

Economic poverty rates in Poland in 2019.

(based on the results of the Household Budget Survey)

30.06.2020

In 2019, there was a slight decrease (by about 1-2 p.p.) in the economic poverty rates estimated on the basis of household expenditure.

The observed decrease in the extent of economic poverty in 2019 referred to all three types of poverty considered: extreme, relative and legal.

In 2019 the extreme poverty rate was 4.2%, compared to 5.4% in 2018.

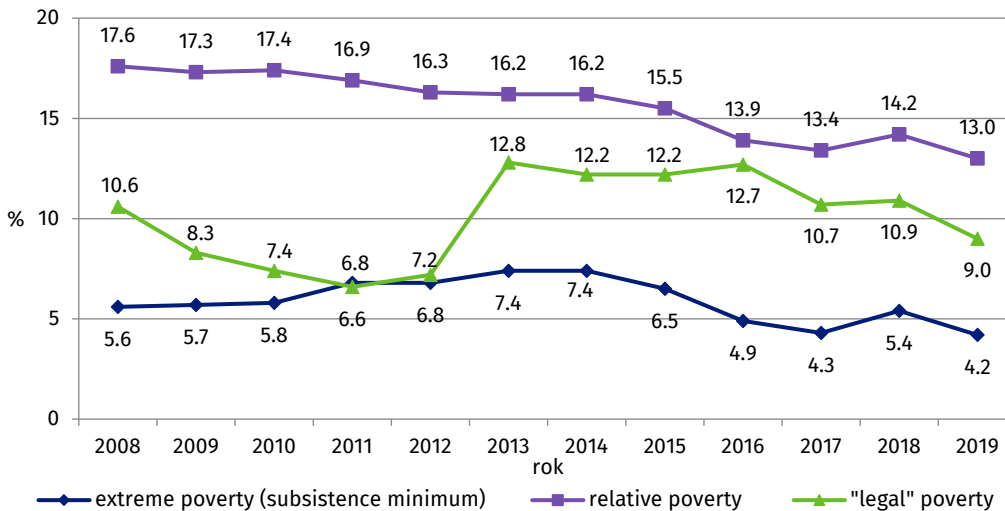
4,2%
Extreme poverty rate in Poland in 2019.

The year 2019 brought an improvement in the material situation of households in Poland, which was reflecting in a slight decrease in the economic poverty rates, including extreme poverty (from about 5% in 2018 to about 4% in 2019). The decrease in extreme poverty concerned mainly households most at risk of poverty, i.e. households living mainly on social benefits (other than pensions) and households with at least 3 children under 18 years of age, residents of rural areas and small towns.

Economic poverty rates in 2019. Were there any significant changes comparing to the previous year?

Statistics Poland regularly, every year, calculates and publishes indicators concerning the economic poverty rates in Poland based on the results of the Household Budget Survey. The presented indicators are annual average data. Three different poverty thresholds (lines) are taken into account in the calculations: the thresholds of extreme and relative poverty and the so-called legal poverty line. After a gradual decrease in the economic poverty rates observed from 2015 to 2017, in 2018 this trend was halted - depending on the adopted threshold, the poverty rate was at a similar or slightly higher level than in 2017. On the other hand, in 2019 there was a slight decrease in all the three poverty rates (by 1.2-1.9 p.p.). The decrease in the economic poverty rates in 2019 took place in a situation where the level of average household income and expenditure increased (in nominal as well as in real terms - i.e. taking into account changes in the level of prices of consumer goods and services).

Chart 1. Poverty rates in Poland in the years 2008-2019 according to poverty thresholds adopted in a given year (in % of people in households)



- The basis for determining the extreme poverty line is a level of the subsistence minimum estimated by the Institute of Labour and Social Affairs (IPISS). The category of subsistence minimum determines a very low level of satisfaction of needs. Consumption below this level makes it difficult to survive and constitutes a threat to human psychophysical development. In 2019, the extreme poverty rate was 4.2%, i.e. 1.2 p.p. less than in 2018.
- Taking into account the so-called legal poverty line indicates a group of people who, in accordance with the binding provisions of law, are potentially entitled to apply for a cash benefit from social assistance. In 2019, the legal poverty rate was 9.0%, i.e. 1.9 p.p. less than in 2018.

- The application of the relative poverty threshold at the level of 50% of monthly average household expenditure makes it possible to separate those households whose level of consumption significantly differs (in minus) from the average level. In 2019, 13.0% of people in households experienced relative poverty. This value was lower by 1.2 p.p. than in the previous year.

Changes in the extreme poverty rate in 2019. How did the poverty rates among different population groups changed?.

Based on household expenditure, the fall in extreme poverty rate observed in 2019 affected most of the population groups considered, with varying degrees of change. Compared to 2018, the percentage of people spending on their subsistence less than the adopted level of the subsistence minimum among households living mainly from unearned sources other than pensions clearly decreased (by more than 3 p.p.). The poverty rate among pensioners' households decreased by about 2 p.p. For the remaining socio-economic groups of households (i.e. households of employees, the self-employed, retirees and farmers), the value of the extreme poverty rate in 2019 was lower by about 1 p.p.

The decline in the extreme poverty rate observed in 2019 affected most of the population groups taken into account.

The decrease in the extreme poverty rate among households with people with a certificate of disability relatively most often concerned households where the head of the household^a had such a certificate (decrease by about 3 p.p.). Poverty rate in households where the head of the household had a low level of education (not higher than lower secondary or basic vocational education) decreased by about 2 p.p.

In 2019, there was also a decrease in the percentage of poor people among households with children under 18 years of age. The biggest one (by about 3 p.p.) - was recorded in the case of households with at least 3 children. The percentage of poor people among households with 1 child under 18 also decreased by 1.5 p.p. As a result, extreme poverty rate among children and young people under 18 years of age decreased from 6% in 2018 to less than 5% in 2019.

The decrease in the level of extreme poverty in 2019 concerned to a large extent the inhabitants of rural areas and the smallest towns - with less than 20 thousand inhabitants (a decrease of about 2 p.p.). In groups of cities between 20 000 and 200 000 - the decrease in the poverty rate was minimal (below 1 p.p.). However, the poverty rate in the largest urban centres (at least 200 thousand inhabitants) remained at a similar level in both years. In this category of cities, the extreme poverty rate was the lowest and amounted to about 1%.

Diversifying the extreme poverty rate in 2019. Who experienced poverty most often and least often?

When interpreting the data on the differentiation of the poverty rate due to different characteristics of households, it should be remembered that in practice we are dealing not with one determinant of poverty, but with the coexistence of many factors simultaneously. For example, the differentiation of the poverty rate by socio-economic groups depends, among others, on the economic activity of household members and their status on the labour market, which in turn depends, for example, on the age and level of education of the people forming the household.

The level of poverty risk of particular population groups varies, however, no significant changes in the social map of extreme poverty risk in Poland have been observed in the last few years.

Particularly vulnerable to extreme poverty in 2019 were the households living mainly on so-called unearned sources, including mainly from social benefits other than pensions (poverty rate of about 11%) and farmers' households (about 10%). A higher than average level of extreme poverty also occurred in the households of pensioners (6%). The households of people with a low level of education were affected by extreme poverty in particular. The poverty rate among households the head of which had at most lower secondary education was more than twice as high as the average and amounted to about 10%. The percentage of the poor in the case of households the head of which had basic vocational education was also higher than the average (over 6%). The group of households with a relatively high extreme poverty rate also included households with persons with a disability certificate. The extreme poverty rate in households with at least one person recognised as a person with disabilities amounted to 6.5%.

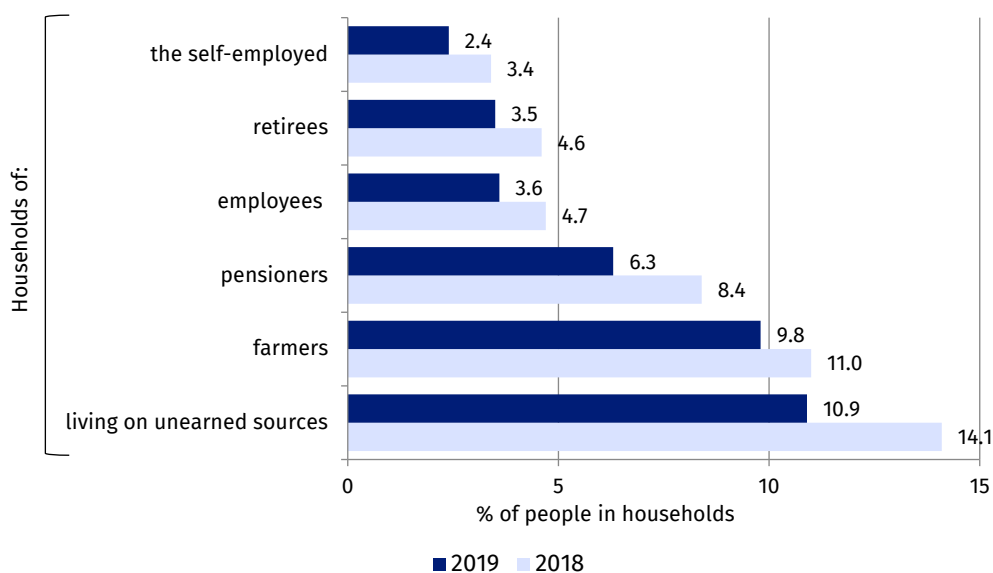
^a The head of the household (defined as a reference person in Household Budget Survey) is a person at the age of 16 and over who gains permanent in the longer time, the highest income of all the household members.

Households with at least two children under 18 years of age were characterized by a higher rate of extreme poverty than the Polish average in 2019. Households with at least three children (about 7% of poor people) were in the worst situation.

Rural residents were more likely to have lower expenditures than urban residents, where the extreme poverty rate reached about 8% in 2019. For comparison, in cities and towns, depending on the size, it ranged from about 1% to about 3%.

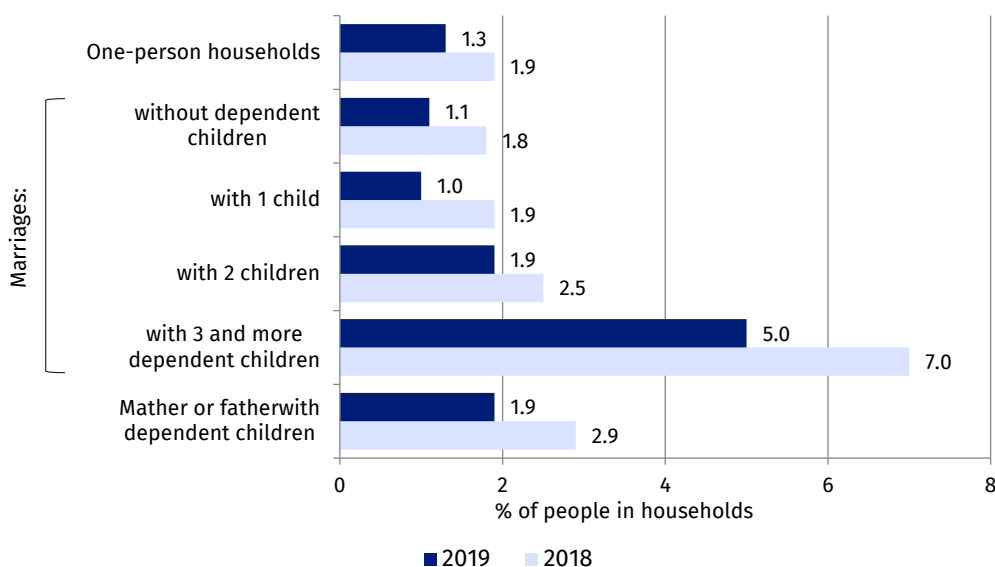
By contrast, in 2019, the lowest rates of extreme poverty due to the main source of income were recorded among households of the self-employed (about 2%). People living in households where the head of the household had higher education were the least affected by extreme poverty (about 1%). Equally low levels of extreme poverty (about 1% of poor persons each) were also characteristic of 1-person households, married couples without children or with one dependent child. A low poverty rate was also noted among the inhabitants of large cities. In cities with at least 500 thousand inhabitants, every hundredth person was affected by extreme poverty (1% poverty rate). A similar level of extreme poverty (over 1%) was recorded in cities with a population of 200-500 000 inhabitants.

Chart 2. Extreme poverty rate in the years 2018 and 2019 by socio-economic groups



Depending on the socio-economic group of households, between 2 and 11% of people lived in extreme poverty.

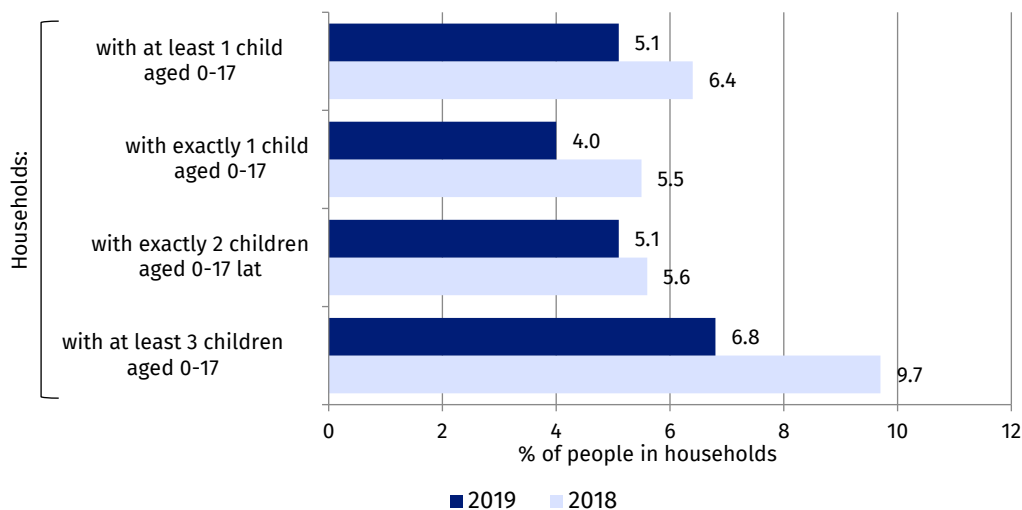
Chart 3. Extreme poverty rate in the years 2018 and 2019 by household types^a



In 2019, the extreme poverty rate in households with dependent children decreased.

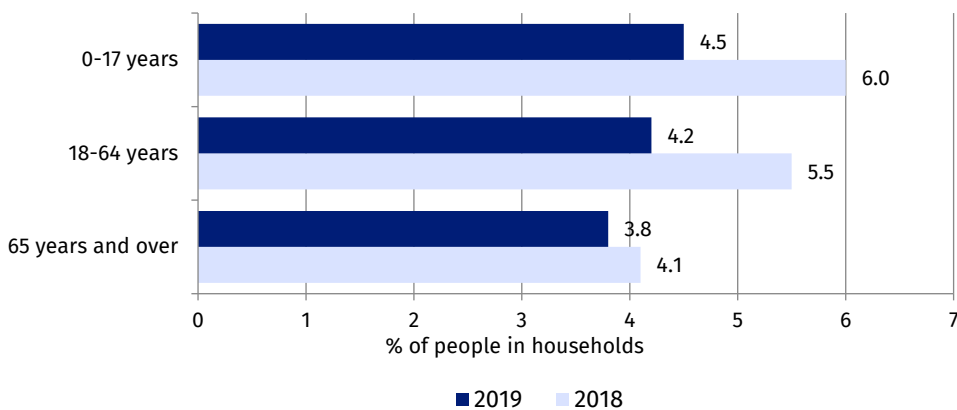
^a A dependent child is a person up to the age of 14 or a person aged 15-25 with no own source of income and not married (or not living in cohabiting couple). Cohabiting couples were included in marriages.

Chart 4. Extreme poverty rate in the years 2018 and 2019 in households with children aged 0-17



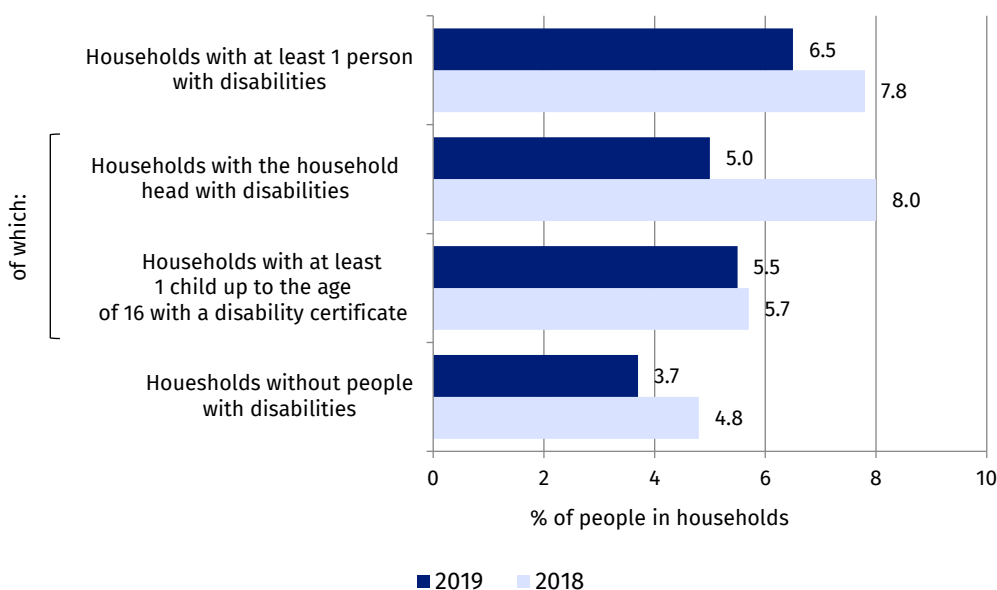
Comparing to 2018, the extreme poverty rate in households with 1 child under 18 years of age decreased by 1.5 p.p. and in households with three or more children by about 3 p.p.

Chart 5. Extreme poverty rate in the years 2018 and 2019 by age



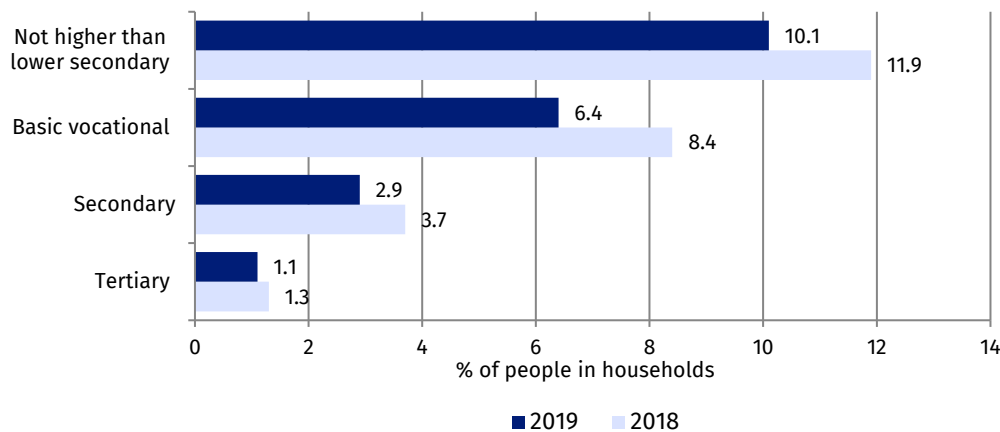
In 2019 in relation to 2018, the extreme poverty rate among children and people aged 18-64 decreased slightly (by 1.3-1.5 p.p.), while the level of poverty among the elderly remained at a similar level (about 4%).

Chart 6. Extreme poverty rate in the years 2018 and 2019 by the presence of people with legally confirmed disabilities in a household



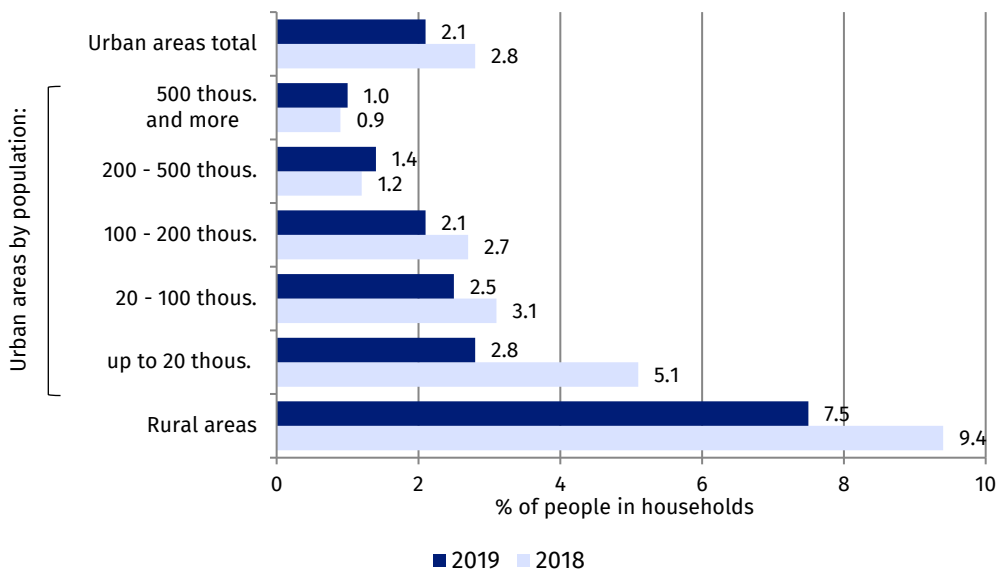
In 2019, there was a decrease in the poverty rate (by about 3 p.p.) in households where the head of the household had a disability certificate, while no change was recorded for households with children with disabilities.

Chart 7. Extreme poverty rate in the years 2018 and 2019 by education level of the head of the household



In 2019, the highest poverty level was recorded in households where the head of the household had at most lower secondary education (10%) or basic vocational education (about 6%). In comparison with 2018, a decrease in the extreme poverty rates by 2 p.p. was recorded in these groups.

Chart 8. Extreme poverty rate in the years 2018 and 2019 by place of residence



In 2019, the extreme poverty rate among the inhabitants of rural areas and the smallest towns decreased by about 2 p.p. However, the poverty rate in the largest cities, where it was about 1%, did not change.

Privation^b

Besides economic poverty rates, Statistics Poland also calculates and publishes privation rates. The threshold of privation is based on the social minimum calculated by IPISS. The basket of the social minimum takes into account goods and services that serve not only to satisfy basic vital needs, but also goods and services necessary for work, education, preserving family ties and relationships with friends as well as modest participation in culture and recreation. Consumption expenditure at the social minimum level is assumed to allow for a "decent life". The social minimum is sometimes treated as the threshold below which the integration needs of a human being cannot be met.

The above methodological assumptions and, consequently, the level of the privation line (about twice as high as the extreme poverty line) allow us to conclude that the privation should not be identified with economic poverty. It is a separate socio-economic category used in analyses of quality of life and social exclusion

In 2019, the privation rate was 39.4%. So it was less than 2 p.p. lower than in 2018.

^b Detailed data and methodological explanations are included in the annex to the news release..

Chart 9. Extreme poverty rate and privation rate in Poland in the years 2008-2019

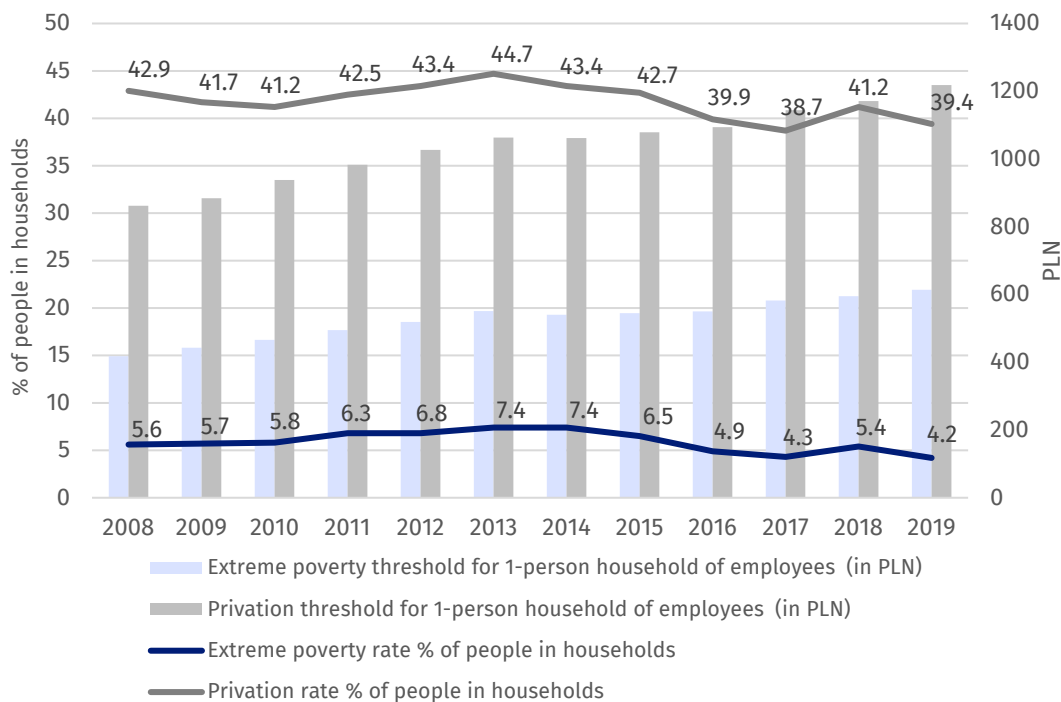


Table 1. Economic poverty and privation thresholds for selected types of households in the years 2015-2019

Economic poverty and privation thresholds	1-person households					4-person households (2 adults + 2 children up to 14 years)				
	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019
	in PLN									
Extreme poverty	545	550	582	595	614	1472	1486	1572	1606	1658
Relative poverty	734	770	799	810	858	1982	2080	2157	2187	2317
„Legal” poverty	634	634	634	701	701	2056	2056	2056	2112	2112
Privation – for households of employees and the self-employed	1079	1094	1144	1171	1218	2913	2954	3090	3163	3287
Privation – for households of farmers, retirees, pensioners and living on un-earned sources	1080	1091	1132	1155	1195	2915	2947	3056	3118	3226

^a Level of the thresholds in the 4th quarter of the year.

^b Poverty line for a person living alone was: from October 2015 to September 2018 – PLN 634, since October 2018 – PLN 701. The line per person being a member of multi-level household was: from October 2015 to September 2018 – PLN 514, since October 2018 – PLN 528.

Like the level of extreme poverty, the level of privation was varied. It was most often experienced by the same groups of households. In 2019, the highest percentages of people living in privation were recorded among households living on unearned sources other than pensions, farmers' households and households where the head of household had at most lower secondary education (60-62% each). A high value - more than 55% - of the privation rate was also recorded among households with at least 3 children under 18. The privation rate in rural areas (52%) was definitely higher than in urban areas (depending on the city or town size class - from 18% to 40%).

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[The situation of households in 2019 - on the base of the result of Household Budget Survey](#)

Data available in databases

[Local Data Bank](#)

[Knowledge Database Living Conditions/Poverty by socio-economic groups](#)

[Knowledge Database Living Conditions/Poverty by urban and rural areas](#)

[Knowledge Database Living conditions/Poverty by voivodships](#)

Terms used in official statistics

[Extreme poverty rate](#)

[Relative poverty rate](#)

[Legal poverty rate](#)