

## 4 Distribution of Income and Wealth

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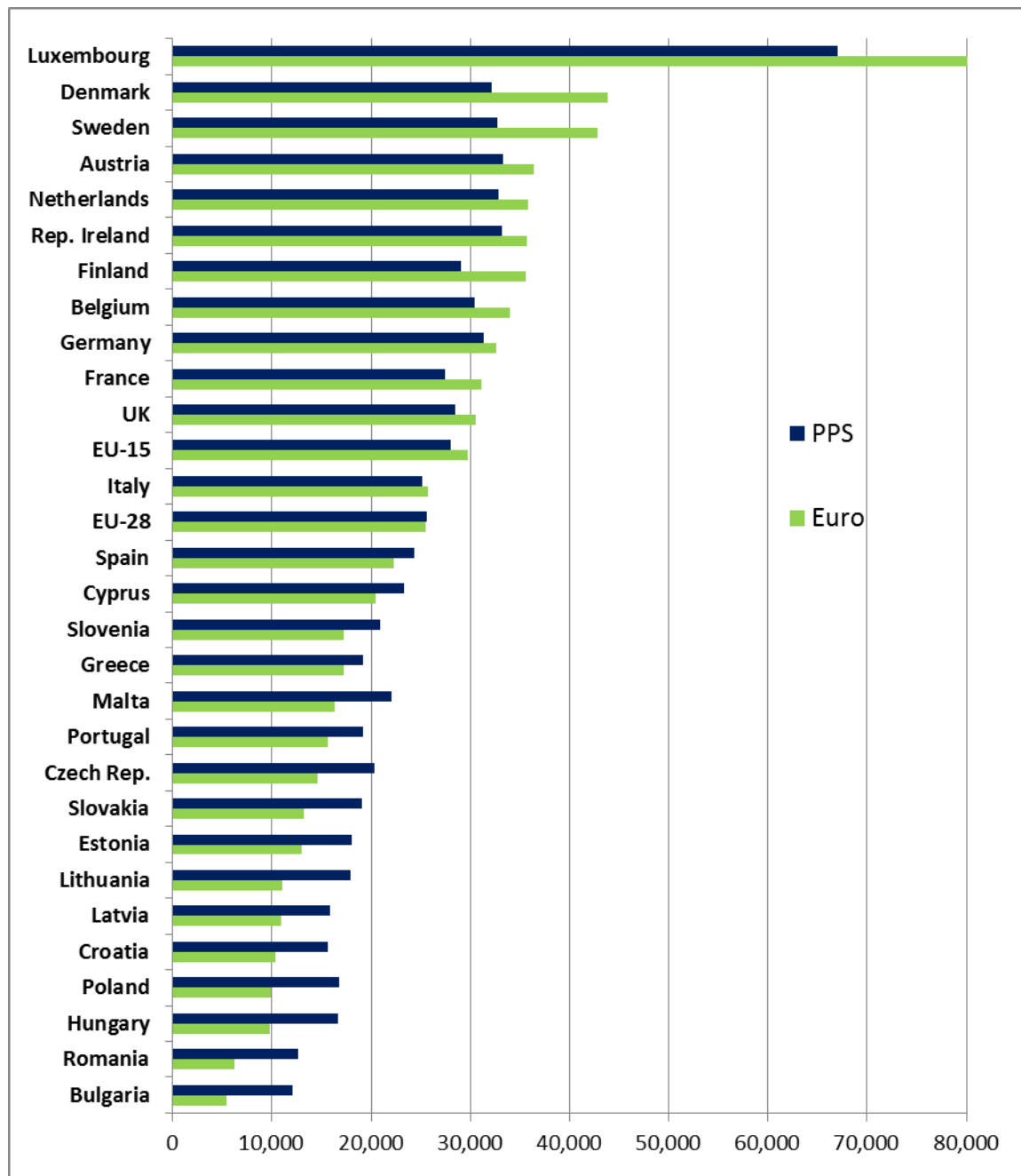
## Indicator 4.1 Income per capita in the EU

### 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 6 December 2013.

### Chart 4.1 GDP per capita in the EU, 2012 in € and €PPS terms



**Table 4.1 GDP per capita in the EU, 2012**

Country	€	€PPS	Country	€	€PPS
Luxembourg	80,700	67,000	Slovenia	17,200	20,900
Denmark	43,900	32,100	Malta	16,300	22,100
Sweden	42,800	32,700	Portugal	15,600	19,200
Austria	36,400	33,300	Czech Rep.	14,600	20,300
Netherlands	35,800	32,800	Slovakia	13,200	19,100
<b>Rep. Ireland</b>	<b>35,700</b>	<b>33,200</b>	Estonia	13,000	18,000
Finland	35,600	29,100	Lithuania	11,000	17,900
Belgium	34,000	30,400	Latvia	10,900	15,900
Germany	32,600	31,300	Croatia	10,300	15,600
France	31,100	27,500	Poland	9,900	16,800
UK	30,500	28,500	Hungary	9,800	16,700
Italy	25,700	25,200	Romania	6,200	12,600
Spain	22,300	24,400	Bulgaria	5,400	12,100
Cyprus	20,500	23,300	<b>EU-15</b>	<b>29,700</b>	<b>28,000</b>
Greece	17,200	19,200	<b>EU-28</b>	<b>25,500</b>	<b>25,600</b>

## Interpretation

GDP measures the value of all activities in the economy and the table and chart above provide values for this measure in 2012 on a per capita basis (divided by the population of the country). The GDP per capita figure for the Republic of Ireland was €35,700 in 2012, 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 2012 as €28,928. In the UK GDP per capita in 2012 was equivalent to €30,500. 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 [variable: nama\_aux\_gph]

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

### Indicators defined

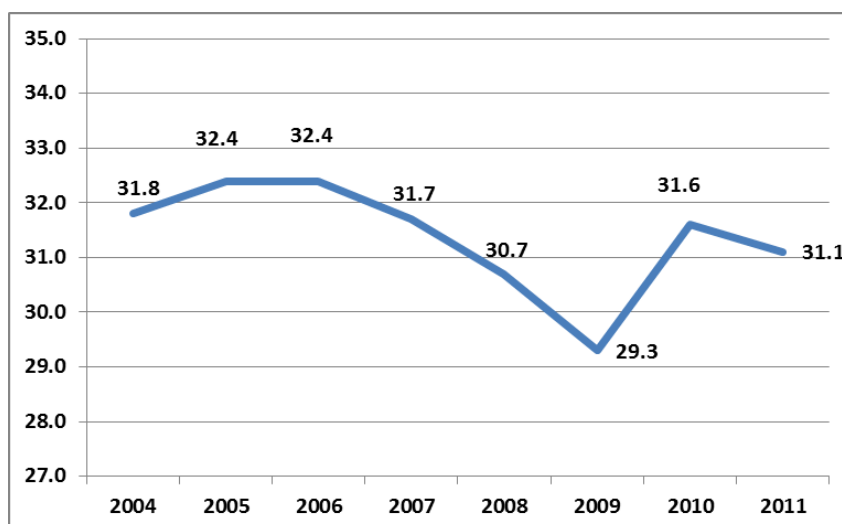
Two measures are used to summarise the income distribution:

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%.

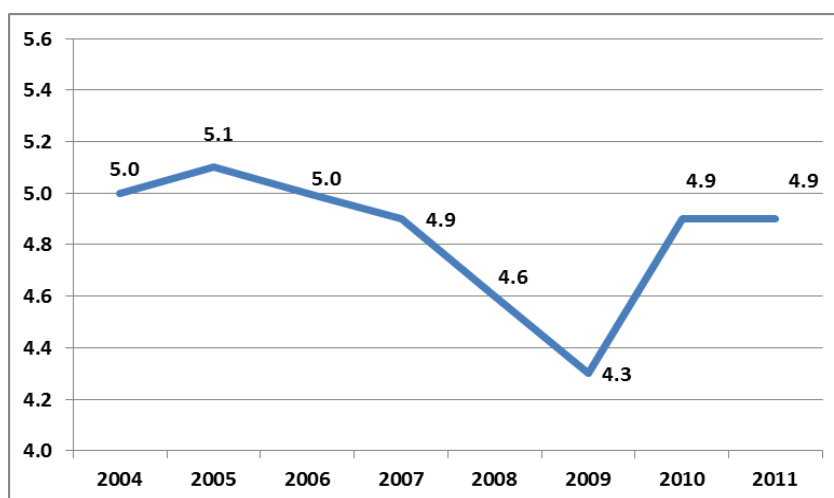
Simply, the greater these numbers, the greater the level of income inequality.

Data is the latest available as of 6 December 2013.

### Chart 4.2a (i) Gini coefficient



### Chart 4.2a (ii) Income quintile ratio



**Table 4.2a Gini coefficient and income quintile ratio for Ireland's income distribution, 2004-2011**

	2004	2005	2006	2007	2008	2009	2010	2011
Gini coefficient	31.8	32.4	32.4	31.7	30.7	29.3	31.6	31.1
Income quintile ratio	5.0	5.1	5.0	4.9	4.6	4.3	4.9	4.9

### 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 2011, the income of the top quintile was 4.9 times that of the bottom quintile while the Gini coefficient was 31.1.

### 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 2011 providing data on 11,005 individuals in 4,333 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 (2013) Survey on Income and Living Conditions – 2011 & revised 2010 results.  
Dublin, Stationery Office.

CSO SILC website: [www.cso.ie/en/silc/](http://www.cso.ie/en/silc/)

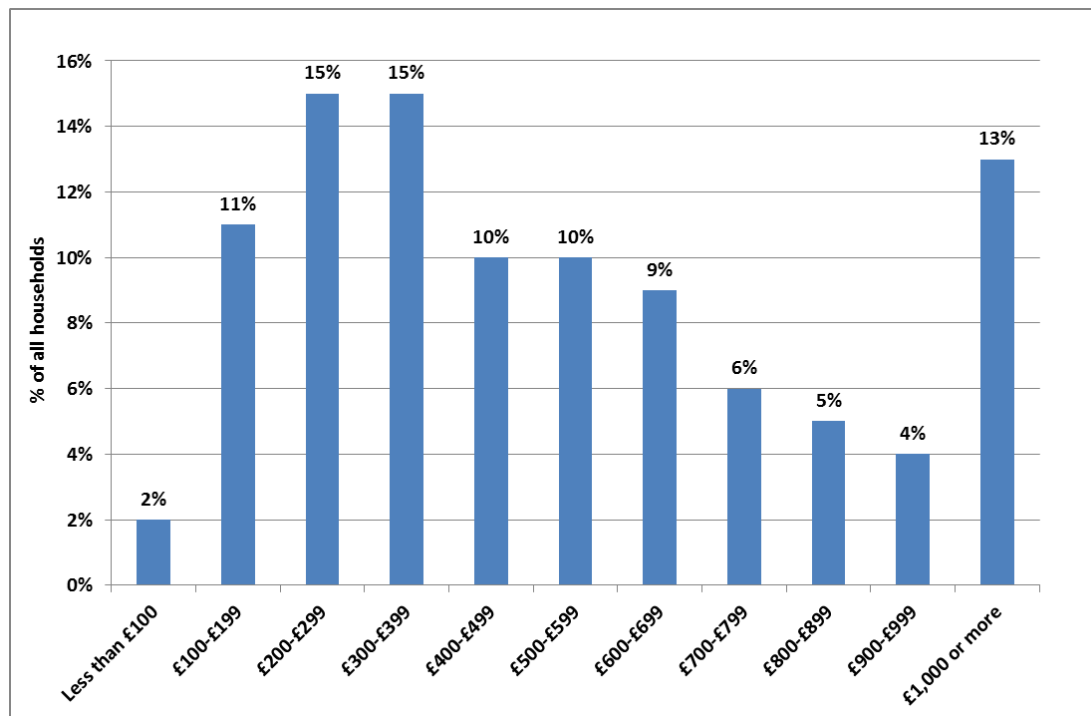
## Indicator 4.2b Income Distribution in Northern Ireland

### 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 6 December 2013.

**Chart 4.2b The Distribution of Total Weekly Income in Northern Ireland by Household Income Range, 2011-12**



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

Weekly income range	2009-10	2010-11	2011-12
Less than £100	2%	2%	2%
£100-£199	12%	11%	11%
£200-£299	16%	15%	15%
£300-£399	14%	14%	15%
£400-£499	11%	11%	10%
£500-£599	8%	10%	10%
£600-£699	8%	8%	9%
£700-£799	7%	7%	6%
£800-£899	4%	5%	5%
£900-£999	4%	5%	4%
£1,000 or more	14%	13%	13%

**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 2011-12, the results presented above show that 53% 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 2011-12 survey for Northern Ireland comprises 1,943 households. The sample in 2009-10 was 2,041 and 1,896 in 2011-12.

### Source(s)

Family Resources Survey 2011-12 (published June 2013) and earlier years is available at <http://research.dwp.gov.uk/asd/frs/>



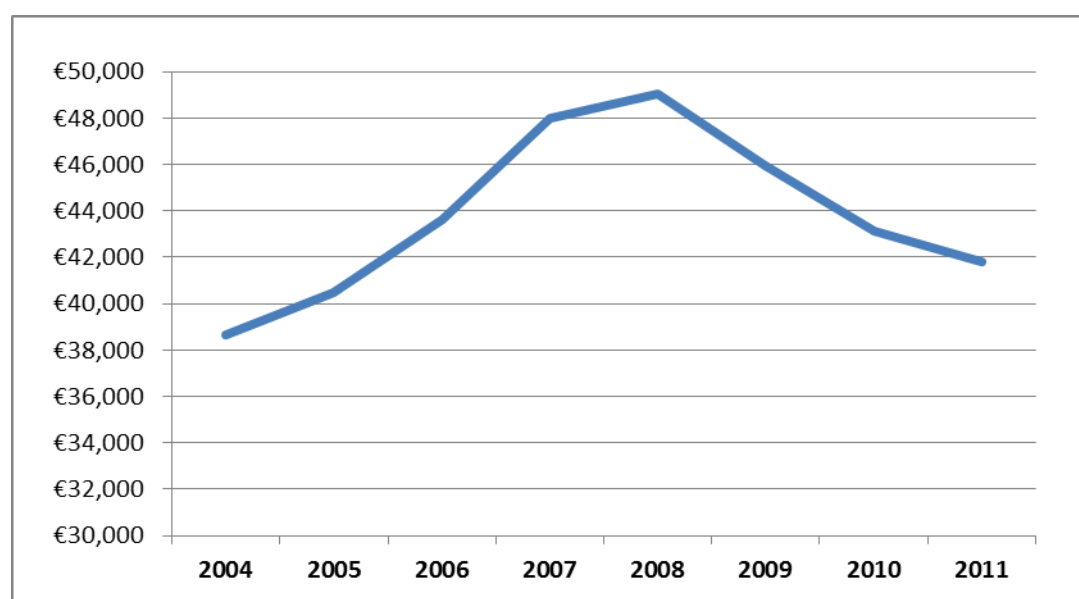
## Indicator 4.3a Average and Median Income over Time (Republic of Ireland)

### Indicator defined

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

Data is the latest available as of 6 December 2013.

### Chart 4.3a Average Household Disposable Income, 2004-2011



### Table 4.3a Average and Median Household Disposable Income, 2004-2011 (€)

Year	Average Household Disposable Income	Median Household Disposable Income
2004	38,631	
2005	40,497	
2006	43,646	
2007	47,988	
2008	49,043	
2009	45,959	38,255
2010	43,151	
2011	41,819	

**Note:** Median income data is only available for 2009.

## Interpretation

The CSO's Survey on Income and Living Conditions (SILC) commenced in 2003 and has provided full year data from 2004 onwards for household and individual incomes in Ireland. 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.

Between 2004 and 2008 average household incomes increased from €38,631 to just over €49,000 (almost 27%) reflecting increases in earnings, enhanced welfare payments and decreases in income taxation levels. Since then, this trend has been reversed with average disposable household incomes falling back to 2005 levels by 2011.

As the level of average household disposable incomes can be biased by household with very high, or very low, incomes, data for the median household is also presented. This data, only published for 2009, provides income data for the middle household in the Irish society. In 2009 this figure was €38,255.

## Technical Notes

See indicator 4.2a.

## Source(s):

See indicator 4.2a.

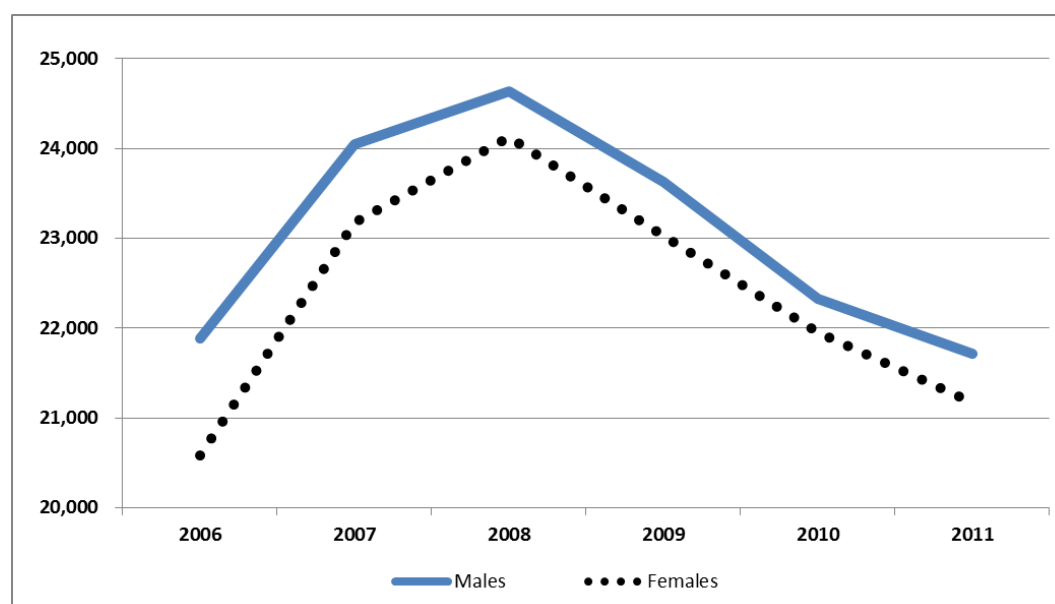
## Indicator 4.3b Average and Median Income over time by Gender (Republic of Ireland)

### Indicator defined

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

Data is the latest available as of 6 December 2013.

### Chart 4.3b Average Income for Males and Females, 2006-2011



### Table 4.3b Average and Median Income for Males and Females, 2006-2011 (€)

Year	Average All	Average Males	Average Females	Median All	Median Males	Median Females
2006	21,229	21,882	20,577			
2007	23,610	24,046	23,173			
2008	24,380	24,640	24,121			
2009	23,326	23,627	23,029	20,107	20,568	19,699
2010	22,138	22,324	21,955			
2011	21,440	21,718	21,167			

**Note:** Median income data is only available for 2009.

## Interpretation

This indicator uses data from the CSO's Survey on Income and Living Conditions (SILC) to examine the gender distribution of income in Ireland since 2006. The data is based on total household income (see indicator 4.3a) adjusted to take account of the number of adults and children in the households (see technical note below).

Throughout the period male and female incomes follow a similar trend. However, male incomes consistently exceed female incomes by between 1.5-6% per annum. Incomes peaked in 2008 and have since declined by 12% on average (by 11.8% for males and 12.2% for females) reflecting decreases in earnings, reduced welfare payments and increases in income taxation levels.

As the level of average individual equivalised disposable income can be biased by individuals in the income distribution with very high, or very low, incomes, data for the median person is also presented. This data, only published for 2009, provides income data for the middle person, middle male and middle female, in the Irish income distribution. On average in 2009 median male income was €20,568 and median female income was €19,699. The gap between median male and female income was €869; 4.4% of the median female wage.

## Technical Notes

The data used to compile these figures comes from the CSO's Survey on Income and Living Conditions (SILC) as detailed in indicator 4.2a. Total household disposable income 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 this indicator.

## Source(s):

See indicator 4.2a.

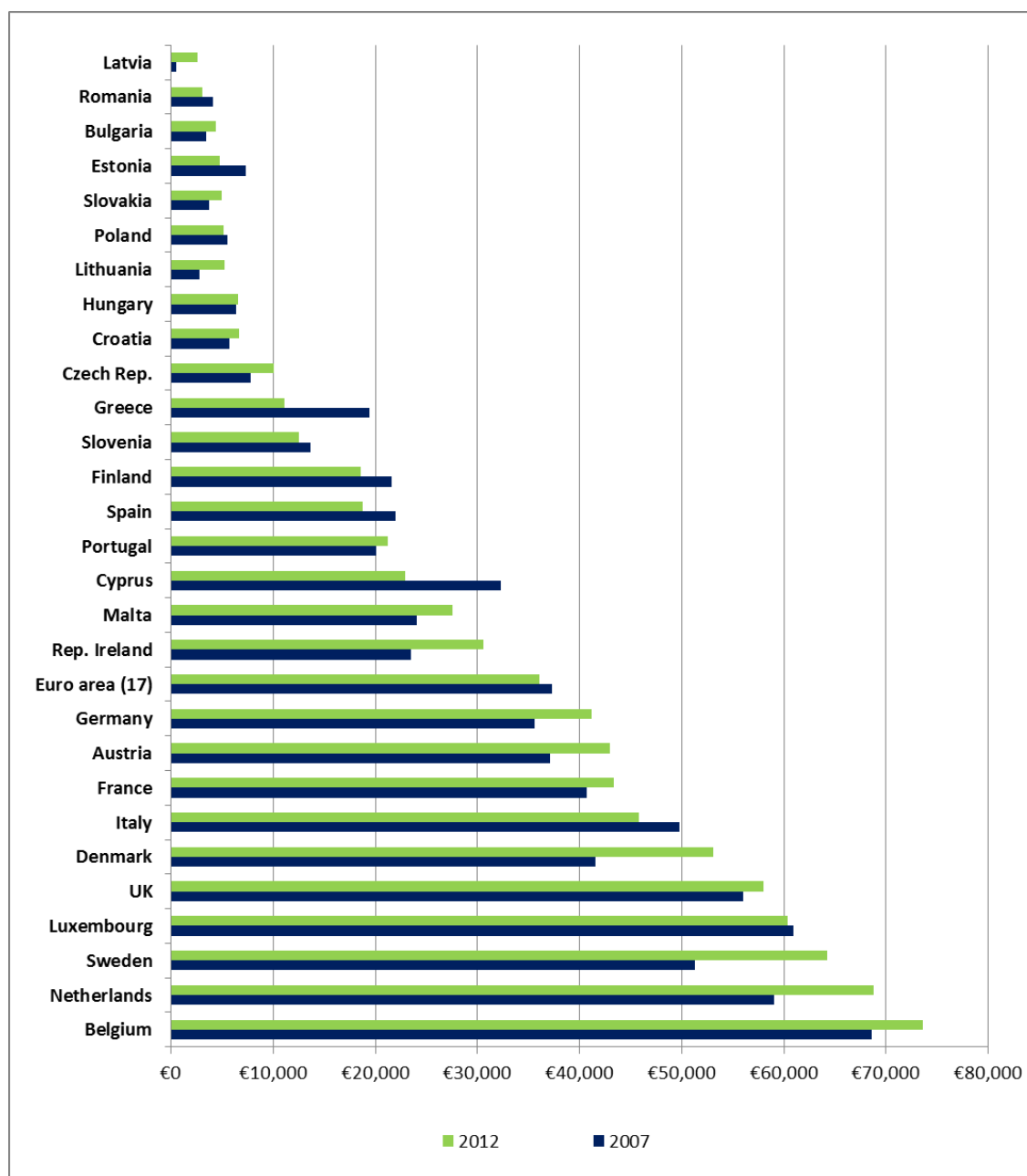
## Indicator 4.4 Wealth per Capita across EU countries

### Indicator defined

Wealth per capita measured using net financial assets per person

Data is the latest available as of 6 December 2013.

### Chart 4.4 Net Financial Assets per Person



**Note:** Euro area (17) data is for 2011

**Table 4.4 Net Financial Assets per person (€)**

Country	2007	2012	Country	2007	2012
Belgium	68,593	73,583	Spain	21,983	18,750
Netherlands	59,045	68,775	Finland	21,624	18,546
Sweden	51,337	64,241	Slovenia	13,659	12,513
Luxembourg	60,950	60,402	Greece	19,444	11,113
UK	56,029	57,973	Czech Rep.	7,814	10,017
Denmark	41,518	53,076	Croatia	5,723	6,686
Italy	49,755	45,818	Hungary	6,378	6,518
France	40,739	43,363	Lithuania	2,725	5,214
Austria	37,136	42,925	Poland	5,502	5,140
Germany	35,587	41,210	Slovakia	3,686	4,956
<b>Rep. Ireland</b>	<b>23,484</b>	<b>30,531</b>	Estonia	7,309	4,740
Malta	24,086	27,555	Bulgaria	3,446	4,327
Cyprus	32,282	22,958	Romania	4,090	3,066
Portugal	20,076	21,175	<b>Euro area (17)</b>	<b>37,263</b>	<b>36,057</b>

**Note:** Euro area (17) data is for 2011

## Interpretation

Across Europe, during the period of the financial crisis, there has been a mixed experience of gains and losses to average net financial wealth per person. The average resident in Ireland owned €30,531 of financial wealth (such as cash, bank deposits, or shares) in 2012. This does not include non-financial wealth such as property. It should be noted that these are *net average* figures, and consequently they give no indication of the distribution of wealth or the financial strain many households are experiencing. In *net* terms, the per person financial wealth of Republic of Ireland residents is considerably less than wealthier EU countries and the Eurozone average. It is also half that of the UK.

## Technical Notes

The EU (28) is omitted due to lack of data. The value of this indicator is calculated by taking Eurostat figures for a countries total consolidated net financial assets of households and non-profit institutions serving households and dividing this by the population as of 1<sup>st</sup> January of the relevant year.

## Source(s)

Eurostat online database [variables *nasa\_f\_bs* and *demo\_pjan*].

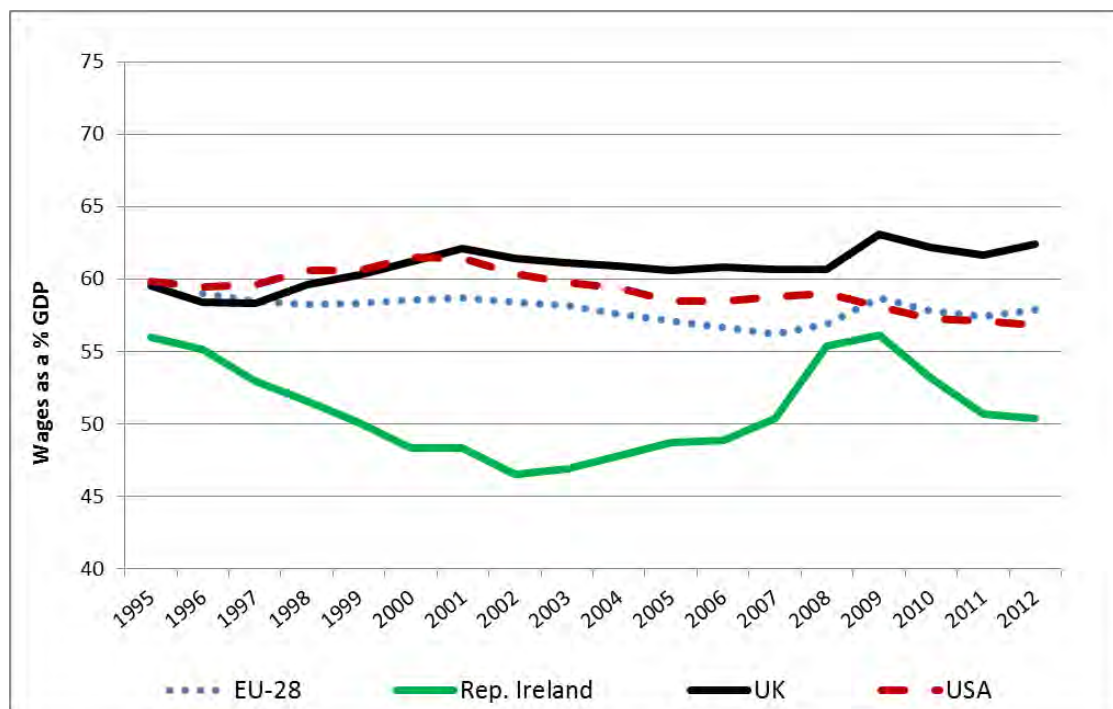
## Indicator 4.5 Share of Wages in Total Income (Selected Countries)

### Indicator defined

Compensation per employee as percentage of GDP expressed at market prices per person employed.

Data is the latest available as of 6 December 2013.

### Chart 4.5 Share of wages as a % GDP (1995-2012)



**Table 4.5 Share of wages as a % GDP (1960-2012)**

Year	Rep. Irl	UK	US	EU-27	Euro-18
1960	67.8	63.8	62.9	n/a	n/a
1970	67.3	64.8	63.6	n/a	n/a
1980	70.0	65.3	62.1	n/a	n/a
1985	62.8	62.2	60.1	n/a	n/a
1990	59.4	64.4	61.0	n/a	n/a
1991	59.7	65.0	61.2	n/a	n/a
1992	60.7	64.6	61.2	n/a	n/a
1993	60.2	63.1	60.8	n/a	n/a
1994	59.0	60.1	60.0	n/a	n/a
1995	56.0	59.6	59.8	n/a	59.5
1996	55.1	58.4	59.5	59.0	59.3
1997	53.0	58.4	59.6	58.5	58.7
1998	51.6	59.6	60.6	58.2	58.1
1999	50.0	60.3	60.6	58.3	58.1
2000	48.3	61.2	61.5	58.5	58.0
2001	48.3	62.1	61.4	58.7	57.9
2002	46.5	61.4	60.3	58.4	57.8
2003	46.9	61.1	59.7	58.2	57.7
2004	47.8	60.9	59.3	57.6	57.0
2005	48.7	60.6	58.4	57.1	56.6
2006	48.8	60.8	58.4	56.6	56.0
2007	50.4	60.7	58.7	56.2	55.4
2008	55.4	60.7	59.0	56.9	56.4
2009	56.1	63.1	58.1	58.7	58.2
2010	53.2	62.2	57.2	57.8	57.4
2011	50.7	61.6	57.1	57.4	57.2
2012	50.4	62.4	56.8	57.9	57.5

## Interpretation

The wage share is determined by capital intensity, technology and institutional factors. Globally there has been a general decline in the wage share, but Ireland's sharp decline since the 1990s, followed by partial recovery in 2007-2010, is unique.

## Technical Notes

The wage share is the total compensation of employees (wages plus social insurance) divided by GDP. The wage share is adjusted by AMECO to account for self-employed workers.

## Source(s)

AMECO online database (variable ALCD0)



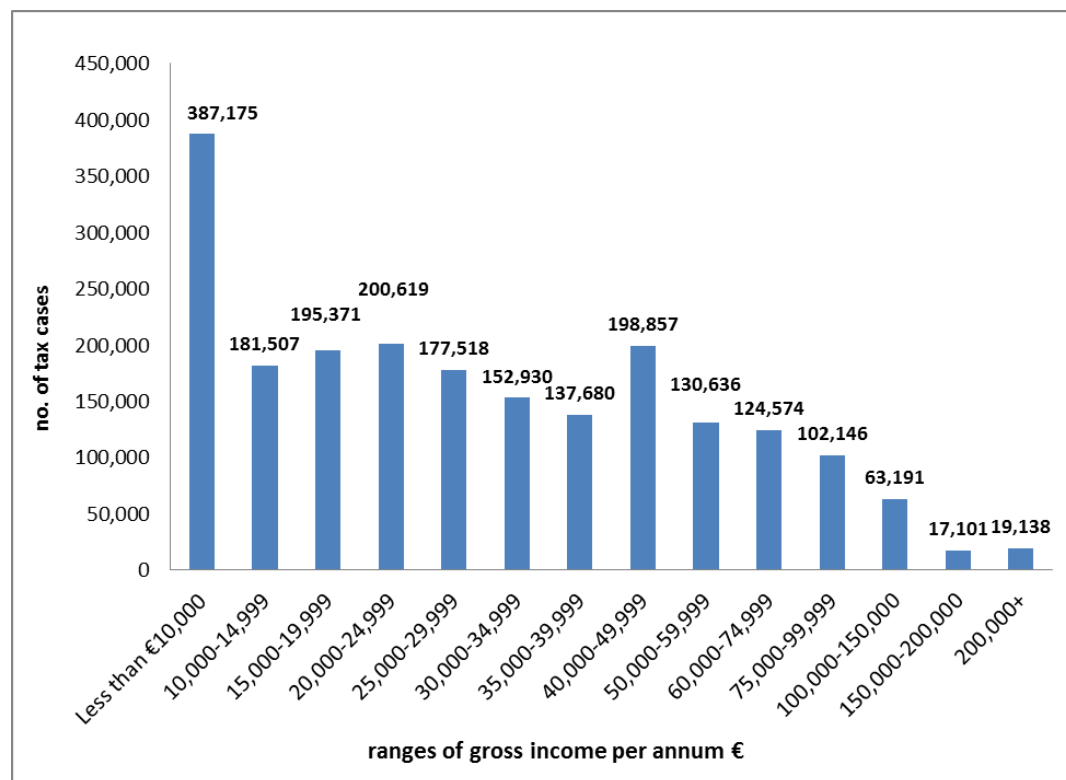
## Indicator 4.6a Distribution of Earnings (Republic of Ireland)

### 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 6 December 2013.

Chart 4.6a Distribution of Tax Cases by income range



**Table 4.6a Distribution of Tax Cases by income range**

From €	To €	No. of cases	% total
-	10,000	387,175	18.54
10,000	12,000	71,719	3.43
12,000	15,000	109,788	5.26
15,000	17,000	72,768	3.48
17,000	20,000	122,603	5.87
20,000	25,000	200,619	9.61
25,000	27,000	74,917	3.59
27,000	30,000	102,601	4.91
30,000	35,000	152,930	7.32
35,000	40,000	137,680	6.59
40,000	50,000	198,857	9.52
50,000	60,000	130,636	6.26
60,000	75,000	124,574	5.96
75,000	100,000	102,146	4.89
100,000	150,000	63,191	3.03
150,000	200,000	17,101	0.82
200,000	275,000	9,308	0.45
over	275,000	9,830	0.47
<b>Totals</b>		<b>2,088,443</b>	<b>100.00</b>

### Interpretation

The Revenue Commissioners income tax data for 2010 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 36.5% of tax cases reported a gross income of less than €20,000. The data show that just over 40% 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 and from the income distribution tables within that 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. The final tax payments for 2010 were settled in late 2011 and the data from these returns, used above, was published in the Revenue Commissioners 2012 report for the year ending December 31<sup>st</sup> 2011.

### Source(s)

Revenue Commissioners (2012) Statistical Report for year ended 31st December, 2011. See: [www.revenue.ie/en/about/publications/statistical-reports.html](http://www.revenue.ie/en/about/publications/statistical-reports.html)

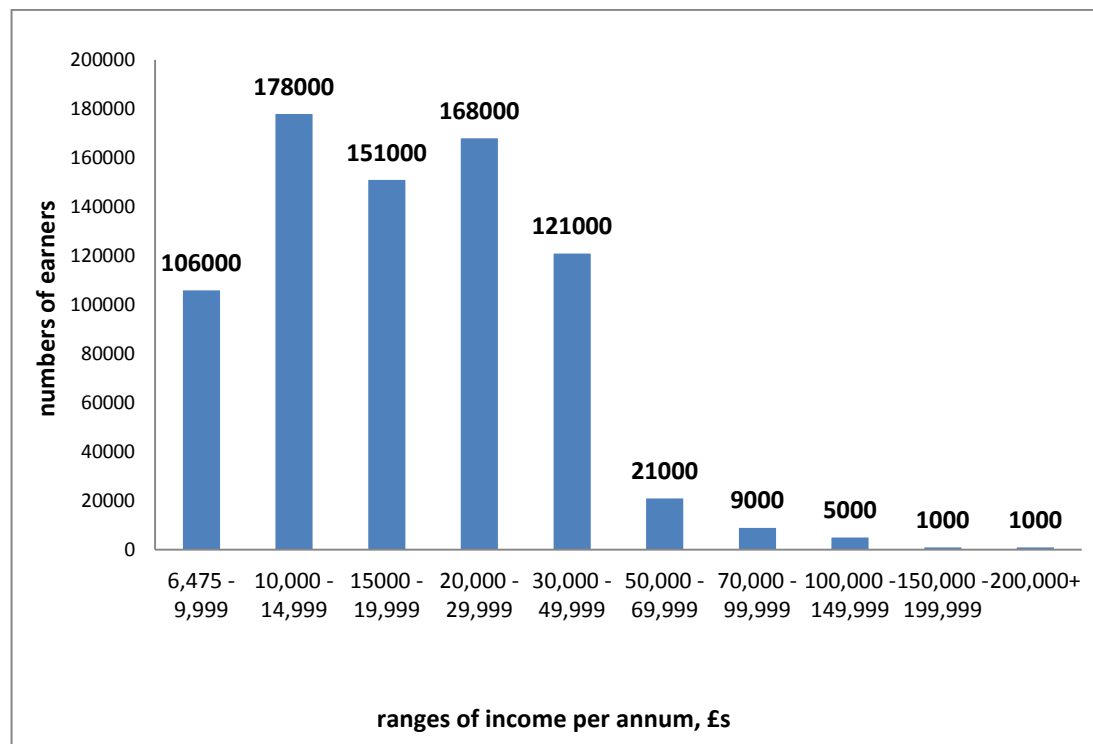
## Indicator 4.6b Distribution of Earnings (Northern Ireland)

### Indicator defined

Distribution of earners by total income from employment, self-employment, pension and investment in Northern Ireland for the year 2010/11

Data is the latest available as of 3 December 2013.

Chart 4.6b Distribution of Earners by income range



**Table 4.6b Distribution of earners by income range in Northern Ireland, financial year 2010/11**

Income Range £s	No. of earners	% of earners	Income £m	% of income
6,475 - 9,999	106,000	13.93%	871	4.95%
10,000 - 14,999	178,000	23.39%	2,210	12.56%
15,000 - 19,999	151,000	19.84%	2,630	14.95%
20,000 - 29,999	168,000	22.08%	4,090	23.25%
30,000 - 49,999	121,000	15.90%	4,560	25.92%
50,000 - 69,999	21,000	2.76%	1,190	6.77%
70,000 - 99,999	9,000	1.18%	710	4.04%
100,000 - 149,999	5,000	0.66%	588	3.34%
150,000 - 199,999	1,000	0.13%	219	1.25%
200,000+	1,000	0.13%	522	2.97%
<b>Total</b>	<b>761,000</b>	<b>100%</b>	<b>17,590</b>	<b>100%</b>

### Interpretation

The data for this indicator is compiled using income tax receipts for Northern Ireland in the financial year 2010/11. The data show that just over 48% 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 4.5% of total income reported, incomes over £200,000 represent the same percentage of total income. The largest numbers of earners are those with incomes of £10,000 to £15,000, yet this band only represents 12.5% of total income in Northern Ireland.

### Technical Notes

The data is from the results of the HMRC Survey of Personal Incomes 2010-11 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 (2013) Personal Incomes Statistics 2010-11 Tables 3.11-3.15a