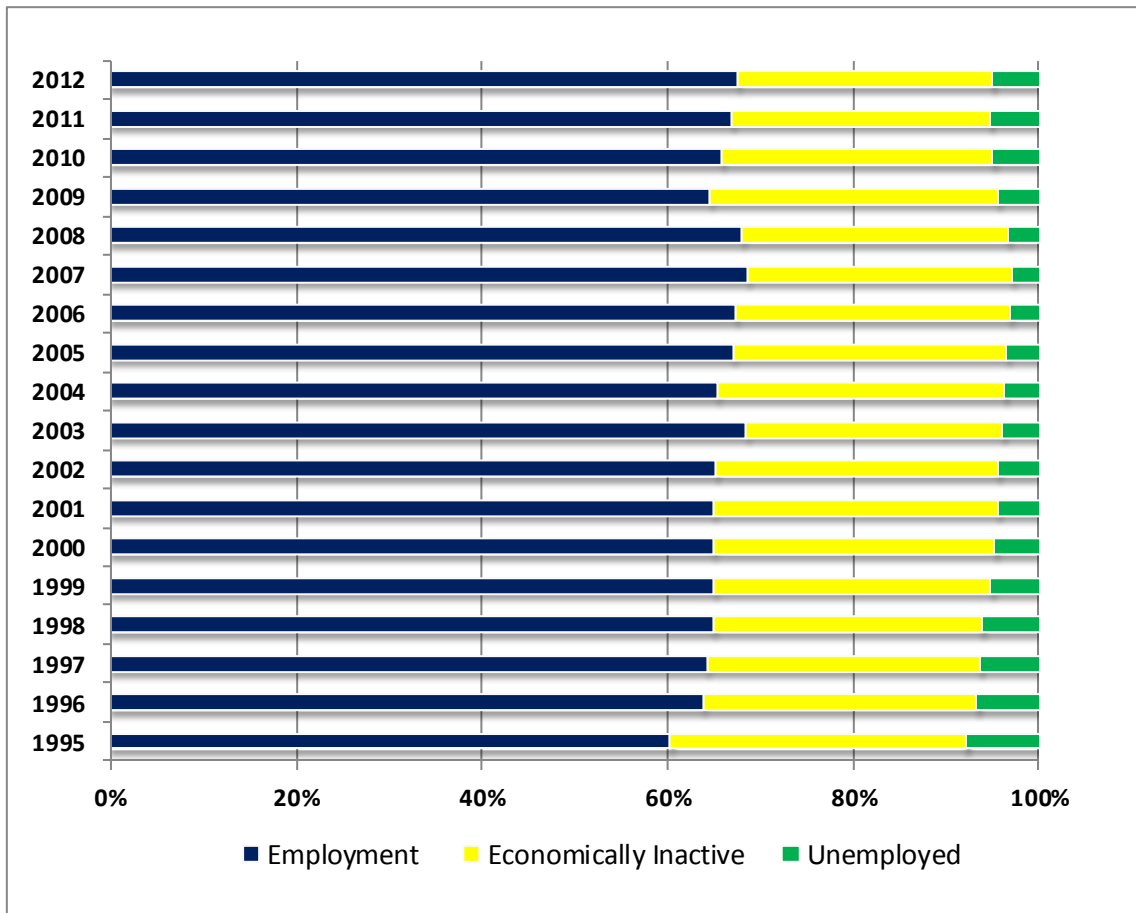


Table 1.1b Total population and share of employed, unemployed and economically inactive

Year	Total 16-64	Employment	Economically Inactive	Unemployed
1995	1003	60.40%	31.80%	7.80%
1996	1013	63.90%	29.50%	6.60%
1997	1024	64.30%	29.40%	6.30%
1998	1032	65.00%	28.90%	6.10%
1999	1039	65.10%	29.80%	5.10%
2000	1045	65.00%	30.30%	4.70%
2001	1055	65.00%	30.60%	4.40%
2002	1064	65.30%	30.30%	4.40%
2003	1072	68.60%	27.50%	3.90%
2004	1080	65.40%	30.90%	3.70%
2005	1092	67.10%	29.50%	3.40%
2006	1107	67.40%	29.50%	3.10%
2007	1121	68.70%	28.40%	2.90%
2008	1131	68.10%	28.60%	3.30%
2009	1139	64.70%	30.90%	4.40%
2010	1146	65.90%	29.20%	4.90%
2011	1152	67.00%	27.80%	5.20%
2012	1157	67.60%	27.40%	5.00%

Notes: Data is for the period January-March of each year. Percentages are for the total population. The unemployment rate is calculated as a percentage of the labour force (see part 2 of this publication).

Interpretation

As shown above Northern Ireland has seen increases in both unemployment and economic inactivity. While the rate of economic inactivity has returned to pre-crisis levels, the level of unemployment remains at rates not seen since 1999. Northern Ireland still has a level of economic activity that is considerably higher than that of the UK as whole and thus direct comparisons with the UK of reported unemployment can be misguided.

Technical Notes

Economic Activity, Employment and Unemployment rate are all calculated as a percentage of the working age population. The term 'working-age' refers to the 16-64 population for both males and females. Unemployment and economically inactive are calculated as residuals from employment and economically active.

Source(s)

Northern Ireland Labour Force Survey Key data Historical Series (1992-2011) available at www.detini.gov.uk/stats-pubs-35

Indicator: 1.2b Employment Change by Sector in Northern Ireland – Peak to Present

Indicator defined

Employee jobs by Standard Industrial Classification (2007): all persons comparing the level in March with the most recently reported period.

Reference period for latest available data used in this indicator is June 2012 . Data extracted on 19th June 2012. Next update due on or before the next edition of this publication.

Chart 1.2b Employment by sector, comparisons between 2008 and the latest available data for Northern Ireland

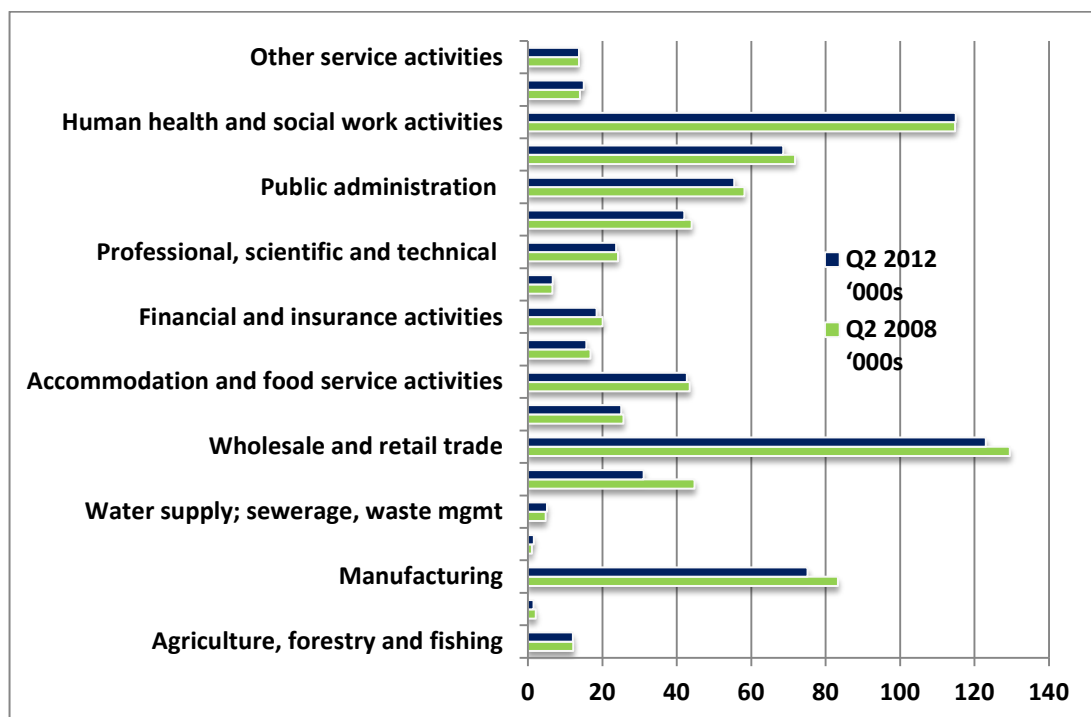


Table 1.2b Employment by sector, comparisons between 2008 and the latest available data for Northern Ireland

Industry	Q2 2008 '000s	Q2 2012 '000s
Agriculture, forestry and fishing	12.2	12.1
Mining and quarrying	2.1	1.5
Manufacturing	83.3	75.2
Electricity & gas	1.1	1.6
Water supply; sewerage, waste mgmt	4.8	5.1
Construction	44.8	31.1
Wholesale and retail trade	129.5	123.1
Transportation and storage	25.7	25.1
Accommodation and food service activities	43.49	42.7
Information and communication	16.8	15.7
Financial and insurance activities	20.1	18.5
Real estate activities	6.6	6.7
Professional, scientific and technical	24.2	23.7
Administrative and support service	44	42
Public administration	58.2	55.5
Education	71.8	68.6
Human health and social work activities	114.8	115
Arts, entertainment and recreation	14	15
Other service activities	13.7	13.7
Total	732.1	692.7

Interpretation

Overall total employee jobs have fallen by 5.3% over the period from Q2 2008 to Q2 2012. The fall in construction of 30.6% remains the largest of all sectors. Mining and Quarrying has seen a fall of 28.1% in the same period. Electricity has seen an increase of 38.1% over the period, but this remains a very small sector of employment.

Technical Notes

Estimates of the number of employee jobs are obtained from the Quarterly Employment Survey. Estimates of total employee jobs should be accurate to within +/- 1% of the Census of Employment total. It should be noted that the survey counts the number of jobs rather than the number of persons with jobs.

Source(s)

NI Quarterly Employment Survey available at www.detini.gov.uk/deti-stats-index.htm

2 People out of Work

<i>Indicator 2.1</i>	The Rate of Unemployment across European Union Member States
<i>Indicator 2.2</i>	Rates of Unemployment among Young People across European Union Member States
<i>Indicator 2.3</i>	Long-term Unemployment Trends (Republic of Ireland)
<i>Indicator 2.4</i>	Under-employment across European Union Member States
<i>Indicator 2.5a</i>	Under-employment over Time (Republic of Ireland)
<i>Indicator 2.5b</i>	Under-employment over Time (Northern Ireland)
<i>Indicator 2.6</i>	Unemployed Persons per Job Vacancy (Republic of Ireland)
<i>Indicator 2.7</i>	Young People Not in Education, Employment or Training (NEETs), ROI and NI

Indicator 2.5b Under-employment over Time (Northern Ireland)

Indicator defined

Number of workers who work part-time because they could not find full-time work and numbers of workers who are unemployed

Reference period for latest available data used in this indicator is Q3 of 2012. Data extracted on 28 November 2012. Next update due on or before the next edition of this publication.

Chart 2.5b Numbers of involuntary part-time workers and unemployed workers 2008-12

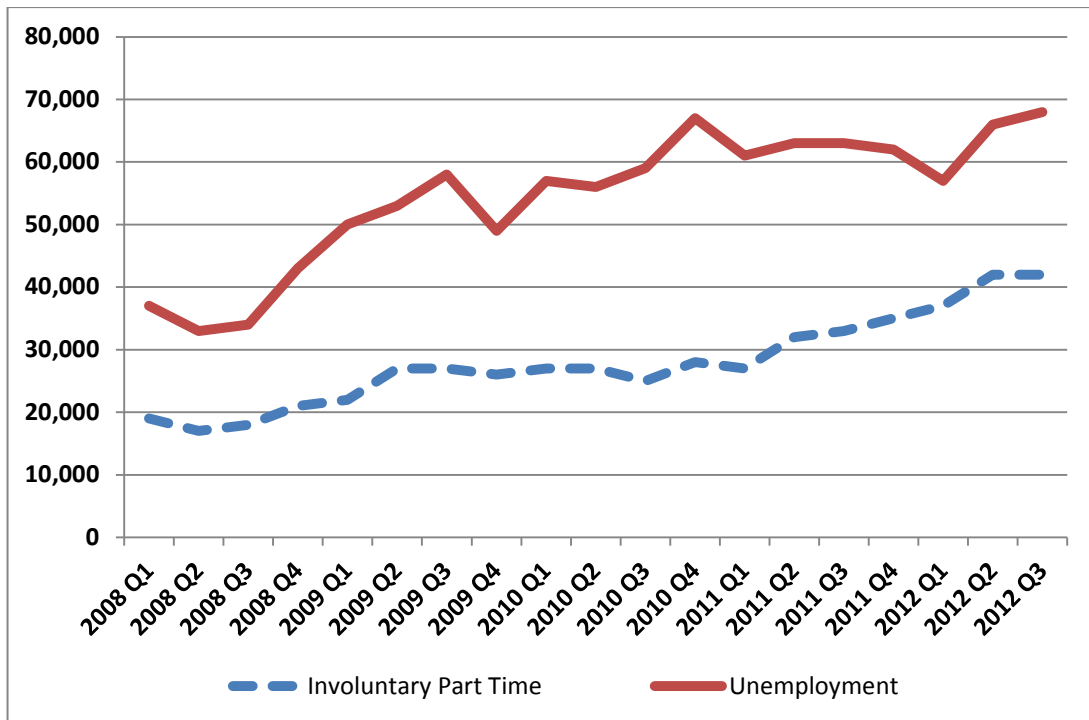


Table 2.5b Numbers of involuntary part-time workers and unemployed workers, 2008-12

Quarter	Involuntary Part Time	Unemployed
2008 Q1	19,000	37,000
2008 Q2	17,000	33,000
2008 Q3	18,000	34,000
2008 Q4	21,000	43,000
2009 Q1	22,000	50,000
2009 Q2	27,000	53,000
2009 Q3	27,000	58,000
2009 Q4	26,000	49,000
2010 Q1	27,000	57,000
2010 Q2	27,000	56,000
2010 Q3	25,000	59,000
2010 Q4	28,000	67,000
2011 Q1	27,000	61,000
2011 Q2	32,000	63,000
2011 Q3	33,000	61,000
2011 Q4	35,000	62,000
2012 Q1	37,000	58,000
2012 Q2	42,000	66,000
2012 Q3	42,000	68,000

Interpretation

This indicator shows the number of part-time workers who state their reason for working part-time as not being able to find full-time work. These workers will be counted as employed for national statistics but they are not employed to the level they wish to be. This is distinct from workers who chose part-time as a lifestyle choice such as a parent with young children or students in higher education. Also shown is the numbers unemployed, showing that while traditional unemployment measures may be stabilising this not the only measure of labour market health.

Technical Notes

The measure of underemployment that this indicator refers to is time related underemployment and is ILO defined as those who, during the reference period used to define employment, were willing to work additional hours, were available to work additional hours, and whose hours actually worked in all jobs during the reference period were below a threshold to be determined according to national circumstances.

Source(s)

Northern Ireland LFS Quarterly Supplement July to September 2012, Northern Ireland, LFS Historical Key Data Series 1995-2011

Indicator 2.7 Young People Not in Education, Employment or Training (NEETs), ROI and NI

Indicator defined

Percentage of young people aged 18-24 not in employment and not in any education and training from 2002-2011.

Latest data available for year 2011 released 6th of August 2012. Next update due August 2013

Chart 2.7 NEETs Northern Ireland and the Republic of Ireland

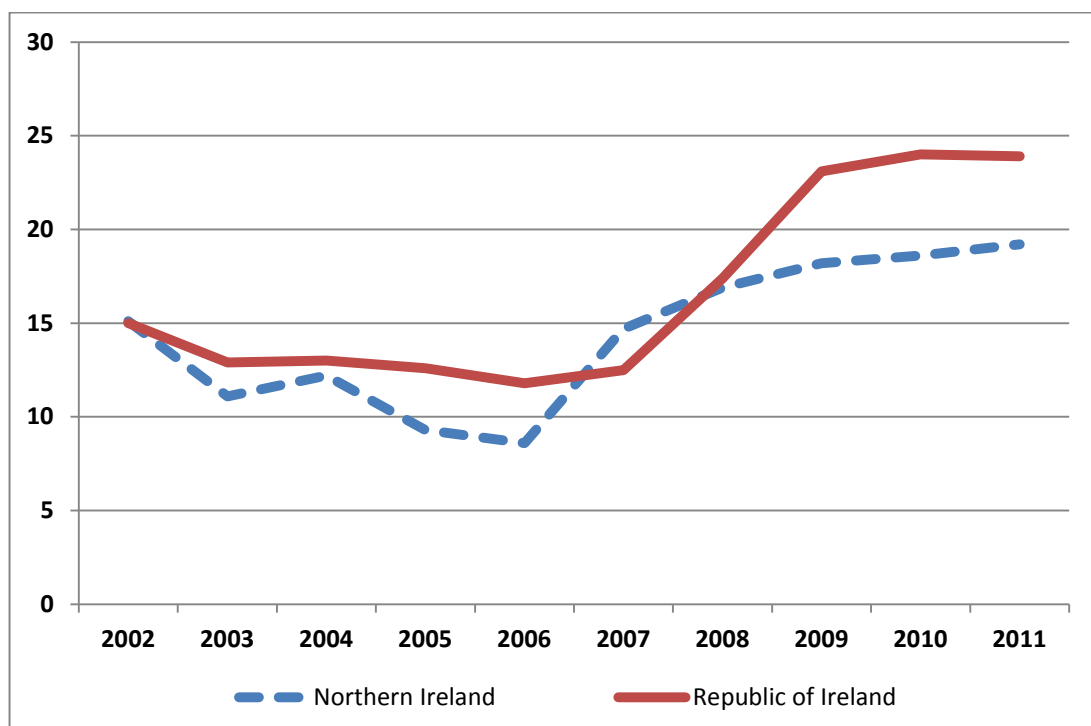


Table 2.7 NEETs Northern Ireland and the Republic of Ireland

Year	NI	Rep. of Ireland
2002	15.1	15.0
2003	11.1	12.9
2004	12.2	13.0
2005	9.3	12.6
2006	8.6	11.8
2007	14.7	12.5
2008	16.9	17.4
2009	18.2	23.1
2010	18.6	24.0
2011	19.2	23.9

Interpretation

NEET statistics describe a situation where young people who are unemployed and not engaged in any education or training. This situation could lead to a state of permanent detachment from the labour market as the individual lacks experience or the training and skills necessary to gain employment. The NEET rate as described in the graph and table above shows that on both sides of Island the number of young people who find themselves in this situation has increased markedly since before the economic downturn. While the rate remains higher at present in Republic of Ireland, the overall increase to date has been broadly similar in both jurisdictions.

Technical Notes

The indicator corresponds to the percentage of the population of a given age who are not employed and not involved in further education or training. The numerator of the indicator refers to persons who meet the following two conditions: (a) they are not employed (i.e. unemployed or inactive according to the International Labour Organisation definition) and (b) they have not received any education or training in the four weeks preceding the survey. The denominator is the total population.

Source(s)

Eurostat online database <http://epp.eurostat.ec.europa.eu> (code: edat_lfse_22)

3 Labour Costs

- Indicator 3.1a*** Cost of Employing Labour Across Advanced EU Economies (EU15)
- Indicator 3.1b*** Cost of Employing Labour in the Accommodation and Food Sectors Across Advanced EU Economies (EU15)
- Indicator 3.1c*** Cost of Employing Labour in the Wholesale and Retail Trade Sectors Across Advanced EU Economies (EU15)
- Indicator 3.2a*** Comparing Labour Costs in the Civil Service across OECD Countries (Clerical Officer)
- Indicator 3.2b*** Comparing Labour Costs in the Civil Service across OECD Countries (Principal Officer)
- Indicator 3.3*** Comparisons of National Minimum Wage across the EU
- Indicator 3.4*** A Profile of Economic Inactivity among those who want to work in Northern Ireland

Indicator 3.4 A Profile of Economic Inactivity among those who want to work in Northern Ireland

Indicator defined

Reasons for economic inactivity in Northern Ireland among those who want to work

Reference period for latest available data used in this indicator is Q1 2012. Data extracted on 11 of September 2012. Next update due April/May 2013

Chart 3.4 Reasons for Economic Inactivity, 1995-2012

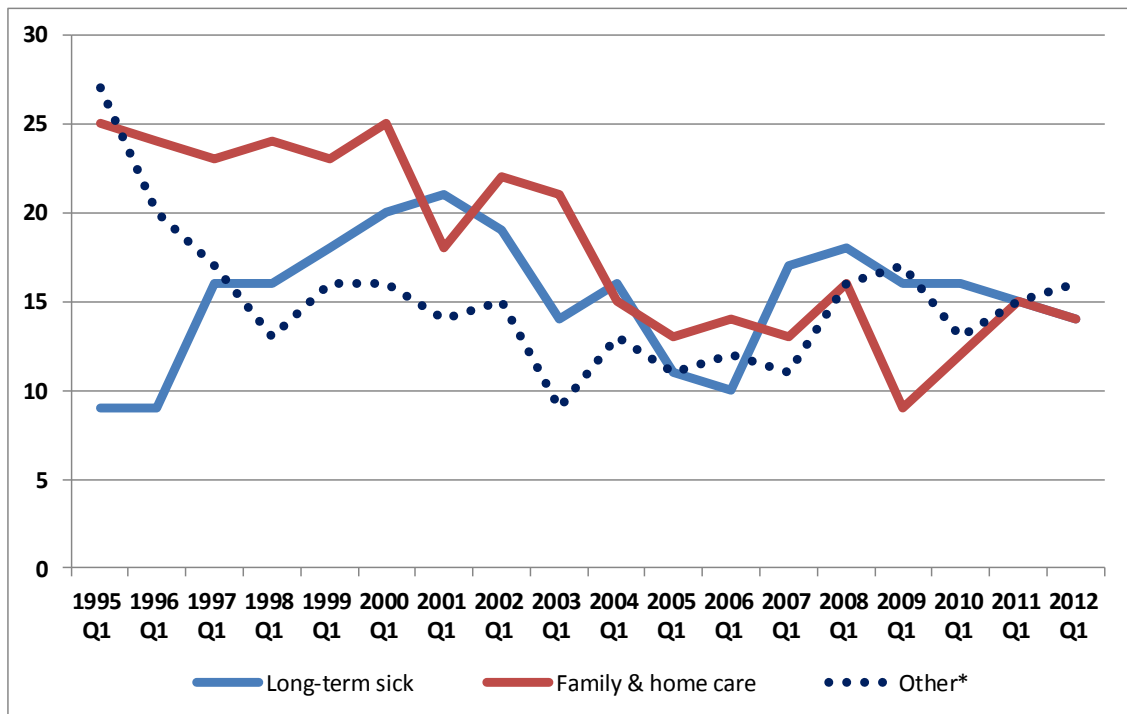


Table 3.4 Reasons for Economic Inactivity, 1995-2012 (000's of workers)

Quarter	Long-term sick	Family & home care	Other
1995 Q1	9	25	27
1996 Q1	9	24	20
1997 Q1	16	23	17
1998 Q1	16	24	13
1999 Q1	18	23	16
2000 Q1	20	25	16
2001 Q1	21	18	14
2002 Q1	19	22	15
2003 Q1	14	21	9
2004 Q1	16	15	13
2005 Q1	11	13	11
2006 Q1	10	14	12
2007 Q1	17	13	11
2008 Q1	18	16	16
2009 Q1	16	9	17
2010 Q1	16	12	13
2011 Q1	15	15	15
2012 Q1	14	14	16

Interpretation

The indicator gives reasons for economic inactivity among those who want a job. Northern Ireland has higher levels of economic inactivity compared to the UK. What the data show is a near convergence of the reasons why those who want to work remain outside the workforce, with a general trend away from reason of sickness and family reasons.

Technical Notes

The grouping above is taken from economically inactive workers aged 16+. Of these the graph and chart are based on those who want a job but had not sought employment in the previous four weeks.

Source(s)

Northern Ireland Labour Force Survey Key data Historical Series (1992-2011) [here](#)

LFS Labour Market Statistics (Apr 2012 - Jun 2012) [here](#)

4 Distribution of Income and Wealth

- Indicator 4.1a*** Income per capita in the EU
- Indicator 4.2a*** Income Distribution over Time (Republic of Ireland)
- Indicator 4.2b*** Income Distribution in Northern Ireland
- Indicator 4.3a*** Average and Median income over Time (Republic of Ireland)
- Indicator 4.3b*** Average and Median income over Time by Gender (Republic of Ireland)
- Indicator 4.4*** Wealth per Capita across Selected EU countries
- Indicator 4.5*** Share of Wages in Total Income (Selected Countries)
- Indicator 4.6a*** Distribution of Earnings (Republic of Ireland)
- Indicator 4.6b*** Distribution of Earnings (Northern Ireland)

Indicator 4.2b Income Distribution in Northern Ireland

Indicator defined

The distribution of total weekly household income in Northern Ireland in the period 2010-11.

Reference period for latest available data used in this indicator for the period 2010-11 (published in June 2012). The next update of this data is due in mid-2013.

Chart 4.2b The Distribution of Total Weekly Income in Northern Ireland by Household Income Range, 2010-11

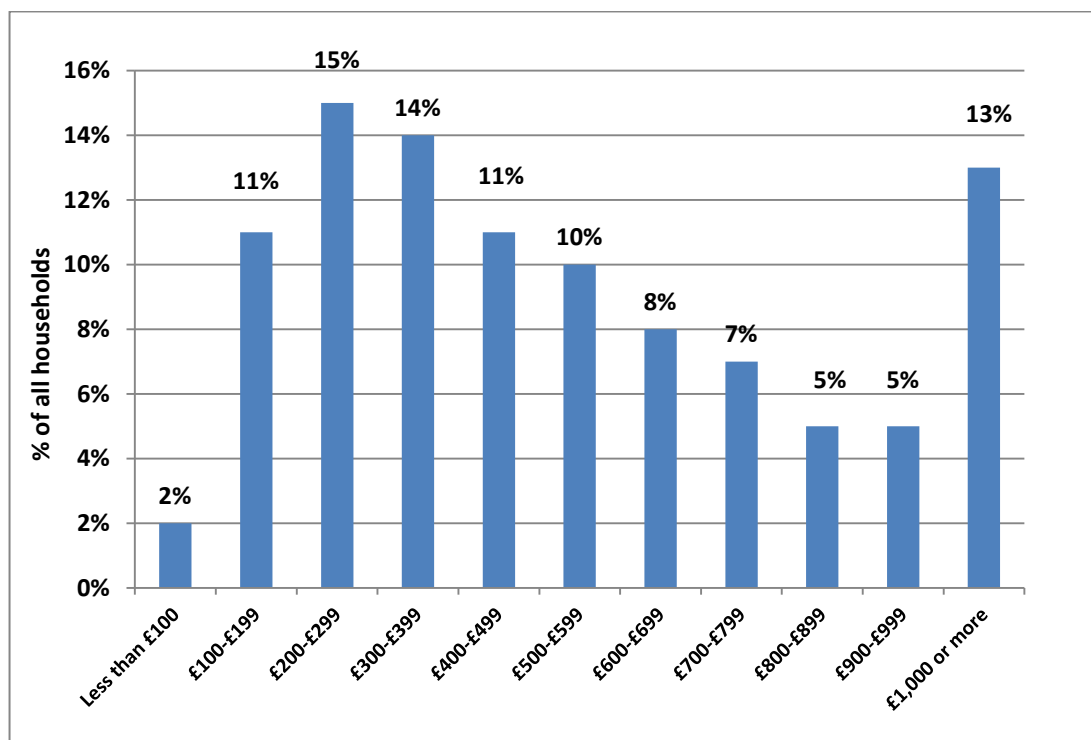


Table 4.2b The Distribution of Total Weekly Income in Northern Ireland by Household Income Range.

Weekly income range	2009-10	2010-11
Less than £100	2%	2%
£100-£199	12%	11%
£200-£299	16%	15%
£300-£399	14%	14%
£400-£499	11%	11%
£500-£599	8%	10%
£600-£699	8%	8%
£700-£799	7%	7%
£800-£899	4%	5%
£900-£999	4%	5%
£1,000 or more	14%	13%

Note: Columns may sum to more than 100% due to data rounding

Interpretation

Income distribution data comparable to that presented in indicator 4.2a is not available for Northern Ireland. However, the results of the annual UK wide Family Resources Survey provide an insight into the distribution of income across households in Northern Ireland. Using the latest data, for the financial year 2010-11, the results presented above show that 53% of households have an income of less than £500 per week (£26,000 per annum).

Technical Notes

Total weekly household income captures the income received by all household members from all sources including wages and salaries, state benefits, payable tax credits, private (occupational and personal) pension schemes and investments. The data is collected as part of the annual Family Resources Survey (FRS) by the Office of National Statistics. FRS represents the UK input into the European Union Survey on Income and Living Conditions (SILC). The 2010-11 survey for Northern Ireland comprises 1,896 households. The sample in 2009-10 was 2,041.

Source(s)

Family Resources Survey 2010-11 (published June 2012) and 2009-10 (published May 2011) is available at <http://research.dwp.gov.uk/asd/frs/>

Indicator 4.6b Distribution of Earnings (Northern Ireland)

Indicator defined

Distribution of earners by total income from employment, self-employment, pension and investment in Northern Ireland for the year 2009/10

Latest data available for year 2009/10 released 29th of February 2012. Next update due early 2013

Chart 4.6b Distribution of Earners by income range

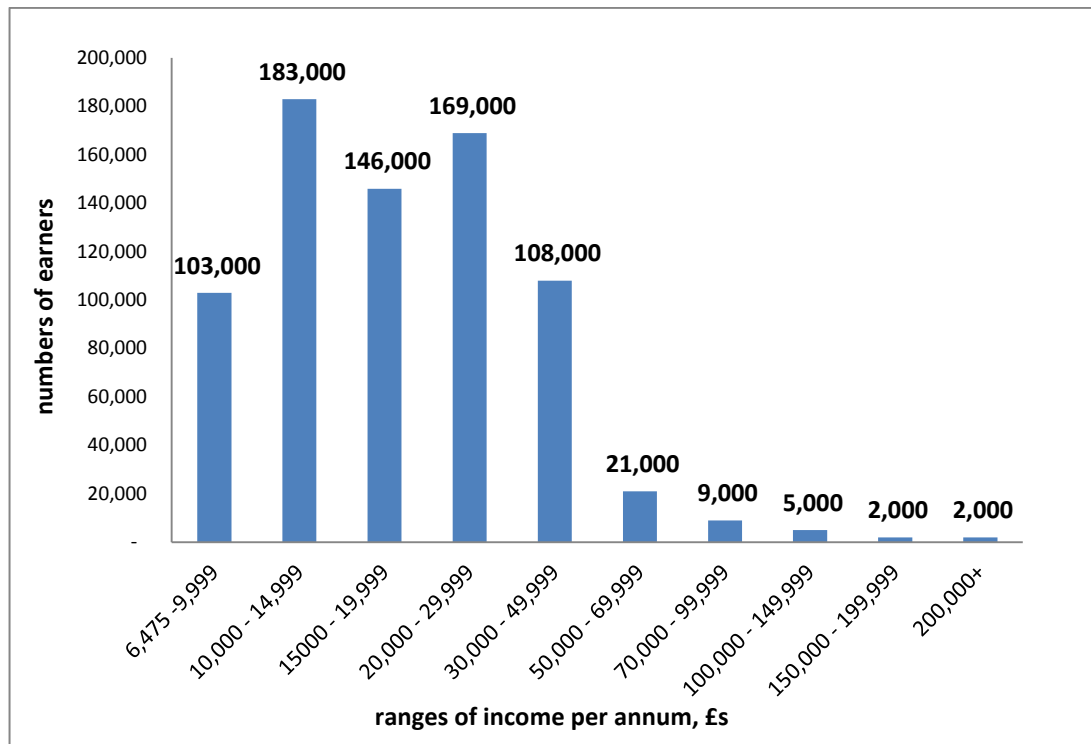


Table 4.6b Distribution of earners by income range in Northern Ireland, financial year 2009/10

Income Range	No. of earners	% of earners	Income £m	% of income
6,475 - 9,999	103,000	13.77%	849	4.84%
10,000 - 14,999	183,000	24.47%	2,290	13.06%
15,000 - 19,999	146,000	19.52%	2,550	14.54%
20,000 - 29,999	169,000	22.59%	4,100	23.38%
30,000 - 49,999	108,000	14.44%	4,070	23.21%
50,000 - 69,999	21,000	2.81%	1,220	6.96%
70,000 - 99,999	9,000	1.20%	710	4.05%
100,000 - 149,999	5,000	0.67%	569	3.24%
150,000 - 199,999	2,000	0.27%	258	1.47%
200,000+	2,000	0.27%	921	5.25%
Total	747,000	100%	17,500	100%

Interpretation

The data for this indicator is compiled using income tax receipts for Northern Ireland in the financial year 2009/10. The data show that just over 46% of income liable for tax is from earnings of between £20,000 and £50,000. While income of £100,000 - £150,000 and £150,000-£200,000 represent 5% of total income reported, incomes over £200,000 represent the same percentage of total income. The largest number of earners are those with incomes of £10,000 to £15,000, yet this band only represents 13% of total income in Northern Ireland.

Technical Notes

The data is from the results of the HMRC Survey of Personal Incomes 2009-10 using information held by HMRC on persons liable to UK income tax for the income tax year. It is carried out annually and covers the income assessable for tax in each tax year.

Source(s)

HMRC (2012) Personal Incomes Statistics 2009-10 Tables 3.1-3.11

5 Poverty and Social Exclusion

- Indicator 5.1* Poverty and Deprivation (Republic of Ireland)
- Indicator 5.2* Child Poverty (Republic of Ireland)
- Indicator 5.3* In Work-Poverty (Republic of Ireland)
- Indicator 5.4* Poverty and Deprivation by Gender (Republic of Ireland)
- Indicator 5.5* Poverty in Northern Ireland

Indicator 5.5 Poverty in Northern Ireland

Indicator defined

A household is counted as being in poverty if its income is less than 60% of the median UK household income adjusted for household size and composition.

Poverty rates are estimated before housing costs (BHC) and after housing costs (AHC) where these costs include rent, service charges and mortgage interest payments.

Reference period for latest available data used in this indicator is the period 2007/08 to 2009/10. Next update due in mid-2013.

Chart 5.5 Poverty in Northern Ireland and Great Britain, After Housing Costs (%)

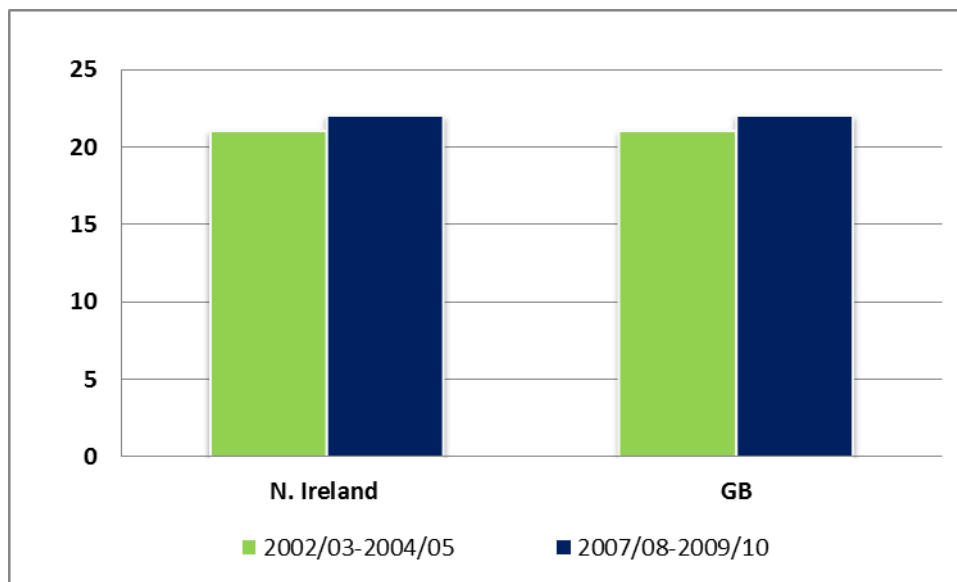


Table 5.5 Trends in Poverty in Northern Ireland, After Housing Costs (%)

	2002/03 -2004/05	2007/08 -2009/10	Change
Population	21	22	+1
Children	27	28	+1
Working age adults	18	20	+2
Pensioners	20	21	+1

Interpretation

The Department of Work and Pensions examine the incomes of households in Northern Ireland and all other UK regions every three years. The data for this indicator is for the period from 2002-2010.

Over time the level of poverty in Northern Ireland (after housing costs) has remained reasonably static – recording a small increase from 21% to 22% of the population. The Northern Ireland rate is the same as that for Great Britain. Within the population, the level of child poverty is high, with more than one in every four children in Northern Ireland living in poverty. Overall more than 120,000 of Northern Ireland's children live in households with income below the poverty line. Over the period poverty among pensioners and those of working age has also increased. According to the most recent figures, one in every five of this group lives in poverty.

Technical Notes

The data used to compile these figures comes from the Department of Work and Pensions' study entitled '*Households Below Average Income*'. The latest data spans a three year period from 2007/08-2009/10. In 2012 the UK New Policy Institute (2012) used this data to profile poverty and social exclusion in Northern Ireland (see reference below).

Poverty is calculated before and after housing costs where the household income is equivalised, or adjusted, to take account of the size and composition of the household. Following this process, an income per adult-equivalent is achieved and this is used as the basis for setting the poverty lines. For the period 2007/08 - 2009/10 the poverty thresholds in Northern Ireland were:

	Before Housing Costs	After Housing Costs
Single Adult – no dependent children	£166	£124
Lone parent with 2 children under 14yrs	£232	£210
Couple – no dependent children	£248	£214
Couple with 2 children under 14 years	£347	£300

Source(s)

Department of Work and Pensions (2011) *Households Below Average Income*. London, HM Stationery Office.

MacInnes, T., H. Aldridge, A. Parekh and P. Kenway (2012) *Monitoring Poverty and Social Exclusion in Northern Ireland 2012*. York, Joseph Rowntree Foundation.

6 Social Welfare Payments

Indicator 6.1 Unemployment Benefits Compared to Earnings (OECD countries)

Indicator 6.2 Unemployment Benefits Compared to Earnings in the Republic of Ireland and the United Kingdom

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Indicator defined

We compare pre and post Unemployment income using **the replacement ratio**. It refers to the level of welfare provided immediately after the individual becomes unemployed and calculates this as a proportion of previous after tax or net income.

The figures in this assessment are based on an individual earning 67%, 100% and 150% of the average wage in each country before becoming unemployed.

Reference period for latest available data used in this indicator is 2010. Data extracted on 20th June 2012. Next update due in mid-2013.

Table 6.2 Net Replacement Rates for six family types in initial phase of unemployment, ROI, UK and OECD average 2010

	No children			2 children		
	Single person	One-earner married couple	Two-earner married couple	Lone parent	One-earner married couple	Two-earner married couple
67% of the average wage						
ROI	51	82	75	66	78	82
UK	19	30	60	45	54	66
<i>OECD average</i>	64	66	81	73	71	84
100% of the average wage						
ROI	38	60	65	65	70	71
UK	13	21	49	37	44	55
<i>OECD average</i>	55	58	73	66	64	77
150% of the average wage						
ROI	29	43	52	53	55	58
UK	9	15	39	27	31	44
<i>OECD average</i>	45	46	62	54	52	66

Interpretation

Replacement rates compare income prior to unemployment with income from welfare after unemployment. The table above compares replacement rates for individuals/households in the initial phase of unemployment (in effect the first year of unemployment) in ROI and the UK. The OECD's calculations assume that families do not qualify for cash housing assistance or social assistance top ups.

The results show a variation in replacement rates between ROI and the UK with those in the ROI being higher than the UK for all household types. The scale of this difference varies by household type and OECD data suggests the gap reduces when account is taken of housing assistance and secondary social assistance payments.

Across all of the 18 household types examined, in five cases the replacement rates are higher than the OECD average in the ROI: one-earner married couple no children at 67% and 100% of average earnings and one-earner married couple two children at 67%, 100% and 150% of average earnings. In the UK all the replacement rates are below the OECD average.

Comparisons of net replacement rates do not take into account differences in various types of non-cash payment benefits to households such as subsidised services or exemption from various charges.

Technical Notes

See note to indicator 6.1.

Source

OECD Tax-Benefit Calculator [here](#).