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The Statistics on Income and Living Conditions survey revealed that during 2014, the monetary at-risk-of-poverty rate stood at 15.9 per cent. The at-risk-of-poverty or social exclusion rate stood at 23.8 per cent.

## Statistics on Income and Living Conditions 2014: Salient Indicators

The average household gross income and the mean disposable income stood at €29,948 and €24,730 respectively. These figures were used for the computation of the median national equivalised income (NEI) and the monetary at-risk-of-poverty threshold. The latter rose by 5.7 per cent when compared to the previous year, reaching €7,672.

The survey showed that 65,987 persons living in private households, or 15.9 per cent, had an equivalised income below this threshold, and were considered to be at-risk-of-poverty (refer to methodological notes). The S80/S20 ratio, which compares the earnings, in NEI, of the richest and poorest 20 per cent of the population, stood at 4.0 (Table 2).

The at-risk-of-poverty rate among persons aged below 18 years of age stood at 24.1 per cent. Concurrently, this rate stood at 16.9 per cent for persons aged 65 and over (Table 3).

Persons living in single parent households were found to be more susceptible to being at-risk-of-poverty. In fact, 46.3 per cent of these persons had an NEI below the at-risk-of-poverty line. A significant difference between the at-risk-of-poverty rates exists between households with and without dependent children. Figures stood at 19.4 and 12.1 per cent respectively (Table 4).

The at-risk-of-poverty rate was found to decrease with increasing household work intensity. This rate ranged from 64.0 per cent among persons living in households with very low work intensity to 0.9 per cent for those in households with very high work intensity (Table 5).

Over half of the surveyed population were living in households claiming that not all the household members could afford to pay for a one-week annual holiday away from home. In addition, 22.1 per cent could not afford to keep their home adequately warm in winter, while 24.7 per cent could not afford to face unexpected financial expenses. The severe material deprivation rate stood at 10.2 per cent (Table 7).

The at-risk-of-poverty or social exclusion indicator takes into account the at-risk-of-poverty rate, the severe material deprivation rate and the share of persons living in households with very low work intensity (see methodological notes). This indicator stood at 23.8 per cent in 2014 (Table 8) ■

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**Table 1. Gross and disposable household income by source**

Household income	2013	2014	
	total (€'000)	total (€'000)	% gross income
Employment income	3,336,714	3,601,300	75.4
Interests and dividends	120,756	157,392	3.3
Rental of property or land	28,406	36,890	0.8
Unemployment benefits	21,617	24,955	0.5
Old-age benefits*	645,903	656,413	13.7
Sickness / Disability benefits	58,010	60,962	1.3
Family / Children - related allowance	60,618	72,267	1.5
Education allowance	28,813	29,376	0.6
Housing allowances	9,886	10,017	0.2
Survivors benefits and other benefits for social exclusion	95,520	100,617	2.1
Regular inter-household cash transfer received	12,228	10,556	0.2
Other household income	12,828	13,209	0.3
<b>Gross income</b>	<b>4,431,298</b>	<b>4,773,953</b>	<b>100.0</b>
Regular household income paid	9,608	9,446	
Tax on income and social contributions	752,555	822,427	
<b>Disposable income</b>	<b>3,669,135</b>	<b>3,942,080</b>	

\*Sickness, disability, unemployment and survivors' benefits are classified as old-age benefits for persons aged 65 and over

**Table 2. Main household income and at-risk-of-poverty indicators: 2013-2014\***

	2013			2014		
Average household gross income (€)	28,379			29,948		
Average household disposable income (€)	23,498			24,730		
	Value (€)	Number of persons below threshold	% persons below the threshold	Value (€)	Number of persons below threshold	% persons below the threshold
Total number of persons living in households	N/A	412,534	100.0	N/A	416,223	100.0
Median National Equivalised Income (NEI)	12,093	206,266	50.0	12,787	207,968	50.0
40% median NEI	4,837	13,363	3.2	5,115	9,966	2.4
50% median NEI	6,047	36,534	8.9	6,394	34,998	8.4
60% median NEI	7,256	64,966	15.7	7,672	65,987	15.9
70% median NEI	8,465	104,307	25.3	8,951	107,113	25.7
Indicators	Value			Value		
S80 / S20 ratio	4.1			4.0		
Gini coefficient (%)	27.9			27.7		

\*Income reference year is one calendar year prior to the survey year

**Table 3. At-risk-of-poverty rates by age group and sex: 2013-2014**

Age group	Sex	2013	2014	
		%	%	Number of persons below the threshold
All ages	<b>Total</b>	<b>15.7</b>	<b>15.9</b>	<b>65,987</b>
	Males	15.4	15.7	32,618
	Females	16.1	16.0	33,369
Under 18	<b>Total</b>	<b>24.0</b>	<b>24.1</b>	<b>18,409</b>
18-64	<b>Total</b>	<b>13.6</b>	<b>13.2</b>	<b>35,567</b>
	Males	12.5	12.3	16,771
	Females	14.7	14.2	18,797
65 and over	<b>Total</b>	<b>14.9</b>	<b>16.9</b>	<b>12,011</b>
	Males	15.8	16.7	5,387
	Females	14.2	17.2	6,623

**Table 4. At-risk-of-poverty rates by household type: 2013-2014**

Household type	2013	2014	
	%	%	Number of persons below the threshold
<b>All households</b>	<b>15.7</b>	<b>15.9</b>	<b>65,987</b>
<b>Households without dependent children</b>	<b>11.3</b>	<b>12.1</b>	<b>24,160</b>
<i>of which:</i>			
One person household, under 65 years of age	26.5	24.6	4,374
One person household, 65 years old and over	15.7	16.6	3,206
Two adults, no dependent children, both under 65 years of age	10.5	10.2	4,096
Two adults, no dependent children, at least one adult aged 65 or more	19.0	21.3	9,241
<b>Households with dependent children</b>	<b>19.7</b>	<b>19.4</b>	<b>41,827</b>
<i>of which:</i>			
Single parent household, one or more dependent children	41.9	46.3	7,610
Two adults, one dependent child	14.9	10.9	5,558
Two adults, two dependent children	21.5	19.3	13,403
Two adults, three or more dependent children	36.6	44.4	7,192

**Table 5. At-risk-of-poverty rates by work intensity of household (population aged 0 to 59): 2013-2014**

Work intensity (WI)	2013	2014
	%	%
Very high work intensity ( $0.85 < WI \leq 1$ )	[1.0]	[0.9]
High work intensity ( $0.55 < WI \leq 0.85$ )	3.2	4.7
Medium - Low work intensity ( $0.2 < WI \leq 0.55$ )	27.5	24.0
Very low work intensity ( $0 \leq WI \leq 0.2$ )	65.2	64.0

Note: This table excludes households without persons of working age

**Table 6. At-risk-of-poverty rates among persons aged 18 and over by most frequent activity status and sex: 2013-2014**

Most frequent activity status	Sex	2013	2014
		%	%
Employed	<b>Total</b>	<b>5.9</b>	<b>5.7</b>
	Males	7.8	7.0
	Females	[2.8]	[3.6]
Unemployed	<b>Total</b>	<b>49.6</b>	<b>48.8</b>
	Males	51.1	52.2
	Females	[44.5]	[32.4]
Retired	<b>Total</b>	<b>14.3</b>	<b>15.3</b>
	Males	16.0	17.5
	Females	[9.6]	[8.7]
Other inactive persons	<b>Total</b>	<b>22.2</b>	<b>23.1</b>
	Males	23.0	22.6
	Females	22.1	23.2

Note: This table excludes persons who have not spent more than 6 months in one particular activity status.

**Table 7. Number of persons by perceived capacity of their household to afford various items: 2013-2014**

Deprivation items	2013	2014	
	%	%	Number of persons
Household cannot afford to face unexpected financial expenses	22.8	24.7	102,743
Household cannot afford to pay for one week's annual holiday away from home	55.5	51.9	216,129
Household has been in arrears on mortgage or rent payments, utility bills, hire purchase instalments or other loan payments	11.6	15.0	62,234
Household cannot afford a meal with meat, chicken, fish or vegetarian equivalent every second day	14.9	15.5	64,654
Household not able to keep the home adequately warm in winter	23.3	22.1	91,867
Household cannot afford a washing machine	[0.6]	[0.5]	2,227
Household cannot afford a colour TV	[0.4]	[0.3]	1,379
Household cannot afford a telephone (including mobile phone)	[0.6]	[0.7]	3,024
Household cannot afford a car	2.8	3.3	13,900
Household is deprived of at least 3 of the above items (materially deprived persons)	19.4	20.2	83,994
Household is deprived of at least 4 of the above items (severely materially deprived persons)	9.5	10.2	42,568

**Table 8. At-risk-of-poverty or social exclusion rates by age group, sex and household type: 2013-2014**

Age group	Sex	2013	2014	
		%	%	Number of persons below the threshold
All ages	Males	23.1	22.9	47,740
	Females	24.9	24.7	51,298
	<b>Total</b>	<b>24.0</b>	<b>23.8</b>	<b>99,038</b>
Under 18	<b>Total</b>	<b>32.0</b>	<b>31.3</b>	<b>23,902</b>
18-64	Males	20.9	20.0	27,345
	Females	24.2	23.6	31,261
	<b>Total</b>	<b>22.5</b>	<b>21.8</b>	<b>58,606</b>
65 and over	Males	20.5	22.3	7,203
	Females	21.0	24.2	9,328
	<b>Total</b>	<b>20.8</b>	<b>23.3</b>	<b>16,530</b>
<b>Household type</b>				
<b>All households</b>		<b>24.0</b>	<b>23.8</b>	<b>99,038</b>
<b>Households without dependent children</b>		<b>19.8</b>	<b>20.1</b>	<b>40,340</b>
<i>of which:</i>				
One person household, under 65 years of age		38.1	37.2	6,628
One person household, 65 years old and over		24.0	23.8	4,605
Two adults, no dependent children, both under 65 years of age		18.8	17.3	6,916
Two adults, no dependent children, at least one adult aged 65 or more		25.1	27.8	12,069
<b>Households with dependent children</b>		<b>27.8</b>	<b>27.2</b>	<b>58,698</b>
<i>of which:</i>				
Single parent household, one or more dependent children		60.0	64.1	10,532
Two adults, one dependent child		19.3	15.6	7,999
Two adults, two dependent children		26.7	23.8	16,472
Two adults, three or more dependent children		39.8	48.3	7,820

## Methodological Notes

1. The Statistics on Income and Living Conditions (SILC) survey is conducted annually by the National Statistics Office (NSO) among persons residing in private households in Malta and Gozo. The main scope of this survey is to enable the compilation of statistics on income distribution and indicators on monetary poverty. SILC also serves to produce reliable quantitative information on social exclusion and material deprivation.

This survey has been carried out in Malta since 2005 and is carried out annually by all European Union Member States under a European framework regulation that came into force in 2004. Consequently, all work related to the SILC survey is coordinated by Eurostat which, in particular, provides guidelines on the methodology that is implemented.

2. In 2014, the gross sample size was 5,020 households. Of these, 117 households turned out to be ineligible for the survey (i.e. addresses that did not actually exist, could not be located, non-residential addresses, permanently vacant dwellings or institutional households). Consequently, 4,903 households were approached for the interview. Of these, 4,381 completed the survey, resulting in a household response rate of 89 per cent. These households comprised 11,805 residents, of which 10,008 were aged 16 and over.
3. The income reference year of the SILC survey is one calendar year prior to the survey year. Consequently, the income collected in SILC 2014 refers to the calendar year 2013.

#### 4. Definitions

A person is defined as a **dependent child** if s/he is:

- under 18, or;
- 18-24 years old and is inactive and living with at least one parent.

Otherwise, the person is referred to as an adult.

The **Work Intensity (WI)** of a household is the ratio of the total number of months that all household members aged between 18 and 59, with the exclusion of students aged between 18 and 24, have worked during the income reference year and the total number of months the same household members theoretically could have worked in the same period. Households composed only of children aged less than 18, of students aged less than 25 and/or people aged 60 or more are completely excluded from the computation of this indicator.

The **most frequent activity** status is defined as the status that individuals aged 18 and over declare to have occupied for more than six months in the calendar year. The most frequent activity status groups are employment, unemployment, retirement and other inactivity.

The **gross household income** includes:

- Gross employee cash or near cash income;
- Gross non-cash employee income (only company car and associated costs included);
- Gross cash benefits or losses from self-employment (including royalties);
- Unemployment benefits;
- Old-age benefits;
- Survivors' benefits;
- Sickness benefits;
- Disability benefits;
- Education-related allowances;
- Income from rental of property or land;
- Family/Children related allowances;
- Social exclusion not elsewhere classified;
- Housing allowances;
- Regular inter-household cash transfers received;
- Interests, dividends, profits from capital investments in unincorporated business;
- Income received by people aged under 16;
- Income received from individual private pension plans.

The **total disposable income** of a household is calculated by deducting:

- regular inter-household cash transfers paid,
- tax on income, and,
- social insurance contributions

from the total gross household income.

**Equivalent household size** is calculated according to the “modified OECD” equivalence scale which gives:

- a weight of 1.0 to the first adult;
- a weight of 0.5 to any other household member aged 14+;
- a weight of 0.3 to each child.

The resulting figure, which is the sum of these weights, is attributed to each member of the household.

**Equivalised disposable income (referred to also as national equivalised income)** is defined as the household’s total disposable income divided by its “equivalent size”, to take account of the size and composition of the household, and is attributed to each household member. For example a household with 2 adults and 2 children aged less than 14, would have an equivalised household size of  $(1+0.5+0.3+0.3) = 2.1$ . If the total disposable income earned by the household is €20,000, then the household equivalised income would result in  $(€20,000/2.1) = €9,523$ .

The **at-risk-of-poverty threshold** is also referred to as the at-risk-of-poverty line. This is equivalent to 60 per cent of the median national equivalised income of persons living in private households.

The **S80/S20** ratio is the ratio between the sums of the highest and lowest 20 per cent equivalised incomes of persons within the households.

The **Gini coefficient** measures the inequality of income distribution. It may take values ranging from 0 per cent, which implies perfect equality in the income distribution, to 100 per cent, which signifies absolute inequality.

#### **Material Deprivation:**

The following nine questions were asked to all households in order to determine whether they suffered from material deprivation:

- ability to face unexpected financial expenses;
- ability to pay for one week’s annual holiday away from home;
- whether they have been in arrears on mortgage or rent payments, utility bills, hire purchase instalments or other loan payments;
- ability to have a meal with meat, chicken, fish or vegetarian equivalent every second day;
- ability to keep home adequately warm in winter;
- own a washing machine;
- own a colour TV;
- own a telephone (including mobile phone);
- own a car.

Persons living in households who were not able to afford at least **three** of the nine deprivation items, are considered to be **materially deprived**.

Persons living in households who were not able to afford at least **four** of the nine deprivation items, are considered to be **severely materially deprived**.

The **at-risk-of-poverty rate** refers to the share of persons with an equivalised disposable income below the at-risk-of-poverty threshold.

The **at-risk-of-poverty or social exclusion rate** corresponds to the proportion of persons who fall within at least one of the following three categories:

- persons whose equivalised income falls below the at-risk-of-poverty threshold,
- persons who live in severely materially deprived private households,
- persons aged 0-59 who live in private households with very low work intensity (i.e. the adults (aged 18-59) worked less than 20% of their total work potential during the past year.)



**5. Key:**

: Data not published due to unreliable survey estimates as a result of:

1. less than 20 reporting households; or
2. the non-response for the item concerned exceeds 50%.

[ ] Figures to be used with caution: figures with between 20 and 49 reporting households or with non-response for the item concerned that exceeds 20% and is lower or equal to 50%.

**N/A** Not applicable

6. Sample used for the SILC survey was extracted from a database based on the Census of Population and Housing 2011.

7. Tables may not add up exactly due to rounding.

8. More information relating to this news release may be accessed at:

Statistical Concepts: <http://nso.gov.mt/metadata/concepts.aspx>

Metadata: <http://nso.gov.mt/metadata/reports.aspx?id=27>