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 data published is for the financial year April 2015 to March 2016.

The high level figures included in this bulletin are in advance of more detailed analysis which will be available in the Households Below Average Income Northern Ireland (HBAI) 2015/16 publication, which is due to be released in June/July 2017. **Unless specifically stated, annual changes in the numbers and percentages presented in the body of this report are not statistically significant.**

Poverty Threshold

Relative Poverty Threshold UK 2015/16 BHC
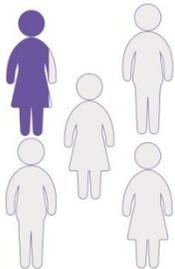
£288

Absolute Poverty Threshold UK 2015/16 BHC

£278

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

Median Weekly Income BHC
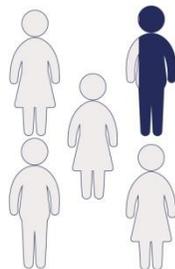
2014/15 £420   2015/16 £436

In 2015/16 the average (median) income in Northern Ireland increased by 4%.

Individuals in Poverty

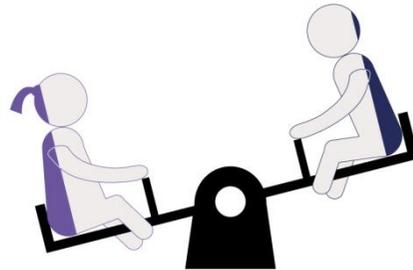**Relative Poverty BHC = 17%**
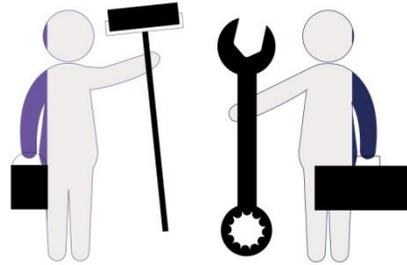
Absolute Poverty BHC = 15%

Children in Poverty

Relative Poverty BHC = 21%
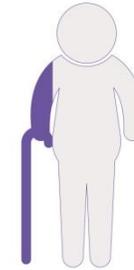
Absolute Poverty BHC = 18%
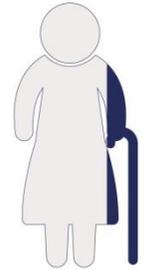
Working Age in Poverty

Relative Poverty BHC = 16%

Absolute Poverty BHC = 14%

Pensioners in Poverty

Relative Poverty BHC = 17%

Absolute Poverty BHC = 15%

Definitions

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 2015/16** the relative poverty threshold for a couple with no children was an income of **£288 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 2015/16 the absolute poverty threshold for a couple with no children was an income of **£278 per week** (BHC).

Income Before Housing Costs (BHC)

| Includes the following Components	Does not Include the following Components
• Net earnings from employment;	• Income tax payments;
• Profit or loss from self-employment;	• National Insurance contributions;
• All Social Security benefits and Tax Credits;	• Domestic rates / council tax;
• Income from occupational and private pensions;	• Contributions to occupational pension schemes;
• Investment income;	• Student loan repayments;
• Maintenance payments, if a person receives them directly;	• All maintenance and child support payments; which are deducted from the income of the person making the payment;
• Income from educational grants and scholarships.	• 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.

Low Income Indicators

Individuals (%)

Children (%)

Working Age (%)

Pensioners (%)
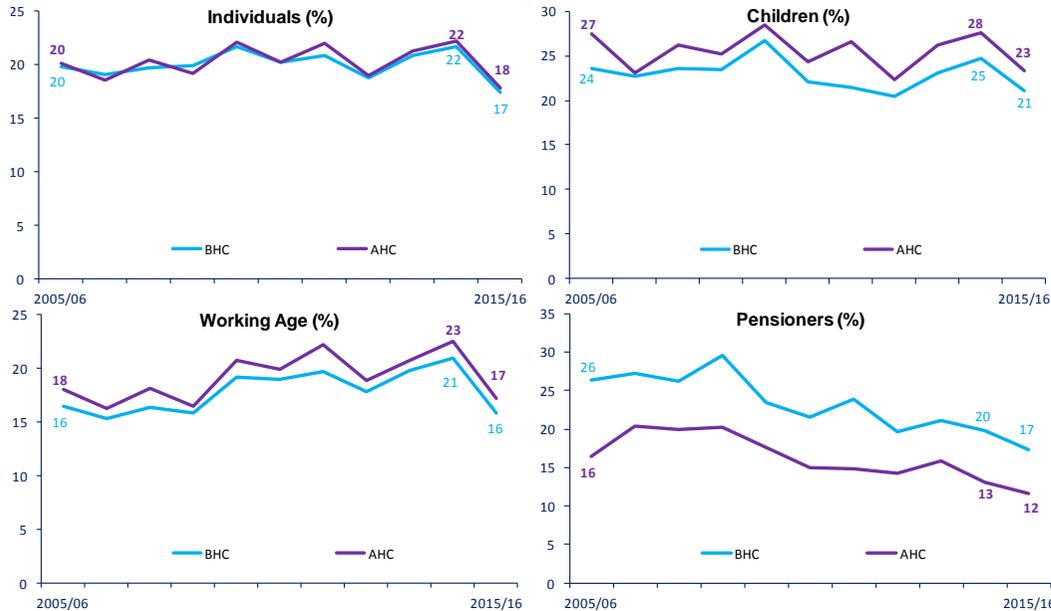
Relative Low Income

- 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.

- The following relative poverty figures presented below are **Before Housing Costs** (BHC) in **2015/16**

- **17%** of **individuals** were in poverty, approximately **318,000 individuals**. This compares to 22% in 2014/15. **This is statistically significant.**

- **21%** of **children** were in poverty, approximately **93,000 children**. This compares to 25% in 2014/15.

- **16%** of **working-age adults** were in poverty, approximately **173,000 working-age adults** compared to 21% in 2014/15. **This is statistically significant.**

- **17%** of **pensioners** were in poverty, approximately **52,000 pensioners**. This compares to 20% in 2014/15.

Absolute Low Income

The following absolute poverty figures presented below are BHC in **2015/16**

- **15%** of **individuals** were in absolute poverty, representing approximately **280,000 individuals**. This estimate is five percentage point lower than in 2014/15. **This is statistically significant.**

- **18%** of **children** were in absolute poverty, representing approximately **78,000 children**. This estimate is five percentage points lower than in 2014/15. **This is statistically significant.**

- **14%** of **working-age adults** were in absolute poverty, representing approximately **157,000 working-age adults**. This estimate is five percentage points lower than in 2014/15. **This is statistically significant.**

- **15%** of **pensioners** were in absolute poverty, representing approximately **46,000 pensioners**. This estimate is three percentage points lower than in 2014/15.

- For all four population sub groups the percentages in absolute poverty (BHC) are at their lowest levels over the time series.

Individuals (%)

Children (%)

Working Age (%)

Pensioners (%)
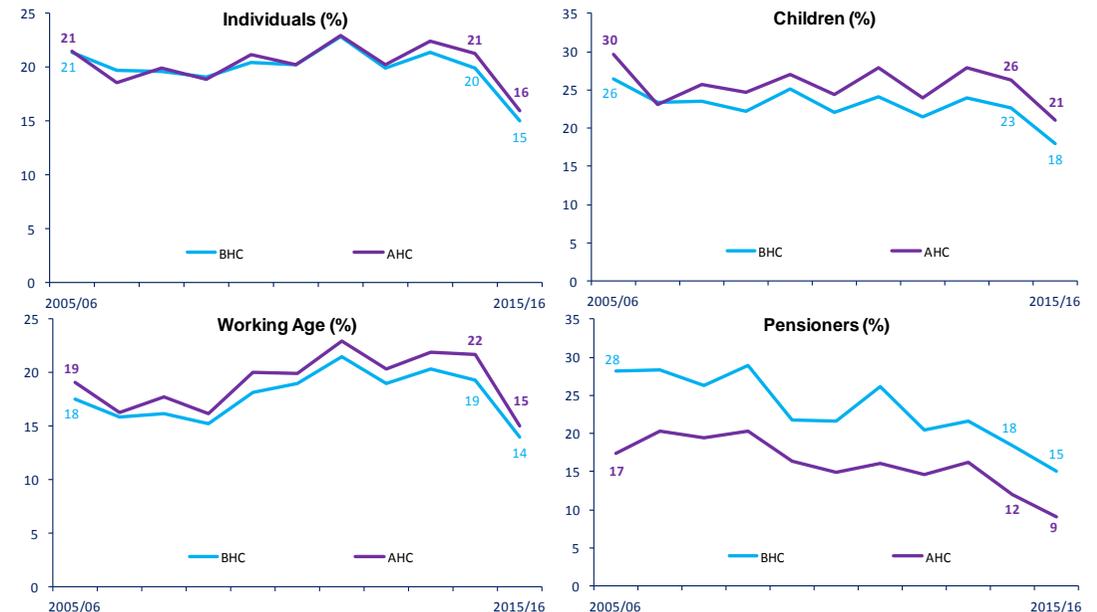
About these statistics

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 be 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-2014-15-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-201415

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 figures 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 from 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 our reports DFC have had to combine several years of data to produce analysis at Local Government District level.

Sample size

Although the FRS NI sample of approximately 2,000 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.