

At-risk-of-poverty or social exclusion, 2004-2014

At-risk-of-poverty or social exclusion				At-risk-of-poverty			Very low work intensity of the household			Severe material deprivation		
Indicator	CI of the indicator, +/-	Estimated number		Indicator	CI of the indicator, +/-	Estimated number	Indicator	CI of the indicator, +/-	Estimated number	Indicator	CI of the indicator, +/-	Estimated number
2004	13.7	1.4	38,600	10.0	1.2	28,300	3.7	0.8	5,800	2.5	0.6	7,200
2005	13.3	1.3	37,900	9.7	1.1	27,600	3.1	0.7	4,900	2.7	0.6	7,500
2006	12.5	1.3	36,200	9.6	1.2	27,900	2.7	0.7	4,500	2.1	0.6	6,000
2007	13.0	1.3	38,500	10.1	1.2	29,900	2.3	0.6	3,800	2.1	0.6	6,100
2008	11.8	1.3	36,000	10.1	1.2	30,600	2.7	0.7	4,700	0.8	0.4	2,500
2009	11.6	1.2	36,000	10.2	1.2	31,400	2.5	0.7	4,500	0.8	0.3	2,500
2010	13.7	1.4	41,600	9.8	1.2	29,700	5.7	1.0	9,700	1.8	0.5	5,500
2011	13.7	1.4	40,900	9.2	1.2	27,700	6.0	1.0	10,000	2.0	0.5	5,900
2012	12.7	1.4	38,100	7.9	1.1	23,800	6.3	1.0	10,400	2.3	0.6	7,000
2013	13.0	1.4	39,600	9.3	1.2	28,400	5.7	1.0	9,700	1.9	0.6	5,800
2014	11.1	1.3	34,500	7.9	1.1	24,500	4.9	0.9	8,300	1.3	0.4	4,000

According to Eurostat procedures the years of the table refer to the survey year, the year the survey was implemented. The income reference period is the previous tax year.

The indicator of at-risk-of-poverty or social exclusion sums up the number of persons who are at-risk-of-poverty, persons who live in households with very low work intensity and persons who are severely materially deprived. It should be kept in mind that one cannot sum the sub-indicators up to calculate the at-risk-of-poverty or social exclusion indicator because the same person can have a positive value for more than one of the sub-indicators.

At-risk-of-poverty rate is the rate of individuals that fall under the at-risk-of-poverty threshold. The at-risk-of-poverty threshold is defined as 60% of the median equivalised disposable income. Equivalised disposable income depends on the disposable income of the household and how many people are living from that income. For instance, two adults with two children need 2.1 times more disposable income than a person who lives alone in order to have comparable disposable income. The at-risk-of-poverty rate in Iceland was for instance 9.8% in 2010. Persons who are at risk of poverty are those who are below the at-risk-of-poverty threshold as explained above.

Persons are considered living in households with very low work intensity if they are aged 0-59 and the working age members in the household worked less than 20% of their potential during past year.

Those who are severely materially deprived defined as those who have answered four out of the following nine questions with yes.

1. Have you been in arrears with housing loans or other loans because of lack of money in the last 12 months
2. Cannot afford to go on a week long holiday with the family
3. Cannot afford meat, fish or comparable vegetarian equivalent every second day
4. Cannot meet unexpected expenses (of 160 thousand isk in the year 2011)
5. Cannot afford a mobile phone or a home phone
6. Cannot afford a TV
7. Cannot afford a washing machine
8. Cannot afford a car
9. Cannot afford to keep the home adequately warm

The EU-SILC is a sample survey which must be taken into account when looking at the results. In order to evaluate the uncertainty due to sampling error confidence interval is calculated (CI). The interval reaches equally far below and above the number it applies to and is added to and subtracted from the number. If evaluated at-risk-of-poverty rate is 10% and the confidence interval is +/- 1.2 the lower limit is 8.8 and the upper limit is 11.2 given 95% confidence level and therefore it can be stated that in 95% of samples of equal size the result would fall within the given interval. When comparing two numbers in order to see if the difference between them is large enough to be statistically significant one needs to look at the confidence interval of both numbers and see if they cross each other.

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Unit: Indicator