

Earnings growth and inequality in Ireland: 1987-2017

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Presented by

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with Paul Redmond)**



How have earnings evolved over the last 30 years?

New insights from harmonised, pooled survey data

- 1987 ESRI Survey of Income Distribution, Poverty & Usage of State Services (ESRI survey)
- 1994-1999 Living in Ireland Survey (LIIS)
- 2014-2017 Survey of Incomes and Living Conditions (SILC)

Builds on previous work examining shorter-run changes

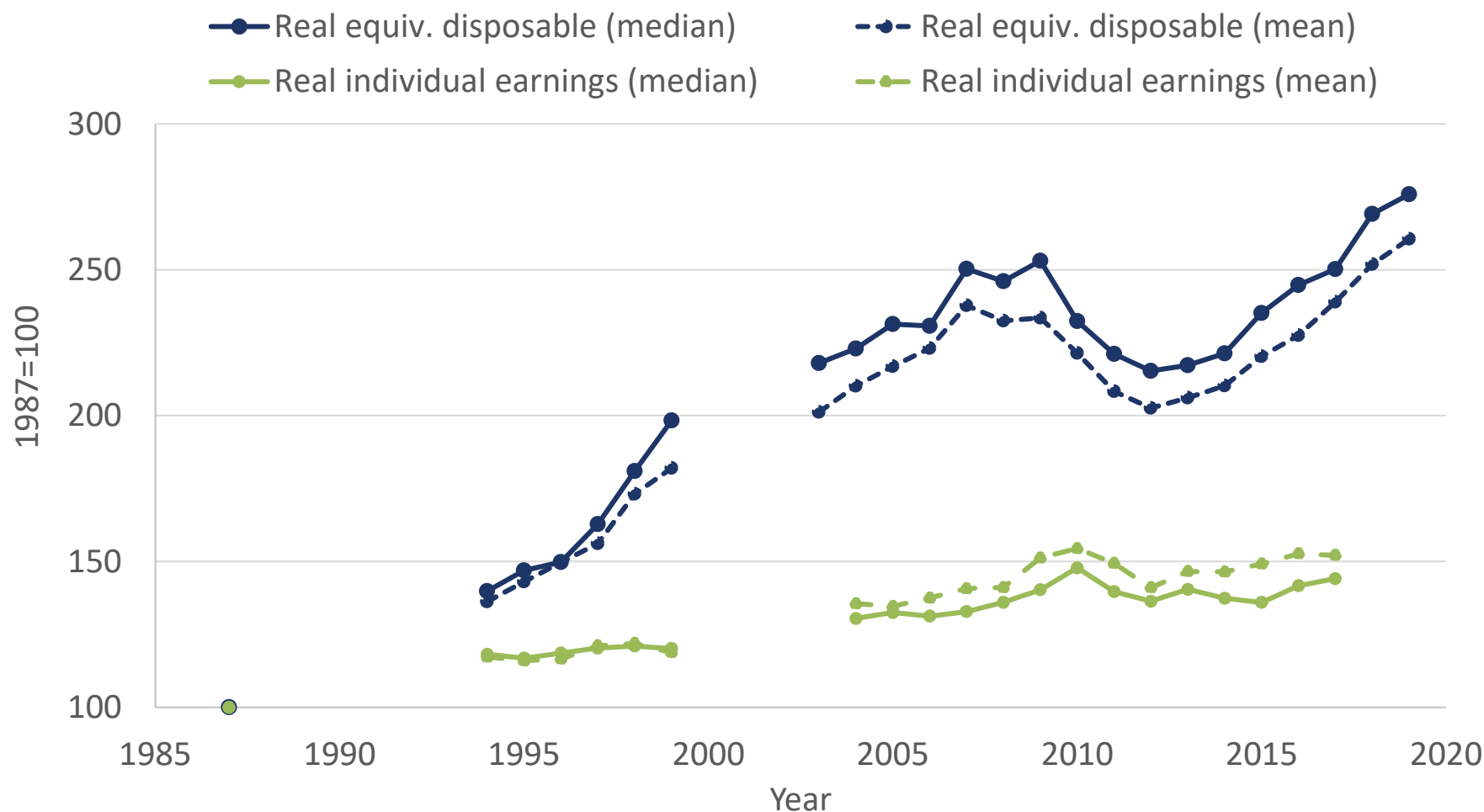
- Walsh & Whelan (1976), Reilly (1987, 1990, 1995), Callan (1991), Callan & Wren (1994), Barrett et al. (2002), Nolan and Maître (2004), Atkinson and Nolan (2010), Collins (2015) etc.

Average real weekly earnings grew by 50% 1987-2017



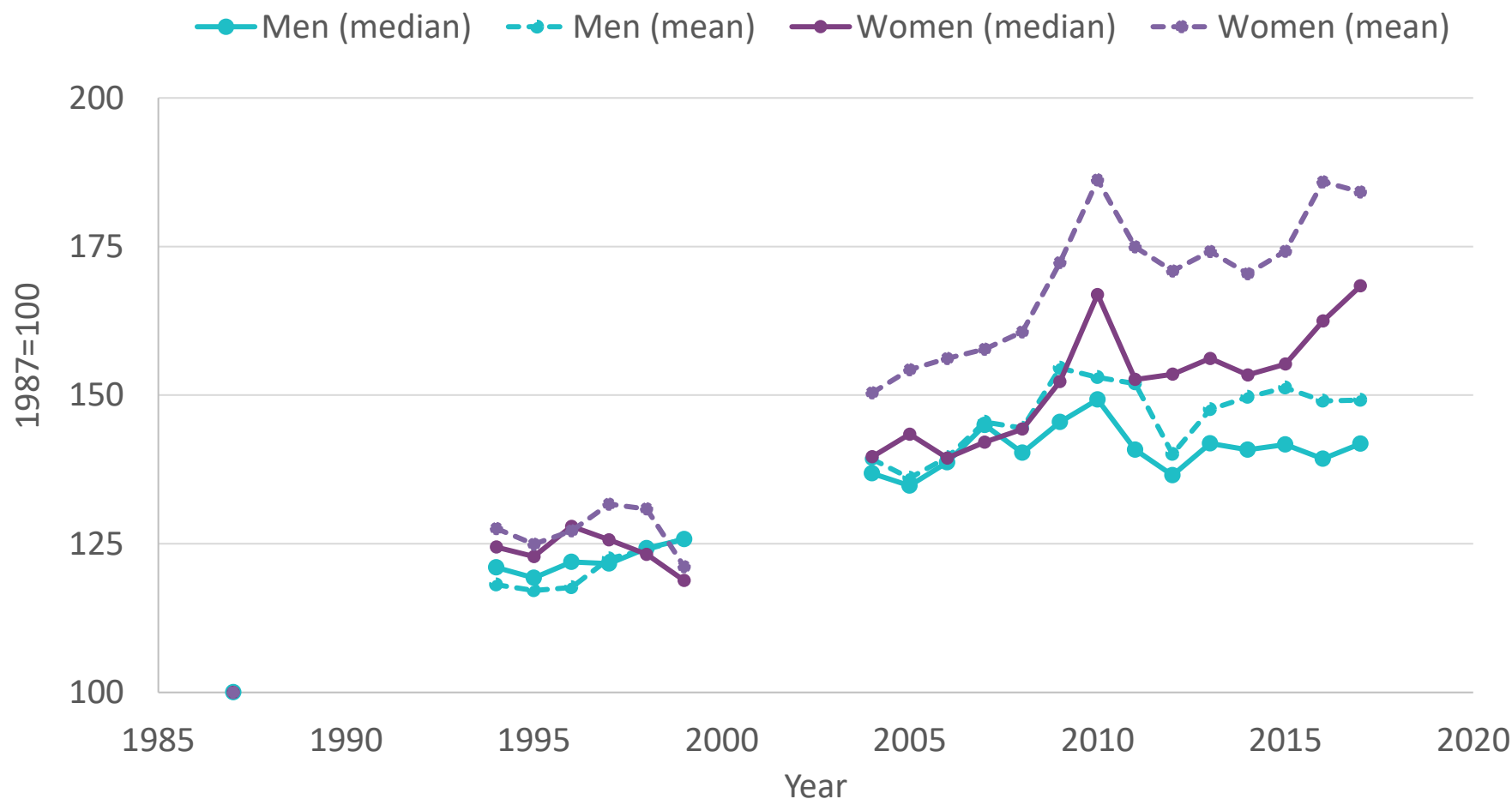
Note: Authors' calculations using the ESRI Survey of Income Distribution, Poverty and Usage of State Services, the Living in Ireland Survey and the Survey of Income and Living Conditions Research Microdata

... much slower than net incomes over same period



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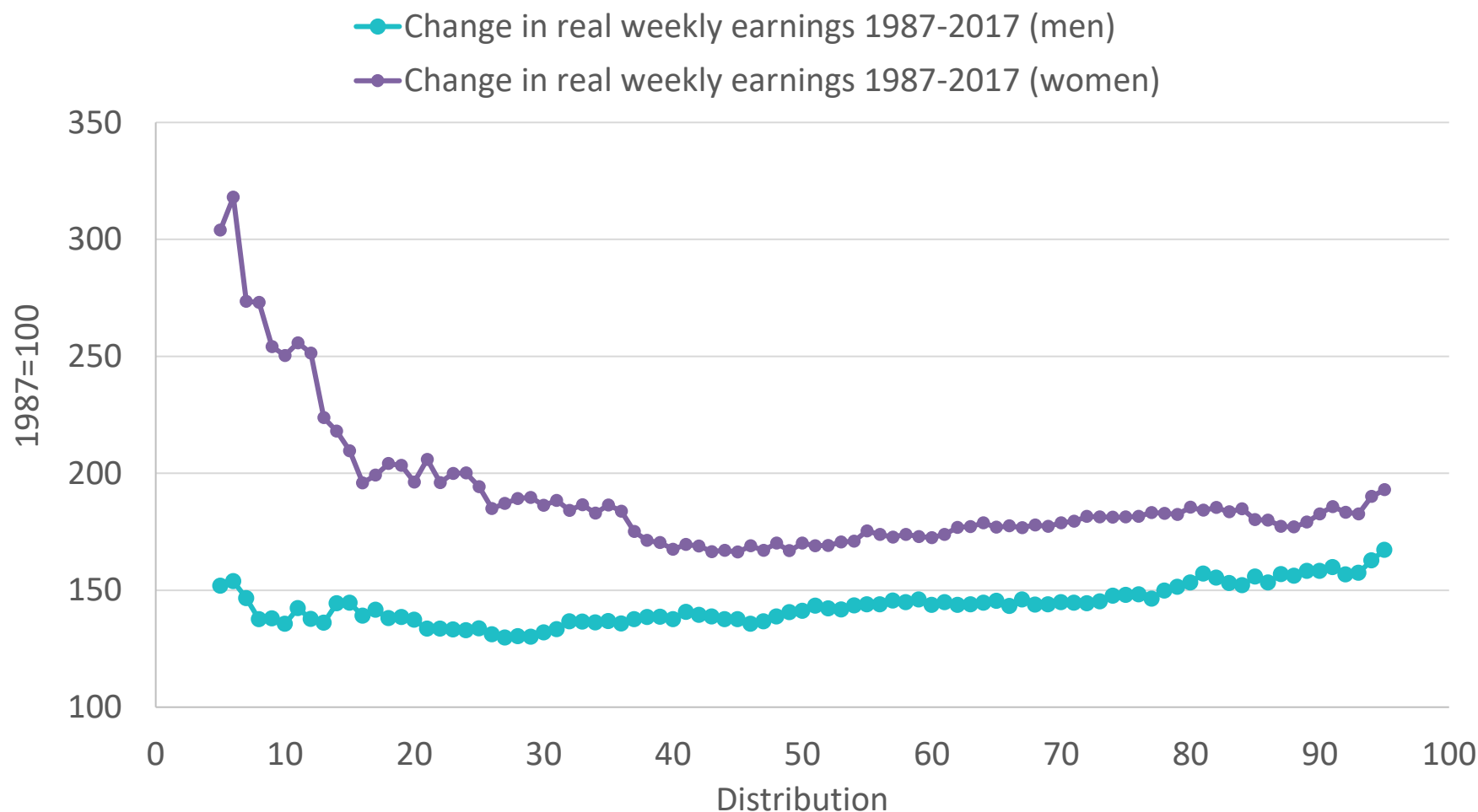
Growth faster for women than for men



Note: Authors' calculations using the ESRI Survey of Income Distribution, Poverty and Usage of State Services, the Living in Ireland Survey and the Survey of Income and Living Conditions Research Microdata

5 Files. Expressed in 2019 prices in terms of equivalent amounts for a single adult living alone.

... especially lower down the earnings distribution



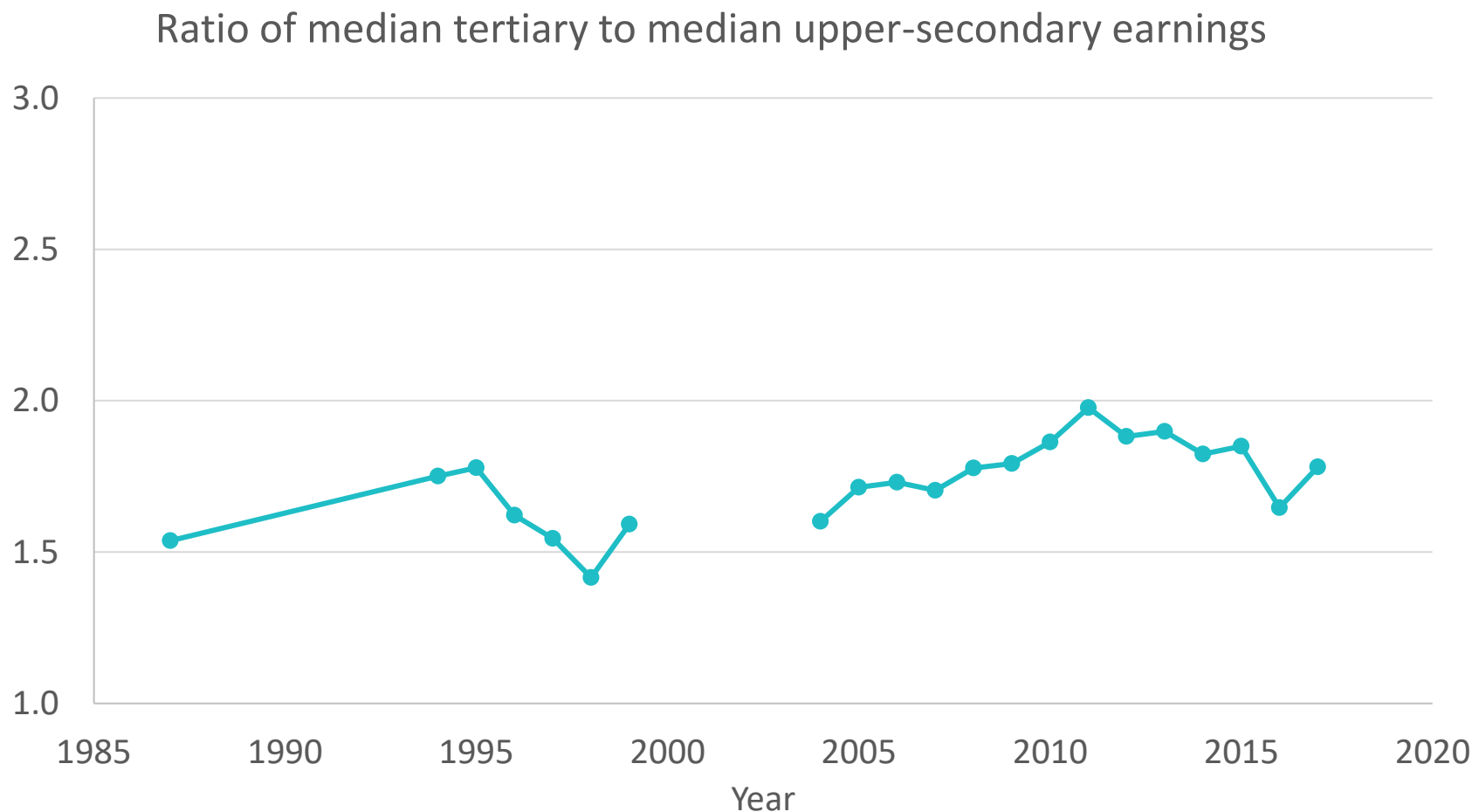
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While much growth driven by rising education levels



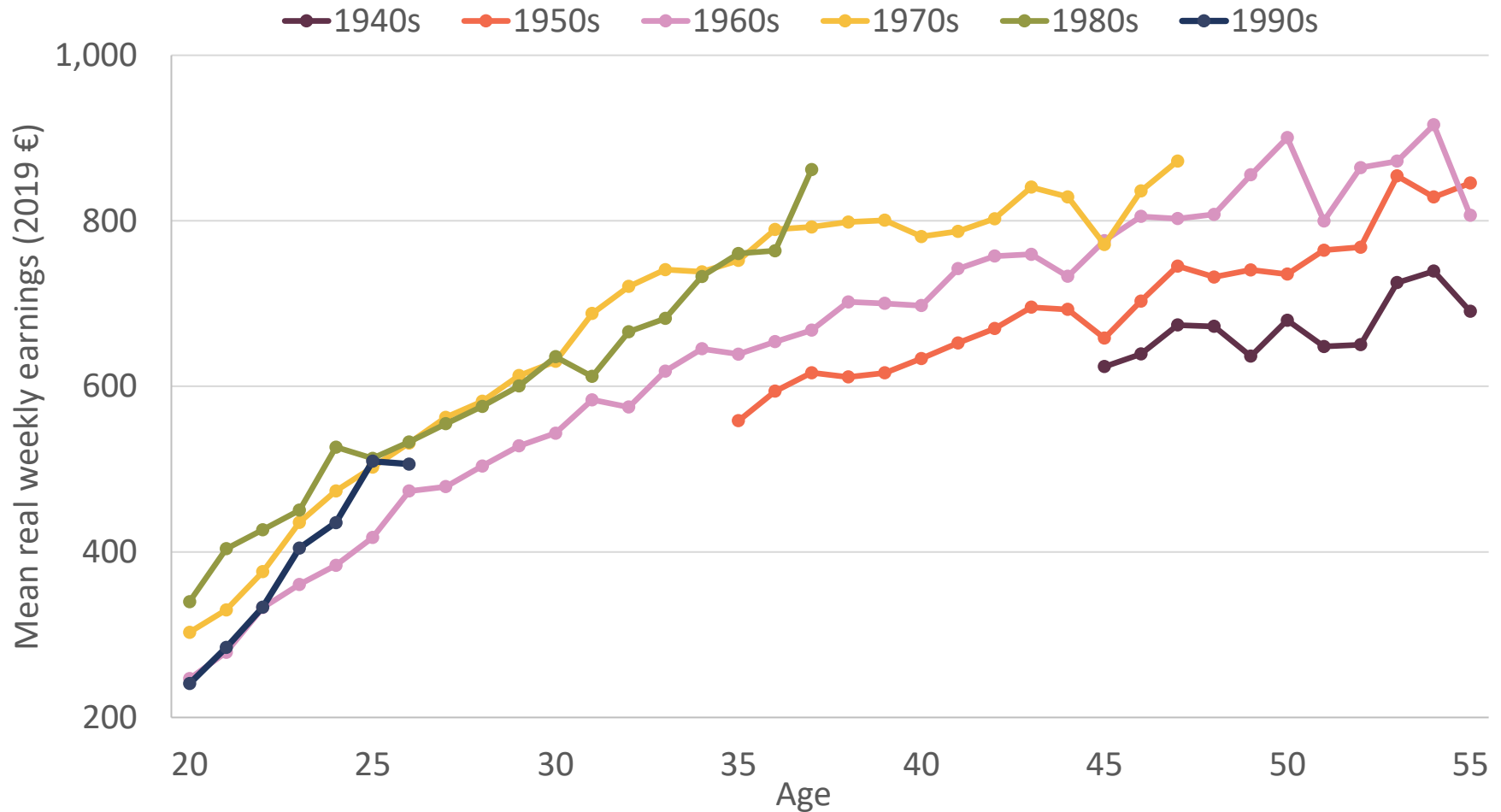
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... has also been a rise in tertiary education premium



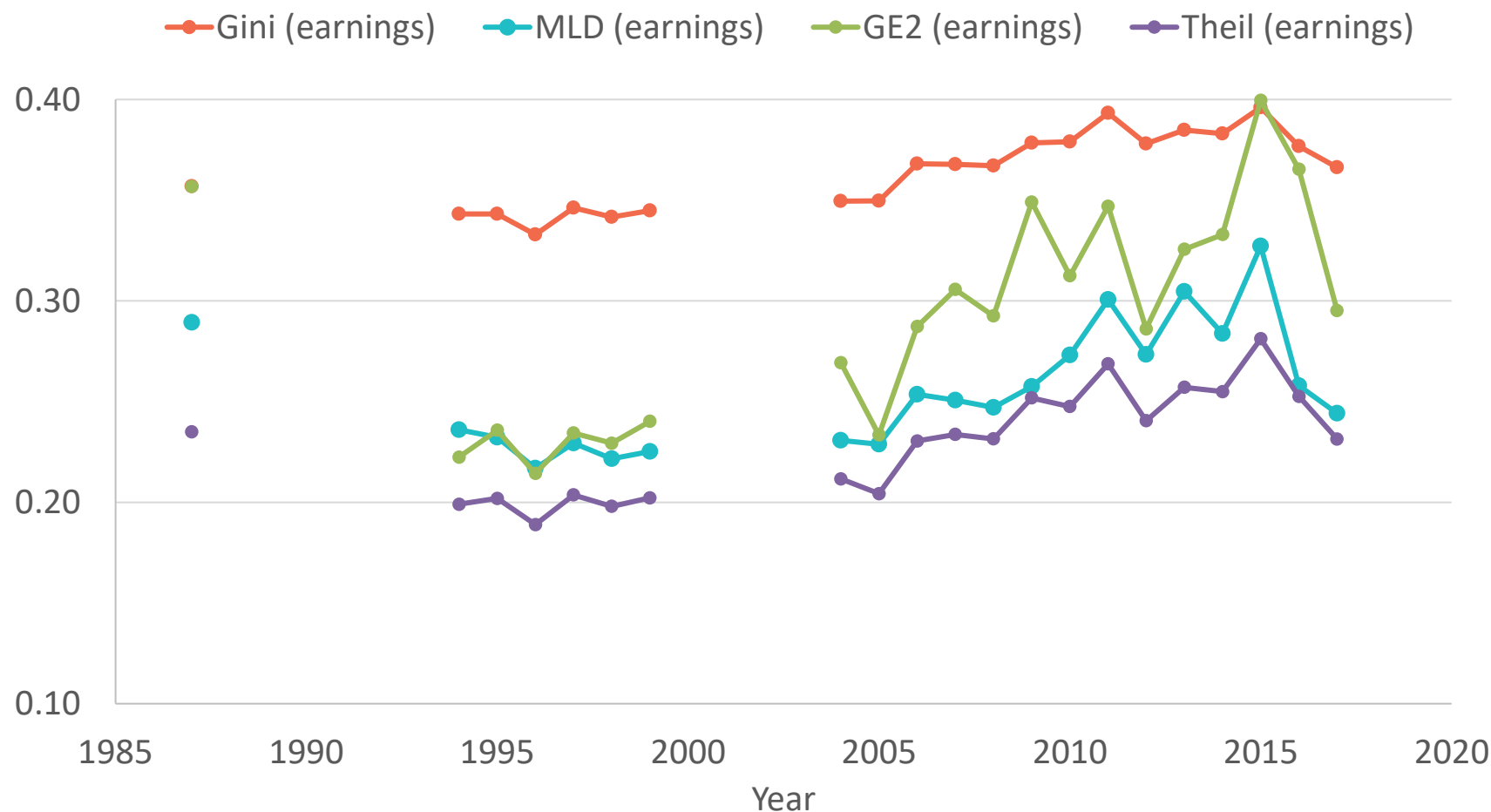
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... as well as stagnation of earnings for younger adults



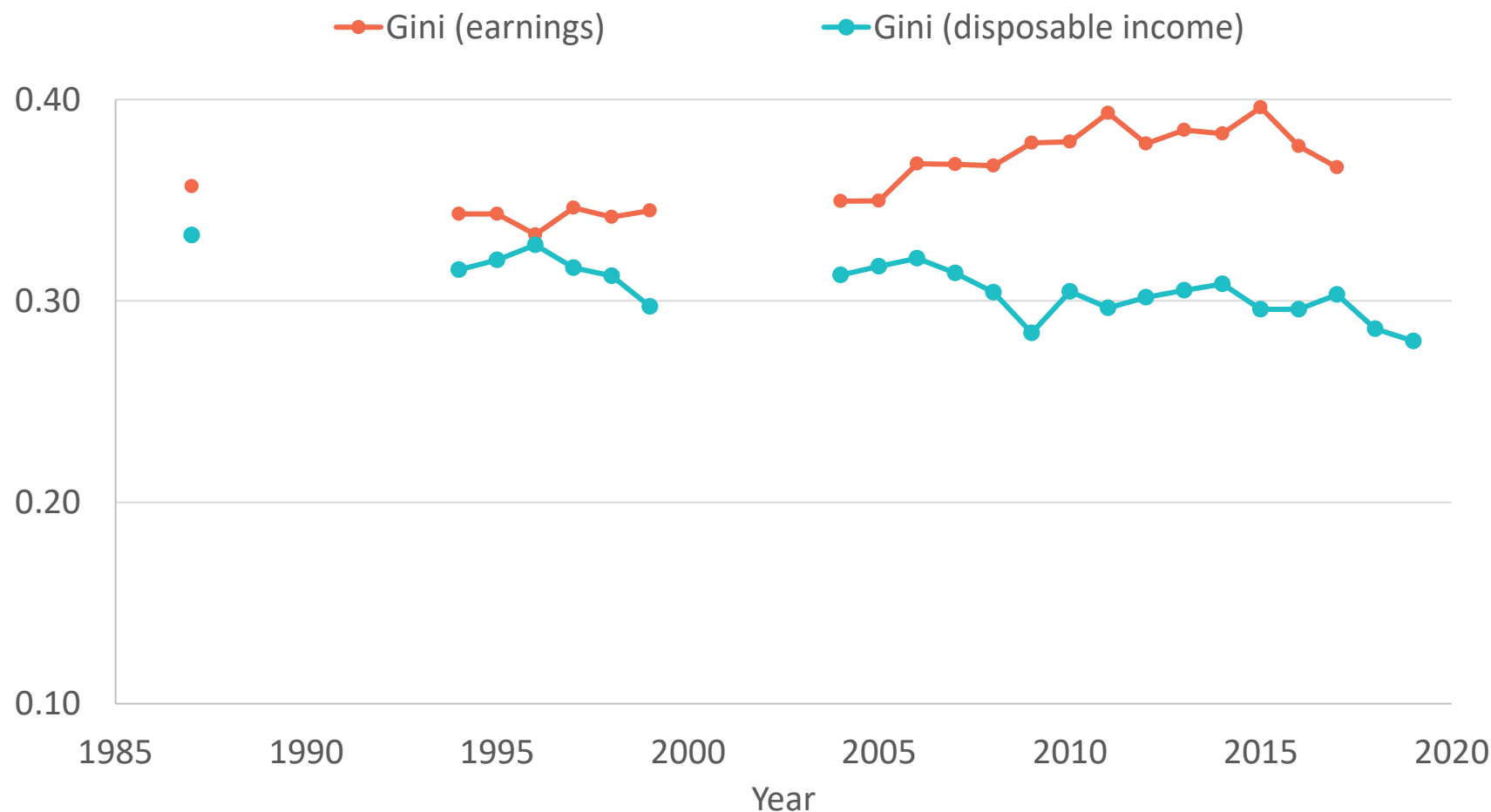
Note: See Figure 4.5 in Roantree et al. (2021). 'POVERTY, INCOME INEQUALITY AND LIVING STANDARDS IN IRELAND'.

Combined effect is rise in overall earnings inequality



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... at same time as falling disposable income inequality



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Next steps/future research

How much of growth the result of rising education levels?

- How does this vary across the distribution of earnings?

What is driving differences in earnings growth by sex?

- Increase in hours or wages? Changes in occupational sorting?

Anything else?