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Living conditions in Europe

2014 Edition

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Abstract

This publication provides a picture of current living conditions in Europe, as well as the socio-economic factors affecting the everyday life of Europeans. Chapter 1 focuses on the financial dimensions of poverty and inequality. Chapter 2 examines to what extent lack of adequate income can prevent people from affording an adequate standard of living. Chapter 3 presents statistics with regard to housing quality, while, under Chapter 4, the interactions between living conditions and socio-economic factors, such as labour and health status, are examined. Finally, in Chapter 5, aspects of child poverty and social exclusion are presented. The majority of the indicators come from EU-SILC, with data up to 2012.

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Introduction

Since the launch of the 'Europe 2020' ([1]) Strategy for smart, sustainable and inclusive growth, the importance of income and living conditions statistics has grown further: one of the five Europe 2020 headline targets is related to social inclusion and consists of lifting at least 20 million people in the EU from the risk of poverty or social exclusion by 2020.

The social consequences of the economic and financial crisis have given even more importance to data on the income andsocial situation in order to timely and reliably describe the situation and patterns.

The 'Social Investment Package' ([2]) adopted in February 2013, urges countries to put more emphasis on social investment to achieve the EU2020 target, and also increases the demand of timely and reliable data on the social situation in Europe.

Last but not least, the 'Beyond GDP' ([3]) debate has drawn attention to the need to complement GDP measures with indicators that encompass environmental and social aspects of progress.

The 'EU Statistics on Income and Living Conditions (EU-SILC)' from which data are presented in this pocketbook, is the main data source for comparative analysis and indicators on income and living conditions in the EU, and it allows responding to the information needs in the field of social exclusion.

The publication

The statistical book on living conditions aims at providing a comprehensive picture of the current living conditions in Europe. Different aspects of living conditions are covered through a corpus of indicators reflecting the socio-economic conditions affecting the everyday life of Europeans. Such aspects are related to income, housing, material deprivation, (child) poverty as well as social exclusion. Undoubtedly, income, housing quality as well as health and labour conditions have an in-depth impact on people's standards of living in the society they live in.

([1]) For more information, see: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:2020:FIN:EN:PDF

([2]) For more information, see: http://ec.europa.eu/social/main.jsp?catId=1044&langId=

([3]) European Commission, GDP and beyond — Measuring progress in a changing world, COM (2009) 433 final, Brussels, 2009. (http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2009:0433:FIN:EN:PDF)

The publication is divided into five chapters, each one focusing on different aspects of living conditions. Chapter 1 focuses on the financial dimensions of poverty and inequality and covers key income-based statistics and indicators reflecting disparities in the distribution of monetary resources. Chapter 2 shows how the lack of adequate income can prevent people from having a standard of living considered adequate in their country. Chapter 3 provides statistics with regard to housing quality, covering a wide range of housing problems, either pertinent to the dwelling itself or the environment of the dwelling. Under Chapter 4, the impact of socio-economic factors, such as labour and health status, on people's living standards is examined. Finally, in Chapter 5, aspects of child poverty and social exclusion along with family-related factors in the childhood affecting the situation of today's adults are presented.

The data used in the publication were drawn from Eurostat's dissemination database from 25 August to 31 October 2014 and cover all 28 Member States and EFTA countries. The majority of the indicators come from EU-SILC and are available up until 2012. All topics raised in the publication with regard to the intergenerational transmission of disadvantages were compiled under the 2011 EU-SILC ad-hoc module, while data available from the 2012 EU-SILC ad-hoc module throw light on aspects of housing conditions. Apart from the data primarily derived from EU-SILC, the Household Budget Survey (HBS) offers data to this publication that allow the assessment of the welfare of households.

1 Income distribution and inequality

GDP, i.e. Gross Domestic Product, is a measure of the total output of an economy, and thus of the total income generated in a country. When a country's population is taken into account, GDP per capita provides both a convenient measure of average income and of the living standards in a given economy, as well as (when adjusted for purchasing power) a measure for comparison across countries. Nevertheless, more information is needed about the distribution of household income.

For this reason, different statistical measures are preferably used, namely household disposable income, i.e. the total income that households have at their disposal for spending or saving, as stemming from different income sources. The aggregated household disposable income is available from national accounts and could be used for general analysis of household sector, however it lacks the distributional dimension. Because of this, the household disposable income analysis from micro data sources is preferred, i.e a statistical survey on a representative sample of actual households, rather than aggregate macro-economic measures since expressive and insightful statistical measures can be calculated, such as the median income or the distribution of income across economic strata of the population.

Moreover, in order to take into account differences in household size and composition and thus enable comparisons of income levels, the concept of equivalised income is used. It is based on the assumption of even income sharing within a household, taking into account the number of persons in the household and the age of its members. For each household a size in terms of 'equivalent number of adults' is calculated (based on the standard 'modified OECD equivalence scale'); total household income, derived as the sum of income received by every member of the household and by the household as a whole, is divided by this size to determine the equivalised disposable income attributed to each member of the household.

The median of the equivalised disposable income distribution is typically used in the European Union (EU) to represent the standards of living within each distinct economy. It may be understood as the income level that divides the population into two groups of equal size: one encompassing the half of the population that has a disposable income above this level, and the half with disposable income below it. The use of the median (in contrast to average measures) avoids the distortion that may be caused by the existence of extreme values, such as a few extremely rich households raising the average.

In 2012, the median household disposable income (after being converted into purchasing power standard (PPS) units to account for differences in the price levels between countries) varied considerably across the EU Member States, ranging from PPS 3 596 in Romania to PPS 26 579 in Luxembourg.

Notably, the median household disposable income, in real terms, fell in 17 out of 28 Member States in 2012, as compared to the previous year.

Across all 28 Member States, when analysing the distribution of income in its constituent strata, and especially, at the top and bottom quintiles of the distribution, it appears that more than 33.0 % of the total disposable income goes to the population belonging to the top quintile of the income distribution, whereas less than 11.0 % to those in the bottom quintile.

Such differences in the distribution of available resources among the different economic strata in the society are captured through income inequality measures, such as the Gini coefficient and the income quintile share ratio (referred to as S80/S20). Each of these measures reflects different aspects of income inequality: the Gini coefficient measures the extent to which the distribution of income among individuals differs form a perfectly even distribution, while the S80/S20 shows the gap between the income received by those in the top quintile of the income distribution compared to that received by those in the bottom quintile.

Latvia and Spain experienced the highest levels of inequality in 2012, as measured by the Gini coefficient, while Slovenia and Norway exhibited the lowest levels of income inequality.

Inequality may also be analysed for different age groups. The level of inequality for elderly people, as measured by the S80/S20 income quintile share ratio, showed that people aged under 65 experience lower levels of inequality as compared to that of the total population. This pattern was found across all the EU Member States in 2012, except for France, Slovenia and Switzerland.

Social transfers, the main instrument for the realization of policies of a welfare state, evidently play a significant role in the reduction of income inequalities. In 2014, social transfers reduced the income inequality

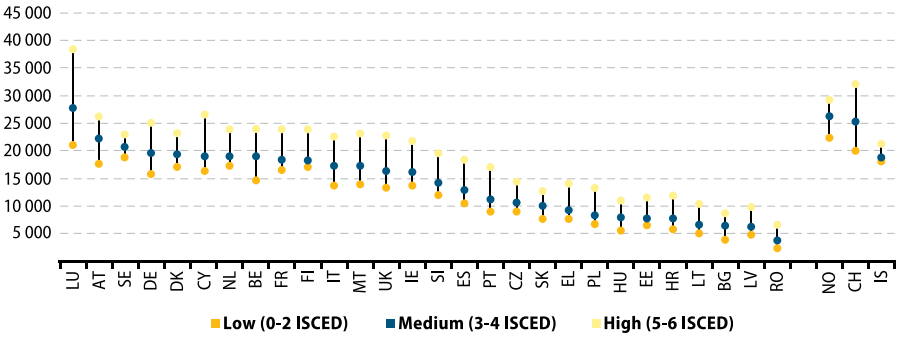
of the EU-28 population — as measured by the Gini coefficient — from 51.3 before transfers (including pensions) to 30.6 after transfers.

1.1 Income distribution

The median equivalised disposable income (hereafter median disposable income), in 2012, ranged from PPS 26 579 in Luxembourg to PPS 3 596 in Romania. Figures reveal a clear geographical cleavage (Map 1.1). The Nordic and Western European countries (as well as Cyprus) are characterized by median disposable incomes higher than PPS 16 000; in Italy, Malta and Slovenia the median disposable income was close to PPS 15 000, whereas in Southern and Eastern Europe and the Baltic region it was considerably lower (less than PPS 14 000).

In all 28 Member States, among the population aged 18 to 64, the median disposable income in 2012 was higher for those with a tertiary education degree (ISCED 5 and 6), as compared to those who have completed lower (ISCED 0-2) or upper secondary education (ISCED 3-4) (Figure 1.1). The largest income gap between low and high-educated population has been recorded in Luxembourg, Cyprus, the United Kingdom, Germany, Belgium and Malta, in contrast to Sweden, the Baltic and some Eastern Member States (Romania, Bulgaria, Slovakia, the Czech Republic and Hungary), where this education related income gap has been considerably smaller.

Figure 1.1: Median income by educational level, 2012 (1) (2) (PPS)



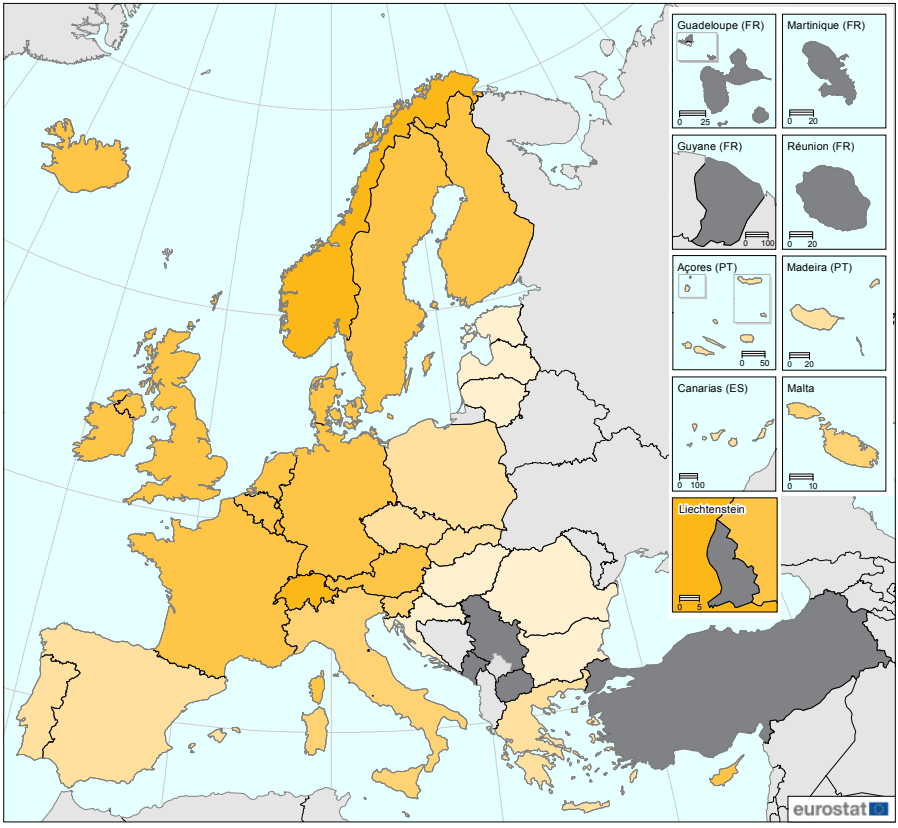
(1) Countries are sorted in descending order by the median equivalised income of the population with medium educational attainment.
(2) Population aged 18 to 64.

Source: Eurostat (online data code: ilc_di08)

Changes in median disposable income over time

Median disposable income in nominal terms (i.e. in national currency, without adjusting for inflation) dropped in 2012 as compared with a year earlier (Table 1.1) in seven Member States. The highest drop in nominal terms was recorded in Greece (-13.4 %), whereas reductions have been also observed in Ireland (-3.3 %), Bulgaria (-1.9 %), Croatia (-1.4 %), Spain (-1.2 %), Portugal (-1.0 %) and Cyprus (-0.4 %). On the other hand, nominal income increased by 9.8 % in Slovakia and 12.5 % in Lithuania.

Map 1.1: Median income, 2012
(PPS)



Source: Eurostat (online data code: ilc_di03)

Table 1.1: Change in median income (in NAC) before and after adjusting for inflation, 2011 to 2012 (%)

	Currency	Median Income (NAC)		Change in nominal terms (%)	HICP			Change in real terms (%)
		2011	2012	2011/2012	2010	2011	2010/2011	2011/2012
BE	EUR	20 008	20 058	0.2	111.4	115.1	3.4	-3.0
BG	BGN	5 700	5 593	-1.9	136.6	141.2	3.4	-5.1
CZ	CZK	188 400	191 588	1.7	113.7	116.2	2.2	-0.5
DK	DKK	196 566	198 037	0.7	110.8	113.8	2.7	-1.9
DE	EUR	19 043	19 595	2.9	108.4	111.1	2.5	0.4
EE	EUR	5 598	5 987	6.9	127.0	133.4	5.1	1.8
IE	EUR	19 726	19 078	-3.3	105.4	106.6	1.1	-4.4
EL	EUR	10 985	9 513	-13.4	117.7	121.4	3.1	-16.0
ES	EUR	12 120	11 970	-1.2	112.9	116.4	3.1	-4.2
FR	EUR	19 995	20 603	3.0	108.8	111.3	2.3	0.7
HR (1)	HRK	40 769	40 203	-1.4	115.9	118.5	2.2	-3.5
IT	EUR	15 972	16 029	0.4	110.6	113.8	2.9	-2.5
CY	EUR	16 990	16 927	-0.4	112.0	115.9	3.5	-3.7
LV	LVL	2 948	3 128	6.1	137.9	143.7	4.2	1.8
LT	LTL	13 317	14 975	12.5	128.6	133.9	4.1	8.0
LU	EUR	32 538	32 779	0.7	113.1	117.3	3.7	-2.9
HU	HUF	1 249 250	1 327 973	6.3	129.7	134.8	3.9	2.3
MT	EUR	10 862	11 449	5.4	112.4	115.2	2.5	2.8
NL	EUR	20 310	20 562	1.2	107.6	110.2	2.5	-1.2
AT (2)	EUR	21 319	21 807	2.3	109.5	113.4	3.6	-1.2
PL	PLN	20 075	20 849	3.9	115.6	120.1	3.9	-0.0
PT	EUR	8 410	8 323	-1.0	108.9	112.7	3.6	-4.4
RO	RON	8 915	8 969	0.6	135.2	143.0	5.8	-4.9
SI	EUR	11 999	12 122	1.0	115.6	118.0	2.1	-1.0
SK	EUR	6 306	6 927	9.8	112.2	116.8	4.1	5.5
FI	EUR	21 826	22 699	4.0	110.5	114.2	3.3	0.7
SE	SEK	214 650	223 283	4.0	110.8	112.3	1.4	2.6
UK (2)	GBP	14 872	15 412	3.6	114.5	119.6	4.5	-0.8
IS	ISK	3 071 616	3 125 252	1.7	152.8	159.2	4.2	-2.4
NO	NOK	291 777	312 129	7.0	111.8	113.1	1.2	5.7
CH	CHF	46 842	48 573	3.7	104.1	104.2	0.1	3.6

(1) Definition differs for HICP, 2011 and 2010.

(2) Break in series for median income, 2012.

Source: Eurostat (online data codes: ilc_di03, prc_hicp_aind)

The situation is however different in real terms, i.e. after adjusting the median disposable income for inflation (using HICP, the Harmonized Index of Consumer Prices). Thus, in 2012, median disposal income in national currencies in real terms, fell in 17 Member States (and in Iceland), as compared to 2011 (Figure 1.2). The most dramatic drop occurred in Greece (-16.0 %), whereas significant reductions have been observed in Bulgaria (-5.1 %), Romania (-4.9 %), Portugal and Ireland (both -4.4 %), Spain (-4.2 %), Cyprus (-3.7 %), Belgium (-3.0 %), Luxembourg (-2.9 %) and Italy (-2.5 %). The highest increases were recorded in Lithuania (+8.0 %) and Slovakia (+5.5 %) as well as Norway (+5.7 %).

A more incisive analysis of the changes of median disposable income should reveal the parts of society most affected by such trends. This can be achieved by showing the different effects in different socio-economic strata.

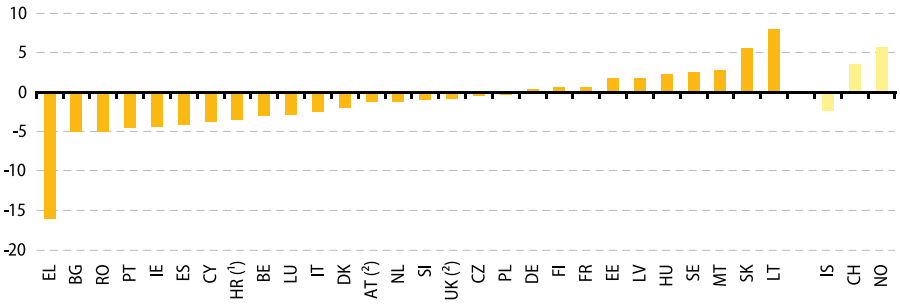
The population, ordered by equivalise disposable income, can then be divided in quintiles (fifths), i.e. socio-economic strata of equal size. In this way, a range of income can be calculated for each stratum, namely the income of the poorest (bottom quintile) and the richest (top quintile) household within it. Typically quintiles are used for such analysis (such as in the S80/20 inequality indicator).

Between 2012 and 2011, a drop in the median disposable income in the bottom quintile was observed in 15 Member States, as well as Iceland and Norway, after adjusting for inflation (Figure 1.3). It decreased the most in Greece (-25.1 %), followed by Ireland (-7.1 %), Luxebourg (-7.0 %), Bulgaria (-5.7 %), Portugal (-5.6 %) and Croatia (-5.4 %).

In the same period and in the other end of the socio-economic spectrum, 18 Member States recorded decreases in the median equivalised income of the respective top quintiles (after adjusting for inflation): Greece reported the sharpest fall, where the median disposable income of those belonging to the top quintile decreased by 19.1 % (but still, less than the drop in the bottom quintile).

On the contrary, the highest increases in the lower (+17.5 %) and upper strata (+7.9 %) of the income distribution were observed in Lithuania.

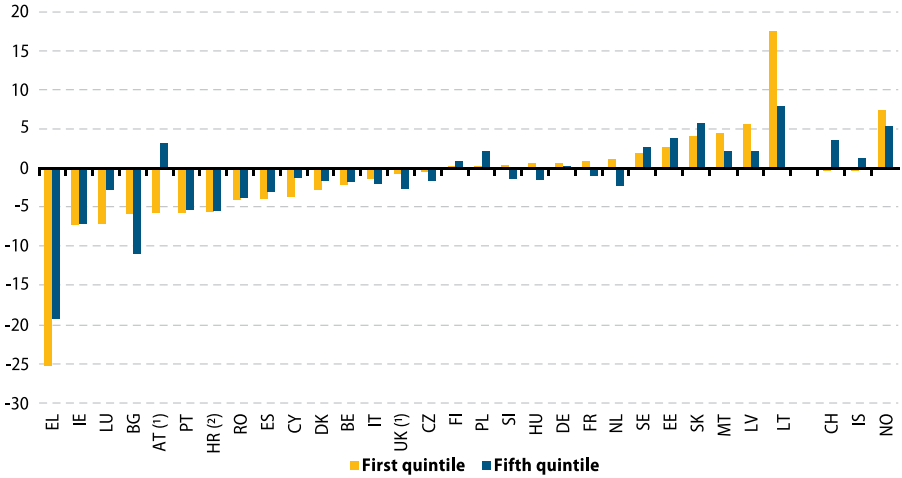
Figure 1.2: Change in median income (in NAC) after adjusting for inflation, 2011 to 2012 (%)



(1) Definition differs for HICP, 2011 and 2010.
(2) Break in series for median equivalised income, 2012.

Source: Eurostat (online data codes: ilc_di03, prc_hicp_aind)

Figure 1.3: Change in median income (in NAC) for first and fifth quintiles after adjusting for inflation, 2011 to 2012
(%)



(1) Break in series for median equivalised income, 2012.
(2) Definition differs for HICP, 2011 and 2010.
Source: Eurostat (online data codes: ilc_di01, prc_hicp_aind)

Income distribution across quintiles

In Europe, just around 40.0 % of total disposable income in 2012 went to the population belonging to the highest income quintile of the income distribution, while people in the bottom quintile of the income distribution received slightly less than 8.0 % of the total disposable income (Figure 1.4).

This pattern was similar across all countries in the European Union (EU). In six countries, namely Latvia, Portugal, Spain, the United Kingdom, Greece and Bulgaria, those in the upper part of the income distribution received more than 40.0 % of the total disposable income. For the rest of the countries, this share was higher than 35.0 %, with the exception of Slovakia, Sweden and Slovenia, where the income received by the population in the highest quintile accounted for about 34.0 % (34.6 %, 34.0 % and 33.5 % respectively) of the total disposable income of the country population.

At the other end of the income scale, people in the first quintile received less than 8.0 % (which is the EU average) of the total disposable income in six countries of Southern Europe (Portugal, Cyprus, Italy, Croatia, Greece and Spain) as well as Poland, the United Kingdom, Lithuania, Latvia, Bulgaria and Romania. Only the Czech Republic reported a share above 10.0 % (10.1 %). The latter holds also for Iceland and Norway (both 10.2 %).

Income mobility

A significant proportion of the Europeans experience significant fluctuations in their economic well-being from one year to another. People move up and down the

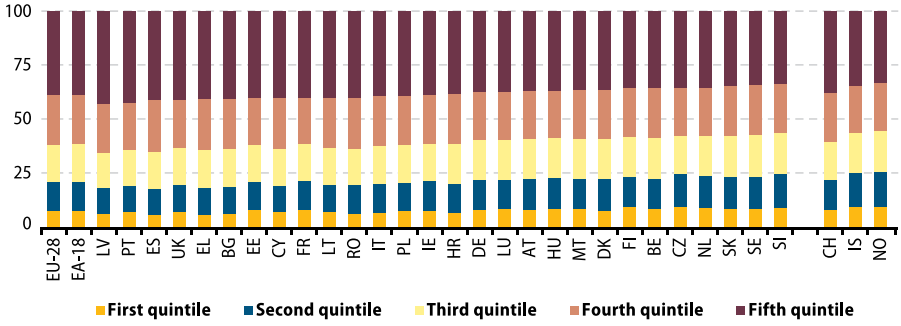
economic ladder thus belonging to higher or lower income strata over different periods of time. However, upward and downward income mobility may be also apparent: i.e. due not only to actual changes in the financial, family or employment situation of individuals, but also to changes in the income range represented by each stratum. Thus, a household may move to lower stratum even if its income is not reduced, if due to an overall increase in incomes, that stratum's limits are raised. Thus, when interpreting these data one should keep in mind that the income range of each decile (and therefore the members of the population belonging to it) may change each year, since they depend on the income levels of the whole population.

This remark notwithstanding, in the period from 2009 to 2012, slightly more than 17.0 % of Europeans moved down the socio-economic ladder by more than one income decile, while almost the same proportion (17.6 %) moved upward to more than one income decile (Table 1.2).

When considering country-specific situations, and comparing 2012 to 2008, the share of population who moved up by more than one income decile within three consecutive years, decreased by more than 3.0 pp in Estonia, Malta, the Czech Republic, Latvia, Austria and the Netherlands. For Austria and Latvia, this maybe, at least partially, attributed to the reported break in series in 2012.

Over the same period of time, the share of the population who moved downward by more than one income decile, was higher in 2012 compared to 2008 in Greece, Finland, Luxembourg, Denmark and Slovenia. The sharpest drops of downward mobility between 2008 and 2012 were recorded in Malta and Hungary (a drop of more than 4.0 pp).

Figure 1.4: Distribution of income by income group, 2012 (1) (2)
(%)



(1) Share of total equivalised income.
(2) Countries are sorted in descending order by the share of income received by the fifth quintile.
Source: Eurostat (online data code: ilc_di01)

Table 1.2: Transitions of population to more than one income decile up or down, within three years, 2008-2012
(%)

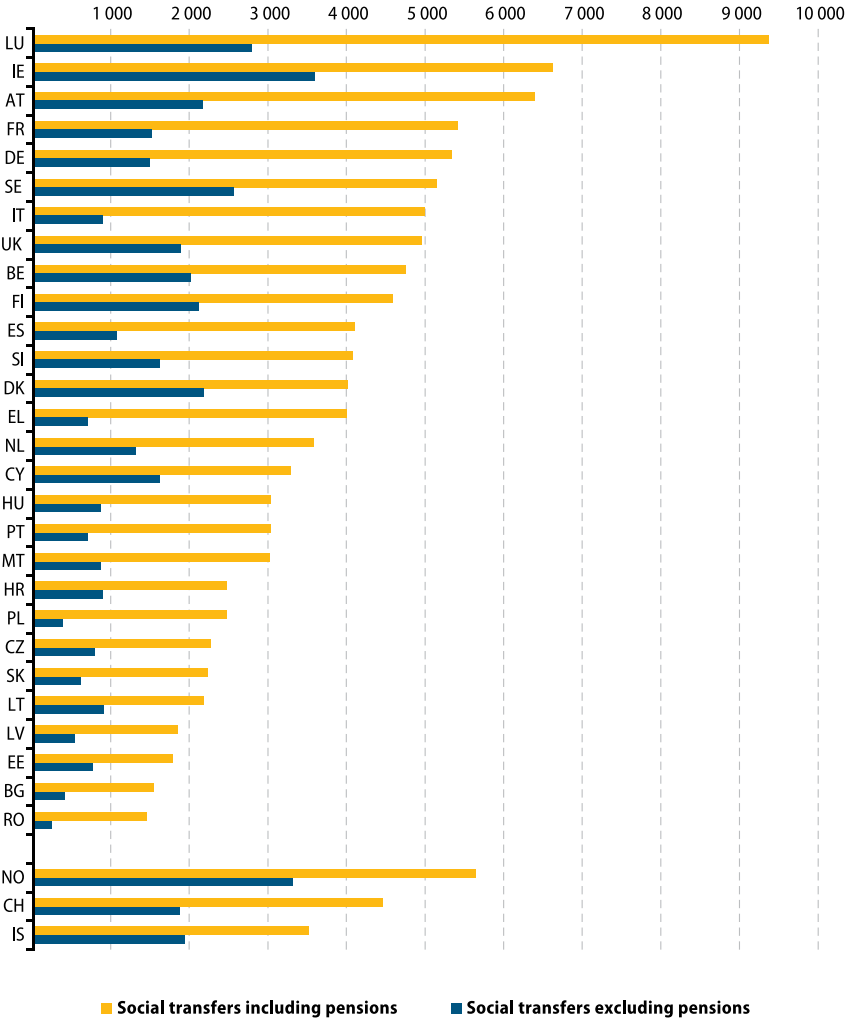
	Transition to more than one income decile up					Transition to more than one income decile down				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
EU-28 (1) (2)	18.8	19.3	18.7	17.9	17.6	18.7	19.3	18.6	17.3	17.2
EA-18 (2)	18.4	18.6	17.8	17.2	16.9	18.3	18.5	18.1	16.7	16.2
BE	17.0	17.8	:	18.3	16.7	17.2	17.8	:	16.2	15.3
BG	:	24.0	24.4	22.4	20.8	:	25.0	22.7	21.0	20.4
CZ	20.3	20.0	18.3	21.7	16.4	20.3	21.6	19.2	20.4	18.7
DK	15.4	16.4	16.6	13.9	15.7	16.9	15.6	15.4	15.1	17.2
DE	17.1	18.3	16.7	15.8	16.3	16.5	17.5	17.4	15.6	14.9
EE	22.9	20.2	21.5	21.1	16.0	21.0	20.3	19.9	20.3	19.1
IE	:	:	:	:	:	:	:	:	:	:
EL	20.8	22.4	19.3	22.5	21.4	19.0	19.1	17.5	20.4	22.4
ES	20.8	21.6	20.0	21.8	19.3	21.9	20.6	21.4	21.4	19.7
FR	:	:	:	15.9	15.9	:	:	:	15.3	15.2
HR	:	:	:	:	:	:	:	:	:	:
IT	17.1	17.5	16.4	17.2	17.1	16.1	17.3	16.5	17.2	16.1
CY	17.5	13.6	17.4	14.9	18.6	16.4	14.3	14.3	15.3	15.8
LV (3)	24.0	24.6	27.0	24.5	20.4	24.7	21.6	25.1	23.4	20.9
LT (3)	19.5	19.8	24.7	24.3	19.8	19.2	20.8	21.2	23.1	17.6
LU	15.3	14.2	13.5	16.7	16.1	15.2	13.9	14.9	16.8	15.6
HU	22.1	22.3	17.4	18.9	20.1	22.9	21.5	18.9	19.5	18.4
MT	21.4	22.1	20.2	18.3	17.3	22.4	19.8	19.9	17.6	17.7
NL	17.1	14.9	13.7	13.7	13.8	17.1	16.3	14.0	12.4	14.8
AT (3)	24.2	24.3	22.3	20.0	20.7	22.3	23.4	21.8	19.3	19.9
PL	21.8	20.4	21.0	21.5	19.4	22.0	22.1	21.2	20.5	19.1
PT	15.3	17.4	17.8	16.9	17.7	16.3	16.0	16.9	17.2	15.6
RO	:	:	18.4	14.1	:	:	:	18.2	14.0	:
SI	15.0	15.3	15.3	14.2	13.5	13.9	15.3	14.4	14.8	14.0
SK	24.9	23.1	23.5	18.7	:	26.9	22.4	19.7	18.5	:
FI	16.4	17.4	15.9	14.0	15.3	15.3	15.9	15.0	14.2	17.7
SE	19.1	17.1	17.7	16.6	:	17.3	17.3	18.0	16.3	:
UK	:	22.2	22.8	20.7	20.6	:	21.4	20.2	19.0	21.7
IS	21.7	16.1	21.7	22.0	22.4	22.1	19.3	21.5	19.7	21.6
NO	17.9	18.6	17.4	15.9	15.3	17.1	18.0	16.7	15.1	15.6
CH	:	:	:	:	:	:	:	:	:	:

(1) EU-27 (estimated) instead of EU-28 for years 2008-2010.
(2) Estimated data.
(3) Break in series, 2012.

Note: Data refer to the share of persons who moved up or down to more than one decile of the income distribution between three consecutive years.

Source: Eurostat (online data code: ilc_di30c)

Figure 1.5: Difference between median income after social transfers and before social transfers (including and excluding pensions), 2012
(PPS)



Source: Eurostat (online data codes: ilc_di13, ilc_di03, ilc_di14)

Impact of social transfers on income

Comparing actual disposable income (i.e. after social transfers) with the income that would be available to households before social transfers and/or pensions allows an assessment of the effects of welfare state policies.

In Figure 1.5 the impact of these policies for each country is depicted by social transfers calculated as the difference in EU-SILC data between the actual disposable income (including social transfers) and income before social transfers. In 2012, the highest effect has been observed in Luxembourg, where social transfers (including pensions), raised the median disposable income of the population from PPS 17 228 to PPS 26 579, i.e. by PPS 9 351. Social transfers (including pensions) have also been significant in Ireland (PPS 6 599), Austria (PPS 6 365), France (PPS 5 403), Germany (PPS 5 315) and Sweden (PPS 5 144). The latter also holds in Norway (PPS 5 636).

A somewhat different view of the effects of social policies arises if pensions are excluded from social transfers: Social transfers, excluding pensions, had a higher impact in Ireland, Luxembourg and Sweden, where social transfers, excluding pensions, raised the median disposable income of the population by more than PPS 2 500.

Overall, in 2012, median disposable income after social transfers was higher for persons living in households comprising two or more adults without dependent children. This holds for all countries in the EU, except for Denmark and Estonia, where persons in households with two or more adults with dependent children had the highest median income (compared to the other household types analysed). On the other hand, median disposable income before social transfers was significantly lower across all countries in the EU for persons living in single-parent households, ranging from PPS 12 553 in Denmark to PPS 1 656 in the United Kingdom.

Among persons living in households with two or more adults without dependent children, the highest difference between median disposable income after social transfers and income before social transfers (including pensions) has been observed in Luxembourg, where social transfers raised the median disposable income from PPS 16 072 to PPS 31 529. Social transfers raised also the median income of households with two or more adults without dependent children by more than PPS 10 000 in France, Sweden and Austria.

With regard to persons living in single-parent households, the highest effect of social transfers has been observed in the United Kingdom, Ireland, Malta and Luxembourg, where social transfers raised the median disposable income of single-parent households by more than PPS 7 000.

Table 1.3: Median income before and after social transfers by household type, 2012 (PPS)

	Before social transfers ([1])			After social transfers		
	Single person with dependent children	Two or more adults with dependent children	Two or more adults without dependent children	Single person with dependent children	Two or more adults with dependent children	Two or more adults without dependent children
BE	7 925	16 848	10 676	12 936	19 439	19 839
BG	3 112	4 764	4 224	3 982	5 863	6 428
CZ	6 454	9 036	6 947	7 579	10 269	11 324
DK	12 553	19 215	11 201	14 683	20 582	20 377
DE	8 886	17 418	11 357	13 141	19 953	21 029
EE	4 953	7 468	5 458	5 871	8 747	8 106
IE	2 872	12 269	8 779	11 557	16 429	18 645
EL	4 443	8 416	3 385	5 309	9 078	10 510
ES	7 608	9 732	6 917	8 880	11 351	13 836
FR	9 420	16 369	10 290	13 400	18 622	21 481
HR	5 264	5 874	4 196	5 501	7 332	8 085
IT	9 340	12 844	8 794	10 938	14 615	17 650
CY	11 933	17 109	12 898	15 845	19 217	19 720
LV	3 256	5 301	4 078	4 327	6 618	6 674
LT	4 122	5 566	4 451	5 388	7 226	7 670
LU	9 713	18 486	16 072	16 788	23 658	31 529
HU	4 251	5 557	3 993	6 164	7 502	8 363
MT	2 041	12 365	12 158	9 265	13 411	16 647
NL	8 849	17 512	13 593	13 513	18 886	21 816
AT	11 390	15 683	14 036	15 719	19 467	24 372
PL	5 888	6 826	5 503	7 121	8 265	9 874
PT	6 231	8 006	4 759	7 464	9 048	10 494
RO	2 046	2 459	2 134	2 476	3 223	4 634
SI	9 896	12 345	7 337	11 696	14 657	15 308
SK	6 611	8 023	7 637	7 759	9 648	11 220
FI	10 952	17 123	12 403	14 300	19 603	20 650
SE	10 961	17 401	12 443	13 477	20 597	23 040
UK	1 656	13 728	12 679	11 838	15 746	18 991
IS	7 933	16 213	15 245	13 740	18 683	21 132
NO	13 651	22 617	18 295	19 159	26 041	29 906
CH	14 607	20 140	21 088	18 551	22 551	27 411

([1]) Social transfers including pensions.

Source: Eurostat (online data codes: ilc_di13b, ilc_di04)

1.2 Income inequalities

While median disposable income provides a measure of the typical living standards, devoid of the potential distortion of aggregate measures such as GDP per capita, it still fails to offer the complete picture. Measures of the distribution of income across various economic strata are also needed to depict the extent of economic inequality.

The Gini coefficient

The Gini coefficient is one of the main indicators of income inequality. The Gini coefficient may range from 0, corresponding to perfect equality (i.e. when income is equally distributed to all individuals of a given society) to 1 (or 100), corresponding to perfect inequality (i.e. when all income is received by one person). Thus a lower Gini reflects a more egalitarian income distribution than a higher one.

Overall, in 2012, the Gini coefficient for the whole population of all EU-28 countries was 30.6. The highest income disparities (33.6 or more) were met in Latvia, Spain, Portugal, Greece and Bulgaria (Map 1.2). A second group of countries, with a Gini coefficient above the EU average, comprises Romania, the United Kingdom, Estonia, Lithuania, Italy, Cyprus and Poland. On the other hand, in the Netherlands, Slovakia, the Czech Republic, Sweden, Slovenia as well as Iceland and Norway, the Gini coefficient was well below the EU average (close to 25.0).

The S80/S20 income quintile share ratio

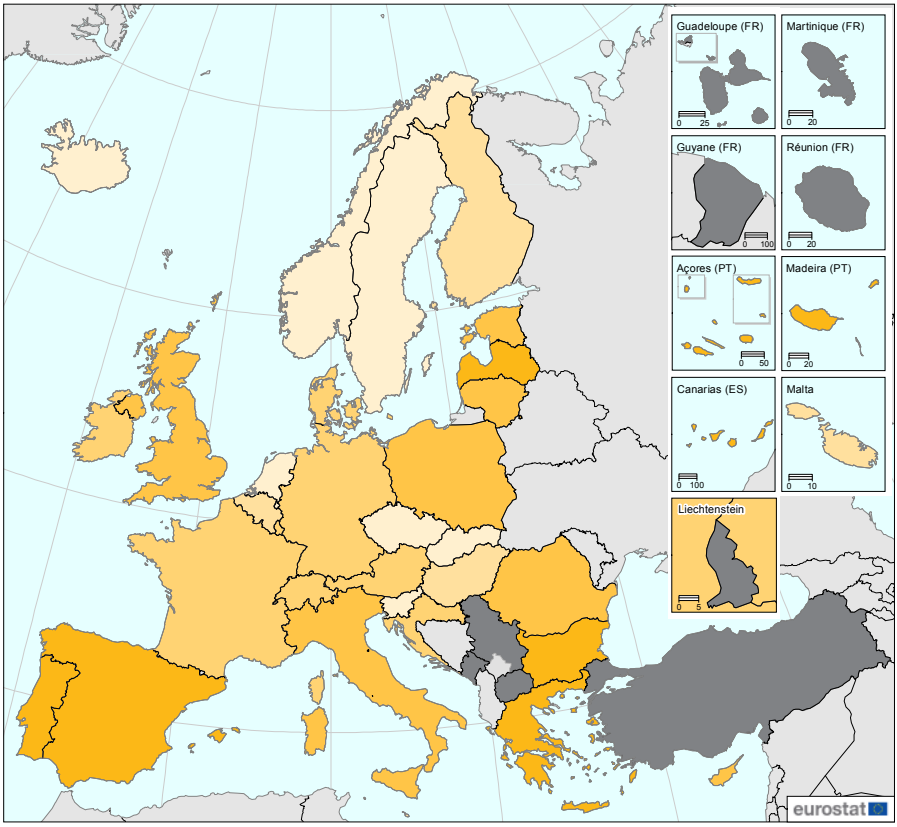
Income inequalities within countries are also usually illustrated by the S80/S20 income quintile share ratio, which shows the ratio of the total income received by the top quintile (20 % of the population with the highest income) to that received by the bottom quintile (20 % of the population with the lowest income). High values of the S80/S20 income quintile share ratio indicate large gaps in the distribution of income between its lower and upper strata.

In 2012, the S80/S20 income quintile share ratio in the EU-28 was 5.1, which signifies that the total income received by the richest 20 % of the population was more than 5 times higher than the total income of the poorest 20 %.

The ratio ranged from 3.4 in Slovenia to 6.0 or more in Bulgaria, Romania, Latvia, Greece, and was as high as 7.2 in Spain (Figure 1.6). Income inequalities were also sharp (more than 5.0) in Lithuania, the United Kingdom, Croatia, Estonia, Italy and Portugal.

People aged 65 or over experienced less inequality (4.0) than the total population, as indicated by the S80/S20 income quintile share ratio in 2012. This situation was evident in the majority of countries in the EU, with the exception of France, Slovenia as well as Switzerland, where income inequality among the elderly was slightly higher. The largest differences in the S80/S20 ratios for the elderly and total population were observed in Spain, Latvia, Estonia, Romania and Greece.

Map 1.2: Gini coefficient after social transfers, 2012



EU-28 = 30.6

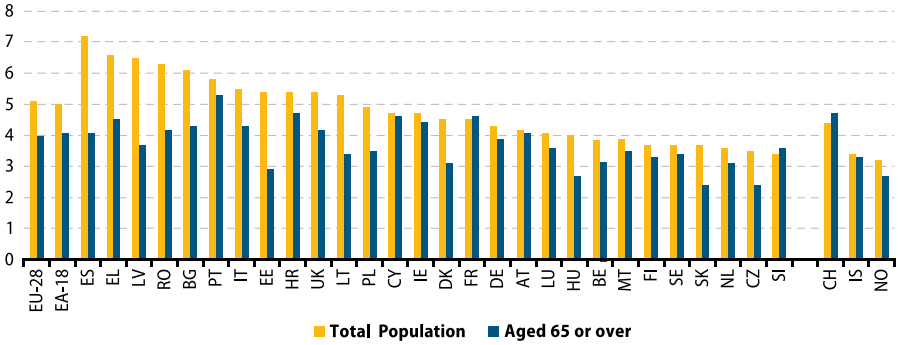
Administrative boundaries: © EuroGeographics © UN-FAO © Turkstat

< 25.6
25.6 - < 27.6
27.6 - < 30.6
30.6 - < 33.6
>= 33.6
Data not available

0 200 400 600 800 km

Source: Eurostat (online data code: ilc_di12)

Figure 1.6: S80/S20 income quintile share ratio for total population and elderly persons, 2012



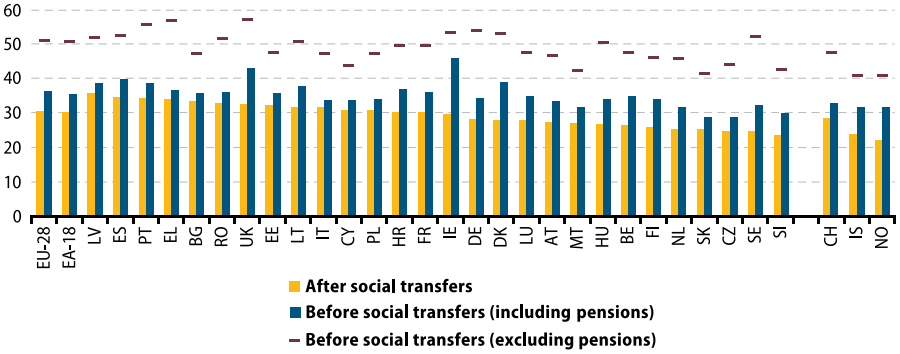
Source: Eurostat (online data code: ilc_di11)

Impact of social transfers on inequalities

The effect of the European welfare systems, i.e. social transfers and pensions, in addressing inequality can be demonstrated by comparing the Gini coefficient that would result without social transfers to the actual one.

The difference between the Gini coefficient before social transfers (where social transfers include pensions) and the actual Gini coefficient, i.e. after social transfers (including pensions), provides a quantitative assessment of the impact of social policies and pension systems on income inequalities. Taking into account the above, the impact of pensions and social transfers on income inequality was higher in Sweden, Germany and Denmark (about 25.0 effect on the Gini).

Figure 1.7: Gini coefficient after social transfers and before social transfers (including and excluding pensions), 2012



Source: Eurostat (online data codes: ilc_di12, ilc_di12b, ilc_di12c)

2 Effects of income to living conditions

Inclusive growth, Europe's main strategy for attaining sustainable, socially inclusive economic growth, cannot be monitored through traditional macro-economic measures only. Moreover, social exclusion is not dependent on income and poverty only. Accessibility to decent material living conditions, financial security, such as the ability to face unforeseen risks, as well as participation in the economic and social life, are factors which although often interdependent with income, have to be taken into account. Thus, since the risk of poverty and social exclusion for a household is not dependent strictly on its income, but also on its actual material living conditions and its work status, a comprehensive statistical measure is needed. For instance a household may be unable to afford decent housing conditions for socio-economic reasons other that its income being below the relative poverty threshold, while even a household with income above this threshold and having access to adequate living conditions, may still face the risk of social exclusion due to joblessness or low work intensity. A more holistic statistical indicator is therefore needed to monitor the inclusiveness of economic growth.

AROPE, standing for 'at risk of poverty or social exclusion' indicates the number of persons who are (i) either at risk of poverty (as indicated by their disposable income); or (ii) face severe material deprivation (as gauged on accessibility to a standard, objective set of material items); or (iii) live in a household with very low work intensity.

In 2012, almost one in four Europeans — 24.8 % of the EU-28 population, or about 125 million people — was in such a situation. It was women, young adults, unemployed and low-educated people that faced a greater risk, while more than half of the population living in single-person households with dependent children was at risk of poverty or social exclusion. Unemployment is a thorny problem in this aspect too: more than two in three of unemployed Europeans were at risk of poverty or social exclusion. On the other hand, risk of poverty and social exclusion is not identical in different economies: there are EU countries where the population affected is dominantly urban, while in other countries the problem mainly concerns people living in thinly-populated rural areas.

Social protection measures on the other hand, such as social transfers, are an important means for tackling monetary poverty: in 2012, social transfers reduced the at-risk-of-poverty rate for the EU-28 population from 26.0 % (before social transfers, pensions excluded) to 16.9 %, bringing the rate down by 9.1 pp.

Persistent risk of poverty is an even more important problem since it is inherently linked to disproportionately higher risk of social exclusion. The persistent at-risk-of-poverty rate shows the proportion of people below the poverty line currently and for at least two out of three preceding years.It is more prevalent among the population living in single-parent households, whose income is often persistently below the poverty threshold. On average, one in five persons living in single-parent households was at persistent poverty risk in 2012 (20.9 %).

Material deprivation, defined as the inability to afford some items considered by most people to be desirable or even necessary to lead an adequate life, complements the picture provided by monetary poverty, as it is based on a set of absolute criteria, in contrast to the relative nature of poverty thresholds. In 2012, about one in fivepeople in the EU-28 (19.7 %) could not afford at least three out of nine standard deprivation items and thus classified as facing material deprivation.

A separate analysis along the distinct items used for defining material deprivation, provides insight into specific aspects thereof. For instance one in four Europeans at-risk-of-poverty was also unable to afford a decent meal every second day; 68.4 % of the EU-28 population living in in single-parent households was unable to face financial expenses; and 50.0 % of women living alone (single-female households) reported difficulties in facing unexpected financial expenses.

2.1 Poverty and social exclusion

Inclusive growth is one of three priorities of the Europe 2020 strategy ([1]). In 2010, when the strategy was officially adopted, the European Council decided to set as headline target for social inclusion in the EU, to lift at least 20 million people out of poverty or social exclusion by 2020.

Progress towards this target is monitored through the headline indicator 'at risk of poverty or social exclusion (AROPE)'.

([1]) For more information, see: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:2020:FIN:EN:PDF

AROPE combines three sub-indicators: namely (i) the at-risk-of-poverty rate; (ii) the severe material deprivation rate; and (iii) the share of persons living in households with very low work intensity. It corresponds to the sum of persons who are at least in one of these situations. More specifically, it includes:

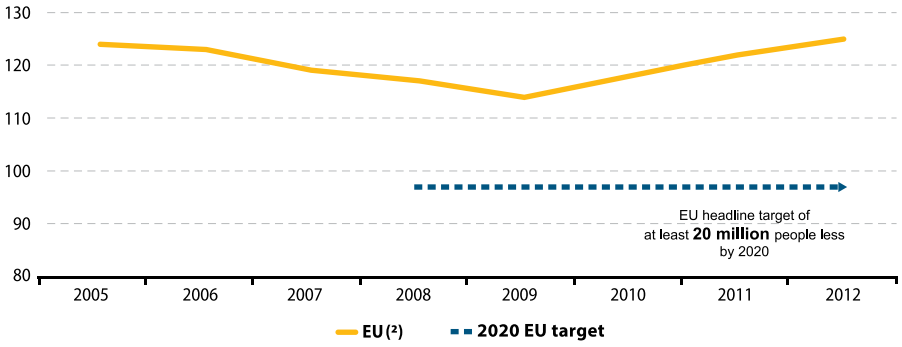
- persons who are at risk of poverty, i.e. with an equivalised disposable income below the at-risk-of-poverty threshold;
- persons who suffer from severe material deprivation, i.e. who cannot afford at least four among nine standard items considered by most people to be desirable or even necessary to lead an adequate life;
- persons (aged 0 to 59) living in a household with very low work intensity, i.e. living in households where adults worked less than 20 % of their full work potential during the past year.

Almost one in four Europeans has been at risk of poverty or social exclusion in 2012

In total, in 2012, there were about 125 million people at risk of poverty or social exclusion, which was equivalent to 24.8 % of the population in the EU. Figures reveal that in 2012 the EU has moved away from the 2020 target, since there were about 6.2 million more people living at risk of poverty or social exclusion than two years before.

Over the period 2005 to 2009, the average number of people at risk of poverty or social exclusion in the EU decreased steadily from 124 million in 2005 to 114 million in 2009 (Figure 2.1). This trend was reversed in 2010, when the AROPE rate reached again its 2008 level, with 118 million people at risk of poverty or social exclusion in the EU in 2010.

Figure 2.1: People at risk of poverty or social exclusion (AROPE), EU, 2005-2012 (1) (million persons)



(1) EU-27 for years 2005-2009 and EU-28 for years 2010-2012.
(2) Estimated data, 2005, 2006.

Note: The overall target is to lift at least 20 million people out of the risk of poverty and exclusion by 2020. Due to the structure of the survey on which most of the key social data is based (i.e. EU Statistics on Income and Living Conditions), a large part of the main social indicators available in 2010, when the Europe 2020 strategy was adopted, referred to 2008 as the most recent year of data available. This is the reason why monitoring of progress towards the Europe 2020 strategy's poverty target takes 2008 as baseline year. This is the reason why monitoring of progress towards the Europe 2020 strategy's poverty target takes 2008 as baseline year.

Source: Eurostat (online data code: ilc_peps01)

The profile of Europeans at risk of poverty or social exclusion

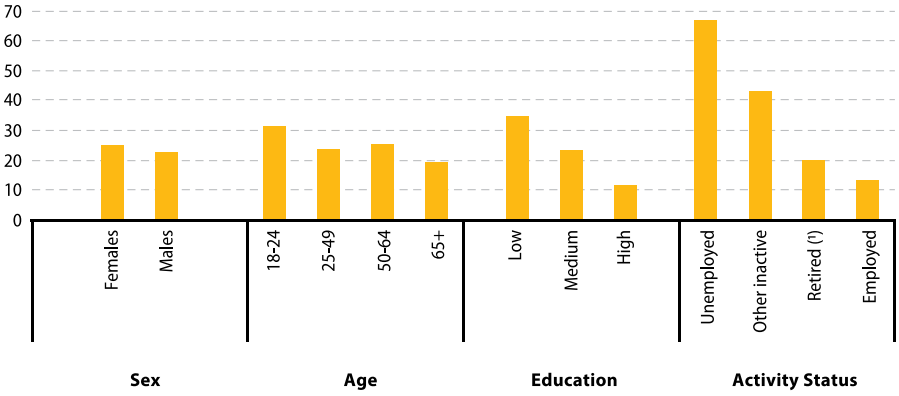
Women, young adults, unemployed and low-educated people were the socio-economic groups that faced — on average — a greater risk of poverty or social exclusion than the rest of the population in 2012 (Figure 2.2).

While, at EU-28 level, there were significant differences in the levels of the indicator between males and females aged 18 or over (22.8 % and 25.2 % respectively), age seemed to play an even more significant role: the AROPE rate was higher in the EU-28 among young adults (aged 18 to 24) (31.6 %) and among the population aged 50 to 64 (25.6 %), while it was significantly lower among the EU-28 population aged 65 or more (19.4 %).

Besides age and sex, the educational level also seemed to have an impact on the AROPE rates in 2012: 35.0 % of the EU-28 population aged 18 or over with low educational attainment was at risk of poverty or social exclusion, as compared to 12.1 % for those in the same age group but with a high level of education.

Also, being unemployed is related to high risk of poverty or social exclusion. At EU-28 level, more than two in three of the unemployed aged 18 or over (66.9 %) were at risk of poverty or social exclusion. In comparison, this share was by 53.4 pp lower for those in employment.

Figure 2.2: People at risk of poverty or social exclusion (AROPE) by demographic and economic status, EU-28, 2012
(% of population aged 18 or over)



(!) Estimated data.

Source: Eurostat (online data codes: ilc_peps01, ilc_peps02, ilc_peps04)

More than half of the population living in single-person households with dependent children was at risk of poverty or social exclusion

26.3 % of the EU-28 population living in households with dependent children was at risk of poverty or social exclusion in 2012. This rate differed across the Member States, ranging from 47.9 % in Bulgaria and 46.8 % in Romania to 12.9 % in Finland (Table 2.1).

Persons living in single-parent households constitute a particularly vulnerable societal group. Overall in the EU-28 in 2012, about half of the population in this group (50.8 %) faced the risk of poverty or social exclusion in 2012. At national level, this rate ranged between 77.5 % in Bulgaria and 33.7 % in Slovenia.

Moreover, adults living in households with three or more dependent children showed higher AROPE rates (30.7 %) than the average household with dependent children in the EU-28. This was also true for all the EU countries, with the exception of Denmark, Germany, Ireland as well as Iceland and Norway.

On average, the population living in households without children faced less risk of poverty or social exclusion (23.4 %), as compared to the population living in households with dependent children (however, at country level, this holds for only 14 countries in the EU and for Iceland).

Poverty or social exclusion was also a threat for 34.3 % of the EU-28 population living alone (single-person households). In Slovenia, Croatia, Romania, Lithuania, Latvia and Bulgaria the AROPE rate for the population living alone exceeded 40.0 % in 2012. In four Member States, namely Demark, Croatia, Slovenia and Finland, this rate was higher for the population in single-person households than for those in single-person households with dependent children.

Adults living in two-person households where at least one person was 65 years old or older faced the least risk of poverty or social exclusion (17.1 %) as compared to population living in other household types. At national level, the rate ranged between 59.0 % in Bulgaria to 6.0 % in Luxembourg and 3.1 % in Norway.

Table 2.1: People at risk of poverty or social exclusion (AROPE) by household type, 2012 (%)

	Households without children				Households with children				
	All households without children	Single person	Two adults, at least one aged 65 years or over	Two or more adults without children	All households with children	Single person with dependent children	Two adults with one dependent child	Two adults with three or more dependent children	Two or more adults with dependent children
EU-28	23.4	34.3	17.1	19.4	26.3	50.8	19.4	30.7	23.9
EA-18	22.5	33.0	15.8	18.4	24.3	48.1	18.6	27.0	21.9
BE	23.0	30.8	22.7	19.3	20.5	52.4	15.8	21.7	16.0
BG	50.9	73.3	59.0	46.3	47.9	77.5	42.7	80.7	46.4
CZ	14.6	24.9	7.4	11.6	16.1	43.5	10.7	25.9	13.6
DK	24.2	37.7	10.7	12.9	13.1	34.7	8.2	9.1	9.1
DE	21.8	37.3	12.5	13.6	16.7	48.0	13.4	15.7	12.2
EE	25.5	37.4	14.8	19.6	21.5	42.1	16.9	23.7	19.0
IE	26.8	37.0	18.1	24.0	32.0	60.2	23.3	27.7	27.7
EL	32.2	35.7	24.9	31.6	37.4	74.7	37.5	43.7	36.3
ES	23.8	26.3	21.7	23.3	32.5	45.6	26.3	45.1	31.7
FR	17.1	25.8	9.3	13.1	21.0	46.3	12.7	26.5	17.6
HR	34.3	48.7	34.3	30.8	31.2	46.6	25.5	40.4	30.8
IT	27.7	36.6	21.9	24.7	32.3	51.6	24.8	42.1	30.9
CY	28.8	39.1	34.5	26.6	25.9	49.5	23.7	29.4	24.6
LV	36.3	49.5	31.9	31.5	36.2	63.7	29.8	52.3	32.8
LT	35.6	49.5	28.2	28.7	29.8	51.8	23.1	45.1	27.1
LU	13.5	19.5	6.0	10.7	22.3	54.2	16.5	26.1	19.8
HU	27.7	39.2	19.8	24.9	36.6	57.5	31.2	49.6	35.1
MT	19.2	30.3	28.0	17.1	27.7	65.8	19.0	37.9	25.1
NL	15.7	30.1	6.1	8.4	14.3	49.4	6.1	17.0	10.6
AT	19.3	30.4	13.1	14.4	17.6	38.6	13.8	27.0	15.8
PL	26.3	37.2	21.2	23.5	26.8	45.7	18.6	43.4	26.1
PT	24.0	32.5	24.5	22.5	26.5	42.7	22.3	43.0	25.2
RO	35.3	49.0	33.4	31.8	46.8	60.7	32.9	72.5	46.3
SI	24.9	44.8	16.8	17.9	15.4	33.7	14.5	18.5	14.0
SK	19.1	31.7	14.1	15.9	21.6	41.0	18.8	40.0	20.8
FI	20.9	39.4	7.7	10.5	12.9	34.6	8.9	16.2	10.3
SE	18.2	35.6	6.2	8.0	13.4	36.4	8.7	17.1	10.2
UK	20.4	32.6	16.8	16.5	28.0	61.5	18.7	34.0	22.1
IS	12.1	21.4	4.6	7.6	13.1	41.7	8.3	11.2	8.3
NO	17.0	30.4	3.1	7.8	10.4	36.7	8.3	8.6	6.5
CH	17.7	28.2	26.1	13.9	17.6	36.6	11.5	27.1	16.1

Source: Eurostat (online data code: ilc_peps03)

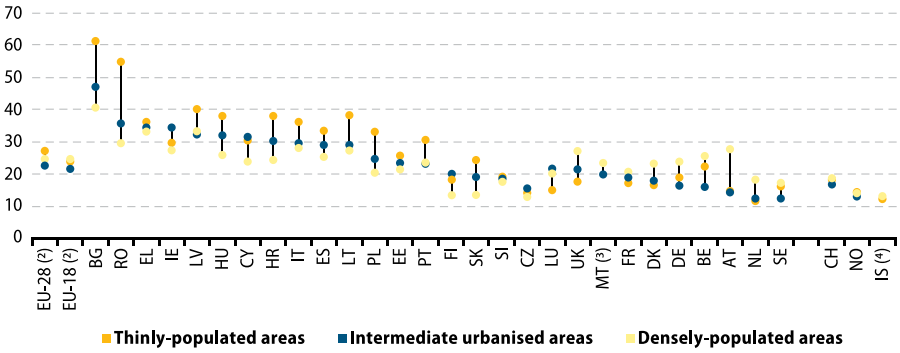
27.3 % of the population living in thinly-populated areas was at risk of poverty or social exclusion

Except for the socio-demographic factors analysed so far, the risk of poverty and social exclusion is also affected by the degree of urbanisation.

Figure 2.3 reveals that the population living in thinly-populated (rural) areas is more likely to be exposed to poverty or social exclusion risk. In 2012, 27.3 % of the population living in thinly-populated areas of the EU was found to be at risk of poverty or social exclusion. This rate was higher than that for those living in intermediate density areas (22.6 %) and densely-populated (urban) areas (24.7 %).

Concerning the effects of urbanisation, countries can be classified into two distinct groups following opposite patterns: those in which the AROPE rate is higher among the population living in densely-populated areas (namely, Belgium, Denmark, Germany, France, Luxembourg, the Netherlands, Austria, Sweden, the United Kingdom as well as Switzerland and Iceland); and those in which it was thinly-populated areas that accounted for the highest AROPE rates. In the first group, the highest AROPE rates were recorded in Austria (27.7 %), the United Kingdom (27.2 %) and Belgium (25.9 %). Among the 15 countries composing the second group, Bulgaria and Romania recorded the highest AROPE rates, with more than half of their rural population being at risk of poverty or social exclusion. These were also the two countries for which the gap in the AROPE rates between thinly and densely-populated areas was the largest one: a difference of 20.8 pp for Bulgaria and 25.3 pp for Romania.

Figure 2.3: People at risk of poverty or social exclusion (AROPE) by degree of urbanisation, 2012 (1)
(%)



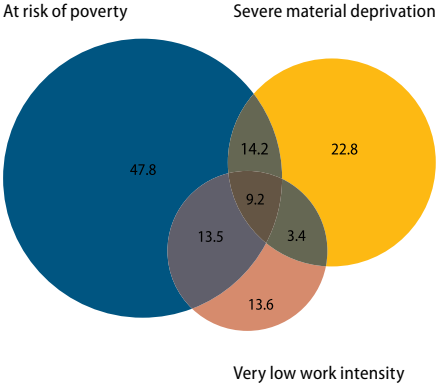
(1) Countries are sorted in descending order by the share of population at risk of poverty or social exclusion in intermediate urbanised areas.
(2) Estimated data for thinly-populated areas.
(3) Unreliable data for thinly-populated areas.
(4) Not applicable for intermediate urbanised areas.

Source: Eurostat (online data code: ilc_peps13)

The components of the at-risk-of-poverty or social exclusion (AROPE) indicator

Figure 2.4 provides an analysis of the EU-28 population at risk of poverty or social exclusion in 2012, broken down by the type of risk that they faced. Among the population at risk of poverty or social exclusion 13.5 million were both at risk of poverty and living in households with very low work intensity; 14.2 million were at risk of poverty while at the same time severely deprived; 3.4 million lived in households with very low work intensity while experiencing severe material deprivation; and 9.2 million lived in households experiencing simultaneously all three poverty and social exclusion situations.

Figure 2.4: People at risk of poverty or social exclusion analysed by type of risks, EU-28, 2012 (1)
(million persons)



Population:
- neither at risk of poverty
- nor severely materially deprived
- nor living in a household with very low work intensity
= 377.0 million

(1) The sum of the data for the seven groups at risk of poverty or social exclusion differs slightly from the total (published elsewhere) due to rounding.

Source: Eurostat (online data code: ilc_pees01)

Monetary poverty, as seen in Figure 2.5, is the most widespread form of poverty or social exclusion in Europe: 16.9 % of the EU-28 population was at risk of poverty in 2012 (possibly combined with one or the two other risks). An additional proportion of the population, i.e. 5.2 %, was suffering from severe material deprivation (either as a single risk or combined with living in a household with very low work intensity), while the remaining 2.7 % of the population lived in households with very low work intensity without experiencing any of the two others risk factors.

Monetary poverty

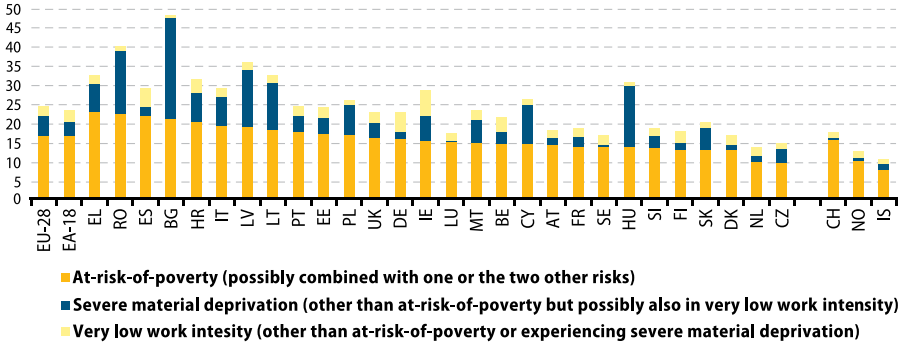
At risk of poverty constitutes the monetary dimension of poverty or social exclusion. The rate, expressing the percentage of population with income below the corresponding national risk of poverty threshold, varied considerably across the EU Member States. More than one fifth of the population was at risk of poverty in 2012 (Figure 2.6) in Greece (23.1 %), Romania (22.6 %), Spain (22.2 %), Bulgaria (21.2 %) and Croatia (20.5 %). At the other end, less than 13.0 % of the population was found at risk of poverty in six Member States, namely in Slovenia (13.5 %), Finland (13.2 %), Denmark (13.1 %), the Netherlands (10.1 %) and the Czech Republic (9.6 %). Norway (10.1 %) and Iceland (7.9 %) reported equally low percentages.

The monetary value of national poverty thresholds, set at 60 % of the national median equivalised income, varies significantly not only across countries but also over time. Poverty thresholds are exclusively based on the general level of income and its distribution over a country's different economic groups, thus a fall in their values from one

year to another signifies a drop in the general level of income in the country.

In 2012, poverty thresholds ranged from PPS 15948 in Luxembourg to less than PPS 4000 in Romania, Bulgaria and Latvia. The poverty thresholds were as high as PPS 14000 or more in Norway and Switzerland as well (Figure 2.6).

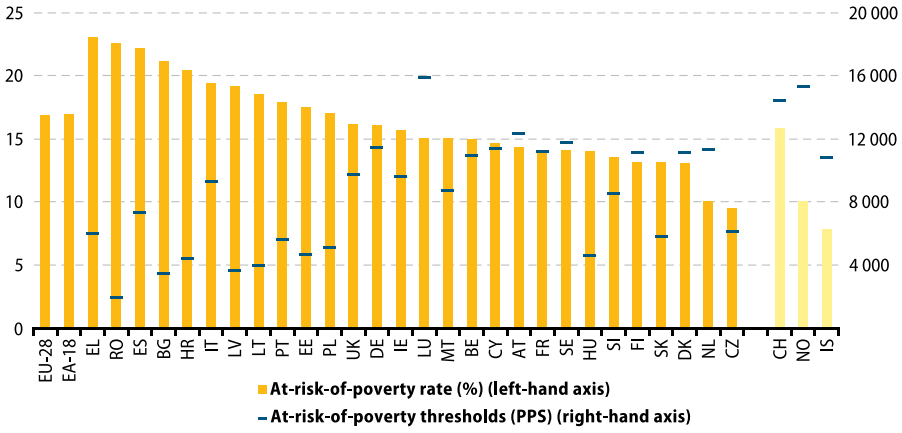
Figure 2.5: People at risk of poverty or social exclusion (AROPE) by type of risks, 2012 (1) (%)



(1) The sum of the data for the three groups at risk of poverty or social exclusion may differ slightly for the total (published elsewhere) due to rounding.

Source: Eurostat (online data codes: ilc_pees01, ilc_li02)

Figure 2.6: At-risk-of-poverty rate (in %) and at-risk-of-poverty thresholds (in PPS), 2012 (1)



(1) Population below 60 % of median equivalised income.

Source: Eurostat (online data codes: ilc_li01, ilc_li02)

When age is taken into account, among the less affected by poverty are the Europeans over the age of 65. The percentage of elderly people at risk of poverty was 14.5 %, while the same figure for those aged 18–24 was 23.1 %.

This pattern was evident in the majority of Member States, except for Croatia, Bulgaria, Belgium, Slovenia, Cyprus and Malta as well as Switzerland, where the share of population at risk of poverty for those aged 65 and over was higher than the respective share for those aged 18 to 24 (Figure 2.7).

The at-risk-of-poverty rate after deducing housing costs

Housing costs include all the costs connected with the household right to live in the accommodation (e.g. rent payments, mortgage interests, repairs). The costs of utilities resulting from actual use of the accommodation are also included. Local taxes and charges are also part of housing costs.

Housing costs, on average, account for a significant proportion of the households' disposable income. The corresponding expenses have a strong effect on the increase of the share of the population affected by monetary poverty. The comparison of the at-risk-of-poverty rates before and after deducing housing costs (Figure 2.8) reveals that the proportion of the EU-28 population at risk of poverty, after the deduction of housing costs, increased in 2012, from 16.9 % (before deducing housing costs) to 32.1 % (after deducing housing costs).

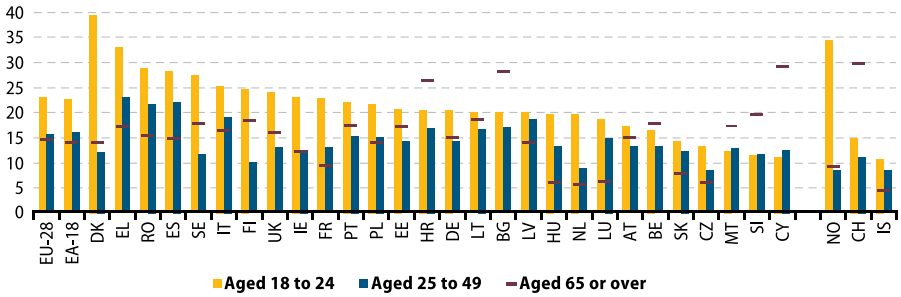
Such increases were large in the Netherlands (an increase of 25.6 pp), Denmark (an increase of 23.7 pp), Greece (an increase of 21.1 pp) and Hungary (an increase of 20.3 pp).

In some countries in Southern Europe, such as Slovenia, Portugal, Italy, Croatia, Cyprus and Malta, increases in the poverty rates after deducing housing costs were relatively low (close to 10.0 pp). This can be possibly attributed to the low share of housing costs to total disposable income or to the high percentage of home ownership in these countries.

Effects of social transfers on monetary poverty

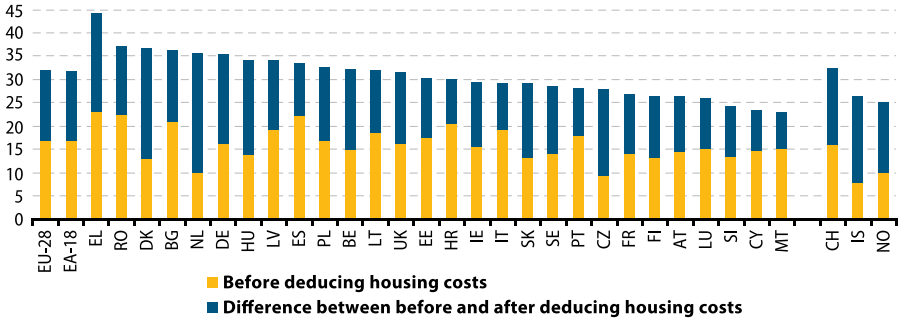
Social protection measures, such as social benefits, are an important means for tackling monetary poverty.

Figure 2.7: At-risk-of-poverty rate by age group, 2012 (1)
(% of population in each age group)



(1) Population below 60 % of median equivalised income.
Source: Eurostat (online data code: ilc_li02)

Figure 2.8: At-risk-of-poverty rate before and after deducing housing costs, 2012 (1) (2) (%)



(1) Population below 60 % of median equivalised income.
(2) Countries are sorted in descending order by the at-risk-of-poverty rate after deducing housing costs.

Source: Eurostat (online data codes: ilc_li02, ilc_li48)

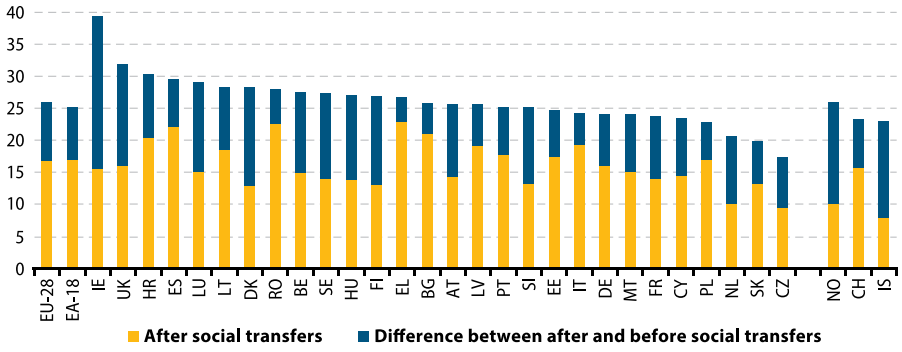
The comparison of the at-risk-of-poverty rates before and after social transfers allows for an assessment of the effectiveness of welfare systems (Figure 2.9).

In 2012, social transfers reduced the at-risk-of-poverty rate for the EU-28 population from 26.0 % (before social transfers, pensions excluded) to 16.9 %, bringing the rate down by 9.1 pp.

Social transfers had a high effect on poverty reduction in Ireland, the United Kingdom, Denmark as well as Norway and Iceland.

The effect of social transfers was less significant in Greece, Bulgaria and Italy, resulting in a reduction in the levels of the at-risk-of-poverty rates by less than 5.0 pp.

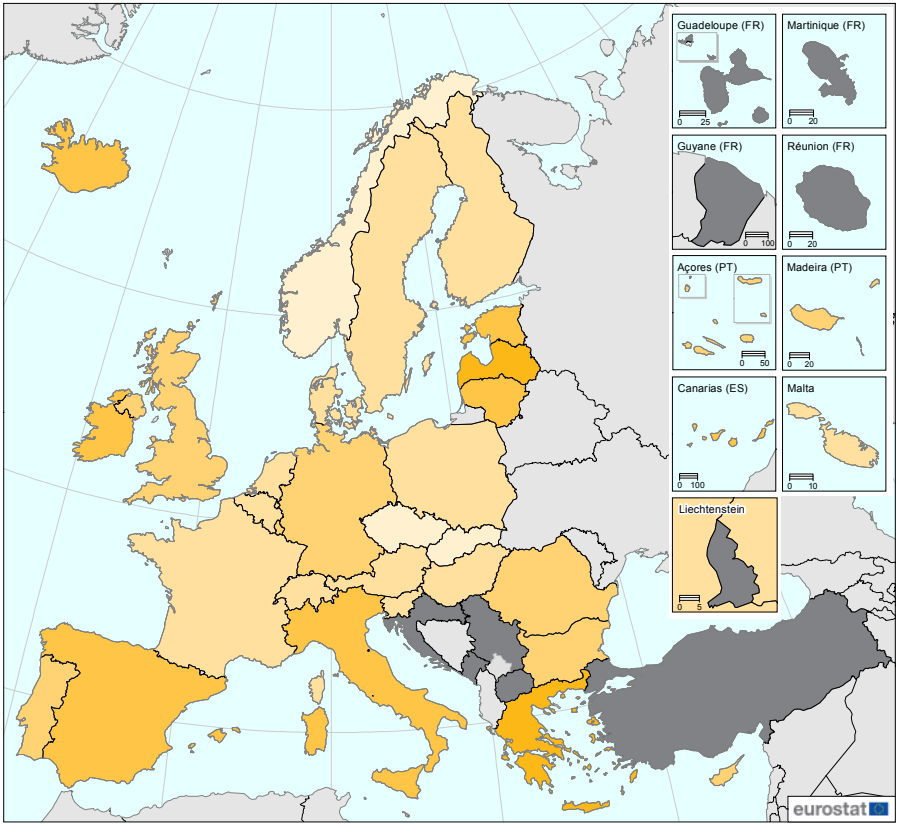
Figure 2.9: At-risk-of-poverty rate before and after social transfers, 2012 (1) (2) (%)



(1) Population below 60 % of median equivalised income.
(2) Countries are sorted in descending order by the at-risk-of-poverty rate before social transfers (including pensions).

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

Map 2.1: At-risk-of-poverty rate anchored at a fixed point in time (2008), 2012 (1) (%)



(1) Population below 60 % of median equivalised income.
Source: Eurostat (online data code: ilc_li22b)

At-risk-of-poverty rate anchored at a specific point in time

Given that the at-risk-of-poverty rate is calculated on the basis of poverty thresholds that change from one year to another (due to changes in the general level of income and its distribution over the different economic groups), it should be interpreted with caution when analysing trends in poverty over time, especially during periods or rapid economic changes such as recessions. In such cases, due to the generalised change of household incomes across all socio-economic strata, risk-of-poverty threshold may follow the overall economic trend and thus either fail to detect changes in poverty rates or even lead to counter-intuitive results (such as a reduction in poverty rates while incomes have also been significantly reduced).

In such cases, a more stable measure for monitoring trends in poverty over time is the at-risk-of-poverty rate anchored at a specific point in time, i.e. using the poverty threshold of a given year for incomes of all subsequent years, adjusted for inflation.

In 2012, Greece (35.8 %), Latvia (35.0 %) and to some extent Spain (28.1 %), Lithuania (27.4 %), Iceland (25.8 %), Ireland (25.3 %), Estonia (24.2 %) and Italy (22.7 %) recorded the highest at-risk-of-poverty rates anchored in 2008 (Map 2.1).

The persistent at-risk-of-poverty rate

The persistent at-risk-of-poverty rate shows the proportion of people with income below the poverty threshold, for the reference year as well as for at least two out of the three preceding years. Thus this indicator captures that part of the population, which by experiencing poverty persistently and for longer periods is more vulnerable, while excluding cases of temporary income fluctuations.The rationale behind this indicator is based on the fact that the chances for a household to recover or be lifted out of poverty drop significantly the longer the period it remains under the risk of poverty threshold.

This situation is more prevalent among the population living in single-parent households: on average, one in five persons living in single-parent households was at persistent risk in 2012 (20.9 %) (Table 2.2).

In two countries, namely Greece and Estonia this rate (for single-parents households) exceeded 30.0 %, while it ranged from 25.0 % to 30.0 % in six countries, namely Luxembourg, Latvia, Malta, Belgium, Spain and Italy.

Especially in Bulgaria, Cyprus, Slovenia and Estonia, the persistent at-risk-of-poverty rates were significantly high among those living in single-person households (with a rate of 27.0 % or higher).

Overall, the lowest persistent at-risk-of-poverty rate (6.1 % in the EU-28) was met in households composed of two or more adults, without dependent children. This rate ranged between 1.8 % in the Czech Republic and Hungary and 13.0 % in Cyprus.

Table 2.2: Persistent at-risk-of-poverty rate by household type, 2012
(%)

	Single person	Single person with dependent children	Two or more adults with dependent children	Two or more adults without dependent children
EU-28 (1)	16.6	20.9	9.4	6.1
EA-18 (1)	16.7	22.1	9.5	6.5
BE	10.2	26.3	7.7	8.1
BG	38.0	21.6	11.6	9.0
CZ	7.7	23.5	3.9	1.8
DK	12.7	4.5	4.9	2.3
DE	23.0	22.6	3.8	8.4
EE	27.2	31.3	7.8	6.7
IE	:	:	:	:
EL	13.1	33.6	16.8	9.9
ES	9.4	29.1	14.3	6.9
FR	10.4	18.6	7.2	2.9
HR	:	:	:	:
IT	16.7	29.2	15.6	6.9
CY	33.7	6.2	2.5	13.0
LV	22.0	26.0	11.5	7.6
LT	21.5	19.3	13.3	5.0
LU	6.6	25.7	8.2	2.9
HU	7.9	15.3	12.6	1.8
MT	12.6	26.2	10.8	7.0
NL	13.8	9.2	4.0	3.8
AT	15.9	15.3	2.9	4.0
PL	20.2	19.5	11.6	6.7
PT	:	:	:	:
RO	:	:	:	:
SI	28.0	14.3	4.2	3.8
SK	:	:	:	:
FI	24.6	5.0	3.0	4.5
SE	:	:	:	:
UK	15.9	18.4	7.2	5.5
IS (2)	1.5	:	2.2	2.6
NO	20.9	8.7	2.1	2.9
CH	:	:	:	:

(1) Estimated data.
(2) Not applicable for single persons with dependent children.

Source: Eurostat (online data code: ilc_li23)

2.2 Material deprivation

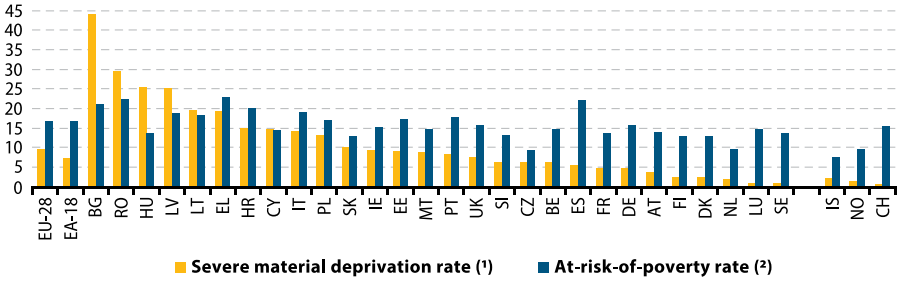
Material deprivation expresses the inability to afford some items considered by most people to be desirable or even necessary to lead an adequate life. A combination of nine standard typical items, deemed as representative of a 'standard' level of acceptable living conditions, is used for the identification of material deprivation. These include: ability to meet unexpected expenses; ability to afford: a one-week annual holiday away from home; a meal with meat chicken, fish or vegetarian equivalent every second day; adequate heating of the dwelling; durable goods like a washing machine, colour television, telephone or car; ability to pay on time mortgage, rent, utility bills or other loan payments.

The material deprivation rate is defined as the percentage of the population that cannot afford at least three out of the nine deprivation items, while severe material deprivation rate is defined as the percentage of the population that cannot afford at least four of the above-mentioned items.

As shown in Figure 2.10, the range of variation of severe material deprivation rates is much wider among the Member States than in the one of the at-risk-of-poverty rates. At national level, severe material deprivation rates ranged in 2012 from 1.3 % in Sweden and Luxembourg to more than 25.0 % in Latvia, Hungary and Romania, reaching a maximum of 44.1 % in Bulgaria.

This signifies that a more diverse picture of the population at risk of poverty or social exclusion would be obtained if the measurement of the headline indicator was solely based on severe material deprivation. This is particular evident in Bulgaria, Romania and Hungary, where material deprivation rates are much higher than expected on the basis of poverty levels. On the other side of the spectrum, Finland, Denmark, the Netherlands, Luxembourg and Sweden as well as Switzerland, recorded relatively high at-risk-of-poverty rates compared to the low severe material deprivation rates. Moreover, Spain, while having high levels for the at-risk-of-poverty rate, showed a percentage of materially deprived population well below the EU average.

Figure 2.10: Severe material deprivation and at-risk-of-poverty rate, 2012 (%)



(1) Data refer to population unable to pay for at least four items out of nine.
(2) Population below 60 % of median equivalised income.

Source: Eurostat (online data codes: ilc_li02, ilc_sip8)

About one in five people in the EU was materially deprived

As far as (non-severe) material deprivation is concerned, about one in five people in the EU-28 (19.7%) could not afford at least three out of the nine deprivation items (Figure 2.11).

At national level, less than 5.0% of the population in Sweden, Luxembourg, the Netherlands, Denmark as well as Norway and Switzerland was materially deprived.

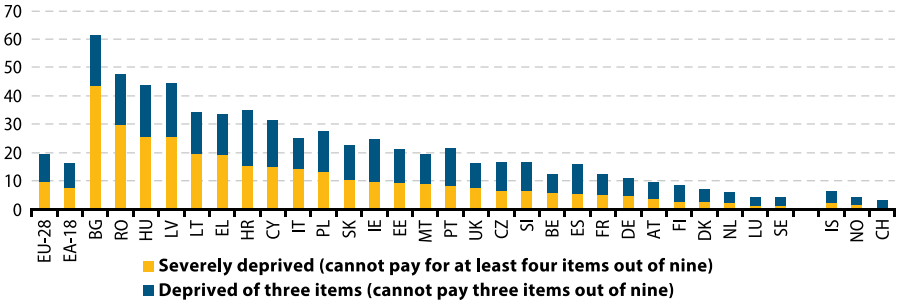
On the other hand, more than 40.0% of the population in Hungary, Latvia, Romania and Bulgaria experienced material deprivation. In these countries, together with Belgium, Italy, Greece and Lithuania, more than half of those materially deprived experienced severe material deprivation.

Single-parent households are mostly affected by severe material deprivation

Focusing upon severe material deprivation (Table 2.3), in 2012, 21.4% of the population living in single-person households with dependent children was found severely materially deprived, followed by those living in single-person households without dependent children (12.2%) and those living in households with two adults with three or more dependent children (11.8%). At country level, figures reveal that:

- In 11 countries, namely, Bulgaria, Denmark, Germany, Estonia, Latvia, Lithuania, Poland, Slovenia, Slovakia, Finland as well as Norway severe material deprivation rates were higher for the population living in households without children as compared to those living in households with children.
- In Bulgaria, Croatia and Slovenia, the population living in single-person households without dependent children was almost as likely to experience severe material deprivation as the population living in single-parent households.
- In Bulgaria, Italy, and Romania, persons living in households with two adults with three or more dependent children were affected the most by severe material deprivation as compared to the other household types.
- Bulgaria, Greece, Latvia, Hungary and Romania reported severe deprivation rates for those living in households composed of two or more adults with dependent children twice as high as the EU average (10.1%).

Figure 2.11: Material deprivation rate, proportion of persons who cannot afford to pay for selected items, 2012 (1)
(%)



(1) Countries are sorted in descending order in terms of the population severely deprived.

Source: Eurostat (online data code: ilc_sip8)

Table 2.3: Severe material deprivation rate by household type, 2012 (%)

	Households without children				Households with children				
	All house-holds without children	Single female	Single male	Two adults, at least one aged 65 years or over	All house-holds with children	Single person with depen-dent children	Two adults with one depen-dent child	Two adults with three or more depen-dent children	Two or more adults with depen-dent children
EU-28	8.7	12.2	5.5	7.4	11.1	21.4	8.0	11.8	10.1
EA-18	7.0	10.5	3.9	5.6	8.4	18.0	6.3	8.1	7.5
BE	5.3	10.5	2.0	2.9	7.6	20.1	6.0	7.9	5.9
BG	46.0	63.3	54.2	42.5	42.5	62.8	37.4	78.8	41.5
CZ	6.5	11.6	3.8	5.0	6.8	17.7	5.2	12.9	5.8
DK	3.0	5.3	0.2	1.1	2.6	8.2	0.4	0.0	1.6
DE	5.3	11.0	1.0	2.3	4.3	16.5	3.0	3.7	2.5
EE	10.1	13.5	5.9	8.5	8.7	19.3	5.6	9.3	7.4
IE	7.0	11.6	2.6	5.8	11.5	27.8	6.4	10.2	9.0
EL	17.2	21.1	12.4	16.5	22.3	48.2	24.0	30.1	21.6
ES	4.5	5.7	2.6	4.3	7.1	10.9	6.7	7.9	6.9
FR	4.0	7.3	1.4	2.4	6.5	18.8	3.8	5.9	4.9
HR	15.3	23.4	13.5	13.3	15.6	24.0	13.0	18.5	15.3
IT	13.5	16.9	10.5	12.4	15.5	21.3	11.0	22.6	15.1
CY	11.2	13.5	6.1	10.7	17.8	36.6	13.1	18.5	16.7
LV	25.9	35.4	24.3	22.5	25.3	47.4	20.5	33.3	22.6
LT	23.6	31.6	21.1	19.6	16.7	25.0	13.9	19.1	15.7
LU	1.2	2.7	0.0	0.6	1.4	4.5	0.9	0.5	1.1
HU	21.6	30.5	14.6	19.4	29.3	43.9	24.1	43.7	28.3
MT	7.5	11.2	5.1	6.8	11.2	36.6	6.4	6.3	9.4
NL	2.0	4.1	0.4	0.9	2.7	10.7	0.8	3.3	1.8
AT	3.4	6.3	0.8	2.1	4.7	12.0	3.6	5.5	4.0
PL	14.7	20.7	13.4	13.1	12.3	30.8	9.3	18.1	11.6
PT	8.2	12.3	8.6	7.5	9.0	18.5	8.2	10.3	8.3
RO	25.7	36.0	26.7	23.1	33.2	42.1	21.6	52.4	33.0
SI	7.9	14.0	5.5	5.8	5.6	14.5	4.6	5.9	4.9
SK	11.2	18.5	8.5	9.4	9.9	27.1	7.8	13.6	9.2
FI	3.2	6.7	0.5	1.3	2.6	10.3	1.5	1.8	1.7
SE	1.3	2.3	0.1	0.7	1.3	4.4	0.3	0.6	0.8
UK	4.8	8.9	0.8	3.4	11.0	29.1	7.3	13.1	7.7
IS	2.2	6.0	0.3	0.4	2.5	9.2	1.3	2.1	1.4
NO	1.8	3.7	0.3	0.4	1.6	6.6	0.9	1.5	0.9
CH	0.8	1.6	0.1	0.5	0.8	3.9	0.0	0.7	0.6

Source: Eurostat (online data code: ilc_mddd13)

Severe material deprivation affects more foreign citizens

Foreign citizens are generally a particularly vulnerable societal group, facing a higher risk of social exclusion, as compared to the overall population. As expected (Table 2.4), foreign citizens were affected more by severe material deprivation (11.3 %) compared to citizens of the reporting country (9.2 %). This holds for the majority of the countries in the EU except for Germany, Hungary and Malta.

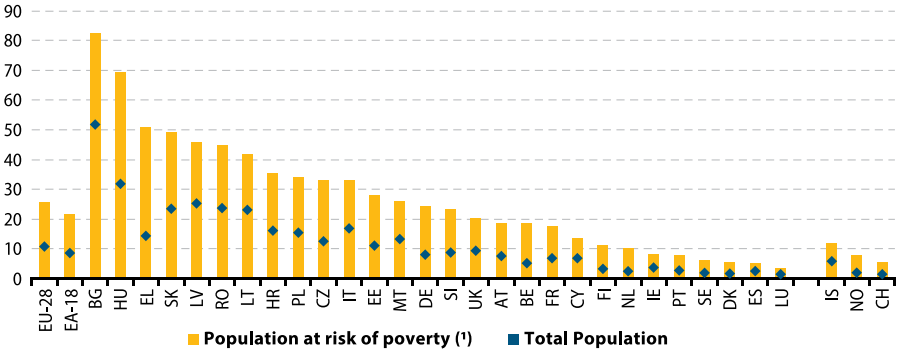
2.3 Economic strain

One in four Europeans at-risk-of-poverty was unable to afford a meal with meat, fish, chicken (or vegetarian equivalent) every second day

In 2012, more than one in ten (10.9 %) persons in the EU-28 were unable to afford a meal with meat, fish, chicken (or vegetarian equivalent) every second day (Figure 2.12). Although there were a lot of variations in the percentages oftotal population reporting this deprivation item across the Member States, these were even wider for those at risk of poverty. At EU-28 level, the share of population at-risk-of poverty reporting being unable to afford such a meal every second day was 25.8 %, while it ranged, at national level, between 3.7 % in Luxembourg and 82.7 % in Bulgaria.

About more than half of the population at-risk-of-poverty was in the same situation in Hungary (69.5 %) and Greece (50.7 %), followed by Slovakia (49.5 %), Latvia (46.1 %) Romania (44.9 %) and Lithuania (41.6 %).

Figure 2.12: Inability to afford a meal with meat, chicken, fish or vegetarian equivalent every second day, 2012
(% of specified population)



(1) Population below 60 % of median equivalised income.
Source: Eurostat (online data code: ilc_mdes03)

Table 2.4: Severe material deprivation rate by broad group of citizenship and sex, 2012 (% of population aged 18 or over)

	Foreign country			Reporting country		
	Total Population	Males	Females	Total Population	Males	Females
EU-28 (1)	11.3	11.3	11.4	9.2	8.8	9.6
EA-18	11.8	12.0	11.7	6.7	6.4	7.0
BE	17.2	17.6	16.8	3.7	3.6	3.7
BG (2)	40.0	40.4	39.7	43.6	41.8	45.3
CZ	9.1	8.1	10.0	6.1	5.3	6.9
DK	6.0	7.2	5.1	2.4	2.4	2.3
DE	3.5	4.0	3.1	4.8	4.4	5.2
EE	12.1	10.4	13.2	8.9	9.3	8.5
IE	9.3	9.2	9.3	8.8	8.6	9.1
EL	39.9	39.9	39.9	17.4	17.5	17.4
ES	14.1	14.9	13.3	4.1	4.2	3.9
FR	9.9	8.9	10.9	4.1	3.6	4.6
HR	17.8	17.2	18.3	14.5	14.0	15.0
IT	23.7	24.9	22.8	13.0	12.4	13.5
CY	14.8	17.3	13.3	14.1	13.5	14.6
LV	30.0	25.1	33.1	24.5	23.6	25.2
LT	28.3	26.7	29.3	20.0	19.6	20.3
LU	1.5	1.5	1.5	0.9	1.0	0.9
HU	21.1	19.6	22.6	24.1	23.4	24.7
MT	6.0	6.3	5.6	8.6	7.9	9.3
NL	7.9	7.3	8.3	1.3	1.1	1.5
AT	9.3	9.4	9.3	2.3	2.1	2.6
PL	18.9	11.7	24.7	13.2	12.8	13.6
PT	13.7	12.8	14.6	7.9	7.6	8.2
RO (3)	:	:	:	28.2	28.1	28.3
SI	13.6	13.9	13.2	6.0	5.9	6.0
SK	16.0	12.4	20.3	10.1	9.7	10.5
FI	5.6	4.8	6.3	2.9	2.9	2.8
SE	3.8	3.5	4.0	0.8	0.9	0.8
UK	9.0	8.3	9.7	6.2	5.9	6.5
IS	4.6	5.8	3.6	1.9	1.7	2.0
NO	6.4	8.7	4.5	1.2	0.9	1.5
CH	1.3	0.9	1.6	0.5	0.7	0.4

(1) Estimated data for foreigners.
(2) Unreliable data for foreigners (females and males).
(3) Unreliable data for foreigners (total and males).

Source: Eurostat (online data code: ilc_mddd16)

Ability to face unexpected financial expenses

The ability to cope with unexpected financial expenses is a measure of financial security, which can identify risks that could not be revealed by income-based indicators. Moreover, since this is in fact a wealth related (rather than income, or expenditure related) indicator, it provides a complementary aspect of the financial situation of a household.

44.0 % of the EU-28 population living in households with dependent children was unable to face unexpected financial expenses. At national level, this share ranged between 78.4 % in Hungary and 18.6 % in Sweden (Table 2.5). This percentage was even higher for the population living in single-parent households (68.4 %): it exceeded 80.0 % in the United Kingdom, Bulgaria, Latvia, Ireland and Hungary.

Moreover, about 50.0 % of women living alone (single-female households) reported difficulties in facing unexpected financial expenses. In Slovenia, Lithuania, Croatia, Bulgaria and Latvia, the percentage of women living alone facing difficulties in coping with unexpected financial expenses was higher than the one for the other household types analysed.

Households composed by two adults with one dependent child also demonstrated a higher rate of inability to cope with unexpected financial expenses (39.5 %). At national level, this share was as high as 60.0 % or more in Hungary, Bulgaria, Croatia and Latvia.

The lowest percentage of population reporting this deprivation item was recorded for adults living in two-person households with at least one member aged 65 or over (28.1 %). This is true for all countries, except for Bulgaria, Spain, Croatia, Cyprus, Latvia, Lithuania, Malta, Poland, Romania, Slovenia and Slovakia.

Table 2.5: Inability to face unexpected financial expenses by household type, 2012 (%)

	Households without children				Households with children			
	All house-holds without children	Single female	Single male	Two adults, at least one aged 65 years or over	All house-holds with children	Single person with dependent children	Two adults with one dependent child	Two adults with two dependent children
EU-28	36.7	49.7	41.9	28.1	44.0	68.4	39.5	36.2
EA-18	33.2	46.7	39.4	24.3	39.1	63.3	36.0	32.9
BE	21.1	33.3	34.2	10.8	29.4	60.4	26.1	17.2
BG	70.8	90.9	81.3	78.5	66.8	84.7	62.5	61.5
CZ	40.5	62.1	42.0	35.8	44.2	69.9	39.1	38.6
DK	27.9	37.3	37.8	13.0	28.5	52.7	23.0	23.6
DE	32.0	51.2	43.4	17.1	35.2	66.1	33.8	29.4
EE	42.8	52.4	50.1	33.2	46.5	62.1	41.3	42.9
IE	45.5	53.7	55.6	35.8	63.1	85.2	58.4	57.1
EL	39.1	50.9	40.6	35.6	42.0	66.6	45.7	39.4
ES	39.6	48.6	38.1	38.5	44.5	63.4	39.9	37.9
FR	27.3	38.7	34.3	15.3	38.4	63.4	32.4	29.4
HR	67.9	83.3	72.2	68.6	66.7	78.6	64.9	61.5
IT	40.2	51.9	41.0	37.3	44.8	57.3	42.1	41.2
CY	50.3	65.2	53.8	49.7	50.7	69.1	51.2	41.9
LV	74.1	85.6	78.2	78.7	73.2	85.1	67.5	68.8
LT	62.1	75.0	68.6	58.8	58.9	72.7	54.8	52.2
LU	17.8	21.2	25.0	9.7	30.3	56.4	27.4	24.3
HU	69.7	77.5	76.8	61.7	78.4	88.8	74.8	74.3
MT	24.2	32.0	24.5	21.8	26.0	50.9	19.0	20.1
NL	21.4	39.5	31.8	11.1	22.6	60.0	20.3	17.3
AT	19.1	33.6	26.2	8.4	25.6	54.4	20.7	16.5
PL	54.5	73.4	52.5	54.6	53.8	76.7	48.3	48.4
PT	32.5	46.0	37.6	29.0	39.1	55.9	36.0	35.9
RO	50.8	71.4	61.0	52.9	55.0	73.6	44.5	53.8
SI	49.4	65.1	54.3	43.8	42.9	64.1	44.1	37.1
SK	34.2	49.6	50.8	31.9	37.5	61.7	33.1	31.6
FI	25.5	38.6	40.0	11.9	30.8	58.8	27.5	24.7
SE	16.6	29.7	29.1	6.4	18.6	46.9	15.5	11.6
UK	33.7	43.0	45.6	23.7	52.5	84.1	46.0	40.7
IS	30.0	42.7	42.0	13.9	37.6	68.8	33.4	33.5
NO	9.0	15.8	16.2	1.8	11.2	33.5	8.0	5.9
CH	13.3	21.0	19.0	6.8	21.4	48.5	21.0	15.2

Source: Eurostat (online data code: ilc_mdes04)

11 % of the EU-28 population had great difficulty with making ends meet

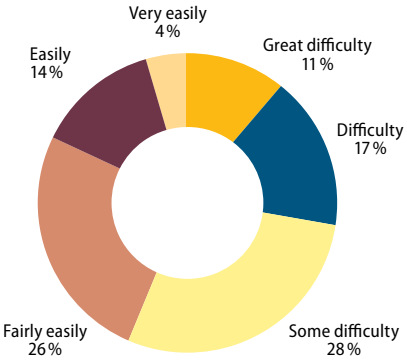
Figure 2.13 presents a subjective measure of financial exclusion i.e. that of the ability to make ends meet, which provides a measurement of the household's self-perceived feeling about the difficulty experienced to pay for its usual and necessary expenses.

11 % of the EU-28 population reported great difficulty with making ends meet, while another 17 % reported making ends with difficulty and another 28 %, with some difficulty. In contrast, 26 % of the EU-28 population reported making ends meet fairly easily; another 14 % reported making ends meet easily and another 4 %, very easily.

Cross-country comparisons reveal that more than half of the EU-28 population reported having difficulties or great difficulties with making ends meet in six Member States, namely Greece (73.1 %), Bulgaria (65.9 %), Hungary (57.6 %), Croatia (55.4 %), Latvia (52.1 %) and Romania (50.1 %).

On the contrary, less than one out of ten persons in Germany, Finland, Sweden as well as Norway reported the same levels of difficulty.

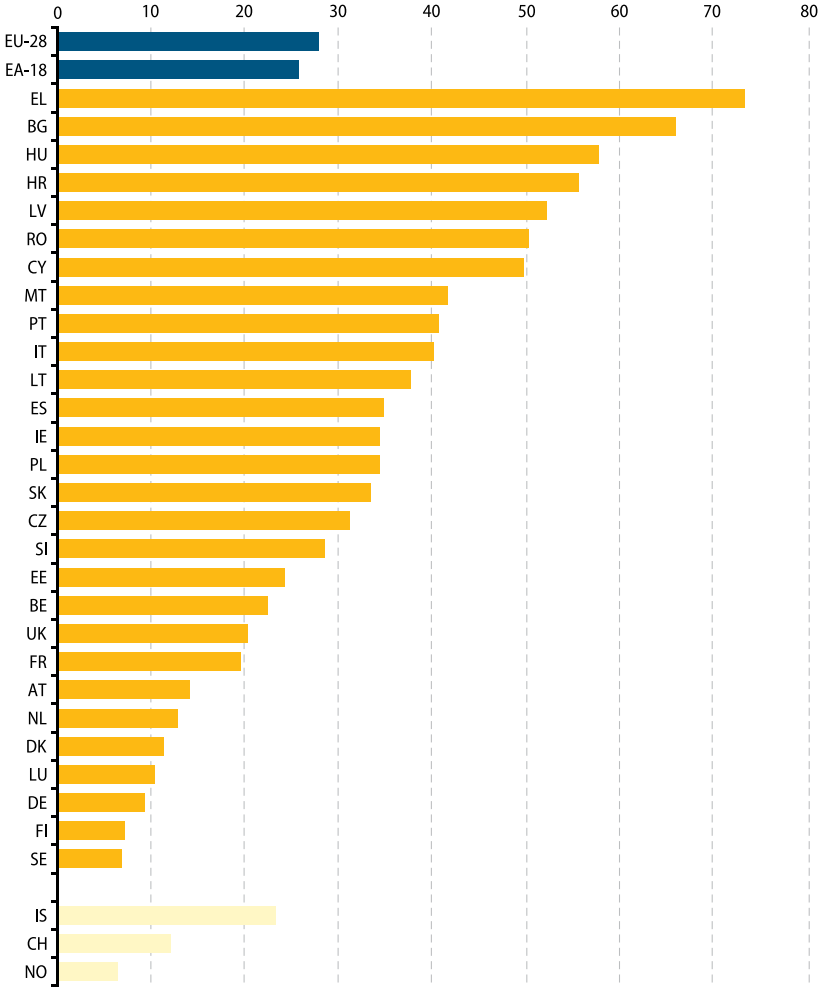
Figure 2.13: Ability to make ends meet by level of difficulty, EU-28, 2012
(%)



Note: The data for the six levels of difficulty may differ slightly from other published elsewhere due to rounding.

Source: Eurostat (online data code: ilc_mdes09)

Figure 2.14: Share of population living in households that have difficulty or great difficulty to make ends meet, 2012
(%)



Source: Eurostat (online data code: ilc_mdes09)

3 Housing quality

In the context of material living standards and well-being, housing is a fundamental aspect. People's ability to afford adequate housing of decent quality in a safe environment is a matter of importance for meeting basic needs and a key determinant of well-being.

Housing quality covers a wide range of aspects, which are related not only to the dwelling itself, but also to the broader residential area where people live in. Structural problems of the dwelling (damp walls, leaking roof, etc.), overcrowding and space shortage, housing deficiencies and lack of basic amenities (e.g. affording an adequately warm home) are key elements for assessing housing quality. At the same time, living in a noisy area, being exposed to pollution and grime or feeling unsafe in the residential area where the home is situated, while based on subjective perspectives, denote perceived housing problems with regard to the quality of the dwelling environment.

Overall, 17.0% of the Europeans lived in an overcrowded household in 2012. Despite the sharp differences among countries, overcrowding is more prevalent in Southern and Eastern Europe. Cross-country comparisons reveal that densely-populated areas were associated with the highest overcrowding rates in almost all countries, with a few exceptions.

Among the various structural problems of the dwelling, it was 'a leaking roof or damp walls, floors or foundation, or rot inwindow frames or floor' that was found to be the most frequent one in 2012 (15.1 % of the EU-28 population). Moreover, more than one in ten Europeans were unable to keep home adequately warm due to financial difficulties.

Noise from neighbours or from the street was the most widespread environmental problem in 2012 (about 19.0 % of the EU-28 population considered this as a problem), followed by pollution and grime (14.0 % of the EU-28 population considered this a problem). Crime, violence or vandalism was also a prevalent problem relating to the local environment of the dwelling (13.6 % of the EU-28 population considered this a problem in 2012). A positive outlook, however, is that prevalence of these problems diminished from 2008 to 2012.

Housing costs often represent the largest component of a household's expenditures, possibly hindering them to fulfil other basic needs in case of low income. In 2012, 11.0 % of the Europeans used to live in households allocating more than 40 % of their disposable income on housing, hence being overburdened by housing costs. Notably, in Greece, Denmark, Germany and Romania the housing cost overburden rate exceeded 15.0 %.

Overall, nearly 90.0 % of the EU-28 population was feeling either satisfied or very satisfied with the dwelling in which they lived. Especially, elderly persons were found to be slightly more satisfied, than the younger age groups. The highest rates of dissatisfaction with their dwelling were reported by the population living in single-parent households with dependent children.

3.1 Housing conditions

Poor housing conditions is an important barrier for achieving a standard of living considered as acceptable in the society. Housing quality aspects are analysed, in this chapter, in terms of housing shortfalls and poor amenities.

Europeans tend to live more in houses rather than in flats

In 2012, 41.3 % of the Europeans lived in flats, 34.1 % in detached houses and 24.0 % in semi-detached houses (Figure 3.1).

The share of persons living in flats ranged from 4.7 % in Ireland, 13.4 % in Norway and 14.5 % in the United Kingdom to over 60.0 % in Latvia (64.4 %), Spain (65.0 %) and Estonia (65.1 %).

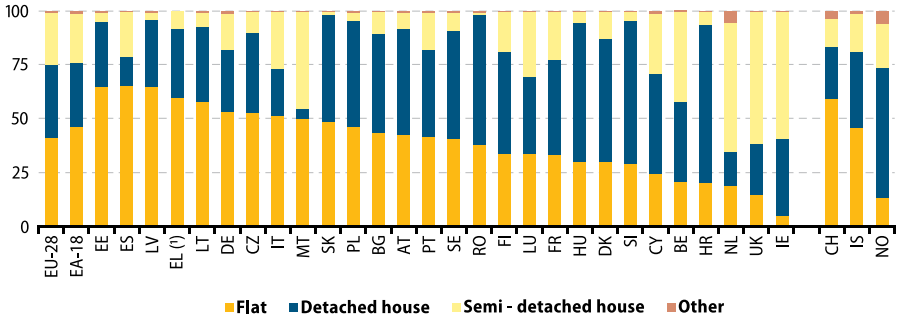
On the other hand, more than half of the population in Sweden (50.6 %), Denmark (57.1 %), Romania (60.5 %), Hungary (63.9 %), Slovenia (66.6 %) and Croatia (73.0 %) lived in detached houses. The same holds also for Norway (60.7 %).

In Ireland (59.0 %), the Netherlands (60.0 %) and the United Kingdom (60.9 %), the population was most likely to live to in semi-detached houses.

About seven in ten persons in the EU-28 lived in owner-occupied dwellings

Home ownership is a considerable asset for households since the property right increases the wealth of the household. In 2012, about seven out of ten (70.6 %) persons in the EU-28 lived in owner occupied dwellings (Figure 3.2). In all 28 countries, at least half of the population owned their homes, with the rate ranging from 53.2 % in Germany and 57.5 % in Austria — the only Member States

Figure 3.1: Distribution of population by dwelling type, 2012
(%)



(1) Not significant for other dwelling types.

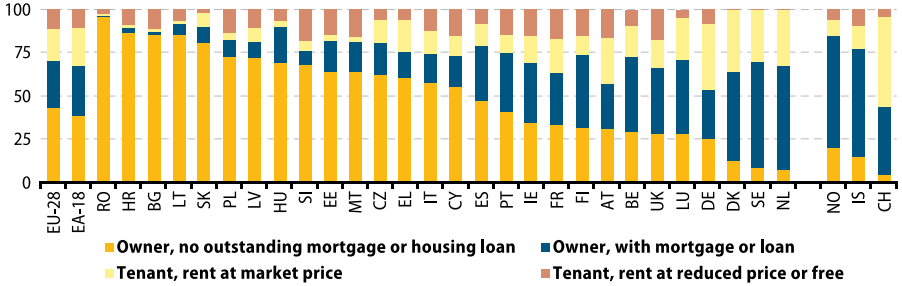
Source: Eurostat (online data code: ilc_lvho01)

having less than 60.0 % of their population owning their dwelling — to 91.9 % in Lithuania and 96.6 % in Romania.

43.5 % of the EU-28 population lived in owner-occupied dwellings without a housing loan or mortgage. In contrast, more than 50.0 % of the population in Denmark (51.8 %), the Netherlands (59.9 %), Sweden (61.6 %) as well as Iceland (62.7 %) and Norway (64.9 %) lived in an owner-occupied dwelling for which there was an outstanding loan or mortgage.

Concerning tenants (accounting for 29.4 % of the EU-28 population), 18.4 % lived in dwellings with a rent at market price and 11.0 % lived in dwellings with a reduced price rent or free in 2012. At one extreme, more than 30.0 % of the population in the Netherlands (32.1 %), Denmark (35.4 %), Germany (38.6 %) and Switzerland (51.7 %) lived in a dwelling with a market price rent, and at the other extreme, more than 16.0 % of tenants in Austria (16.4 %), France (16.8 %), the United Kingdom (17.5 %) and Slovenia (18.3 %) lived in rent-free dwellings or in dwellings with a reduced price rent.

Figure 3.2: Distribution of population by tenure status, 2012
(%)



Source: Eurostat (online data code: ilc_lvho02)

Sufficiency of space in the dwelling

Shortage of adequate housing is a long-standing problem in most European countries. The overcrowding rate describes space problems, defined on the basis of the number of rooms available to the household, the household's size, as well as its members' ages and family situation.

Overall, 17.0 % of the EU-28 population lived in a overcrowded household, with the rate ranging at national level, between 1.6 % in Belgium and 51.6 % in Romania. Despite the sharp differences among countries, an evident pattern emerges: the overcrowding rate was higher in Eastern and, partly, Southern Europe than in Western and Northern Europe (Map 3.1).

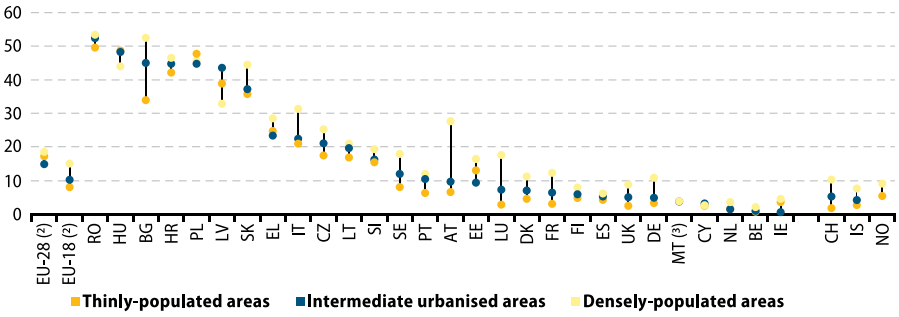
In addition to Romania, the overcrowding rate was above 35.0 % in Hungary, Poland, Bulgaria, Croatia, Slovakia and Latvia.

Greece and Italy also recorded relatively high overcrowding rates (both close to 26.0 %), followed by the Czech Republic, Lithuania and Slovenia. At the lower end of the spectrum, less than 10.0 % of the population lived in an overcrowded household in most Western (France, Luxembourg, Germany, Switzerland, the Netherlands, Belgium) and Northern European countries (Iceland, Denmark, the United Kingdom, Finland, Norway, Ireland) as well as Spain, Malta and Cyprus.

People living in densely-populated areas were more likely to live in crowded conditions than those living in thinly-populated or intermediate density areas in 2012 (Figure 3.3). In 2012, 18.5 % of the EU-28 population in densely-populated areas lived in an overcrowded household. The corresponding shares were smaller among those living in intermediate density areas (a difference of 3.7 pp) and in thinly-populated areas (a difference of 1.2 pp).

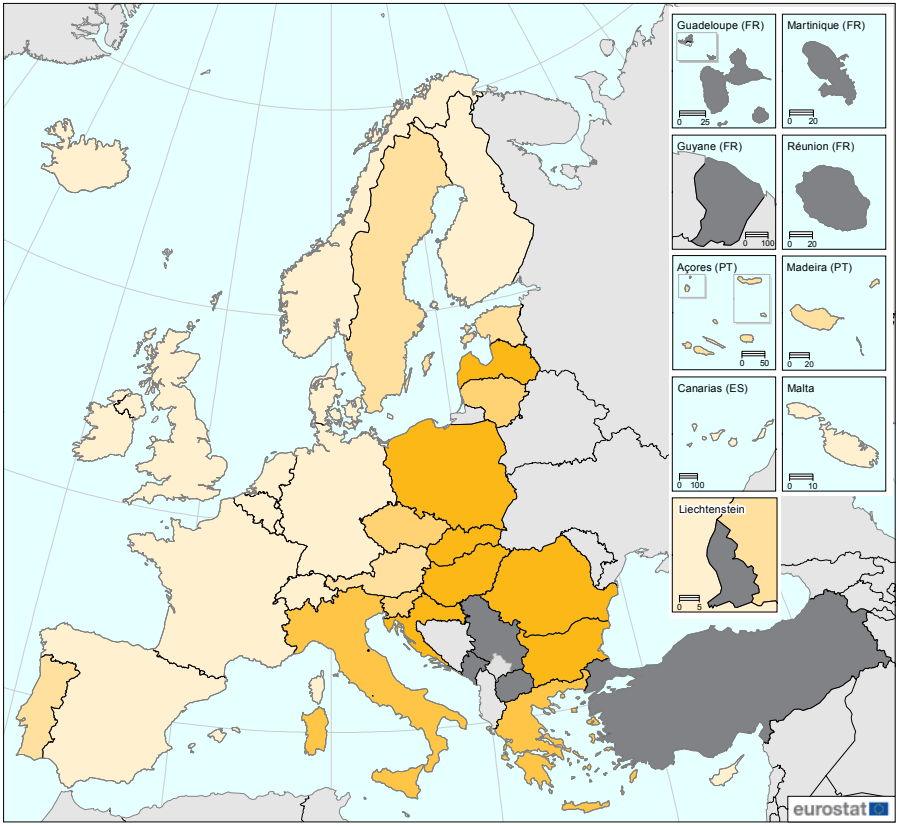
At country level, considerable differences in the overcrowding rates between the population living in densely and thinly-populated areas were recorded in Austria, Bulgaria and Luxembourg (a difference of 14.0 pp or more). Relatively large differences in the overcrowding rates between the two populations were also recorded in Italy and Sweden (a difference of 10.2 and 9.7 pp respectively).

Figure 3.3: Overcrowding rate by degree of urbanisation, 2012 (1)
(%)



(1) Countries are sorted in descending order by the overcrowding rate in intermediate urbanised areas.
(2) Estimated data for thinly-populated areas.
(3) Unreliable data for thinly-populated areas.
Source: Eurostat (online data code: ilc_lvho05d)

Map 3.1: Overcrowding rate, 2012
(%)



Source: Eurostat (online data code: ilc_lvho05a)

Table 3.1: Size of the dwelling by tenure status, 2012 (square meters)

	Total population	Owner		Tenant	
		Owner without mortgage	Owner with mortgage	Tenant market price	Tenant reduced price or free
EU-28 (1)	95.9	96.8	119.6	74.6	78.7
EA-18 (1)	96.2	106.4	115.8	71.3	77.5
BE	124.3	139.0	145.5	85.7	91.0
BG	73.0	75.0	76.3	53.7	60.9
CZ	78.0	80.7	92.9	59.1	63.1
DK	115.6	141.4	146.6	79.6	117.1
DE	94.3	121.4	127.7	69.2	74.3
EE	66.7	68.0	83.4	44.3	53.3
IE	80.8	83.0	98.9	63.7	58.4
EL	88.6	93.4	100.3	70.6	79.1
ES	99.1	103.3	101.4	81.0	92.8
FR	93.7	110.1	108.9	66.7	71.3
HR	81.6	82.7	87.6	57.7	72.8
IT	93.7	99.7	98.4	74.0	82.1
CY	141.4	156.5	177.6	91.9	112.3
LV	62.5	64.3	85.1	44.7	48.6
LT	63.2	64.4	70.9	42.5	47.6
LU	131.1	156.4	147.6	83.2	106.4
HU	77.4	79.6	82.7	50.4	56.4
MT (2)	:	:	:	:	:
NL	106.7	133.1	127.8	78.0	113.2
AT	99.7	125.3	130.2	66.6	81.0
PL	75.2	80.4	88.1	45.7	52.5
PT	106.4	110.5	123.5	77.6	82.8
RO	44.6	44.9	44.7	32.4	34.5
SI	80.3	86.0	93.6	47.6	66.1
SK	87.4	89.2	95.4	63.1	76.5
FI	88.6	99.4	109.8	54.3	55.6
SE	103.3	105.1	125.3	69.7	131.4
UK (2)	:	:	:	:	:
IS	130.4	150.8	144.7	88.2	85.9
NO	123.2	126.7	140.5	67.8	78.9
CH	117.1	140.0	152.9	92.0	96.6

(1) Estimated data.
(2) Unreliable data.
Source: Eurostat (online data code: ilc_hcmh01)

Along with the overcrowding rate, other measures such as the size of the dwelling, which is defined on the basis of the useful floor space in the dwelling that can be exclusively used, provide a complementary picture of the sufficiency of space in the dwelling. These data come from the 2012 EU-SILC ad-hoc module on housing conditions.

In 2012, the average size of the dwelling in the EU was 95.9 m². The average useful floor area of the dwelling varied in size from 44.6 m² in Romania, 62.5 m² in Latvia and 63.2 m² in Lithuania, up to 131.1 m² in Luxembourg and 141.4 m² in Cyprus (Table 3.1).

In addition to Cyprus and Luxembourg, the declared average size of the dwelling exceeded 100 m² in Belgium, Denmark, the Netherlands, Portugal and Sweden. The same holds for Iceland, Norway and Switzerland.

Among the homeowners, those living in a dwelling with a mortgage or housing loan had, on average, more available living space at their disposal (119.6 m²), compared to those with no outstanding mortgage or housing loan (96.8 m²) (Table 3.1). This pattern was registered across most countries in the EU, whereas the opposite was true for Spain, France, Italy, Luxembourg, the Netherlands, Romania as well as Iceland.

Overall, compared to homeowners, tenants lived in dwellings that were, on average, smaller in size. At EU-28 level in 2012, tenants paying a rent at a market price reported an average size of 74.6 m² for the dwelling they lived in, while those living in an accommodation with a reduced price rent or free of charge, had slightly more space at their disposal (78.7 m²). This situation is similar across all countries in the EU. Ireland and Iceland stood out from the other countries, as tenants with a market price rent lived in dwellings larger in size than tenants living in a dwelling with a reduced price rent or occupying a dwelling free of charge.

As expected, the population living in dwellings that were smaller in size, suffered more from shortage of space in their dwellings. In particular, more than 21.0 % of the population in Bulgaria, Latvia Romania, Lithuania and Poland — five of the countries that recorded the smallest average dwelling size — perceived that there was not sufficient space in the dwelling (Table 3.2). Normally, the same effect on perceptions was expected to be revealed when looking at the data for homeowners or tenants. However, owners with no outstanding mortgage or loan, while living, on average, in dwellings smaller in size, were less likely (11.3 %) to report lack of space in their dwellings than those with an outstanding mortgage or loan (12.4 %).

Structural problems of the dwelling

Among the various structural problems of the dwelling, a leaking roof or damp walls, floors or foundation, or rot in window frames of floor was found to be the most frequently reported one in 2012 (the other problems measured, concern: 'dwelling too dark' and 'lack of indoor flushing toilet, bath or shower'). Approximately 15.0 % of the population in the EU was living in a dwelling that a leaking roof or damp walls, floors or foundation, or rot in window frames of floor was considered as a problem.

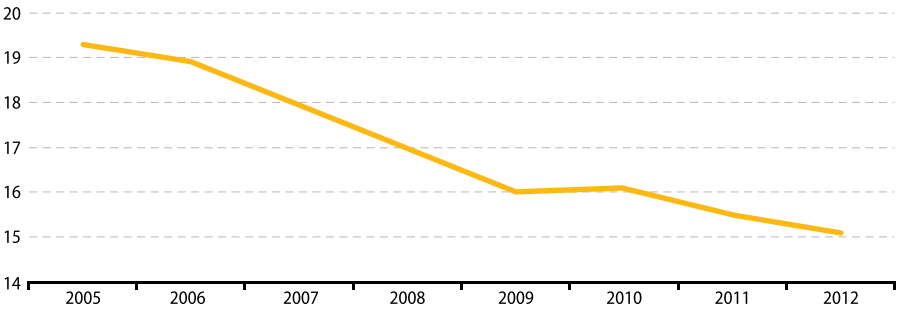
Since 2005, the proportion of the population lacking this basic sanitary facility has continuously decreased in the EU (Figure 3.4). The fall from 19.3 % in 2005 to 15.1 % in 2012 signifies that housing quality in terms of this basic amenity is improving, although decent housing conditions are not yet achieved for all the Europeans.

Table 3.2: Share of population reporting shortage of space in the dwelling by tenure status, 2012 (%)

	Total population	Owner		Tenant	
		Owner without mortgage	Owner with mortgage	Tenant market price	Tenant reduced price or free
EU-28 (1)	14.8	11.3	12.4	21.0	24.4
EA-18	13.5	8.3	11.7	21.2	21.3
BE	11.5	3.8	10.5	22.7	18.5
BG	25.3	23.2	31.7	31.7	39.1
CZ	8.9	6.5	7.3	20.0	14.7
DK (2)	12.9	6.2	10.2	19.3	6.3
DE	12.7	4.5	8.2	19.8	20.3
EE	17.7	15.8	20.0	27.0	20.9
IE	14.3	6.6	14.4	17.7	28.3
EL	17.8	14.7	15.2	25.0	33.9
ES	15.2	11.4	17.2	21.7	19.3
FR	12.4	3.7	10.6	22.4	21.5
HR	14.9	13.5	15.1	27.0	26.2
IT	11.9	8.0	12.3	20.5	19.9
CY	17.7	16.8	14.2	26.4	18.6
LV	24.4	22.5	24.1	34.1	30.0
LT	21.6	20.4	16.5	62.0	33.0
LU	14.5	6.4	14.2	23.1	20.8
HU	17.2	15.3	16.0	32.6	35.0
MT	10.8	8.0	12.1	20.8	18.9
NL	11.5	4.2	9.4	17.3	10.8
AT	17.3	7.5	10.7	34.2	19.7
PL	21.1	17.8	20.2	32.3	36.5
PT	18.6	12.6	17.5	28.4	30.3
RO	22.5	21.7	20.9	38.6	46.2
SI	20.4	17.6	20.8	41.9	24.4
SK	17.7	16.5	15.0	30.8	29.2
FI	12.3	5.3	12.5	21.1	20.0
SE (2)	14.3	6.2	10.8	24.0	5.7
UK	14.5	6.6	14.3	16.3	26.4
IS	13.6	5.6	12.4	25.3	17.8
NO	13.0	5.2	12.7	25.9	21.4
CH	11.0	3.4	4.6	16.1	15.2

(1) Eurostat estimates for tenants at reduced price or free accommodation.
(2) Unreliable data for tenants at reduced price or free accommodation.
Source: Eurostat 2012 ad-hoc module 'Housing Conditions' (HC010)

Figure 3.4: Share of population living in a dwelling with a leaking roof, damp walls, floors or foundation, or rot in window frames of floor, EU, 2005-2012 (1) (2)
(%)



(1) EU-27 for years 2005-2009 and EU-28 for years 2010-2012.
(2) Estimated data, 2005, 2006.
Source: Eurostat (online data code: ilc_mdho01)

More than one in ten persons in the EU-28 were unable to keep home adequately warm due to financial restrictions

Overall, 10.8 % of the EU-28 population in 2012 could not afford to keep home adequately warm (Table 3.3). In some countries, namely in Bulgaria (46.5 %), Lithuania (34.1 %), and Cyprus (30.7 %) more than 30.0 % of the population was unable to keep home adequately warm due to financial restrictions.

The situation was even worse for the population at risk of poverty, since the share of population that could not afford a home adequately warm exceeded 30.0 % in nine Member States, six of which were Southern European countries (Bulgaria, Cyprus, Greece, Italy, Portugal, Lithuania, Latvia, Hungary and Malta).

An upward trend in the levels of the indicator for the population at risk of poverty was observed over the period 2008–2012 on average in the EU-28 and in Estonia, Greece, Spain, Italy, Latvia, Lithuania, Hungary and Malta, while the opposite holds for Germany, Austria, Poland, Portugal and Romania, as well as Norway. The rest of the countries did not follow a clear trend.

3.2 Environment of the dwelling

The quality of the environment as regards the residential area where people live in is also a determinant factor affecting living conditions. People frequently express their concerns about problems, such as noise, pollution and/or grime as well as crime, violence or vandalism, that may prevail in the broader residential area in which they live.

Noise in the residential area was the most widespread problem concerning the environment of the dwelling

Noise from neighbours or from the street was the most widespread environmental problem in the EU-28, as reported by 18.8 % Europeans in 2012. Over 25.0 % of the population in Malta, Romania, Germany, Cyprus

Table 3.3: Inability to afford to keep home adequately warm, 2008, 2010 and 2012 (% of specified population)

	Total population			Population at risk of poverty ([1])		
	2008	2010	2012	2008	2 010	2012
EU-28 ([2])	10.1	9.5	10.8	20.9	21.1	24.3
EA-18	7.8	7.7	10.2	18.7	19.9	24.0
BE	6.4	5.6	6.6	17.0	16.2	18.8
BG	66.3	66.5	46.5	81.4	83.3	70.0
CZ	6.0	5.2	6.7	16.8	11.2	15.3
DK	1.7	1.9	2.6	6.0	4.9	7.1
DE	5.9	5.0	4.7	17.2	15.7	14.8
EE	1.1	3.1	4.2	3.0	9.0	9.6
IE	3.7	6.8	8.5	7.6	16.0	16.0
EL	15.4	15.4	26.1	29.9	38.4	47.6
ES	6.0	7.5	9.1	12.4	15.9	18.2
FR	5.3	5.7	6.0	11.5	15.3	15.2
HR	:	8.2	9.7	:	19.6	21.8
IT	11.3	11.2	21.2	25.8	27.0	44.1
CY	29.2	27.3	30.7	48.1	40.1	50.6
LV	16.8	19.1	19.9	33.0	33.7	35.1
LT	22.1	25.2	34.1	30.0	34.1	38.2
LU	0.9	0.5	0.6	3.0	1.7	2.2
HU	9.7	10.7	14.5	21.1	23.2	33.9
MT	8.8	14.3	22.1	13.9	25.1	32.1
NL	1.8	2.3	2.2	4.7	9.6	8.7
AT	4.0	3.8	3.2	12.7	11.5	7.7
PL	20.1	14.8	13.2	34.4	30.7	27.6
PT	34.9	30.1	27.0	56.0	49.7	43.1
RO	24.6	21.0	14.6	33.2	28.0	25.4
SI	5.6	4.7	6.1	14.3	13.1	17.3
SK	6.0	4.4	5.5	13.8	15.6	13.6
FI	1.9	1.4	1.5	4.3	3.5	3.8
SE	1.5	1.7	1.4	3.4	4.3	3.5
UK ([3])	6.0	6.1	8.1	11.5	11.9	19.4
IS	1.0	1.4	1.5	2.6	2.2	3.5
NO	0.8	0.7	0.7	3.3	2.8	2.1
CH	6.9	7.3	0.4	8.4	11.0	1.0

([1]) Population below 60 % of median equivalised income.
([2]) EU-27 instead of EU-28 for year 2008.
([3]) Break in series, 2012.
Source: Eurostat (online data code: ilc_mdes01)

and Greece suffered from noise in the area where they lived (Table 3.4).

However, in Malta (39.6 %), Greece (25.9 %) — two of the countries that reported the highest percentages of exposure to noise — as well as Latvia (22.0 %), Slovenia (16.0 %), the Czech Republic (15.5 %), Lithuania (14.6 %) and Hungary (11.8 %), pollution and grime were most commonly perceived as problems concerning the environment of the dwelling.

Crime, violence or vandalism were most commonly perceived as problems in Bulgaria (26.9 %), the United Kingdom (19.7 %), Estonia (15.7 %) and Ireland (10.7 %).

Between 2008 and 2012, the share of population perceiving noise as a problem in the residential area dropped by 3.1 pp at EU-28 level (Table 3.4). This share has also decreased between 2008 and 2012 in most Member States. In particular, large decreases were recorded in Spain (a drop of 7.0 pp) and Italy (a drop of 6.6 pp). On the other hand, Malta and Greece showed the highest increases (an increase 5.2 pp and 2.8 pp respectively) during the same period.

On average, the share of population perceiving pollution and/or grime as problems also decreased during the period 2008–2012, from 16.2 % in 2008 to 14.0 % in 2012 (Table 3.4). The sharpest drop between 2008 and 2012 occurred in Latvia and Estonia (a drop of 12.8 pp and 10.4 pp respectively). However, increases were recorded in seven Member States (Greece, Malta, Austria, Lithuania, the Netherlands, Hungary and Romania).

Despite the average decrease also demonstrated in the shares of population concerned with violence and/or vandalism between 2008 and 2012, this share increased in 11 Member States, with Greece reporting the highest increase (from 12.0 % in 2008 to 20.1 % in 2012).

As shown in Table 3.5, such problems were more likely to be faced by the population at risk of poverty than the total population in 2012. Especially in Belgium, the Netherlands, Luxembourg and Denmark the share of population concerned with noise was more than 1.5 times greater for the population at risk of poverty as compared to the total population. The opposite is true for Slovakia, Poland, Greece, Ireland, Malta, Cyprus and Romania, where the population at risk of poverty was less likely to be exposed to noise than the total population.

Those at risk of poverty actually encounter on average almost the same problems as far as pollution and grime is concerned, as compared to the total population. On average, 15.1 % of the population at risk of poverty cited pollution and grime as problems in the residential area as opposed to 14.0 % of the total population reporting the same problem. The sharpest differences between the population at risk of poverty and total population reporting pollution and grime as problems were observed in Luxembourg, Belgium, the Netherlands, Germany and Bulgaria. However, the share of population concerned with pollution and grime was higher for the total population in 12 Member States.

In 2012, crime, violence or vandalism in the residential area were commonly perceived as problems by 16.3 % of EU-28 population living below the poverty threshold, while this percentage was by 2.7 pp lower for the total population. The most significant differences between the population at risk of poverty and total population citing crime, violence or vandalism as problems in the residential area were recorded in Belgium (7.8 pp), Hungary (7.4 pp), the United Kingdom (6.7 pp) and Germany (6.1 pp).

Table 3.4: Share of population reporting problems concerning the environment of the dwelling, 2008, 2010 and 2012
(%)

	Noise from neighbours or from the street			Pollution, grime or other environmental problems			Crime, violence or vandalism in the area		
	2008	2010	2012	2008	2010	2012	2008	2010	2012
EU-28 (1)	21.9	20.5	18.8	16.2	14.8	14.0	14.7	14.3	13.6
EA-18	22.8	21.4	19.8	17.7	15.9	15.6	13.8	13.5	13.4
BE	21.0	18.9	17.0	16.1	13.6	15.3	15.8	17.5	14.7
BG	16.9	12.9	12.0	20.2	16.2	15.0	24.7	27.7	26.9
CZ	17.6	16.5	14.3	17.0	18.5	15.5	13.9	15.4	13.2
DK	18.4	18.7	17.5	7.7	8.1	5.7	16.2	14.2	10.3
DE	26.3	25.7	26.1	23.1	21.1	22.4	13.0	12.0	12.5
EE	18.0	11.0	12.8	22.3	11.3	11.9	17.2	18.0	15.7
IE	12.0	9.5	9.0	7.7	5.2	4.8	12.2	10.2	10.7
EL	22.3	23.2	25.1	20.3	25.0	25.9	12.0	19.1	20.1
ES	22.0	18.4	15.0	13.0	10.7	8.0	14.7	13.0	10.1
FR	17.8	18.5	17.0	14.3	12.9	11.3	14.8	15.6	14.7
HR	:	12.4	9.8	:	9.1	7.1	:	4.9	3.3
IT	24.3	22.2	17.7	19.8	16.8	17.1	14.1	12.4	14.7
CY	29.7	29.0	25.7	20.0	19.3	15.5	10.1	12.7	15.5
LV	20.6	17.5	15.4	34.8	28.5	22.0	28.7	23.8	17.0
LT	16.6	13.8	13.3	12.7	12.2	14.6	4.9	5.3	5.0
LU	20.0	16.7	17.0	16.3	12.0	14.0	10.6	10.2	14.4
HU	12.2	11.4	10.2	11.0	11.1	11.8	13.1	11.7	10.3
MT	24.5	27.5	29.7	35.8	41.1	39.6	9.7	10.4	12.6
NL	29.3	23.6	24.2	13.0	13.7	14.0	14.8	16.8	18.3
AT	21.7	21.2	19.5	8.4	9.3	10.8	11.1	13.4	11.7
PL	18.7	16.2	14.2	11.5	9.3	11.0	7.3	6.5	6.3
PT	24.2	22.9	23.8	16.8	16.3	14.9	11.7	11.3	10.9
RO	31.3	31.5	27.1	17.2	20.0	17.6	13.1	15.7	13.7
SI	18.7	16.5	13.8	20.1	18.6	16.0	8.7	9.3	8.1
SK	19.3	18.3	16.0	19.3	20.3	15.1	9.3	10.2	9.6
FI	15.5	13.0	14.2	12.7	8.5	8.8	13.1	8.7	8.6
SE	13.8	12.3	12.9	9.4	7.7	7.6	12.7	9.3	9.7
UK (2)	19.8	20.1	18.2	12.4	11.8	8.3	24.8	23.1	19.7
IS	11.6	11.5	11.1	9.8	10.1	8.5	3.3	3.7	3.4
NO	12.5	11.3	10.8	7.9	7.7	9.6	5.2	5.5	6.0
CH	18.6	17.5	18.7	12.8	9.9	10.0	12.2	13.6	16.5

(1) EU-27 instead of EU-28 for year 2008.
(2) Break in series, 2012.
Source: Eurostat (online data codes: ilc_mddw01, ilc_mddw02, ilc_mddw03)

Table 3.5: Share of population reporting problems concerning the environment of the dwelling, 2012
(% of specified population)

	Noise from neighbours or from the street		Pollution, grime or other environmental problems		Crime, violence or vandalism in the area	
	Total population	Population at risk of poverty	Total population	Population at risk of poverty	Total population	Population at risk of poverty
EU-28	18.8	22.1	14.0	15.1	13.6	16.3
EA-18	19.8	23.9	15.6	17.4	13.4	16.0
BE	11.5	21.9	15.3	20.5	14.7	22.5
BG	12.0	15.1	15.0	18.2	26.9	25.9
CZ	14.3	15.8	15.5	16.3	13.2	14.3
DK	17.5	27.3	5.7	7.2	10.3	12.4
DE	26.1	33.6	22.4	25.7	12.5	18.6
EE	12.8	15.0	11.9	11.5	15.7	17.5
IE	9.0	8.2	4.8	3.5	10.7	12.1
EL	25.1	23.5	25.9	25.5	20.1	18.4
ES	15.0	16.5	8.0	8.4	10.1	11.4
FR	17.0	23.7	11.3	13.7	14.7	18.8
HR	9.8	9.4	7.1	7.1	3.3	3.7
IT	17.7	20.7	17.1	19.3	14.7	15.8
CY	25.7	21.1	15.5	11.7	15.5	12.8
LV	15.4	15.2	22.0	21.4	17.0	15.5
LT	13.3	14.1	14.6	11.8	5.0	4.9
LU	17.0	26.6	14.0	19.9	14.4	15.7
HU	10.2	14.7	11.8	12.6	10.3	17.7
MT	29.7	26.6	39.6	37.2	12.6	10.5
NL	24.2	37.9	14.0	17.5	18.3	21.9
AT	19.5	21.6	10.8	9.8	11.7	10.2
PL	14.2	13.3	11.0	9.5	6.3	7.3
PT	23.8	23.9	14.9	13.3	10.9	7.9
RO	27.1	19.8	17.6	13.2	13.7	12.8
SI	13.8	13.8	16.0	15.0	8.1	7.3
SK	16.0	15.1	15.1	16.9	9.6	9.4
FI	14.2	18.6	8.8	8.8	8.6	12.8
SE	12.9	16.7	7.6	8.5	9.7	14.4
UK	18.2	23.1	8.3	9.3	19.7	26.4
IS	11.1	17.2	8.5	7.4	3.4	6.8
NO	10.8	15.4	9.6	10.3	6.0	9.3
CH	18.7	20.1	10.0	12.9	16.5	17.3

Source: Eurostat (online data codes: ilc_mddw01, ilc_mddw02, ilc_mddw03)

Europeans in urban areas were more concerned with problems relating to the environment of the dwelling as compared to those in rural areas

On average, 24.1 % of the EU-28 population in densely-populated (urban) areas perceived noise from neighbours or from the street as a problem. The share of the EU-28 population that suffered from noise was smaller for those living in intermediate density areas (18.1 %) and in thinly-populated (rural) areas (11.8 %) (Figure 3.5).

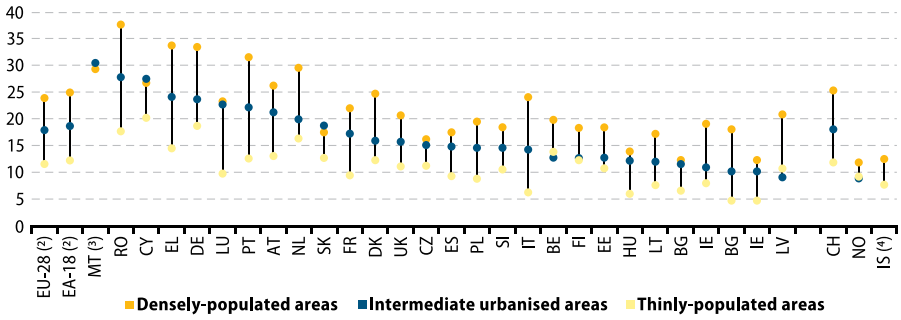
Pollution and grime were perceived as problems by 18.6 % of the EU-28 population living in urban areas (Figure 3.6). Such problems were less prevalent among the population living in intermediate density areas (12.9 %) and in rural areas (8.3 %).

One in five persons in the EU-28 living in densely-populated areas perceived crime, violence or vandalism as problems. By contrast, just 6.6 % of the population in rural areas considered these as problems, which was by 4.5 pp higher for those living in intermediate density areas (Figure 3.7).

In broad terms, it can be concluded that, at EU-28 level, people living in densely-populated areas were more concerned with problems in the broader residential area where their home was situated compared with those in intermediate density areas and thinly-populated areas. At country level, a similar pattern is identified with the following exceptions:

- Noise from neighbours or from street was most commonly perceived as a problem by the population living in intermediate urbanised areas in Slovakia and Cyprus.
- Pollution, grime or other environmental problems were more frequently cited as problems by the population living in intermediate urbanised areas in Luxembourg, Cyprus and Estonia.
- Crime, violence or vandalism were more commonly perceived as problems in intermediate urbanised areas in Cyprus and Luxembourg.

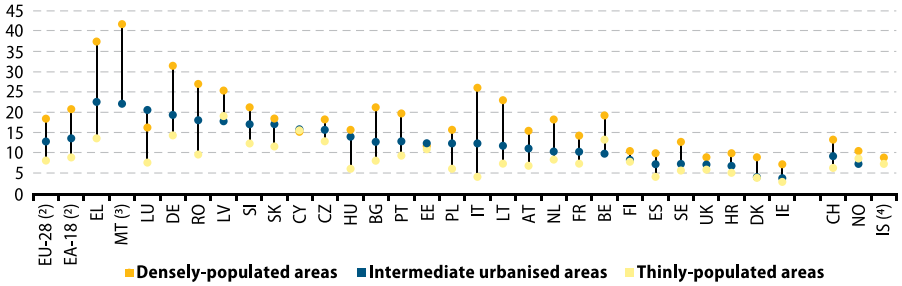
Figure 3.5: Share of population reporting noise from neighbours or from the street by degree of urbanisation, 2012 (1)
(%)



(1) Countries are sorted in descending order by the share of population in intermediate urbanised areas reporting noise as a problem in the residential area.
(2) Estimated data for thinly-populated areas.
(3) Unreliable data for thinly-populated areas.
(4) Not applicable for intermediate urbanised areas.

Source: Eurostat (online data code: ilc_mddw04)

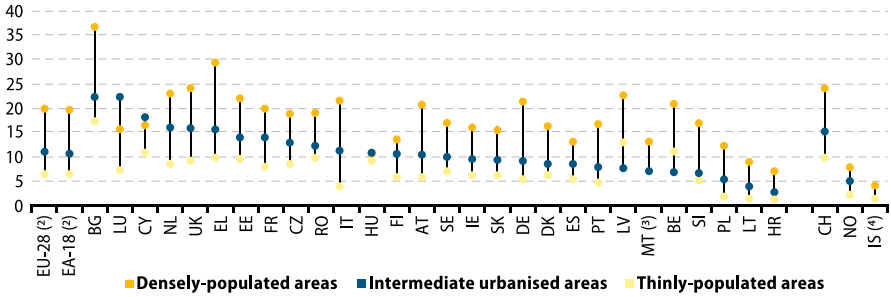
Figure 3.6: Share of population reporting pollution, grime or other environmental problems by degree of urbanisation, 2012 (1)
(%)



(1) Countries are sorted in descending order by the share of population in intermediate urbanised areas reporting pollution, grime or other environmental problems as problems in the residential area.
(2) Estimated data for thinly-populated areas.
(3) Unreliable data for thinly-populated areas.
(4) Not applicable for intermediate urbanised areas.

Source: Eurostat (online data code: ilc_mddw05)

Figure 3.7: Share of population reporting crime, violence or vandalism in the area by degree of urbanisation, 2012 (1)
(%)



(1) Countries are sorted in descending order by the share of population in intermediate urbanised areas reporting crime, violence or vandalism as problems in the residential area.
(2) Estimated data for thinly-populated areas.
(3) Unreliable data for thinly-populated areas.
(4) Not applicable for intermediate urbanised areas.

Source: Eurostat (online data code: ilc_mddw06)

3.3 Housing affordability

In 2010, the European Platform against Poverty and Social Exclusion ([1]), addressed the issue of an affordable accommodation. The Commission Communication has stated that 'access to affordable accommodation is a fundamental need and right'.

However, housing costs often make up the largest component of expenditures for many households, thus possibly impending them from fulfilling this basic need in case of low income.

11.2 % of the EU-28 population spent more than 40 % of the household disposable income on housing

Housing affordability is captured through the housing cost overburden rate, which shows the share of population living in households that spent 40 % or more of the household disposable income on housing.

At EU-28 level, the housing cost overburden rate was about 11.0 % in 2012. There were, however, large cross-country differences in 2012. The housing cost overburden rate was relatively small in six Member States, namely France, Slovenia (both 5.2 %), Luxembourg (4.9 %), Finland (4.5 %), Cyprus (3.3 %) and Malta (2.6 %) (Map 3.2). By contrast, the housing cost overburden rate was as high as 9.0 % or more in Switzerland, Latvia, Belgium, Poland, the Czech Republic, Norway and Iceland. It was even higher (greater than 13.0 %) in Denmark, Germany, Romania, Bulgaria, the Netherlands, Spain and Hungary. Only in Greece did the housing cost overburden rate exceed 30.0 % in 2012. These differences may, at least partially, reflect the differences in national policies as far as social housing is concerned or in the public subsidies provided by the governments for housing.

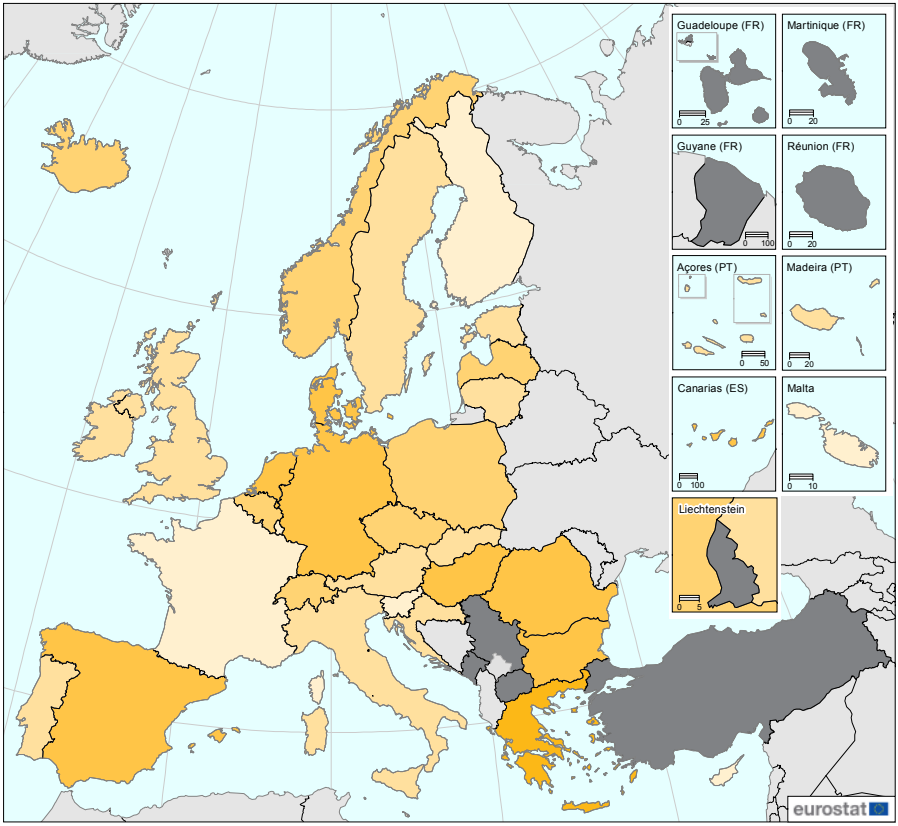
Between 2008 and 2012, the housing cost overburden rate increased, on average, by 0.7 pp (Table 3.6). In total, seven Member States reported decreases in their respective housing cost overburden rates in 2012 compared to 2008, ranging from -0.2 pp in Italy and Finland, to -2.8 pp in the Czech Republic. The highest increases were recorded in Lithuania (4.1 pp), Spain (4.2 pp) and Estonia (4.3 pp). Greece, showed by far the highest increase (10.9 pp).

Housing cost overburden rate showed great variability across the Member States in 2012 when analysed along with the tenure status, as shown in Table 3.7. The share of population living in households that spent 40 % or more of the disposable income was larger for owners with a mortgage or loan (8.3 %) compared to owners with no outstanding mortgage or loan (6.7 %). Belgium, Bulgaria, the Czech Republic, Greece, Lithuania, Finland, Sweden and Switzerland were exceptions to this pattern.

Tenants living in dwellings with a price market rent showed the highest cost overburden rate in the EU-28 as a whole in 2012 among all owners and tenants categories. Their rate was larger than that for tenants living in dwellings with a reduced rent or free accommodation in all EU Member States.

([1]) For more information, see: http://europa.eu/legislation_summaries/employment_and_social_policy/social_inclusion_fight_against_poverty/em0046_en.htmen.htmen.htm

Map 3.2: Housing cost overburden rate, 2012
(%)



Source: Eurostat (online data code: ilc_lvho07a)

Table 3.6: Housing cost overburden rate, 2008, 2010 and 2012
(%)

	2008	2010	2012
EU-28 (1)	10.5	11.0	11.2
EA-18 (2)	8.3	10.0	11.6
BE	12.5	8.9	11.0
BG	13.3	5.9	14.5
CZ	12.8	9.7	10.0
DK	17.1	21.9	18.2
DE	:	14.5	16.6
EE	3.6	6.0	7.9
IE	3.3	4.9	6.6
EL	22.2	18.1	33.1
ES	10.1	13.2	14.3
FR	4.2	5.1	5.2
HR	:	14.2	6.8
IT	8.1	7.5	7.9
CY	1.8	3.1	3.3
LV	8.7	9.8	11.2
LT	4.8	10.6	8.9
LU	3.7	4.7	4.9
HU	11.6	11.3	13.5
MT	3.3	3.7	2.6
NL	13.7	14.0	14.4
AT (3)	4.7	4.6	7.0
PL	9.7	9.1	10.5
PT	7.6	4.2	8.3
RO	18.7	15.0	16.5
SI	4.4	4.3	5.2
SK	5.6	7.6	8.4
FI	4.7	4.2	4.5
SE	8.1	6.5	7.6
UK (3)	16.3	16.5	7.4
IS	11.4	9.6	9.0
NO	12.5	9.1	9.9
CH	:	14.1	12.1

(1) EU-27 (estimated) instead of EU-28 for year 2008.
(2) Estimated data, 2008.
(3) Break in series, 2012.

Source: Eurostat (online data code: ilc_lvho07a)

Table 3.7: Housing cost overburden rate by tenure status, 2012
(%)

	Owner		Tenant	
	Owner without mortgage	Owner with mortgage	Tenant market price	Tenant reduced price or free
EU-28 (1)	6.7	8.3	26.2	11.6
EA-18	5.3	8.8	26.5	11.8
BE	3.9	3.6	37.4	15.1
BG	13.5	8.0	48.2	19.7
CZ	6.8	4.0	28.2	20.9
DK (2)	8.5	9.6	33.9	50.4
DE	10.2	11.9	23.7	19.4
EE	6.4	8.4	27.9	9.4
IE	2.8	3.9	21.7	6.3
EL	29.1	21.6	53.0	42.1
ES	4.3	15.0	50.4	13.0
FR	0.5	1.4	16.2	8.6
HR	5.9	13.6	33.1	9.3
IT	2.3	5.6	33.5	9.7
CY	0.2	4.0	19.9	1.1
LV	9.1	21.0	18.0	12.1
LT	7.6	6.8	55.7	17.4
LU	0.6	1.1	17.1	1.7
HU	7.4	28.1	38.9	19.3
MT	1.4	4.1	21.1	3.1
NL	3.8	13.0	19.7	0.0
AT	2.0	2.6	17.3	7.1
PL	8.5	12.7	27.1	14.5
PT	2.8	7.1	35.8	5.6
RO	15.7	42.1	76.3	21.4
SI	2.8	8.7	26.6	6.1
SK	5.7	24.8	15.1	8.7
FI	2.6	2.5	11.8	9.1
SE (2)	8.1	3.1	16.7	20.3
UK	1.7	5.1	23.1	7.4
IS	4.0	7.7	18.1	14.0
NO	3.8	8.5	30.9	14.5
CH	8.8	6.7	16.6	10.1

(1) Estimated data for tenants with rent at reduced price or free.
(2) Unreliable data for tenants at reduced price or free accommodation.
Source: Eurostat (online data codes: ilc_lvho07a, ilc_lvho07c)

Household consumption expenditure

Data from Household Budget Survey (HBS) provide information about the household's consumption expenditure on goods and services.

Latest data on the average amount spent by households on an annual basis for housing-related purposes vary widely among the Member States, as HBS is not covered by a legal basis at EU-level. One of the most important methodological differences is the imputation of rentals (that make up a substantial part of the household consumption expenditure) for owner-occupied dwellings. In 2010, the United Kingdom, the Czech Republic and Hungary, had not imputed any rent for the use of owner-occupied dwellings as household main residence.

The average household, at EU-28 level, spent in 2010 about 7 000 purchasing power standards (PPS) for housing-related purposes. In 16 Member States the mean consumption expenditure of households was above the EU-28 average (Map 3.3). One geographical pattern that emerges is that the group of countries, with a household consumption expenditure well below the EU-28 average comprises, inter-alia, all Member States of Eastern Europe (Slovakia, Poland, Bulgaria, Romania, the Czech Republic and Hungary) as well as the Baltic states (Lithuania, Estonia and Latvia).

The mean consumption expenditure paid by households for housing, water, electricity, gas and other fuels was more than PPS 10 500 in Luxembourg (PPS 15 255), Cyprus (PPS 11 854) and Norway (PPS 10 802). A second group of Member States, with mean consumption expenditure on housing ranging between PPS 8 500 and PPS 10 500, comprises Spain, Ireland, Italy, Denmark, Sweden, the Netherlands and Germany. The latter reveals that there is no clear geographical clustering.

When looking at the distribution of the consumption expenditure for different household-related purposes, it emerges that the households spent on average more on rentals for housing, including payment for the use of the land on which the property stands, the dwelling occupied, the fixtures and fittings for heating, plumbing, lighting, etc., and, in the case of a dwelling let furnished, the furniture. More specifically, the mean consumption expenditure paid by households for imputed housing rentals was PPS 3 288 and PPS 1 414 for actual housing rentals (Table 3.8).

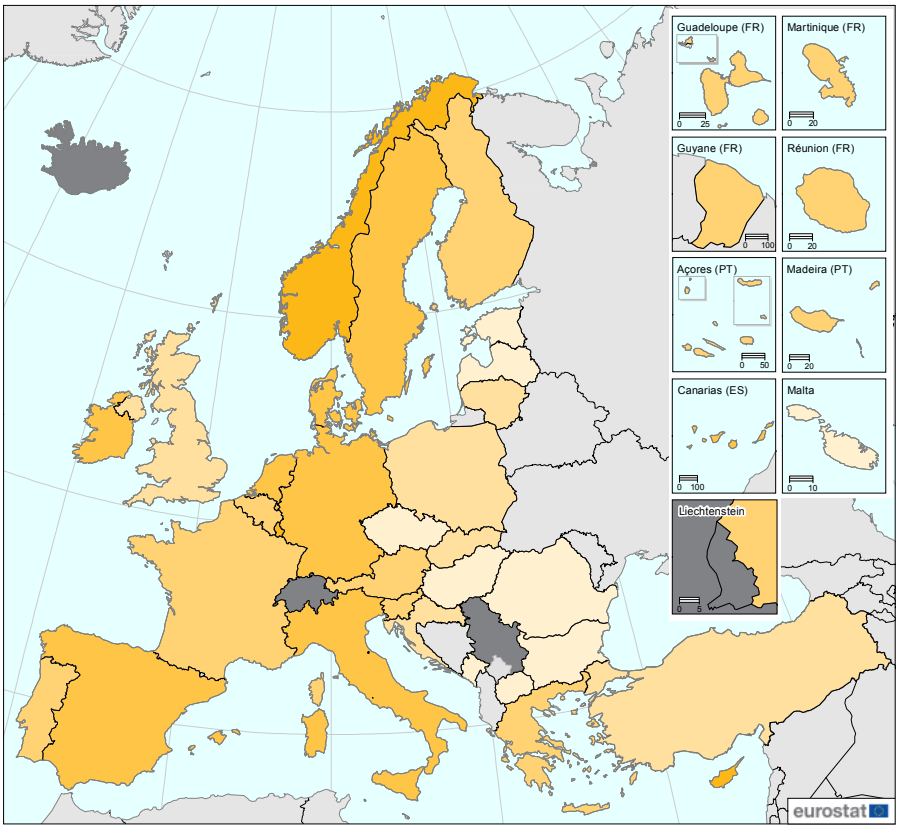
Table 3.8: Mean consumption expenditure of households for housing-related purposes, paid by households, EU-28, 2010 ([1]) ([2])
(PPS)

Consumption purposes (COICOP)	Consumption expenditure (PPS)
Housing, water, electricity, gas and other fuels ([3])	7 054
Imputed rentals for housing	3 288
Actual rentals for housing	1 414
Electricity, gas and other fuels	1 407
Water supply and miscellaneous services relating to the dwelling	473
Maintenance and repair of the dwelling	279

([1]) Housing-related purposes refer to housing, water, electricity, gas and other fuels (COICOP category, CP04). Mean consumption expenditure for housing-related purposes, does not include imputed-rent for owner-occupied dwellings for the following countries: The United Kingdom, the Czech Republic and Hungary.
([2]) Eurostat estimates.
([3]) The sum of data for the five lower COICOP categories differs slightly from the total since expenditures collected by some countries at detailed levels may be included only in a more aggregated level.

Source: Eurostat (online data code: hbs_exp_t121)

Map 3.3: Mean consumption expenditure of households for housing-related purposes, 2010 (1) (PPS)



(1) Housing-related purposes refer to housing, water, electricity, gas and other fuels (COICOP category, CP04). Mean consumption expenditure for housing-related purposes, does not include imputed-rent for owner-occupied dwellings for the following countries: The United Kingdom, the Czech Republic and Hungary.

Source: Eurostat (online data code: hbs_exp_t121)

3.4 Overall satisfaction with the dwelling

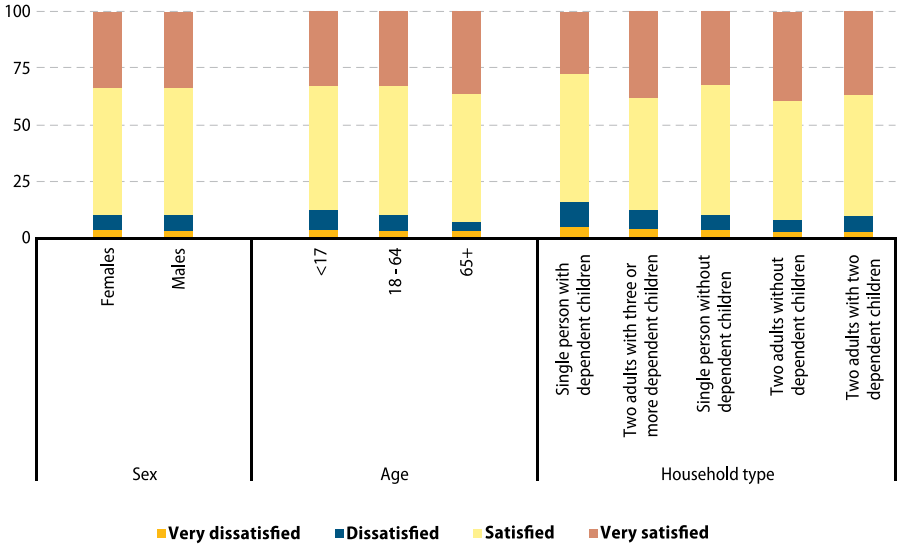
All dimensions of housing quality analysed so far, have a strong impact on the Europeans' overall satisfaction with the dwelling in which they live.

Subjective assessments of the Europeans on the degree of their satisfaction with their dwelling complement these measures traditionally used for assessing the quality of housing conditions. That subjective assessments encompass a number of factors, considered important for meeting household needs, such as the price, space, distance from home to work and the overall quality of the dwelling.

Figure 3.8 explores the relation of some socio-demographic characteristics, such as sex, age, and household composition, with the degree of satisfaction of the Europeans with their dwelling in 2012.

- Sex is not a factor that is related to the degree that the person feels satisfied with the dwelling, since percentages for both males and females are close enough.
- Elderly persons were slightly more satisfied with their dwelling compared with the younger age groups. The share of population that reported very satisfied with the dwelling was larger for the population aged 65 and over (36.2 %) compared with 33.0 % for the younger ones and 32.6 % for those aged 18 to 64.
- Household composition affects significantly the degree of satisfaction with the dwelling. At EU-28 level, those living in single-parent households with dependent children reported the highest percentage of dissatisfaction (very dissatisfied and dissatisfied) with their dwelling (16.0 %), compared with 13.1 % for those living in households with two adults with three of more dependent children, 10.5 % for those living in single-person households without dependent children, 10.1 % for those living in households with two adults with two dependent children and 8.2 % for those living in households with two adults without dependent children.

Figure 3.8: Overall satisfaction with the dwelling by socio-demographic characteristics (sex, age and household type), EU-28, 2012
(%)



Source: Eurostat (online data code: ilc_hcmp04), Eurostat 2012 ad-hoc module 'Housing Conditions': HC080

4 Socio-economic aspects of living conditions

This chapter presents statistics related to the socio-economic dimension of living conditions. Its topics offer glimpses into the everyday life of Europeans from various viewpoints, reflecting its multi-faceted nature. At the same time they represent factors which have a profound impact on people's living standards.

The first topic dealt with is the health status of individuals and the accessibility of healthcare. The majority of Europeans found their health as good or very good but there were large variations between Member States and age groups.

A second group of inter-related topics comprises work intensity, income distribution and risk of poverty. In 2012 very low work intensity mainly afflicted persons living in households with only one adult or in two-person households with one senior member. The higher the work intensity of a household the smaller the risk of poverty was for its members. In fact, despite the onset of the economic crisis the at-risk-of-poverty rate for employed persons changed relatively little between 2008 and 2012. It should also be reminded that 2008 is the reference year versus which the poverty and social exclusion reduction target of the EU2020 strategy has been set.

A brief economic activity profile of young adults living with their parents is also presented. The share of young adults still living in their parental home changed very little between 2008 and 2012. The majority of these young adults are either employed or students.

The last topic this chapter deals with is childcare in all its forms. Children aged under 3 were mainly cared for by their parents. Formal childcare becomes very common for older children, being provided to 83.0 % of children aged between 3 and each Member State's compulsory school age and 96.0 % of children between that age and 12 years.

4.1 Health conditions

Good health is a major determinant of quality of life and social participation for individuals. It also contributes to general social and economic growth and well-being. The state of health of individuals is influenced by genetic and environmental factors, cultural and socioeconomic conditions, as well as the available healthcare services. Most Europeans would agree that universal access to good healthcare, at an affordable cost to both individuals and society at large, is a basic need.

The statistics on this particular topic stem from data that reflect self-assessment by the respondents. Therefore, readers should keep in mind that cultural and personal perceptions affect them and can reduce their comparability.

Two thirds of the EU's population perceive their health status as good or very good but there is large variation between Member States

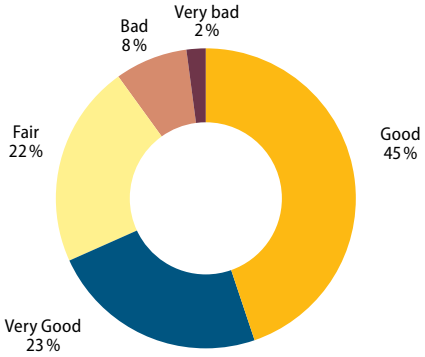
In 2012, 68 % of the European Union's (EU's) population aged 16 years or over reported their health status as good or very good. At the other end of the spectrum, 10 % of the same population perceived their health status as bad or very bad (Figure 4.1).

The corresponding shares reported at national level differed to a lesser or greater extent from the EU-28 ones.

The share of population aged 16 years or over that perceived their health status as very good ranged from 4.1 % to 46.8 % (Figure 4.2). Single-digit shares were reported in Baltic states (Latvia, 4.1 % and Lithuania, 7.1 %) and Portugal (8.2 %), while the highest shares appeared in Ireland (43.3 %), Cyprus (46.5 %) and Greece (46.8 %). The persons that perceived their health status as good accounted for between 28.0 % and 54.7 % of the Member States' population.

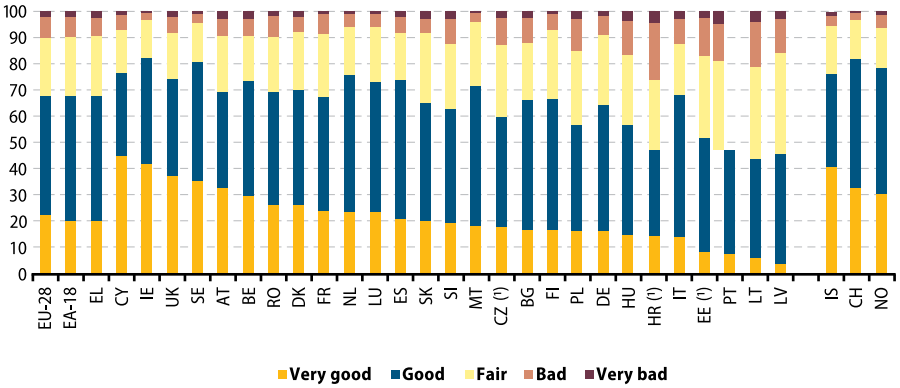
The share of population that reported their health status as very bad was below 5.0 % in all Member States (Figure 4.2). Bad health status was reported by between 2.3 % and 21.1 % of the population of the Member States.

Figure 4.1: Self-perceived health, EU-28, 2012 (% of population 16 or over)



Source: Eurostat (online data code: hlth_silc_01)

Figure 4.2: Distribution of population by health status, 2012
(% of population aged 16 or over)



(!) Unreliable data.
Source: Eurostat (online data code: hlth_silc_01)

The national shares of persons reporting bad and very bad health had a Spearman correlation coefficient of 0.84. This is a measure of the tendency of two variables to rise together and fall together. A value of 0.84 is close to the maximum possible of 1 and shows that Member States that ranked high in terms of share of persons who consider their health bad tended to also rank high in terms of share of persons who consider their health very bad.

Perception of health status as bad or very bad more prevalent with advancing age and among senior women

Age is strongly related with how people perceive their health, which seems natural given that health problems tend to become more common with advancing age (Table 4.1). Across EU-28 1.4% of persons aged between 16 and 24 years reported their health status as bad or very bad in 2012. The share increased in each subsequent age group up to 13.0% of persons aged between 55 and 64 years and 23.9% of persons aged 65 years and over. It should also be noted that the statistics exclude persons residing in like homes for the elderly. It is very probable therefore that a large part of the elderly having bad health conditions are not covered.

The same pattern was manifest at national level, except for Estonia, Ireland, Greece, Cyprus, Malta and Romania.

Among persons aged 65 years or over a larger share of women (26.4%) than of men (20.6%) reported bad or very bad health in EU-28 in 2012 (Figure 4.3). This may be partly explained by the higher life expectancy of women. Men are more concentrated in the younger part of the age group in question while women grow older, with the deterioration of health that this causes. The same happened at national level, with the only exceptions in the EU being Sweden and Ireland. It should be also reminded that these data refer to self-assessed health status.

Table 4.1: Share of population reporting their health as bad or very bad by age group, 2012 (% of population in each age group)

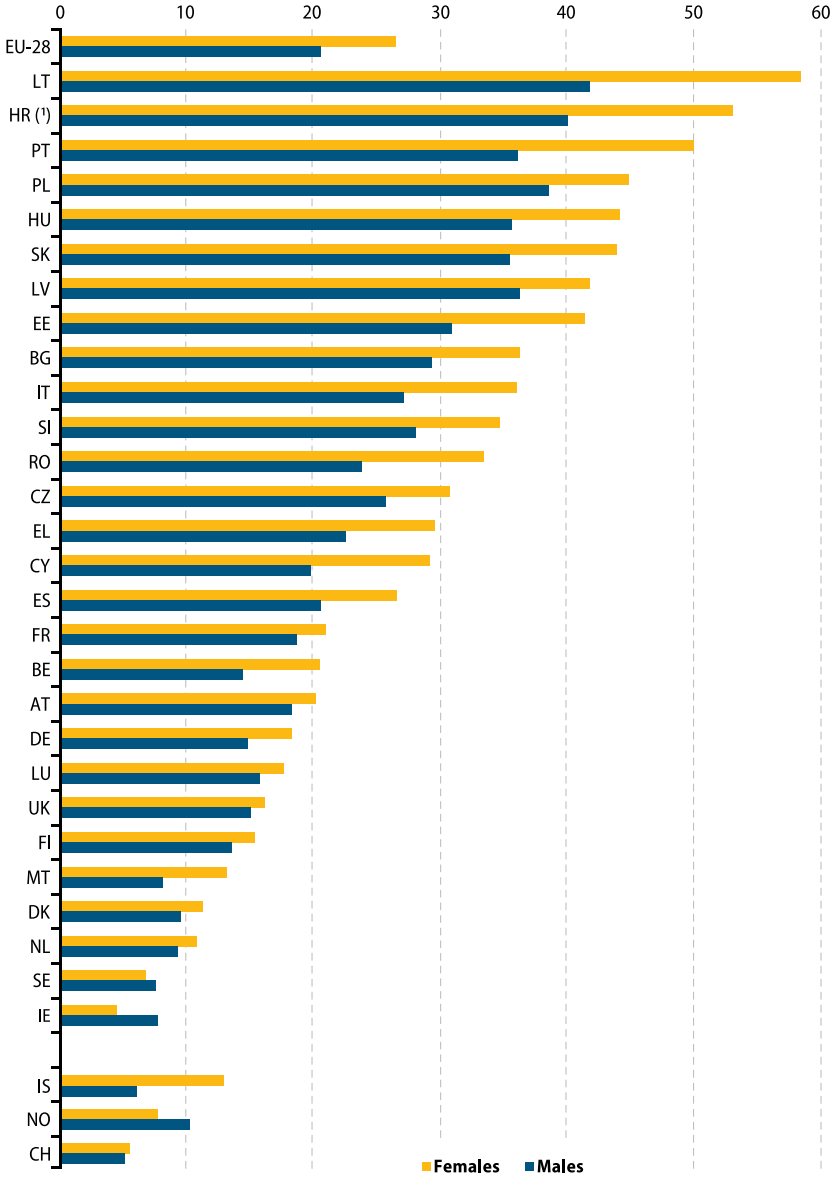
	Total population	16 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65 or over
EU-28	9.9	1.4	2.2	4.2	7.9	13.0	23.9
EA-18	:	:	:	:	:	:	:
BE	9.0	1.7	2.5	5.7	9.4	12.1	17.8
BG	11.9	0.7	2.1	2.8	5.5	14.8	33.5
CZ (1)	12.8	:	2.7	4.4	10.4	17.3	28.7
DK	7.7	1.5	2.7	6.1	9.8	12.8	10.4
DE	8.5	0.9	2.3	4.2	8.2	12.3	16.5
EE (1)	16.3	1.9	1.8	5.5	12.6	24.4	38.0
IE	2.9	0.5	0.7	3.0	2.6	5.5	5.9
EL	9.3	0.4	2.4	1.7	4.1	11.1	26.3
ES	8.1	0.6	1.4	2.8	4.9	10.3	24.0
FR	8.5	1.8	2.3	4.8	7.1	9.0	19.9
HR (2)	25.8	:	:	6.7	18.6	29.2	47.9
IT	12.4	1.7	2.5	3.9	6.6	12.1	32.2
CY	6.7	1.2	1.0	2.1	4.6	8.6	24.9
LV	15.3	2.2	2.2	5.5	10.8	19.2	40.1
LT (3)	20.6	1.9	2.6	5.7	13.4	25.2	52.8
LU	7.4	0.9	2.1	4.2	7.9	12.2	16.8
HU	16.1	1.5	2.1	5.6	13.7	23.2	41.0
MT	3.7	0.2	0.9	0.4	2.7	4.9	10.9
NL	5.8	0.7	2.1	3.9	6.9	7.4	10.0
AT	9.0	1.2	2.3	5.5	8.5	12.4	19.4
PL	14.7	1.7	2.2	4.8	11.3	20.9	42.5
PT	18.2	1.5	2.8	5.6	13.8	24.5	44.2
RO	9.6	1.8	1.2	2.2	7.9	13.8	29.5
SI	12.4	2.2	3.1	5.3	11.2	16.2	32.0
SK	12.6	1.1	2.3	4.6	8.3	19.6	40.6
FI	6.7	0.8	0.8	3.0	6.2	9.4	14.6
SE	4.3	1.7	1.7	2.9	5.1	5.5	7.1
UK	8.2	1.9	3.1	5.7	8.3	12.4	15.6
IS	5.0	1.7	2.0	3.4	5.2	8.5	9.8
NO	6.3	2.2	4.3	5.8	7.1	7.3	8.9
CH	3.1	0.7	0.8	2.2	3.8	4.9	5.3

(1) Unreliable data for the age groups 16-24, 25-34, 35-44, 45-54 and total.
(2) Unreliable data.
(3) Unreliable data for the age groups 16-24, 25-34.

Note: Figures for the age group 16-24 refer to the population reporting their health as bad for DK, EE, MT, FI. Additionally, figures for the age group 25-34 refer to the population reporting their health as bad for CH.

Source: Eurostat (online data code: hlth_silc_01)

Figure 4.3: Share of population reporting their health as bad or very bad by sex, 2012
(% of population 65 or over)



(1) Unreliable data.
Source: Eurostat (online data code: hlth_silc_01)

High cost a barrier to access to medical care for 2.2 % and to dental care for 4.6 % of the EU-28 population

Medical examinations and treatment are important aspects of healthcare. High cost can be a barrier of access for individuals seeking healthcare.

2.2 % of the population of EU-28 stated high cost as a reason for not meeting their medical needs in 2012 (Table 4.2). At national level this share was less than 1.0 % in 13 Member States. It exceeded 5.0 % in Bulgaria, Greece, Romania and Latvia.

Among the first income quintile, i.e. the one-fifth of the EU-28 population with the lowest income, the share of persons with unmet medical needs due to their cost was higher: 4.5 %. At the upper end of the disposable income spectrum (fifth income quintile, i.e. the top one-fifth of the population), the corresponding shares were very small, being 0.5 % at EU-28 level. The same patterns were registered at national level too.

Access to dental care is also an important aspect of the quality of life of individuals. Although not usually life-threatening, dental conditions may cause excruciating pain, while untreated teeth can have significant long-term detrimental effects on both health and well-being.

High cost was reported as a reason for unmet dental care needs by 4.6 % of the EU-28 population. At national level, this share ranged from 0.3 % in Slovenia to 17.5 % in Latvia.

Shares were larger among the population in the first income quintile, at EU-28 (8.6 %) and national level. Ten Member States reported a share at or above 10.0 %. Reversely, the share of persons with unmet dental care needs due to cost in the fifth income quintile was smaller than the corresponding average, at EU-28 (1.4 %) and national level.

It is also notable that the share of persons with unmet dental care needs exceeded that of persons with unmet medical care needs at both EU-28 and national level with very few exceptions. This possibly shows that people tend to give priority to their medical rather than their dental care needs. The reasons could be that the former are more urgent or important or that dental care is more costly than medical care.

Large differences between Member States in the amount of money paid by households for healthcare services

The Household Budget Survey (HBS) provides information about private households' consumption expenditures on goods and services. The latest European statistics based on this survey reveal large differences between the Member States in the amount of money paid by the average household on healthcare services per year.

However, these differences incorporate to a large extent differences in the health care systems of the countries. The predominantly public health care systems are financed in different ways in the EU Member States. Roughly, two types of public scheme can be identified. One is almost entirely financed through taxation; the other through social premiums. Under a taxation regime, health care is mainly provided for free by government units directly to the households. In a system based on social premium payments, people pay the medical bill and are then reimbursed by the government units. Health expenditures recorded by the households in the HBS will very much depend on the system. In 'direct provision' systems the recorded health expenditures are relatively low. In 'reimbursement' systems they may be high if the household does not (or cannot)

Table 4.2: Population reporting unmet needs for medical or dental examination by income group, 2012 (1)
(% of population aged 16 or over)

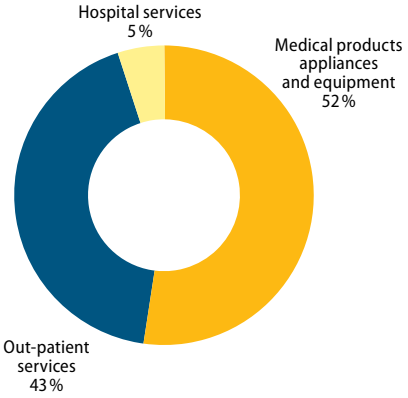
	Unmet medical needs			Unmet dental needs		
	Total Population	First quintile	Fifth quintile	Total Population	First quintile	Fifth quintile
EU-28	2.2	4.5	0.5	4.6	8.6	1.4
EA-18	:	:	:	:	:	:
BE	1.7	4.8	0.1	2.7	6.6	0.2
BG	5.9	14.3	1.0	8.7	15.9	4.4
CZ (2)	0.4	0.9	0.0	1.1	3.3	0.1
DK	0.3	0.4	0.1	3.1	5.8	0.4
DE	0.8	2.2	0.2	1.7	4.2	0.3
EE	0.9	2.8	0.2	7.6	16.0	1.0
IE	2.6	2.9	1.1	6.0	7.2	2.8
EL	6.5	11.0	2.2	6.9	12.8	2.1
ES	0.4	0.8	0.0	6.5	12.3	1.6
FR	1.9	4.8	0.2	4.8	9.5	1.4
HR	1.3	2.9	0.4	1.3	1.8	0.7
IT	4.9	10.5	0.9	8.1	15.4	2.6
CY	3.4	5.9	0.9	7.2	11.8	2.4
LV	10.5	20.9	2.8	17.5	33.4	4.9
LT	0.5	1.1	0.1	3.7	7.3	1.2
LU	0.5	1.9	0.1	1.1	3.7	0.1
HU	2.4	5.9	0.8	4.7	10.0	1.9
MT	1.0	1.7	0.3	1.4	3.2	0.5
NL	0.2	0.2	0.1	0.9	1.8	0.0
AT	0.2	0.7	0.1	1.0	2.7	0.3
PL	3.5	6.2	0.8	4.1	6.9	1.7
PT	2.6	4.9	0.4	13.7	22.2	3.6
RO	9.6	13.3	3.5	10.2	14.6	4.2
SI	0.0	0.1	0.0	0.3	0.8	0.0
SK	0.9	2.7	0.3	1.7	4.7	0.4
FI	0.1	0.3	0.1	0.5	1.8	0.1
SE	0.4	1.4	0.0	4.1	9.2	0.7
UK	0.1	0.3	0.0	2.1	2.9	0.9
IS	3.7	6.7	1.7	10.0	14.9	4.5
NO	0.3	1.4	0.0	4.2	10.8	0.4
CH	0.9	1.9	0.3	4.5	10.2	0.8

(1) Due to financial reasons (too expensive).
(2) Unreliable data for the fifth quintile of income distribution and total population.
Source: Eurostat (online data codes: hlth_silc_08, hlth_silc_09)

correct for the reimbursements which are effective at a later date than the payment of the medical bill.

The average EU-28 household spent for healthcare services 766 purchasing power standards (PPS) in 2010. 19 Member States had mean annual expenditure of households below the EU-28 average, ranging from PPS 283 in the UK to PPS 758 in Denmark. One geographical pattern that emerges is that this group of Member States comprised, inter alia, all Member States from the east of EU-28 (Map 4.1).

Figure 4.4: Mean consumption expenditure for healthcare by COICOP category, paid by households, EU-28, 2010 (1)
(% of total healthcare expenditure)



(1) Eurostat estimates.
Source: Eurostat (online data code: hbs_exp_t121)

A second group, with mean consumption expenditure on healthcare ranging between PPS 872 (Finland) and PPS 1 164 (Austria) showed no clear geographical clustering. The last group of countries, comprised mainly countries from the south of EU-28 together with Belgium, with mean expenditure ranging between PPS 1 359 (Portugal) and PPS 1 678 (Malta). Finally, Cyprus (also in the south) stood out with an mean annual expenditure of PPS 2 386 per household.

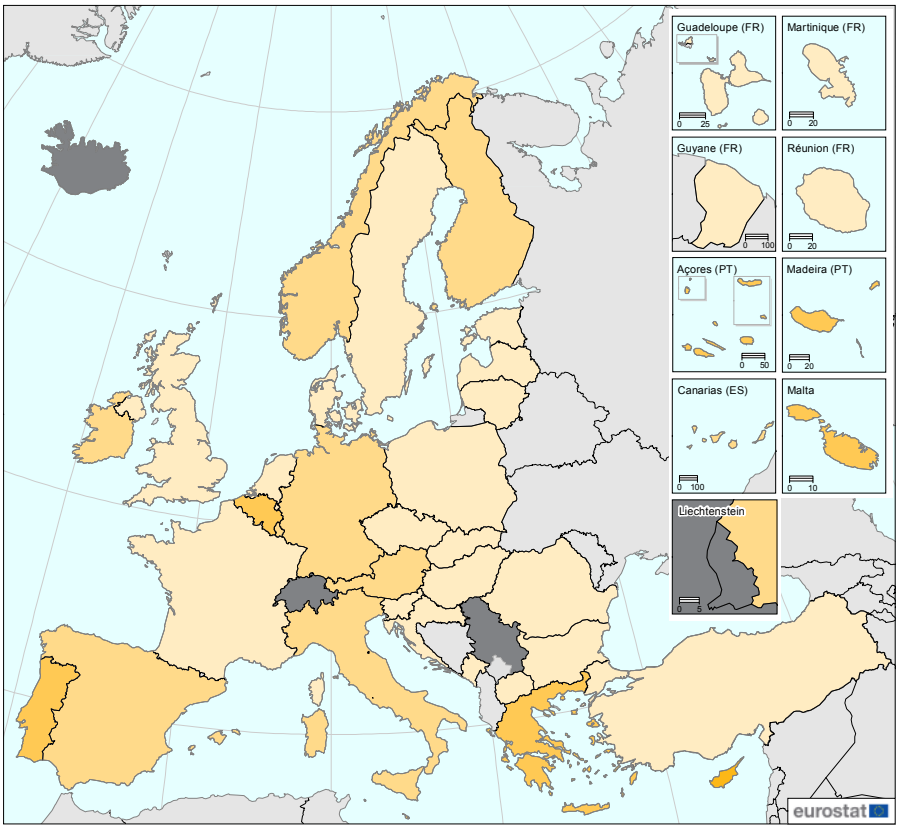
52.0 % of the private households' healthcare expenditure went to the purchase of medical products, appliances and equipment, 43.0 % to out-patient services and the remaining 5.0 % to hospital services in 2010 (Figure 4.4). However, the reader should keep in mind that the figure refers only to expenditure paid by the households.

4.2 Labour conditions

Very low work intensity afflicted mainly persons living in households with only one adult or in two-person households with one senior member

The major income source for most households and therefore the main determinant of a household's economic situation is the employment status of its members. Lack of employment at levels adequate for the household to meet its needs, besides its impact on its economic conditions, affects multiple aspects of its living conditions and relationships between its members.

Map 4.1: Mean consumption expenditure for healthcare, paid by households, 2010 (PPS)



Source: Eurostat (online data code: hbs_exp_t121)

Very low work intensity is one of the three components of the Europe 2020 Poverty and Social exclusion indicator. Work intensity is the ratio between the number of months that household members of working age (defined here as people 18–59 years, excluding dependent children aged 18–24 years) worked during the income reference year and the total number of months that could theoretically have been worked by these household members. People living in households with very low work intensity are defined as people 0–59 years living in households whose members of working age worked less than 20.0 % of their total potential during the previous 12 months. The indicator is analysed below separately for households without and with children.

14.6 % of the EU population aged less than 60 living in households without children were members of a household with very low work intensity in 2012 (Table 4.3). At national level, this rate ranged between 8.9 % in Sweden and 27.8 % in Ireland.

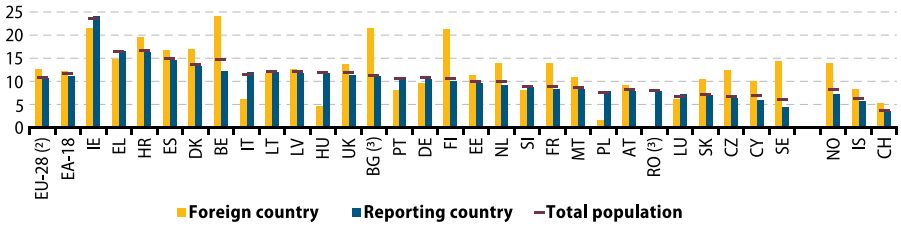
Adults living alone exhibited higher very low work intensity rates than the average of all households without children, in EU-28 as a whole (23.9 %) and in most Member States. Adults that lived in two-person households whose other member was 65 years or over showed very low work intensity rates even larger than the other categories discussed. At EU-28 level, the rate was 36.8 % and at national level it ranged from 17.0 % in Sweden to 65.8 % in Ireland.

Living in a household with children is related with smaller rates of very low work intensity. 8.2 % of this population in the EU-28 lived in households with very low work intensity in 2012. In the Member States too, except Bulgaria and the United Kingdom, the rate was smaller than for persons living in households without children.

Very low work intensity rate was however much higher for households of one adult only with children. It was 29.1 % for EU-28 and ranged between 14.0 % (Estonia) and 60.3 % (Malta) at Member State level.

At EU-28 as a whole 12.8 % of foreign-born persons aged 18–59 lived in very low work intensity households, compared with 10.6 % of persons born in the reporting Member States (Figure 4.5). There was no clear pattern in which of the two rates was higher at national level. In 17 Member States it was that for foreign-born persons.

Figure 4.5: People living in households with very low work intensity by country of birth, 2012 (1) (% of population aged 18 to 59)



(1) Countries are sorted in descending order by the share of total population living in households with very low work intensity.
(2) Estimated data for foreign and reporting country.
(3) Unreliable data for foreign country.

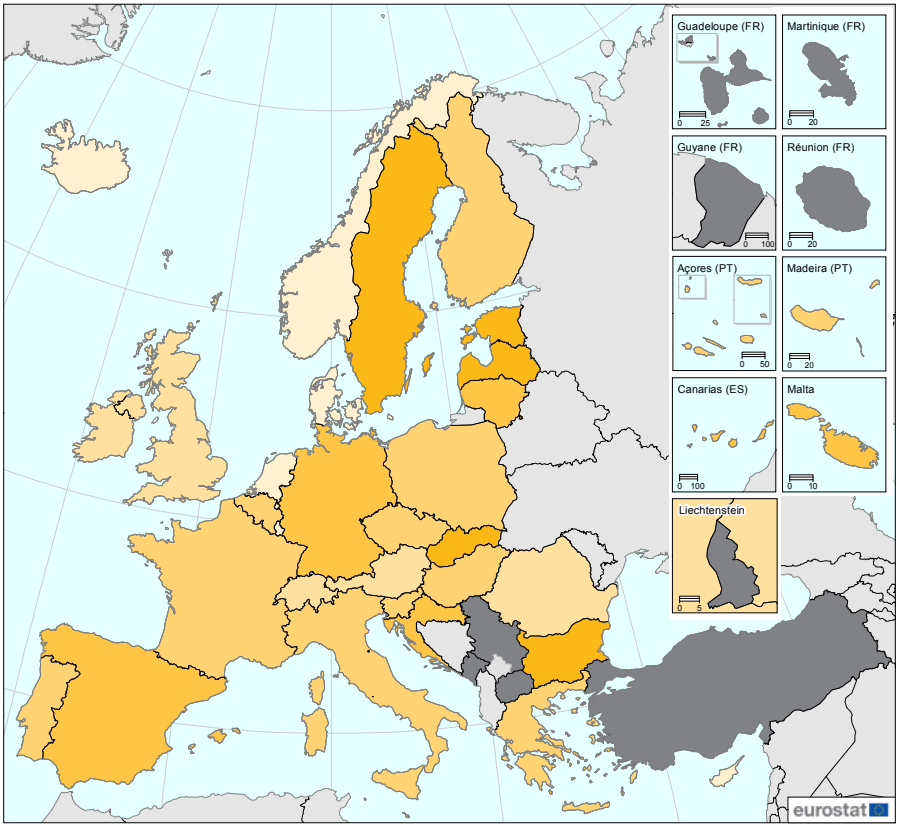
Source: Eurostat (online data codes: ilc_lvhl16, ilc_lvhl11)

Table 4.3: People living in households with very low work intensity by household type, 2012 (% of population aged less than 60)

	Households without children				Households with children				
	All house-holds without children	Single person	Two adults, one aged 65 years or over	Two or more adults without children	All house-holds with children	Single person with depen-dent children	Two adults with one depen-dent child	Two adults with three or more de-pendent children	Two or more adults with depen-dent children
EU-28	14.6	23.9	36.8	11.8	8.2	29.1	5.6	8.8	6.1
EA-18	15.6	22.9	37.8	12.9	7.8	25.2	5.8	7.9	6.1
BE	19.6	30.5	30.7	14.5	11.4	39.5	8.6	9.5	7.5
BG	11.1	24.3	29.9	9.8	13.2	35.4	8.2	27.2	12.1
CZ	9.9	17.6	27.5	8.4	5.1	20.4	2.7	8.4	3.7
DK	21.5	34.4	39.0	10.7	5.4	20.9	4.8	0.0	2.6
DE	14.6	26.3	25.3	8.2	6.3	25.1	3.8	5.5	3.7
EE	14.1	20.8	33.2	11.6	6.3	14.0	5.6	7.3	5.4
IE	27.8	43.6	65.8	24.6	21.9	48.5	16.8	16.9	17.8
EL	23.2	22.6	47.1	23.3	8.6	37.6	8.2	3.7	7.8
ES	18.3	22.6	46.1	17.5	12.0	28.7	10.3	15.6	11.1
FR	12.3	17.0	40.0	10.5	6.5	19.6	4.7	6.8	4.8
HR	22.6	45.1	49.5	20.4	13.2	36.4	12.5	16.3	12.6
IT	16.2	15.3	35.0	16.4	7.1	23.3	5.1	8.8	6.0
CY	10.6	11.7	27.5	10.4	4.6	19.1	5.4	5.4	3.8
LV	16.9	30.0	35.9	14.0	8.9	18.7	8.5	11.7	7.6
LT	18.7	32.1	45.4	14.7	8.0	24.7	6.7	7.5	5.9
LU	10.4	14.2	31.4	8.7	3.9	19.9	4.8	2.4	2.7
HU	13.2	25.4	37.1	11.4	12.6	27.9	9.1	19.7	11.5
MT	10.3	32.9	33.7	7.6	8.1	60.3	5.2	4.5	4.5
NL	15.4	31.7	31.2	7.3	5.4	34.6	2.3	3.4	2.5
AT	11.8	20.1	30.7	8.6	5.0	17.9	3.7	9.6	3.8
PL	12.5	28.1	30.5	10.4	4.4	21.5	3.7	5.9	3.7
PT	15.2	17.3	51.5	15.0	7.5	23.2	7.1	15.7	6.3
RO	12.5	25.9	40.3	10.9	5.1	14.4	4.6	8.1	4.8
SI	16.2	26.5	42.6	13.3	3.5	14.6	3.8	2.8	2.7
SK	10.9	25.1	37.4	8.9	5.5	15.0	5.0	9.4	5.1
FI	15.7	26.8	34.0	9.9	5.3	19.4	4.6	4.3	3.7
SE	8.9	16.8	17.0	4.5	4.2	16.5	2.8	4.7	2.6
UK	12.2	27.9	35.8	8.2	13.6	46.4	5.5	13.2	7.7
IS ([1])	9.8	17.9	31.4	6.0	4.8	20.0	3.2	3.1	2.4
NO	12.9	19.9	31.8	7.8	4.5	20.4	3.1	2.3	2.1
CH	5.0	10.0	20.9	3.4	2.6	12.9	1.8	2.7	1.8

([1]) Unreliable data for households with two adults, one aged 65 years or over.
Source: Eurostat (online data code: ilc_lvhl13)

Map 4.2: Population at risk of poverty among those living in households with very low work intensity, 2012 ([1])
(% of population aged less than 60)



([1]) Population below 60 % of median equivalised income.
Source: Eurostat (online data code: ilc_li06)

Risk of poverty decreases considerably as the work intensity of the household rises

One way of expressing a person's economic situation is the person's risk of poverty. Being at risk of poverty is another component of the Europe 2020 Poverty and Social exclusion indicator. The topic is discussed in detail in chapter 2 of this publication. The present and the following sub-sections focus only on the impact of work intensity on risk of poverty.

The work intensity of the household strongly affects its income. Hence, the at-risk-of-poverty rate of persons living in households with very low work intensity was 57.7% in EU-28 in 2012 and ranged between 40.6% (Netherlands) and 73.0% in Estonia (Table 4.4 and Map 4.2).

The at-risk-of-poverty rate showed a marked decrease with rising work intensity of the household. At EU-28 level, the rate dropped to 41.7% for households with low work intensity (work intensity above 20% and up to 45%), 22.4% for households with medium work intensity (work intensity above 45% and up to 55%), 9.7% for households with high work intensity (work intensity above 55% and up to 85%) and finally, 5.5% for households with very high work intensity (more than 85%).

The same pattern was recorded in all Member States with a small exception in Luxembourg and Romania (higher at-risk-of-poverty rate for households with low work intensity).

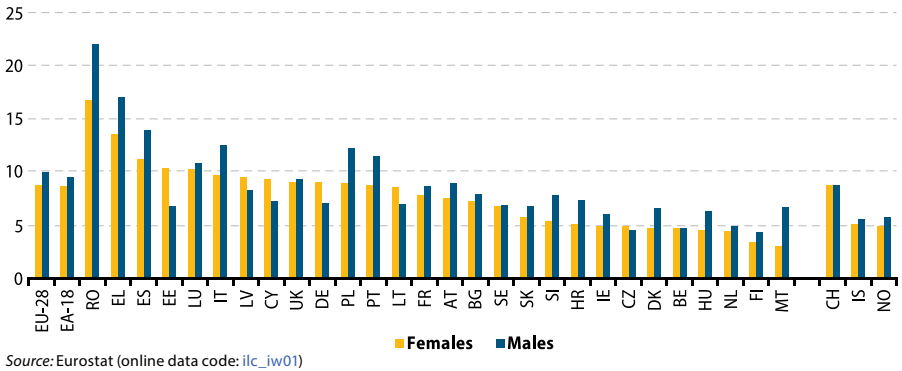
Risk of poverty lower for employed women than for employed men in most of the EU

Being at risk of poverty also concerns employed people. The in-work at-risk-of-poverty over the EU-28 as a whole was 9.1% in 2012. At Member State level, rates varied between 3.8% in Finland and 19.1% in Romania (Figure 4.6).

Rates differed between the two sexes, with employed men generally exhibiting higher at-risk-of-poverty rates than employed women. At EU-28 level the rate for employed men was 9.7% while that for employed women was 8.5%. The same happened in 21 Member States, while the rates of the two sexes were equal in Belgium.

Readers should keep in mind that a person's risk of being in poverty is assessed by taking into account the total income of the household the person lives in. Therefore, it does not reflect directly that person's personal income.

Figure 4.6: In-work at-risk-of-poverty by sex, 2012
(% of employed population aged 18 or over)



Source: Eurostat (online data code: ilc_iw01)

Table 4.4: Population at risk of poverty by work intensity of the household, 2012 (1) (% of population aged less than 60)

	Very low	Low	Medium	High	Very high
EU-28	57.7	41.7	22.4	9.7	5.5
EA-18	59.8	40.3	22.4	8.6	5.3
BE	58.9	35.3	14.8	3.4	2.8
BG	71.5	49.4	24.2	7.0	3.2
CZ	54.6	39.6	13.6	6.8	3.1
DK	41.0	27.3	15.7	10.1	3.4
DE	68.5	36.2	15.0	7.4	5.3
EE	73.0	45.5	17.7	9.8	5.6
IE	46.7	18.8	7.4	4.2	1.7
EL	56.8	48.1	27.7	11.4	5.9
ES	63.6	42.5	24.4	12.4	7.2
FR	57.5	37.6	26.0	10.1	5.4
HR	62.5	33.0	15.8	3.2	2.8
IT	55.4	46.9	26.7	9.2	5.9
CY	45.4	34.4	18.4	6.4	4.4
LV	69.8	45.8	25.6	12.9	4.8
LT	65.2	47.1	19.9	10.3	6.3
LU	44.3	45.2	27.7	14.5	5.9
HU	61.6	40.0	15.1	6.6	1.8
MT	62.7	36.0	20.2	1.9	0.7
NL	40.6	27.2	14.3	5.7	2.6
AT	53.2	37.3	16.7	8.5	5.9
PL	59.2	42.8	25.1	14.2	6.5
PT	54.5	43.6	30.6	11.3	5.4
RO	48.1	58.0	35.8	24.9	12.7
SI	54.8	32.5	25.7	7.7	3.8
SK	69.4	37.7	23.2	7.9	4.3
FI	59.5	29.4	11.4	4.5	2.4
SE	71.7	47.4	21.6	12.6	4.7
UK	47.8	43.4	19.0	9.6	4.9
IS	26.3	23.1	11.2	8.2	4.0
NO	40.9	34.1	11.1	8.2	3.5
CH	50.4	40.8	26.2	8.4	4.0

(1) Population below 60 % of median equivalised income.
Source: Eurostat (online data code: ilc_li06)

Mild increase of risk of poverty for employed persons between 2008 and 2012; situation more variable at Member State level

The in-work at-risk-of-poverty rate in the EU-28 showed a mild increase from 8.6 % in 2008 to 9.1 % in 2012, with a drop to 8.4 % in between. Data at Member State level reveal a more variable picture with both upward and downward movements of the rate over the same period (Table 4.5).

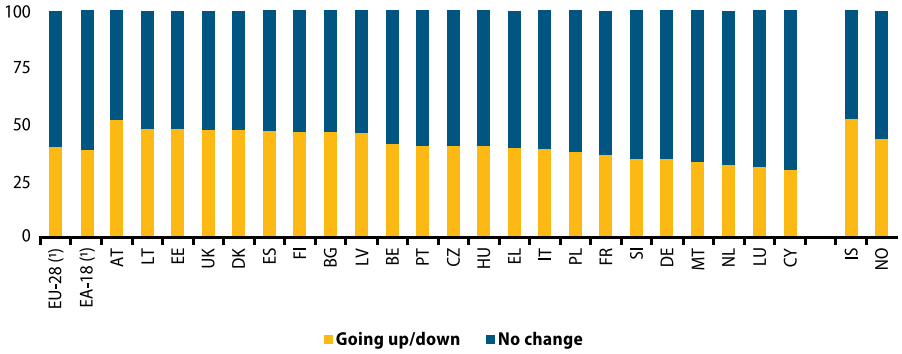
The position of 82 % of the population on the distribution of income from employment remained the same or improved between 2011 and 2012

This section refers to income from employment only and not any kind of income. Transitions to lower-pay employment or unemployment may lead to economic hardship and deterioration of living standards, while the opposite is in general experienced for transitions to higher-pay employment.

Deciles divide the population into ten groups of equal size according in this case to their income from employment. The limits of each decile and the members of the population belonging to it may change each year since they depend on the income levels of the whole population. Indeed, people can change their position on the distribution of income from employment over time, and can belong to different deciles, either due to changes in their own income or in that of the rest of the population.

35.9 % of the EU-28 working-age population (defined here as people 16–64 years) changed decile between 2011 and 2012. Those that moved up accounted for 22.0 % of the total population and those that moved down for 13.9 %). The rate of those that changed decile at Member State level ranged between 27.5 % (Cyprus) and 46.7 % (Austria) (see Figure 4.7 and Maps 4.3 and 4.4.).

Figure 4.7: Labour transitions – change of level of income from employment, 2011 to 2012 (% of population aged 16 to 64)



(1) Estimated data.

Note: Data not available for IE, HR, RO, SK, SE and CH.

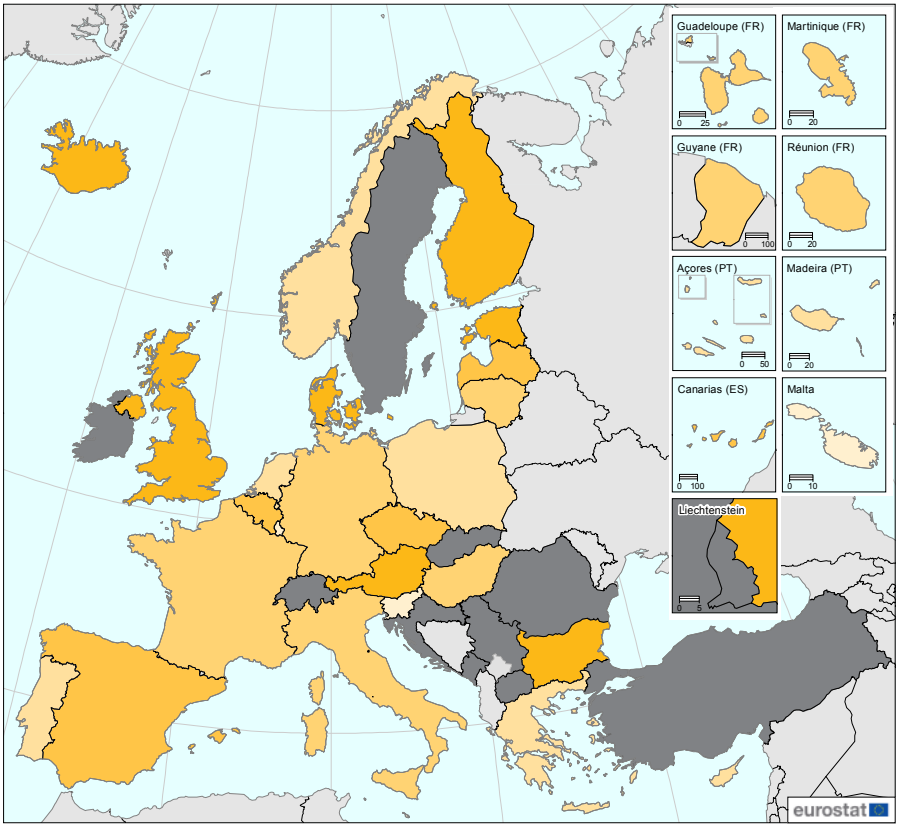
Source: Eurostat (online data code: ilc_lvhl34)

Table 4.5: In-work at-risk-of-poverty rate, 2008, 2010 and 2012
(% of employed population aged 18 or over)

	2008	2010	2012
EU-28 (1)	8.6	8.4	9.1
EA-18	8.0	8.1	8.8
BE	4.8	4.5	4.6
BG	7.5	7.7	7.4
CZ	3.6	3.7	4.5
DK	5.0	6.5	5.6
DE	7.1	7.2	7.8
EE	7.3	6.5	8.3
IE	6.5	5.5	5.4
EL	14.3	13.8	15.1
ES	11.2	12.8	12.3
FR	6.5	6.5	8.0
HR	:	6.1	6.1
IT	8.9	9.4	11.0
CY	6.3	7.3	7.9
LV	10.5	9.4	8.6
LT	9.3	12.6	7.6
LU	9.4	10.6	10.2
HU	5.8	5.3	5.3
MT	5.1	5.9	5.2
NL	4.8	5.1	4.6
AT (2)	6.3	5.0	8.1
PL	11.5	11.4	10.4
PT	11.8	9.7	9.9
RO	17.5	17.2	19.1
SI	5.1	5.3	6.5
SK	5.8	5.7	6.2
FI	5.1	3.7	3.8
SE	6.8	6.5	6.7
UK (2)	8.5	6.8	9.0
IS	6.7	6.6	5.2
NO	5.4	5.2	5.1
CH	9.5	7.6	8.5

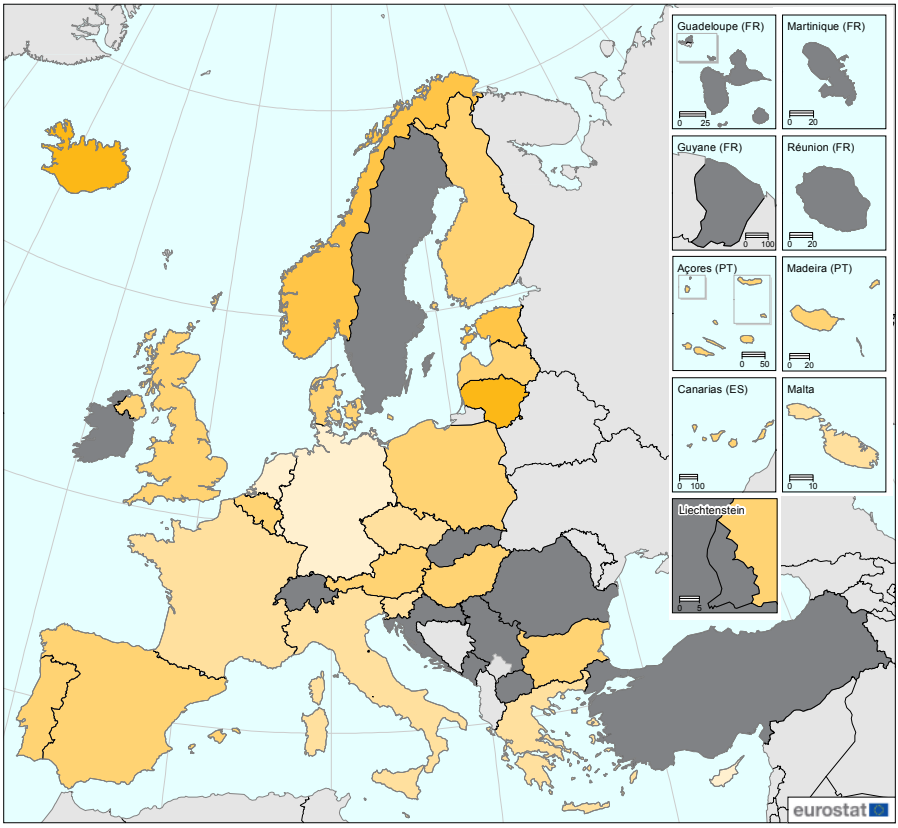
(1) EU-27 instead of EU-28 for year 2008.
(2) Break in series, 2012.
Source: Eurostat (online data code: ilc_iw01)

Map 4.3: Share of the working-age population who moved at least one decile up in the distribution of income from employment compared with the previous year, 2012
(% of population aged 16 to 64)



Source: Eurostat (online data code: ilc_lvhl34)

Map 4.4: Share of the working-age population who moved at least one decile down in the distribution of income from employment compared with the previous year, 2012 (% of population aged 16 to 64)



Source: Eurostat (online data code: ilc_lvhl34)

The share of young adults living with their parents changed very little between 2008 and 2012; however, large differences were observed between Member States

Passing from childhood to adulthood is accompanied by many life choices such as leaving the parental home. The decision to live independently may be affected by several factors. Difficulties in securing a full-time permanent job or lack of sufficient income as well as family issues may compel young adults to still live with their parents. Measuring the share still living with parents can provide some insights into the living conditions of young people in Europe.

Between 2005 and 2012, the share of young adults (defined as those aged 18–34 years) living with their parents increased slightly, from 47.2 % to 48.2 % (Figure 4.8).

Focusing on the period 2008–2012, the change at EU-28 level was from 47.5 % to 48.2 %. The share of young persons living with their parents decreased in Estonia, Finland, Ireland, Malta, Slovenia and the United Kingdom (Table 4.6).

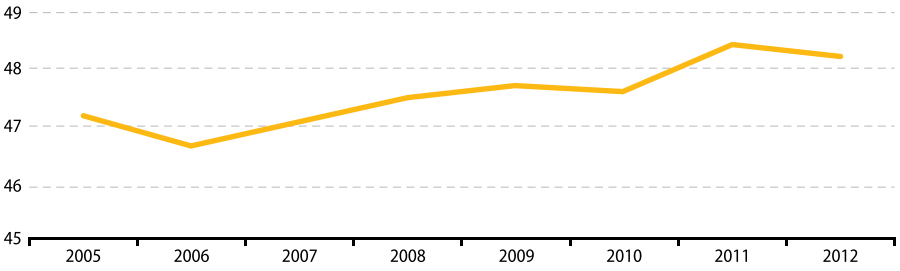
Eight Member States demonstrated opposite movements in the two sub-groups, those aged 18–24 and those aged 25–34. More specifically, the share decreased for the younger group and increased for the older one in the Czech Republic, France, Portugal and Sweden. The reverse pattern was found in Austria and Latvia.

The share of persons living with their parents in 2012 was markedly higher for persons in the younger group than for those in the older one. For EU-28 they were 79.3 % and 28.4 % respectively in 2012.

At Member State level, the share in 2012 for 18–24 year olds ranged between 38.8 % (Denmark) and 95.8 % (Slovakia). In 23 Member States this share exceeded 70.0 %. For 25–34 year olds the most extreme shares were 1.8 % (Denmark) and 58.6 % (Croatia). The smallest difference between the two age groups was observed in Greece and the largest one in Belgium.

A geographical pattern that can be observed is that the largest shares in both groups in 2012 were observed in countries from the south and the east of the EU, with the addition of Luxembourg for those aged 18–24.

Figure 4.8: Young adults living with their parents, EU, 2005-2012 (1) (2)
(% of population aged 18 to 34)



(1) EU-27 for years 2005-2009 and EU-28 for years 2010-2012.
(2) Estimated data, 2005, 2006.
Source: Eurostat (online data code: ilc_lvps08)

Table 4.6: Young adults living with their parents by age group, 2008, 2010 and 2012 (% of population in each age group)

	From 18 to 24 years			From 25 to 34 years		
	2008	2010	2012	2008	2010	2012
EU-28 (1)	79.1	78.7	79.3	27.2	27.7	28.4
EA-18	80.2	79.4	81.4	26.7	26.3	27.4
BE	82.3	78.7	84.8	15.7	13.7	16.2
BG	81.0	84.1	84.1	48.5	54.8	52.8
CZ	89.3	86.6	87.4	32.5	33.3	33.7
DK	38.3	42.7	38.8	1.7	1.3	1.8
DE	81.9	81.2	84.4	15.0	14.6	17.3
EE	75.2	74.3	70.3	20.2	20.9	20.2
IE	81.2	81.5	78.0	24.5	21.2	21.1
EL	77.9	76.8	81.2	48.2	50.6	51.6
ES	86.1	85.8	88.9	36.6	35.1	37.2
FR	67.9	66.3	66.1	11.0	12.2	11.5
HR	:	87.5	91.6	:	57.0	58.6
IT	90.3	90.1	93.4	44.5	44.0	46.7
CY	87.2	87.1	88.6	25.5	30.3	30.4
LV	81.0	81.7	82.0	37.6	36.7	34.5
LT	81.5	85.9	84.9	32.3	29.8	33.5
LU	88.1	87.2	90.2	21.6	25.7	24.1
HU	79.9	88.6	87.2	36.5	39.4	43.0
MT	96.2	95.7	92.5	46.2	49.3	45.5
NL	70.1	70.5	71.2	9.4	8.0	10.6
AT	75.2	76.4	76.3	24.3	24.9	21.8
PL	86.8	86.9	88.8	39.5	40.7	43.4
PT	89.6	90.7	87.9	44.2	46.8	44.5
RO	85.4	86.0	87.8	37.4	40.9	44.4
SI	95.2	92.8	91.7	51.5	43.6	43.5
SK	93.5	95.2	95.8	51.1	52.3	56.6
FI	45.3	43.5	45.0	5.1	3.9	4.0
SE	53.4	51.8	53.0	3.7	3.6	4.1
UK (2)	70.0	69.9	64.9	15.2	16.8	13.7
IS	64.5	63.8	65.4	12.2	11.6	11.2
NO	38.2	41.5	47.6	3.6	3.6	4.2
CH	81.4	84.9	84.8	12.4	13.2	14.4

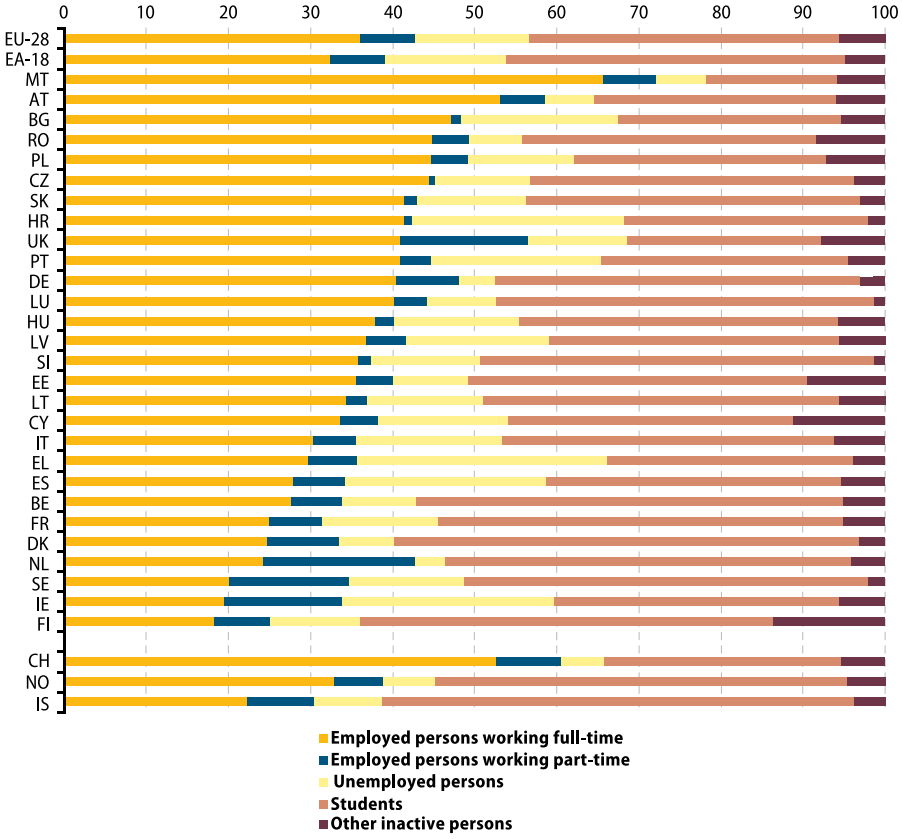
(1) EU-27 instead of EU-28 for year 2008.
(2) Break in series, 2012.
Source: Eurostat (online data code: ilc_lvps08)

The majority of young adults still living with their parents were either in full-time employment or students

The share of unemployed persons among young adults living with their parents was 13.9% for EU-28 in 2012, while at national level it ranged between 3.7% in Netherlands and 30.4% in Greece (Figure 4.9).

The rest of young adults living with their parents were almost evenly split between employed (42.7%) and inactive (43.4%) at EU-28 level. 35.9% (i.e. the large majority of employed ones) were in full-time employment and 37.7% (i.e. the large majority of inactive ones) were students. At Member State level persons in full-time employment accounted for between 18.3% (Finland) and 65.5% (Malta), while students accounted for between 15.9% (Malta) and 56.5% (Denmark).

Figure 4.9: Young adults living with their parents by self-defined current economic status, 2012 (% of population aged 18 to 34)



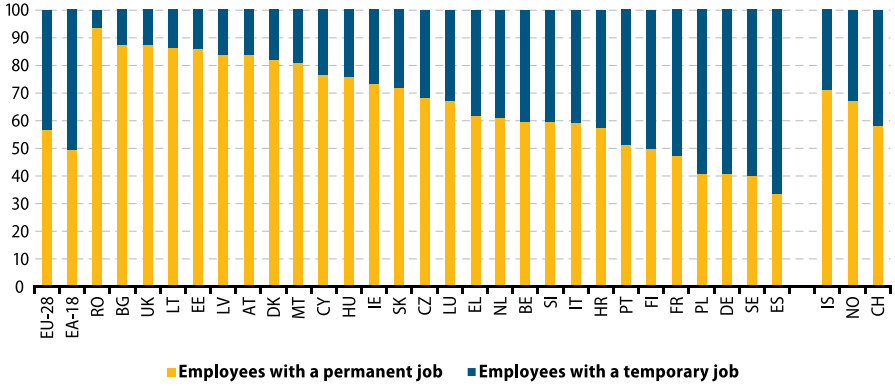
Source: Eurostat (online data code: ilc_lvps09)

The share of persons in permanent employment among young adult employees still living with their parents decreased between 2008 and 2010

At EU-28 level more than half (56.9 %) of young adult employees still living with their parents were in permanent employment in 2012 (Figure 4.10). The same happened in all but five Member States. The share of young adult employees living with their parents that had a permanent contract ranged between 33.7 % in Spain and 93.6 % in Romania in 2012.

Between 2010 and 2012 the share of employed young adults living with their parents who had a permanent job dropped by 8.2 pp at EU-28 level (Table 4.7). This share has also decreased between 2010 and 2012 in most Member States. The largest decreases were evident in Italy (10.7 pp), Denmark (18.2 pp) and Germany (31.2 pp). Austria showed the largest increase, 7.8 pp, largely reversing the decrease between 2008 and 2010.

Figure 4.10: Young adults living with their parents by type of contract, 2012
(% of employees aged 18 to 34 living with their parents)



Source: Eurostat (online data code: ilc_lvps10)

Table 4.7: Young adults living with their parents by type of contract, 2008, 2010 and 2012 (% of employees aged 18 to 34 living with their parents)

	Employees with a permanent job			Employees with a temporary job		
	2008	2010	2012	2008	2010	2012
EU-28 (1)	63.7	65.1	56.9	36.3	34.9	43.1
EA-18	62.3	60.5	49.6	37.7	39.5	50.4
BE	67.6	62.3	59.8	32.4	37.7	40.2
BG	85.0	90.3	87.1	15.0	9.7	12.9
CZ	78.1	77.5	68.3	21.9	22.5	31.7
DK	100.0	100.0	81.8	0.0	0.0	18.2
DE	82.6	72.2	41.0	17.4	27.8	59.0
EE	94.3	85.9	85.8	5.7	14.1	14.2
IE	80.1	72.7	73.2	19.9	27.3	26.8
EL	55.8	58.0	61.9	44.2	42.0	38.1
ES	39.6	38.5	33.7	60.4	61.5	66.3
FR	46.3	44.2	47.6	53.7	55.8	52.4
HR	:	60.9	57.9	:	39.1	42.1
IT	69.0	70.2	59.5	31.0	29.8	40.5
CY	74.8	77.8	76.4	25.2	22.2	23.6
LV	89.3	85.5	83.8	10.7	14.5	16.2
LT	90.7	90.6	86.1	9.3	9.4	13.9
LU	65.1	70.6	67.5	34.9	29.4	32.5
HU	81.3	77.1	75.9	18.7	22.9	24.1
MT	91.6	85.8	80.8	8.4	14.2	19.2
NL	66.3	58.5	61.4	33.7	41.5	38.6
AT	86.7	75.7	83.5	13.3	24.3	16.5
PL	47.6	44.6	41.2	52.4	55.4	58.8
PT	48.8	50.7	51.3	51.2	49.3	48.7
RO	92.7	96.7	93.6	7.3	3.3	6.4
SI	63.5	61.7	59.8	36.5	38.3	40.2
SK	76.8	75.7	72.0	23.2	24.3	28.0
FI	36.6	48.0	50.2	63.4	52.0	49.8
SE	44.0	38.4	40.3	56.0	61.6	59.7
UK (2)	:	83.0	87.1	:	17.0	12.9
IS	65.8	69.1	71.4	34.2	30.9	28.6
NO	66.0	63.5	67.3	34.0	36.5	32.7
CH	60.2	57.5	58.3	39.8	42.5	41.7

(1) EU-27 (estimated) instead of EU-28 for year 2008.
(2) Break in series, 2012.
Source: Eurostat (online data code: lc_lvps10)

4.3 Childcare arrangements

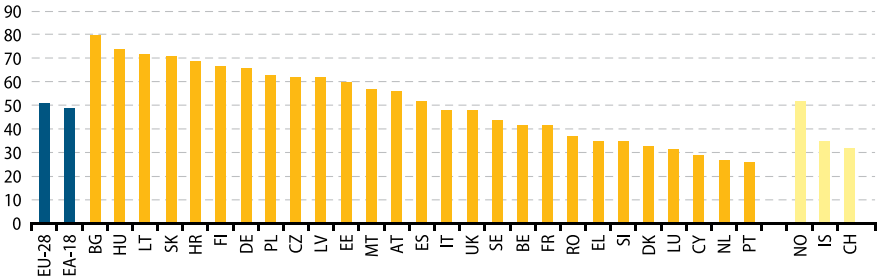
The majority of children under 3 were cared for only by their parents; formal childcare very widespread for children aged over 3

Childcare and an uneven share of household duties can be a barrier to women's access to employment, can increase gender pay gap and can inhibit their participation in social or political activities. Furthermore, the increase in the average employment rate of parents, especially single ones, who are usually exposed to higher poverty risk, requires measures to support families. Formal childcare is a main objective of the European employment strategy in order to enhance a lifecycle approach to work and to promote reconciliation between work and family life.

In 2012, 51 % of children aged less than 3 years in the EU-28 were cared for only by their parents. At Member State level this share varied considerably, from 26 % in Portugal up to 80 % in Bulgaria (Figure 4.11).

Children not cared for exclusively by their parents can receive formal childcare, other types of childcare or both. Formal childcare is regulated childcare away from the child's home. It includes inter alia the time spent at school as part of compulsory education. Other types of childcare comprise care by a professional child-minder at child's home or at child-minders' home and care by grandparents, other household members (outside parents), other relatives, friends or neighbours.

Figure 4.11: Children cared only by their parents, 2012
(% of population of children aged less than 3)



Note: Data not available for IE.

Source: Eurostat (online data code: ilc_caparents)

At EU-28 level, 28 % of children aged up to 3 received formal childcare in 2012 and were evenly split between those receiving it less than 30 and those receiving it more than 30 hours per week. At Member State level the rate varied a lot, from 3 % in the Czech Republic to 67 % in Denmark (Table 4.8).

The share of children that received formal childcare increased considerably with age. At EU-28 level, 83 % of children aged between 3 and each Member State's compulsory school age and 96 % of children between that age and 12 years received such care. The picture was similar at Member State level. The rate for children aged between 3 and each Member State's compulsory school age ranged between 36 % and 100 %.

Taking into account that formal childcare includes compulsory education, it is notable that in five Member States the rate for children above compulsory school age was less than 90 %.

Other types of childcare were almost equally common as formal care for children under 3. At EU-28 level 30 % of these children received other than formal care in 2012 (Table 4.9). For children between the age of 3 and compulsory school age the rates of other than formal care were comparable in size to those for younger children (27 %). After compulsory school age the rates dropped, by 4 pp in EU-28 level (23 %).

Table 4.8: Formal childcare by age group and duration, 2012
(% of population in each age group)

	Less than 3 years		From 3 years to minimum compulsory school age		From minimum compulsory school age to 12 years	
	From 1 to 29 hours	30 hours or over	From 1 to 29 hours	30 hours or over	From 1 to 29 hours	30 hours or over
EU-28	14	14	37	46	50	46
EA-18	15	17	38	52	40	57
BE	21	27	25	75	17	83
BG	0	8	5	92	32	68
CZ	2	1	27	48	40	48
DK	8	59	9	85	34	66
DE	9	15	40	51	44	47
EE	4	14	10	83	49	51
IE	:	:	:	:	:	:
EL	5	15	37	39	26	63
ES	21	15	52	40	50	48
FR	17	23	45	50	43	56
HR	0	12	9	32	63	31
IT	10	11	21	70	17	83
CY	7	19	32	42	65	34
LV	4	19	7	72	26	72
LT	3	5	6	68	70	29
LU	21	27	45	35	53	46
HU	2	6	14	61	17	70
MT	16	1	31	60	7	93
NL	39	7	75	14	77	23
AT	7	7	57	23	52	48
PL	1	5	10	26	45	49
PT	:	34	5	81	7	92
RO	11	4	48	11	84	5
SI	2	36	11	81	29	70
SK	1	4	12	59	30	46
FI	7	22	20	57	86	14
SE	17	35	27	69	1	99
UK	24	3	63	9	98	1
IS	3	39	4	94	22	78
NO	10	33	14	71	52	47
CH	25	4	66	12	51	48

Source: Eurostat (online data code: ilc_caindformal)

Table 4.9: Types of childcare other than formal by age group and duration, 2012 (% of population in each age group)

	Less than 3 years		From 3 years to minimum compulsory school age		From minimum compulsory school age to 12 years	
	From 1 to 29 hours	30 hours or over	From 1 to 29 hours	30 hours or over	From 1 to 29 hours	30 hours or over
EU-28	20	10	23	4	21	2
EA-18	18	10	22	2	18	1
BE (1)	14	6	27	1	21	0
BG	6	7	6	9	6	4
CZ (1)	34	3	42	2	33	1
DK (4)	:	0	0	0	1	:
DE (1)	10	3	14	0	14	0
EE (1)	27	4	28	1	17	1
IE	:	:	:	:	:	:
EL	19	33	25	12	18	3
ES	9	6	6	1	3	0
FR	16	13	22	3	15	1
HR	13	12	24	10	22	5
IT	29	14	37	2	28	2
CY	16	40	30	8	34	1
LV (2)	3	11	1	4	1	1
LT	11	11	23	7	21	2
LU	21	11	27	4	21	3
HU	20	2	28	2	23	1
MT	21	12	23	9	12	1
NL (1)	51	2	52	1	39	1
AT (1)	33	4	40	3	28	1
PL	15	17	14	14	19	3
PT	14	36	25	8	25	1
RO	24	30	32	20	30	8
SI	26	16	38	5	27	1
SK (1)	22	6	24	6	24	1
FI (3)	2	3	2	2	:	:
SE (5)	1	2	1	1	2	:
UK	33	6	36	7	33	6
IS	11	20	23	:	16	:
NO (1)	6	1	4	0	6	0
CH	49	6	45	3	35	1

(1) Unreliable data for 30 hours or over.
(2) Unreliable data.
(3) Unreliable data for less than 3 years and from 3 years to minimum compulsory school age.
(5) Unreliable data for less than 3 years (30 hours or over), from 3 years to minimum compulsory school age and from minimum compulsory school age to 12 years (1 to 29 hours).
(4) Unreliable data for less than 3 years, from 3 years to minimum compulsory school age and from minimum compulsory school age to 12 years (1 to 29 hours).

Source: Eurostat (online data code: ilc_caindother)

Effects of childhood-related factors on living conditions

5

A clear commitment to promote, protect and fulfil the rights of the child in all relevant European Union (EU) policies has been undertaken by all EU institutions and Member States as underlined in the 2011 'EU Agenda for the Rights of the Child' ([1]).

Reducing poverty and social exclusion is one of the headline targets of the EU 2020 strategy. Poverty and social exclusion affects children more than any other group (adults and the elderly). Children growing-up in poverty and social exclusion are less likely than their better-off peers to do well in school, enjoy good health and realise their full potential later in life ([2]). Moreover, if poverty is inherited, tackling child poverty now will facilitate achieving poverty reduction targets in the future.

Assessing the intergenerational transmission of disadvantages aims at measuring the extent of transmission or persistence of individual factors through generations using data from the 2011 EU-SILC module on 'Intergenerational transmission of disadvantages'. Other indicators are derived from the 2012 core EU-SILC survey.

([1]) For more information, see: http://ec.europa.eu/justice/policies/children/docs/com_2011_60_en.pdf

([2]) Commission Recommendation: Investing in Children breaking the cycle of disadvantage (2013). (http://ec.europa.eu/justice/fundamental-rights/files/c_2013_778_en.pdf)

Statistics presented in this chapter cover a range of subjects, including:

- Household composition
- Factors affecting income situation of the children
- Influence of childhood-related factors to current adult's situation

There are, however, some methodological issues for the information presented on this chapter that should be taken into account:

- The population includes only households with children and, according to Eurostat's publication on Household structure (2010) ([3]), the figures on children's living arrangements (a) are averages over households rather than individuals, and (b) do not include any offspring who are not currently resident in the household, or any offspring over age 18, even if they are resident in the household. Thus, these figures will tend to underestimate the proportions of larger families, particularly in those countries where home-leaving takes place earlier; nonetheless, they are indicative of cross-country variations in family size.
- However, in the context of this chapter the persistence of characteristics from parents is measured for the group of thepopulation currently aged 25–59. For their part, the characteristics in childhood of current adults refer to the period when they were 14 years old. Throughout this chapter this period will be defined as 'childhood'.

([3]) For more information, see: http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-RA-10-024/EN/KS-RA-10-024-EN.PDF

5.1 Aspects of child poverty and social exclusion

Household composition is an important demographic element for exploring children's living arrangements due to their relationship to child poverty and to outcomes in later life.

More than half of of the EU-households with children had 1 child

In 2012, based on EU-SILC data, more than half of the EU households with children had 1 child (50.6 %) and close to four out of ten households (38.2 %) had 2 children (Table 5.1).

For the majority of the EU Member States, in 2012, the most common household type with children was the household with 1 child. The exceptions were the Netherlands, Sweden, Malta and Greece, where the most common household type was the household with 2 children. There were also substantial differences between countries in 2012. Large families were rare in Greece and Portugal (the share of households with 3 children or more were 2.3 % and 4.6 % respectively) but relatively common in Finland (18.2 %), the Netherlands (18.6 %) and Iceland (20.2 %).

The size of the households with children in the EU had not changed much between 2008 and 2012. However a number of countries reported some changes in household composition between 2008 and 2012. In Malta the most frequent household type in 2008 was the household with 1 child (47.8 %) while in 2012 it was the household with 2 children (53.0 %). In Luxembourg, households with 3 children or more almost doubled in 2012 compared to four years earlier. On the other hand, in Cyprus the share of households with 4 children or more decreased from 6.9 % to 3.7 % between 2008 and 2012.

Table 5.1: Share of households with children by number of children, 2008 and 2012 (%)

	2008				2012			
	1 child	2 children	3 children	4 children or more	1 child	2 children	3 children	4 children or more
EU-28 (1)	49.9	38.3	9.2	2.6	50.6	38.2	8.7	2.6
EA-18	49.3	39.0	9.2	2.5	50.1	39.0	8.5	2.4
BE	45.2	32.5	16.2	6.0	44.2	38.6	13.1	4.0
BG	61.5	31.5	4.6	2.4	57.4	36.2	4.2	2.2
CZ	52.2	40.5	6.4	0.9	52.9	40.1	5.6	1.5
DK	41.2	43.8	12.4	2.5	43.9	41.6	11.6	2.9
DE	49.3	38.6	9.4	2.6	51.6	37.4	8.5	2.4
EE	58.6	32.3	7.1	1.9	59.5	31.2	7.6	1.7
IE	43.1	37.3	15.1	4.5	45.6	37.1	13.0	4.3
EL	44.1	51.5	3.5	0.9	40.9	56.8	1.8	0.5
ES	53.8	37.6	6.8	1.9	53.9	38.6	6.2	1.4
FR	44.0	40.9	11.7	3.3	45.1	40.4	11.0	3.5
HR	:	:	:	:	44.8	37.8	14.0	3.4
IT	54.6	38.0	6.6	0.8	55.2	37.4	6.1	1.3
CY	41.9	37.4	13.7	6.9	45.8	39.2	11.3	3.7
LV	62.9	28.2	6.9	2.0	61.8	29.7	5.9	2.6
LT	57.6	36.2	4.1	2.1	55.2	36.3	7.0	1.5
LU	43.8	46.3	8.7	1.2	45.3	37.5	13.9	3.3
HU	54.6	34.2	8.0	3.2	53.0	33.5	9.3	4.2
MT	47.8	40.7	8.9	2.6	36.9	53.0	8.0	2.1
NL	35.7	45.2	14.5	4.6	38.1	43.4	14.4	4.2
AT	50.7	36.4	10.0	2.8	49.1	36.6	11.8	2.6
PL	53.6	35.1	8.6	2.7	54.9	34.0	8.2	2.9
PT	59.2	34.7	5.2	0.9	59.7	35.7	3.6	1.0
RO	58.0	31.3	6.4	4.2	54.6	35.7	7.3	2.4
SI	48.8	41.7	7.9	1.6	48.8	41.4	8.1	1.7
SK	53.8	34.9	8.8	2.5	53.7	36.9	6.7	2.7
FI	43.8	38.5	12.8	5.0	43.7	38.0	12.8	5.4
SE	43.5	40.1	13.1	3.2	41.3	44.3	11.1	3.3
UK (2)	46.6	39.5	10.9	3.1	49.5	36.5	10.6	3.4
IS	45.9	36.5	14.4	3.2	44.9	34.9	17.2	3.0
NO	41.5	40.8	14.1	3.6	43.6	39.1	14.4	3.0
CH	43.9	42.1	10.7	3.2	46.0	41.7	10.3	2.0

(1) EU-27 instead of EU-28 for year 2008.
(2) Break in series, 2012.

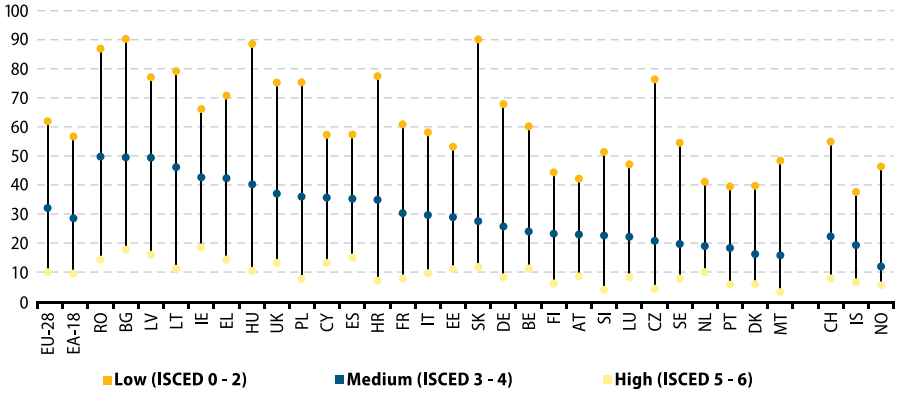
Source: Eurostat (online data code: ilc_lvph05)

About 6 in 10 children at risk of poverty or social exclusion had low-educated parents

Poverty and social exclusion of children (aged 0 to 17) is influenced and can be analysed by various factors, however, parents' education is singled out as the most important. A comparison of the EU-28 aggregates in 2012 for the different educational attainment levels of the parents, showed that children having parents with low educational level (ISCED 0-2) were in the least favourable situation within each country, i.e. faced a higher risk of poverty or social exclusion (62.3 %). The proportions of children at risk of poverty or social exclusion with low-educated parents varied significantly among the EU Member States, ranging from 39.5 % in Portugal to 88.9 % in Hungary and peaking at 90.2 % in Slovakia and Bulgaria (Figure 5.1).

In contrast, the proportion of children whose parents had high educational level (ISCED 5-6) and were at risk of poverty or social exclusion ranged from 3.7 % in Malta to 18.3 % in Bulgaria and 18.9 % in Ireland.

Figure 5.1: Children at risk of poverty or social exclusion (AROPE) by highest educational level of their parents, 2012 ([1])
(% of population aged less than 18)



([1]) Countries are sorted in descending order by the share of children at risk of poverty or social exclusion having parents with medium educational attainment.

Source: Eurostat (online data code: ilc_peps60)

While the educational level of parents affects poverty of children, there are small differences depending on the age of children. Younger children (aged less than 6) of low-educated parents were slightly more affected by being at risk of poverty or social exclusion (64.5 %) than older children (aged 6 to 11 or 12 to 17 with 63.9 % and 59.3 % respectively). While these differences were small, they were persistent in 18 of the 31 reporting countries, where the proportion of younger children at risk of poverty or social exclusion with low-educated parents was larger than the respective proportions for older children (Table 5.2).

Table 5.2: Children at risk of poverty or social exclusion (AROPE) with low-educated parents by age group, 2012
(%)

	Less than 6 years	From 6 to 11 years	From 12 to 17 years
EU-28 (1)	64.5	63.9	59.3
EA-18 (1)	58.8	58.4	54.4
BE	65.9	62.7	54.2
BG	94.3	85.4	92.2
CZ (2)	73.7	87.6	62.7
DK (3)	35.9	49.7	35.8
DE (3)	68.5	75.5	61.2
EE	47.3	59.3	54.7
IE	76.5	64.8	64.2
EL	81.7	71.9	63.7
ES	57.3	59.1	56.4
FR	62.0	60.1	61.4
HR (4)	85.1	80.3	72.2
IT	60.0	61.5	54.5
CY	59.4	52.1	59.6
LV	70.4	80.3	82.4
LT (2)	71.0	79.8	86.5
LU	47.6	51.3	44.6
HU	90.4	86.8	89.5
MT	50.6	49.0	46.3
NL	36.6	46.9	39.6
AT	50.3	48.5	29.2
PL	78.8	72.7	74.9
PT	42.9	37.0	39.7
RO	84.0	90.8	84.9
SI	68.4	42.3	50.1
SK (2)	94.0	92.5	82.7
FI (4)	47.6	47.4	40.5
SE (2)	74.7	37.5	39.4
UK	82.3	75.0	70.7
IS	33.9	36.1	44.8
NO	57.6	40.5	41.4
CH (4)	79.7	45.9	45.7

(1) Estimated data.
(2) Unreliable data.
(3) Unreliable data for children less than 6 years and from 6 to 11 years.
(4) Unreliable data for children less than 6 years.

Source: Eurostat (online data code: ilc_peps60)

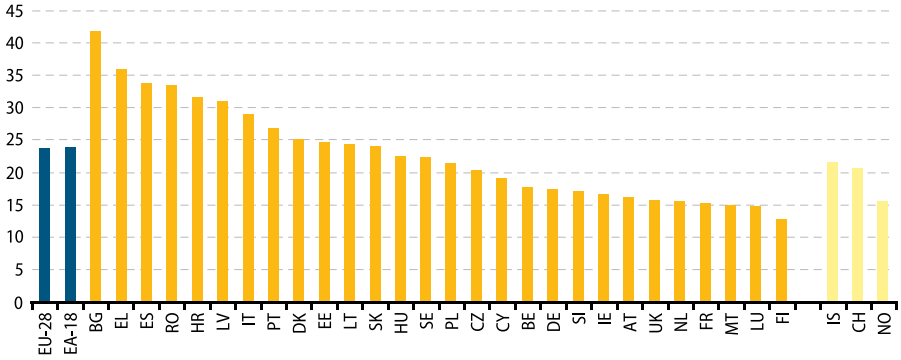
The depth of income poverty for children

The relative median at-risk-of-poverty gap measures the extent to which the median income of those at risk of poverty falls below the poverty threshold (set at 60 % of the national median equivalised disposable income), providing an indication of the 'depth of poverty'. As far as children (aged 0 to 17) are concerned, the relative at-risk-of-poverty gap, in the EU-28 was, on average, 23.8 % (Figure 5.2).

Across the EU Member States the gap was widest in Bulgaria (41.9 %), followed by Greece (36.0 %), Spain (33.9 %), Romania (33.6 %), Croatia (31.8 %) and Latvia (31.0 %).

The lowest children's relative poverty median gap among the EU Member States was observed in Malta (15.0 %), Luxembourg (14.9 %) and Finland (12.9 %).

Figure 5.2: Relative poverty median gap for children, 2012
(% of population aged less than 18)



Source: Eurostat (online data code: ilc_li11)

More than 9.0 % of children lived in households with very low work intensity

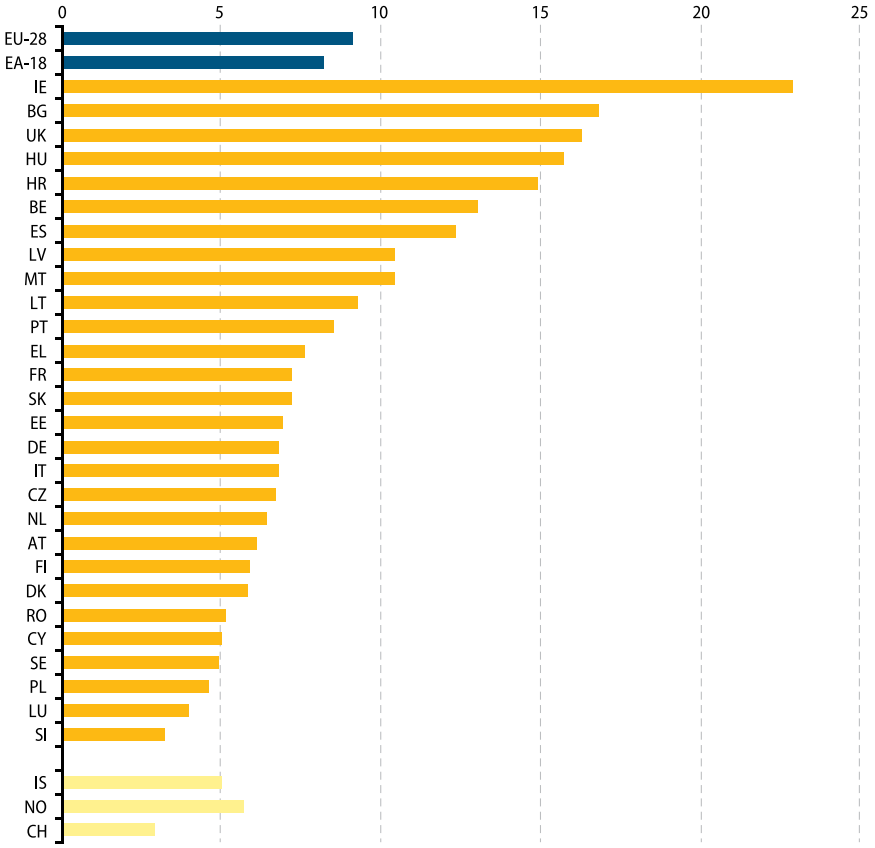
Low work intensity in the household is another important factor driving people below the poverty threshold and towards social exclusion.

Overall, 9.1 % of the EU-28 population aged from 0 to 17 years was living in households with very low work intensity (i.e. working age adults in the household work less than 20 % of their full work potential over the year). However, in 2012 there was great variation among the Member States.

As shown in Figure 5.3, in Ireland, Bulgaria, the United Kingdom, and Hungary, the share of children living in households with very low work intensity exceeded 15.0 %.

On the other hand, 5.0 % or less of children were living in households with very low work intensity in Cyprus, Sweden, Poland, Luxembourg and Slovenia. The same holds for Norway and Switzerland.

Figure 5.3: Children living in households with very low work intensity, 2012
(% of population aged less than 18)



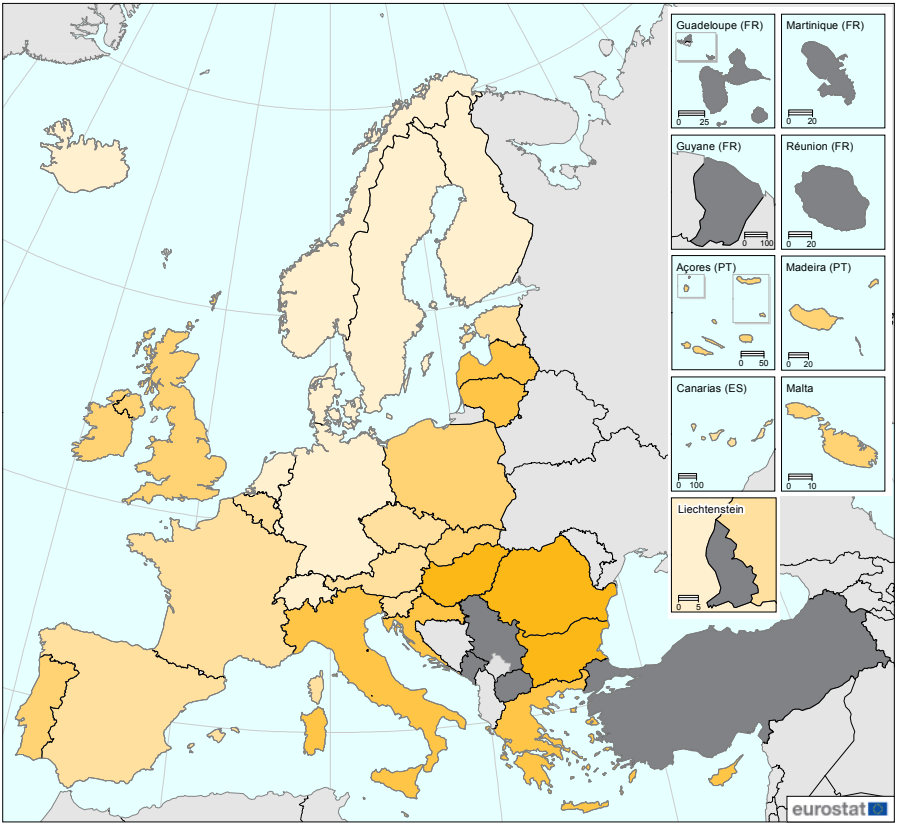
Source: Eurostat (online data code: ilc_lvhl11)

More than 10.0 % of households with children faced severe material deprivation

The severe material deprivation rate represents the share of children who live in households with an enforced lack of certain items (e.g. can't afford to go on holidays for one week, to eat meat or fish (or vegetarian equivalent) every second day etc.). In 2012, 11.8 % of total population aged 0 to 17 years was in severe material deprivation.

There were substantial differences in the material deprivation rates across countries. Bulgaria reported the highest rate (46.6 %) followed by Romania and Hungary for which the rates were also above 30.0 %. On the contrary, Germany, Denmark, the Netherlands, Iceland, Finland, Norway, Luxembourg,

Map 5.1: Severe material deprivation rate for children, 2012
(% of population aged less than 18)



Source: Eurostat (online data code: ilc_mddd11)

Sweden and Switzerland reported very low rates, below 5.0 %, of children being severely materially deprived (Map 5.1).

Switching to household level (Table 5.3), in 2012, 11.1 % of all households with children in the EU-28 was severely materially deprived. With respect to different types of households, single-parent household was the household type with the highest rate of severely materially deprived children (21.4 %). In five countries the rate was over 40.0 % while the highest rate of 62.8 % was reported in Bulgaria. The second highest rate was that of households with two adults with three or more children (11.8 %) in the EU-28 and households with two or more adults with dependent children (10.1 %).

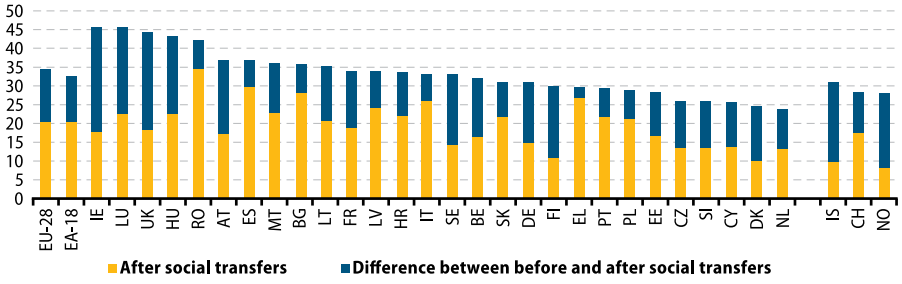
In most countries, single-parent households were the household type with the largest rate of severe material deprivation. However, in Bulgaria, Romania, and Italy, the highest rate was reported for households of two adults with three or more children (78.8 %, 52.4 % and 22.6 % respectively).

Impact of social transfers in reducing child poverty

Social transfers aim at reducing the population at risk of poverty and they generally have a significant impact on the situation of children. One way of evaluating the success of social protection measures is to compare income with the at-risk-of-poverty threshold before and after social transfers (see Figure 5.4). In 2012, social transfers reduced the at-risk-of-poverty rate among EU-28 population living in households with children from 34.5 % before transfers to 20.7 % after transfers (a difference of 13.8 pp).

There are substantial differences among countries on the effectiveness of social transfers. The impact of social benefits was the lowest in Greece (a difference of a mere 2.9 pp). By contrast, half or more of all persons (in households with children) who were at-risk-of-poverty in Finland, Ireland, the United Kingdom, Denmark, Sweden, Austria, Luxembourg and Germany moved above the threshold as a result of social transfers, as was the case in Norway and Iceland.

Figure 5.4: At-risk-of-poverty rate for children after and before social transfers (other than pensions), 2012 (1)
(% of population aged less than 18)



(1) Countries are sorted in descending order by the at-risk-of-poverty rate for children before social transfers.

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

Table 5.3: Severe material deprivation rate for households with children, 2012 (%)

	All households with children	Households with children				
		Single person with children	Two adults with one child	Two adults with two children	Two adults with three or more children	Two or more adults with children
EU-28	11.1	21.4	8.0	7.1	11.8	10.1
EA-18	8.4	18.0	6.3	5.9	8.1	7.5
BE	7.6	20.1	6.0	3.7	7.9	5.9
BG	42.5	62.8	37.4	34.8	78.8	41.5
CZ	6.8	17.7	5.2	3.6	12.9	5.8
DK	2.6	8.2	0.4	1.1	0.0	1.6
DE	4.3	16.5	3.0	1.5	3.7	2.5
EE	8.7	19.3	5.6	6.3	9.3	7.4
IE	11.5	27.8	6.4	8.9	10.2	9.0
EL	22.3	48.2	24.0	18.9	30.1	21.6
ES	7.1	10.9	6.7	4.4	7.9	6.9
FR	6.5	18.8	3.8	3.1	5.9	4.9
HR	15.6	24.0	13.0	12.1	18.5	15.3
IT	15.5	21.3	11.0	13.4	22.6	15.1
CY	17.8	36.6	13.1	13.1	18.5	16.7
LV	25.3	47.4	20.5	19.4	33.3	22.6
LT	16.7	25.0	13.9	11.2	19.1	15.7
LU	1.4	4.5	0.9	1.0	0.5	1.1
HU	29.3	43.9	24.1	19.9	43.7	28.3
MT	11.2	36.6	6.4	6.9	6.3	9.4
NL	2.7	10.7	0.8	1.9	3.3	1.8
AT	4.7	12.0	3.6	2.6	5.5	4.0
PL	12.3	30.8	9.3	7.1	18.1	11.6
PT	9.0	18.5	8.2	6.2	10.3	8.3
RO	33.2	42.1	21.6	25.9	52.4	33.0
SI	5.6	14.5	4.6	3.9	5.9	4.9
SK	9.9	27.1	7.8	4.6	13.6	9.2
FI	2.6	10.3	1.5	1.9	1.8	1.7
SE	1.3	4.4	0.3	1.1	0.6	0.8
UK	11.0	29.1	7.3	5.7	13.1	7.7
IS	2.5	9.2	1.3	0.7	2.1	1.4
NO	1.6	6.6	0.9	0.3	1.5	0.9
CH	0.8	3.9	0.0	0.3	0.7	0.6

Source: Eurostat (online data code: ilc_mddd13)

5.2 Influence of childhood-related factors to current adult's situation

The socio-economic environment where children grow up and develop affects significantly the standards of living that the children attain as adults. There is a close link between the social statuses of current adults with the status of their parents in their childhood.

Results from the 2011 EU-SILC ad-hoc module show today's adults (aged 25 to 59) reports about their family situation when they were aged 14.

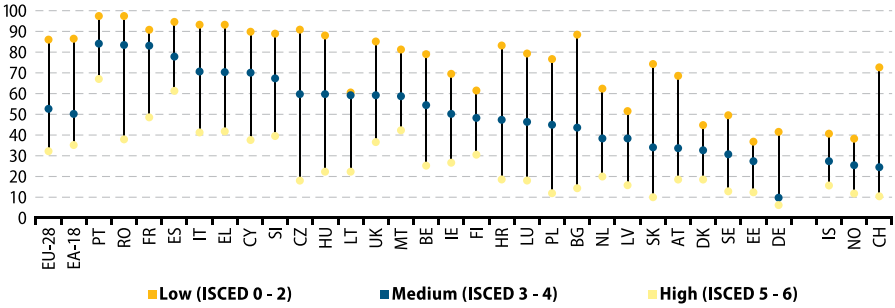
Transmission of the educational level from parents to children as current adults

Parental educational attainment is a key factor affecting the future socio-economic situation of their children including their own education level.

Statistics show that, in 2011, 86.5 % of current low-educated adults (aged 25 to 59) had also low-educated parents in their childhood (i.e. when aged 14) (Figure 5.5). In addition, 52.7 % of population aged 25 to 59 with medium education had low-educated parents and 32.5 % of the same population with high education attainment had low-educated parents.

Among the low educated population aged 25 to 59 having low-educated parents, figures for males and females seemed to have small differences, with most countries reporting higher figures for females than males (Figure 5.6). The largest difference was reported by Lithuania where the rate for females exceeded the one for males, by 12.2 pp.

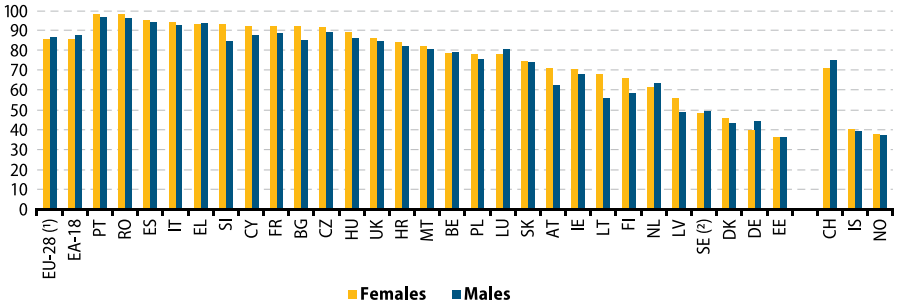
Figure 5.5: Current adults having low-educated parents in childhood by educational attainment level, 2011 (1)
(% of population aged less than 18)



(1) Countries are sorted in descending order by the share of current adults with medium educational attainment, having low-educated parents in childhood.

Source: Eurostat (online data code: ilc_igtp01)

Figure 5.6: Current low-educated adults having low-educated parents in childhood by sex, 2011 (% of population aged 25 to 59)



(1) Estimated data for females.
(2) Unreliable data for females.
Source: Eurostat (online data code: ilc_igtp01)

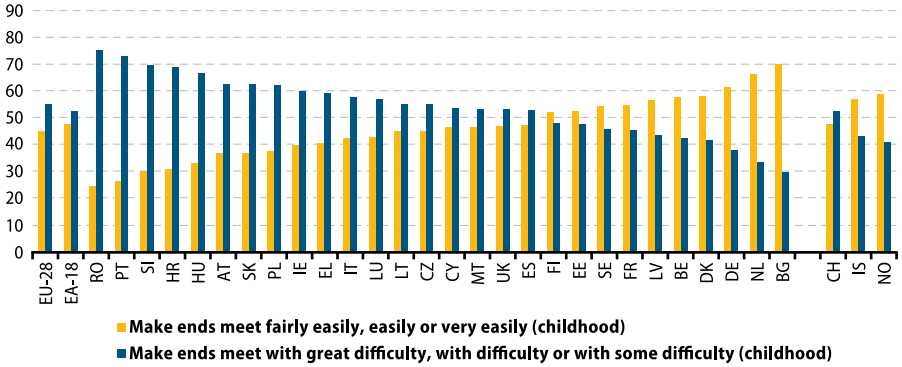
Transmission of a low/high ability to make ends meet from parents to children as current adults

In 2011, on average, 55.1 % of adults with low ability to make ends meet (i.e. making ends meet with great difficulty, with difficulty and with some difficulty) at present, were also having a low ability to make ends meet in childhood. This figure was the highest (over 65.0 %) in Romania, Portugal, Slovenia, Croatia and Hungary (Figure 5.7).

However, in a group of countries that includes Bulgaria, the Netherlands, Germany, Denmark, Belgium, Latvia, France, Sweden, Estonia and Finland, the majority of the population with a low ability to make ends meet at present, was reporting having a high ability to make ends meet (i.e. making ends meet fairly easy, easy, and very easy) in childhood.

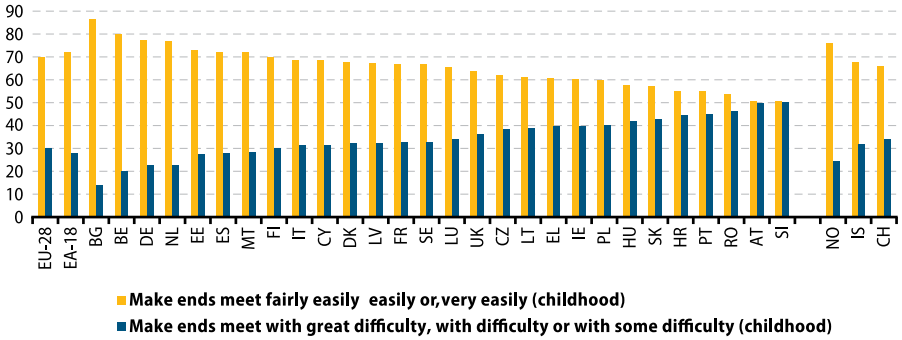
In 2011, on average, 69.6 % of adults with high ability to make ends meet at present, were also having a high ability to make ends meet in childhood (i.e. when aged 14), while 30.4 % were having low ability to make ends meet in childhood (Figure 5.8). The pattern was the same for most Member States, and all reported rates over 50.0 % with the lowest reported by Slovenia (50.0 %) and Austria (50.5 %), where adults with high ability to make ends meet at present were having equally a high or a low ability to make ends meet in childhood.

Figure 5.7: Current adults with low ability to make ends meet by ability to make ends meet in childhood, 2011
(% of population aged 25 to 59)



Source: Eurostat (online data code: ilc_igtp02)

Figure 5.8: Current adults with high ability to make ends meet by ability to make ends meet in childhood, 2011
(% of population aged 25 to 59)



Source: Eurostat (online data code: ilc_igtp02)

Glossary

EU Statistics on income and living conditions

The EU statistics on income and living conditions, abbreviated as EU-SILC, is the reference source for comparative statistics on income distribution and social inclusion in the European Union (EU).

EU-SILC is carried out on an annual basis and is the survey used to link aspects of both monetary (income) and non-monetary poverty and social exclusion (for example material deprivation, social participation). It is the source used for monitoring progress towards the Europe 2020 headline target for poverty reduction.

EU-SILC was launched in 2003 in seven countries under a gentlemen's agreement. Later, it was gradually expanded to cover all EU countries. From 2010 onwards, EU-SILC is implemented in 32 countries, i.e. the 28 EU Member States, Iceland, Norway, Switzerland and Turkey. In 2013, more than 200 000 households and 500 000 individuals were interviewed for EU-SILC across Europe.

EU-SILC provides two types of annual data: cross sectional data (i.e. data pertaining to a given time or certain time period) and longitudinal data, which are related to individual-level changes over time, observed in a time frame of four years.

The survey's reference population is all private households and their current members residing in the territory of the Member State at the time of data collection; the target population does not include persons living in collective households and in institutions.

EU-SILC, although not relying on a common questionnaire, is based on the idea of a common 'framework'. The latter defines the harmonized lists of target primary (annual) and secondary (every four years or less frequently) variables to be transmitted to Eurostat. The variables are compiled based on common guidelines and procedures, common concepts (household and income) and classifications aiming to safeguard the comparability of the information produced.

The secondary variables collected under the 2011 and 2012 ad-hoc modules of EU-SILC complement the variables permanently collected in EU-SILC with information highlighting aspects on the 'intergenerational transmission of disadvantages' and on 'housing conditions' respectively.

The objective of the 2011 ad-hoc module is to analyse the extent to which the childhood factors, such as the parental socio-economic background and status, influence the current situation of adults. The 2012 ad-hoc module treats subjective aspects of housing quality relevant to the sufficiency of the dwelling installations and facilities and the level of satisfaction with the accessibility to basic needs. Such subjective measures can play a significant role in complementing the objective measures of the core EU-SILC instrument.

Household Budget survey

The Household budget survey, abbreviated as HBS, is a national survey focusing on households' expenditure on goods and services, which are organised according to the Classification of individual consumption by purpose (COICOP). Besides the information on consumption expenditure, it also collects information on income, place of residence, and some characteristics of the reference person (often the head of the household).

HBS, not only provides a picture of living conditions in the European Union (EU), but is also a source used to compile weightings for important macroeconomic indicators, such as the consumer price indices (used as measures of inflation) and National Accounts.

Since the survey is conducted based on a gentlemen's agreement, each Member State decides the objectives, methodology and frequency of conduction of the survey. Two-thirds of the Member States carry out annual surveys, while the remainders have five-year or even longer intervals between surveys. Eurostat has been collecting and publishing statistics derived from HBS every five years since 1988; the latest collection rounds referred to 2005 and 2010. All the 28 Member States provided data in the latest collection round, together Norway, the Former Yugoslav Republic of Macedonia, Turkey and Montenegro.

The basic unit of data collection and analysis in the surveys is the household. The collection involves a combination of one or more interviews and diaries or logs maintained by households and/or individuals, generally on a daily basis.

Expenditure made by households to acquire goods and services is recorded at the price actually paid, which includes indirect taxes (VAT and excise duties) borne by the purchaser.

Although, through the years, continuous efforts have been made towards harmonization of the concepts and methodology used for the compilation of the statistics, there are still issues that restrict their comparability among countries.

Since the methodologies at country level differ, there are important differences in the household final consumption expenditure figures; with the most important one concerning the inclusion of the imputed rent for the use of owner-occupied dwellings as household's main residence.

Ability to make ends meet

The ability to make ends meet is a subjective non-monetary indicator that assesses the respondents' feeling about the level of difficulty experienced by the household in making ends meet, i.e. paying for its usual and necessary expenses. Usual and necessary expenses include housing-related costs but exclude business and farm work costs. The indicator is defined on the basis of a set of values according to the level of difficulty in making ends meet: with great difficulty, with difficulty, with some difficulty, fairly easily, easily and very easily.

Low ability to make ends meet is a joint variable of the three possible negative answers: with great difficulty, with difficulty and with some difficulty; while high ability to make ends meet is a joint variable of the three possible positive answers: fairly easy, easy, and very easy.

At-risk-of-poverty rate anchored at a fixed moment in time (2008)

The at-risk-of-poverty rate anchored at a fixed moment in time is the share of people with an equivalised disposable income in a given year below the risk of poverty threshold in the year 2008, adjusted for inflation.

At-risk-of-poverty rate after social transfers

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.

At-risk-of-poverty rate before social transfers

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.

At risk of poverty or social exclusion (AROPE)

At risk of poverty or social exclusion, abbreviated as AROPE, refers to the situation of people either at risk of poverty, or severely materially deprived or living in a household with a very low work intensity. The AROPE rate, the share of the total population, which is at risk of poverty or social exclusion, is the headline indicator to monitor the EU2020 Strategy poverty target.

Classification of individual consumption by purpose (COICOP)

The Classification of individual consumption by purpose, abbreviated as COICOP, is a nomenclature developed by the United Nations Statistics Division to classify and analyse individual consumption expenditures incurred by households, non-profit institutions serving households and general government according to their purpose. It includes categories such as clothing and footwear, housing, water, electricity, and gas and other fuels.

Consumer price index

The consumer price index, abbreviated as CPI, measures the change over time in the prices of consumer goods and services acquired, used or paid for by households. It is an important measure of inflation in the European Union (EU).

CPIs aim to cover the whole set of goods and services consumed within the territory of a country by the population. To do this, a representative set is selected; the so-called 'consumer basket'. Consumer goods and services include, for example, food and beverages, products for personal hygiene, newspapers and periodicals, expenditure on housing, water, electricity, gas and other fuels, health, tranport, communications, education, restaurants and hotels. Many of these goods and services are bought frequently or consumed on a daily basis.

Eurostat compiles the Harmonised Index of Consumer Prices (HICP), which is actually the CPI as calculated in the European Union according to a harmonised approach and a single set of definitions. HICPs are calculated to allow international comparisons of consumer price inflation.

Degree of urbanisation (DEGURBA)

The Degree of urbanisation (DEGURBA) is a classification that indicates the character of an area. Based on the share of local population living in urban clusters and in urbancentres, it classifies Local Administrative Units level 2 (LAU2 or communes) into three types of area: (1) thinly-populated area (rural area), (2) intermediate density area (towns and suburbs/small urban area), (3) densely-populated area (cities/large urban area).

A revision was implemented from reference year 2012 onwards in order to improve the accuracy and the comparability of this classification. The revision of the degree of urbanization uses population grid cells as the main criteria instead of LAU2s. The main criteria in the new methodology are:

- Thinly-populated area: more than 50 % of the population lives in rural grid cells;
- Intermediate density area: less than 50 % of the population lives in rural grid cells and less than 50 % live in high-density clusters;
- Densely-populated area: at least 50 % lives in high-density clusters; in addition, each high-density cluster should have at least 75 % of its population in densely-populated LAU2s; this also ensures that all high-density clusters are represented by at least one densely-populated LAU2, even when this cluster represents less than 50 % of the population of that LAU2.

Dependent children

Dependent children include all children up to the age of 14 plus all those persons aged 15–24 who are economically inactive (mainly in education) and who are living with at least one of their parents.

Dwelling

A dwelling is a room or suite of rooms — including its accessories, lobbies and corridors — in a permanent building or a structurally separated part of a building which, by the way it has been built, rebuilt or converted, is designed for habitation by one private household all year round. A dwelling can be either a one-family dwelling in a stand-alone building or detached edifice, or an apartment in a block of flats. Dwellings include garages for residential use, even when apart from the habitation or belonging to different owners. In EU-SILC the following types of dwelling are included:

- House: means that no internal space or maintenance and other services are normally shared with other dwellings. Sharing of a garden or other exterior areas is not precluded.
- Flats or apartments: in a building normally share some internal space or maintenance and other services with other units in the building.
- Detached: means the dwelling has no common walls with another.
- Semi-detached: refers to two dwellings sharing at least one wall, and 'terraced' refers to a row of (more than two) joined-up dwellings.
- Other kinds of accommodation: includes accommodations that are situated in buildings that are for use other than housing (schools, etc.) and fixed habitations like a hut or a cave.

Dwelling size in square meters

The dwelling size refers to the useful floor space as defined for the population and housing census.

Useful floor space is defined as the floor space measured inside the outer walls excluding non-habitable cellars and attics and, in multi-dwelling buildings, all common spaces. Households declare the area of dwelling that can be exclusively used.

Employee with a temporary contract

An employee with a temporary contract is an employee whose main job will terminate either after a period fixed in advance, or after a period not known in advance, but nevertheless defined by objective criteria, such as the completion of an assignment or the period of absence of an employee temporarily replaced.

Equivalised disposable income

The equivalised disposable income is the total income of a household, after tax and other deductions, that is available for spending or saving, divided by the number of household members converted into equalised adults; household members are equalised or made equivalent by weighting each according to their age, using the so-called modified OECD equivalence scale. The equivalised disposable income is calculated in three steps:

- all monetary incomes received from any source by each member of a household are added up; these include income from work, investment and social benefits, plus any other household income; taxes and social contributions that have been paid, are deducted from this sum.
- in order to reflect differences in a household's size and composition, the total (net) household income is divided by the number of 'equivalent adults', using a standard (equivalence) scale: the modified OECD scale; this scale gives a weight to all members of the household (and then adds these up to arrive at the equivalised household size): 1.0 to the first adult; 0.5 to the second and each subsequent person aged 14 and over; 0.3 to each child aged under 14.
- finally, the resulting figure is called the equivalised disposable income and is attributed equally to each member of the household.

For poverty indicators, the equivalised disposable income is calculated from the total disposable income of each household divided by the equivalised household size. The income reference period is a fixed 12-month period (such as the previous calendar or tax year) for all countries except UK for which the income reference period is the current year and Ireland (IE) for which the survey is continuous and income is collected for the last twelve months.

European Union (EU)

The European Union, abbreviated as EU, is an economic and political union of 28 European countries. The EU was established on 1 November 1993 with 12 Member States by the Treaty on European Union (Maastricht Treaty). The number of countries has grown to the present 28 through a series of enlargements: on 31 December 1994, the EU had 12 Member States (EU-12): Belgium, Denmark, Germany, Ireland, Greece, Spain, France, Italy, Luxembourg, the Netherlands, Portugal and the United Kingdom. From January 1995, the EU added three Member States (EU-15): Austria, Finland and Sweden. In May 2004, 10 more countries joined the EU (EU-25): Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovenia and Slovakia. On 1 January 2007, Bulgaria and Romania became members of the EU (EU-27). On 1 July 2013, Croatia became the 28th EU Member State of the EU (EU-28).

Formal childcare

Formal arrangements include all kind of care organised/controlled by a structure (public, private). Care provided by child-minders without any structure between the carer and the parents (direct arrangements) are excluded from the definition to take into account only childcare recognised as fulfilling certain quality patterns. As regards the age group 3 to compulsory schooling age, pre-school arrangements (that concern a high share of children) are included under the heading of formal arrangements.

Other types of care refer to childcare by a professional child-minder at child's home or at child-minder's home and childcare by grandparents, other household members (outside parents), other relatives, friends or neighbours.

Gini coefficient

The Gini coefficient measures the extent to which the distribution of income within a country deviates from a perfectly equal distribution. A coefficient of 0 expresses perfect equality where everyone has the same income, while a coefficient of 100 expresses full inequality where only one person has all the income.

Gross domestic product

Gross domestic product, abbreviated as GDP, is a basic measure of a country's overall economic health.

As an aggregate measure of production, GDP is equal to the sum of the gross value added of all resident institutional units (i.e. industries) engaged in production, plus any taxes, and minus any subsidies, on products not included in the value of their outputs.

Gross value added is the difference between output and intermediate consumption. GDP is also equal to:

- the sum of the final uses of goods and services (all uses except intermediate consumption) measured in purchasers' prices, minus the value of imports of goods and services;
- the sum of primary incomes distributed by resident producer units.

Household

A household, in the context of surveys on social conditions or income such as EU-SILC or the Household budget survey (HBS), is defined as a housekeeping unit or, operationally, as a social unit: (a) having common arrangements; (b) sharing household expenses or daily needs; (c) in a shared common residence.

A household includes either one person living alone or a group of people, not necessarily related, living at the same address with common housekeeping, i.e. sharing at least one meal per day or sharing a living or sitting room.

Collective households or institutional households (as opposed to private households) are, for instance: hospitals, old people's homes, residential homes, prisons, military barracks, religious institutions, boarding houses and workers' hostels, etc.

Household consumption expenditure

The concept of final household consumption expenditure, that is, the expenditure incurred by households on individual consumption goods and services is used by most Member States in Household Budget Survey (HBS). In particular, services for collective consumption (such as national defence, the usage of public infrastructures or public broadcasting) are not considered as household consumption.

Household final consumption expenditure has a monetary and a non-monetary part. The monetary part covers all cash payments, whereas the non-monetary part includes: (a) services of owner-occupied dwellings (measured as an imputed rent) and (b) income in kind, such as goods and services received as income in kind by employees or goods or services produced as outputs of incorporated enterprises owned by households that are retained for consumption by members of the household.

However, the concept of household actual consumption expenditure would be most suitable. The actual consumption of households is derived from their consumption expenditure by adding the value of social transfers-in-kind receivable from the government (such as expenditures in Health or Education) and non-profit institutions serving households (NPISH).

Housing cost overburden rate

The housing cost overburden rate is the percentage of the population living in households where the total housing costs ('net' of housing allowances) represent more than 40 % of disposable income ('net' of housing allowances).

Income

Gross income includes income from market sources and cash benefits. The former includes employee cash or near-cash income, non-cash employee income, cash benefits from self-employment, income from rental of property or land, regular inter-household cash transfers received, interest, dividends, profit from capital investments in unincorporated businesses, income received by people aged under 16 and pensions from individual private plans. Cash benefits are the sum of all unemployment, old-age, survivor's, sickness and disability benefits; education-related, family/children-related and housing allowances; and benefits for social exclusion or those not elsewhere classified. Direct taxes and regular inter-household cash transfers paid are deducted from gross income to give disposable income.

The current definition of total household disposable income, used for calculating the EU-SILC indicators, excludes imputed rent – i.e. money that the household saves on full (market) rent by living in its own accommodation or in accommodation it rents at a price that is lower than the market rent. The definition of income currently used also excludes non-monetary income components, in particular the value of goods produced for own consumption, social transfers in kind and non-cash employee income except company cars.

The income reference period is a fixed 12-month period (such as the previous calendar or tax year) or a moving 12-month period (such as the twelve months preceding the interview). Especially, in the United Kingdom, the income reference period is the current year, whereas in Ireland, the survey is continuous and income information is collected for the last twelve months.

Income quintiles

Quintiles refer to the position in the frequency distribution. The quintile cut-off value is obtained by sorting all incomes, from lowest to highest, and then choosing the value of income under which 20 % (lower limit), 40 % (second limit), 60 % (third), 80 % (fourth) and 100 % (upper limit) of the population are located. A quintile as such is associated with the segment boundaries between two quintiles.

The first segment includes income below the lower quintile cut-off (20 %), the second segment includes income located between the lower cut-off and the second quintile cut-off, and so on. In total, there are five segments. From these segments, the median income by quintile is calculated using cut-off points of 1st, 3rd, 5th, 7th and 9th deciles that correspond respectively to the median of 1st, 2nd, 3rd, 4th and 5th quintiles.

Income quintile share ratio (S80/S20 ratio)

The income quintile share ratio or the S80/S20 ratio is a measure of the inequality of income distribution. It is calculated as the ratio of total income received by the 20 % of the population with the highest income (the top quintile) to that received by the 20 % of the population with the lowest income (the bottom quintile).

All incomes are compiled as equivalised disposable incomes.

Inflation

Inflation is an increase in the general price level of goods and services. When there is inflation in an economy, the value of money decreases because a given amount will buy fewer goods and services than before.

Deflation is the opposite of inflation. It is a decrease in the general price level of goods and services and represents an increase in the value of money, where an amount of money can be exchanged for more goods and services.

International Standard Classification of Education (ISCED)

The International standard classification of education, abbreviated as ISCED, is an instrument for compiling internationally comparable education statistics. The ISCED 97 version covers two classification variables: levels and fields of education as well as general/vocational/prevocational orientation and educational/labour market destination. ISCED 97 was implemented in the European Union (EU) for collecting data starting with the 1997/98 school year.

There are seven levels of education in ISCED 97.

- Level 0: Pre-primary education — the initial stage of organised instruction; it is school — or centre-based and is designed for children aged at least three years.
- Level 1: Primary education — begins between five and seven years of age, is the start of compulsory education where it exists and generally covers six years of full-time schooling.
- Level 2: Lower secondary education — continues the basic programmes of the primary level, although teaching is typically more subject-focused. Usually, the end of this level coincides with the end of compulsory education.
- Level 3: Upper secondary education — generally begins at the end of compulsory education. The entrance age is typically 15 or 16 years. Entrance qualifications (end of compulsory education) and other minimum entry requirements are usually needed. Instruction is often more subject-oriented than at ISCED level 2. The typical duration of ISCED level 3 varies from two to five years.
- Level 4: Post-secondary non-tertiary education — between upper secondary and tertiary education. This level serves to broaden the knowledge of ISCED level 3 graduates. Typical examples are programmes designed to prepare pupils for studies at level 5 or programmes designed to prepare pupils for direct labour market entry.
- Level 5: Tertiary education (first stage) — entry to these programmes normally requires the successful completion of ISCED level 3 or 4. This includes tertiary programmes with academic orientation (type A) which are largely theoretical and tertiary programmes with an occupational orientation (type B). The latter are typically shorter than type A programmes and aimed at preparing students for the labour market.
- Level 6: Tertiary education (second stage) — reserved for tertiary studies that lead to an advanced research qualification (Ph.D. or doctorate).

In-work at-risk-of-poverty rate

In-work at-risk-of-poverty rate is defined as the share of employed persons of 18 years or over 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).

Labour Transitions

Labour transitions refer to percentage of the working-age population who move between employment statuses (or retain the same status) between two consecutive years.

Material deprivation

Material deprivation refers to a state of economic strain and durables, defined as the enforced inability (rather than the choice not to do so) to pay unexpected expenses, afford a one-week annual holiday away from home, a meal involving meat, chicken or fish every second day, the adequate heating of a dwelling, durable goods like a washing machine, colour television, telephone or car, being confronted with payment arrears (mortgage or rent, utility bills, hire purchase instalments or other loan payments).

The material deprivation rate is an indicator in EU-SILC that expresses the inability to afford some items considered by most people to be desirable or even necessary to lead an adequate life. The indicator distinguishes between individuals who cannot afford a certain good or service, and those who do not have this good or service for another reason, e.g. because they do not want or do not need it.

The indicator adopted by the Social protection committee of the Employment, Social Policy, Health and Consumer Affairs (EPSCO) Council measures the percentage of the population that cannot afford at least three of the following nine items: 1. to pay their rent, mortgage or utility bills; 2. to keep their home adequately warm; 3. to face unexpected expenses; 4. to eat meat or proteins regularly; 5. to go on holiday; 6. a television set; 7. a washing machine; 8. a car; 9. a telephone.

Severe material deprivation rate is defined as the enforced inability to pay for at least four of the above-mentioned items.

Overall satisfaction with the dwelling

Overall satisfaction with the dwelling refers to the respondent's opinion/feeling with the dwelling in terms of meeting the household needs/opinion on the price, space, neighbourhood, distance to work, quality and other aspects (including the availability of a garage or parking space).

Overcrowding rate

The overcrowding rate is defined as the percentage of the population living in an overcrowded household. A person is considered as living in an overcrowded household if the household does not have at its disposal a minimum number of rooms equal to:

- one room for the household;
- one room per couple in the household;
- one room for each single person aged 18 or more;
- one room per pair of single people of the same gender between 12 and 17 years of age;
- one room for each single person between 12 and 17 years of age and not included in the previous category;
- one room per pair of children under 12 years of age.

Parents' economic activity

Under the EU-SILC 2011 ad-hoc module on Intergenerational transmission of disadvantages, parents 'at work' are defined as persons being employed or self-employed. Parents 'not at work' includes unemployed, in retirement or in early retirement or had given up business, fulfilling domestic tasks and care responsibilities, other inactive person, don't know.

However, under EU-SILC 2011 cross sectional data, 'at work' includes employee working full-time, employee working part time, self-employed working full-time, self-employed working part-time; while 'not at work' includes unemployed, pupil, student, further training, unpaid work experience, in retirement or in early retirement or had given up business, permanently disabled or/and unfit to work, in compulsory military community or service, fulfilling domestic tasks and care responsibilities, other inactive person.

Persistent at-risk-of-poverty rate

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.

Purchasing power standards (PPS)

The purchasing power standard, abbreviated as PPS, is an artificial currency unit. Theoretically, one PPS can buy the same amount of goods and services in each country. However, price differences across borders mean that different amounts of national currency units are needed for the same goods and services depending on the country. PPS are derived by dividing any economic aggregate of a country in national currency by its respective purchasing power parities.

PPS is the technical term used by Eurostat for the common currency in which national accounts aggregates are expressed when adjusted for price level differences using PPPs. Thus, PPPs can be interpreted as the exchange rate of the PPS against the euro.

Real terms

Real values are monetary values adjusted or deflated for changes in prices, and are typically used for financial and income flows.

Relative at-risk-of-poverty gap

The relative median at-risk-of-poverty gap is calculated as the difference between the median equivalised disposable income of persons below the at-risk-of-poverty threshold and the at-risk-of- poverty threshold, expressed as a percentage of the at-risk-of-poverty threshold (cut-off point: 60 % of national median equivalised disposable income).

Self-declared main economic status

Self-declared main economic status captures the person's own perception of his or her main activity at the time of the survey. It differs from the International Labour Organisation (ILO) concept to the extent that people's own perception of their main status differs from the strict definitions used in the ILO classifications of employment and unemployment. For instance, many people who would regard themselves as full-time students or homemakers may be classified by the ILO criteria as employed if they have a part-time job. Similarly, some people who consider themselves 'unemployed' may not meet the strict ILO criteria of taking active steps to find work and being immediately available.

Self-perceived health

Self-perceived health is based on peoples' assessments (very good/ good/ fair/ bad/very bad) of their general health status.

Self-reported unmet needs

Self-reported unmet needs is based on peoples' own assessment of whether they needed examination or treatment for a specific type of health care, but didn't have it or didn't seek for it. EU-SILC collects data on two types of health care services: medical care and dental care.

Medical care refers to individual health care services (medical examination or treatment excluding dental care) provided by or under direct supervision of medical doctors or equivalent professions according to national health care systems.

Dental care refers to individual health care services provided by or under direct supervision of stomatologists (dentists). Health care provided by orthodontists is included.

Shortage of space in the dwelling

Shortage of space in the dwelling refers to the respondent's opinion / feeling about shortage of space in dwelling.

Social benefits

Social benefits other than social transfers in kind are transfers made in cash to households to relieve them of the financial burden of certain risks or needs, for example, pensions, family and child allowances, and disabled persons' allowances.

Social protection

Social protection can be defined as the coverage of precisely defined risks and needs associated with sickness/healthcare and invalidism; disability; old age; parental responsibilities; the loss of a spouse or parent; unemployment; housing; social exclusion.

Social transfers

Social transfers cover the social help given by central, state or local institutional units. They include: old age (retirement) and survivors' (widows' and widowers') pensions; unemployment benefits; family-related benefits; sickness and invalidity benefits; education-related benefits; housing allowances; social assistance; other benefits.

Spearman's correlation coefficient

Spearman's rank correlation coefficient is a measure of the degree of dependence between a pair of variables (X,Y). It is computed as the regular Pearson correlation coefficient when the actual values of the variables are replaced by their ranks.

Positive values and close to +1 indicate a positive correlation, i.e. that the larger values of X tend to be paired with the larger values of Y, and hence the smaller values of X tend to be paired with the smaller values of Y. On the other hand, if the larger values of X tend to be paired with the smaller values of Y, and vice versa, then the coefficient will be negative and close to -1. Spearman's rank correlation coefficient is an indicator of any kind of monotonic relationship between two variables, while Pearson's coefficient measures linear relationships only [Conover, W. J. (1999) Practical nonparametric statistics (3rd ed.). New York: Wiley]

Work intensity

The work intensity of a household is the ratio of the total number of months that all working-age household members have worked during the income reference year and the total number of months the same household members theoretically could have worked in the same period.

A working-age person is a person aged 18–59 years, with the exclusion of students in the age group between 18 and 24 years. Households composed only of children, of students aged less then 25 and / or people aged 60 or more are completely excluded from the indicator calculation.

Persons living in households with very low work intensity is defined as the number of persons living in a household having a work intensity below a threshold set at 0.20.

Abbreviations and Symbols

Statistical symbols

:	not available
%	per cent
pp	percentage point
m^2	square meter

Acronyms and abbreviations

AROPE	at risk of poverty or social exclusion
COICOP	Classification Of Individual Consumption by Purpose
EUR	euro
EU-SILC	EU Statistics on Income and Living conditions
GDP	Gross domestic product
HBS	Household Budget Survey
HICP	Harmonised Index of Consumer Prices
ISCED	International Standard Classification of Education
NAC	National Currency
OECD	Organisation for Economic Co-operation and Development
PPS	Purchasing Power Standard

Geographical aggregates

EU	European Union
EU-28	European Union of 28 Member States from 1 July 2013 (BE, BG, CZ, DK, DE, EE, IE, EL, ES, FR, HR, IT, CY, LV, LT, LU, HU, MT, NL, AT, PL, PT, RO, SI, SK, FI, SE, UK)
EU-27	European Union of 27 Member States from 1 January 2007 (BE, BG, CZ, DK, DE, EE, IE, EL, ES, FR, IT, CY, LV, LT, LU, HU, MT, NL, AT, PL, PT, RO, SI, SK, FI, SE, UK)
EA-18	Euro Area of 18 Member States from 1 January 2014 (BE, DE, EE, IE, EL, ES, FR, IT, CY, LV, LU, MT, NL, AT, PT, SI, SK, FI).

Country abbreviations

BE	Belgium
BG	Bulgaria
CZ	Czech Republic
DK	Denmark
DE	Germany
EE	Estonia
IE	Ireland
EL	Greece
ES	Spain
FR	France
HR	Croatia
IT	Italy
CY	Cyprus
LV	Latvia
LT	Lithuania
LU	Luxembourg
HU	Hungary
MT	Malta
NL	Netherlands
AT	Austria
PL	Poland
PT	Portugal
RO	Romania
SI	Slovenia
SK	Slovakia
FI	Finland
SE	Sweden
UK	United Kingdom
IS	Iceland
NO	Norway
CH	Switzerland

Currency codes

BGN	Bulgaria - lev
CHF	Switzerland - frank
CZK	Czech Republic - koruna
DKK	Denmark - krone
GBP	United Kingdom - pound sterling
HRK	Croatia - kuna
HUF	Hungary - forint
ISK	Iceland - krona
LVL	Latvia - lats
LTL	Lithuania - litas
NOK	Norway - krone
PLN	Poland - zloty
RON	Romania - leu
SEK	Sweden - krona

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Living conditions in Europe

2014 edition

This publication provides a statistical overview of living conditions in Europe. It presents a broad range of indicators on different aspects of both living conditions and the distinct socio-economic factors that affect them. These include poverty and inequality; living standards and their affordability for households; quality of housing and the living environment, as well as other material living conditions, along with their interrelationships with the social, labour and health status of a household; and aspects of child poverty and social exclusion, as well as the family-related factors in childhood which affect the situation of today's adults.

While the publication aims at covering as broadly as possible the various aspects of this multi-faceted subject, the indicators presented in it have been necessarily selected so as to highlight important or interesting issues. It provides therefore a starting point for further in-depth investigation, based on relevant data available on Eurostat's website.

http://ec.europa.eu/eurostat

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