

22 September 2016 | 1100 hrs | 152/2016

The Statistics on Income and Living Conditions (SILC) survey revealed that during 2015, the monetary at-risk-of-poverty rate stood at 16.3 per cent. The at-risk-of-poverty or social exclusion rate stood at 22.4 per cent.

Statistics on Income and Living Conditions 2015: Salient Indicators

The survey gathers information on the income and living conditions of households residing in Malta. This is a panel survey (same sample persons are followed for four years) and almost 4,300 households are included in the study.

The average household gross income and the average household disposable income stood at €31,429 and €25,960 respectively (Table 2). These figures were used for the computation of the median National Equivalised Income (NEI) and the monetary at-risk-of-poverty threshold. The wealth (assets) of the household and gains from transfer of such, are not a variable covered by the survey but income derived from such assets is included.

The NEI is defined as the household's total disposable income divided by its "equivalent size", to take into account the size and age distribution of the household. The S80/S20 ratio, which compares the NEI-based earnings of the highest and lowest 20 per cent income earners, stood at 4.2 (Table 2).

The at-risk-of-poverty threshold corresponds to the 60 per cent of the median NEI. This rose by 5.5 per cent when compared to the previous year, mainly driven by an increase in employment income, reaching €8,096 (Table 2). This is the level of the persons' equivalised income of a household, below which the persons in that household are considered at-risk-of-poverty. The survey showed that 68,658 persons living in private households, or 16.3 per cent, had an equivalised income below this threshold (Table 3).

The at-risk-of-poverty rate among persons aged below 18 years of age stood at 23.4 per cent. This rate stood at 21.0 per cent for persons aged 65 years and over (Table 3). Persons living in single parent households were found to be more susceptible to being at-risk-of-poverty. In fact, 45.3 per cent of these persons had an NEI below the at-risk-of-poverty threshold. Differences remain in the at-risk-of-poverty rates between households with and without dependent children as during the past years. In this regard, figures stood at 18.4 and 14.1 per cent respectively for 2015 (Table 4).

The at-risk-of-poverty rate was found to decrease with increasing household work intensity (refer to methodological note 5). Indeed, 69.1 per cent of those living in households with very low work intensity were at-risk-of-poverty compared with only 1.9 per cent for those living in households with very high work intensity (Table 5).

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The severe material deprivation rate (defined in methodological note 5) stood at 8.1 per cent. More than 40.0 per cent were living in households which claimed that not all the household members could afford to pay for a one-week annual holiday away from home. In addition, 21.1 per cent said that they could not afford to face unexpected financial expenses, while 13.9 per cent said that they could not afford to keep their home adequately warm in winter (Table 7).

The at-risk-of-poverty or social exclusion indicator (defined in methodological note 5) stood at 22.4 per cent in 2015 (Table 8) ■

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Table 1. Gross and disposable household income by source

Household income	2014 total (€'000)	2015	
		total (€'000)	% gross income
Employment income	3,601,300	3,868,355	75.6
Interests and dividends	157,392	169,767	3.3
Rental of property or land	36,890	44,457	0.9
Unemployment benefits	24,955	26,998	0.5
Old-age benefits*	656,413	692,701	13.5
Sickness / Disability benefits	60,962	65,742	1.3
Family / Children - related allowance	72,267	68,760	1.3
Education allowance	29,376	28,636	0.6
Housing allowances	10,017	9,323	0.2
Survivors' benefits and other benefits for social exclusion	100,617	105,947	2.1
Regular inter-household cash transfer received	10,556	15,308	0.3
Other household income	13,209	20,840	0.4
Gross income	4,773,953	5,116,832	100.0
Regular household income paid	9,446	12,929	
Tax on income and social contributions	822,427	877,457	
Disposable income	3,942,080	4,226,447	

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

Table 2. Main household income and at-risk-of-poverty indicators: 2014-2015*

	2014			2015		
Average household gross income (€)	29,948			31,429		
Average household disposable income (€)	24,730			25,960		
Total number of persons living in households	416,223			420,008		
Threshold	Value (€)	Number of persons below threshold	% persons below the threshold	Value (€)	Number of persons below threshold	% persons below the threshold
Median National Equivalised Income (NEI)	12,787	207,968	50.0	13,493	209,928	50.0
40% median NEI	5,115	9,966	2.4	5,397	12,461	3.0
50% median NEI	6,394	34,998	8.4	6,746	35,841	8.5
60% median NEI	7,672	65,987	15.9	8,096	68,658	16.3
70% median NEI	8,951	107,113	25.7	9,445	107,770	25.7
Indicators	Value			Value		
S80 / S20 ratio	4.0			4.2		
Gini coefficient (%)	27.7			28.1		

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

Table 3. At-risk-of-poverty rates by age and sex: 2014-2015

Age group	Sex	2014	2015	
		%	%	Number of persons below the threshold
All ages	Total	15.9	16.3	68,658
	Males	15.7	16.1	33,858
	Females	16.0	16.6	34,800
Under 18	Total	24.1	23.4	17,819
18-64	Total	13.2	13.1	35,263
	Males	12.3	12.5	17,226
	Females	14.2	13.6	18,037
65 and over	Total	16.9	21.0	15,576
	Males	16.7	20.4	6,939
	Females	17.2	21.6	8,637

Table 4. At-risk-of-poverty rates by household type: 2014-2015

Household type	2014	2015	
	%	%	Number of persons below the threshold
All households	15.9	16.3	68,658
Households without dependent children	12.1	14.1	28,844
<i>of which:</i>			
One person household, under 65 years of age	24.6	26.1	4,972
One person household, 65 years old and over	16.6	21.0	4,316
Two adults, no dependent children, both under 65 years of age	10.2	12.6	5,028
Two adults, no dependent children, at least one adult aged 65 or more	21.3	24.5	11,303
Households with dependent children	19.4	18.4	39,814
<i>of which:</i>			
Single parent household, one or more dependent children	46.3	45.3	7,139
Two adults, one dependent child	10.9	12.7	6,549
Two adults, two dependent children	19.3	15.6	10,475
Two adults, three or more dependent children	44.4	39.9	7,588

Table 5. At-risk-of-poverty rates by work intensity of household (population aged 0 to 59): 2014-2015

Work intensity (WI)	2014 (Revised)	2015
	%	
Very high work intensity ($0.85 < WI \leq 1$)	[0.9]	1.9
High work intensity ($0.55 < WI \leq 0.85$)	4.7	4.2
Medium - Low work intensity ($0.2 < WI \leq 0.55$)	25.7	25.8
Very low work intensity ($0 \leq WI \leq 0.2$)	64.0	69.1

Note: This table excludes households without persons aged 18-59 years.

Table 6. At-risk-of-poverty rates among persons aged 18 and over by most frequent activity status and sex: 2014-2015

Most frequent activity status	Sex	2014	2015
		%	
Employed	Total	5.7	5.4
	Males	7.0	6.7
	Females	[3.6]	3.2
Unemployed	Total	48.8	55.7
	Males	52.2	59.0
	Females	[32.4]	[40.9]
Retired	Total	15.3	18.1
	Males	17.5	20.5
	Females	[8.7]	[11.5]
Other inactive persons	Total	23.1	25.2
	Males	22.6	25.9
	Females	23.2	25.0

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: 2014-2015

Deprivation items	2014	2015	
	%	%	Number of persons
Household cannot afford to face unexpected financial expenses	24.7	21.1	88,456
Household cannot afford to pay for one week's annual holiday away from home	51.9	44.3	185,896
Household has been in arrears on mortgage or rent payments, utility bills, hire purchase instalments or other loan payments	15.0	10.2	42,931
Household cannot afford a meal with meat, chicken, fish or vegetarian equivalent every second day	15.5	13.1	54,873
Household not able to keep the home adequately warm in winter	22.1	13.9	58,443
Household cannot afford a washing machine	[0.5]	[0.6]	2,383
Household cannot afford a colour TV	[0.3]	[0.4]	1,711
Household cannot afford a telephone (including mobile phone)	[0.7]	[0.9]	3,639
Household cannot afford a car	3.3	3.1	12,896
Household is deprived of at least 3 of the above items (materially deprived persons)	20.2	15.2	63,913
Household is deprived of at least 4 of the above items (severely materially deprived persons)	10.2	8.1	34,052

Table 8. At-risk-of-poverty or social exclusion rates by age, sex and household type: 2014-2015

Age group	Sex	2014	2015	
		%	%	Number of persons below the threshold
All ages	Total	23.8	22.4	94,250
	Males	22.9	21.9	46,031
	Females	24.7	23.0	48,220
Under 18	Total	31.3	28.2	21,466
18-64	Total	21.8	20.5	55,192
	Males	20.0	19.4	26,633
	Females	23.6	21.6	28,559
65 and over	Total	23.3	23.7	17,592
	Males	22.3	23.1	7,876
	Females	24.2	24.2	9,716
Household type				
All households		23.8	22.4	94,250
Households without dependent children		20.1	20.9	42,633
<i>of which:</i>				
One person household, under 65 years of age		37.2	38.0	7,234
One person household, 65 years old and over		23.8	24.7	5,075
Two adults, no dependent children, both under 65 years of age		17.3	20.0	7,966
Two adults, no dependent children, at least one adult aged 65 or more		27.8	27.9	12,881
Households with dependent children		27.2	23.9	51,617
<i>of which:</i>				
Single parent household, one or more dependent children		64.1	56.6	8,925
Two adults, one dependent child		15.6	16.3	8,404
Two adults, two dependent children		23.8	19.1	12,880
Two adults, three or more dependent children		48.3	41.8	7,950

Methodological Notes

1. 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. This survey was carried out under EU regulation (EU. No. 1177/2003). 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.
2. 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.
3. In 2015, the gross sample size was 4,916 households. Of these, 157 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, 4,759 households were approached for the interview. Of these, 4,233 completed the survey, resulting in a household response rate of 89 per cent. These households comprised 11,252 residents, of which 9,557 were aged 16 years and over.
4. The income reference year of the SILC survey is one calendar year prior to the survey year. Consequently, the income collected in SILC 2015 refers to the calendar year 2014.

5. 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.

Equivalent 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 18-59) worked less than 20% of their total work potential during the past year.)

6. 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

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

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

9. 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>