

Poverty in Northern Ireland 2018

This briefing summarises how poverty rates in Northern Ireland are changing. It is part of JRF's monitoring of changes to poverty rates and the underlying drivers of poverty across the UK.

This briefing accompanies UK Poverty 2017, which looked at trends in poverty in the UK as a whole.

JRF Analysis Unit – **Helen Barnard, Head of Analysis**

What you need to know

- Poverty in Northern Ireland is slightly lower than in England or Wales, but it is higher than in Scotland.
- Poverty among pensioners has fallen considerably over the last decade. Families with children have seen steady or falling poverty rates, but working-age adults without children are now at higher risk of poverty than 10 years ago.
- Northern Ireland has higher worklessness and lower employment than elsewhere, and the proportion of people in poverty in workless households has increased slightly over time, in contrast with the UK as a whole.
- This suggests that the employment rate continues to be a major factor affecting poverty rates in Northern Ireland, and that raising the employment rate could lead to falls in poverty.
- The gap in educational attainment among richer and poorer children has narrowed slightly but remains very large.
- There are more people with no qualifications and fewer people with higher level qualifications in Northern Ireland than in the rest of the UK.
- One in 10 households in the poorest fifth in Northern Ireland are facing problem debt.
- Nearly two thirds of people in the poorest fifth are not paying into a pension, increasing their risk of future poverty.

Poverty rates in Northern Ireland

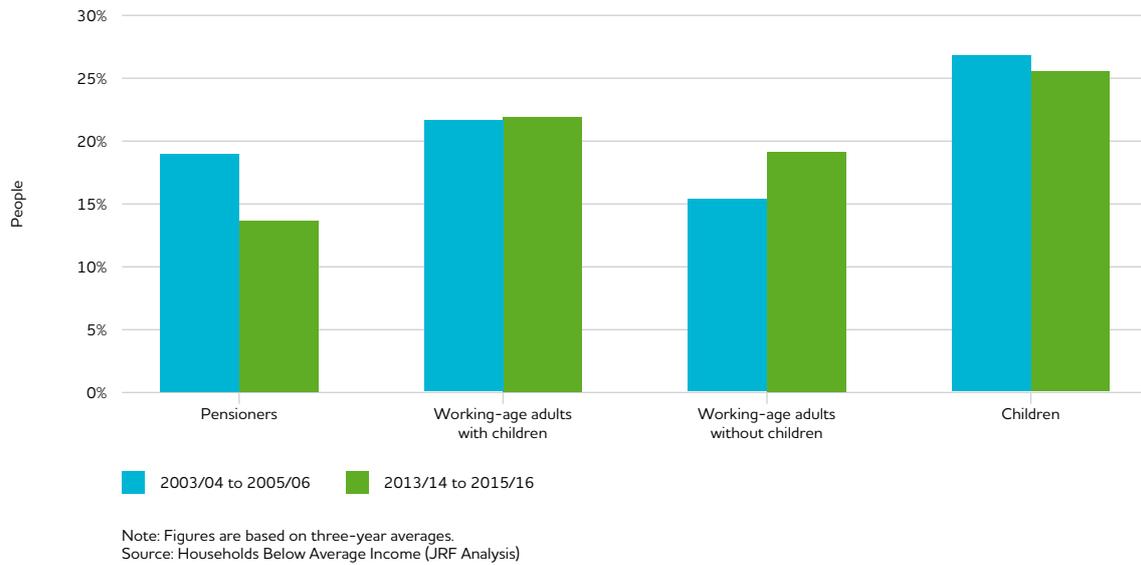
Poverty is when a person's resources are well below their minimum needs, including the need to take part in society. Measuring poverty accurately is difficult, with most measures providing only a partial view. The main poverty indicator used throughout this report is when someone lives in a household whose income, after housing costs (AHC), is less than 60% of median income, adjusted for their household size and type.

This report looks back over 10 years, examines the trends in poverty and related issues in Northern Ireland, and compares these to the situation both in the UK as a whole and in England, Wales and Scotland. Because of small sample sizes for each part of UK in many of the household surveys which are used in this type of analysis, the report concentrates primarily on three-year averages rather than data for single years, particularly in relation to income and poverty ratesⁱ.

It should be noted that Northern Ireland has passed 'mitigation measures' to limit the impacts of certain benefit reforms which are being implemented across the rest of the UK. These measures include protecting people affected by various cuts to disability benefits for up to one year, protecting some families with children from the impact of the benefit cap up to March 2020, extending discretionary support (particularly for those transitioning to Universal Credit) and not implementing the Under-Occupancy Penaltyⁱⁱ.

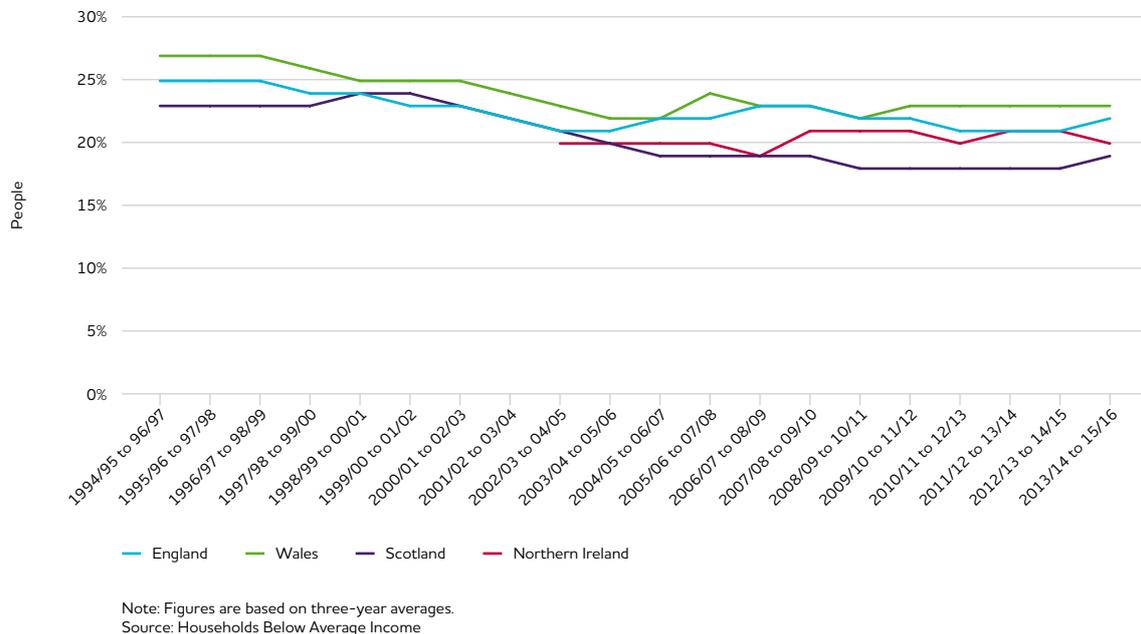
The latest data shows us that 370,000 people in Northern Ireland live in poverty. This figure consists of 110,000 children, 220,000 working-age adults and 40,000 pensioners. Overall, poverty ratesⁱⁱⁱ have been stable in Northern Ireland over the last 10 years or so^{iv} at around one in five of the population. However, the poverty rate varies greatly between different groups within the population in Northern Ireland. Pensioners have the lowest poverty rate, followed by working-age people without children. Poverty is highest among families with children.

Chart 1: Proportion of people living in relative income poverty (AHC) in Northern Ireland, by household type



The poverty rate in Northern Ireland is slightly lower than in England or Wales but slightly higher than in Scotland.

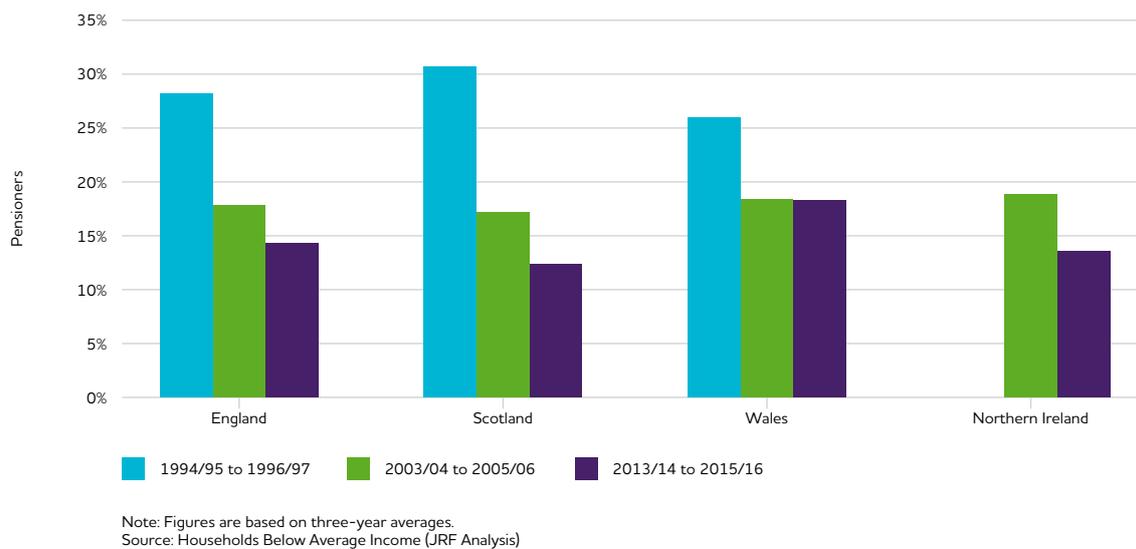
Chart 2: Proportion of people living in relative income poverty (AHC), by England, Wales, Scotland and Northern Ireland



Pensioners

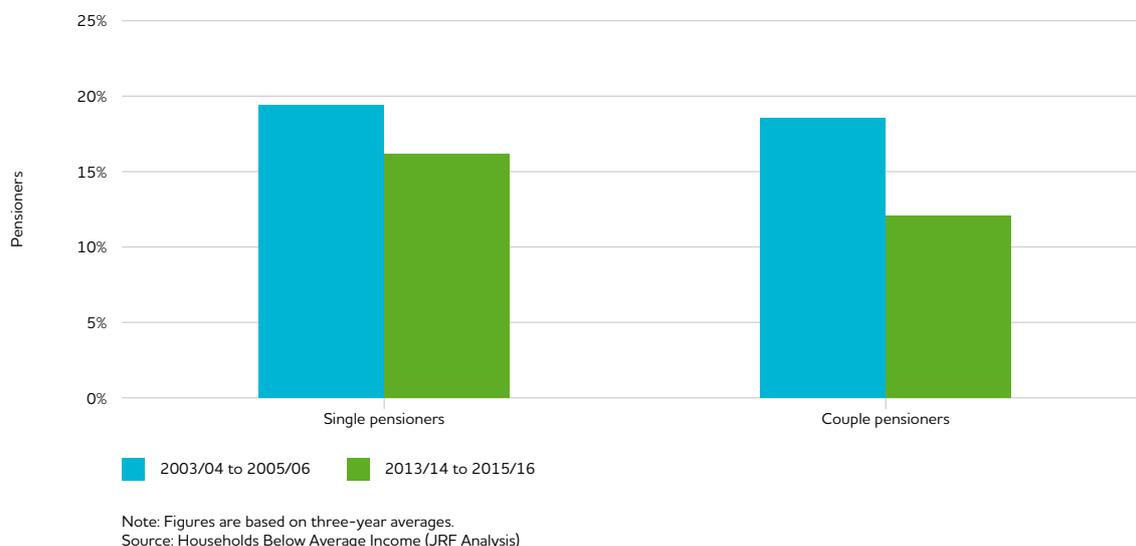
As is the case across most of the UK, the poverty rate among **pensioners** has fallen over the last decade in Northern Ireland, from 19% in 2003/06 to 14% in 2013/16 (Chart 3).

Chart 3: Proportion of pensioners living in relative income poverty (AHC), by England, Wales, Scotland and Northern Ireland



Poverty among pensioners varies depending on whether they live alone or in a couple. The poverty rate for these single and couple pensioners was similar in 2003/06. However, the poverty rate has fallen more sharply for couples (from 19% to 12% in 2013/16) than for pensioners living alone (from 20% to 16%); see Chart 4.

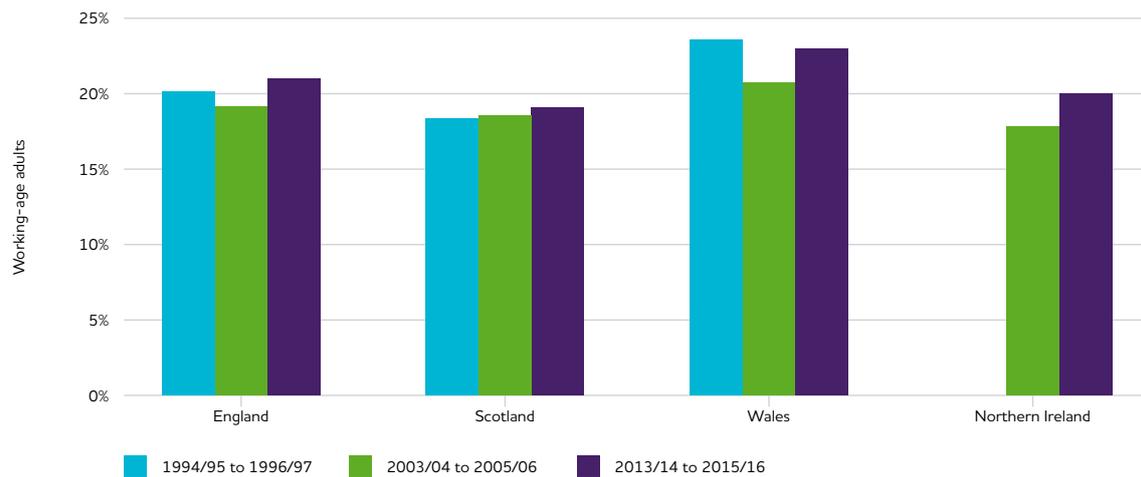
Chart 4: Proportion of pensioners living in relative income poverty (AHC) in Northern Ireland, by household type



Working-age poverty

In contrast, poverty among **working-age adults** has increased slightly in Northern Ireland (as in the UK as a whole), from 18% in 2003/06 to 20% in 2013/16 (Chart 5).

Chart 5: Proportion of working-age adults living in relative income poverty (AHC), by England, Wales, Scotland and Northern Ireland

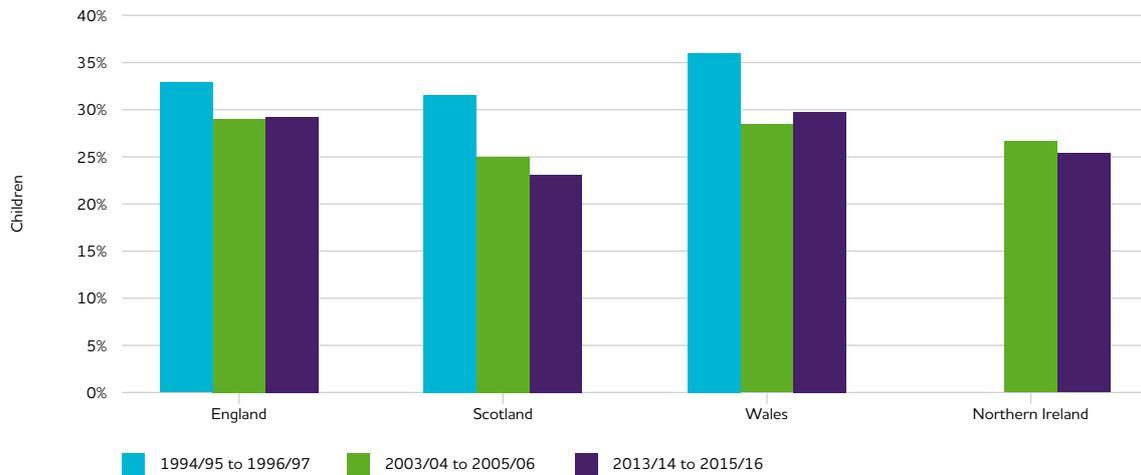


Note: Figures are based on three-year averages.
Source: Households Below Average Income (JRF Analysis)

Twenty years ago, a third of children in the UK lived in poverty. This fell by 15% between 1994/95 and 2004/05, to 28% of children. The child poverty rate in the UK fell to its lowest level (27%) in 2011/12, but has started to rise again in recent years, reaching 30% in 2015/16.

Child poverty in Northern Ireland has remained at a similar level over the last 10 years; 27% in 2003/06 and 25% in 2013/16 (Chart 6). Although the same is true of the UK as a whole, the rate of child poverty in Northern Ireland in 2013/16 is lower than in England or Wales, and similar to Scotland (23%). Lower housing costs than the rest of the UK and the mitigation of some benefits and tax credit changes may explain some of the lower child poverty in Northern Ireland.

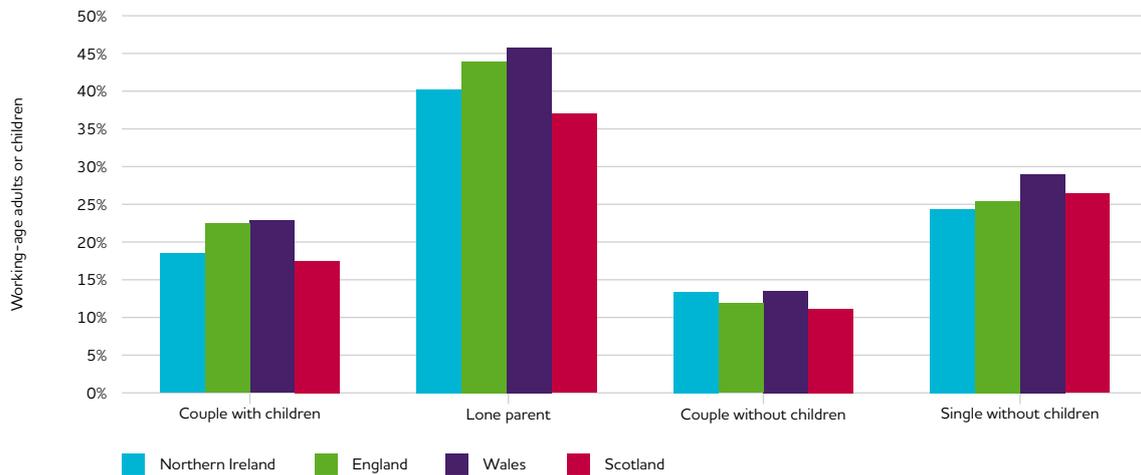
Chart 6: Proportion of children living in relative income poverty (AHC), by England, Wales, Scotland and Northern Ireland



Note: Figures are based on three-year averages.
Source: Households Below Average Income (JRF Analysis)

Poverty is lower among working-age adults with children in Northern Ireland than in England or Wales, while it is slightly higher than in Scotland (Chart 7). This applies both to couples with children and lone parents. The poverty rate for single adults without children is slightly lower in Northern Ireland than in England, Wales and Scotland. However, the rate is similar for couples without children.

Chart 7: Proportion of working-age adults living in relative income poverty (AHC) in 2013/14–2015/16 by family type, England, Wales, Scotland and Northern Ireland



Note: Figures are based on three-year averages.
Source: Households Below Average Income (JRF Analysis)

Overall, poverty among those with children has remained stable in Northern Ireland over the last decade; but poverty rates for working-age adults without children have risen (Chart 8).

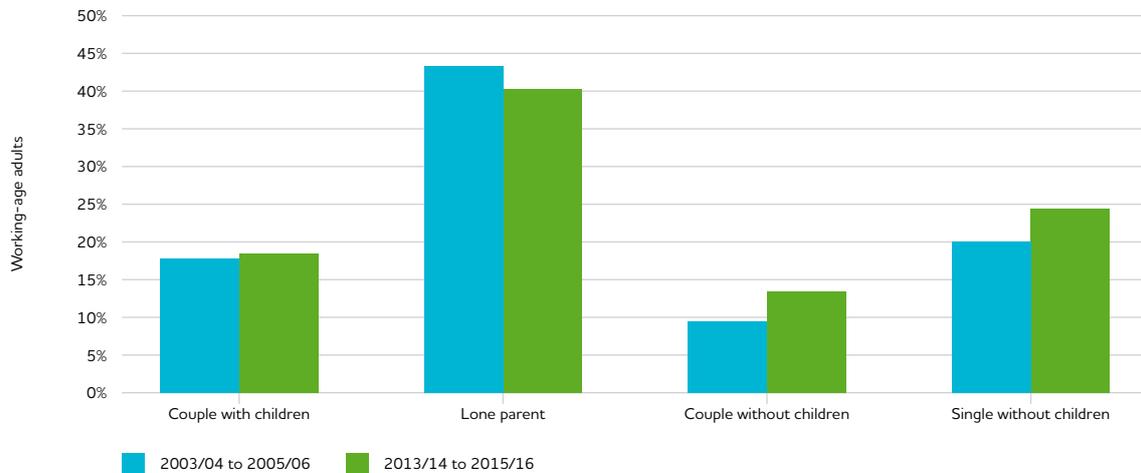
The group with the highest poverty throughout the last decade is **lone parents** (44% in 2003/06 and 40% in 2013/16). This level is still a little lower than in the UK as a whole (44% in 2013/16). Analysis for the UK as a whole suggests that, although poverty rates for lone parents have fallen over time, the rate has slowed in recent years and there are signs that it is starting to rise again.

The poverty rate for **couples with children** has remained stable over the last decade in Northern Ireland: 18% in 2003/06 and 19% in 2013/16.

Couples without children have always had the lowest poverty rates, although these have increased slightly in Northern Ireland, from 10% in 2003/06 to 13% in 2013/16.

There has also been a rise in poverty rates among **single people without children**. In 2003/06, 20% were in poverty, rising to 24% in 2013/16. This reflects the wider UK pattern.

Chart 8: Proportion of working-age adults living in relative income poverty (AHC) in Northern Ireland, by household type



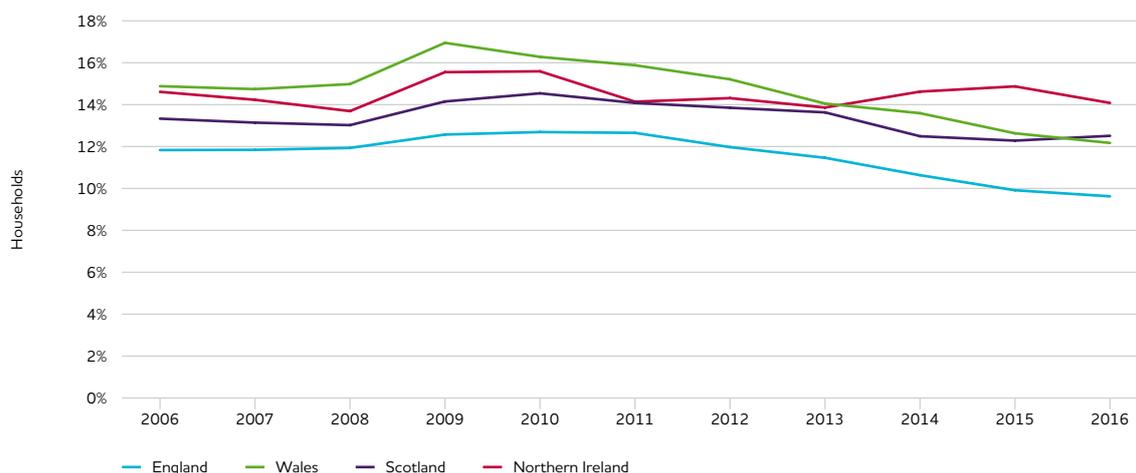
Note: Figures are based on three-year averages.
Source: Households Below Average Income (JRF Analysis)

Work and worklessness

The risk of poverty is much lower for working-age adults in households where one or more people are in paid employment. Overall, 57% of people in workless households are in poverty in Northern Ireland, compared to 13% of people in households with at least one person in paid work^{vi}.

In Northern Ireland, 14% of working-age households were **workless** in 2016. Worklessness has consistently been higher in Northern Ireland than in England or Scotland and has been steady or risen slightly in recent years, in contrast to falls in the rest of the UK (Chart 9). The comparison with Wales is particularly striking: in 2013, the proportion of workless households was the same in Wales and Northern Ireland, with Wales having seen higher rates for several previous years. However, since 2013 worklessness has fallen steadily in Wales, but not in Northern Ireland.

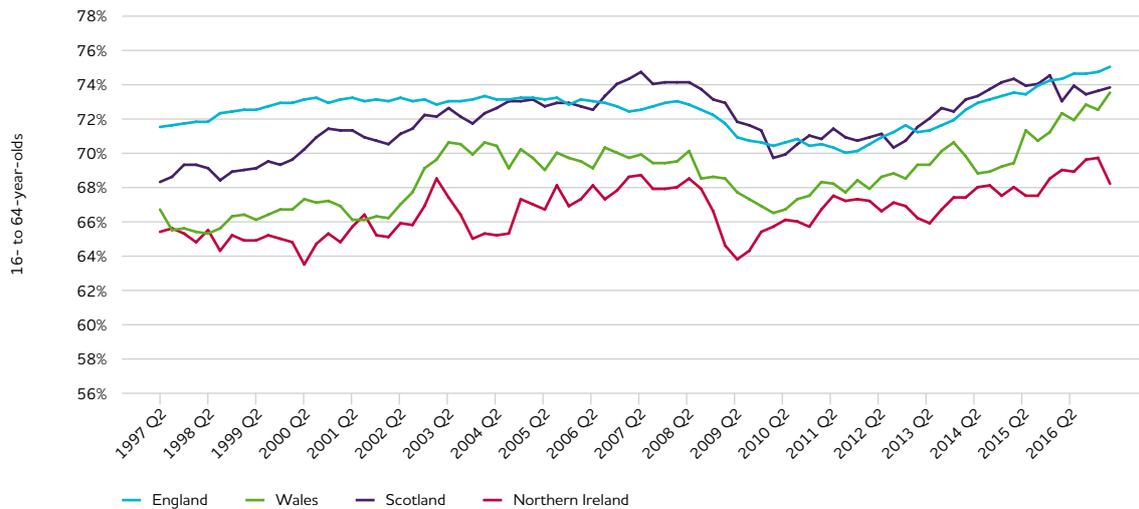
Chart 9: Percentage of workless households in England, Wales, Scotland and Northern Ireland



Note: Figures are based on single-year estimates. Published statistics do not show data before 2006.
Source: Office for National Statistics

Over the last 20 years, employment rates in Northern Ireland have been consistently below the rest of the UK; around 5-7 percentage points lower than in England (Chart 10). The overall employment rate in Northern Ireland was 66% in 1997 and increased to 69% in 2003. It then fell back to 64% in 2009, but has since risen again – to 70% in 2016. However, the figure for the first quarter of 2017 indicated a slight reverse (68%)^{vii}. There is a particularly striking comparison with Scotland and Wales. Both started the period with a much lower employment rate than England, but have closed the gap considerably. Northern Ireland has fallen further behind both Scotland and Wales. This suggests that the employment rate continues to be a major factor affecting poverty rates in Northern Ireland, and that raising the employment rate could lead to poverty falling to a lower level than in the rest of the UK.

Chart 10: Employment rate in Northern Ireland over time, 16- 64-year-olds

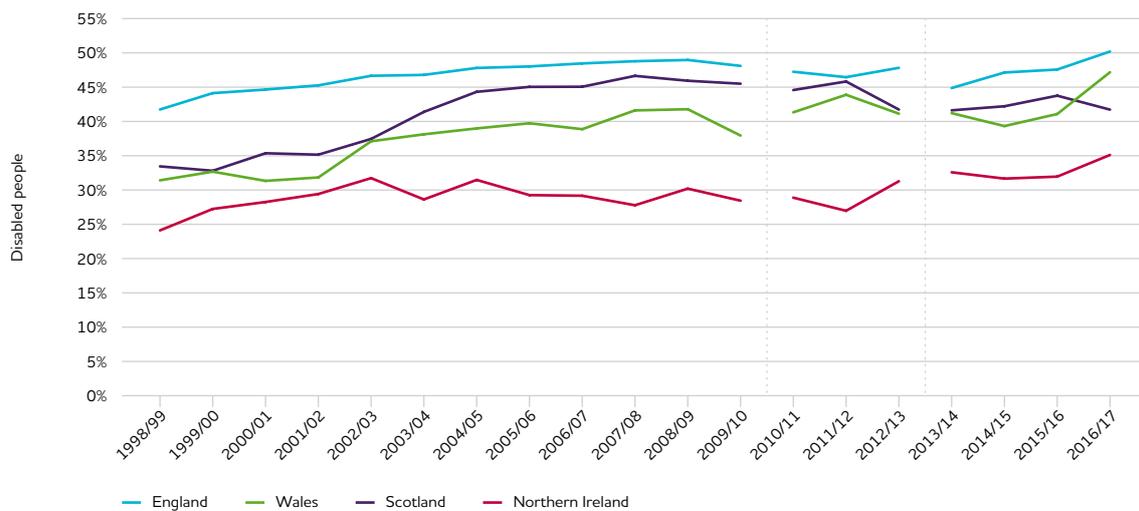


Note: Figures are based on quarterly data.
Source: Labour Force Survey

Employment rates for some groups within Northern Ireland are also lower than in the rest of the UK. The reason for this difference is much higher levels of people who are out of work for health reasons, caring or studying, rather than a difference in unemployment which is only slightly higher. Among young people, lower employment rates in Northern Ireland are partly due to higher levels of participation in education.

Employment among disabled people is strikingly lower in Northern Ireland than in other parts of the UK. Only 35% of working-age disabled people in Northern Ireland are employed, compared to 42% in Scotland, 47% in Wales and 50% in England.

Chart 11: Working age employment rate of disabled people in Northern Ireland over time

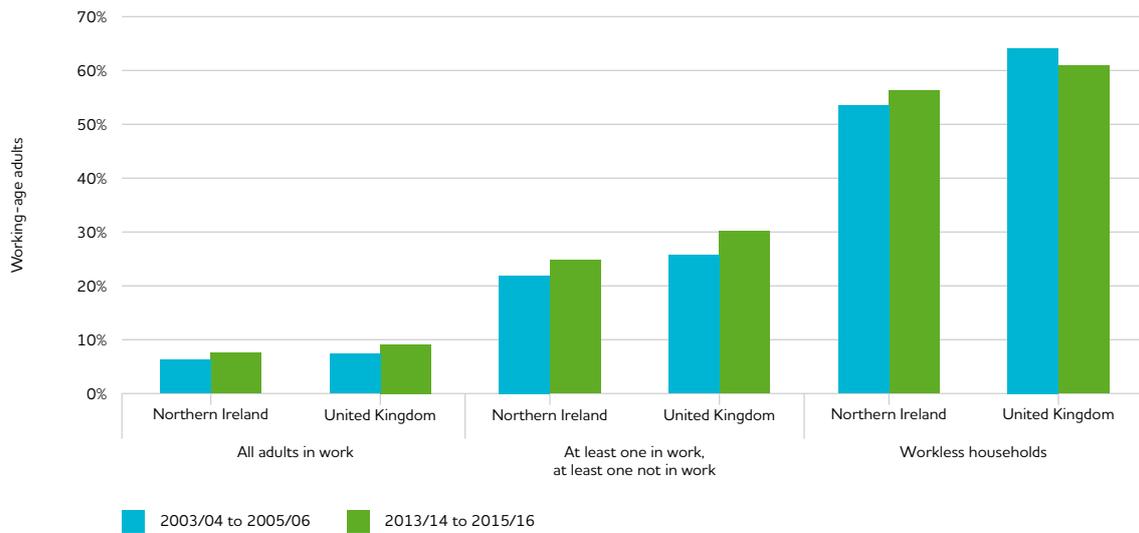


Note: Dotted lines indicate breaks in the time series. There are three distinct time series shown above. In the first two periods, the data represents people with disabilities that limit day to day activities. In the third period, from Q2 2013, the data represents people who are disabled according to the Government Statistical Service (GSS) harmonised standard definition. In the first period (before 2010) the data relates to women aged 16-59-years-old and men aged 16- 64-years-old. From 2010 onwards, the data relates to all people aged 16- to 64-years-old.

Source: Labour Force Survey (JRF Analysis)

The risk of poverty has been stable or has risen slightly since 2003/06 for working-age adults, both working or workless, but remains lower among those living in both working and workless households than in the UK as a whole (Chart 12). Overall, the UK has seen a gradual shift towards in-work poverty with the proportion in poverty in workless households falling and the proportion in working households rising. However, this is not the case in the Northern Ireland where the proportion in poverty in workless households has increased: 54% in 2003/06 to 57% in 2013/16.

Chart 12: Proportion of working-age adults living in relative income poverty (AHC) in Northern Ireland, by household work status



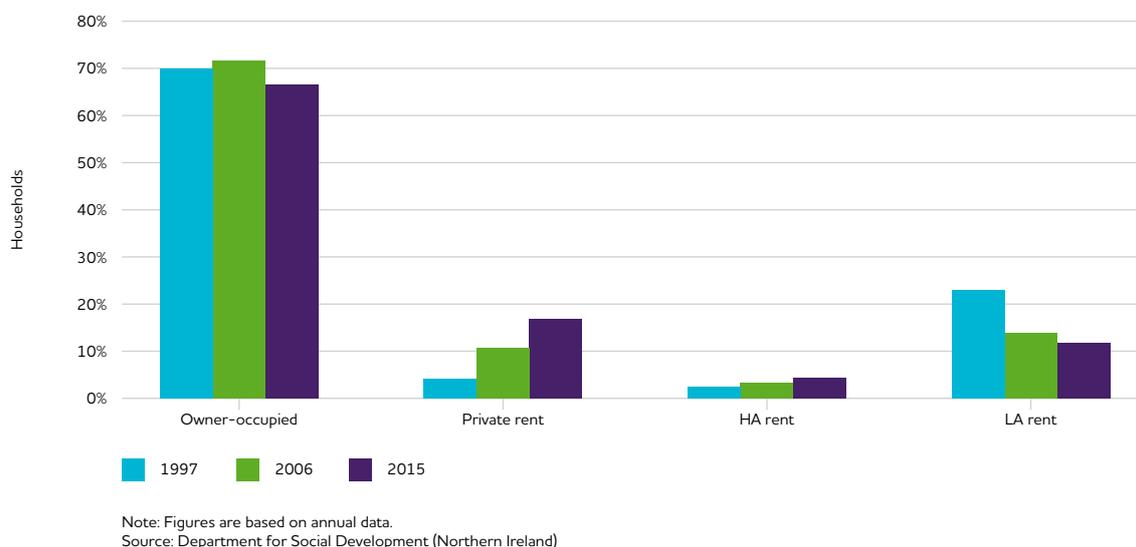
Note: Figures are based on three-year averages.
Source: Households Below Average Income (JRF Analysis)

Housing

Paying for housing, whether rent or mortgage payments, is the single biggest cost for many households. Being able to afford a decent, secure home is a fundamental requirement, underpinning mental and physical health, relationships and access to education and work. The cost of housing therefore has a major impact on whether people can meet this basic need, and what resources they have left over to meet all their other needs.

Over the last 20 years there has been a big fall in the proportion of local authority housing in Northern Ireland and a rise in the private rented sector (Chart 13). This means that the private rented sector is now larger than the social rented sector. Home-ownership levels have fallen slightly since 2006. These trends are similar to those in the UK as a whole.

Chart 13: Housing tenure profile in Northern Ireland over time

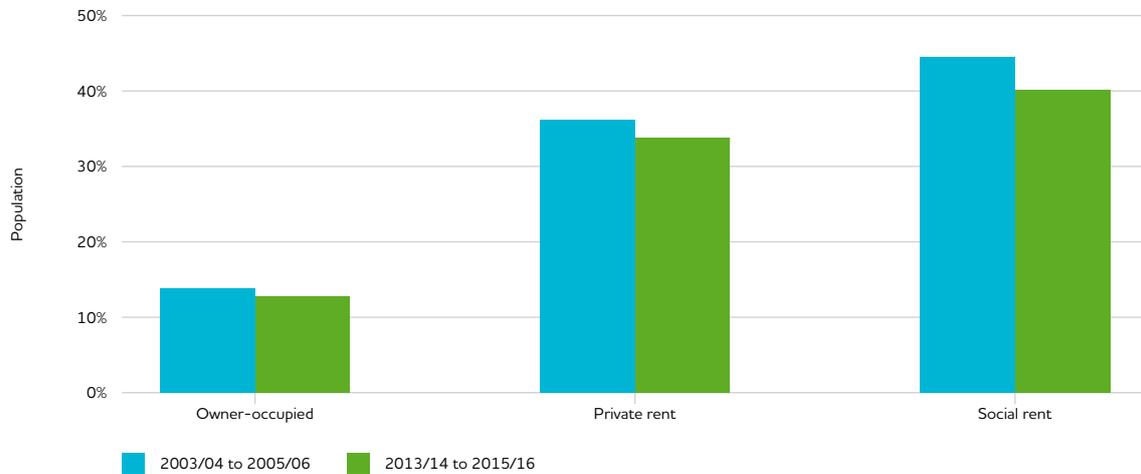


The poverty rate for people living in social housing has fallen in the last 10 years, while the poverty rate among people in the private rented and owner-occupied sectors have remained stable (Chart 14). These poverty rates for social or private renters are now lower in Northern Ireland than in the UK as a whole. However, the poverty rate for home-owners (who are the largest group) is slightly higher in Northern Ireland than in the UK as a whole.

- In Northern Ireland, 40% of people living in social housing were in poverty in 2013/16 (compared with 44% in the UK as a whole); having fallen from 45% in 2003/06.
- 34% of those in Northern Ireland's private rented sector are in poverty (compared to 37% in the UK); a slight fall from the proportion in 2003/06 (36%).
- Among owner-occupiers, the poverty rate in Northern Ireland is 13% (compared with 11% in the UK), similar to 2003/06 (14%).

Because many more people are owner-occupiers than renters in Northern Ireland, 43% of those in poverty are owner-occupiers, compared to only a third in the UK.

Chart 14: Proportion of the population living in relative income poverty (AHC) in Northern Ireland, by housing tenure



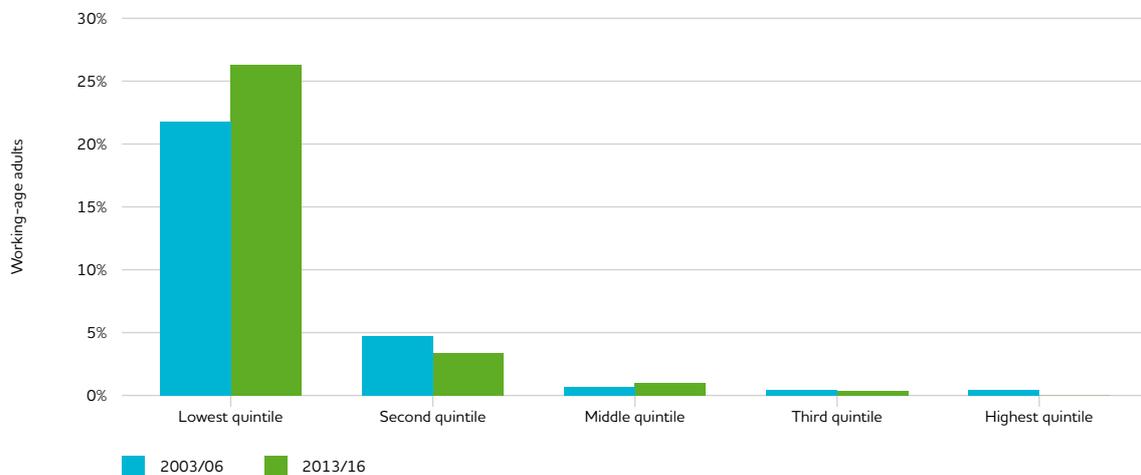
Note: Figures are based on three-financial-year averages.
Source: Households Below Average Income (JRF Analysis)

Overall, 6% of working-age adults in Northern Ireland spend more than a third of their income (including housing benefit) on housing costs. This is much lower than in the UK as a whole (16%).

The poorest fifth of the working-age population are much more likely to spend more than a third of their income on housing costs (26%) than the rest of Northern Ireland's population (Chart 15). While this proportion has risen in the last decade (from 22% in 2003/06), it is still much lower than is the case for the poorest fifth in the UK, nearly half of whom (47%) spent more than a third of their income on housing costs in 2013/16.

Overall, the findings suggest that although housing costs remain low in Northern Ireland, the benefits are being felt less by households with the lowest incomes.

Chart 15: Proportion of working-age adults in Northern Ireland spending more than a third of their income on housing, by income quintile

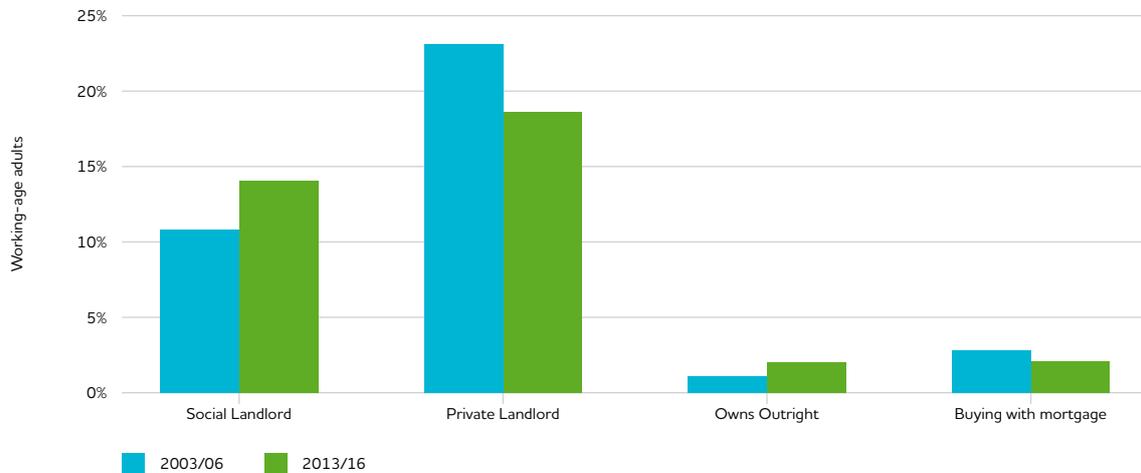


Note: Figures are based on three-year averages.
Source: Households Below Average Income (JRF Analysis)

Working-age adults in the private rented sector (19%) are more likely to spend more than a third of their income on housing than people in any other sector. However, in the last 10 years there has been a rise in the proportion of people in the social rented sector spending this proportion of their income, from 11% to 14%, whereas the figures have remained stable for those in other types of housing (Chart 16).

As noted above, the overall proportion of working-age adults spending more than a third of their income on housing costs is lower in Northern Ireland than for the UK as a whole. This is driven by differences among both social and private renters. Among working-age social tenants in Northern Ireland, 14% spend more than a third of their income on housing, compared with 29% in the UK; in the private rented sector, the proportions are 19% and 41% respectively. This disparity between Northern Ireland and the UK as a whole may be due in part to the under-occupancy penalty ('bedroom tax') not being applied in Northern Ireland. The benefit cap is also unlikely to affect many private sector tenants, given the low Local Housing Allowance rates in Northern Ireland compared to the UK as a whole. Furthermore, Northern Ireland did not follow England in increasing the maximum allowable social rent on new developments and re-lets in 2011 to 80% of market rents.

Chart 16: Proportion of working-age adults in Northern Ireland spending more than a third of their income on housing, by housing tenure



Note: Figures are based on three-year averages.
Source: Households Below Average Income (JRF Analysis)

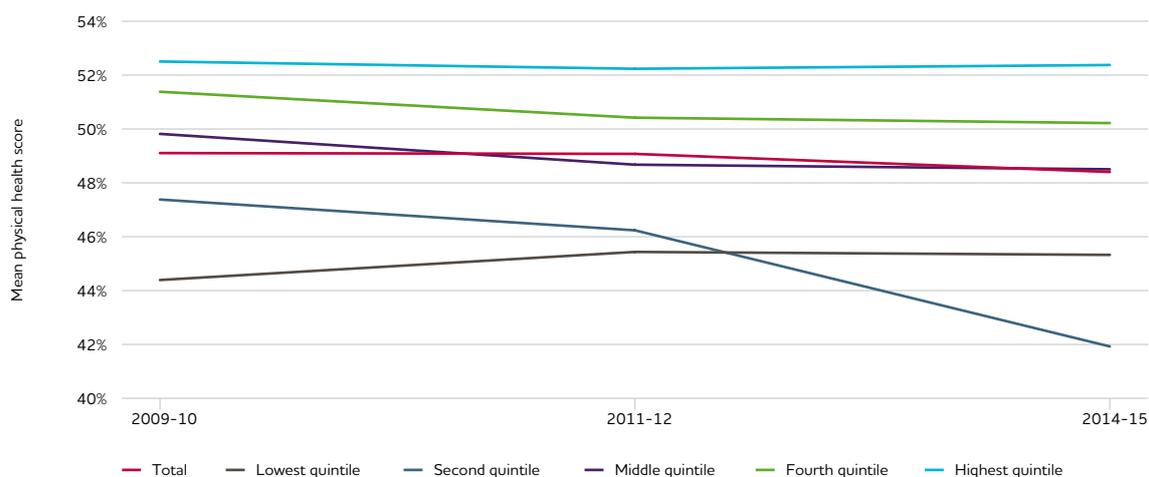
Health

Physical and mental health have close links to poverty. People on lower incomes are more likely to experience poor physical and mental health. The stress of living on a low income can have a negative impact on health.

Information about the links between physical health and poverty is available for Northern Ireland and the rest of the UK, based on a series of questions which are combined to give an individual a score between 0 and 100; a higher score indicates better physical health. In general, people living on low incomes have a lower average score than those on higher incomes, and this applies to Northern Ireland as well as the UK as a whole (Chart 17).

Over time, the average score for adults in Northern Ireland has remained steady, and the differences by income have remained broadly consistent between 2009-10 and 2014-15, other than a fall in health scores among those in the second poorest fifth of the population.

Chart 17: Mean physical health score among adults (16+) in Northern Ireland, by income quintile



Note: Figures are based on single-year figures. The Understanding Society Survey started in 2009-10, so data is not available before this.
Source: Understanding Society Survey (JRF Analysis)

In 2014/15, 16% of adults in Northern Ireland showed some evidence of anxiety or depression, similar to the UK as a whole. The figure for Northern Ireland has fallen from 18% in 2009/10^{viii}. There is little information for Northern Ireland about the links between adult mental health and income, although data collected for England and Scotland show some evidence of a relationship.

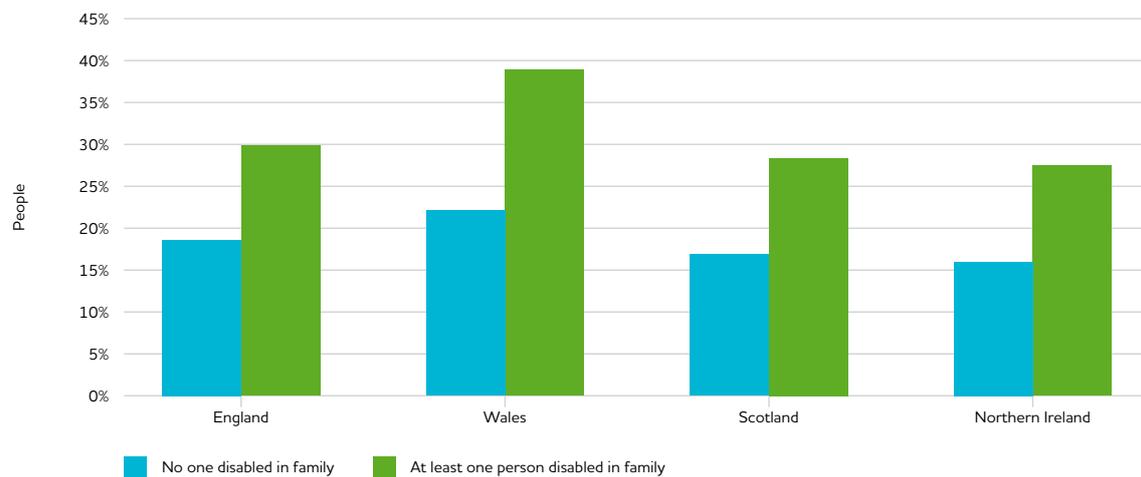
Nearly one in five 10- to 15-year-olds in Northern Ireland are reported in 2013-14 as having severe or moderate mental health conditions, slightly less than in England or Wales (with just over a fifth each) and slightly higher than in Scotland (with 16%). For the UK as a whole, there are links between mental health and income. Children in the richest fifth are less likely to have severe mental health conditions than the rest of the population^{ix}.

There are strong links between disability and poverty. Disabled people are much more likely to have low incomes than non-disabled people, as are people who live in a household with someone who is disabled.

In Northern Ireland, 27% of disabled people are in poverty compared to 19% of non-disabled people. The poverty rate among disabled people is lower in Northern Ireland than in the rest of the UK, where between 30% and 39% of disabled people are in poverty. It should be noted that mitigation measures mentioned above include limiting the impacts of various cuts to disability benefits for up to a year, which may have contributed to the lower poverty rate among disabled people in Northern Ireland than in the UK as a whole.

The poverty rate for people in families that include at least one disabled person is lower in Northern Ireland than in England and Wales. In Northern Ireland, 28% of families that include someone who is disabled are in poverty, compared to 16% of people in families which do not include a disabled person.

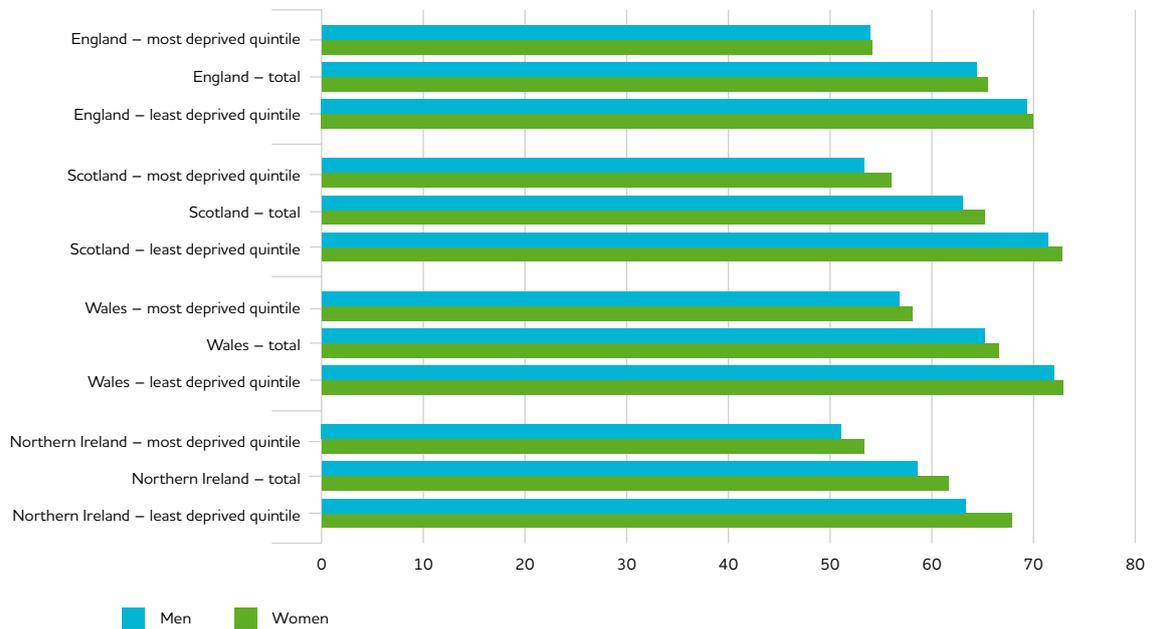
Chart 18: Proportion of people, in families with at least one disabled person, that live in relative income poverty in Northern Ireland, 2015/16



Source: Family Resources Survey, Households Below Average Income (JRF Analysis)

The lifelong association between health and poverty culminates in large differences in the healthy life expectancy of those with different incomes. Data limitations mean that these are measured according to the level of deprivation of the area people live in, rather than their household income. Overall, people living in more deprived areas have a lower healthy life expectancy than those in less deprived areas. The difference between the latest healthy life expectancies in the least and most deprived fifth of areas was highest for men in Scotland at 18 years, but in all parts of the UK it was more than 12 years for both men and women.

Chart 19: Healthy life expectancy at birth by quintile of area deprivation: England 2013-15, Northern Ireland 2012-14, Wales 2010-14, Scotland 2009-13



Source: Health state life expectancies by Index of Multiple Deprivation (IMD): England, 2013 to 2015, Office for National Statistics; Scottish Public Health Observatory; Public Health Wales Observatory, Health Inequalities, Department of Health, Northern Ireland

Family and Relationships

The relationships people have with family, friends and wider social networks are crucially important to most people's lives. Support drawn from these sources plays an important role for many people in enabling them to cope with adversity, get by when in poverty or other difficulties and, for some, improve their circumstances and prospects^{xi}. Relationships with family and wider social networks are closely linked to factors including income, geography and ethnicity^x.

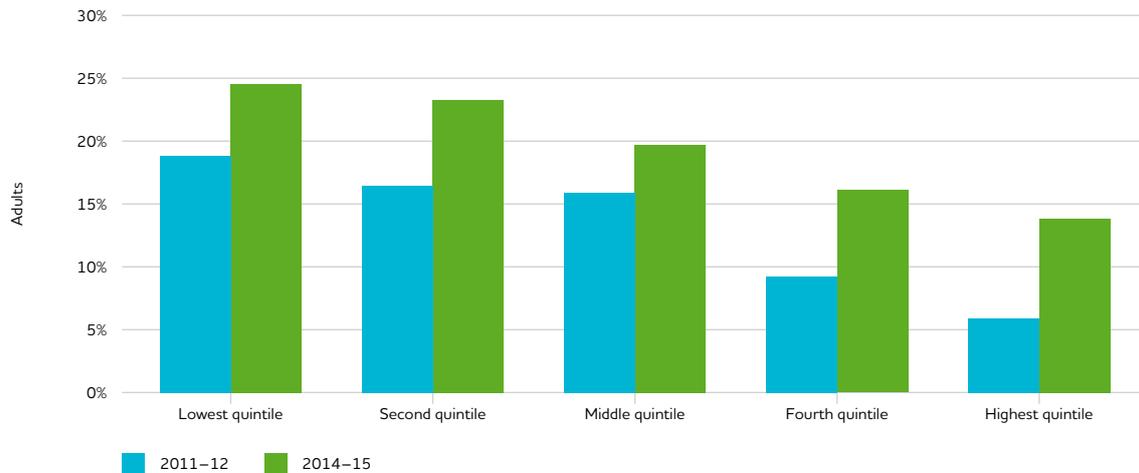
Relationships between parents (whether living together or not) and between parents and children have a major impact on children's well-being and development, as well as on the family's income and the well-being of the adults involved^x. Relationships marked by conflict can also have negative impacts on both children and adults. The stress of living on a low income can be linked to relationship breakdown among couples, and to the relationships between parents and children.

Many people draw on their social networks for material support, information and advice and opportunities to find work or training. However, living in poverty can also affect the family and wider social networks which people are able to draw on and sustain. Social networks can also be harder to develop and maintain for people on low incomes^x.

Social isolation

Social isolation can be measured in many ways. Here, the analysis is based on a question asking how many close friends people have and focuses on the proportion of people who say they have no more than one close friend. The proportion of people in Northern Ireland who say they have no or only one close friend is higher for those in lower-income groups than for better-off groups (Chart 20). It is also higher among those living in workless households (25%) than households where at least one person is in work (16%). These patterns are the same for the UK as a whole. Overall, however, people in Northern Ireland are more likely to say that they have no more than one close friend (19% compared with 9% in the UK as a whole in 2014-15), and this proportion appears to be increasing (up from 13% in 2011-12).

Chart 20: Proportion of adults (16+) in Northern Ireland with no more than one close friend, by income quintile



Note: Figures are based on single-year figures. This question was first asked in 2011-12, so data is not available before this.
Source: Understanding Society Survey (JRF Analysis)

Relationships between children and parents

Measuring the nature and quality of relationships between children and parents is complex. Here, the analysis focuses on situations where children aged between 11 and 15, report that they ‘quarrel’ with at least one parent more than once a week, and hardly ever discuss important issues with either parent. This is defined as having a poor relationship between the child and parent.

At the UK level, there is some association between these issues and income (sample sizes are too small to look at income differences within Northern Ireland). In the UK, the proportion of children reporting that they have a poor relationship with their parents is somewhat higher for those in the poorest fifth of the population (9%), compared with those in the richest two-fifths (5%). This has remained steady for the last few years.

In Northern Ireland, the proportion of children reporting a poor relationship with parents in 2013/14 was 8%, similar to the UK (6%); there was no statistically significant change in Northern Ireland between 2011/12 and 2013/14^{xii}.

Relationship distress

Relationship distress is a concept developed by the charity Relate and used by the Department for Work and Pensions in their Improving Lives report^{xiii}. A couple family is defined as experiencing relationship distress if they say that most or all of the time they consider divorce, regret living together, quarrel or get on each other’s nerves when asked about their relationship with their partner.

7% of parents living in a couple in the UK report relationship distress. This varies slightly by income, being higher among parents in the poorest two-fifths of the population (sample sizes are too small to identify differences by income within Northern Ireland). The figure for Northern Ireland in 2013-14 (7%) was comparable to that for the UK as a whole.

Drivers of future poverty

The biggest driver of future poverty is the educational attainment of children when they leave full-time education^{xiv}. This has a major impact on their chances of being employed and of earning enough to avoid poverty as adults. For those who have already left full-time education, skill levels are an important predictor of employment, earnings and poverty.

Current income is not the only factor affecting the resources available to meet a household's needs. Having some savings can be an important buffer to cover unexpected fluctuations in income and avoid having to take on high cost credit in order to meet day-to-day expenses. Likewise, getting into debt by falling behind with bills can make it much harder for someone to reach a reasonable living standard, even if their income increases. Building up a pension is an important factor mitigating risk of poverty in later life.

Education and skills

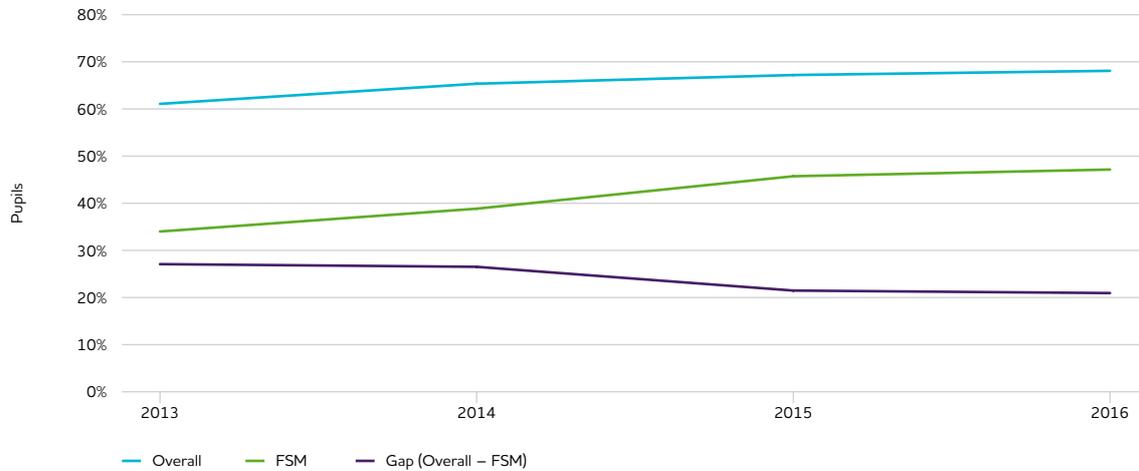
Information about education attainment among children from richer and poorer households is only available in Northern Ireland for those aged 16. In other parts of the UK some information is available for younger age groups, which tends to show that the attainment gap is present when children are very young but increases as they get older.

Overall attainment at age 16 has increased over time. Results for the proportion of young people achieving five or more A*-C GCSEs or equivalent, including English and maths, are only available from 2009, but have shown fairly steady improvement in that time, from 57% in 2009 to 68% in 2016.

However, only 47% of children eligible for free school meals reached this level in 2016, compared with 68% of all children. This gap has narrowed slightly since 2013 (when 34% of children on free school meals achieved that standard, compared to 61% of all children), but remains very large.

It is also important to note that there was a change in the free school meal eligibility criteria between 2014 and 2015, which resulted in a large number of children who would not previously have been eligible becoming entitled to a free school meal; the proportion eligible for free school meals rose from 18% to 25%. It is hard to separate the effect of this from genuine improvement in performance by this group.

Chart 21: % of pupils in Northern Ireland achieving five or more A*-C grades at GCSE and equivalent including Maths and English, by whether eligible for free school meals (FSM), 2013-2016



Note: Data are based on annual figures. Published statistics only include data from 2013 onwards.
Source: Department of Education (Northern Ireland)

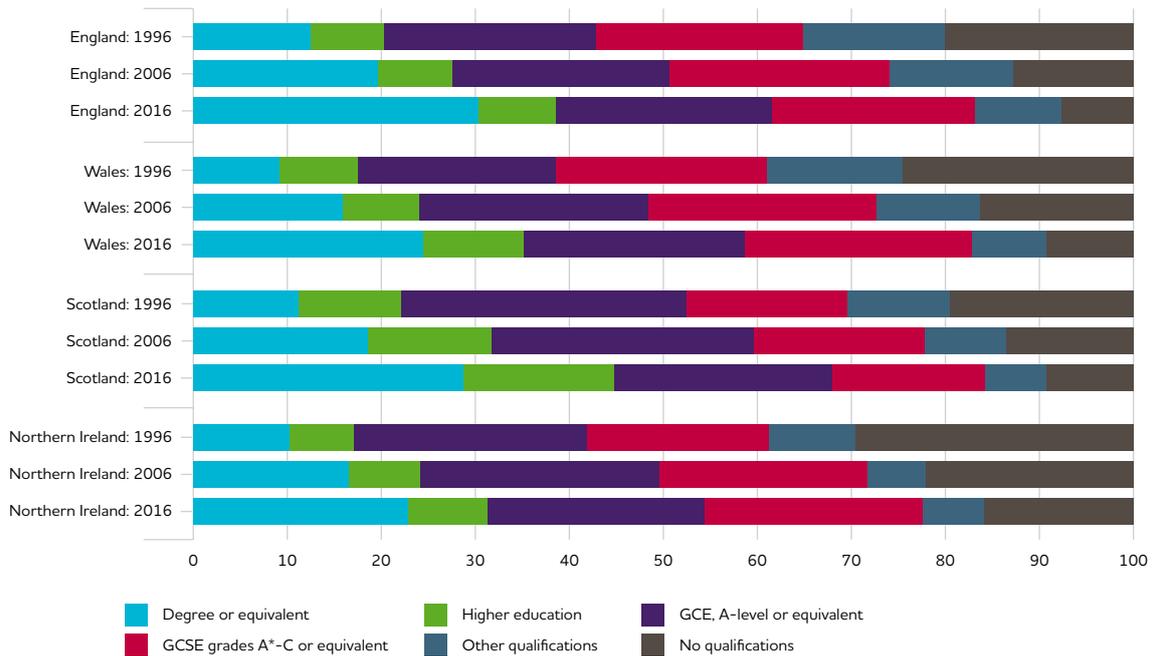
Adult Skills

Since 1996, there has been a large decrease in the proportion of working-age people with no qualifications and an increase in the proportion with degree level qualifications across the whole of the UK.

By 2016, less than one in ten working-age adults in England, Wales and Scotland had no qualifications, a reduction of more than half. Wales had caught up with England and Scotland by this time, having begun with a higher proportion of adults with no qualifications. However, Northern Ireland stands out as having started the period with the highest proportion of adults with no qualification (30%), and still having a much higher proportion in 2016 (16%), despite a reduction of nearly half.

The proportion of adults with higher education or degree-level qualifications had also nearly doubled in England, Wales and Scotland, resulting in 45% of adults in Scotland, 38% in England and 35% in Wales having these qualifications. In Northern Ireland, the proportion with higher education or degree-levels qualifications was the lowest in 1996 (at 17%) and remained the lowest in 2016 (at 31%).

Chart 22: Working-age population by highest level of qualification 1996, 2006 and 2016



Source: Labour Force Survey (JRF Analysis)

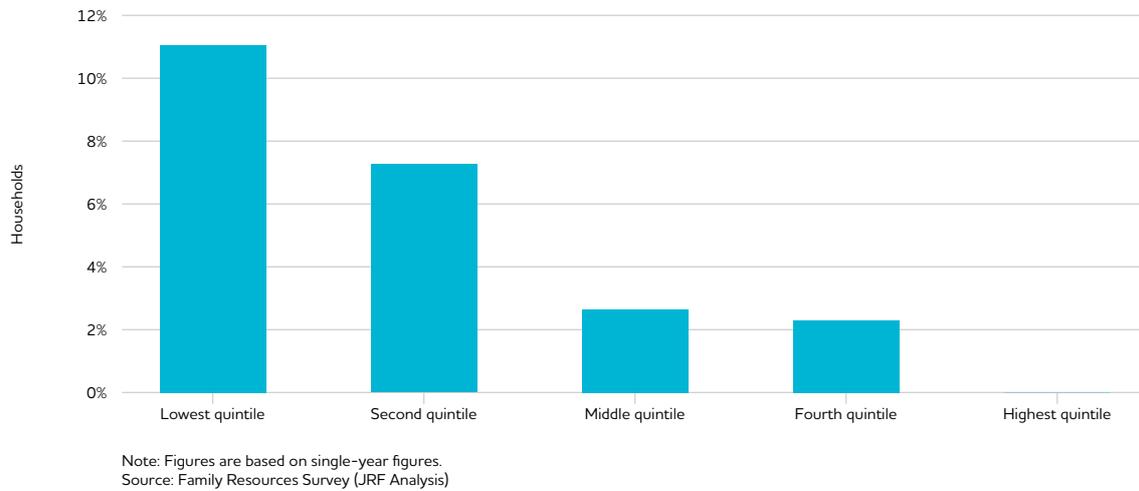
Debt and pensions

In 2015/16, 5% of households in Northern Ireland were in problem debt (defined by the Family Resources Survey as being behind with any household bill or credit commitment). This proportion has fallen steadily since 2005/06. The Northern Ireland figure has been consistently lower than in the UK as a whole over this time period (5% compared with 8% in 2015/16).

Problem debt is concentrated among lower-income households, in Northern Ireland and the rest of the UK. In Northern Ireland, 11% of households in the poorest fifth of the population were facing problem debt in 2015/16, compared with less than 1% in the richest fifth (Chart 23).

However, it is important to note that this measure of problem debt does not include debt incurred on store cards, mail order payments and informal loans from friends or family. It does include electricity, gas and other household fuel bills, Council Tax, phone bills, hire purchase, water rates and rent or mortgage payments. From 2012/13, the survey also included other loans, and from 2015/16 credit card or other loan repayments.

Chart 23: Proportion of households in Northern Ireland with problem debt, by income quintile, 2015/16



Among adults of working age and in employment in Northern Ireland, 55% are actively participating in a **pension scheme** (2015/16)^{xv}. This is the same as the UK-wide figure. Participation increased in Northern Ireland between 2011/12 and 2015/16 (from 46% to 55%), again in line with the UK as a whole. However, in the longer-term Northern Ireland has seen a sharper rise in participation compared with the rest of the UK: in 2006/07, the proportion was lower in Northern Ireland than the UK overall.

There are large variations in the proportions contributing to a pension scheme in different groups in Northern Ireland:

- Only 34% of people in the poorest fifth of the population have a pension, compared to 73% of those in the richest fifth.
- Employees (59%) are far more likely to have a pension than the self-employed (23%). Analysis for the UK as a whole indicates that the increase after 2012 was concentrated among employees, whilst the rate actually fell for self-employed people.
- Full-time employees (61%) are more likely to have a pension than part-time employees (33%).

Conclusions

The poverty rate in Northern Ireland is slightly lower than in England or Wales, although slightly higher than in Scotland. Poverty among pensioners has fallen over the last decade in Northern Ireland, from 19% in 2003/06 to 14% in 2013/16. Poverty has generally remained stable or fallen for working-age families with children, however it has risen for those without children.

Higher worklessness and lower employment than other parts of the UK are important factors affecting poverty in Northern Ireland. This arises mainly from more inactivity (due to health, caring or education) rather than very much higher unemployment. Employment rates for disabled people, in particular, are much lower than in the UK as a whole.

The private rented housing sector has grown considerably in the last decade, whilst the social rented sector has shrunk. However, owner-occupiers remain the largest group in Northern Ireland and have slightly higher poverty rates than their equivalents elsewhere in the UK, meaning that more than two in five people in poverty in Northern Ireland own their own homes (43%). There has also been a sharp increase in the proportion of people in the poorest fifth of the population who have to spend more than a third of their income on housing – from 22% in 2003/06 to 26% in 2013/16. This rise has been particularly sharp among social renters.

Healthy life expectancy is relatively low in Northern Ireland compared to the rest of the UK, with a sizeable gap between people who live in more and less deprived areas.

Educational attainment at age 16 has improved over time, and the gap has narrowed slightly between those eligible for free school meals and all pupils. Nevertheless, a very large gap remains: only 47% of children eligible for free school meals achieve at least five A*-C GCSEs or equivalent, including English and maths, compared to 68% of all children. There is a lack of information in Northern Ireland about attainment earlier in children's lives, in contrast to the rest of the UK. Wider evidence suggests that attainment gaps are present by the time children start school, but then widen as they grow older.

Among the adult population, Northern Ireland stands out as having more people with no qualifications and fewer people with high qualifications in Northern Ireland than in the rest of the UK. The contrast with Scotland is particularly stark – 45% of adults in Scotland have a higher education or degree-level qualification, compared to only 31% in Northern Ireland. Only 9% of people in Scotland do not have any qualifications, compared with 16% in Northern Ireland.

People in Northern Ireland are less likely to be in problem debt, compared with the rest of the UK, but one in 10 of those in the poorest fifth do have problem debt. The majority of those in the poorest fifth of the population are not contributing to a pension, increasing their risk of poverty in later life.

About the Joseph Rowntree Foundation

The Joseph Rowntree Foundation is an independent organisation working to inspire social change through research, policy and practice. JRF is working with governments, businesses, communities, charities and individuals to solve UK poverty. The majority of the ideas outlined above were drawn from our recent strategy to solve UK poverty which contains analysis and recommendations aimed at the four UK governments.

All research published by JRF, including publications in the references, is available to download from www.jrf.org.uk

If you would like to arrange a meeting with one of our experts to discuss the points raised please contact:

Helen Barnard: Head of Analysis

helen.barnard@jrf.org.uk

01904 735008

@helen_barnard

-
- i Poverty statistics in this report differ from statistics published by the Northern Ireland Executive. Poverty statistics in this report are based on three-year averages, whereas published statistics are based on one-year periods. This report uses three-year averages because it compares the findings for Northern Ireland with England, Wales and Scotland, some of which have small sample sizes in the relevant household surveys.
 - ii Living standards, poverty and inequality in the UK: 2017-18 to 2021-22, IFS 2017
 - iii 'Poverty' is used here to mean a household income, adjusted for family size, below 60% of family-adjusted median income. Income is measured after housing costs have been deducted.
 - iv Poverty statistics are drawn from the Family Resources Survey. This survey has only included Northern Ireland since 2002; earlier data therefore excludes Northern Ireland.
 - v All poverty statistics are based on three-year averages due to small sample sizes for Northern Ireland in individual years.
 - vi Figures from HBAI, three-year average 2013/14-2015/16
 - vii Figures are from the second quarter of the year, except those for 2003 (first quarter), 2016 (quarter 3 and quarter 4 and 2017 (quarter 1).
 - viii Figures are based on single year estimates from the Understanding Society Survey, 2009-10 and 2014-15.
 - ix Figures are based on single year estimates from the Understanding Society Survey, 2009-10, 2011-12 and 2013-14.
 - x How are poverty ethnicity and social networks related. JRF publication 2015
 - xi UK poverty-causes, costs and solutions. JRF publication 2016
 - xii Figures are based on single year estimates from the Understanding Society Survey, 2009-10, 2011-12 and 2013-14.
 - xiii Improving Lives. Helping Workless Families. DWP publication, 2017
 - xiv UK Poverty 2017. JRF publication
 - xv Figures are based on single year estimates from the Family Resources Survey, 2006/07, 2011/12 and 2015/16.