Social protection statistics - family and children benefits

Statistics Explained

Data extracted in April 2023. Planned article update: 28 May 2024.

" In 2020, close to € 340 billion was spent on family/children benefits in the EU, amounting to 2.5 % of GDP.

" In 2020, expenditure on family/children benefits in the EU was equivalent to $8.3\,\%$ of all expenditure on social benefits."

" EU expenditure on family/children benefits rose by 50.4~% in real terms between 2000 and 2020, despite a decline of 8.2~% in the number of children aged less than 18~% years."

Social protection benefits are transfers, in cash or in kind, made to relieve households and individuals of the burden of one or more social risks or needs. This article presents statistics on social protection benefits intended to address the risks and needs associated with family and children. The data are collected annually through the European system of integrated social protection statistics (ESSPROS).

Family/children expenditure in 2020

In 2020, expenditure across the European Union (EU) on family/children benefits was € 337 billion, which was equivalent to 2.5 % of GDP. The level of spending varied between EU Member States, ranging from highs of 3.8 % of GDP in Poland and 3.7 % in Germany and Luxembourg down to a low of 0.9 % in Malta (see Figure 1).

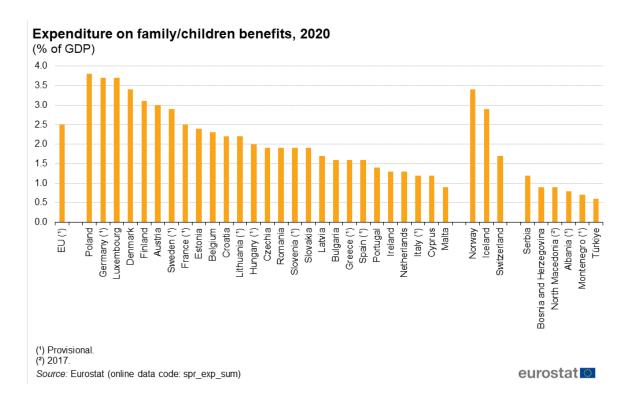


Figure 1: Expenditure on family/children benefits, 2020 (% of GDP) Source: Eurostat (spr exp sum)

Similar variations were observed in the non-member countries for which data are shown in Figure 1, as expenditure on family/children benefits relative to GDP ranged from 3.4 % of GDP in Norway down to less than 1.0 % in Bosnia and Herzegovina, North Macedonia (2017 data), Albania, Montenegro and Türkiye.

In 2020, expenditure on family/children benefits in the EU amounted to 8.3 % of total expenditure on social benefits . The relative importance of family/children benefits varied between EU Member States, accounting for 16.2 % of all expenditure on social benefits in Poland and 15.7 % in Luxembourg; double-digit shares were also recorded in Estonia, Germany, Lithuania, Romania, Hungary, Denmark and Sweden. At the other end of the range, less than 5.0 % of total expenditure on social benefits in Malta, the Netherlands and Italy was devoted to family/children benefits (see Figure 2). Among the non-member countries, the share of family/children benefits in the total expenditure on social benefits ranged in 2020 from 11.2 % in Norway down to 3.4 % in Montenegro.

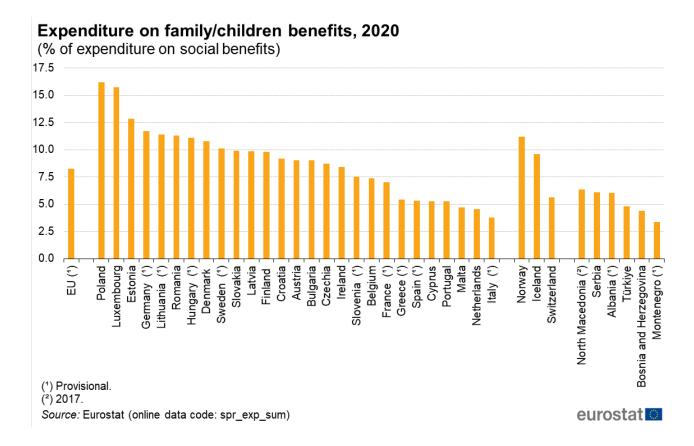


Figure 2: Expenditure on family/children benefits, 2020 (% of expenditure on social benefits) Source: Eurostat (spr_exp_sum)

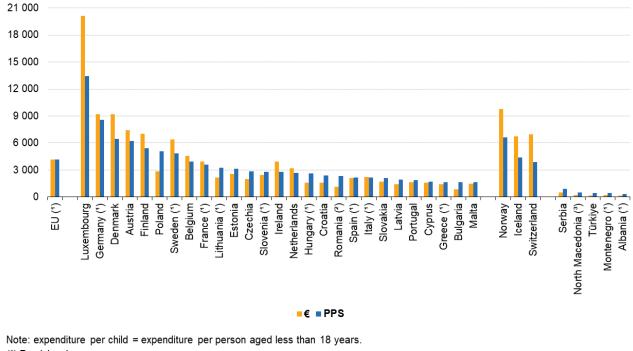
The proportion of expenditure on social benefits allocated to family/children benefits does not necessarily provide an ideal basis for comparison between countries because it is impacted by the amounts spent on all other functions, which are in turn affected by a vast array of socioeconomic factors. For example, expenditure on unemployment-related benefits is linked (among other factors) to the state of the labour market, while expenditure on old-age pensions is linked (among other factors) to the demographic structure of the population. In the case of expenditure on family/children benefits, there is likely to be some link with fertility rates and the share of children within the population.

A more meaningful comparison of expenditure levels for family/children benefits might be to consider expenditure per child, in other words, the level of expenditure for each resident aged less than 18 years. This comparison may be made in euro (€) terms or alternatively in purchasing power standard (PPS) terms; the latter eliminates price level differences between countries (see Fig-

ure 3). Note that the demographic data used in this section refer to the number of inhabitants aged less than 18 years.

Expenditure on family/children benefits per child, 2020

(€ and PPS per child)



- (1) Provisional.
- (²) Estimate.
- (3) 2017.

Source: Eurostat (online data codes: spr_exp_sum and demo_pjan)

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Figure 3: Expenditure on family/children benefits per child, 2020 (€ and PPS per child) Source: Eurostat (spr_exp_sum) and (demo_pjan)

EU expenditure on family/children benefits in 2020 amounted to an average of 4 147 PPS per child but varied considerably across the EU Member States. The average level of expenditure on family/children benefits was exceptionally high in Luxembourg (13 439 PPS per child) where relatively high levels of spending are directed to non-means-tested family-related benefits. It should be noted that this figure is likely to overestimate substantially the true level of expenditure per child, as a large proportion – over a quarter – of these benefits are provided to non-residents. Elsewhere in the EU, the level of expenditure on family/children benefits ranged from 8 559 PPS per child in Germany down to 1 629 PPS per child in Malta. Among the non-member countries shown in Figure 3, the highest level of expenditure was in Norway (6 651 PPS per child) while the lowest was in Albania (353 PPS per child). In making this comparison, users need to be aware that the figures for some countries may be overstated because the expenditure includes amounts paid out with respect to dependent children aged 18 years or over and/or relatives other than children.

Otherwise, further methodological issues may need to be taken into account when comparing data on family/children benefits between countries, such as supplements and fiscal benefits.

- Supplements: benefits recorded in other functions of social protection may include supplements for dependent children. In principle, such supplements should be split from the main benefit and reported separately. However, this is often difficult in practice, so the supplements are instead reported along with the main benefit and therefore not in the family/children function. For example, a range of periodic cash benefits related to disability, old-age, survivors and unemployment may include supplements for dependent children that are not reported in the expenditure of the family/children function. As a result, countries that implement a universally available family/child allowance and do not use supplements may appear to have a higher level of expenditure than countries which implement a more restricted family/child allowance and rely on supplements to top-up the income levels of families confronted by other risks/needs. Note that supplements related to housing represent an exception in that they are, by convention, always recorded in the housing function of ESSPROS, irrespective of the type of benefit to which they relate. Housing supplements to family/child allowances are therefore not included in the expenditure on family/children benefits.
- · Benefits provided through the fiscal system: with the exception of payable tax credits, family/children

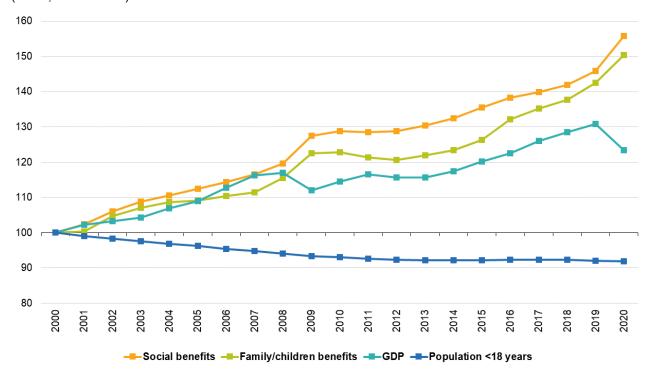
benefits provided through the fiscal system are excluded. For example, non-payable tax credits and higher tax-free allowances provided to people with dependants may reduce taxes paid by recipients but are not included in the expenditure recorded by the ESSPROS core system.

Family/children expenditure between 2000 and 2020

EU (excluding Bulgaria and Croatia) expenditure on family/children benefits (in constant price terms) rose by 50.4 % between 2000 and 2020 (see Figure 4), despite a decline of 8.2 % in the number of children aged less than 18 years. The increase in the level of expenditure for family/children ben-

efits was slightly lower than the increase recorded for all social benefits (up overall by 55.8 %) during the same period.

Developments for expenditure on social benefits and family/children benefits, GDP and population aged less than 18 years, EU, 2000–2020 (index, 2000 = 100)



Note: EU excluding Bulgaria and Croatia to ensure that the data presented have the same coverage of countries throughout the time-series. In 2020, these two Member States contributed 0.6 % of the EU's total expenditure on family/children benefits. Constant price indices for expenditure on social benefits, family/children benefits and GDP are based on 2010 prices in euro terms. Includes provisional data.

Source: Eurostat (online data codes: spr_exp_sum, nama_10_gdp and demo_pjan)

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Figure 4: Developments for expenditure on social benefits and family/children benefits, GDP and population aged less than 18 years, EU, 2000–2020 (index, 2000 = 100) Source: Eurostat (spr_exp_sum), (nama_10_gdp) and (demo_pjan)

The rising level of EU expenditure on family/children benefits was underpinned by increases for all of the EU Member States for which data are available (incomplete data for Bulgaria and Croatia). During the period from 2000 to 2020, the level of expenditure on family/children benefits more than doubled (in constant price terms) in Czechia, Latvia, Luxembourg and Cyprus, and more than tripled in Estonia, Lithuania and Romania, while in Poland it was eight times as high in 2020 as it had been in 2000.

EU (excluding Bulgaria and Croatia) expenditure (in constant price terms) on family/children benefits rose every year between 2000 and 2010, increasing overall by 22.9 % during this period. There was a modest reduction in the level of expenditure in both 2011 and 2012 (perhaps influenced by the aftermath of the global financial and economic crisis). However, expenditure resumed an upward path as of 2013 and this pattern continued through to

2020. Expenditure on family/children benefits increased by 7.9 % in 2020, the largest annual increase during the period considered.

Composition of family/children expenditure

Distribution by type of benefit

Three-fifths (60.4 %) of expenditure on family/children benefits in the EU in 2020 were disbursed in the form of periodic cash benefits, just under two-fifths (37.4 %) as benefits in kind and a relatively small share (2.2 %) as lump-sum cash benefits (see Figure 5).

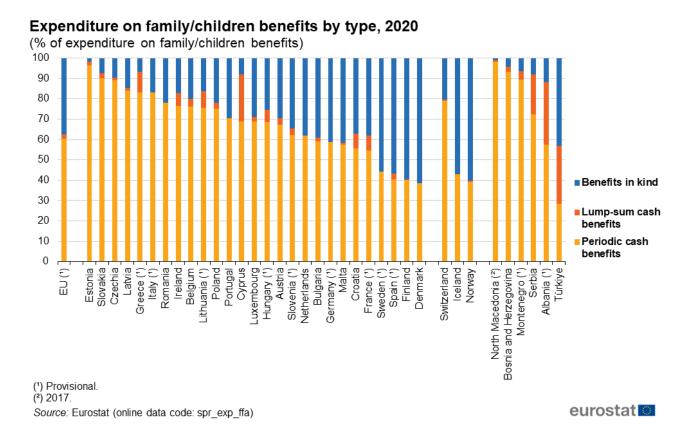


Figure 5: Expenditure on family/children benefits by type, 2020 (% of expenditure on family/children benefits) Source: Eurostat (spr_exp_ffa)

In 2020, periodic cash benefits constituted the majority of expenditure on family/children benefits in all but four of the EU Member States: in Denmark, Finland, Spain and Sweden, a higher level of expenditure was recorded for benefits in kind than for periodic cash payments. Lump-sum benefits accounted for less than 10.0 % of expenditure on family/children benefits in all but two EU Member States – Cyprus (22.8 %) and Greece (10.3 %). In Cyprus, over 90 % of these lump-sum payments relate to financial assistance for families with limited resources whose children are in education¹.

Among non-member countries, periodic cash benefits were the main component of expenditure for family/children benefits in 2020 in North Macedonia (2017 data), Bosnia and Herzegovina, Montenegro, Switzerland, Serbia and Albania, while benefits in kind were most prominent in Norway, Iceland and Türkiye. Lump-sum benefits accounted for more than 10.0 % of expenditure on family/children benefits in Türkiye, Albania and Serbia.

¹Generally, education-related expenditure is outside the scope of ESSPROS. However, benefits provided exclusively to poverty-stricken families after a means-test may be included in the family/children function on the basis that the objective is to redistribute income in favour of people with insufficient resources rather than to provide free access to education.

Distribution by detailed benefit type

Considering expenditure across the detailed bene-

fit classification provides further insight into the composition of expenditure on family/children benefits (see Figure 6).

Expenditure on family/children benefits by detailed benefit type, EU, 2020

(% of expenditure on family/children benefits)

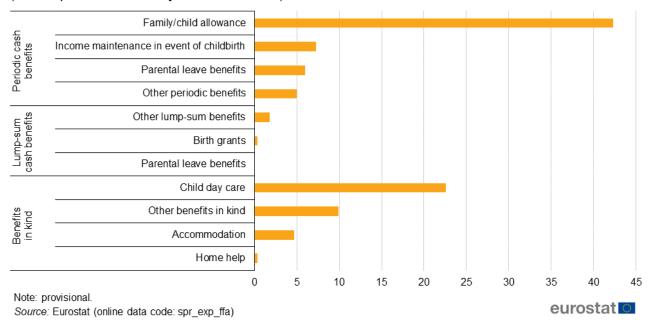


Figure 6: Expenditure on family/children benefits by detailed benefit type, EU, 2020 (% of expenditure on family/children benefits) Source: Eurostat (spr_exp_ffa)

ESSPROS distinguishes four types of periodic cash benefits: (1) income maintenance in the event of childbirth; (2) parental leave; (3) family/child allowance; (4) other periodic cash benefits. Family/child allowances were by far the most notable type, accounting for 42.3 % of EU expenditure on family/children benefits in 2020, thus explaining why periodic cash benefits is the largest form of disbursement. Indeed, family/child allowances were the largest type of benefit in 17 of the EU Member States, with their share of total expenditure peaking in Ireland (67.5 % of all expenditure on family/children benefits).

Similarly, ESSPROS distinguishes four types of benefit in kind: (1) child day care; (2) accommodation; (3) home help; (4) other benefits in kind. Child day care, which accounted for 22.6 % of EU expenditure on family/children benefits, was the largest type of benefit in kind and the second largest benefit overall (after family/child allowances). Child day care accounted for the largest portion of total expenditure on family/children benefits in six of the EU Member States (Denmark, Finland, Spain, Sweden, Slovenia and Croatia). The category of other benefits in kind, including for example access to leisure centres or price reductions for children, was also relatively substantial, accounting for 9.9 % of total expenditure on family/children benefits in the EU. The share for this category peaked among the EU Member States at 28.5 % in Bulgaria.

Lastly, lump-sum cash benefits can be broken down into three detailed benefit types: (1) birth grants; (2) parental leave benefits; (3) other lump-sum cash benefits. None of these are particularly substantial in terms of their contribution to EU expenditure on family/children benefits as they each accounted for shares that were less than 2.0 % in 2020.

Distribution by application of means-testing

In the EU, more than one quarter (27.5 %) of all expenditure on family/children benefits was associated with means-tested benefits in 2020 (see Figure 7). There were no means-tested benefits in Estonia, Finland or Sweden.

By contrast, means-tested benefits accounted for more than three-fifths of all expenditure on family/children benefits in Slovenia, Portugal and Cyprus. There was also a wide variation in this share among non-member countries, with 91.3 % of family/children benefits subject to means-testing in Türkiye compared with 2.4 % in North Macedonia (2017 data) and 1.5 % in Montenegro.

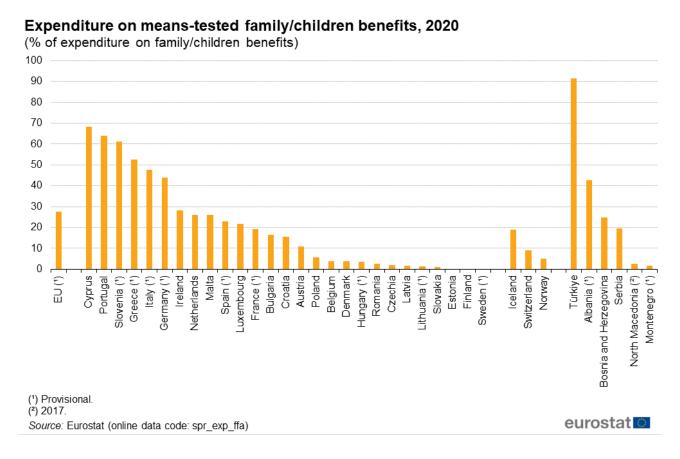


Figure 7: Expenditure on means-tested family/children benefits, 2020 (% of expenditure on family/children benefits) Source: Eurostat (spr exp ffa)

Composition of family/children expenditure between 2000 and 2020

Distribution by type of benefit

In the EU (excluding Bulgaria and Croatia), expenditure on family/children benefits (in constant price terms) increased for two of the three forms of disbursement during the period from 2000 to 2020 (see Figure 8). Expenditure rose at a relatively rapid pace for benefits in kind, more than doubling (up 108.7 %) overall during the period under consideration, while there was also an increase in the level of expenditure for periodic cash benefits (up 30.5 % overall). By contrast, developments for lump-sum cash benefits were more volatile: initially, expenditure across the EU fell but then grew quite rapidly to reach a peak during the global financial and economic crisis. In 2010 and 2011 this kind of expenditure fell rapidly but has been relatively stable since then. Despite the level of expenditure on lump-sum cash benefits recovering somewhat in 2016, 2017 and 2020, the total value remained 2.3 % lower in 2020 than it had been in 2000.

As noted, expenditure on lump-sum cash benefits followed a fluctuating pattern of development. This resulted, at least in part, from the relatively small overall level of expenditure, with substantial changes for the EU aggregate often reflecting a specific change in benefits in one of the EU Member States. For example, the rise in expenditure between 2003 and 2004 and the subsequent fall in 2006 were primarily driven by changes in expenditure in France – at first, an increase in expenditure on birth grants and other lump-sum benefits, then a decline in expenditure for other lump-sum benefits. Similarly, the rise between 2006 and 2009 and subsequent fall between 2009 and 2011 may be linked primarily to changes in expenditure for birth grants in Spain. The increases recorded for the EU in 2017 and 2020 were largely driven by increases in expenditure in Greece (in 2017) and France (in 2020) for

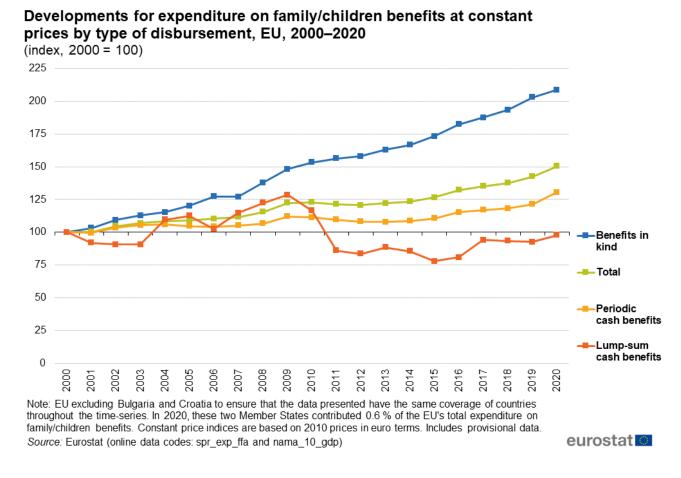


Figure 8: Developments for expenditure on family/children benefits at constant prices by type of disbursement, EU, 2000–2020 (index, 2000 = 100) Source: Eurostat (spr_exp_ffa) and (nama_10_gdp)

Distribution by detailed benefit type

Based on information that is available for 25 of the EU Member States (incomplete data for Bulgaria and Croatia), the contribution of benefits in kind to overall expenditure on family/children benefits rose over the period from 2000 to 2020 from 26.9 % to 37.4 % (in current price terms). By contrast, the relative contribution of periodic cash benefits and lump-sum cash benefits declined (from 69.7 % to 60.4 % and from 3.3 % to 2.1 % respectively). As such, the increased level of expenditure for benefits in kind accounted for 47.7 % of the total increase (in current price terms) in expenditure on family/children benefits between 2000 and 2020.

In real terms, EU (excluding Bulgaria and Croatia) expenditure increased between 2000 and 2020 for all detailed types of family/children benefits except for lump sum payments for parental leave (down 67.1 %), home help (down 60.9 %)² and other lump-sum benefits (down 7.5 %). In the case of the first of these it is important to note that periodic parental leave benefits increased 64.2 % over the same period, more than compensating for the overall decline in the much smaller expenditure on lump-sum benefits (see Table 1). This is probably linked to the promotion of family-friendly policies and a general development towards longer periods of parental leave, which may be more effectively supported through periodic rather than lump-sum payments.

²Generally, home help includes assistance to support relatives other than children. However, home help reported in the family/children function is limited to support for children. Home help targeting older people and people with disabilities are reported under assistance in carrying out daily tasks in the old-age and disability functions.

	Current price terms			Constant 2010 price terms			Share of family/	
	(€ million)		2000-2020	(€ million)		2000-2020	children benefits (%)	
	2000	2020	(% change)	2000	2020	(% change)	2000	2020
Total	165 800.1	334 957.5	102.0	197 929.1	297 806.4	50.5	100.0	100.0
Periodic cash benefits	115 630.3	202 397.8	75.0	137 888.4	179 876.2	30.5	69.7	60.4
Income maintenance in event of childbirth	10 123.7	23 959.9	136.7	12 192.4	21 446.5	75.9	6.1	7.2
Parental leave benefit	8 764.8	19 739.2	125.2	10 684.9	17 543.3	64.2	5.3	5.9
Family/child allowance	89 548.2	142 094.9	58.7	106 292.3	125 910.5	18.5	54.0	42.4
Other periodic benefits	7 193.8	16 603.7	130.8	8 718.9	14 975.9	71.8	4.3	5.0
Lump-sum cash benefits	5 546.4	7 177.3	29.4	6 647.4	6 492.6	-2.3	3.3	2.1
Birth grants	332.8	1 003.6	201.6	434.7	914.4	110.4	0.2	0.3
Parental leave benefits	226.6	100.5	-55.6	278.4	91.7	-67.1	0.1	0.0
Other lump-sum benefits	4 987.1	6 073.2	21.8	5 934.3	5 486.5	-7.5	3.0	1.8
Benefits in kind	44 623.3	125 382.4	181.0	53 393.2	111 437.5	108.7	26.9	37.4
Child day care	23 794.6	75 649.2	217.9	28 405.7	67 279.0	136.9	14.4	22.6
Accommodation	6 984.9	15 566.3	122.9	8 459.4	13 962.7	65.1	4.2	4.6
Home help	2 125.4	1 132.7	-46.7	2 617.7	1 024.5	-60.9	1.3	0.3
Other benefits in kind	11 718.5	33 034.0	181.9	13 910.4	29 171.2	109.7	7.1	9.9

Note: EU excluding Bulgaria and Croatia to ensure that the data presented have the same coverage of countries for both periods. In 2020, these two Member States contributed 0.6 % of the EU's total expenditure on family/children benefits.

Source: Eurostat (online data codes: spr_exp_ffa and nama_10_gdp)

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Table 1: Expenditure on family/children benefits by type, EU, 2000–2020 Source: Eurostat (spr_exp_ffa) and (nama_10_gdp)

In absolute terms, the increase in expenditure on family/children benefits between 2000 and 2020 was primarily driven by higher levels of spending for family/child allowances, child day care, other benefits in kind and income maintenance in the event of childbirth; expenditure on these types of benefit across the EU (excluding Bulgaria and Croatia) rose in current price terms by an amount between € 13.8 billion (for income maintenance in the event of childbirth) and € 52.5 billion (for family/child allowances) during the period under consideration.

The rise in expenditure on child day care is perhaps unsurprising given that EU employment policy has strongly encouraged the importance of affordable childcare in allowing parents to work (if they want to) while raising a family. Indeed, total expenditure on child day care grew in all of the EU Member States for which data are available except in:

- Czechia, where it fell from € 390 000 to € 0,
- Cyprus, where it fell from € 310 000 to € 260 000,
- Estonia and Ireland, where there was no expenditure on child day care benefits in either 2000 or 2020.

Distribution by application of means-testing

In 2020, means-tested benefits across the EU contributed more than one quarter of total expenditure on family/children benefits (27.5 %), while the majority of benefits were non-means-tested (72.5 %). Between 2000 and 2020, EU (excluding Bulgaria and Croatia) expenditure on means-tested family/children benefits rose by 49.1 % (in real terms), while expenditure on non-means-tested benefits increased by 51.0 % (see Figure 9). These similar overall figures hide contrasting developments.

- Means-tested benefits tended to increase at a slower pace (than non-means-tested benefits) during the
 period up to and including 2008. Thereafter, there was a faster increase in the level of expenditure for
 means-tested benefits in the EU through to 2020 (despite a fall in 2010).
- The level of expenditure on non-means-tested benefits fell for three successive years (2011–2013) and then increased at a relatively slow pace, before accelerating in 2019 and 2020.

The different developments for means-tested and non-means-tested benefits may reflect the introduction of a range of policies related to the conditionality of family/children benefits, for example in order to reduce government spending or in response to the COVID-19 crisis.

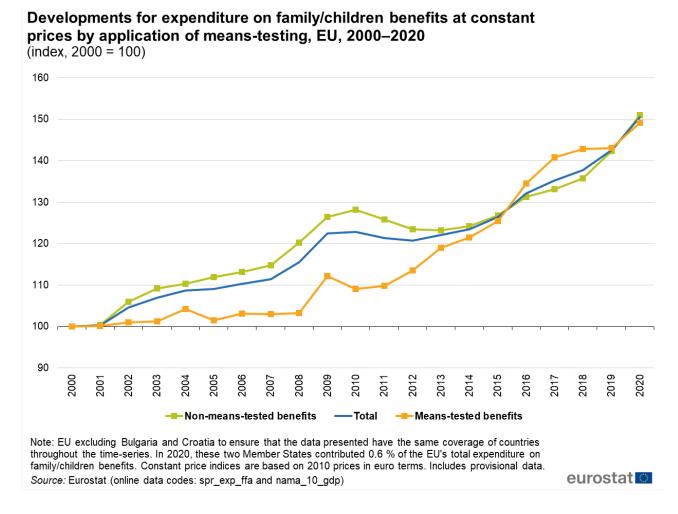


Figure 9: Developments for expenditure on family/children benefits at constant prices by application of means-testing, EU, 2000–2020 (index, 2000 = 100) Source: Eurostat (spr exp ffa) and (nama 10 gdp)

Source data for tables and graphs

Social protection statistics - family/children benefits: tables and figures

Data sources and availability

All data presented in this article are from the European system of integrated social protection statistics (ESSPROS), specifically the core system. These data are collected from national statistical offices and/or ministries of social affairs in each country and are generally compiled from administrative sources.

Regulation (EC) No 458/2007 of the European Parliament and of the Council provides the legal basis for the collection of this data and a series of Commission Regulations provide further specifications for the implementation of this Regulation.

Context

The organisation and financing of social protection systems is the responsibility of each EU Member State. Nevertheless, the European Commission provides support to help reach a range of targets through flagship initiatives such as the European pillar of social rights . Furthermore, the European Commission provides guidance to EU Member States to modernise their welfare systems through the social investment package .

The European pillar of social rights is built upon 20 principles, half of which are classified under the heading of *Social protection and inclusion*, including principle 11 which covers childcare and support to children.

Other articles

- · Social protection statistics overview
- · Social protection statistics background
- Social protection statistics pension expenditure and pension beneficiaries
- Social protection statistics social benefits
- Social protection statistics unemployment benefits

Main tables

Social protection (t spr)

Database

• Social protection (spr), see:

Social protection expenditure (spr_expend)

Social protection receipts (spr receipts)

Pensions beneficiaries (spr_pension)

Net social protection benefits (spr_net_ben)

Dedicated section

• Social protection (ESSPROS)

Publications

· Publications on social protection

Methodology

- European system of integrated social protection statistics ESSPROS Manual and user guidlines 2022 edition
- Compendium of methodological clarifications ESSPROS, European system of integrated social protection statistics – 2021 edition
- Links and differences between social protection statistics (ESSPROS) and national accounts –
 Methodological aspects and conceptual bridge tables 2021 edition
- · Social protection methodology
- Social protection (ESMS metadata file spr_esms)

Legislation

- Regulation (EC) No 458/2007 of 25 April 2007 on the European system of integrated social protection statistics (ESSPROS)
 - Summaries of EU legislation: European system of integrated social protection statistics (ESSPROS)
- Commission Regulation (EC) No 1322/2007 of 12 November 2007 implementing Regulation (EC) No 458/2007 of the European Parliament and of the Council on the European system of integrated social protection statistics (ESSPROS) as regards the appropriate formats for transmission, results to be transmitted and criteria for measuring quality for the ESSPROS core system and the module on pension beneficiaries
- Commission Regulation (EC) 10/2008 of 8 January 2008 implementing Regulation (EC) No 458/2007 of the European Parliament and of the Council on the European system of integrated social protection statistics (ESSPROS) as regards the definitions, detailed classifications and updating of the rules for dissemination for the ESSPROS core system and the module on pension beneficiaries

External links

- Directorate-General for Employment, Social Affairs and Inclusion, see:
 - Social protection and social inclusion
 - Social protection systems MISSOC