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The 2013 Survey on Income and Living Conditions revealed that the monetary at-risk-of-poverty rate stood at 15.7 per cent.

Statistics on Income and Living Conditions 2013: Salient Indicators

The average household gross income and the mean disposable income stood at €28,379 and €23,498 respectively. The household disposable income was used for the computation of the median national equivalised income (NEI) and the monetary at-risk-of-poverty threshold. The latter rose by 5.6 per cent when compared to the previous year, reaching €7,256 (Table 1).

The survey showed that 64,966 persons living in private households, or 15.7 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 4.1 (Table 1).

The at-risk-of-poverty rate among persons under 18 stood at 24.0 per cent. This rate stood at 14.9 per cent for those aged 65 and over (Table 2).

Persons living in single parent households were found to be more susceptible to being at-risk-of-poverty. In fact, 41.9 per cent of these persons had an NEI below the at-risk-of-poverty line. A notable difference between the at-risk-of-poverty rates exists between households with and without dependent children. Figures stood at 19.7 and 11.3 per cent respectively (Table 3).

The at-risk-of-poverty rate decreased as household work intensity went up. This rate ranged from 65.2 per cent among persons living in households with very low work intensity, to 1 per cent for those in households with a very high work intensity (Table 4).

Over half the surveyed population were living in households which claimed that not all household members could afford to pay for a one-week annual holiday away from home. In addition, 23.3 per cent reported they could not afford to keep their home adequately warm in winter, while 22.8 per cent could not afford to face unexpected financial expenses. The severe material deprivation rate stood at 9.5 per cent (Table 6).

The at-risk-of-poverty or social exclusion rate stood at 24.0 per cent in 2013 (Table 7). This 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) ■

Compiled by:

**Unit C1: Living Conditions
and Culture Statistics**

**Directorate C: Social
Statistics**

Further information on data:

Ms Nikita ELLUL
T. +356 2599 7525
E. nikita.ellul@gov.mt

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Issued by: **External Cooperation and Communication Unit, National Statistics Office, Lascaris, Valletta VLT 2000, Malta.**
T. +356 2599 7219 F. +356 2599 7205 E. nso@gov.mt

Table 1. Main household income and at-risk-of-poverty indicators: 2012-2013*

	2012			2013		
Average household gross income (€)	26,746			28,379		
Average household disposable income (€)	22,379			23,498		
	Value (€)	Number of persons below threshold	% persons below threshold	Value (€)	Number of persons below threshold	% persons below threshold
Total number of persons living in households	N/A	408,907	100.0	N/A	412,534	100.0
Median National Equivalised Income (NEI)	11,449	204,460	50.0	12,093	206,266	50.0
40% median NEI	4,580	11,537	2.8	4,837	13,363	3.2
50% median NEI	5,724	30,456	7.4	6,047	36,534	8.9
60% median NEI	6,869	61,689	15.1	7,256	64,966	15.7
70% median NEI	8,014	100,262	24.5	8,465	104,307	25.3
Indicators	Value			Value		
S80 / S20 ratio	3.9			4.1		
Gini coefficient (%)	27.1			27.9		

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

Table 2. At-risk-of-poverty rates by age group and sex: 2012-2013

Age group	Sex	2012	2013	
		%	%	Number of persons below threshold
All ages	Total	15.1	15.7	64,966
	Males	14.4	15.4	31,670
	Females	15.8	16.1	33,296
Under 18	Total	23.1	24.0	18,233
18-64	Total	12.4	13.6	36,686
	Males	11.1	12.5	17,039
	Females	13.7	14.7	19,648
65 and over	Total	17.3	14.9	10,046
	Males	19.0	15.8	4,813
	Females	15.9	14.2	5,234

Table 3. At-risk-of-poverty rates by household type: 2012-2013

Household type	2012	2013	
	%	%	Number of persons below threshold
All households	15.1	15.7	64,966
Households without dependent children	11.0	11.3	22,072
<i>of which:</i>			
One person household, under 65 years of age	21.8	26.5	4,628
One person household, 65 years old and over	18.1	15.7	2,832
Two adults, no dependent children, both under 65 years of age	11.4	10.5	4,168
Two adults, no dependent children, at least one adult aged 65 or more	21.7	19.0	7,644
Households with dependent children	19.9	19.7	42,894
<i>of which:</i>			
Single parent household, one or more dependent children	47.6	41.9	6,378
Two adults, one dependent child	12.6	14.9	6,321
Two adults, two dependent children	18.3	21.5	16,246
Two adults, three or more dependent children	35.5	36.6	6,132

Table 4. At-risk-of-poverty rates by work intensity of household (population aged 0 to 59): 2012-2013

Work intensity (WI)	2012	2013
	%	%
Very high work intensity (0.85<WI<=1)	[0.7]	[1.0]
High work intensity (0.55<WI<=0.85)	1.9	3.2
Medium - Low work intensity (0.2<WI<=0.55)	24.0	27.5
Very low work intensity (0<=WI<=0.2)	62.7	65.2

Note: This table excludes households without persons of working age.

Table 5. At-risk-of-poverty rates among persons aged 18 and over by most frequent activity status and sex: 2012-2013

Most frequent activity status	Sex	2012	2013
		%	%
Employed	Total	5.2	5.9
	Males	6.5	7.8
	Females	3.0	[2.8]
Unemployed	Total	48.2	49.6
	Males	47.3	51.1
	Females	[51.5]	[44.5]
Retired	Total	16.3	14.3
	Males	18.0	16.0
	Females	[11.3]	[9.6]
Other inactive persons	Total	20.8	22.2
	Males	23.5	23.0
	Females	20.4	22.1

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

Table 6. Number of persons by perceived capacity of their household to afford various items: 2012-2013

Deprivation items	2012	2013	
	%	%	Number of persons
Household cannot afford to face unexpected financial expenses	25.0	22.8	93,869
Household cannot afford to pay for one week's annual holiday away from home	53.7	55.5	229,030
Household has been in arrears on mortgage or rent payments, utility bills, hire purchase instalments or other loan payments	11.1	11.6	47,817
Household cannot afford a meal with meat, chicken, fish or vegetarian equivalent every second day	13.1	14.9	61,545
Household not able to keep the home adequately warm in winter	22.1	23.3	96,316
Household cannot afford a washing machine	[0.5]	[0.6]	[2,412]
Household cannot afford a colour TV	[0.3]	[0.4]	[1,506]
Household cannot afford a telephone (including mobile phone)	[0.6]	[0.6]	[2,592]
Household cannot afford a car	2.2	2.8	11,352
Household is deprived of at least 3 of the above items (materially deprived persons)	19.8	19.4	80,196
Household is deprived of at least 4 of the above items (severely materially deprived persons)	9.2	9.5	39,253

Table 7. At-risk-of-poverty or social exclusion rates by age group, sex and household type: 2012-2013

Age group	Sex	2012	2013	
		%	%	Number of persons below threshold
All ages	Total	22.9	24.0	99,020
	Males	21.7	23.1	47,677
	Females	24.1	24.9	51,343
Under 18	Total	30.9	32.0	24,300
18-64	Total	20.9	22.5	60,702
	Males	19.0	20.9	28,426
	Females	22.9	24.2	32,275
65 and over	Total	22.3	20.8	14,018
	Males	23.6	20.5	6,266
	Females	21.3	21.0	7,752
Household type				
All households		22.9	24.0	99,020
Households without dependent children		19.0	19.8	38,547
<i>of which:</i>				
One person household, under 65 years of age		35.1	38.1	6,670
One person household, 65 years old and over		25.2	24.0	4,326
Two adults, no dependent children, both under 65 years of age		19.2	18.8	7,498
Two adults, no dependent children, at least one adult aged 65 or more		28.2	25.1	10,089
Households with dependent children		27.7	27.8	60,473
<i>of which:</i>				
Single parent household, one or more dependent children		66.3	60.0	9,131
Two adults, one dependent child		18.8	19.3	8,171
Two adults, two dependent children		22.2	26.7	20,132
Two adults, three or more dependent children		37.6	39.8	6,673

Methodological Notes

Background

The Statistics on Income and Living Conditions (SILC) survey is an annual enquiry conducted 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.

Sample size and response

In 2013, the gross sample size was 4,992 households. Of these, 209 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, 4,783 households were approached for the interview. Of these, 4,381 completed the survey, resulting in a household response rate of 92 per cent. These households comprised 11,965 residents, of which 10,201 were aged 16 and over.

Income reference period

The income reference year of the SILC survey is one calendar year prior to the survey year. Consequently, the income collected in SILC 2013 refers to the calendar year 2012.

Concepts and 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 or, simply, the 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.)

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

Other notes:

- Sample used for the SILC survey was extracted from a database based on the Census of Population and Housing 2011.
- Tables may not add up exactly due to rounding.