

• Annual Published: 22<sup>nd</sup> May 2018

This publication presents annual estimates of the percentage and number of people, children, working age adults and pensioners living in low income households in Northern Ireland (NI). The estimates are used to monitor poverty rates in Northern Ireland. The estimates for all individuals in Relative and Absolute Poverty, both before and after housing costs, are included in the Draft Programme for Government. The data published is for the financial year April 2016 to March 2017.

The high level estimates in this bulletin are in advance of more detailed analysis in the Households Below Average Income Northern Ireland 2016/17 publication, which is due to be released in Summer 2018. **Unless specifically stated, annual changes in the numbers and percentages presented in this report are not statistically significant.**

## Poverty Threshold

Relative Poverty Threshold  
UK 2016/17 BHC



Absolute Poverty Threshold UK 2016/17 BHC



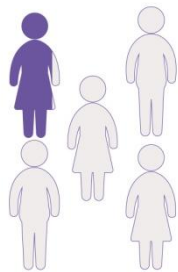
Poverty thresholds (based on equivalised figures) for a Couple with NO children.

## Median Weekly Income BHC

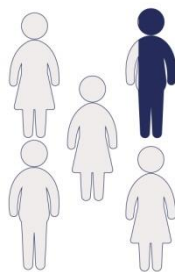


In 2016/17 the average (median) income in Northern Ireland increased by 3%.

## Individuals in Poverty

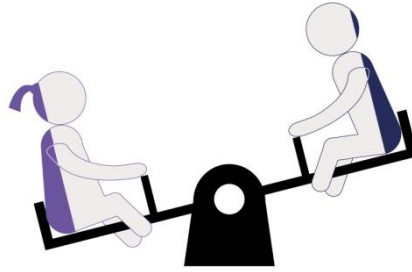


Relative Poverty BHC = 18%



Absolute Poverty BHC = 15%

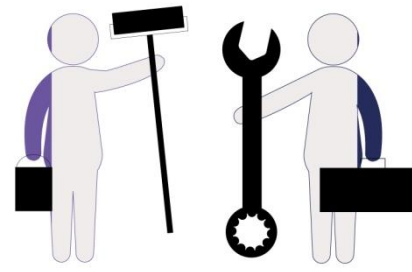
## Children in Poverty



Relative Poverty BHC = 22%

Absolute Poverty BHC = 18%

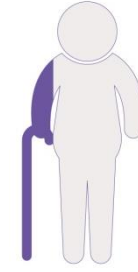
## Working Age in Poverty



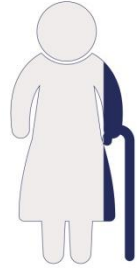
Relative Poverty BHC = 16%

Absolute Poverty BHC = 14%

## Pensioners in Poverty



Relative Poverty BHC = 19%



Absolute Poverty BHC = 16%

## Definitions



- An individual is considered to be in relative poverty if they are living in a household with an equivalised income below 60% of UK median income in the **year in question**.
- This is a measure of whether those in the lowest income households are keeping pace with the growth of incomes in the **population as a whole**.
- In **2016/17** the relative poverty threshold for a couple with no children was an income of **£296 per week** (BHC) from all sources.
- For a couple with children the threshold would be higher and for a single person (without children) the threshold would be lower.
- An individual is considered to be in absolute poverty if they are living in a household with an equivalised income below 60% of the (inflation adjusted) **UK median income in 2010/11**.
- This is a measure of whether those in the lowest income households are seeing their **incomes rise in real terms**.
- In **2016/17** the absolute poverty threshold for a couple with no children was an income of **£280 per week** (BHC).

Income Before Housing Costs (BHC)		Income After Housing Costs (AHC)
<b>Includes the following Components</b>	<b>Does not Include the following Components</b>	<b>Income after Housing Costs (AHC)</b> is derived by deducting a measure of housing costs from the income measure shown opposite.
<ul style="list-style-type: none"> <li>• Net earnings from employment;</li> <li>• Profit or loss from self-employment;</li> <li>• All Social Security benefits and Tax Credits;</li> <li>• Income from occupational and private pensions;</li> <li>• Investment income;</li> <li>• Maintenance payments, if a person receives them directly;</li> <li>• Income from educational grants and scholarships.</li> </ul>	<ul style="list-style-type: none"> <li>• Income tax payments;</li> <li>• National Insurance contributions;</li> <li>• Domestic rates / council tax;</li> <li>• Contributions to occupational pension schemes;</li> <li>• Student loan repayments;</li> <li>• All maintenance and child support payments; which are deducted from the income of the person making the payment;</li> <li>• Parental contributions to students living away from home.</li> </ul>	<p><b>Housing costs</b> These include the following:</p> <ul style="list-style-type: none"> <li>• rent (including housing benefit);</li> <li>• mortgage interest payments;</li> <li>• structural insurance premiums (for owner occupiers); and</li> <li>• ground rent and service charges.</li> </ul> <p>While the AHC measure is comparable between NI and UK, BHC analysis is not. This is due to the difference in the way water charges are collected.</p>

The figures relevant to all the charts in this bulletin are estimates based on a sample survey (Family Resource Survey) and are therefore subject to sampling error. Sampling error is the error caused by observing a sample instead of the whole population. Therefore, **caution should be exercised in the interpretation of year-on-year fluctuations**. Identification of trends should be based on data for several years.

# Low Income Indicators

## Relative Low-Income levels for Population Groups, 2006/07 to 2016/17, NI



## Relative Low Income

The relative poverty figures presented below are **Before Housing Costs (BHC)** in **2016/17**

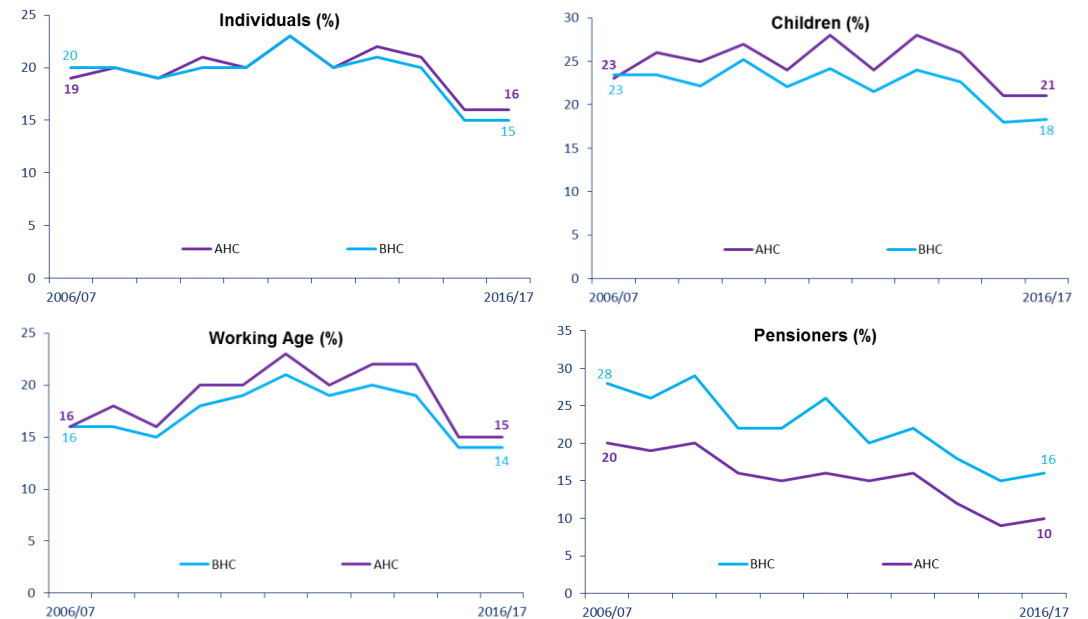
- **18% of individuals** were in poverty, approximately **336,000 individuals**. This is comparable to the 2015/16 estimate of 17%.
- **22% of children** were in poverty, approximately **99,000 children**. This is comparable to the 2015/16 estimate of 21%.
- **16% of working-age adults** were in poverty, approximately **181,000 working-age adults**. This remains the same as 2015/16.
- **19% of pensioners** were in poverty, approximately **57,000 pensioners**. This is comparable to the 2015/16 estimate of 17%.
- **The only statistically significant change for relative poverty was seen in the After Housing Costs (AHC) measure for all individuals. 20% of individuals were in poverty, approximately 360,000 individuals, compared to 18% in 2015/16.**

## Absolute Low Income

The absolute poverty figures presented below are BHC in **2016/17**

- **15% of individuals** were in absolute poverty, representing approximately **281,000 individuals**. This estimate is the same as that in 2015/16.
- **18% of children** were in absolute poverty, representing approximately **82,000 children**. This estimate is the same as that in 2015/16.
- **14% of working-age adults** were in absolute poverty, representing approximately **153,000 working-age adults**. This estimate is the same as that in 2015/16.
- **16% of pensioners** were in absolute poverty, representing approximately **46,000 pensioners**. This is comparable to the 2015/16 estimate of 15%.
- For three of the four population sub groups the percentages in absolute poverty (BHC) remained at their lowest levels over the time series. Only the estimate for the Pensioners sub group saw an increase on the 2015/16 figure.

## Absolute Low-Income levels for Population Groups, 2006/07 to 2016/17, NI



## About these statistics

### National Statistics

The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Services Act 2007 and signifying compliance with the Code of Practice for Official Statistics. Designation can broadly be interpreted to mean that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods; and
- are managed impartially and objectively in the public interest.

### Where to find out more

Supporting data tables are available via the following link:

<https://www.communities-ni.gov.uk/topics/family-resources-survey#toc-1>

A Quality and Methodology Information Report, is available here

<https://www.communities-ni.gov.uk/sites/default/files/publications/communities/hbai-2015-16-quality-methodology-information-report.pdf>

### Other FRS Publications

#### *Northern Ireland Urban Rural report*

<https://www.communities-ni.gov.uk/publications/urban-rural-report-northern-ireland-2014-2015>

#### *Northern Ireland households below average income*

<https://www.communities-ni.gov.uk/publications/households-below-average-income-northern-ireland-201516>

#### *Family Resources Survey report - Northern Ireland*

<https://www.communities-ni.gov.uk/topics/family-resources-survey>

#### *Pensioners' income series - Northern Ireland*

<https://www.communities-ni.gov.uk/publications/pensioners-income-series-2014-2015>

### Equivalisation

Income data from HBAI is adjusted (or equivalised) to take into account variations in both the size and composition of households. A more detailed explanation can be found at the following link:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/530659/hbai-low-income-how-is-it-measured-infographic.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/530659/hbai-low-income-how-is-it-measured-infographic.pdf)

### Using the FRS for analysis

#### *Coverage*

Figures in this bulletin are derived from an analysis of the Family Resource Survey. The FRS is designed to be representative of all private households in the United Kingdom. Therefore certain individuals are not included – for example, students in halls of residence and individuals in nursing or retirement homes.

#### *Sample design*

The FRS uses a systematic stratified sample designed to produce robust regional estimates. In some of the reports DFC have had to combine several years of data to produce analysis at Local Government District level.

#### *Sample size*

Although the FRS sample of approximately 2,000 NI households is relatively large for a household survey, small sample sizes for particular subgroups may require several years of data to be combined.

#### *Sampling Error*

Results from surveys are estimates and not precise figures – in general terms the smaller the sample size, the greater the uncertainty.

Results in this report are subject to a margin of error which can affect how changes should be interpreted, especially in the short term. Latest estimates should be considered alongside medium and long-term patterns.

#### *Non-Sampling Error*

Survey data represent the information as provided by the respondents to the survey. If people give inaccurate responses or certain groups of people are less likely to respond this can introduce biases and errors. Non-sampling error is minimised in the FRS through effective and accurate sample and questionnaire design, active fieldwork management, the use of skilled and experienced interviewers and extensive quality assurance of the data. However, it is not possible to eliminate non-sampling error completely, nor can it be easily quantified.