

Annex to the news release „Economic poverty rates in Poland in 2020”

Methodological notes

Since the 1990s, Statistics Poland has regularly published economic poverty rates, estimated on the basis of the results of the Household Budget Survey, using various poverty thresholds. Taking into account several, rather than one selected line results, among others, from the fact that none of the lines has been defined in Poland as an official one and from the methodological point of view there is no reason to undoubtedly prefer one of them. Each threshold has advantages and disadvantages and a different interpretation.

Adopted poverty lines are as follows:

- Extreme poverty threshold is set on the basis of the subsistence minimum estimated by the Institute of Labour and Social Studies (IPISS) for 1-person employees' household. The subsistence minimum takes into account only those needs which cannot be postponed and consumption below this level makes it difficult to survive and constitutes a threat to human psychophysical development.
- "Legal" poverty threshold is the amount which, according to the Law on Social Assistance, entitles to apply for a monetary benefit from social assistance system.
- Relative poverty threshold is determined as 50% of the mean expenditure of all households (calculated on the basis of Household Budget Survey).

Poverty rate is defined as a percentage of people in households in which expenditure level falls below the adopted poverty threshold. The expenditure includes, in addition to the amounts spent on consumption purposes, the value of products received free of charge, the value of own consumption as well as the so-called renovation fund, indicating households contributions for the fund covering the costs of renovation and modernisation of the residential building they live in.

In the case of the extreme and relative poverty, in order to eliminate the effect of the demographic composition of households on the cost of living (household size and age of household members), the so-called original OECD equivalence scale has been used. According to this scale, weight 1 is attributed to the first person in the household at the age of 14 and over, weight 0.7 – to any other person at that age and weight 0.5 – to every child under 14. And thus the poverty threshold for a 4-person household consisting of 2 adults and 2 children at the age under 14 is 2.7 times as high as that for a 1-person household.

For example, in the fourth quarter of 2020, for 1-person household, the extreme poverty line was PLN 640 and the relative poverty line PLN 799. For 4-person household described above the extreme poverty threshold was PLN 1727 and relative poverty threshold was PLN 2157.

In the case of „legal" poverty two amounts are applicable: for a person living alone (1-person household) and per person in multi-person households. Since October 2018, the threshold amounted to PLN 701 for 1-person household and PLN 528 per person in multi-person household.

The presented poverty rates are annual average data.

In 2020, due to the pandemic and the introduction of various restrictions aimed at reducing coronavirus transmission by limiting person-to-person contact, the method of collecting information from respondents used in the Household Budget Survey was changed it's from a face-to-face interview to a telephone interview.

Tabular annex

Table 1. Poverty thresholds for selected household types in the years 2017-2020^a

Poverty thresholds:	1-person households				4-person households (2 adults + 2 children up to 14 years)			
	2017	2018	2019	2020	2017	2018	2019	2020
	In PLN							
Extreme (subsistence minimum)	582	595	614	640	1572	1606	1658	1727
Relative	799	810	858	799	2157	2187	2317	2157
"Legal" ^b	634	701	701	701	2056	2112	2112	2112

^a The level of the thresholds refers to the 4th quarter of the year – on average per month. The values have been rounded to the full PLN.

^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.

Table 2. Poverty rates by socio-economic groups of households in the years 2017-2020

Households:	2017	2018	2019	2020	2017	2018	2019	2020	2017	2018	2019	2020
	Extreme poverty rate				Relative poverty rate				„Legal” poverty rate			
	% of people in households											
TOTAL	4.3	5.4	4.2	5.2	13.4	14.2	13.0	11.8	10.7	10.9	9.0	9.1
Employees	3.3	4.7	3.6	4.6	11.9	12.9	12.0	10.7	9.7	10.5	8.4	8.5
Farmers	9.7	11.0	9.8	13.5	25.8	27.7	25.9	28.7	21.6	22.8	20.5	23.5
The self-employed	2.6	3.4	2.4	2.7	8.5	8.9	7.6	7.9	6.8	7.2	5.8	5.8
Retirees	4.4	4.6	3.5	4.2	11.9	12.0	11.3	9.6	7.3	6.7	5.8	5.8
Pensioners	7.3	8.4	6.3	8.2	20.0	21.8	19.0	17.3	14.0	13.0	11.0	10.8
Living on unearned sources	10.4	14.1	10.9	13.6	27.6	31.7	27.0	24.7	26.7	29.0	24.6	23.5

Table 3. Poverty rates by household types in the years 2019-2020

Households:	2017	2018	2019	2020	2017	2018	2019	2020	2017	2018	2019	2020
	Extreme poverty rate				Relative poverty rate				"Legal" poverty rate			
	% of people in households											
TOTAL	4.3	5.4	4.2	5.2	13.4	14.2	13.0	11.8	10.7	10.9	9.0	9.1
1-person	2.1	1.9	1.3	1.4	5.8	5.4	5.0	4.0	3.2	2.8	2.5	2.4
Marriages: ^a												
without dependent children	1.7	1.8	1.1	1.4	5.8	5.7	5.2	4.0	2.1	2.0	1.3	1.2
with 1 dependent child ^b	1.3	1.9	1.0	1.4	5.6	5.7	4.5	3.7	3.1	3.3	2.1	2.1
with 2 dependent children	2.2	2.5	1.9	2.7	8.7	9.7	8.0	7.5	7.4	8.2	6.0	6.1
with 3 and more dependent children	6.4	7.0	5.0	5.9	18.8	19.1	17.4	20.3	20.3	19.3	16.3	15.7
Mother or father with dependent children	2.5	2.9	1.9	2.8	9.6	10.5	7.4	8.3	8.3	10.2	5.4	5.3

^a Including cohabiting couples.

^b 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).

Table 4. Poverty rates in households with children aged 0-17 in the years 2017-2020

Households:	2017	2018	2019	2020	2017	2018	2019	2020	2017	2018	2019	2020
	Extreme poverty rate				Relative poverty rate				"Legal" poverty rate			
	% of people in households											
TOTAL	4.3	5.4	4.2	5.2	13.4	14.2	13.0	11.8	10.7	10.9	9.0	9.1
with at least 1 child aged 0-17 years	4.9	6.4	5.1	6.5	15.9	16.9	15.1	14.4	14.5	15.0	12.2	13.0
with exactly 1 child aged 0-17 years	3.8	5.5	4.0	5.2	13.3	13.5	12.2	11.9	9.6	9.9	7.9	8.5
with exactly 2 children aged 0-17 years	4.5	5.6	5.1	6.5	14.3	16.3	14.3	14.0	13.3	14.4	11.7	12.8
with at least 3 children aged 0-17 years	7.6	9.7	6.8	8.7	23.3	23.9	21.3	19.1	25.4	25.1	20.7	20.5
Without children aged 0-17 years	3.6	4.0	3.1	3.4	10.3	10.7	10.2	8.3	5.7	5.6	4.7	3.9

Table 5. Poverty rates by age in the years 2017-2020

People aged:	2017	2018	2019	2020	2017	2018	2019	2020	2017	2018	2019	2020
	Extreme poverty rate				Relative poverty rate				"Legal" poverty rate			
	% of people in households											
TOTAL	4.3	5.4	4.2	5.2	13.4	14.2	13.0	11.8	10.7	10.9	9.0	9.1
0-17 years	4.7	6.0	4.5	5.9	15.3	16.2	14.3	13.4	14.8	15.0	12.2	12.6
18-64 years	4.4	5.5	4.2	5.1	13.3	14.1	12.8	11.7	10.2	10.6	8.5	8.5
65 years and over	3.6	4.1	3.8	4.4	11.0	11.5	11.8	10.0	6.4	6.6	6.5	6.0

Table 6. Poverty rates in households with people by the presence of people with legally confirmed disabilities^a in the years 2017-2020

Households:	2017	2018	2019	2020	2017	2018	2019	2020	2017	2018	2019	2020
	Extreme poverty rate				Relative poverty rate				"Legal" poverty rate			
	% of people in households											
TOTAL	4.3	5.4	4.2	5.2	13.4	14.2	13.0	11.8	10.7	10.9	9.0	9.1
Households with at least 1 person with disabilities	6.7	7.8	6.5	7.5	19.1	19.1	18.6	16.8	15.2	14.3	13.0	11.9
Of which:												
the head of the household with disabilities	6.3	8.0	5.0	6.5	17.7	17.6	17.4	14.1	12.8	11.5	10.6	8.9
at least 1 child up to the age of 16 with a disability certificate	4.9	5.7	5.5	7.0	18.6	15.9	14.6	13.4	18.2	16.0	15.6	13.9
Households without people with disabilities	3.7	4.8	3.7	4.7	12.1	13.1	11.8	10.8	9.6	10.2	8.2	8.5

^a In the case of people aged 16 and over as a person with disabilities is recognised a person who has a decision on the degree of disability issued by an appropriate adjudicating body. In the case of people up to the age of 16 as a person with disabilities is recognized a person who has a disability certificate (without deciding the degree).

Table 7. Poverty rates by education level of the head of the household ^a in the years 2017-2020

Education level of the head of household:	2017	2018	2019	2020	2017	2018	2019	2020	2017	2018	2019	2020
	Extreme poverty rate				Relative poverty rate				"Legal" poverty rate			
	% of people in households											
TOTAL	4.3	5.4	4.2	5.2	13.4	14.2	13.0	11.8	10.7	10.9	9.0	9.1
Not higher than lower secondary	10.0	11.9	10.1	11.9	27.2	28.0	26.2	23.3	20.7	21.5	18.3	17.8
Basic vocational/basic sectoral vocational	6.6	8.4	6.4	7.8	20.0	20.8	18.9	17.8	16.5	16.5	13.4	13.8
Secondary	2.8	3.7	2.9	4.3	9.7	11.2	10.4	10.5	7.4	8.3	7.0	7.7
Tertiary	0.8	1.3	1.1	1.9	3.6	4.5	4.6	4.4	2.7	3.3	3.3	3.7

^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.

Table 8. Poverty rates by place of residence in the years 2017-2020

Place of residence:	2017	2018	2019	2020	2017	2018	2019	2020	2017	2018	2019	2020
	Extreme poverty rate				Relative poverty rate				"Legal" poverty rate			
	% of people in households											
TOTAL	4.3	5.4	4.2	5.2	13.4	14.2	13.0	11.8	10.7	10.9	9.0	9.1
Urban areas total	2.4	2.8	2.1	2.4	9.0	8.7	8.0	6.6	6.7	6.4	5.1	4.8
by population:												
500 thous. or more	1.5	0.9	1.0	1.6	5.1	3.6	3.6	3.7	3.9	2.7	2.2	2.6
200-500 thous.	1.1	1.2	1.4	1.2	5.8	5.1	4.9	4.6	4.2	3.3	3.0	2.0
100-200 thous.	1.8	2.7	2.1	2.0	6.4	8.4	7.9	5.5	5.4	7.0	6.1	4.7
20-100 thous. .	2.8	3.1	2.5	2.3	10.1	9.9	10.0	7.6	7.4	7.4	6.4	5.4
up to 20 thous.	4.1	5.1	2.8	4.4	14.7	14.4	11.2	10.2	11.0	10.4	6.7	7.9
Rural areas	7.3	9.4	7.5	9.5	20.4	22.7	20.8	19.9	16.8	17.9	15.2	15.8