



## Annex to the news release "The economic poverty rates in Poland in 2021"

### 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<sup>1</sup>.
- "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 addition to indicators of the poverty rate, indicators of the **privation rate** are also estimated on the basis of the results of the Household Budget Survey. The privation threshold is calculated on the basis of the subsistence minimum estimated by IPISS. In the case of employee and self-employed households, the limit is the social minimum calculated for a 1-person employee household, while in the case of farmers, retirees, pensioners and recipients living on unearned sources, the limit is the social minimum calculated for a 1-person household of a pensioner. The social minimum is the threshold below which the needs of an individual are deprived of integration. Consumption expenditures lower than this level are not sufficient to perform professional work, continue education, maintain family ties and social contacts and participate in culture<sup>2</sup>.

Privation rate is the percentage of people in households in which the level of expenditures (including the value of items received free of charge and the value of natural consumption, plus the renovation fund) was lower than privation threshold.

In the case of extreme and relative poverty, as well as privation, 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

<sup>1</sup> Information on the subsistence minimum is available on the website of the Institute of Labour and Social Studies: <https://www.ipiss.com.pl/?zaklady=minimum-socjalne-oraz-minimum-egzystencji>

<sup>2</sup> Information on the social minimum is available on the website of the Institute of Labour and Social Studies: <https://www.ipiss.com.pl/?zaklady=minimum-socjalne-oraz-minimum-egzystencji>

person at that age and weight 0.5 – to every child under 14. And thus the poverty or privation 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 2021, for 1-person household, the extreme poverty line was PLN 692 and the relative poverty line PLN 909. For 4-person household described above the extreme poverty threshold was PLN 1868 and relative poverty threshold was PLN 2454. As for privation, in the fourth quarter of 2021, for a 1-person household of employees and the self-employed, the privation line (social minimum) was PLN 1334; for an analogous household of farmers, retirees, pensioners and people living on unearned sources, it was PLN 1316. In the case of 4-person households (2 adults and 2 children up to 14 years of age), the limits were, respectively, PLN 3602 for households of employees and the self-employed, and PLN 3554 for households of farmers, pensioners, retirees and people living on unearned sources.

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 indicators of the poverty rate and privation rate are determined on the basis of the results of the year-round Household Budget Survey, therefore they represent an average level of the phenomenon for the period covering the whole year.

The results of statistical surveys conducted by the representative method are subject to random error. This also concerns the Household Budget Survey, on the basis of which the poverty and privation rates are estimated.

The tables in the Tabular Annex on economic poverty and privation rates by different population groups also present the values of the standard error of the estimates. The standard error is a measure of absolute error. It represents the uncertainty of the estimates presented in the tables referred to, expressed in percentage points. The value of the standard error makes it possible to determine the so-called confidence interval for the estimated parameter, i.e. the interval which, with a specified probability (e.g. 95%), includes its true value. Then the lower/upper limit of the confidence interval corresponding to a given probability (e.g. 95%) is the parameter estimate minus/increased by the value of the standard error multiplied by the appropriate value resulting from the normal distribution (for 95% equal to 1.96).

The presented data regarding economic poverty (extreme, relative and “legal” poverty) and privation rates as well as the estimations of the standard error are given to 1 decimal place. Thresholds of economic poverty and privation have been rounded to full zlotys.

In both 2020 and 2021, due to the pandemic and the implementation of various restrictions aimed at reducing coronavirus transmission by limiting person-to-person contact, the Household Budget Survey changed from its previous method of collecting information from respondents – from a face-to-face interview to a telephone interview.

## Tabular annex

**Table 1. Poverty thresholds for selected household types<sup>a</sup> (PLN)**

Poverty thresholds:	1-person households				4-person households (2 adults + 2 children up to 14 years)			
	2018	2019	2020	2021	2018	2019	2020	2021
	in PLN							
Extreme (subsistence minimum)	595	614	640	692	1606	1658	1727	1868
Relative	810	858	799	909	2187	2317	2157	2454
"Legal" <sup>b</sup>	701	701	701	701	2112	2112	2112	2112

<sup>a</sup> 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.

<sup>b</sup> 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 (% of people in households)**

Households a – indicator value s – standard error	Extreme poverty rate				Relative poverty rate				"Legal" poverty rate			
	2020		2021		2020		2021		2020		2021	
	a	s	a	s	a	s	a	s	a	s	a	s
<b>TOTAL</b>	5.2	0.2	4.2	0.3	11.8	0.4	12.0	0.4	9.1	0.3	6.5	0.3
Employees	4.6	0.3	3.8	0.3	10.7	0.4	11.2	0.5	8.5	0.4	6.2	0.4
Farmers	13.5	1.4	11.2	1.6	28.7	2.1	26.3	2.4	23.5	1.9	16.8	2.1
The self-employed	2.7	0.5	2.3	0.5	7.9	0.8	9.1	1.0	5.8	0.7	5.3	0.8
Retirees	4.2	0.4	3.2	0.4	9.6	0.5	9.5	0.5	5.8	0.5	3.5	0.4
Pensioners	8.2	1.6	6.0	1.4	17.3	1.8	16.6	1.9	10.8	1.7	6.2	1.4
Living on unearned sources	13.6	1.7	14.1	2.2	24.7	2.2	28.9	2.9	23.5	2.2	20.8	2.6

**Table 3. Poverty rates by household types (% of people in households)**

Households a – indicator value s – standard error	Extreme poverty rate				Relative poverty rate				“Legal” poverty rate			
	2020		2021		2020		2021		2020		2021	
	a	s	a	s	a	s	a	s	a	s	a	s
<b>TOTAL</b>	5.2	0.2	4.2	0.3	11.8	0.4	12.0	0.4	9.1	0.3	6.5	0.3
1-person	1.4	0.2	1.1	0.1	4.0	0.3	3.6	0.2	2.4	0.2	1.4	0.2
Marriages <sup>a</sup> :												
without dependent children	1.4	0.1	1.1	0.1	4.0	0.2	4.2	0.3	1.2	0.1	0.7	0.1
with 1 dependent child <sup>b</sup>	1.4	0.2	0.8	0.2	3.7	0.4	4.5	0.4	2.1	0.3	1.0	0.2
with 2 dependent children	2.7	0.3	1.8	0.2	7.5	0.5	7.5	0.5	6.1	0.4	3.9	0.4
with 3 and more dependent children	5.9	0.8	6.2	0.9	14.1	1.1	16.3	1.4	15.7	1.2	13.3	1.3
Mother or father with dependent children	2.8	0.8	0.9	0.5	6.0	1.1	5.5	1.2	5.3	1.1	2.3	0.8

<sup>a</sup> Including cohabiting couples.

<sup>b</sup> 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 (% of people in households)**

Households a – indicator value s – standard error	Extreme poverty rate				Relative poverty rate				“Legal” poverty rate			
	2020		2021		2020		2021		2020		2021	
	a	s	a	s	a	s	a	s	a	s	a	s
<b>TOTAL</b>	5.2	0.2	4.2	0.3	11.8	0.4	12.0	0.4	9.1	0.3	6.5	0.3
With at least 1 person aged 0–17 years	6.5	0.4	5.3	0.4	14.4	0.5	14.5	0.6	13.0	0.5	9.4	0.5
with 1 person aged 0–17 years	5.2	0.5	4.0	0.5	11.9	0.7	11.7	0.7	8.5	0.6	5.6	0.5
with 2 persons aged 0–17 years	6.5	0.5	4.9	0.5	14.0	0.8	13.6	0.9	12.8	0.7	8.5	0.7
with at least 3 persons aged 0–17 years	8.7	0.9	8.3	1.1	19.1	1.3	20.6	1.5	20.5	1.3	17.2	1.4
Without persons aged 0–17 years	3.4	0.2	2.8	0.2	8.3	0.3	8.8	0.4	3.9	0.2	2.8	0.2

**Table 5. Poverty rates by age (% of people in households)**

People aged (in years) a – indicator value s – standard error	Extreme poverty rate				Relative poverty rate				"Legal" poverty rate			
	2020		2021		2020		2021		2020		2021	
	a	s	a	s	a	s	a	s	a	s	a	s
<b>TOTAL</b>	5.2	0.2	4.2	0.3	11.8	0.4	12.0	0.4	9.1	0.3	6.5	0.3
0–17	5.9	0.4	4.8	0.4	13.4	0.5	13.6	0.6	12.6	0.5	9.3	0.5
18–64	5.1	0.2	4.3	0.3	11.7	0.4	12.0	0.4	8.5	0.3	6.2	0.3
65 and over	4.4	0.3	3.4	0.2	10.0	0.4	9.9	0.4	6.0	0.3	3.8	0.3

**Table 6. Poverty rates in households with people by the presence of people with legally confirmed disabilities<sup>a</sup> (% of people in households)**

Specification a – indicator value s – standard error	Extreme poverty rate				Relative poverty rate				"Legal" poverty rate			
	2020		2021		2020		2021		2020		2021	
	a	s	a	s	a	s	a	s	a	s	a	s
<b>TOTAL</b>	5.2	0.2	4.2	0.3	11.8	0.4	12.0	0.4	9.1	0.3	6.5	0.3
Households with at least 1 person with disabilities	7.5	0.6	6.7	0.7	16.8	0.9	17.8	1.1	11.9	0.8	9.5	0.8
of which:												
the head of the household with disabilities	6.5	1.0	6.7	1.2	14.1	1.3	18.6	1.8	8.9	1.2	9.0	1.5
at least 1 child up to the age of 16 with a disability certificate	7.0	1.6	4.4	1.7	13.4	2.2	15.7	3.1	13.9	2.2	9.6	2.7
Households without people with disabilities	4.7	0.2	3.8	0.3	10.8	0.4	11.0	0.4	8.5	0.3	6.0	0.3

<sup>a</sup> 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 <sup>a</sup> (% of people in households)**

Education level of the head of household: a – indicator value s – standard error	Extreme poverty rate				Relative poverty rate				"Legal" poverty rate			
	2020		2021		2020		2021		2020		2021	
	a	s	a	s	a	s	a	s	a	s	a	s
<b>TOTAL</b>	5.2	0.2	4.2	0.3	11.8	0.4	12.0	0.4	9.1	0.3	6.5	0.3
Not higher than lower secondary	11.9	1.1	11.0	1.3	23.3	1.3	26.7	1.7	17.8	1.3	13.9	1.5
Basic vocational/basic sectoral vocational	7.8	0.5	7.2	0.6	17.8	0.7	18.0	0.9	13.8	0.7	10.3	0.7
Secondary	4.3	0.3	3.4	0.3	10.5	0.5	11.5	0.6	7.7	0.5	5.8	0.5
Tertiary	1.9	0.2	1.2	0.2	4.4	0.3	4.4	0.4	3.7	0.3	2.5	0.3

<sup>a</sup> 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 (% of people in households)**

Place of residence: a – indicator value s – standard error	Extreme poverty rate				Relative poverty rate				"Legal" poverty rate			
	2020		2021		2020		2021		2020		2021	
	a	s	a	s	a	s	a	s	a	s	a	s
<b>TOTAL</b>	5.2	0.2	4.2	0.3	11.8	0.4	12.0	0.4	9.1	0.3	6.5	0.3
Urban areas total	2.4	0.2	2.0	0.2	6.6	0.4	7.1	0.4	4.8	0.3	3.3	0.3
by population:												
500 thous. or more	1.6	0.4	1.1	0.4	3.7	0.5	3.9	0.6	2.6	0.5	1.6	0.4
100–500thous.	1.6	0.3	1.5	0.4	5.0	0.6	5.6	0.7	3.3	0.5	2.5	0.5
20–100 thous.	2.3	0.4	2.3	0.4	7.6	0.8	8.5	0.8	5.4	0.7	4.0	0.6
up to 20 thous.	4.4	0.8	3.1	0.7	10.2	1.1	10.5	1.3	7.9	1.0	4.9	0.9
Rural areas	9.5	0.5	7.8	0.5	19.9	0.7	19.6	0.9	15.8	0.7	11.6	0.6

**Table 9. Privation thresholds for selected household types<sup>a</sup> (PLN)**

Privation thresholds:	1 person households				4 persons households (2 adults and 2 children up to 14 years)			
	2018	2019	2020	2021	2018	2019	2020	2021
	in PLN							
Households:								
of employees and self - employed	1171	1218	1215	1334	3163	3287	3280	3602
farmers, employees, pensioners and living on unearned sources	1155	1195	1201	1316	3118	3226	3244	3554

<sup>a</sup> 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.

**Table 10. Privation rates by socio-economic groups of households (% of people in households)**

Households:	2020		2021	
	a	s	a	s
<b>TOTAL</b>	41.4	0.6	40.7	0.6
Employees	40.8	0.7	40.2	0.7
Farmers	66.0	2.1	63.7	2.3
The self-employed	32.2	1.3	32.7	1.5
Retirees	36.7	0.8	35.8	0.8
Pensioners	49.2	1.9	45.0	2.2
Living on unearned sources	62.9	2.4	70.0	2.5

**Table 11. Privation rates by household types (% of people in households)**

Households:	2020		2021	
	a	s	a	s
a – indicator value				
s – standard error				
<b>TOTAL</b>	41.4	0.6	40.7	0.6
1-person	20.9	0.6	20.9	0.6
Marriages <sup>a</sup> :				
without dependent children	24.7	0.6	24.3	0.6
with 1 dependent child <sup>b</sup>	25.9	1.0	26.2	1.0
with 2 dependent children	36.9	1.0	36.1	1.0
with 3 and more dependent children	53.8	1.8	51.5	1.8
Mother or father with dependent children	33.9	2.3	30.7	2.3

<sup>a</sup> Including cohabiting couples.

<sup>b</sup> 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 12. Privation rates in households with people aged 0–17 (% of people in households)**

Households:	2020		2021	
	a	s	a	s
a – indicator value				
s – standard error				
<b>TOTAL</b>	41.4	0.6	40.7	0.6
With at least 1 person aged 0–17 years	47.3	0.8	46.2	0.8
with 1 person aged 0–17 years	40.4	0.9	40.4	1.0
with 2 persons aged 0–17 years	47.5	1.0	45.2	1.1
with at least 3 persons aged 0–17 years	58.4	1.6	57.5	1.8
Without persons aged 0–17 years	33.5	0.5	33.5	0.6



**Table 13. Privation rates in households with people aged 0–17 (% of people in households)**

People aged (in years) a – indicator value s – standard error	2020		2021	
	a	s	a	s
<b>TOTAL</b>	41.4	0.6	40.7	0.6
0–17	46.4	0.8	45.1	0.9
18–64	40.6	0.6	40.0	0.6
65 and over	37.4	0.6	36.8	0.7

**Table 14. Privation rates in households with people by the presence of people with legally confirmed disabilities<sup>a</sup> (% of people in households)**

Specification a – indicator value s – standard error	2020		2021	
	a	s	a	s
<b>TOTAL</b>	41.4	0.6	40.7	0.6
Households with at least 1 person with disabilities	50.7	1.1	50.5	1.2
of which:				
the head of the household with disabilities	45.3	1.5	45.7	1.8
at least 1 child up to the age of 16 with a disability certificate	51.1	3.2	45.4	3.7
Households without people with disabilities	39.6	0.6	38.9	0.6

<sup>a</sup> 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 15. Privation rates by education level of the head of the household <sup>a</sup> (% of people in households)**

Education level of the head of household: a – indicator value s – standard error	2020		2021	
	a	s	a	s
<b>TOTAL</b>	41.4	0.6	40.7	0.6
Not higher than lower secondary	64.0	1.3	64.0	1.5
Basic vocational/basic sectoral vocational	54.7	0.9	53.1	1.0
Secondary	40.5	0.8	41.4	0.8
Tertiary	23.6	0.7	24.4	0.8

<sup>a</sup> 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 16. Privation rates by place of residence (% of people in households)**

Place of residence: a – indicator value s – standard error	2020		2021	
	a	s	a	s
<b>TOTAL</b>	41.4	0.6	40.7	0.6
Urban areas total	32.2	0.7	32.6	0.7
by population:				
500 thous. or more	21.1	1.2	22.5	1.4
100–500thous.	27.7	1.2	28.7	1.3
20–100 thous.	40.0	1.4	37.7	1.4
up to 20 thous.	38.2	1.8	40.9	1.9
Rural areas	55.8	0.9	53.3	1.1