

People at risk of poverty or social exclusion

Data from December 2013. Most recent data: Further Eurostat information, Main tables and Database .

One of the five headline targets of the [Europe 2020 headline indicators](#) is to reduce poverty by lifting at least 20 million people out of the [risk of poverty or social exclusion](#) by 2020. This article presents geographical and temporal comparisons of the monetary and non-monetary elements of the indicator that describes poverty and social exclusion in the [European Union \(EU\)](#) using the most recent data (2011 and 2012) from the [EU statistics on income and living conditions \(EU-SILC\)](#) . Comparisons over the most recent years enable, inter alia, analysis of the impact of the economic crisis and the austerity measures taken to overcome the crisis on the Europe 2020 headline target.

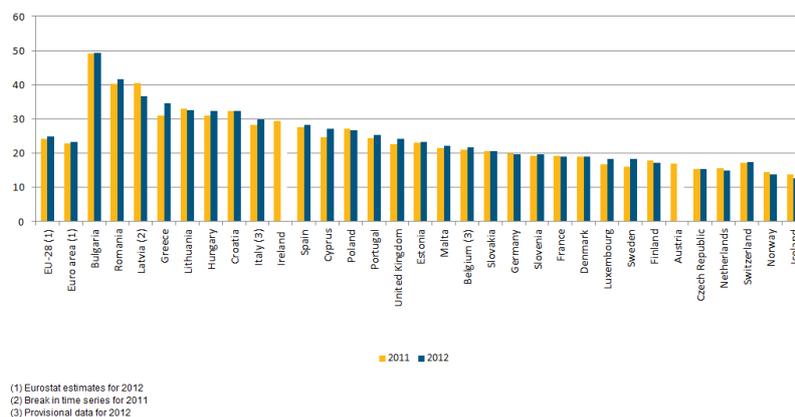


Figure 1: At-risk-of poverty or social exclusion rate, 2011 and 2012(%) - Source: Eurostat (ilc_peps01)

	Total	Children (0-17)	Adults (18 - 64)	Elderly (65 years and over)
EU-28 (1)	24.8	28.1	25.4	19.3
Euro area (1)	23.2	25.5	24.2	17.4
Belgium (2)	21.6	23.4	21.5	19.5
Bulgaria	49.3	52.3	45.6	59.1
Czech Republic	15.4	18.8	15.5	10.8
Denmark	19.0	15.3	21.5	14.6
Germany	19.6	18.4	21.2	15.8
Estonia	23.4	22.4	24.2	21.8
Ireland
Greece	34.6	35.4	37.7	23.5
Spain	28.2	33.8	29.7	16.6
France	19.1	23.2	19.8	11.1
Croatia	32.3	33.8	31.5	33.2
Italy	29.9	33.8	30.4	25.2
Cyprus	27.1	27.5	25.8	33.4
Latvia	36.6	40.5	36.2	34.0
Lithuania	32.5	31.9	31.7	35.7
Luxembourg	18.4	24.6	18.8	6.1
Hungary	32.4	40.9	32.9	20.6
Malta	22.2	29.7	20.1	21.9
Netherlands	15.0	16.9	16.5	6.2
Austria
Poland	26.7	29.3	26.7	23.4
Portugal	25.3	27.8	25.5	22.1
Romania	41.7	52.2	40.2	35.7
Slovenia	19.6	16.4	19.7	22.8
Slovakia	20.5	26.6	19.9	16.3
Finland	17.2	14.9	17.3	19.5
Sweden	18.2	19.4	17.9	17.7
United Kingdom	24.1	31.2	23.8	16.9
Iceland	12.7	16.6	12.9	5.0
Norway	13.8	13.0	15.6	9.7
Switzerland	17.5	18.8	13.9	30.2

(1) Eurostat estimates for 2012

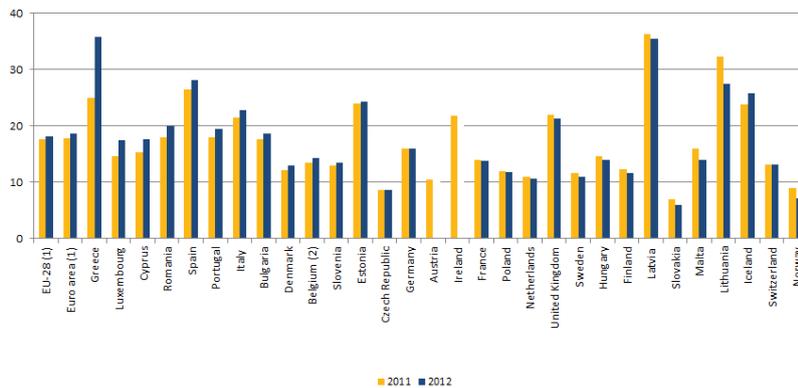
(2) Provisional data for 2012

Table 1: At-risk-of poverty or social exclusion rate by age group, 2012(% of specified population)
- Source: Eurostat (ilc_peps01)

	At-risk-of poverty before social transfers		At-risk-of poverty after social transfers		At-risk-of poverty threshold (national currency)		
	2011	2012	2011	2012	2011	2012	
EU-28 (1)	26.3	25.9	16.9	17.0			
Euro area (1)	25.6	25.0	16.9	17.0			
Belgium (2)	27.8	27.5	15.3	14.8	12,005	12,025	EUR
Bulgaria	27.4	25.9	22.2	21.2	3,420	3,356	BGN
Czech Republic	18.0	17.6	9.8	9.6	113,040	114,953	CZK
Denmark	28.4	28.3	13.0	13.1	117,940	118,822	DKK
Germany	25.1	24.3	15.8	16.1	11,426	11,757	EUR
Estonia	24.9	24.8	17.5	17.5	52,553	3,592	EEK
Ireland	39.6	.	15.2	.	11,836	.	EUR
Greece	24.8	26.8	21.4	23.1	6,591	6,508	EUR
Spain	30.0	29.6	22.2	22.2	7,272	7,182	EUR
France	24.7	23.8	14.0	14.1	11,997	12,362	EUR
Croatia	30.2	30.4	21.3	20.5	24,462	24,122	HRK
Italy	24.4	24.4	19.6	19.4	9,583	9,617	EUR
Cyprus	23.5	23.5	14.8	14.7	10,194	10,156	EUR
Latvia (3)	27.3	26.1	19.1	19.3	1,765	1,880	LVL
Lithuania	30.2	28.4	19.2	18.6	7,990	8,296	LTL
Luxembourg	27.2	29.0	13.6	15.1	19,523	19,668	EUR
Hungary	28.9	27.1	13.8	14.0	749,550	796,784	HUF
Malta	22.9	23.5	15.4	15.0	6,517	6,839	EUR
Netherlands	20.9	20.6	11.0	10.1	12,186	12,337	EUR
Austria	24.9	.	12.6	.	12,791	.	EUR
Poland	24.1	22.9	17.7	17.7	12,045	15,509	PLN
Portugal	25.4	25.2	18.0	17.9	5,046	4,994	EUR
Romania	29.1	28.0	22.2	22.6	5,349	5,382	RON
Slovenia	24.2	25.2	13.6	13.5	7,199	7,273	EUR
Slovakia	19.5	20.0	13.0	13.2	3,784	4,156	EUR
Finland	27.4	26.9	13.7	13.2	13,096	13,619	EUR
Sweden	27.9	27.3	14.0	14.2	128,790	133,476	SEK
United Kingdom	30.5	30.4	16.2	16.2	8,923	9,247	GBP
Iceland	23.1	23.1	9.2	7.9	1,842,970	1,875,151	ISK
Norway	29.6	25.9	10.5	10.1	174,795	187,223	NOK
Switzerland	23.4	23.3	15.0	15.9	28,105	29,170	CHF

(1) Eurostat estimates for 2012
(2) Provisional data for 2012
(3) Break in time series in 2011

Table 2: At-risk-of-poverty rate before and after social transfers and at-risk-of-poverty threshold (for a single person) 2011 and 2012 (%) - Source: Eurostat (ilc_li10) (ilc_li02) (ilc_li01)



(1) Eurostat estimates for 2012
(2) Provisional data for 2012
Countries are sorted in descending order by differences in the rates between 2011 and 2012

Figure 2: At-risk-of poverty or social exclusion rate anchored at a fixed moment in time (2008), 2011 and 2012 (1) (%) - Source: Eurostat (ilc_li22b)

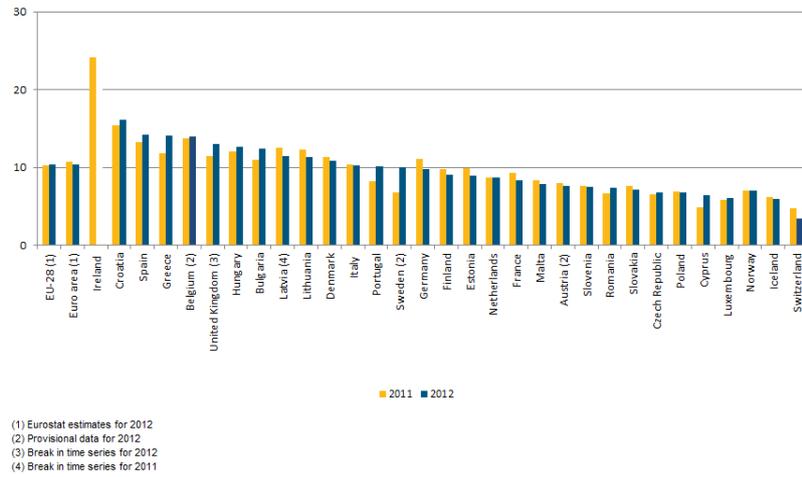


Figure 3: People (less than 60) living in households with very low work intensity, 2011 and 2012(%) - Source: Eurostat (ilc_lvhl11)

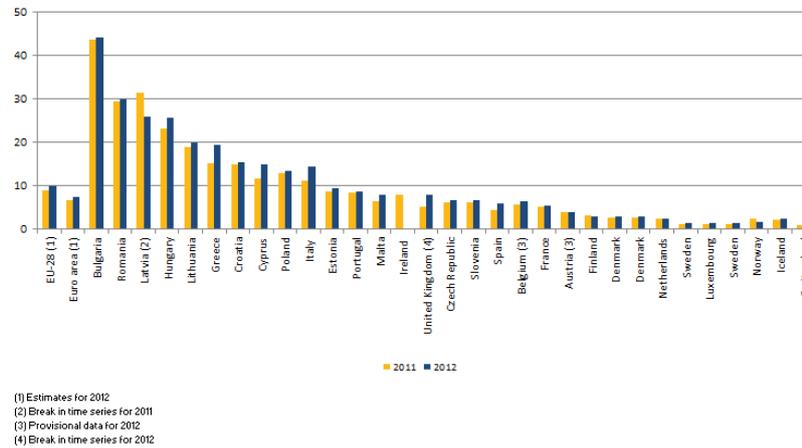


Figure 4: Severe material deprivation rate, 2011 and 2012(%) - Source: Eurostat (ilc_lvhl11)

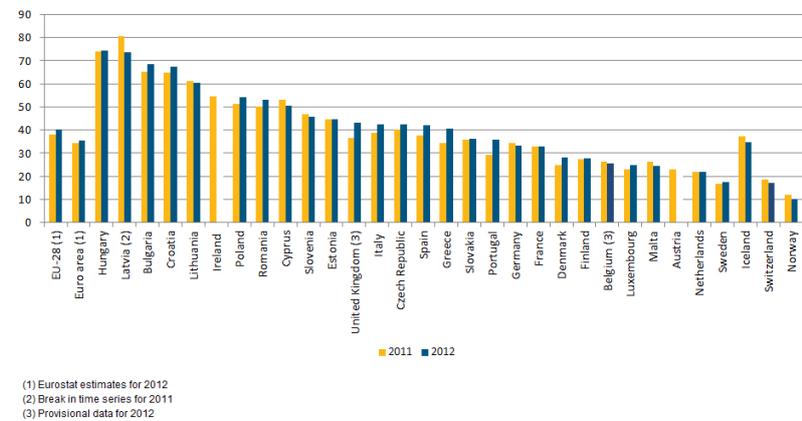


Figure 5: Inability to face unexpected financial expenses, 2011 and 2012(%) - Source: Eurostat (ilc_mdse04)

Main statistical findings

In 2012, 124.5 million people, or 24.8% (Figure 1) of the population, in the EU-28 were **at risk of poverty or social exclusion (AROPE)**, compared with 24.3% in 2011. The AROPE indicator is defined as the share of the population in at least one of the following three conditions:

- 1) at risk of poverty, meaning below the poverty threshold,
- 2) in a situation of **severe material deprivation**,
- 3) living in a **household with very low work intensity**.

The reduction of the number of persons at risk of poverty or social exclusion in the EU is one of the key targets of the Europe 2020 strategy.

The AROPE figure for the EU-28 average, calculated as a weighted average of national results, masks considerable variation between **Member States**. At one extreme, the Member States with the highest AROPE rates were Bulgaria (49.3%), Romania (41.7%), Latvia (36.6%), Greece (34.6%), Lithuania (32.5%), Hungary and Croatia (both around 32.0%). At the other extreme, the share of the population at risk of poverty or social exclusion was the lowest in the Netherlands (15.0%), Czech Republic (15.4%) and Finland (17.2%). Overall AROPE rate has slightly increased at EU-28 level between 2011 and 2012 (0.5 percentage points (pp)). The risk of poverty or social exclusion rose by 3.6 pp in Greece and 2.5 pp in Cyprus, decreasing by more than 1 pp only in Latvia (3.8pp).

Children and active-age people more at risk of poverty or social exclusion than elderly people in several countries

With a rate of 28.1% in EU-28 (Table 1), children were at greater risk of poverty or social exclusion in 2012 than the rest of the population in 20 of the 26 Member States for which data are available. The largest gaps (difference between the AROPE rates for the specific age groups) between children and the total population were observed in Romania, Hungary and Malta: in these countries the AROPE rate for children was more than 7 pp higher than the rate for the total population. The situation was relatively better for children than adults in Denmark, Germany, Estonia, Lithuania, Slovenia and Finland. The situation of children compared to adults was also better in Norway.

The percentage of children living in a household at risk of poverty or social exclusion ranged from 14.9% in Finland, 15.3% in Denmark and 16.4% in Slovenia to more than 40% in Latvia, Hungary, Romania and Bulgaria. The main factors affecting child poverty are the labour market situation of the parents, which is linked to their level of education, the composition of the household in which the children live and the effectiveness of government intervention through income support and the provision of enabling services. There are also more vulnerable groups of children, such as those with migrant parents that deserve particular attention.

The elderly faced a lower risk of poverty or social exclusion in 2012 than the overall population both at EU-28 level (19.3% as opposed to 24.8%) and in 20 out of the 26 countries with available data. The risk of poverty or social exclusion faced by people aged 65 or more in 2012 ranged from 6.1% in Luxembourg to 59.1% in Bulgaria. These differences in the relative situation of the elderly depend on a number of factors including the features of the pension systems for current pensioners and the age and gender structure of the elderly population, since elderly women and the very old tend to face much higher risks in some countries.

Income poverty: 17.0% of the population in the EU-28 at risk of income poverty

Looking at each of the three elements contributing to being at risk of poverty or social exclusion, 17.0% of the population in the EU-28 (Table 2) in 2012 were at-risk-of-poverty after social transfers, meaning that their disposable income was below their national at-risk-of-poverty threshold. **At-risk-of-poverty rate** has overall remained stable in the EU-28 compared to 2011. The highest at-risk-of-poverty rates were observed in Greece and Romania (23.1% and 22.6% respectively), Spain (22.2%) and Bulgaria (21.2%), and the lowest in the Czech Republic (9.6%), the Netherlands (10.1%), Denmark (13.1%), Finland and Slovakia (both 13.2%). It is important to note that the at-risk-of-poverty rate is a relative measure of poverty and that the poverty threshold varies greatly between Member States. The threshold varies also over time and in a number of Member States it has

fallen in recent years due to the economic crisis.

When considering country-specific situations, the risk of poverty (after social transfers) increased the most in Greece (1.7 pp) and Luxembourg (1.5 pp) in 2012 and it decreased the most in Bulgaria (-1 pp).

In Greece, despite the fall in the median income between 2011 and 2012, by 13.4%, the at-risk-of-poverty rate increased. On the contrary, in Croatia the median income in national currency has also dropped by 1.4% between 2011 and 2012, while the at-risk-of-poverty rate has decreased. This implies that a number of people in Croatia who were around the poverty threshold in 2011 moved above it even if their situation did not significantly change in 2012, given the lowering of the threshold caused by the fall in the median income, while in Greece median income falls and so do incomes below it in 2012. This implies that in Greece the income distribution has shifted towards lower incomes. The at-risk-of-poverty rate before social transfers measures a hypothetical situation where social transfers are absent (pensions not being considered as a social transfer). Comparing this with the standard at-risk-of-poverty rate (after social transfers) shows that such transfers have an important redistributive effect that helps to reduce the number of people who are at-risk-of-poverty. In each country, these rates are calculated with the same poverty threshold, i.e. including social transfers in the total household income.

If we consider the at-risk-of-poverty rate before social transfers a slightly different picture emerges with the at-risk-of-poverty rate decreasing by 0.4 pp at EU level between 2011 and 2012 and significantly rising in some countries, with the largest increases in Greece (2 pp) and Luxembourg (1.8 pp).

As already discussed, the at-risk-of-poverty rate is sensitive to sudden changes in income distribution. Greece and Croatia are two characteristic cases. In both countries the at-risk-of-poverty threshold dropped between 2011 and 2012. However the at-risk-of-poverty rate increased in Greece while decreased in Croatia. In the first case this implies overall shift of the income distribution towards lower incomes, while cases with evolutions as in the Croatian data, could be explained by the fact that, e.g., different sources of income (e.g. pensions and social benefits as opposed to wages and salaries) are not all hit at the same time with other, or that particular groups of the population are mostly hit by the crisis (e.g. lowest income groups). To allow for these sudden fluctuations in poverty thresholds and avoid misleading results in periods of rapid and general economic deterioration, Eurostat calculates the at-risk-of-poverty indicator anchored in time. This indicator keeps the poverty threshold fixed in real terms over a longer period of time and therefore controls the effects of a moving poverty threshold. Figure 2 presents the at-risk-of-poverty rates anchored in 2008, where countries are sorted in descending order by differences in the rates between 2011 and 2012. Results suggest that between 2011 and 2012 the largest increases were observed in Greece (10.9 pp), Luxembourg (2.9 pp), Cyprus (2.3 pp) and Romania (2.0 pp), while Lithuania (-4.8 pp) and Malta (-1.9 pp) reported the largest decreases. Iceland also had a large increase (2.0 pp). In absolute terms, 18.2% of the population in the EU-28 in 2012, were at-risk-of-poverty anchored in 2008, which is by 1.2 pp higher than the ordinary rate 17%, Greece (35.8%), Latvia (35.5%), Spain (28.1%) and Lithuania (27.4%) had the largest anchored poverty rates in 2012, while the Czech Republic (8.7%) and Slovakia (6.0%) are the lowest.

Work intensity: 10.4% of the population in the EU-28 living in households with very low work intensity

Low work intensity refers to the ratio between the number of months that household members of working age (aged 18-59, not being a student aged 18-24) worked during the income reference year, and the total number of months that could theoretically have been worked by the same household members. For persons who declared that they worked part-time, the number of months in terms of full time equivalents is estimated on the basis of the number of hours usually worked at the time of the interview.

People living in households with very low work intensity are defined as people of all ages (from 0-59 years) living in households where the adults (those aged 18-59, but excluding student aged 18-24) worked less than 20% of their total potential during the previous 12 months.

Following this definition, 10.4% (Figure 3) of the EU-28 population could be considered as living in a household with very low work intensity in 2012 with some variation between Member States.

On the one hand, only around 6% of the target population was living in a household with very low work intensity in Cyprus and Luxembourg and on the other hand, the indicator exceeded 12% in Belgium, Bulgaria, Greece, Spain, Croatia, Hungary and the United Kingdom. Although overall at the EU level the indicator

has remained more or less stable between 2011 and 2012, it has increased in Sweden (3.2 pp), Greece (2.3 pp), Portugal (1.9 pp), Cyprus and the United Kingdom (both 1.5 pp), while decreased mainly in Germany, Lithuania (both - 1.3 pp) and Latvia (-1.1 pp).

Material deprivation:9.9% of the population in the EU-28 severely materially deprived

Material deprivation rates complement the social exclusion picture by providing an estimate of the proportion of people whose living conditions are severely affected by a lack of resources. The severe material deprivation rate represents the proportion of people who cannot afford at least four of the nine following items: 1) (arrear on) mortgage or rent payments, utility bills, hire purchase instalments or other loan payments; 2) one week's annual holiday away from home; 3) a meal with meat, chicken, fish (or vegetarian equivalent) every second day; 4) unexpected financial expenses; 5) a telephone (including mobile phone); 6) a colour TV; 7) a washing machine; 8) a car and 9) heating to keep the home adequately warm.

In the EU-28,9.9% (Figure 4) of the population were severely materially deprived. The share of those severely materially deprived varied significantly among Member States. On the one hand, only 1.3% of the population were severely deprived in Luxembourg and Sweden, 2.3% in the Netherlands and 2.8% in Denmark. On the other hand, the deprivation rate exceeded 40% in Bulgaria, and exceeded 25% in Hungary, Latvia and Romania.

While overall at EU level, severe material deprivation increased by 1 pp between 2011 and 2012, it had a sharper increase in Greece (4.3 pp), Cyprus (3.3 pp) and Hungary (2.6 pp). On the other hand, severe material deprivation rate has decreased significantly in Latvia (-5.4 pp).

Unexpected expenses:40.2% of the population in the EU-28 could not afford unexpected financial expenses

Among material deprivation items, facing unexpected expenses showed the greatest variation in 2012 at EU-28 level compared with 2011. This item measures the ability of a household to cover from their own resources an unexpected expense amounting to a fraction (1/12) of the poverty threshold. **The amount varies between countries from about EUR 105.8 in Romania to about EUR 1639 in Luxembourg.**

In 2012,40.2% of the EU-28 population (Figure 5) reported difficulties in facing such unexpected expenses. This represents an increase of 2.1 pp compared with 2011.

There is considerable variation among Member States. The percentage of people reporting such difficulties ranges from 25% or less in Belgium, Luxembourg, Malta, the Netherlands and Sweden to more than 60% in Bulgaria, Croatia, Latvia, Lithuania and Hungary.

Compared with 2011, the percentage of people reporting difficulties in facing unexpected expenses increased by more than 5 pp in Portugal (6.8 pp), the United Kingdom (6.2 pp) and Greece (6.1 pp). At the same time it decreased by more than 2 pp in Latvia (-6.9 pp), Cyprus (-2.4 pp) and Malta (-2.1 pp).

Data sources and availability

The data used in this section are primarily derived from data from [EU statistics on income and living conditions \(EU-SILC\)](#). The reference population is all private [households](#) and their current members residing in the territory of an EU Member State at the time of data collection; persons living in collective households and in institutions are generally excluded from the target population. The EU-28 aggregate is a population-weighted average of individual national figures.

Context

At the Laeken European Council in December 2001, European heads of state and government endorsed a first set of common statistical indicators for social exclusion and poverty that are subject to a continuing process of

refinement by the indicators sub-group (ISG) of the social protection committee (SPC). These indicators are an essential element in the open method of coordination to monitor the progress made by the EU's Member States in alleviating poverty and social exclusion. EU-SILC is the reference source for EU statistics on income and living conditions and, in particular, for indicators concerning social inclusion. In the context of the [Europe 2020 strategy](#), the European Council adopted in June 2010 a headline target for social inclusion – namely, that by 2020 there should be at least 20 million fewer people in the EU who are at-risk-of-poverty or social exclusion. EU-SILC is the source used to monitor progress towards this headline target, which is measured through an indicator that combines the at-risk-of-poverty rate, the severe material deprivation rate, and the proportion of people living in households with very low work intensity.

Persons at-risk-of-poverty are those living in a household with an equivalised disposable income below the risk-of-poverty threshold, which is set at 60% of the national median [equivalised disposable income](#) (after social transfers). The equivalised income is calculated by dividing the total household income by its size determined after applying the following weights: 1.0 to the first adult, 0.5 to each other household members aged 14 or over and 0.3 to each household member aged less than 14 years old.

The total number of people at risk of poverty or social exclusion is lower than the sum of the numbers of people in each of the three forms of poverty or social exclusion as some persons are affected simultaneously by more than one of these situations.

See also

- [Housing conditions](#)
- [Housing statistics](#)
- [Income distribution statistics](#)
- [Material deprivation and low work intensity statistics](#)
- [Social inclusion statistics](#)

Further Eurostat information

Publications

- [23% of EU citizens were at risk of poverty or social exclusion in 2010](#) - Statistics in focus 9/2012
- [Children were the age group at the highest risk of poverty or social exclusion in 2011](#) - Statistics in focus 4/2013
- [In 2011, 24% of the population were at risk of poverty or social exclusion](#) – News release
- [In 2011, 27% of children aged less than 18 were at risk of poverty or social exclusion](#) – News release
- [The 9 poorest countries catching up on income per capita](#) - Statistics in focus 16/2011

Main tables

- [Income and living conditions \(t_ilc\)](#)

Database

- Living conditions and welfare (livcon), see:

[Income and living conditions \(ilc\)](#)

People at risk of poverty or social exclusion (Europe 2020 strategy) (ilc_pe)

Main indicator - Europe 2020 target on poverty and social exclusion (ilc_peps)

Income distribution and monetary poverty (ilc_ip)

Monetary poverty (ilc_li)
Living conditions (ilc_lv)
Health and labour conditions (ilc_lvhl)
Material deprivation (ilc_md)
Material deprivation by dimension (ilc_mddd)
Economic strain (ilc_mdcs)

Dedicated section

- [Employment and social policy indicators](#)
- [Europe 2020 indicators](#)
- [Income, social inclusion and living conditions](#)
- [Quality of life indicators](#)

Methodology

- [Income and living conditions](#) (ESMS metadata file - ilc_esms)
- [Measuring material deprivation in the EU — Indicators for the whole population and child-specific indicators](#) (Statistical working papers)

Source data for tables and figures (MS Excel)

- [People at risk of poverty or social exclusion: tables and figures](#)

Other information

- [Regulation 1177/2003](#) of 16 June 2003 concerning Community statistics on income and living conditions (EU-SILC)
- [Regulation 1553/2005](#) of 7 September 2005 amending Regulation 1177/2003 concerning Community statistics on income and living conditions (EU-SILC)
- [Regulation 1791/2006](#) of 20 November 2006 adapting certain Regulations and Decisions in the fields of ... statistics, ..., by reason of the accession of Bulgaria and Romania

External links

- [Employment and Social Developments in Europe \(2012\)](#)
- [EU Employment and Social Situation Quarterly Review - March 2013](#)
- [OECD - Better Life Initiative: Measuring Well-being and Progress](#)
- [The social dimension of the EUROPE 2020 strategy - A report of the social protection committee \(2011\)](#)