



Income and poverty indicators, Slovenia, 2007

– provisional data

Friday, November 28, 2008, First Release

In 2007 the at-risk-of-poverty rate was 11.5% and it remained at almost the same level as in the previous year (11.7%). The monthly at-risk-of-poverty threshold for a one-member household increased from EUR 466 in 2006 to EUR 495 in 2007.

Statistics measures relative poverty

The data on the at-risk-of-poverty rate are relative because the at-risk-of-poverty threshold is not predetermined, e.g. as a basket of goods or as an absolute amount necessary for survival. The threshold is calculated each year according to the methodology that is the same in all EU member states. It depends on the amount and distribution of income in the society and the number and age (adults, children) of household members covered by the survey (28,570 people in 2007). The threshold is determined by calculating for all households the disposable income per adult household member, attributing it to all household members and distributing people by the amount of this income. Income of a person in the middle of the distribution is the median value and 60% of the median is determined as the at-risk-of-poverty threshold. So everyone living in households with income per adult member below the threshold are at-risk-of-poverty. The rate calculated in this way does not indicate absolute poverty but measures inequality within a population. It does not show how many people are actually poor but how many of them have income below the threshold; it reflects the distribution of income among the population and does not take into account price trends, housing conditions and other factors influencing people's living standard.

11.5% of people below the at-risk-of-poverty threshold

According to the 2007 Survey on Income and Living Conditions (SILC), the at-risk-of-poverty rate in Slovenia was 11.5%. This means that in 2007 11.5% of people in Slovenia were living below the at-risk-of-poverty threshold. The annual at-risk-of-poverty threshold for a one-member household was set at EUR 5,944; the disposable monthly income of people below the at-risk-of-poverty threshold was thus below EUR 495 per person. A four-member family with two adults and two children should have at least EUR 1,040 of disposable monthly income to rise above the at-risk-of-poverty threshold, while a two-member household without children should have at least EUR 743 per month.

Which population groups were below the at-risk-of-poverty threshold?

As expected, the at-risk-of-poverty rate data by work intensity of households show that households without working members were in the worst position: 54.5% of persons in households without working members and with dependent children and 30.6% of persons in households without working members and without dependent children lived below the at-risk-of-poverty threshold. 31.2% of people in households with children in which fewer than half of members were working and 14.5% of people in households with no children in which fewer than half of members were working were also living below the threshold.

The comparison of the at-risk-of-poverty rate by the most frequent activity status of a person aged 18+ also shows expected results. By far the lowest at-risk-of-poverty rate was registered for employed persons, while above average at-risk-of-poverty rates were registered for all inactive persons except for retired men. 35.9% of unemployed persons, 20.1% of retired women and 19.1% of other inactive persons were living below the at-risk-of-poverty threshold as did 16.3% of self-

employed persons.

Of all households the worst off were one-member households as 39.4% of people living in them were below the at-risk-of-poverty threshold. Among them older women stood out with a 47.1% rate. 28.6% of people in one-parent households, 15.5% of people in two-parent households with at least three dependent children and about 12% of couples without dependent children were also living below the at-risk-of-poverty threshold.

As regards household's tenure status, 25.7% of people living in rented accommodation were below the at-risk-of-poverty threshold, while the at-risk-of-poverty rate of people living in own accommodation was below the average.

As expected, the lowest at-risk-of-poverty rate was registered in households in which all members were active (2.9%) and for employed persons (3.5%).

Compared to 2006, the at-risk-of-poverty rates decreased in almost all groups. The only exceptions were unemployed persons, for whom the situation deteriorated by almost 3 percentage points, one-parent households with at least one dependent child, for whom the at-risk-of-poverty rate increased by more than 6 percentage points, and tenants, for whom the at-risk-of-poverty rate increased by almost 4 percentage points. Nevertheless, these groups do not represent more than 7% in the total population structure.

Social transfers lower the at-risk-of-poverty rate

If social transfers - family and social benefits - were not considered as income, the at-risk-of-poverty rate would double and amount to 23.1%; in the case of older persons it would exceed 30%. If also pensions were subtracted from income, the at-risk-of-poverty rate would increase to as much as 39.7%. It would increase for all age groups, the most for people over the age of 64 for whom it would rise to 85.0%. These data show that in Slovenia social transfers still have important impact on decreasing the at-risk-of-poverty rate.

Low income inequality

The Gini coefficient shows how income is distributed among the population. In 2007 the value of the Gini coefficient was 23.2% (a year before 23.8%), which shows a rather equal income distribution. The S80/S20 quintile share ratio, which also shows income distribution among the population, was in 2007 3.3. This means that 20% of the wealthiest people in Slovenia had 3.3-times more income than 20% of the poorest people in Slovenia.

Basic income and poverty indicators, Slovenia, 2007 - provisional data

	Income in cash ¹⁾	Income in cash + in kind
At-risk-of-poverty threshold ²⁾ (EUR)	5,944	6,108
At-risk-of-poverty threshold for a household consisting of two adults and two children ³⁾ (EUR)	12,482	12,826
At-risk-of-poverty rate (%)	11.5	11.0
At-risk-of-poverty rate before social transfers excluding pensions (%)	23.1	22.8
At-risk-of-poverty rate before social transfers including pensions (%)	39.7	39.2
Inequality of income distribution: S80/S20 quintile share ratio	3.3	3.2
Inequality of income distribution: Gini coefficient (%)	23.2	22.6

1) Part of income in kind is included: the use of company cars for personal purposes.

2) Annual threshold for a one-member household.

3) Annual threshold. Children are under 14 years of age.

Methodological note

The source for calculating the at-risk-of-poverty rate and other indicators for 2007 are data from the Statistics on Income and Living Conditions (SILC) 2007, which was implemented with the Survey on Living Conditions in 2007 (survey year) and the use of administrative and register data for 2006 (income reference year).

Starting with 2008 we are changing the way of publishing indicators based on SILC, so the way of publishing data is harmonized with Eurostat. Up to 2008 the data were published for the income

reference year, from now on the whole series will be published for the survey year.

More detailed data will be published by 30 December 2008 in our SI-STAT data portal.

Attachments:

- [income and poverty indicators SILC 2007](#), 69kB
- [methodology - income and poverty indicators 2007](#), 35kB

Prepared by: [Stanka Intihar](#)

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Statistical Office of the Republic of Slovenia
Vožarski pot 12, SI-1000 Ljubljana | Tel: +3861/241-51-00 | Fax: +3861/241-53-44
E-mail: info.stat@gov.si | URL: www.stat.si

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