

## Living conditions in 2008

# 17% of EU27 population at risk of poverty

## Higher risk of poverty among children and elderly

In 2008, 17% of the population in the **EU27** were at risk of poverty. This means that their income after social transfers was below the poverty threshold<sup>1</sup>. Since 2005, the at-risk-of-poverty rate in the **EU27** has been nearly stable, varying between 16% and 17%.

The highest at-risk-of-poverty rates in 2008 were found in **Latvia** (26%), **Romania** (23%), **Bulgaria** (21%), **Greece**, **Spain** and **Lithuania** (all 20%), and the lowest in the **Czech Republic** (9%), the **Netherlands** and **Slovakia** (both 11%), **Denmark**, **Hungary**, **Austria**, **Slovenia** and **Sweden** (all 12%).

It should be noted that the at-risk-of-poverty rate is a relative measure of poverty, and that the poverty threshold varies greatly between Member States.

This News Release, based on data from the EU-SILC survey<sup>2</sup>, is issued by **Eurostat**, the statistical office of the **European Union** in connection with the opening conference of the **European Year for Combating Poverty and Social Exclusion**<sup>3</sup>, organised by the European Commission and the Spanish Presidency of the EU, and which takes place in **Madrid** on 21 January 2010.

### One child in five in the EU27 at risk of poverty

In 20 of the 27 Member States, child at-risk-of-poverty rates were higher than for the total population. In 2008, the at-risk-of-poverty rate for those aged up to 17 years was 20% in the **EU27**. The highest rates were recorded in **Romania** (33%), **Bulgaria** (26%), **Italy** and **Latvia** (both 25%), and the lowest in **Denmark** (9%), **Slovenia** and **Finland** (both 12%).

Elderly people also face a higher risk of poverty than the total population. In 2008, the at-risk-of-poverty rate for those aged 65 years and over was 19% in the **EU27**. The highest rates were observed in **Latvia** (51%), **Cyprus** (49%), **Estonia** (39%) and **Bulgaria** (34%), and the lowest in **Hungary** (4%), **Luxembourg** (5%) and the **Czech Republic** (7%).

Being employed significantly reduces the risk of poverty. In 2008, the at-risk-of-poverty rate for those in employment was 8% on average in the **EU27**, ranging from 4% in the **Czech Republic** to 17% in **Romania**.

### Highest rate of material deprivation in Bulgaria, Romania, Hungary and Latvia

In order to draw a broader picture of social exclusion in the EU, the at-risk-of-poverty rate, which is a relative measure, can be complemented by the material deprivation rate, which describes social exclusion in more absolute terms. The material deprivation rate is defined as the enforced lack of at least three of nine items<sup>4</sup>. In 2008, 17% of the **EU27** population was materially deprived according to this definition. The highest levels were registered in **Bulgaria** (51%), **Romania** (50%), **Hungary** (37%) and **Latvia** (35%), and the lowest in **Luxembourg** (4%), the **Netherlands** and **Sweden** (both 5%).

Looking at some of the individual items defining material deprivation, it appears that in 2008, 37% of the **EU27** population could not afford a one week annual holiday away from home, 10% could not afford to keep their home adequately warm, 9% could not afford a meal with meat, chicken or fish every second day and 9% could not afford a personal car.

**Poverty threshold (PPS\*) and at-risk-of-poverty rate (%), 2008**

	Poverty threshold	At-risk-of-poverty rate for:			
		Total population	Aged 0-17	Aged 65 and above	Employed
<b>EU27</b>	-	<b>17p</b>	<b>20p</b>	<b>19p</b>	<b>8p</b>
<b>Belgium</b>	10 100	15	17	21	5
<b>Bulgaria</b>	2 800	21	26	34	7
<b>Czech Republic</b>	5 800	9	13	7	4
<b>Denmark</b>	10 500	12	9	18	5
<b>Germany</b>	10 600	15	15	15	7
<b>Estonia</b>	4 700	19	17	39	7
<b>Ireland</b>	10 900	16	18	21	6
<b>Greece</b>	7 200	20	23	22	14
<b>Spain</b>	8 400	20	24	28	11
<b>France</b>	9 700	13	17	11	7
<b>Italy</b>	9 000	19	25	21	9
<b>Cyprus</b>	11 300	16	14	49	6
<b>Latvia</b>	4 400	26	25	51	11
<b>Lithuania</b>	4 200	20	23	29	9
<b>Luxembourg</b>	16 500	13	20	5	9
<b>Hungary</b>	4 000	12	20	4	5
<b>Malta</b>	7 800	15	20	22	5
<b>Netherlands</b>	11 300	11	13	10	5
<b>Austria</b>	11 200	12	15	15	6
<b>Poland</b>	3 900	17	22	12	12
<b>Portugal</b>	5 800	18	23	22	12
<b>Romania</b>	1 900	23	33	26	17
<b>Slovenia</b>	8 400	12	12	21	5
<b>Slovakia</b>	4 000	11	17	10	6
<b>Finland</b>	9 600	14	12	23	5
<b>Sweden</b>	10 400	12	13	16	7
<b>United Kingdom</b>	11 600p	19p	23p	30p	9p
<b>Iceland</b>	13 000	10	11	15	7
<b>Norway</b>	13 700	11	10	15	5

\* The annual national at-risk-of poverty threshold is set at 60% of the national median income per equivalent adult. In order to allow comparisons between countries the threshold is expressed in this table in Purchasing Power Standards (PPS), which is an artificial reference currency unit that eliminates price level differences between countries.

p Provisional  
 - not applicable

### Material deprivation, 2008

	Material deprivation rate	% of population who cannot afford:			
		To pay for a one week annual holiday away from home	To keep their home adequately warm	A meal with meat, chicken, fish or vegetarian equivalent every second day	A personal car
<b>EU27</b>	<b>17e</b>	<b>37</b>	<b>10e</b>	<b>9</b>	<b>9</b>
Belgium	12	26	6	5	6
Bulgaria	51	59	34	30	28
Czech Republic	16	39	6	12	11
Denmark	:	10	:	2	8
Germany	13	25	6	11	5
Estonia	12	44	1	5	17
Ireland	14	30	4	3	9
Greece	22	50	15	7	9
Spain	9	34	5	2	5
France	13	32	5	8	4
Italy	16	40	11	8	3
Cyprus	23	46	29	5	1
Latvia	35	55	17	23	24
Lithuania	27	60	22	19	13
Luxembourg	4	12	1	2	2
Hungary	37	67	10	26	20
Malta	13	65	9	10	2
Netherlands	5	14	2	2	5
Austria	14	28	4	13	7
Poland	32	63	20	21	17
Portugal	23	64	35	4	9
Romania	50	76	25	19	49
Slovenia	17	30	6	12	3
Slovakia	28	57	6	29	20
Finland	9	18	2	3	8
Sweden	5	11	1	2	3
United Kingdom	11	24	6	4	5
Iceland	:	3	:	3	1
Norway	5	6	1	2	5

e Estimate

: Data not available

1. The annual national at-risk-of poverty threshold is set at 60% of the national median income per equivalent adult. The **median income** separates the total population into two equal parts. The **income per equivalent adult** 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 other household members aged 14 or over and 0.3 to each household member aged less than 14 years old. The **total household disposable income** is the total net monetary income received by the household and its members, namely all income from work, private income from investment and property, plus all social transfers received directly including old-age pensions, net of any taxes and social contributions paid. However, indirect social transfers, loan interest payments, transfers paid to other households, receipts in kind and imputed rent for owner-occupied accommodation are not taken into account. The income reference period is 2007 for all countries except the United Kingdom for which the income reference period is 2008 and Ireland for which the survey is continuous and income is collected for the last twelve months.
2. The **EU-SILC survey** is the EU reference source for comparative statistics on income distribution and social exclusion. More information can be found on the Eurostat website:  
[http://epp.eurostat.ec.europa.eu/pls/portal/url/page/PGP\\_DS\\_LIVING\\_CONDITIONS/PGE\\_DS\\_LIVING\\_CONDITIONS](http://epp.eurostat.ec.europa.eu/pls/portal/url/page/PGP_DS_LIVING_CONDITIONS/PGE_DS_LIVING_CONDITIONS)  
The reference population is all private households and their current members residing in the territory of the Member States at the time of data collection. Persons living in collective households and in institutions are generally excluded from the target population as well as small and remote parts of the national territory amounting to no more than 2% of the national population.
3. For more information on the European Year for Combating Poverty and Social Exclusion visit:  
<http://ec.europa.eu/social/main.jsp?langId=en&catId=637>
4. The nine items included in this indicator are: ability to face unexpected expenses; ability to pay for one week annual holiday away from home; existence of arrears (mortgage or rent payments, utility bills, or hire purchase instalments or other loan payments); capacity to have a meal with meat, chicken, fish or vegetarian equivalent every second day; capacity to keep home adequately warm; possession of a washing machine; possession of a colour TV; possession of a telephone; and possession of a personal car.

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