

At-risk-of-poverty threshold and median equivalised disposable income, 2004-2023

	Median equivalised disposable income	At-risk-of-poverty threshold
2004	162000	97000
2005	172000	103000
2006	186000	111000
2007	211000	126000
2008	235000	141000
2009	268000	161000
2010	264000	158000
2011	256000	154000
2012	261000	156000
2013	284000	171000
2014	304000	183000
2015	317000	190000
2016	346000	208000
2017	377000	226000
2018	400000	240000
2019	400000	240000
2020	415000	249000
2021	430000	258000
2022	453000	272000
2023	504000	302000

'Estimates for 2021-2023 are preliminary.

Amounts are rounded to the next thousand and haven't been adjusted for inflation.

Equivalised disposable income is the total income of a household, after tax and other deductions, that is available for spending or saving, divided by the number of household members converted into equalised adults; household members are equalised or made equivalent by weighting each according to their age, using the so-called modified OECD equivalence scale. The equivalised disposable income is calculated in three steps:

1. The total (net) household income is calculated by adding up all monetary incomes received from any source by each member of a household; these include income from work, investment and social benefits, plus any other household income. Taxes and social contributions that have been paid are deducted from this sum.
2. Using the OECD equivalence scale, the total household income is divided by the number of 'equivalent adults', in order to reflect differences in a household's size and composition. This scale gives a weight to each member of the household (and then adds these up to arrive at the equivalised household size): 1.0 to the first adult; 0.5 to the second and each subsequent person aged 14 and over; 0.3 to each child aged under 14.
3. Finally, the resulting figure is called the equivalised disposable income and is attributed equally to each member of the household.

The at-risk-of-poverty rate is the percentage of people with an equivalised disposable income below the at-risk-of-poverty threshold, which is set at 60 % of the national median equivalised disposable income. This indicator does not directly measure poverty, but low income in comparison to other residents in the country.

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Units: Amount per month in ISK

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