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# Children were the age group at the highest risk of poverty or social exclusion in 2011

Children growing up in poverty and social exclusion are less likely to do well in school, enjoy good health and realise their full potential later in life, when they are at a higher risk of becoming unemployed and poor and socially excluded\*.

In 2011, 27.0 % of children (aged 0-17) in the EU-27 were at risk of poverty or social exclusion (AROPE), compared to 24.3 % of adults (18-64) and 20.5 % of the elderly (65 and over). Likewise, children were at a greater risk of poverty or social exclusion in most Member States.

As far as types of households with dependent children are concerned, single parents and large households (two adults with three or more dependent children and three adults or more with dependent children) were at the highest risk of poverty or social exclusion with rates of 49.8 %, 30.8 % and 28.4 % respectively.

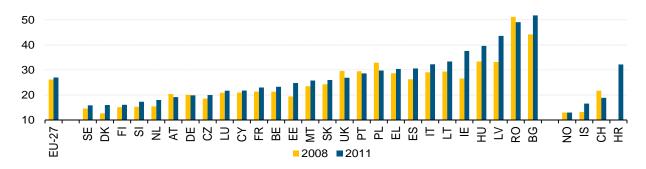
With respect to monetary poverty, more than 45.0% of low to very low work intensity households with dependent children were at risk of poverty. Moreover, 49.2% of children whose parents' highest level of education was low were at risk of poverty, compared to 7.5% of children whose parents' highest level of education was high.

With regard to children living in vulnerable situations, children with at least one migrant parent were at a greater risk of poverty than children whose parents were native born.

As regards living conditions, 18.4% of single parent households were severely materially deprived compared to, on average, 9.6% of households with dependent children.

All figures are based on EU-SILC (Statistics on Income and Living Conditions).

Figure 1: Children at risk of poverty or social exclusion, (%), 2008 and 2011



Note: For 2008: HR data is not available. For 2011: EU-27 Eurostat estimation, IE data is for 2010. Source: Eurostat (online data code: <u>ilc\_peps01</u>)



 $<sup>\</sup>ast$  (2012) SPC Advisory Report to the EC: Tackling and preventing child poverty, promoting child well-being.

The AROPE indicator is defined as the share of the population in at least one of the following three conditions: 1) at risk of poverty, meaning below the poverty threshold, 2) in a situation of severe material deprivation, 3) living in a household with a very low work intensity\*. From 2008 to 2011, the AROPE for children rose in 21 Member States (see Figure 1).

The largest increases in the AROPE since 2008 were in Ireland (+11.0 percentage points (pp) up to 2010) and Latvia (+10.4pp). They were closely followed by Bulgaria (+7.6pp), Hungary (+6.2pp) and Estonia (+5.4pp).

Table 1: Population at risk of poverty or social exclusion by age group (%), 2011

	<18	18-64	>64	Total
EU-27	27.0	24.3	20.5	24.2
BE	23.3	20.0	21.6	21.0
BG	51.8	45.2	61.1	49.1
CZ	20.0	15.1	10.7	15.3
DK	16.0	20.5	16.6	18.9
DE	19.9	21.3	15.3	19.9
EE	24.8	24.2	17.0	23.1
IE	37.6	29.7	12.9	29.9
EL	30.4	31.6	29.3	31.0
ES	30.6	27.2	22.3	27.0
FR	23.0	20.1	11.5	19.3
IT	32.3	28.4	24.2	28.2
CY	21.8	20.8	40.4	23.5
LV	43.6	40.9	33.2	40.1
LT	33.4	33.6	32.5	33.4
LU	21.7	17.6	4.7	16.8
HU	39.6	31.7	18.0	31.0
MT	25.8	20.1	21.5	21.4
NL	18.0	17.0	6.9	15.7
AT	19.2	16.2	17.1	16.9
PL	29.8	27.0	24.7	27.2
PT	28.6	23.2	24.5	24.4
RO	49.1	39.0	35.3	40.3
SI	17.3	18.7	24.2	19.3
SK	26.0	20.6	14.5	20.6
FI	16.1	18.0	19.8	17.9
SE	15.9	15.4	18.6	16.1
UK	26.9	21.4	22.7	22.7
IS	16.6	14.3	4.5	13.7
NO	13.0	15.9	11.4	14.6
011	10.0			
CH	18.9	13.9	28.3	17.2

Note: EU-27 Eurostat estimation, IE data is for 2010 *Source*: Eurostat (online data code : <u>ilc\_peps01</u>)

Thirteen of the remaining Member States had increases of more than 1.0 pp (from 1.3pp in Sweden to 4.3pp for Spain). However, some countries recorded decreases. Major falls were recorded in Poland (- 3.1pp), the United Kingdom (-2.7pp), and Romania (-2.1pp).

Regarding the overall situation in 2011 (see Table 1), the share of children living in a household at risk of poverty or social exclusion ranged from 16-18% in the Nordic countries, Slovenia and the Netherlands to 40-52% in Hungary, Latvia, Romania and Bulgaria.

The AROPE rates differ for different age groups. Table 1 shows the rates for some population age groups. In 2011, 27.0 % of children (aged 0-17) in the EU-27 were at risk of poverty or social exclusion compared to 24.3% of adults (18-64) and 20.5% of the elderly (65 or over). Thus, children were the population age group at the highest risk of poverty or social exclusion. This was the situation in most Member States. There were some exceptions such as Bulgaria, Cyprus, Slovenia, Finland and Sweden where the elderly were most at risk. In Denmark, Germany, Greece and Lithuania, adults were the population age group with the highest risk. However, despite the fact that the elderly and adults respectively had the highest AROPE rates of these two groups of countries, child poverty ranked second highest in nearly all of them.

The largest differences between the AROPE rates of children and the total population were found in Romania and Hungary at more than 8.0 pp. Ireland, Slovakia, Luxembourg, the Czech Republic, the United Kingdom, Portugal, Malta and Italy also had rates that were more than 4.0 pp higher for children than for the total population. The AROPE rates for children and the total population were similar in Germany, Lithuania, Greece and Sweden, but this does not necessarily mean that their rates were among the lowest across the EU-27. Indeed, the AROPE rate for children in Lithuania and Greece exceeded 30%.

The main factors affecting child poverty, after taking account of the effect of social transfers in reducing child poverty, are the composition of the household in which the children live and the labour market situation of their parents, linked also to their level of education. There are also more vulnerable groups of children, such as those with migrant parents, that deserve particular attention.

<sup>\*</sup> See Methodological notes

# Single parents and large households with dependent children were at the highest risk of poverty or social exclusion

Family structure has a significant effect on the total household disposable income. In fact, different types of households have different atrisk-of-poverty profiles. When defining household types, the concept of dependent children (individuals aged 0-17 years and 18-24 years if inactive and living with at least one parent) is used instead of the concept of children (0-17 years) as a population age group.

Dependent children in single parent families have a much higher risk of living in poverty than dependent children in two adult families. Indeed, around half (49.8%) of single parent households with dependent children were at risk of poverty or social exclusion, compared to only about two in every ten (19.3%) of households with two adults and two dependent children.

More generally, the AROPE rate for single parent families with dependent children was approximately 25.0 pp higher than for the

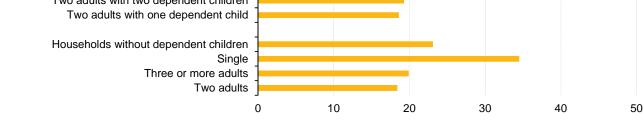
average household with dependent children (49.8 % vs 25.2 %).

However, as a household increases in size the AROPE rate also tends to rise. This is particularly significant for large households with dependent children (two adults with three or more dependent children and three or more adults with dependent children). Around 30 % of households with two adults with three or more dependent children (30.8 %) and of households with three or more adults with dependent children (28.4 %) were at risk of poverty or social exclusion.

The AROPE rate for households without dependent children was nevertheless higher for single person households (34.5%) than for most households with dependent children. The only exception was single parent with dependent children households which were more at risk of poverty or social exclusion than single person households.

Households with dependent children
Single person with dependent children
Two adults with three or more dependent children
Three or more adults with dependent children
Two adults with two dependent children

Figure 2: Population at risk of poverty or social exclusion by household type (%), EU-27, 2011



Note: EU-27 Eurostat estimation, data not available for IE

Source: Eurostat (online data code : ilc\_peps03)

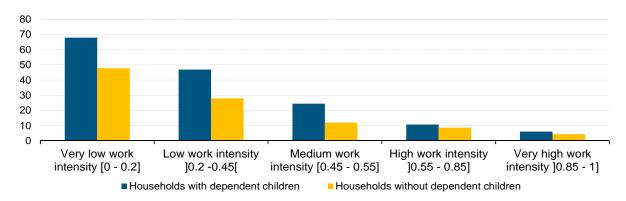
# Over 45% of the low to very low work intensity households with dependent children were at risk of poverty

Labour is the most important source of income for most households and thus has an impact on the at-risk-of-poverty rate, i.e. the share of people below the poverty threshold. However, not only jobless households are at risk of poverty. Therefore, to assess the relationship between employment and risk of poverty at household level, the concept of work intensity is used. Work intensity reflects how much working age adults in a household worked in relation to their total work potential in a year. For example, dependent children who live in households with very low work intensity (equal or inferior to 0.2) are those living in households where, on average, the adults worked less than 20% of their time in a year.

In the EU-27, the highest at-risk-of-poverty rate recorded was for very low work intensity households with dependent children (67.9%) (see Figure 3).

Compared to households without dependent children, households with dependent children were at a greater risk of poverty across all levels of work intensity. In addition, the gap between households with and without dependent children increased when work intensity decreased. This difference in the at-risk-of-poverty rate ranged from around 2pp for high and very high work intensity households (work intensity higher than 0.55) to nearly 20pp for low and very low work intensity households (lower than 0.45) with dependent children.

Figure 3: Population at risk of poverty by work intensity of the household (%), EU-27, 2011



Note: EU-27 Eurostat estimation, data not available for IE

Source: Eurostat (online data code : ilc\_li06)

# Nearly half of children whose parents did not attain upper secondary education were at risk of poverty

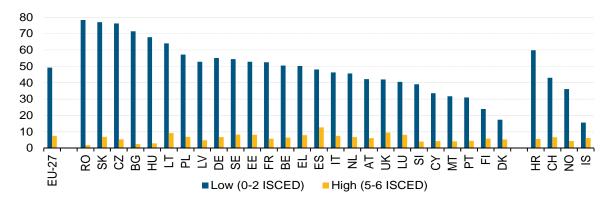
Education affects the type of job an individual can access. Indeed, the risk of poverty rises as the level of education diminishes. In the EU-27 in 2011 (Figure 4), nearly 50% of children (aged 0-17) living in households in which the highest level of education attained by the parents living in the same household was lower secondary level (0-2 ISCED) were at risk of poverty. This effect remains even after controlling for family structure and the work intensity of the household.

The risk of poverty increased by over 41.0 pp for households with low levels of education compared to households with a high level of education (5-6 ISCED).

At country level, the difference between the atrisk-of-poverty rates for children with parents with low and high levels of education ranged from 12.0-18.0 pp in Denmark and Finland to 65.0-75.0 pp in Hungary, Bulgaria, the Czech Republic, Slovakia and Romania.

<sup>\*</sup> See Methodological notes

Figure 4: Children at risk of poverty by the highest level of education attained by parents living in the same household (% of population), EU-27, 2011



Note: EU-27 Eurostat estimation, data not available for IE

Source: Eurostat (online data code : ilc\_li60)

# Children with a migrant background were at a greater risk of poverty

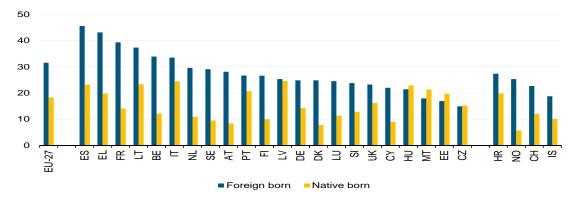
Migrant background also matters. In fact, children with a migrant background tend to be more exposed to poverty than the total child population. Overall, in 2011 (Figure 5), children (aged 0-17) with at least one foreignborn parent were at a greater risk of poverty (+13.0 pp higher) than children with nativeborn parents\*. The greatest differences between children with foreign- and nativeborn parents were in France (+25.9 pp) and Greece (+23.9 pp). For seven other Member States for which data is available, the difference was more than 15.0 pp.

The highest risks for children with at least one foreign-born parent were recorded in Spain (45.5 %), Greece (43.1 %) and France (39.3 %). On the other hand, the lowest at-

risk-of-poverty rates for children with at least one foreign-born parent were observed in Malta (17.9 %), Estonia (16.9 %) and the Czech Republic (14.9 %).

However, for some European countries migration was not an issue. These last three countries were the only Member States (for which data is available), besides Latvia (+0.7pp) and Hungary (-0.9 pp), where children with at least one foreign- born parent had a similar or lower at-risk-of poverty rate than children with native-born parents (-3.4 pp, -2.0 pp and -0.2 pp, respectively).

Figure 5: Children at risk of poverty by parents' country of birth (% population), 2011



Note: EU-27 Eurostat estimation. Foreign born data is unreliable for BG, PL, RO and SK  $\,$ 

Source: Eurostat (EU-SILC 2011)

<sup>\*</sup> See Methodological notes

# 18% of children living with single parents were severely materially deprived

Indicators of material deprivation provide a complementary view of children's well-being and living conditions.

The severe material deprivation rate represents the share of children who live in households with an enforced lack of certain items at household level\*. In 2011, children (aged 0-17) in the EU-27 also had the highest rate (10.0 %) of severe material deprivation, higher than adults (8.9 %) and the elderly (7.2 %). Compared to 2008, there was a slight increase in the overall rate for children (+0.3 pp).

However, there were significant changes at country level, particularly in Latvia (+12.6 pp), Hungary (+8.3 pp) and Greece (+6 pp).

With respect to types of households, 18.4 % of single parents and 11.2 % of two adults with three or more dependent children were at the highest risk compared to, on average, 9.6 % of households with dependent children.

The ad-hoc module in the EU-SILC 2009 provides information focused on specific children material deprivation items. Here, children are referred as those aged 1-15 years.

In table 2, the most significant items are shown. Regarding food items, 34.5 % of children in Bulgaria did not eat fresh fruit and vegetables once a day as these items could not be afforded. The situation was similar in Romania (23.8 %), Hungary (17.2 %) and Latvia (15.4 %). Similarly, in Bulgaria and Romania, around 30 % of children did not eat one meal with meat, chicken or fish or vegetarian equivalent (proteins) per day because the household could not afford it. For both items, in the EU-27, the average share was about 4.0-5.0 %

Regarding clothes and shoes items, Bulgaria, had the highest share of deprivation: 35 % of children in Bulgaria did not have new clothes because the household could not afford them. Overall, in the EU-27, 5.9 % of children were deprived in this dimension. This is the item that was lacking the most across countries out of the four items presented. More than 20 % of children in Romania (25.2 %), Latvia (24.5 %) and Hungary (21.8 %), but also 13 % or more of children in Portugal, Slovakia and

Lithuania did not have new clothes because the household could not afford them.

Finally, 44.3 % of children in Bulgaria suffered from an enforced lack of two pair of properly fitting shoes (including a pair of allweather shoes). However, in 18 of the Member States, the share was below 4.0 %.

Table 2: Share of children (1-15 years) deprived (lacking selected items), (%), 2009

	Foo	d	Clothes and Shoes	
	Fruit & Veg	Proteins	Clothes	Shoes
EU-27	4.4	4.8	5.9	4.5
BE	1.8	3.1	6.3	3.8
BG	34.5	31.2	35.0	44.3
CZ	2.2	3.9	5.0	2.1
DK	0.6	0.7	2.1	1.4
DE	2.5	5.3	3.3	3.8
EE	10.4	6.4	5.2	4.4
IE	0.8	2.1	2.6	4.0
EL	1.2	4.7	0.6	0.8
ES	0.6	0.5	3.1	1.3
FR	4.7	2.1	5.2	5.6
IT	2.4	4.5	6.2	2.7
CY	0.7	0.7	0.6	0.4
LV	15.4	10.6	24.5	11.0
LT	8.7	9.0	13.4	1.0
LU	0.5	0.8	2.6	0.7
HU	17.2	12.6	21.8	5.2
MT	2.4	4.5	6.1	2.7
NL	0.6	0.7	1.3	2.5
AT	1.0	2.2	3.0	1.1
PL	6.8	5.4	3.6	3.1
PT	4.3	4.8	14.0	4.7
RO	23.8	29.1	25.2	18.7
SI	1.6	2.1	9.8	2.1
SK	10.3	13.9	13.0	7.2
FI	0.5	0.0	3.2	1.0
SE	0.1u	0.1u	0.4u	1.1u
UK	0.9	0.6	2.0	2.7
IS	0.6	0.5	1.2	0.6
NO	0.7	1.1	0.4	0.6
СН	0.2	1.6	1.4	1.3

Note: EU-27 Eurostat estimation

u: unreliable

Source: Eurostat (EU-SILC 2009 module)

<sup>\*</sup>See Methodological notes

# Methodological notes

#### Background

EU-SILC (EU Statistics on income and living conditions) is the reference source for statistics and indicators on income and living conditions. It is regulated under the Framework. Regulation 1177/2003.

EU-SILC is the main source of information used in the European Union to develop indicators monitoring poverty and social exclusion.

#### **Definitions**

#### At-risk-of-poverty rate

This indicator reflects the percentage of people with an equivalised disposable income below the 'at-risk-of-poverty threshold'. The at-risk-of poverty threshold is set for each country at 60 % of the national median equivalised disposable income.

#### Severe material deprivation rate

This is defined as the percentage of the population with an enforced lack of at least four out of nine material deprivation items in the 'economic strain and durables' dimension.

The nine items considered are: 1) arrears on mortgage or rent payments, utility bills, hire purchase instalments or other loan payments; 2) capacity to afford paying for one week's annual holiday away from home; 3) capacity to afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day; 4) capacity to face unexpected financial expenses [set amount corresponding to the monthly national at-risk-of-poverty threshold of the previous year]; 5) household cannot afford a telephone (including mobile phone); 6) household cannot afford a colour TV; 7) household cannot afford a washing machine; 8) household cannot afford a car and 9) ability of the household to pay for keeping its home adequately warm.

#### Households with very low work intensity

The work intensity for each household is calculated by dividing the sum of all the months actually worked by the working age members of the household by the sum of the workable months in the household — i.e., the number of months spent in any activity status by the working age members of the household. A working age person is defined as a person aged 18-59 years, who is not a dependent child. A work intensity equal or inferior to 0.20 is considered as very low.

#### Dependent children

Individuals aged 0-17 years and 18-24 years if inactive and living with at least one parent.

### People at-risk-of-poverty or social exclusion rate (AROPE)

This indicator is the headline indicator to monitor the EU2020 Strategy poverty target. It reflects the share of the population which is either at risk of poverty, or severely materially deprived or lives in a household a very low work intensity.

#### Children with migrant background

A child is considered to have a migrant background if at least one of the parents living with him/her was foreign born. On the other hand, a child is considered to be native born if both parents living in the household are native born or, if there is only one parent in the household, that parent is native born.

#### Material Deprivation for Children (2009 module)

A child is deprived in one item if the household cannot afford that item for at least one child (enforced lack). This module only includes 1-15 year-old children.

1. Some new (not second-hand) clothes; 2. Two pairs of properly fitting shoes, including a pair of all-weather shoes; 3. Fresh fruits & vegetables daily; 4. Three meals a day; 5. One meal with meat, chicken, fish or vegetarian equivalent daily; 6. Books at home suitable for the children's age; 7. Outdoor leisure equipment; 8. Indoor games; 9. A suitable place to do homework; 10. To consult a dentist when needed; 11. To consult a general practitioner (GP) when needed; 12. Regular leisure activities (sports, youth organisations, etc.); 13. Celebrations on special occasions; 14. To invite friends round to play and eat from time to time; 15. To participate in school trips and school events that costs money; 16. Outdoor space in the neighbourhood to play safely; 17. One week annual holiday away from

### Highest level of education attained by parents living in the child's household

The classification of educational activities is based on ISCED — the International Standard Classification of Education — UNESCO 1997. It has the following categories:

ISCED 0 — pre-primary education

ISCED 1 — primary education
ISCED 2 — lower secondary education

ISCED 3 — (upper) secondary education

ISCED 4 — post-secondary non-tertiary education

ISCED 5 — first stage of tertiary education

ISCED 6 — second stage of tertiary education

#### EU average

EU aggregates are computed as the population-weighted averages of national indicators.

#### **Abbreviations**

EU-27 Member States: Belgium (BE), Bulgaria (BG), the Czech Republic (CZ), Denmark (DK), Germany (DE), Estonia (EE), Ireland (IE), Greece (EL), Spain (ES), France (FR), Italy (IT), Cyprus (CY), Latvia (LV), Lithuania (LT), Luxembourg (LU), Hungary (HU), Malta (MT), the Netherlands (NL), Austria (AT), Poland (PL), Portugal (PT), Romania (RO), Slovenia (SI), Slovakia (SK), Finland (FI), Sweden (SE) and the United Kingdom (UK). Croatia (HR), Iceland (IS), Norway (NO) and Switzerland (CH) are also referred to in this publication.

### **Further information**

Eurostat website: <a href="http://ec.europa.eu/eurostat">http://ec.europa.eu/eurostat</a>

Data on 'Income, social inclusion and living conditions':

http://epp.eurostat.ec.europa.eu/portal/page/portal/income\_social\_inclusion\_living\_cond itions/data/database

2009 Material deprivation for children (Ad-hoc module)

http://epp.eurostat.ec.europa.eu/portal/page/portal/income social inclusion living cond itions/data/ad hoc modules

Further information about 'Income, social inclusion and living conditions':

http://epp.eurostat.ec.europa.eu/portal/page/portal/income\_social\_inclusion\_living\_conditions/introduction

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