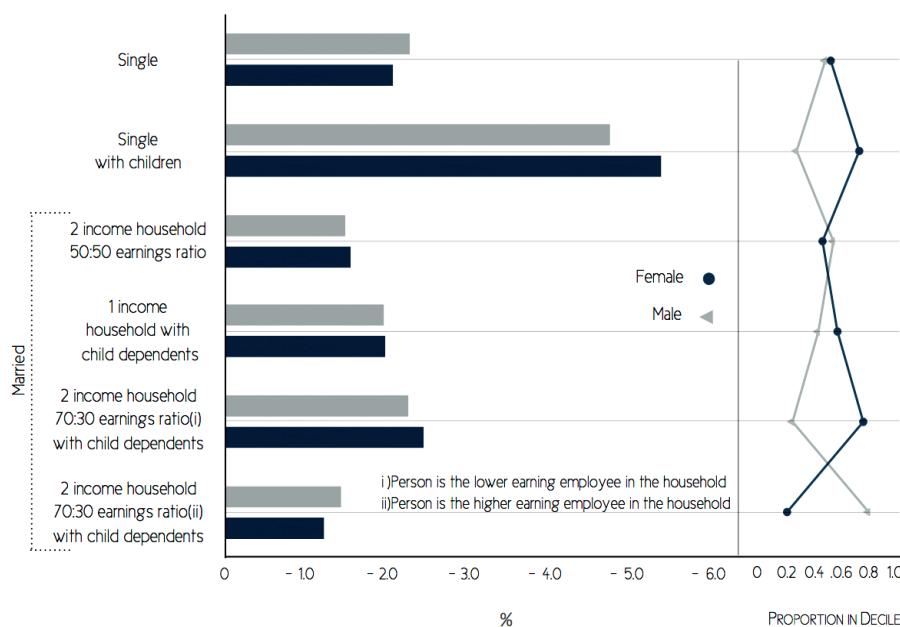


Winners and Losers? ... Equality lessons for Budget 2012

Highlighted findings

- TASC undertook a gender impact assessment of Budget 2011 to quantify the cumulative effects of the main changes to direct taxation, social insurance and social welfare payments on the income of women and men. The full report is available for download [here](#).
- Overall, those on the lowest incomes were hardest hit by the measured budgetary changes. They were adversely affected by the cuts to social transfers and by changes to taxation, specifically the introduction of the Universal Social Charge, widening of tax bands and reductions in tax credits. As women are concentrated in lower income groups, they suffered a disproportionate impact.
- The category most adversely affected by the measured Budget 2011 changes was the 'single with children' group. This category has by far the lowest average income of all the categories studied, and has a very high ratio of females (73 per cent) to males (27 per cent). The cumulative impact of the budgetary changes on this category caused individuals in this category to lose five per cent of their income on average.

Measured budgetary impacts by household category



- The category 'single with children' includes the households and groups that are most 'at risk of poverty' and those most likely to be experiencing 'consistent poverty': lone parent households and children. Their loss of income is likely to further exacerbate income inequalities and result in ever

greater numbers being put at risk of poverty, as this is the group that is least able to absorb the burden of the adjustment. It is imperative that the budgetary measures chosen for Budget 2012 do not continue to impose the burden of adjustment on those groups in society least able to absorb reductions in income, and least able to withstand diminished access to vital public services.

- The least adversely affected category was the '*married two incomes 70/30 – higher earner*' category, (i.e. where the survey respondent was the higher earner within a two earner household). This category had the highest gross annual income, which was reduced by an average of 1.3 per cent. This was also the category with the highest ratio of males (80 per cent) to females (20 per cent).
- Single individuals without children were the largest category (58.5 per cent) in the analysed sample. Single men with no child dependents earning between €15,070 and €19,059 lost proportionately more of their income (4.25 per cent) as a result of the measured tax changes and social welfare cuts than any of the other income deciles in this category. Within this group, the average male earns closer to the €19,059 upper limit. Therefore the lowering of the personal and PAYE tax credits, resulting in the reliefs expiring at earnings of €16,500 per annum, combined with the introduction of the seven per cent USC rate on annual earnings above €16,016, impacted proportionately more on the average earning male in this group.
- TASC recommends that all budgetary measures under consideration be subjected to an equality audit, whereby a full distributional analysis is undertaken to identify how different groups in society are likely to be affected. This would inform a process of equality-proofing and gender-proofing the budget.
- TASC carried out a comparative analysis of the tax treatment of same sex couples who are registered civil partners, and married heterosexual couples, following the introduction of the Civil Partnership Act. The introduction of civil partnership addressed most of the inequalities relating to taxation experienced by same sex couples vis-à-vis married heterosexual couples. However, differences still remain and these differences mean that civil partners and their families still have fewer rights and protections than their married counterparts. The realisation of full equality between these groups can only be achieved through access to civil marriage.