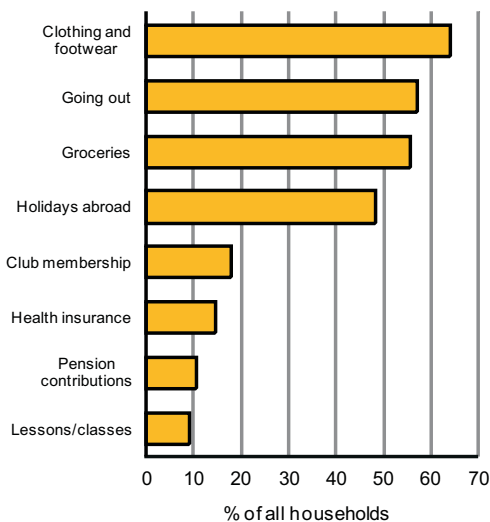




Quarterly National Household Survey

Response of Households to the Economic Downturn – Pilot module Quarter 2 2011

Figure 1 Percentage of households making cutbacks in the last two years, Q2 2011



A short pilot module on the response of households to the economic downturn was included in the Quarterly National Household Survey in the second quarter (April – June) of 2011. Drawing on the experience of this pilot module a QNHS module on household financial distress will be conducted in the third quarter (July – September) of 2012 and results will be published in early 2013.

This report presents the results of the Q2 2011 module.

Summary of main findings

- ◆ In all, 79% of households cut back their spending on at least one of the listed items as a result of the economic climate in the two years before the survey.
- ◆ More than half of households cut back their spending on groceries and more than half cut back spending on going out.
- ◆ Almost two thirds of households cut back their spending on clothing and footwear.
- ◆ Spending on health insurance was reduced by 15% of households and 11% of households cut back spending on pension contributions.
- ◆ One fifth of households delayed or missed paying their bills in order to meet their outgoings on basic goods and services. One in ten delayed or missed loan repayments and a further one in ten delayed or missed paying their credit card bill.
- ◆ In the two years prior to the survey 45% of households spent some or all of their savings and 62% reduced the amount being saved.
- ◆ One in ten households borrowed money from family or friends to pay for basic goods and services in the two years prior to the survey.

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This pilot module was designed to assess at a high level how households have reacted to the recession. This pilot will feed into the development of a comprehensive module on household financial distress which is planned for the third quarter of 2012. Users should be aware of some limitations of the pilot survey when interpreting the results. While many of the cutbacks and financial measures listed in the survey would be relevant to most households, it is also likely that some were not relevant for particular households. For example, a household may not have been spending money on holidays abroad or may not have had a mortgage. Therefore, in these cases cutbacks or financial changes could not have been made. In addition, it should be noted that no data was collected on the scale of cutbacks made.

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Background to the module

One member of each household was asked to answer 'Yes or No' to each of the following questions on behalf of the household:

In the last two years, have you or any member of your household had to cut back spending on any of the following as a result of the economic climate in Ireland?

1. Groceries
2. Clothing & footwear
3. Health insurance
4. Pension contributions
5. Holidays abroad/weekends abroad
6. Going out to pubs/restaurants/cinema/concerts etc.
7. Club membership such as gym, golf or tennis club
8. Lessons/classes for you or your children (e.g. evening classes, children's sport or music lessons)

In the last two years, have you or any member of your household done any of the following in order to pay for essential goods and services?

Examples of essential goods and services are food and electricity bills.

1. Spent some/all of your savings
2. Reduced the amount you save
3. Delayed or missed payment of household bills
4. Changed your mortgage repayments, for example by switching to interest only or lengthening the term
5. Delayed or missed credit card repayments
6. Delayed or missed loan repayments
7. Borrowed money from family or friends

Section 1 Cutbacks

In all, 79% of households cut back their spending on at least one of the listed items as a response to the economic climate in the two years before the survey. *See table 1.1.*

- One in five households reduced spending on club memberships.
- One in ten cut back on lessons or classes for adults or children.
- Spending on health insurance was reduced by 15% of households.
- Just over one tenth of households cut back their spending on pension contributions.

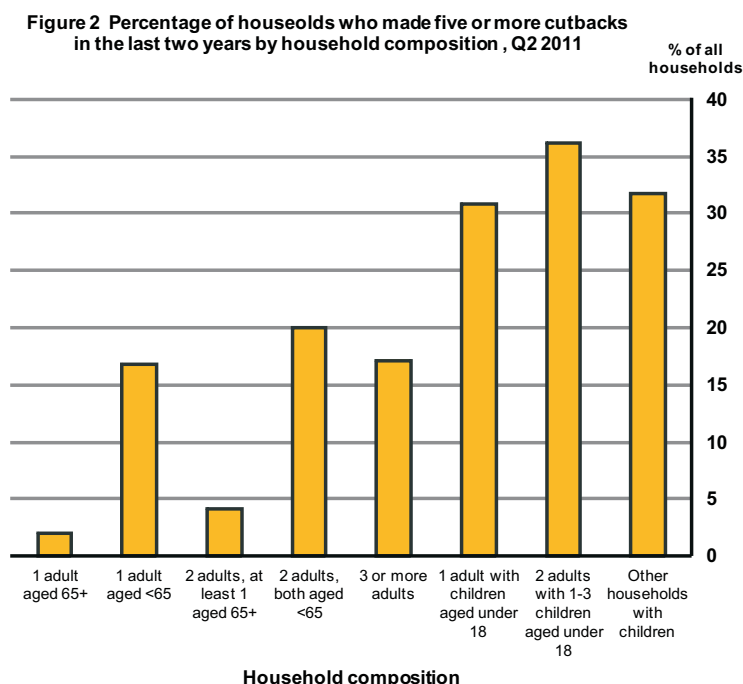
Almost two thirds of households cut back their spending on clothing and footwear. More than half of households cut back their spending on groceries and more than half cut back spending on going out. Holidays abroad were also targeted for cutbacks by just under half of all households.

There were some clear differences in the behaviour of households depending on the age of the household reference person, whether or not they were working and whether or not there were children in the house.

- Cutbacks were far more likely in a household where the reference person was aged less than 55 years. Among households where the reference person was aged less than 35 or between 35 and 54 years, three quarters had cut back on clothing and footwear, compared with half of households where the reference person was aged 55 or older.
- While 64% of households where the reference person was younger than 35 had cut back spending on groceries, this compares with 42% of those where the reference person was 55 or more.

- Some 81% of households where the reference person was unemployed reported that they had cut back their spending on groceries in the previous two years, compared with 57% of households where the reference person was working.
- Households with children were more likely than those without children to cut back their spending on groceries, clothing and footwear, going out, and lessons or classes.

Households made an average of 2.8 of the listed cutbacks in the two years before the survey. However, one fifth of all households had made more than four cutbacks and a further fifth had made none. Households with children were more likely than those without children to have made more than four cutbacks. One third of households where up to three children lived with two adults had made more than four cutbacks, compared with one fifth of households where two adults under 65 years lived alone. *See table 1.2.*



Households where the reference person was aged less than 55 were more likely to make more than four cutbacks than those where the reference person was aged 55 or over. While at least five cutbacks were made by 26% of households where the reference person was aged between 18 and 34 and by 31% of households where the reference person was between 35 and 44, this compares with just 9% of those where the reference person was aged 55 or more.

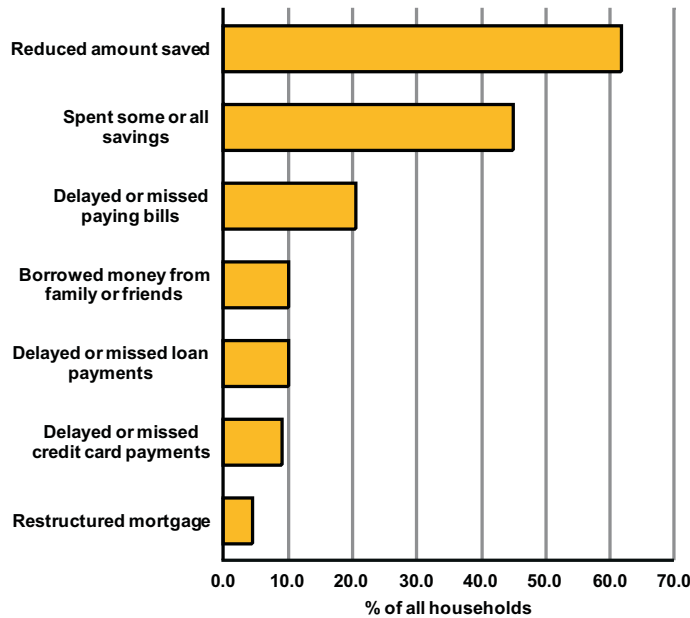
	% of all households	
	Cutbacks made over the last two years	Unweighted sample (Number of households)
Number of Cutbacks		
None	22	2,880
One	9	1,242
Two	15	1,917
Three or more	55	6,967

Section 2 Financial Measures

One in ten households borrowed money from family or friends to pay for basic goods and services over the two years prior to the survey. Savings were the most common area targeted by households to pay for basic goods and services. See table 2.1.

- In the two years prior to the survey 45% of households spent some or all of their savings and 62% reduced the amount being saved.
- One fifth of households delayed or missed paying their bills in order to meet their outgoings on basic goods and services.
- One in ten households delayed or missed loan repayments and one in ten delayed or missed paying their credit card bill.

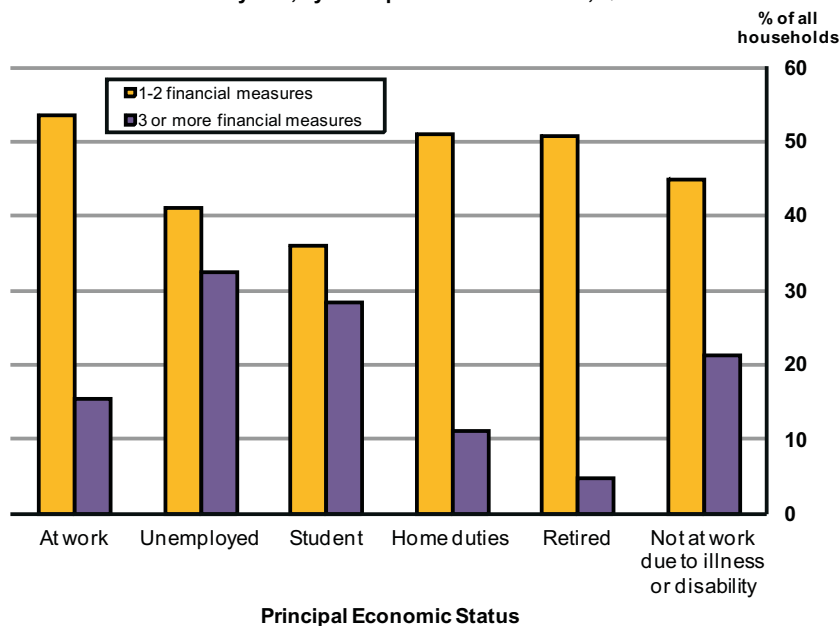
Figure 3 Financial measures taken by households to pay for basic goods and services in the last two years, Q2 2011



Households where one adult lived with at least one child were particularly affected as one third had borrowed money from family or friends, one quarter had delayed or missed loan repayments and half had delayed or missed paying bills.

Almost 30% of households where the reference person was unemployed had borrowed money from family or friends to pay for basic goods and services. In addition, half of such households had missed paying household bills and more than one quarter had missed loan repayments. Two thirds of households where the reference person was working and two thirds of those where the reference person was unemployed had reduced the amount they saved. However, households where the reference person was unemployed were far more likely to have spent some or all of their savings. Almost 64% of these households had spent savings to pay for basic goods and services in the two years prior to the survey, compared with 46% of households where the reference person was working.

Figure 4 Number of financial measures taken by all households in the last two years, by Principal Economic Status, Q2 2011



- Among all households the average number of financial measures taken was 1.6. See table 2.2.
- Half of all households had taken one or two of the listed measures to pay for basic goods and services.
- A further 15% of households had taken 3 or 4 of the measures and 5% had taken more than four. More than one quarter of households had not taken any of the listed measures.
- Households with children were most likely to report that they had taken more than four of the listed measures. One third of households where one adult lived with at least one child had taken three or four measures.

	% of all households	
	Financial measures taken over the last two years	<i>Unweighted sample (Number of households)</i>
Number of financial measures		
None	28	3,652
One	24	3,156
Two	27	3,519
Three or more	21	2,679

Table 1.1 Cutbacks made by households in the two years up to April-June 2011

% of all households

	Cutbacks ¹ over the last two years										Unweighted sample (Number of households)
	Groceries	Clothing & footwear	Health insurance	Pension contributions	Holidays abroad	Going out	Club membership	Lessons/ classes	At least one of those cutbacks		
All households	56	64	15	11	48	57	18	9	79	13,006	
Region											
Border	58	68	16	12	42	57	16	11	80	1,361	
Midland	61	69	12	9	47	59	14	6	80	785	
West	55	63	14	9	48	60	18	9	78	1,313	
Dublin	57	63	14	10	54	59	18	9	79	2,939	
Mid-East	58	68	17	13	57	65	28	13	83	1,402	
Mid-West	53	61	14	11	43	52	15	6	76	1,374	
South-East	52	63	15	12	45	53	18	10	77	1,466	
South-West	54	62	16	9	43	52	15	7	77	2,366	
Household composition											
1 adult aged 65+	30	34	3	1	15	19	3	1	47	1,516	
1 adult aged <65	51	62	13	10	45	58	16	4	77	1,895	
2 adults, at least 1 aged 65+	34	39	8	3	23	28	5	1	56	1,366	
2 adults, both aged <65	54	65	15	12	54	64	20	4	83	2,019	
3 or more adults	56	65	15	9	48	54	15	4	80	1,365	
1 adult with children aged under 18	79	86	12	7	56	76	21	28	95	922	
2 adults with 1-3 children aged under 18	69	77	22	18	65	73	28	17	91	2,901	
Other households with children	70	80	19	15	59	70	23	21	91	1,022	
Number of people at work in the household											
No one at work	53	58	9	4	33	44	10	8	70	4,779	
One person at work	59	69	18	13	55	63	21	10	82	4,440	
Two people at work	55	67	19	16	59	67	24	9	85	3,324	
Three or more people at work	49	58	15	10	51	55	20	7	79	463	
Age of household reference person											
18-34	64	75	14	9	59	72	25	11	88	2,161	
35-54	65	74	20	17	60	69	24	14	88	5,557	
55+	42	49	9	5	31	38	8	3	64	5,288	
Principal Economic Status of reference person											
At work	57	68	18	15	57	65	23	10	84	7,848	
Unemployed	81	86	15	12	55	75	20	17	94	981	
Student	67	71	12	6	54	61	18	19	80	170	
Home duties	50	56	6	2	27	37	6	7	68	2,209	
Retired	34	37	8	2	23	27	6	1	54	1,415	
Others	62	68	7	4	35	52	10	6	78	383	

¹ The results presented should be interpreted with caution. It may be the case that some of the cutbacks listed were not relevant for particular households. For example, a household may not have been in the habit of purchasing health insurance or of taking holidays abroad.

Data may be subject to sampling or other survey errors, which are greater in respect of smaller values or estimates of change.

Table 1.2 Number of cutbacks¹ made by all households in the last two years, April-June 2011.

% of all households

	Cutbacks ² made over the last two years				Unweighted sample (Number of households)
	No cutbacks	1 to 4 cutbacks	5 or more cutbacks	Mean number of cutbacks	
	%	%	%		
All households	22	57	21	2.8	13,006
Region					
Border	20	58	21	2.8	1,361
Midland	20	62	19	2.8	785
West	22	57	21	3.2	1,313
Dublin	21	57	22	2.8	2,939
Mid-East	17	54	29	2.5	1,402
Mid-West	24	60	17	2.7	1,374
South-East	23	56	21	2.6	1,466
South-West	23	59	19	2.8	2,366
Household composition					
1 adult aged 65+	53	45	2	1.1	1,516
1 adult aged <65	23	60	17	2.6	1,895
2 adults, at least 1 aged 65+	44	52	4	1.4	1,366
2 adults, both aged <65	17	63	20	2.9	2,019
3 or more adults	20	63	17	2.6	1,365
1 adult with children aged under 18	5	64	31	3.6	922
2 adults with 1-3 children aged under 18	9	55	36	3.7	2,901
Other households with children	9	59	32	3.6	1,022
Number of people at work in the household					
No one at work	30	58	12	2.2	4,779
One person at work	18	56	26	3.1	4,440
Two people at work	15	58	27	3.2	3,324
Three or more people at work	21	59	21	2.7	463
Age of household reference person					
18-34	12	62	26	3.3	2,161
35-54	12	57	31	3.4	5,557
55+	36	56	9	1.8	5,288
Principal Economic Status of reference person					
At work	16	57	27	3.1	7,848
Unemployed	6	67	27	3.6	981
Student	20	56	24	3.1	170
Home duties	32	59	8	1.9	2,209
Retired	46	49	5	1.4	1,415
Others	22	66	12	2.4	383

¹ Cutbacks comprise the following categories: Clothing & footwear, Going out, Groceries, Holidays abroad, Club membership, Health Insurance, Pension contributions and Lessons/classes.

² The results presented should be interpreted with caution. It may be the case that some of the cutbacks listed were not relevant for particular households. For example, a household may not have been in the habit of purchasing health insurance or of taking holidays abroad.

Table 2.1 Financial measures taken by households to pay for basic goods & services in the last two years, April-June 2011

% of all households

	Financial measures ¹ taken to pay for basic goods & services over the last two years								Unweighted sample (Number of households)
	Spent some/ all savings	Reduced amount being saved	Delayed/ missed paying household bills	Restructured mortgage ¹	Delayed/ missed credit card payments	Delayed/ missed loan payments	Borrowed money from family/friends	At least one of these steps taken	
All households	45	62	21	4	9	10	10	72	13,006
Region									
Border	51	70	23	4	9	10	9	78	1,361
Midland	49	68	25	6	7	12	10	77	785
West	50	65	23	5	12	10	11	75	1,313
Dublin	39	55	21	5	10	10	13	69	2,939
Mid-East	52	66	22	5	11	11	8	76	1,402
Mid-West	40	62	17	4	7	8	9	69	1,374
South-East	43	59	19	4	7	11	11	71	1,466
South-West	45	59	17	3	8	9	8	71	2,366
Household composition									
1 adult aged 65+	32	42	6	0	1	1	2	51	1,516
1 adult aged <65	46	61	21	4	8	10	10	72	1,895
2 adults, at least 1 aged 65+	34	51	5	1	1	2	2	58	1,366
2 adults, both aged <65	42	62	18	4	10	9	9	72	2,019
3 or more adults	44	62	17	3	7	8	7	72	1,365
1 adult with children aged under 18	54	64	50	4	13	25	35	87	922
2 adults with 1-3 children aged under 18	53	71	26	8	14	13	12	81	2,901
Other households with children	51	69	31	7	14	17	14	82	1,022
Number of people at work in the household									
No one at work	44	53	24	3	6	12	14	68	4,779
One person at work	49	66	22	6	11	11	10	76	4,440
Two people at work	42	66	15	5	11	7	6	74	3,324
Three or more people at work	39	63	15	4	8	7	7	68	463
Age of household reference person									
18-34	49	65	31	5	12	15	23	79	2,161
35-54	50	68	26	7	13	14	12	79	5,557
55+	38	54	10	1	3	4	3	63	5,288
Principal Economic Status of reference person									
At work	46	66	19	6	11	10	8	75	7,848
Unemployed	64	67	50	8	15	28	29	88	981
Student	49	52	37	6	12	20	35	76	170
Home duties	40	52	18	1	3	8	10	65	2,209
Retired	34	47	7	1	1	2	2	56	1,415
Others	46	54	34	1	8	15	20	72	383

¹ The results presented should be interpreted with caution. It may be the case that some of the financial measures listed were not relevant for particular households. For example, a household may not have had a mortgage or may not have had savings. Data may be subject to sampling or other survey errors, which are greater in respect of smaller values or estimates of change.

Table 2.2 Number of financial measures taken by all households in the last two years, April-June 2011.

% of all households

	Financial measures ¹ taken over the last two years					Mean number of financial measures	Unweighted sample (Number of households)
	No financial measures	1 to 2 financial measures	3 to 4 financial measures	5 to 8 financial measures			
	%	%	%	%			
All households	28	51	15	5	1.6	13,006	
Region							
Border	22	53	20	6	1.8	1,361	
Midland	31	48	15	6	1.5	785	
West	24	52	17	6	1.8	1,313	
Dublin	23	55	15	7	1.8	2,939	
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2 adults, at least 1 aged 65+	42	54	3	1	1.0	1,366	
2 adults, both aged <65	28	52	15	5	1.5	2,019	
3 or more adults	28	55	13	4	1.5	1,365	
1 adult with children aged under 18	13	42	33	12	2.4	922	
2 adults with 1-3 children aged under 18	19	53	20	8	2.0	2,901	
Other households with children	18	52	20	10	2.0	1,022	
Number of people at work in the household							
No one at work	32	47	16	5	1.5	4,779	
One person at work	24	53	17	7	1.8	4,440	
Two people at work	26	56	13	5	1.5	3,324	
Three or more people at work	32	50	13	5	1.4	463	
Age of household reference person							
18-34	21	46	24	8	2.0	2,161	
35-54	21	52	19	8	1.9	5,557	
55+	37	53	8	2	1.1	5,288	
Principal Economic Status of reference person							
At work	25	54	15	6	1.7	7,848	
Unemployed	12	41	32	15	2.6	981	
Student	24	36	28	11	2.1	170	
Home duties	35	51	11	3	1.3	2,209	
Retired	44	51	5	1	0.9	1,415	
Others	28	45	21	6	1.8	383	

¹ The results presented should be interpreted with caution. It may be the case that some of the financial measures listed were not relevant for particular households. For example, a household may not have had a mortgage or may not have had savings.

Background Notes

Reference period	A short pilot module on the ‘Response of households to the economic downturn’ was included in the Quarterly National Household Survey (QNHS) in the three months from April to June 2011 (quarter 2). The questionnaire referred to the two years prior to the survey period.
Purpose of survey	The QNHS began in September 1997, replacing the annual April Labour Force Survey (LFS). The purpose of the survey is the production of quarterly labour force estimates and occasional reports on special social topics. The survey meets the requirements of Council Regulation (EC) No. 577/98, adopted in March 1998, which requires the introduction of quarterly labour force surveys in EU member states.
Grossing effect	The QNHS grossing procedure aligns the distribution of persons covered in the survey with independently determined population estimates at the level of sex, five-year age group and region.
Statistical significance	All estimates based on sample surveys are subject to error, some of which is measurable. Where an estimate is statistically significantly different from another estimate it means that we can be 95% confident that differences between those two estimates are not due to sampling error. Unless otherwise stated, changes and differences mentioned in the text have been found to be statistically significant at the 95% confidence level.
Household reference person	This refers to the eldest adult in the household with a Principal Economic Status of ‘at work’. In a household where there were no adults who were ‘at work’, the eldest adult was selected.
Principal Economic Status classification	Results are also available using the Principal Economic Status (PES) classification which was used in the Labour Force Survey and the Census of Population. The PES classification is based on a single question in which respondents are asked what is their usual situation with regard to employment and given the following response categories: <ul style="list-style-type: none"> • At work • Unemployed • Student • Engaged on home duties • Retired • Other
Highest level of education attained	This classification is derived from a single question and refers to educational standards that have been attained and can be compared in some measurable way and it is included in the core QNHS on an ongoing basis. The question is phrased as follows: <p><i>What is the highest level of education or training you have attained?</i></p>
Household composition	For the purposes of deriving household composition, a child was defined as any member of the household aged 17 or under. Households were analysed as a whole, regardless of the number of family units within the household. The categories of household composition are: <ul style="list-style-type: none"> • 1 adult aged 65+, no children under 18 • 1 adult aged <65, no children under 18 • 2 adults at least 1 aged 65+, no children under 18 • 2 adults, both aged <65, no children under 18 • 3 or more adults, no children aged under 18 • 1 adult, with children • 2 adults with 1-3 children • Other households with children.

Regions The regional classifications in this release are based on the NUTS (Nomenclature of Territorial Units) classification used by Eurostat. The NUTS3 regions correspond to the eight Regional Authorities established under the Local Government Act, 1991 (Regional Authorities) (Establishment) Order, 1993, which came into operation on 1 January 1994. The NUTS2 regions, which were proposed by Government and agreed by Eurostat in 1999, are groupings of the NUTS3 regions. The composition of the regions is set out below.

Border, Midland and Western NUTS2 Region		Southern and Eastern NUTS2 Region	
Border	Cavan Donegal Leitrim Louth Monaghan Sligo	Dublin	Dublin City Dun Laoghaire-Rathdown Fingal South Dublin
Midland	Laois Longford Offaly Westmeath	Mid-East	Kildare Meath Wicklow
West	Galway City Galway County Mayo Roscommon	Mid-West	Clare Limerick City Limerick County North Tipperary
		South-East	Carlow Kilkenny South Tipperary Waterford City Waterford County Wexford
		South-West	Cork City Cork County Kerry

QHNS Social Modules While the main purpose of the QNHS is the production of quarterly labour force estimates, there is also a provision for the collection of data on social topics through the inclusion of special survey modules. The selection of the major national modules undertaken to date has been largely based on the results of a canvass of users (over 100 organisations) that was conducted by the CSO in 1996, 2002, 2006, 2008 and most recently 2011. The results of the canvass are presented to the National Statistics Board and they are asked to indicate their priorities for the years ahead.

The schedule for social modules in any given year is based on the following structure:

Quarter 1	Accidents and Illness module and Information, Communication and Technology (ICT) Survey
Quarter 2	EU module (always covered under EU legislation)
Quarter 3	National module
Quarter 4	National module

The table below outlines the social modules published to date in the QNHS

Reference Quarter	Social Module
Q2 2011	Voter Participation
Q1 2011	ICT household survey
Q4 2010	Equality
Q3 2010	Health
Q2 2010	Cross Border Shopping
Q2 2010	Educational Attainment
Q1 2010	Crime and Victimization
Q1 2010	ICT household survey
Q4 2009	Pensions
Q3 2009	Carers
Q2 2009	Union Membership
Q2 2009	Cross Border Shopping
Q3 2008	Lifelong learning
Q1 2008	Pension provision
Q4 2007	Childcare
Q3 2007	Health
Q2 2007	Union Membership
Q1 2007	Work-related Accidents and Illnesses (Q1 2003 – Q1 2007)
Q1 2007	ICT household survey
Q4 2006	Crime and Victimization
Q3 2006	Sport and physical exercise
Q1 2006	ICT household survey
Q4 2005	Pension provision
Q4 2005	Special Saving Incentive Accounts (SSIAs)
Q3 2005	ICT household survey
Q3 2005	Recycling and energy conservation
Q2 2005	Reconciliation between work and family life
Q2 2005	Educational attainment
Q1 2005	Childcare
Q4 2004	Equality
Q3 2004	ICT household survey
Q2 2004	Union Membership
Q2 2004	Work organisation and working time
Q4 2003	Crime and Victimization
Q3 2003	Housing
Q3 2003	ICT household survey

Social modules yet to be published:

Reference Quarter	Social Module
Q3 2011	Adult education survey