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Older People in Rural Ireland: Income, Poverty and Deprivation

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**RURAL AGEING
OBSERVATORY
WORKING PAPER 2**

Introduction

This paper is the second in a series that seeks to summarise key features associated with various aspects of ageing in rural Ireland. The paper aims to examine income, poverty and deprivation as experienced by older rural residents. It begins by outlining some of the evidence on income, poverty and deprivation of older Irish rural and urban people, before going on to explore issues associated with deprivation and poverty in rural areas.

The Evidence

Income and Poverty

Based on the Survey on Income and Living Conditions (SILC), Table 1 shows the average weekly equivalised income of those aged 65 and over by rural and urban location in 2004 and 2009. For both groups there was a significant increase in income over the five-year period, 2004-2009. In 2009, the weekly income of an older person living in an urban area was €479.61 compared with €376.89 for an older person in a rural area, a difference of more than 27 per cent (Central Statistics Office, 2011).



Table 1: Average weekly equivalised income for older rural and urban residents, 2004 and 2009

	RURAL	URBAN
2004 (€)	254.52	321.11
2009 (€)	376.89	479.61
% increase	48	49

Source: Central Statistics Office (2011)

Similarly based on SILC data, Table 2 shows the risk of poverty, the deprivation rate and the consistent poverty rate for those aged 65 and over by rural and urban location.

The risk of poverty rate in this instance is defined as the percentage of persons with an equivalised income below 60 per cent of the national median income. In 2004, older people had the highest risk of poverty with a rate of 27 per cent, compared to a rate of 17 per cent for those aged 18-64 (Central Statistics Office, 2011). However, there was

a notable decline in the risk of poverty for older people between 2004 and 2009, such that by 2009 older people had the lowest risk, at a rate of 10 per cent. Table 2 shows the risk of poverty rate for older people in urban and rural locations in 2004 and 2009. While there has been a significant fall in the risk of poverty for both urban and rural older people, the difference between older rural and urban residents has increased: older people in rural areas had almost double the risk of poverty compared with those in urban areas.

Table 2: Risk of poverty and deprivation rate for older urban and rural residents, 2004 and 2009 – numbers relate to percentage of individuals

	RURAL		URBAN	
	2004	2009	2004	2009
At risk of poverty rate (%)	33.2	12.5	21.5	6.8
Deprivation rate (%)	10.2	9.5	9.8	9.5
Consistent poverty rate (%)	4.7	0.8	3.1	1.4

Source: Central Statistics Office (2011)

The SILC also collects information relating to enforced deprivation, which refers to the inability to afford two of eleven basic identified goods or services¹. In general, older people tended to experience lower levels of enforced deprivation than other groups: 16 per cent of those aged 18-64 experienced enforced deprivation compared with just under 10 per cent of those aged 65 or over (Central Statistics Office, 2011). Among older people, between 2004 and 2009 there was no significant change in the proportion of people experiencing enforced deprivation and no difference between those in rural and urban areas (Table 2).

In Ireland, an individual is defined as being in consistent poverty if they are identified as being at risk of poverty and living in a household deprived of two or more of eleven identified items. In 2009, those aged 65 and over had the lowest consistent poverty rate at 1.1%, compared with a rate of 4.9% for those aged 18 to 64 (Central Statistics Office, 2011).

There was a significant decline in the consistent poverty rate among older people between 2004 and 2009. The consistent poverty rate was lower amongst older rural residents compared to their urban counterparts (Table 2).

¹ The eleven items are two pairs of strong shoes; a warm waterproof overcoat; buy new not second hand clothes; eat meat, chicken, fish (or vegetarian equivalent) every second day; have a roast joint or its equivalent once a week; had to go without heating during the last year through lack of money; keep the home adequately warm; buy presents for family or friends at least once a year; replace any worn out furniture; have family or friends for a drink or meal once a month; have a morning, afternoon, or evening out in the last fortnight for entertainment.

Table 3: Housing Tenure for urban and rural residents aged 65 and over

	RURAL	URBAN
Owned outright or with mortgage (%)	93.2	84.9
Public renter (%)	3.4	10.5
Private renter (%)	1.5	3.1
Other (%)	1.8	1.5

Source: Survey of Lifestyle, Attitudes and Nutrition, 2007

Cost of living

Coupled with lower incomes, there is anecdotal evidence to suggest that there are higher costs associated with living in rural areas. McMahon et al. (2010) examined the cost of a minimum essential standard of living for various household types in urban and rural areas. They found an excess cost of €105.99 per week associated with living in a rural area for a pensioner couple, while for a female pensioner the excess cost associated with living in a rural area was €89.28 per week. The additional costs arose largely from transport and food costs. The lack of sufficient public transport in rural areas means that a car, with its associated running and maintenance costs, is generally regarded as a necessity. Food also contributed to the additional cost of rural living, with rural households unable to access major supermarkets and avail of less expensive own-brand goods.

Wealth and deprivation

A higher proportion of older rural residents owns their own home compared to their urban counterparts (Table 3): just over 93 per cent of those aged 65 and over in rural areas own their own home compared with 85 per cent in urban areas. While home ownership (as opposed to public or private renting) is generally regarded as a sign of affluence, it is likely that the higher level of ownership in rural areas is, at least partly, explained by the lack of rental opportunities in rural areas. As a result, those seeking rental properties are likely to move to more urban areas.

Table 4: Car access for urban and rural residents aged 65 and over

	RURAL	URBAN
None (%)	21.2	30.8
One (%)	49.7	48.4
2 or more(%)	29.2	20.7

Source: Census 2006

Car access too is higher amongst rural older people (Table 4): while 21 per cent of those in rural areas have no access to a car, this rises to 31 per cent in urban areas. Again this is likely explained by the necessity of car ownership in rural areas given the paucity of public transport, rather than greater resources amongst older rural residents

The necessity of home and car ownership, and the associated costs, in rural areas puts additional pressure on the limited incomes of older rural people. One implication of this is that housing conditions are often poorer in rural

areas. Table 5, for example, shows that 17 per cent of older rural residents lack central heating compared to nine per cent of urban older residents. Fahey et al. (2007) showed that older people in rural areas are more likely to do without basic amenities, such as central heating and hot water, than older people in urban areas and younger people in rural areas: 5.2 per cent of rural older people lacked hot water compared to 1.7 per cent of urban older people and 1.6 per cent of rural people of working age. However, it is not clear whether this is through choice or a lack of resources.

Table 5: Central heating for urban and rural residents aged 65 and over

	RURAL	URBAN
Has central heating (%)	82.8	91.0
No central heating (%)	17.1	9.0

Source: Census 2006

Socio-economic status

Table 6 shows the distribution of educational attainment amongst those aged 65 and over in rural and urban areas. Sixty-one per cent of older rural residents had completed only primary education, compared to 45 per cent of those living in urban areas. In contrast, only 5.5 per cent of older rural residents have a degree compared to 11 per cent of older urban residents.

Table 7 shows the socio-economic status of older urban and rural residents. Again, differences are observed across rural and urban areas with a higher proportion of older urban residents classed as higher and lower professionals and employers and managers than older rural residents. A greater proportion of rural residents were classed as farmers and agricultural workers.

Table 6: Education status for urban and rural residents aged 65 and older

	RURAL	URBAN
Primary (including no formal education) (%)	61.3	45.4
Lower secondary (%)	15.8	17.7
Upper secondary (%)	13.5	20.9
Third level (non degree) (%)	3.9	5.0
Third level (degree or higher) (%)	5.5	11.0

Source: Census 2006

Table 7: Socio-economic status of older rural and urban residents

	RURAL	URBAN
Employers and managers (%)	6.1	11.4
Higher professional (%)	2.2	4.7
Lower professional (%)	6.4	8.6
Non-manual (%)	7.1	14.3
Manual skilled (%)	6.3	9.3
Semi-skilled (%)	5.5	7.5
Unskilled (%)	4.6	4.9
Own account workers (%)	3.0	3.3
Farmers (%)	22.2	1.2
Agricultural workers (%)	2.7	0.4
Other (%)	33.8	34.4

Source: Census 2006

Poverty and deprivation amongst older rural people



The available Irish evidence shows a mixed picture in relation to poverty and deprivation amongst older rural residents compared to urban residents. The international and Irish evidence identifies a number of pertinent issues when considering poverty and deprivation in rural areas.

First, the evidence highlights the difficulty in identifying rural poverty. This is problematic because the first step in tackling poverty is identifying its existence. However, many of the indicators commonly used to identify those people and areas that are in poverty do not work in the same way in rural and urban areas (O'Reilly et al., 2007). Commins (2004) has suggested that the ownership of agricultural land, whilst being the basis for status in rural communities often hides struggles to maintain farm incomes. Further, Asthana et al. (2002) identify particular problems with car ownership and unemployment as a means to identify the most deprived populations. They note that car ownership tends to be associated with resource availability; however, in rural areas, the dispersed nature of services and lack of public transport means that car ownership is often

considered a necessity. Unemployment count too, often used to characterise deprived areas, may not be appropriate in rural areas where the lack of employment opportunities results in younger people moving out of the area, thereby reducing the measured unemployment rate.

Second, and coupled with the difficulty in measuring rural poverty, is the invisibility of rural poverty. While in urban areas, poverty and deprivation are often concentrated in particular areas and therefore very visible, rural disadvantage is generally more dispersed and hidden in nature (Scharf and Bartlam, 2006); Commins (2004) notes that a feature of this invisibility is that some materially deprived households do not necessarily regard themselves as poor. Scharf and Bartlam (2006), in their study of older people in rural communities in England, noted that rural older people tended to play down their experience of disadvantage. Commins (2004) argues that part of this reluctance to admit to poverty and deprivation in rural areas is related to cultural norms in rural areas with deprivation regarded as a consequence of personal failings.

One result of this may be that those living in rural areas are less likely to take up their benefit entitlements.

In this respect, Scharf and Bartlam (2006) noted that among their study participants, even when finances were stretched, most sought to manage without seeking additional support from the state. Former farmers in particular appeared unwilling to seek help with their finances. Heenan (2010) too found access to benefits to be a key issue among older people living in rural communities in Northern Ireland. This was attributed to a number of factors, including a lack of information, misunderstanding about eligibility and deeply ingrained attitudes which value self-sufficiency and independence above dependence on the welfare state.

Third, economic structure is closely related to overall wealth and income levels in an area, in turn affecting the wealth available to the local public sector. The mix of job

full-time, well-paid employment opportunities has obvious implications for those of working age. However, it also has detrimental consequences for the older population who are no longer in employment. Firstly, the lack of employment opportunities will likely result in out-migration of younger people, leading to higher dependency rates and a lack of the critical mass of people required to maintain essential services and infrastructure. In addition, the lack of full-time well-paid employment opportunities has implications for pension provision in later life. Having a low income throughout one's working life limits an individual's capacity to make social insurance contributions, thus contributing to poverty in later life (Metz and Underwood 2005).

Fourth, deprivation is more than a lack of income. People or areas may be deprived along a number of dimensions including goods, services, transport, etc. Townsend (1993) notes that people are relatively deprived if they cannot obtain at all or sufficiently the conditions of life – that is,

...people are relatively deprived if they cannot obtain at all or sufficiently the conditions of life – that is, the diets, amenities, standards and services – which allow them to play the roles, participate in the relationships and follow the customary behaviour which is expected of them by virtue of their membership of society.

opportunities within a locality defines its wage and income opportunities. However, due to the smaller scale of rural areas they are often heavily reliant on one industry as a source of employment, leaving them more vulnerable to economic disruption, should that industry experience market changes (Blank, 2005). Walsh (2010) notes that the current recession and the re-structuring of agriculture is leading to a narrowing of employment opportunities in rural areas. In Ireland, a significant proportion of working-age men were involved in construction, an industry largely decimated in recent years. Opportunities in agriculture have been on the decline for a number of years. The lack of

the diets, amenities, standards and services – which allow them to play the roles, participate in the relationships and follow the customary behaviour which is expected of them by virtue of their membership of society.

For older people in rural areas, a lack of income and adequate housing may be further compounded by opportunity deprivation, where a lack of locally available health, education and recreational services, as well as underdeveloped transport links, further exacerbate a sense of deprivation. This issue will be further developed in subsequent papers.

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Irish Centre for Social Gerontology

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