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 recent data from EU statistics on income and living conditions (EU-SILC). Comparisons over the most recent years enable, among other things, an analysis of the evolution of the social situation and its impact on the Europe 2020 headline target. Though the level of disposable income of households increased in nearly all Member States, recovery to pre-crisis levels is still incomplete in some.

Number of people at risk of poverty or social exclusion

In 2017, there were 112.8 million people in the EU-28 who lived in households at risk of poverty or social exclusion (AROPE), equivalent to 22.4% of the entire population. People at risk of poverty or social exclusion were in at least one of the following situations:

- at risk of poverty after social transfers (income poverty);
- severely materially deprived; or
- living in households with very low work intensity.
In 2017 (see Figure 1), there were 53.5 million people in the EU-28 living in households that faced income poverty (but neither severe material deprivation, nor very low work intensity). 13.8 million persons experienced severe material deprivation (but neither of the other two risks) and 11.9 million people were living in households with very low work intensity (but facing neither of the other two risks). An additional 26.5 million people lived in households facing two out of three of these risks, while a further 7.1 million people lived in households where all three of these risks were present. Although people are considered to be at risk of poverty or social exclusion as soon as they face one of the above risks, 33.6 million people faced a combination of two or even all three of these risks. This represents almost one third (29.8 %) of the total number of people at risk of poverty or social exclusion within the EU-28 in 2017. A reduction in 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.

Compared with 2016, the number of people at risk of poverty or social exclusion in 2017 had decreased by 5.1 million, equivalent to a 1.1 percentage point (pp) decrease in the share of the total population. As such, the share of the EU-28 population at risk of poverty or social exclusion fell to a level that had not been recorded since data became available in 2010.
The share of the EU-28 population who are considered to be at risk of poverty or social exclusion is calculated as a weighted average of national results; it masks considerable variations between EU Member States.

In 2017, more than a third of the population was at risk of poverty or social exclusion in three EU Member States: Bulgaria (38.9%), Romania (35.7%) and Greece (34.8%) (see Figure 2). At the other end of the scale, the lowest shares of persons being at risk of poverty or social exclusion were recorded in the Slovakia (16.3%), Finland (15.7%), and Czechia (12.2%). As noted above, between 2016 and 2017, the at-risk-of-poverty rate decreased by 1.1 pp in the EU-28 (23.5% - 22.4%). The largest decreases among the EU Member States were reported in Romania (-3.1 pp), Cyprus (-2.5 pp), Poland (-2.4 pp), Slovakia and Portugal (each with -1.8 pp). By contrast, this rate rose in four of the EU Member States: Austria (0.1 pp), the Netherlands (0.3 pp), Denmark (0.4 pp) and Luxembourg (1.7 pp).
Figure 3: Population at risk of poverty or social exclusion, 2017 (Share of total population)

Source: Eurostat (ilc_pees01)

Figure 3 provides a simplified analysis for each EU Member State regarding the proportion of the population facing the three poverty or social exclusion risks identified above, showing:

- the proportion of people at risk of poverty, including those living in households that were exclusively at risk of poverty as well as those at risk of poverty combined with either or both of the other two risks. In the EU-28 this group amounted to 85.2 million people in 2017;

- the analysis then shows the additional proportion of the population experiencing severe material deprivation (either as a single risk or combined with living in a household with very low work intensity). In the EU-28, this group amounted to 15.7 million people in 2017;

- the final category shows the proportion of the population living in households that were exclusively characterised as having a very low work intensity (those that were not at risk of poverty, nor experiencing severe material deprivation). In the EU-28, this group amounted to 11.9 million people in 2017.

The sum of the three categories shown in Figure 3 corresponds to the overall proportion of the population at risk of poverty or social exclusion. Among the population at risk of poverty or social exclusion in 2017, those at risk of poverty (whether combined with either or both or the other risks or not) accounted for four fifths or more of the overall population at risk of poverty or social exclusion in Estonia, Sweden, Germany, Luxembourg, Malta and Spain, whereas they made up three fifths or less of the total in Greece, Bulgaria and Hungary.

Analysis of populations at risk

Overall, children and active-age adults have a higher risk of poverty or social exclusion
Table 1: People at risk of poverty or social exclusion, by age group, 2017 (Share of specified population) Source: Eurostat (ilc_peps01)

With an at-risk-of-poverty or social exclusion rate of 24.9% in the EU-28, children were at greater risk in 2017 than the total population (22.4%) as shown in Table 1. This situation was repeated in 19 of the EU Member States, and also in Iceland, Switzerland and all three candidate countries. In EU-28, the largest gaps between the rates for children and the total population were observed in Romania and Hungary (6.0 pp each) and Slovakia (6.2 pp), while in the Netherlands, Croatia, Finland, Germany, Poland, Slovenia, Denmark, Latvia and Estonia, the rate for children was below the average for the total population (ranging from -0.4 pp to -4.6 pp).

The percentage of children living in a household at risk of poverty or social exclusion ranged from less than 15.0% in Denmark and Czechia to more than 40% in Bulgaria (41.6%) and Romania (41.7%). 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 services.
There are also more vulnerable groups of children, such as those with migrant parents, which require particular attention.

Older people — defined here as persons aged 65 years and over — faced a lower risk of poverty or social exclusion in 2017 than the overall population, with 18.2 % compared with 22.4 % for the whole population. This lower risk was observed in 20 of the EU Member States. However, the risk of poverty or social exclusion faced by older people in 2017 was significantly higher than for the whole population in Estonia (+ 18.6 pp), Latvia (+ 15.7 pp), Lithuania (+ 10.7 pp) and Bulgaria (+ 10.0 pp). These differences in the relative situation of older people depend on a number of factors including:

- the characteristics of pension systems for current pensioners,
- the age and gender structure of the population of older people, as the gender pay gap tends to translate into a pension gap for women.

**Income poverty**

16.9 % of the population in the EU-28 were at risk of poverty after social transfers in 2017
### Single person households at risk of poverty, before and after social transfers, 2016-2017

(Share of specified population)

<table>
<thead>
<tr>
<th>Country</th>
<th>Before social transfers</th>
<th>After social transfers</th>
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<tbody>
<tr>
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<td>Serbia</td>
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<tr>
<td>Turkey (I*)</td>
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</table>

**Note:** at risk of poverty rate before/after social transfers (pensions excluded from social transfers) (cut-off point: 60% of median equivalised income before/after social transfers).

*1) 2017 break in series.
3) 2015 data instead of 2016.

Source: Eurostat (online data codes: ilc_li10 and ilc_li02)

Looking at each of the three elements contributing to being at risk of poverty or social exclusion, 16.9 % of the population in the EU-28 in 2017, were at risk of poverty after social transfers (see Table 2), meaning that their disposable income was below the national at-risk-of-poverty threshold. 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 EU Member States.

Among the EU Member States, in 2017, at-risk-of-poverty rates (after social transfers) equal to or greater than 20.0 % were observed in Romania (23.6 %), Bulgaria (23.4 %), Lithuania (22.9 %), Latvia (22.1 %), Spain (21.6 %), Estonia (21.0 %), Italy (20.3 %), Greece (20.2 %) and Croatia (20.0 %). The lowest rates were in Slovakia (12.4 %), Finland (11.5 %) and Czechia (9.1 %).

The at risk of poverty rate (after social transfers) increased by 1 pp or more in Luxembourg, the United Kingdom and Lithuania in 2017, compared with the previous year. It should be noted that in the case of the United Kingdom, there was a break in series (year 2016). Elsewhere, increases were observed in Bulgaria, Croatia, the Netherlands and Denmark (0.5 pp each), Belgium (0.4 pp) and Latvia, Malta and Austria (0.3 pp each). The largest decreases in the at-risk-of-poverty rate between 2016 and 2017, above 1 pp, were in Greece.
and Ireland (-1 pp each), Hungary (-1.1 pp), Romania (-1.7 pp) and Poland (-2.3 pp); a large fall (-0.9 pp) was also observed in Switzerland.

The at-risk-of-poverty rate before social transfers presents a slightly different picture from the analysis after transfers.

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 it 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. These rates are calculated with the same poverty threshold as for the poverty rate after social transfers, in other words, based on 60 % of the median income, including social transfers.

The at-risk-of-poverty rate before social transfers fell 0.3 pp between 2016 and 2017 in the EU-28, to reach 25.6 %. The at-risk-of-poverty rate before social transfers decreased in 18 of the EU Member States between 2016 and 2017 and remained unchanged in two. The largest decrease was registered in Ireland where it fell by -1.8 pp, while decreases of between 1.0 and 1.4 pp were recorded in Italy, Spain, Germany, Greece, and Romania, Portugal and Austria and decreases of less than 1.0 pp in 10 Member States. Increases of 1.0 pp or more were observed in the United Kingdom and Poland (1.1 pp each), Bulgaria (1.3 pp) as well as in Luxembourg and Lithuania (1.9 pp each), although – as noted before - in the case of the United Kingdom it was a break in series. Along with changes in the distribution of income, at-risk-of-poverty rates may change because of changes in the poverty threshold.
The at-risk-of-poverty rate is also sensitive to sudden changes in income distribution (see Table 3). Bulgaria and Romania saw an increase of more than 10% between 2016 and 2017 (10.8% and 11.4% respectively), followed by a few Member States with more than 4%, namely Estonia (5.0%), Croatia (4.7%) and Lithuania (4.2%). Substantial increases were also observed in Turkey (12.0%), North Macedonia (8.4%) and Iceland (6.7%), for years 2015 to 2016. However, a decrease of 2% or more was recorded in Belgium (-2.0%) and Sweden (-2.8%). To put fluctuations in poverty thresholds into perspective and to avoid misleading results in periods of rapid and general economic change, Eurostat also calculates an at-risk-of-poverty indicator anchored in time.
This indicator keeps the poverty threshold fixed, in real terms, over a multi-annual period and thereby removes the effects of a moving poverty threshold. The at-risk-of-poverty rate anchored in time provides complementary information, as it provides a longer-term perspective of the developments of monetary poverty, in particular when median income decreases.

Figure 4 presents the at-risk-of-poverty rates for 2016 and 2017 anchored in 2008, where the results indicate that between 2016 and 2017, decreases were reported in all the EU Member States, most notably in Romania (-5.3 pp), Cyprus (-4.6 pp) and Bulgaria (-3.9 pp). In 2017, 15.9 % of the population in the EU-28 were estimated to be at risk of poverty (anchored in 2008), which was 1 pp lower than the standard (not anchored in time) at-risk-of-poverty rate after social transfers (16.9 %).

**Work intensity**

In 2017, the share of persons aged 0-59 years living in households with very low work intensity decreased in 24 EU Member States.
Figure 5: People aged <60 years, living in households with very low work intensity, 2016 - 2017 (Share of specified population) Source: Eurostat (ilc_lvhl11)

Work intensity refers to the ratio between the number of months that household members of working age (18-59 years, not being a student aged 18-24) worked during the income reference year and the total number of months that the same household members could theoretically have worked. 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 aged 0-59 years living in households where the adults worked 20 % or less of their total potential during the previous 12 months.

Just less than one tenth (9.5 %) of the EU-28 population aged 0-59 years lived in households with very low work intensity in 2017, 1 pp less than in 2016 (see Figure 5). In 2017, the Member States with the highest proportion of households with very low work intensity were Ireland (16.2 %), Greece (15.6 %), Belgium (13.5 %) and Spain (12.8 %), while the lowest proportions were recorded in Estonia (5.8 %), Poland (5.7 %), Czechia (5.5 %) and Slovakia (5.4 %).

In 2017, compared with 2016, the share of persons aged 0-59 years living in households with very low work intensity decreased in 24 EU Member States, most strongly in Spain (-2.1 pp) and Ireland (-2.0 pp). In Estonia, no change was observable, while in Austria, Luxembourg, Sweden and Latvia increases of 0.2 pp or more were observed, with the largest increases in Latvia (0.6 pp).

Severe material deprivation

In 2017, 6.6 % of the population in the EU-28 were severely materially deprived
Material deprivation rates complement information on social exclusion 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:

- having arrears on mortgage or rent payments, utility bills, hire purchase installments or other loan payments;
- being able to afford one week’s annual holiday away from home;
- being able to afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day;
- being able to face unexpected financial expenses;
- being able to buy a telephone (including mobile phone);
- being able to buy a colour television;
- being able to buy a washing machine;
- being able to buy a car;
- being able to afford heating to keep the house warm.

In the EU-28, 6.6 % of the population were severely materially deprived in 2017 (see Figure 6 ). The share of those severely materially deprived varied significantly among EU Member States, ranging from less than 2.0 % in Luxembourg and Sweden (as well as in Iceland and Switzerland - 2016 data) to more than one fifth in Greece (21.1 %) and one third in Bulgaria (30.0 %). Of all the reporting countries, the highest severe material deprivation rate was recorded in Turkey (32.9 %).

While the EU-28 severe material deprivation rate decreased by 0.9 pp between 2016 and 2017, three EU Member States observed an increase: Sweden (0.3 pp), Denmark (0.5 pp) and Austria (0.7 pp). While there was no change in the severe material deprivation rate between 2016 and 2017 in the Netherlands, the rate fell in 24 Member States, with the decrease exceeding 2.0 pp in Italy (-2.0 pp), Cyprus (-2.1 pp), Croatia (-2.2 pp) and Romania (-4.1 pp).
In 2017, 33.8% of the population in the EU-28 could not afford unexpected financial expenses.

One of the material deprivation items is facing unexpected expenses. This item measures the ability of a household to cover — from their own resources — an unexpected expense amounting to one twelfth of the poverty threshold.

In 2017, 33.8% of the EU-28 population reported difficulties in facing such unexpected expenses (see Figure 7), representing a decrease of 2.6 pp compared with 2016. There are considerable variations between EU Member States for this indicator. The percentage of people reporting such difficulties in 2017 ranged from less than one quarter in the Netherlands (20.7%), Austria (20.6%), Luxembourg (20.4%), Sweden (19.7%) and Malta (15.8%), to more than half in eight Member States, peaking in Latvia (59.9%). Compared with 2016, the proportion of people reporting difficulties facing unexpected expenses fell in all EU Member States except two, namely Estonia (+4.7%) and Denmark (+0.6%). A decrease in the proportion of the population that reported difficulties in facing unexpected expenses of 4.0 pp or more was observed in Czechia, Slovenia, Malta and the United Kingdom, while in Cyprus the proportion was down 6.5 pp. One Member State stood out for this indicator, as this proportion fell 19.3 pp in Hungary, down from 50.8% in 2016 to 31.5% in 2017. Also, Iceland and Serbia noticed noteworthy decreases of -6.0% and -4.2% respectively.

Source data for tables and graphs

- People at risk of poverty or social exclusion: tables and figures

Data sources

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 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 (namely at risk of poverty after social transfers (income poverty), severe material deprivation, or living in households with very low work intensity), as some persons are affected simultaneously by more than one of these situations.

**Other articles**

- Employment statistics
- Housing statistics
- Living conditions in Europe - housing quality
- Income poverty statistics
- Living conditions in Europe - material deprivation and economic strain
- Migration integration statistics — at risk of poverty and social exclusion
- Quality of life indicators — economic and physical safety
- Quality of life indicators — material living conditions
- Unemployment statistics

**Publications**

**Statistical books**

- Monitoring social inclusion in Europe — 2017 edition
- Smarter, greener, more inclusive? Indicators to support the Europe 2020 strategy — 2016 edition
- Quality of life — Facts and views
Living conditions in Europe — 2014 edition
European social statistics — 2013 edition

Working paper
Analytic report on subjective well-being

News release
Downward trend in the share of persons at risk of poverty or social exclusion in the EU — News release

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Income and living conditions (t_ilc)

Database
Income and living conditions (ilc)
People at risk of poverty or social exclusion (Europe 2020 strategy) (ilc_pe)
Income distribution and monetary poverty (ilc_ip)
Living conditions (ilc_lv)
Material deprivation (ilc_md)
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EU statistics on income and living conditions (EU-SILC) methodology
Income and living conditions methodology
Individual employment, household employment and risk of poverty in the EU — A decomposition analysis — 2013 edition
Measuring material deprivation in the EU — Indicators for the whole population and child-specific indicators
Standard error estimation for the EU-SILC indicators of poverty and social exclusion — 2013 edition
Statistical matching of EU-SILC and the Household Budget Survey to compare poverty estimates using income, expenditures and material deprivation — 2013 edition
What can be learned from deprivation indicators in Europe?

Legislation
External links

- Employment and social analysis, see:

- OECD statistics on measuring economic performance and social progress

- The social dimension of the EUROPE 2020 strategy — A report of the social protection committee (2011)

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