Poverty Bulletin: Northern Ireland 2019/20

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 NI. The estimates for all individuals in Relative and Absolute Poverty, before housing costs, are included as outcome indicators in the NI Executive's Outcomes Delivery Plan. The data published is for the financial year April 2019 to March 2020.

The high level estimates in this bulletin are in advance of more detailed analysis in the Households Below Average Income Northern Ireland 2019/20 publication, which is due to be released in Summer 2021. **Unless specifically stated, annual changes in the numbers and percentages presented in this report are not statistically significant.**

Poverty Thresholds (BHC) UK – 2019/20
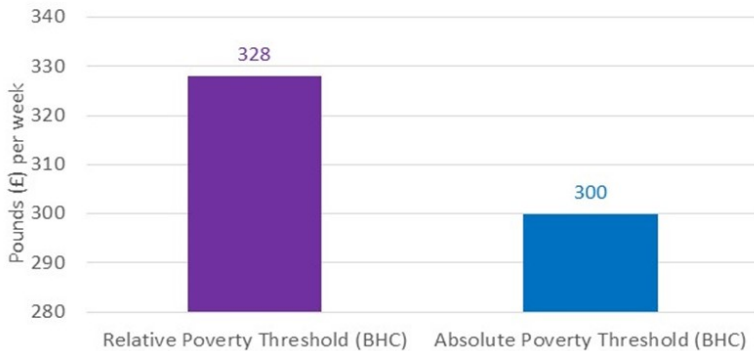
In 2019/20, the UK relative poverty (BHC) threshold was £328, and the UK absolute poverty (BHC) threshold was £300. These thresholds are for a couple with no children (the equivalised income reference).

Median Weekly Income (BHC) NI
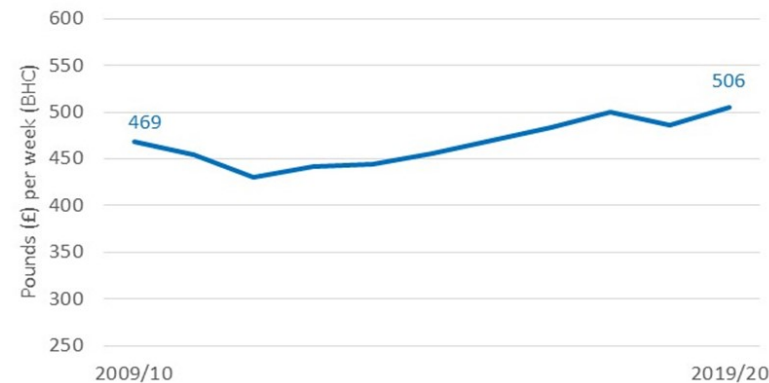
In 2019/20, the average (median) income in Northern Ireland increased to £506 per week compared to £487 per week in 2018/19, a 4% increase.

Individuals, Children, Working Age Adults and Pensioners in Poverty (BHC) NI – 2019/20
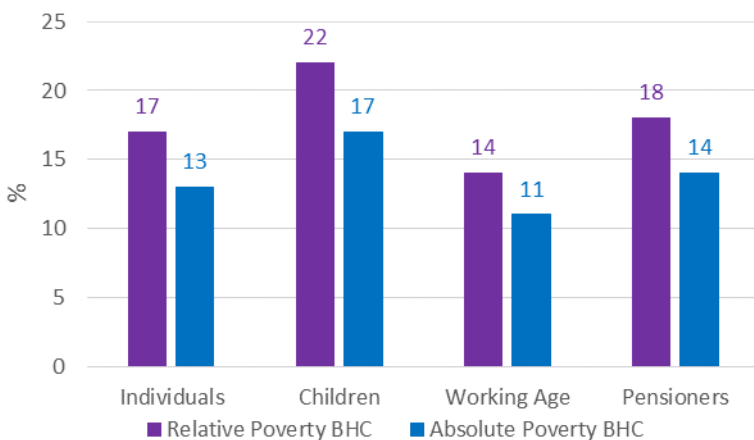
Across all of the population sub groups, relative poverty BHC is higher than absolute poverty BHC. In 2019/20 17% of individuals were in Relative Poverty BHC. This equates to 313,000 people. 13% of individuals were in Absolute Poverty BHC equating to 241,000 people.

Individuals in Relative and Absolute Poverty Over Time (BHC) NI
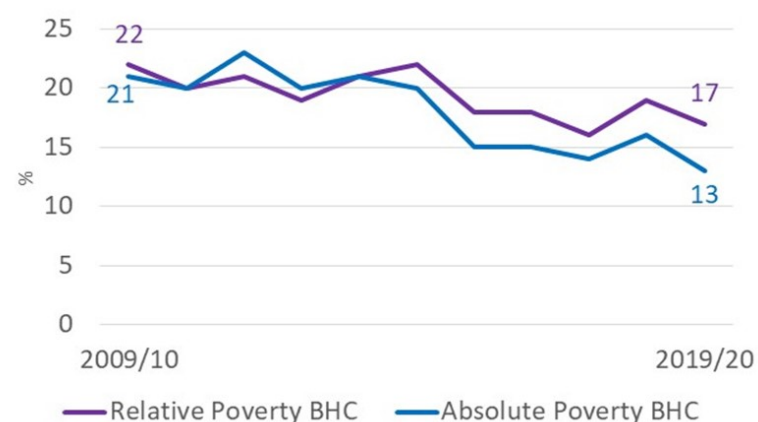
The decrease in Individuals in Relative Poverty BHC from 19% (2018/19) to 17% (2019/20) is not statistically significant, however the decrease in Absolute Poverty BHC from 16% (2018/19) to 13% (2019/20) is a **Statistically Significant** Decrease.

Definition

Relative Low Income — Based on the UK median of the current year

POVERTY MEASURES

Absolute Low Income — Based on the inflation adjusted UK median of the 2010/11 year which allows comparisons over time

- 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 **2019/20** the relative poverty threshold for a couple with no children was an income of **£328 per week** (BHC) from all sources (£17,151 per year).
- 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 **2019/20** the absolute poverty threshold for a couple with no children was an income of **£300 per week** (BHC) (£15,698 per year).

Income Before Housing Costs (BHC)		Income After Housing Costs (AHC)
Includes the following Components	**Income is net of**	**Income after Housing Costs** (AHC) is derived by deducting a measure of housing costs from the income measure shown opposite.

Income Before Housing Costs (BHC)

Includes the following Components
- **Net earnings from employment;**
- **Profit or loss from self-employment;**
- **All Social Security benefits and Tax Credits;**
- **Income from occupational and private pensions;**
- **Investment income;**
- **Maintenance payments;**
- **Income from educational grants and scholarships;**
- **The cash value of certain forms of income in kind, including free school meals.**

Income is net of
- Income tax payments;
- National Insurance contributions;
- Domestic rates / council tax;
- Contributions to occupational pension schemes;
- Student loan repayments;
- All maintenance payments;
- Parental contributions to students living away from home.

Income After Housing Costs (AHC)

Income after Housing Costs (AHC) is derived by deducting a measure of housing costs from the income measure shown opposite.

Housing costs
These include the following:
- Rent (including housing benefit);
- Mortgage interest payments;
- Structural insurance premiums (for owner occupiers); and
- Ground rent and service charges.

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.

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, 2009/10 to 2019/20, NI

Relative Low Income
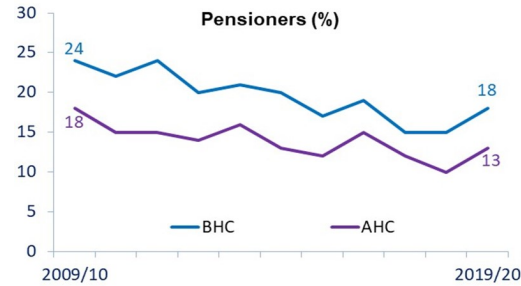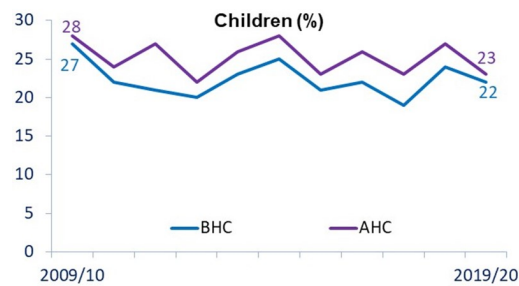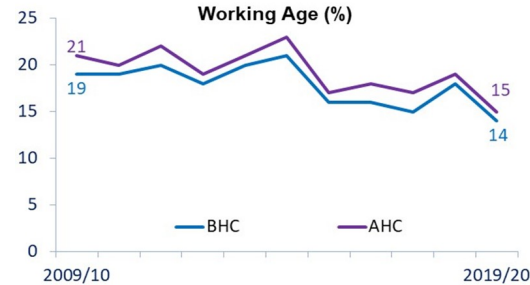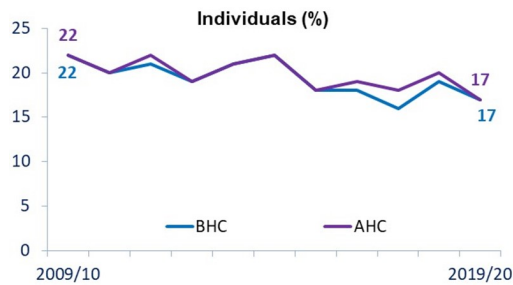
The relative poverty figures presented below are **Before Housing Costs** (BHC) in **2019/20**, however the graphs display figures for both BHC and After Housing Costs (AHC).

- **17%** of **individuals** were in relative poverty, approximately **313,000 individuals**. This is lower than the 2018/19 estimate of 19%.

- **22%** of **children** were in relative poverty, approximately **100,000 children**. This is lower than the 2018/19 estimate of 24%.

- **14%** of **working-age adults** were in relative poverty, approximately **162,000 working-age adults**. This is lower than the 2018/19 estimate of 18%. This change was **statistically significant**.

- **18%** of **pensioners** were in relative poverty, approximately **52,000 pensioners**. This is higher than the 2018/19 estimate of 15%.

Absolute Low Income

The absolute poverty figures presented below are BHC in **2019/20,** however the graphs display figures for both BHC and AHC.

- **13%** of **individuals** were in absolute poverty, representing approximately **241,000 individuals**. This is a decrease on the 2018/19 estimate of 16%. This is a **statistically significant** decrease.
- **17%** of **children** were in absolute poverty, representing approximately **75,000 children**. This is a decrease on the 2018/19 estimate of 21%.
- **11%** of **working-age adults** were in absolute poverty, representing approximately **126,000 working-age adults**. This is a decrease on the 2018/19 estimate of 16%. This is a **statistically significant** decrease.
- **14%** of **pensioners** were in absolute poverty, representing approximately **40,000 pensioners**. This is a rise from the 2018/19 estimate of 12%.

Absolute Low-Income levels for Population Groups, 2009/10 to 2019/20, NI
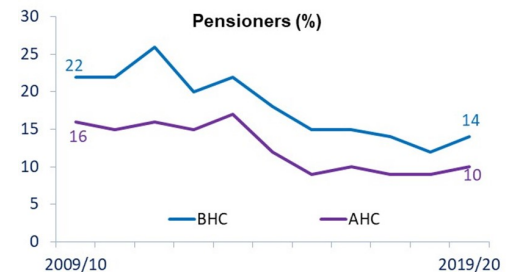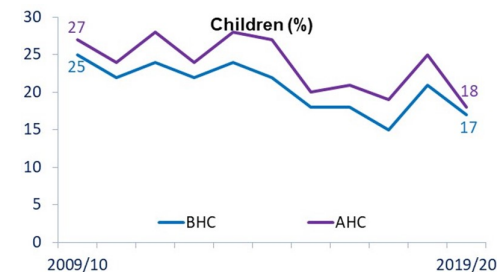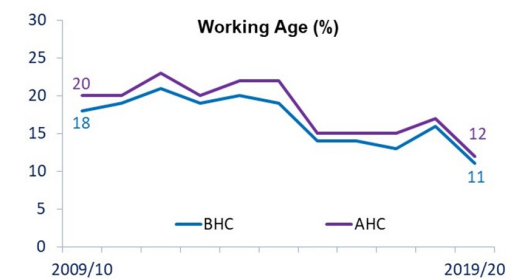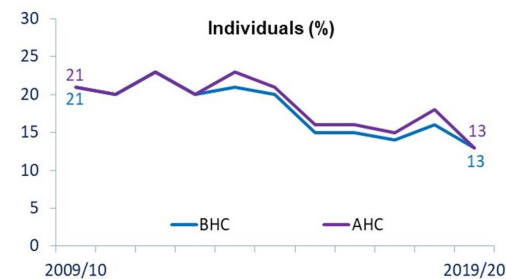
About these statistics

National Statistics Status

In May 2013, the United Kingdom Statistics Authority designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for official Statistics. National Statistics status means the highest standards of trustworthiness, quality and public value.

All official statistics should comply with all aspects of the Code of Practice for Official Statistics. They are awarded National Statistics status following an assessment by the Authority's regulatory arm. The Authority considers whether the statistics meet the highest standards of Code compliance, including the value they add to public decisions and debate.

It is the Departments' responsibility to maintain compliance with the standards expected of National Statistics. If we become concerned about whether these statistics are still meeting the appropriate standards, we will discuss any concerns with the Authority promptly. National Statistics status can be removed at any point when the highest standards are not maintained, and reinstated when standards are restored. Since designation as National Statistics, we have continued to comply with the Code of Practice for Statistics, and have made the following changes: improved data governance protocols, improved quality assurance documentation and moved to a more simplified and visually appealing format, with improved accessibility.

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
hbai-2018-19-quality-methodology-report.pdf (communities-ni.gov.uk)
For other queries, or to provide feedback on this publication please contact:
psu@communities-ni.gov.uk, or telephone: **Alan Anderson 028 90 823588**.

Other FRS Publications

Northern Ireland Households Below Average Income
https://www.communities-ni.gov.uk/topics/family-resources-survey#toc-2

Family Resources Survey report - Northern Ireland
https://www.communities-ni.gov.uk/topics/family-resources-survey#toc-0

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

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.