

Glossary: At-risk-of-poverty rate

Statistics Explained

The **at-risk-of-poverty rate** is the share of people with an [equivalised disposable income](#) (after social transfer) below the **at-risk-of-poverty threshold**, which is set at 60 % of the national [median](#) equivalised disposable income after [social transfers](#).

This indicator does not measure wealth or poverty, but low income in comparison to other residents in that country, which does not necessarily imply a low standard of living.

The **at-risk-of-poverty rate before social transfers** is calculated as the share of people having an equivalised disposable income before social transfers that is below the at-risk-of-poverty threshold calculated after social transfers. Pensions, such as old-age and survivors' (widows' and widowers') benefits, are counted as income (before social transfers) and not as social transfers. This indicator examines the hypothetical non-existence of social transfers.

The **persistent at-risk-of-poverty rate** shows the percentage of the population living in households where the equivalised disposable income was below the at-risk-of-poverty threshold for the current year and at least two out of the preceding three years. Its calculation requires a longitudinal instrument, through which the individuals are followed over four years.

Related concepts

- [Equivalised disposable income](#)
- [Income quintile share ratio \(S80/S20\)](#)
- [Material deprivation](#)
- [Persons living in households with very low work intensity](#)
- [Relative median at-risk-of-poverty gap](#)
- [Relative median income ratio](#)

Statistical data

- [Living conditions in Europe - income distribution and income inequality](#)