

4 Distribution of Income, Earnings and Wealth

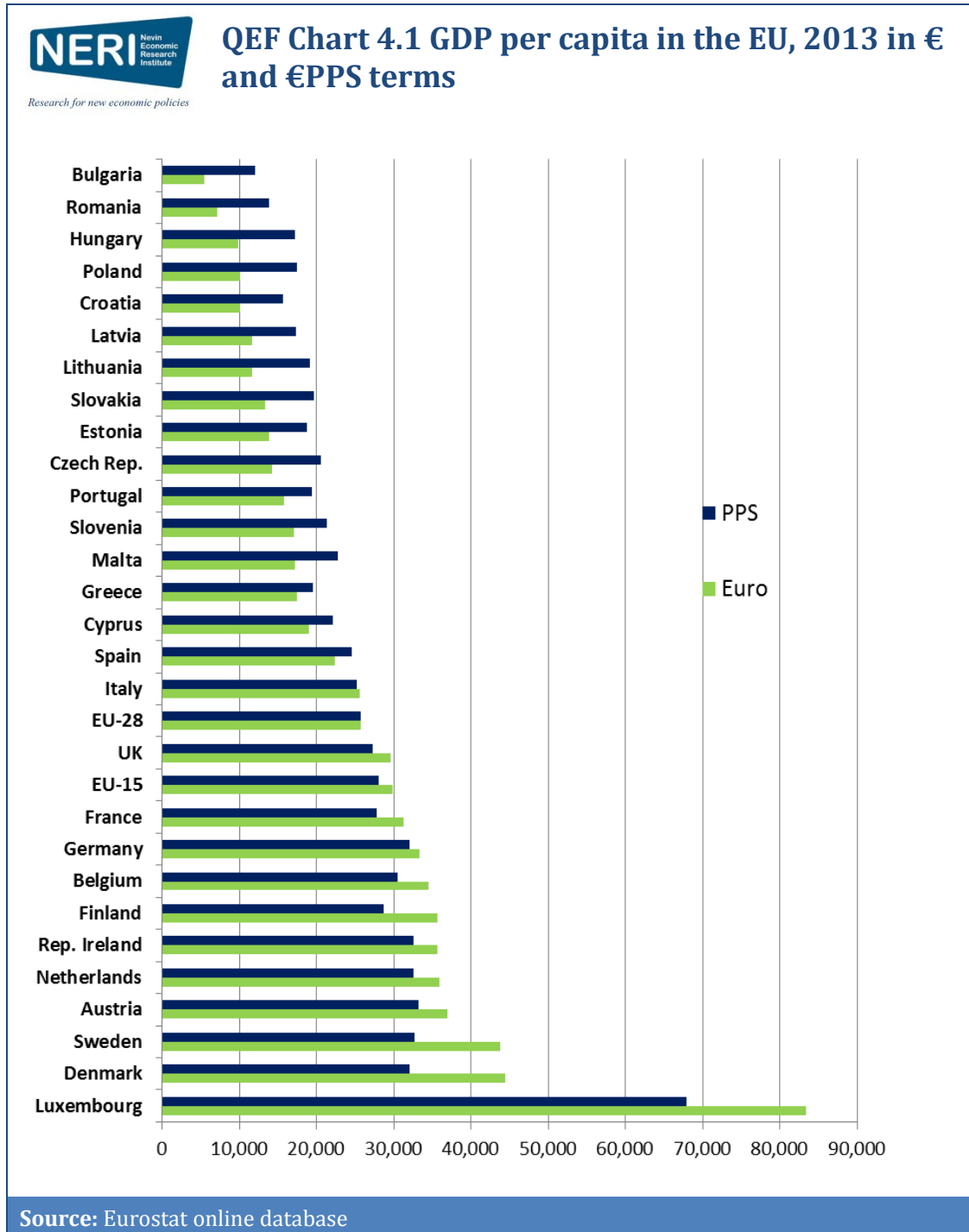
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Indicator 4.1 Income per capita in the EU

Indicator defined

National income (GDP) in per capita (per head of population) terms expressed in Euro and adjusted for differences in cost of living (PPS)

Data is the latest available as of 2 December 2014



QEF Table 4.1 GDP per capita in the EU, 2013

Country	€	€PPS	Country	€	€PPS
Luxembourg	83,400	67,900	Malta	17,200	22,700
Denmark	44,400	32,100	Slovenia	17,100	21,300
Sweden	43,800	32,700	Portugal	15,800	19,400
Austria	37,000	33,200	Czech Rep.	14,200	20,600
Netherlands	35,900	32,600	Estonia	13,900	18,800
Rep. Ireland	35,600	32,500	Slovakia	13,300	19,600
Finland	35,600	28,700	Lithuania	11,700	19,100
Belgium	34,500	30,500	Latvia	11,600	17,300
Germany	33,300	32,000	Croatia	10,100	15,600
France	31,300	27,800	Poland	10,100	17,500
UK	29,600	27,200	Hungary	9,900	17,200
Italy	25,600	25,200	Romania	7,100	13,900
Spain	22,300	24,500	Bulgaria	5,500	12,000
Cyprus	19,000	22,100	EU-15	29,800	28,000
Greece*	17,400	19,500	EU-28	25,700	25,700

Source: Eurostat online database
Note: *Data for Greece is for 2013

Interpretation

GDP measures the value of all activities in the economy and the table and chart above provide values for this measure in 2013 on a per capita basis (divided by the population of the country). The GDP per capita figure for the Republic of Ireland was €35,600 in 2013, the sixth highest in the EU. Using Gross National Product, a measure which somewhat takes account of the income earned in Ireland and subsequently repatriated by multinational companies, the CSO reported Ireland's GNP per capita for 2013 as €32,337 (ESA 2010 definition). In the UK GDP per capita in 2012 was equivalent to €29,600. There are no GDP figures available for Northern Ireland.

While the above data details the average levels of income, the remainder of this section examines the distribution of that income and wealth.

Technical Notes

As the real value of a Euro differs between countries, given variations in price levels, the data is also presented in PPS terms – the purchasing power standard estimated by Eurostat. The PPS method attempts to correct for differences in prices between countries and therefore gives a more comparable picture of the buying power of income.

Source(s)

Eurostat online database, GDP per capita - Annual Data [nama_aux_gph]

Indicator 4.2a Income Distribution over Time (Republic of Ireland)

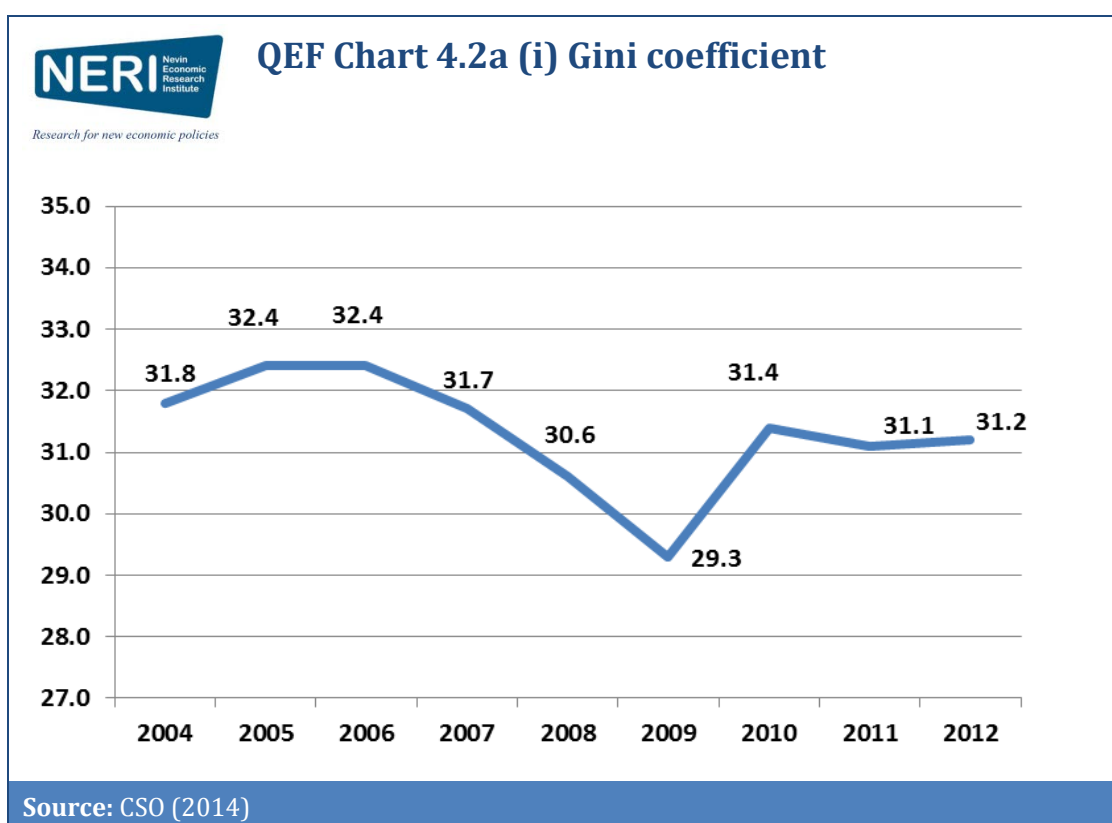
Indicators defined

Two measures are used to summarise the income distribution:

1. **The Gini coefficient** – an index ranging from 0 to 100 where 0 represents a perfectly equal distribution of income and 100 represents a perfectly unequal distribution (i.e. all the income is received by one individual).
2. **The income quintile ratio** – compares the % of the total disposable income (adjusted for household size) received by individuals in the bottom 20% (quintile) of the income distribution to that received by the top 20%.

Simply, the greater these numbers, the greater the level of income inequality.

Data is the latest available as of 2 December 2014



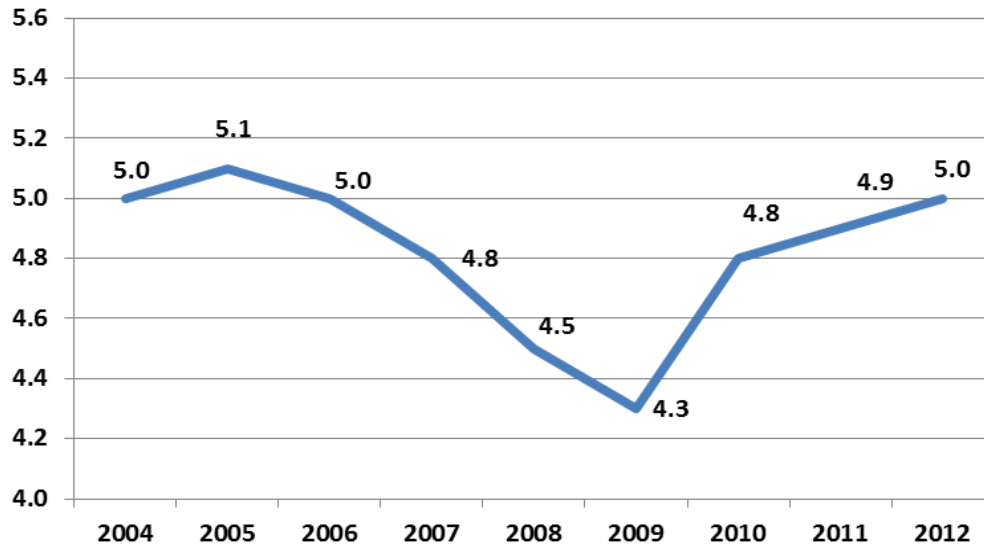
NERI Nevin Economic Research Institute
Research for new economic policies

QEF Table 4.2a Gini coefficient and income quintile ratio for Ireland's income distribution, 2004-2012

	2004	2006	2007	2008	2009	2010	2011	2012
Gini coefficient	31.8	32.4	31.7	30.6	29.3	31.4	31.1	31.2
Income quintile ratio	5.0	5.0	4.8	4.5	4.3	4.8	4.9	5.0

Source: CSO (2014)

QEF Chart 4.2a (ii) Income quintile ratio



Source: : CSO (2014)

Interpretation

Between 2004 and 2007 Ireland's income distribution was reasonably static with only small movements in both the measures reported above. Subsequently, during 2008 and 2009, the gap between the top and bottom quintile (20%) narrowed meaning income inequality fell to its lowest level since the introduction of the CSO's annual Survey on Income and Living Conditions (SILC). However, since 2009 both measures have increased once again. In 2012, the income of the top quintile was 5 times that of the bottom quintile while the Gini coefficient was 31.2.

Technical Notes

The data used to compile these figures comes from the CSO's Survey on Income and Living Conditions (SILC). This survey, which has been carried out annually since 2004, collects data on a representative sample of the national population with the latest survey in 2012 providing data on 11,891 individuals in 4,592 households. The income data used is disposable income, representing the income individuals have to spend once they have paid all their income taxes and received any welfare entitlements. Further details on the SILC survey and its income variables are available from the CSO documents and website references below.

Source(s)

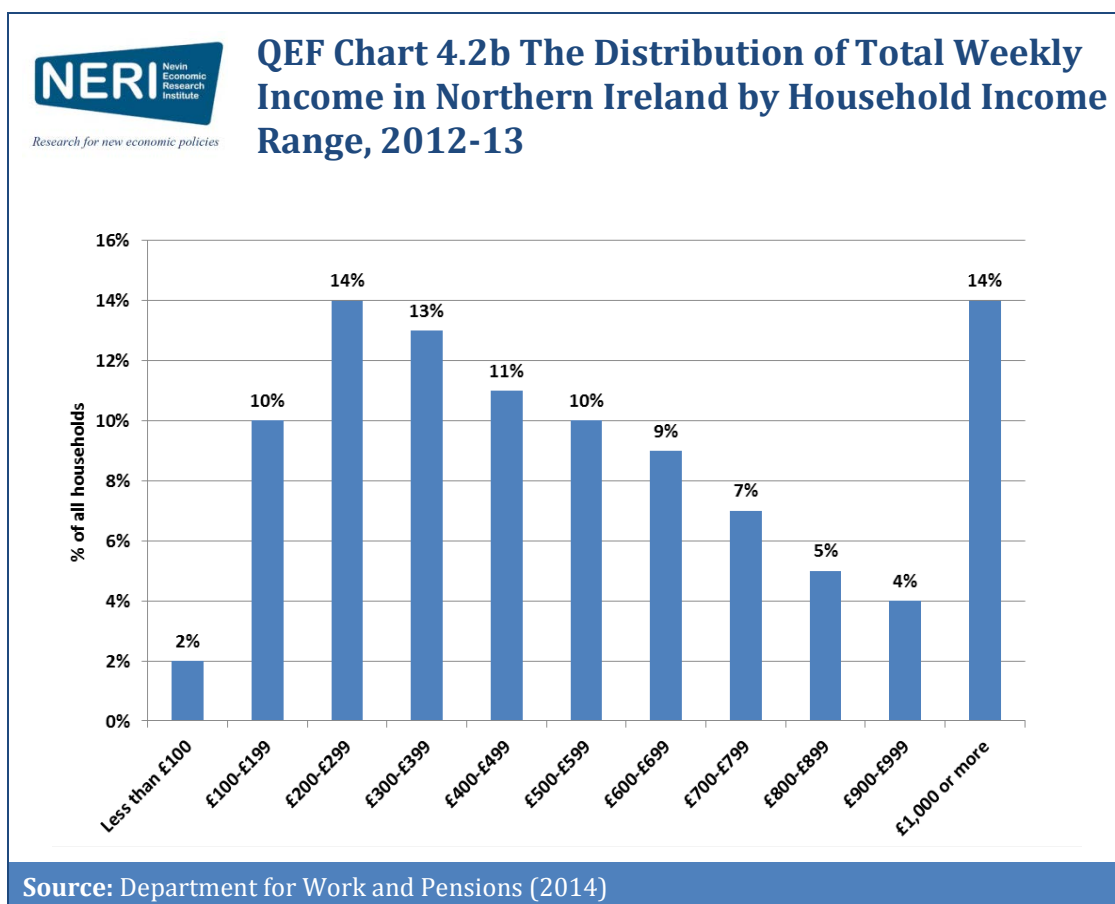
CSO (2014) Survey on Income and Living Conditions 2012. Dublin, Stationery Office.
CSO SILC website: www.cso.ie/en/silc/

Indicator 4.2b Income Distribution over Time (Northern Ireland)

Indicator defined

The distribution of total weekly household income in Northern Ireland classified by ranges of nominal income

Data is the latest available as of 2 December 2014



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

Weekly income range	2010-11	2011-12	2012-13
Less than £100	2%	2%	2%
£100-£199	11%	11%	10%
£200-£299	15%	15%	14%
£300-£399	14%	15%	13%
£400-£499	11%	10%	11%
£500-£599	10%	10%	10%
£600-£699	8%	9%	9%
£700-£799	7%	6%	7%
£800-£899	5%	5%	5%
£900-£999	5%	4%	4%
£1,000 or more	13%	13%	14%

Source: Department for Work and Pensions (2014)
Note: Columns may sum to more than 100% due to data rounding

Interpretation

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 2012-13, the results presented above show that 50% of households have an income of less than £500 per week (£26,000 per annum). The table tracks trends in this distribution over the last three reports.

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 2012-13 survey for Northern Ireland comprises 1,891 households. The sample in 2010-11 was 1,896 and 1,943 in 2011-12.

Source(s)

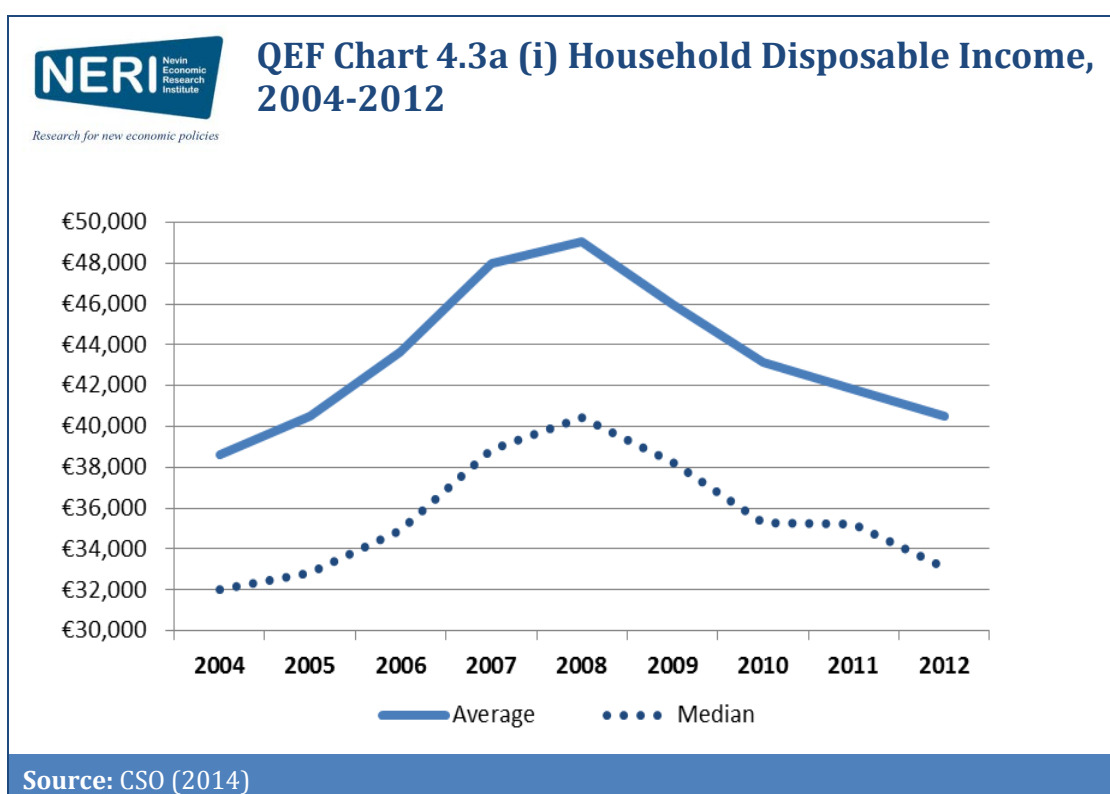
Family Resources Survey 2012-13 (published July 2014) and earlier years is available at <http://research.dwp.gov.uk/asd/frs/>

Indicator 4.3a Average and Median Income over Time and by Gender (Republic of Ireland)

Indicator defined

Average and median household and individual equalised disposable income (after taxes and transfers) disaggregated by gender

Data is the latest available as of 2 December 2014

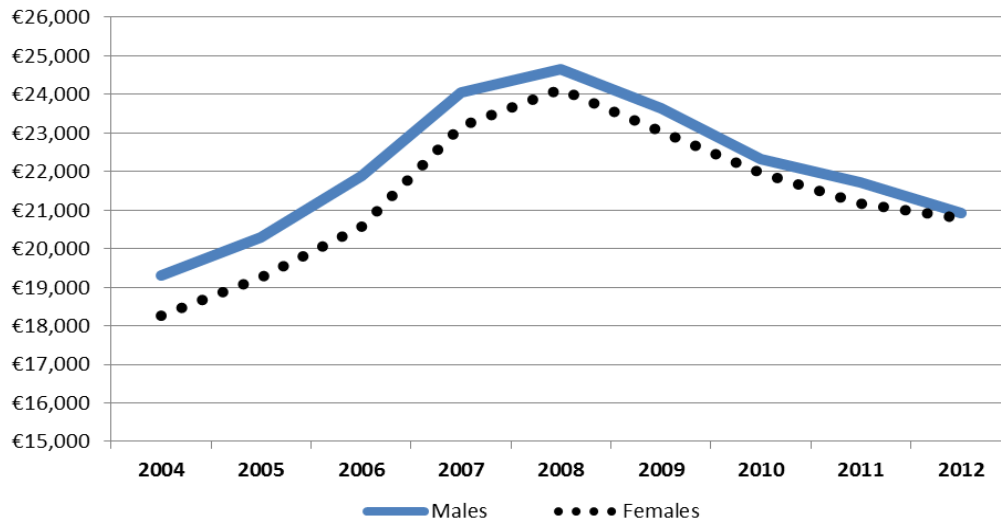


QEF Table 4.3a Household and Individual Income Trends, 2006-2012 (€)

Year	Household	Individual			Individual		
	Average	Average All	Average Males	Average Females	Median All	Median Males	Median Females
2006	43,646	21,229	21,882	20,577	17,610	18,137	17,083
2007	47,988	23,610	24,046	23,173	19,794	20,086	19,274
2008	49,043	24,380	24,640	24,121	20,758	21,107	20,202
2009	45,959	23,326	23,627	23,029	20,107	20,568	19,699
2010	43,151	22,138	22,324	21,955	18,591	19,032	18,213
2011	41,819	21,440	21,718	21,167	18,148	18,788	17,594
2012	40,505	20,856	20,922	20,790	17,702	18,039	17,561

Source CSO (2014)

QEF Chart 4.3a (ii) Average Disposable Income for Males and Females, 2004-2012



Source: CSO (2014)

Interpretation

This indicator uses data from the CSO's Survey on Income and Living Conditions (SILC). Total household disposable income (after taxes and transfers) is adjusted to take account of the composition of households (number of adults and children) using the national equivalence scale. Following this adjustment the CSO report individual income, or income per adult equivalent, which is used for the gender decomposition in this indicator.

Average household incomes peaked in 2008 reflecting increases in earnings, enhanced welfare payments and decreases in income taxation levels in earlier years. Since then, this trend has been reversed with average disposable household incomes falling back to 2005 levels by 2012. Throughout the period male and female incomes follow a similar trend. However, male incomes consistently exceed female incomes by between 0.6-6% per annum. Since peaking in 2008 individual incomes have declined by 14% on average (by 15.1% for males and 13.8% for females) reflecting decreases in earnings, reduced welfare payments and increases in income taxation levels. On average in 2012 median male income was €18,039 and median female income was €17,561. The gap between median male and female income was €478; 2.7% of the median female wage.

Technical Notes

See indicator 4.2a.

Source(s):

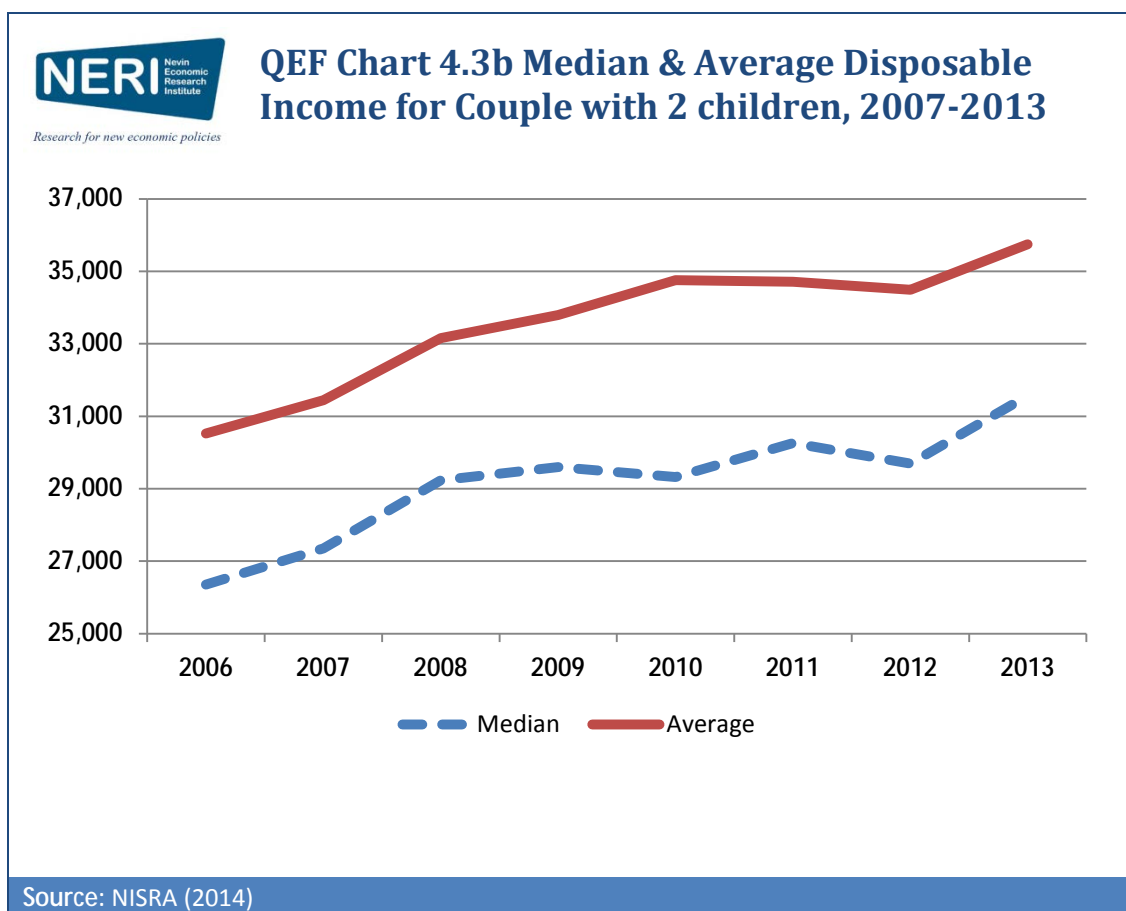
See indicator 4.2a.

Indicator 4.3b Average and Median income over Time and by Household Type (Northern Ireland)

Indicator defined

Average and median household disposable income (after taxes and transfers)

Data is the latest available as of 5 December 2014



QEF Table 4.3b Median & Average Household Disposable Income by Household Type, 2006-2013 (£)

Household Type	2006	2007	2008	2009	2010	2011	2012	2013
Median								
Couple No Children	17,219	17,878	19,106	19,345	19,202	19,777	19,404	20,611
Single No Children	11,532	11,978	12,801	12,961	12,836	13,250	13,001	13,828
Couple 2 Children	26,351	27,353	29,231	29,597	29,325	30,258	29,688	31,569
Single 2 Children	20,663	21,454	22,927	23,214	23,011	23,732	23,285	24,733
Average								
Couple No Children	19,933	20,550	21,670	22,087	22,698	22,686	22,541	23,324
Single No Children	13,358	13,768	14,519	14,798	15,237	15,200	15,102	15,654
Couple 2 Children	30,525	31,441	33,155	33,793	34,752	34,710	34,488	35,743
Single 2 Children	23,951	24,660	26,004	26,505	27,238	27,223	27,049	28,021
Source:	NISRA (2014)							
Note:	2 Children Aged 5 and 14							

Interpretation

This indicator examines household disposable income representing the income a household has to spend after it has received all its incomes from employment, self-employment, investment and social transfers and after it has paid all its income taxation. As the level of average household disposable incomes can be biased by households with very high, or very low, incomes, so data for the median household is also presented. Between 2006 and 2010 average household incomes increased, with nearly all household types experiencing a fall in income in both 2011 and 2012 before increasing again in 2013. Median incomes present a more mixed picture with different family types experiencing falls in income at several stages throughout the time period. For a couple with two children, the gap between average and median incomes narrowed over the period 2009-2011, but then widened again in 2012 and 2013.

Technical Notes

Incomes are reported in current prices (not taking account of inflation).

Source(s):

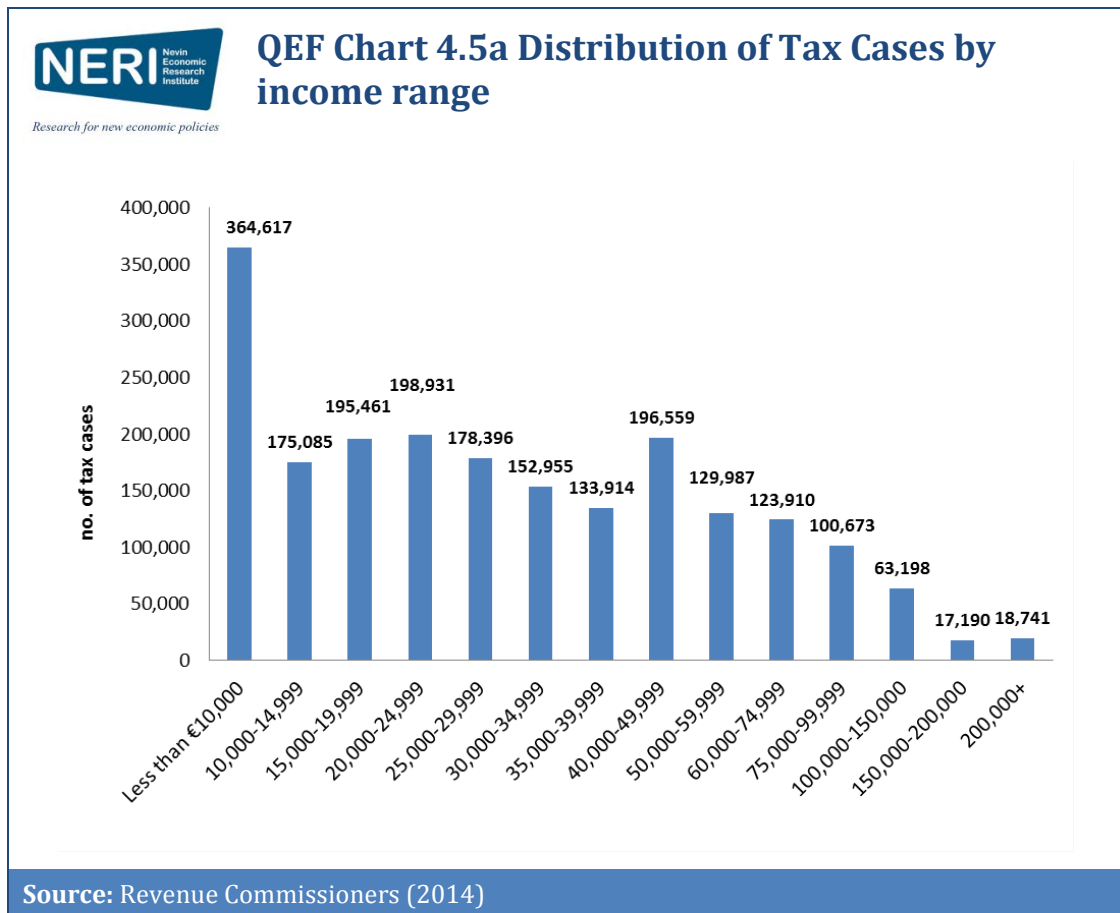
Northern Ireland Statistics and Research Agency (2014) [Households Below Average Income Survey in Northern Ireland](#)

Indicator 4.5a Distribution of Earnings (Republic of Ireland)

Indicator defined

Distribution of tax cases (individuals or couples who are jointly assessed) by total gross income for the latest tax year published by the Revenue Commissioners.

Data is the latest available as of 3 December 2014



QEF Table 4.5a Distribution of Tax Cases by income range (2011)

From €	To €	No. of cases	% total
-	10,000	364,617	17.79
10,000	12,000	65,718	3.21
12,000	15,000	109,367	5.34
15,000	17,000	75,413	3.68
17,000	20,000	120,048	5.86
20,000	25,000	198,931	9.71
25,000	27,000	75,696	3.69
27,000	30,000	102,700	5.01
30,000	35,000	152,955	7.46
35,000	40,000	133,914	6.53
40,000	50,000	196,559	9.59
50,000	60,000	129,987	6.34
60,000	75,000	123,910	6.05
75,000	100,000	100,673	4.91
100,000	150,000	63,198	3.08
150,000	200,000	17,190	0.84
200,000	275,000	9,221	0.45
over	275,000	9,520	0.46
Totals		2,049,617	100.00

Source: Revenue Commissioners (2014)

Interpretation

The Revenue Commissioners income tax data for 2011 gives an indication of the distribution of earnings (from all sources which are subject to income tax) in the Republic of Ireland. In that year almost 36% of tax cases reported a gross income of less than €20,000. The data show that almost 42% of tax cases are in the range from €20,000 to €50,000 per annum. At the top of the distribution, 5% of tax cases had an income in excess of €100,000 and 1% had an income in excess of €200,000.

Technical Notes

Data used in this indicator is from the Revenue Commissioners annual statistical report (Table IDS1). Revenue only supplies data on tax cases rather than individuals. Also, it does not distinguish between the different sources of earnings (employment income, self-employment, property income etc). Due to the structure of the tax year and the system of provisional tax returns for certain earners, there is at least a year delay in the figures.

Source(s)

Revenue Commissioners (2014) Statistical Report for year ended 31st December, 2012. See: www.revenue.ie/en/about/publications/statistical-reports.html