WDC Insights

providing insights on key issues for the Western Region of Ireland

October 2015

Trends in County Income in the Western Region

County level data on household disposable incomes per person is released every year by the CSO[1] alongside data on regional GDP. The data for 2012 is the most recent available and was published in 2015. While the data is not current, it is still useful to look at the trends over time and at this point in time when recovery was beginning in some regions.

Household Disposable Income

The county income data allows useful comparison among counties and for examining trends over time. It indicates the level of material wealth of households residing in different regions.

Household disposable income per person in the Western Region[2] was €17,735 in 2012, a small increase on the level in 2011 (€17,593). It is still significantly below its peak of €21,167 in 2008.

Key County Household Disposable Income Statistics for the Western Region, 2012

Income Statistic	Donegal	Leitrim	Sligo	Galway	Mayo	Roscommon	Clare	Western Region	State
Disposable income per person	€15,921	€18,096	€18,456	€18,890	€17,774	€ 16,827	€17,724	€17,735	€19,468
% of State average	81.8%	93.0%	94.8%	97.0%	91.3%	86.4%	91.0%	91.1%	100.0%
Change in disposable income 2011-2012 (%)	-2.0%	-0.4%	1.6%	2.9%	0.8%	0.2%	-0.1%	0.8%	0.8%
Primary income as proportion of disposable income	77.9%	86.3%	89.8%	95.5%	86.3%	90.4%	96.0%	n/a	99.1%

Source: CSO, 2015, County Incomes and regional GDP, various tables and own calculations

This 2012 data is the first to show growth in disposable incomes in some counties of the Western Region (Sligo, Galway, Mayo and Roscommon) since the 2008 collapse. Galway experienced a growth of 2.9% and Sligo growth of 1.6%. Growth in income did not occur in all Western Region counties, it fell in Donegal by 2%, in Leitrim by 0.4% and in Clare by 0.1%.

In 2012 the highest level of disposable income in the seven Western Region counties was in Galway at €18,890. This is 97% of the State average. The lowest was in Donegal at €15,921 (81.8% of the State average).

Income trends

Disposable income in all Western Region counties grew between 2003 and 2008, when it peaked in all counties. It then fell in all Western region counties to 2011 and despite growth in 2012 in some counties it remains below the 2008 level throughout the region.

Average household disposable income in the Western Region was 91.1% of that in the State as it was in 2011. Over the long term there has been a narrowing of the gap in disposable income, with the Western Region 84.3% of the State average in 1995 and 89.1% in 2000.

1. CSO, 2015, County Incomes and Regional GDP http://www.cso.ie/en/releasesandpublications/er/cirgdp/countyincomesandregionalgdp2012/
2. In order to estimate Household Disposable Income figures for the Western Region (the seven counties under the WDC remit), inferred population estimates were used, based on those used for each county by the CSO in this release.

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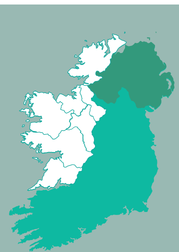
WESTERN DEVELOPMENT COMMISSION
COIMISIÚN FORBARTHA AN IARTHAIR

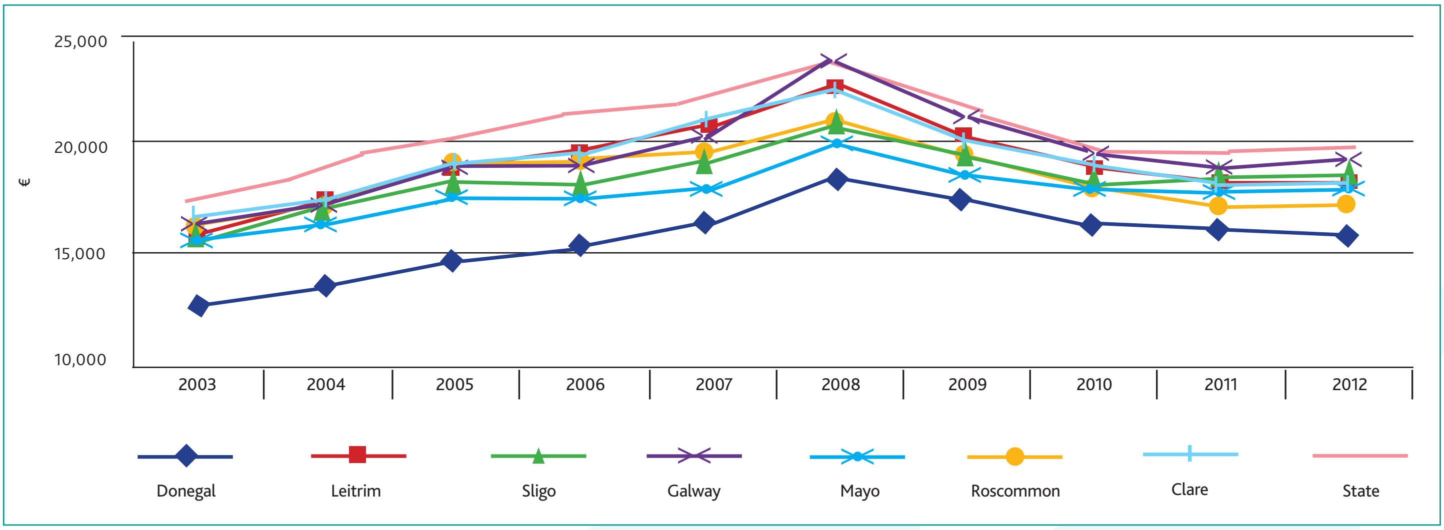
The Western Development Commission (WDC) is a statutory body promoting economic and social development in the Western Region of Ireland (counties Donegal, Sligo, Leitrim, Mayo, Roscommon, Galway and Clare).

For more information see

www.wdc.ie



Disposable Income per person in Western Region Counties 2003 to 2012



Source: County Incomes and Regional GDP, 2012, Table 3

Primary Income[3] and Social Transfers

Household disposable income is made up of primary income and social transfers less tax and social charges. In counties with higher employment rates and lower dependency ratios, primary income levels will be greater than or similar to the household disposable income indicating a relatively lower inflow of social transfers and a relatively higher tax out flow.

In the Western Region, Clare and Galway (both 96%) had the highest levels of primary income as a percentage of disposable income, while Leitrim and Mayo (both 86%) and Donegal (78%) had the lowest. In the counties of Dublin, Kildare, Meath, Wicklow, and Cork primary income exceeded disposable income in 2012.

Social transfers, which are also very significantly influenced by county demographics, make up an important part of household income. In Donegal they were 41% of household disposable income[4] , the highest in the country, and in Leitrim and Mayo 35%. In Roscommon and Sligo they were 32% while the lowest were Galway (30%) and Clare (31%). Nationally the lowest percentage of income from social transfers was in Meath (23.5%).

Conclusions

Income levels are dependent on the characteristics of the county in terms both of economic structure and population which in turn influence levels of economic activity[5] and hence primary income and the inflow of social transfers. Counties with a higher proportion of older people, children, and other dependent groups are more dependent on social transfers, in part as a result of the out migration of those of working age for education and employment. Those areas with higher levels of economic activity benefit from this migration. County incomes are also influenced by broader government policy and the location of mobile also investment and its impact at local level.

The differences in income levels among counties as well as differences in growth rates (or declines) are all cause for concern. While an economic recovery is underway, it is important that its benefits are felt in all counties and that while a focus on equity is important it is essential that there is investment in the fundamentals of growth and developing local economic activity.

A detailed report 'County Incomes and Regional GDP, 2012' and the WDC Insights 'Trends in Regional Outputs' can be downloaded from www.wdc.ie/publications/reports-and-papers/

3. Primary income is made up of income from employment, rent of dwellings and net interest and dividends. This is mainly income from productive sources. Adding social transfers to primary income and subtracting off income taxes and social insurance contributions results in disposable income.
4. These are simple percentages of household disposable income but the statistical discrepancy means that the sum of primary income and social transfers is not equal to total household income. See http://www.cso.ie/en/media/csoie/releasespublications/documents/economy/2012/nie_2012.pdf for more discussion
5. See *WDC Insights* Trends in Regional Output http://www.wdc.ie/publications/reports-and-papers/

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