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 low work intensity
- Relative median at-risk-of-poverty gap
- Relative median income ratio

**Statistical data**

- Income poverty statistics