

20 October 2011

Living Conditions Survey (LCS)
Year 2011. *Provisional data*

Main results

- The **average annual income of Spanish households** reaches 24,890 euros in 2010, with a **4.4% decrease** as compared with the previous year.
- **35.8%** of households **cannot handle unforeseen expenses** in 2011.
- **21.8% of the population** resident in Spain is **below the relative poverty threshold**. In 2010, this percentage stood at 20.7%.
- **26.1%** households state that they **have difficulty or a great deal of difficulty making ends meet**.
- **93.4%** of people living as a couple **take important decisions together**. This percentage decrease to 34.9% when it comes to decisions on the daily shopping.

Average income

The provisional results of the Living Conditions Survey for the year 2011 provide information regarding average household income during the year 2010. According to these results, annual average net income per household reached 24,890 euros, with a 4.4% decrease as compared with the previous year.

In turn, average income per person reached 9,371 euros, 3.8% lower than that recorded the previous year.

Relative poverty

The relative poverty rate¹, calculated with the income received by households in 2010, stood at 21.8% of the population resident in Spain in 2011.

By age, the highest poverty rate corresponded to persons aged less than 16 years old. Worth noting was the increase in the poverty rate in this age group over recent years, which went from 23.3% in 2009 to 26.5% in 2011.

The poverty rate decreased to 18.2%, after considering the value of imputed rent². Taking into account the value of the dwelling in which the household resided in the calculation, when it was owned or granted free of charge, meant that the poverty rate decreased in all age groups, especially in the case of persons over 65 years of age.

Relative poverty rate, by age

Percentages

	2009		2010		2011*	
	Without imputed rent	With imputed rent	Without imputed rent	With imputed rent	Without imputed rent	With imputed rent
Total	19.5	16.1	20.7	17.1	21.8	18.2
Under 16 years of age	23.3	23.1	25.3	24.7	26.5	25.6
16 to 64 years old	17.2	15.5	19.4	17.1	20.7	18.2
65 years old and over	25.2	12.0	21.7	10.1	21.7	11.3

* Provisional data.

Household economic situation

In 2011, 26.1% of Spanish households claimed to have difficulty or a great deal of difficulty making ends meet, with 9.7% having a great deal of difficulty. This percentage was lower than that registered in the year 2010 (30.6%).

The percentage of households that could not afford at least one week of holidays away from home per year in 2011, stood at 38.8%. This value was similar to that registered in 2010 and 2009, and was 5.3 points higher than in 2008.

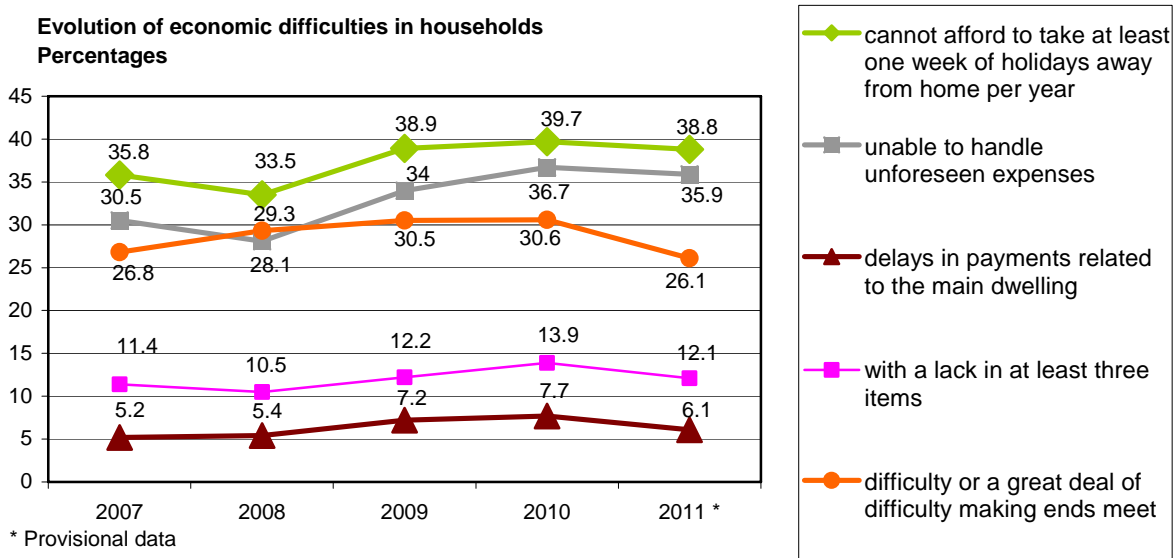
¹ The relative poverty rate in 2011 is the percentage of persons below the poverty threshold, measured as 60% of the median income per consumption unit of persons. The median is the value that, ordering all individuals from lowest to highest income, leaves half of them below the aforementioned value, and the other half above it. Therefore, since it involves a relative measurement, its value depends on how income is distributed among the population. In the methodological note (page 10) are reference values for the poverty threshold.

² The LCS, in accordance with Community regulations, estimates the value of the use made of the dwelling by the household, when it is owned by said household. This involves a non-monetary component, which is relevant to measuring income and poverty rates, which is estimated using the imputed rent method (valuation of the use of the dwelling with a mixed method, based on prices of real rents and on the subjective valuation of the household itself). Also be deducted from the total household incomes the interest of the loans for the purchase of the main dwelling.

The percentage of households that were unable to handle unforeseen expenses was 35.9%, as compared with 36.7% in 2010.

In turn, the percentage of households “with a lack in at least three items in a list of seven”³ decreased 1.8 points as compared with last year.

The percentage of households that had delays when paying expenses related to the main dwelling (mortgage or rent, gas or electricity bills, community costs, etc.) in the 12 months prior to the interview was 6.1%. This percentage was 1.6 points lower than in the previous year.



By Autonomous Community, Región de Murcia (55%) and Andalucía (54.5%) showed the highest percentage of households that could not afford at least one week of holidays away from home per year. In turn the lowest percentage corresponded to Aragón (17.5%), Comunidad Foral de Navarra (19.8%) and País Vasco (25.3%).

In turn, the households with the highest percentage of delays in payments related to the main dwelling were Illes Balears (15.2%) and Canarias (10.6%).

³ In the indicator “households lacking in at least three concepts from a list of seven” were considered to be the following concepts: “cannot afford to go on holiday at least one week each year”, “cannot afford one meal with meat, chicken or fish, at least every two days”, “cannot afford to keep the dwelling at an adequate temperature”, “unable to handle unforeseen expenses”, “has been late paying expenses relating to the main dwelling (mortgage or rent, gas bills, community costs etc.) in the last 12 months”, “cannot afford to run a car”, “cannot afford a personal computer”.

Economic difficulties in households by Autonomous Community. Year 2011.
Percentages

	Cannot afford to take at least one week of holidays away from home per year	Unable to handle unforeseen expenses	Delays in payments related to the main dwelling
Total	38.8	35.9	6.1
Andalucía	54.5	47.8	9.4
Aragón	17.5	20.1	3.6
Asturias (Principado de)	31.2	17.5	2.1
Balears (Illes)	41.8	34.7	15.2
Canarias	48.6	59.3	10.6
Cantabria	43.7	34.4	8.3
Castilla y León	30.2	22.4	4.5
Castilla-La Mancha	39.4	29.7	5.7
Cataluña	29.8	33.1	4.4
Comunitat Valenciana	40.0	38.1	5.8
Extremadura	45.8	45.3	3.4
Galicia	43.6	28.8	5.0
Madrid (Comunidad de)	34.6	36.1	4.5
Murcia (Región de)	55.0	48.8	8.0
Navarra (Comunidad Foral de)	19.8	16.0	4.3
País Vasco	25.3	20.9	4.1
Rioja (La)	30.3	23.5	5.8

Final results of Living Conditions Survey 2010

Today, the INE is also publishing the final results of the Living Conditions Survey for the year 2010, as well as its module, containing information regarding capability to make decisions within the household.

Average net annual income per person, by Autonomous Community Year 2009

Data in euros

Navarra (Comunidad Foral de)	13,179
País Vasco	12,203
Madrid (Comunidad de)	11,332
Cataluña	10,605
Aragón	10,422
Asturias (Principado de)	10,400
Balears (Illes)	10,164
Cantabria	9,972
Castilla y León	9,885
Total Spain	9,737
Galicia	9,716
Rioja, La	9,697
Comunitat Valenciana	9,631
Castilla-La Mancha	8,565
Canarias	8,108
Andalucía	8,035
Murcia (Región de)	7,629
Extremadura	7,245
Ceuta	8,641
Melilla	9,112

Poverty risk rate, by Autonomous Community Year 2010

Porcentajes

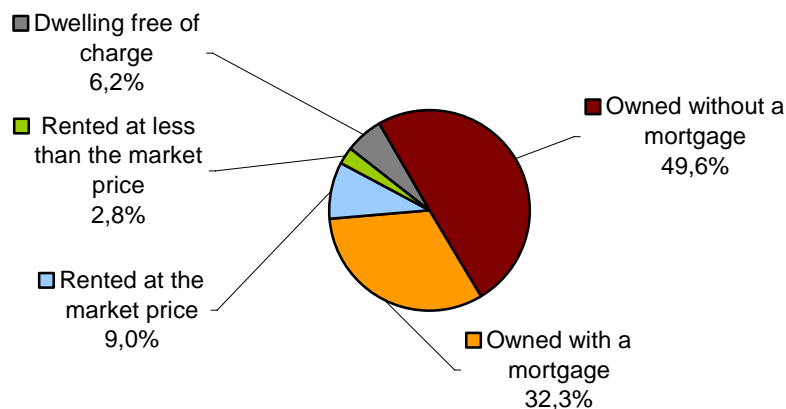
Navarra (Comunidad Foral de)	7.3
País Vasco	11.6
Asturias (Principado de)	12.3
Aragón	13.6
Madrid (Comunidad de)	13.6
Cataluña	15.3
Galicia	16.8
Cantabria	17.2
Comunitat Valenciana	20.1
Rioja, La	20.5
Balears (Illes)	20.6
Total Spain	20.7
Castilla y León	21.0
Castilla-La Mancha	27.8
Murcia (Región de)	29.2
Andalucía	30.1
Canarias	31.1
Extremadura	38.2
Ceuta	34.3
Melilla	27.6

Tenancy regime and expenditure of dwellings in 2010

49.6% of households owned dwellings without a mortgage in 2010. In turn, **32.3% of households owned dwellings but still had a mortgage outstanding**, of which they paid an average monthly instalment of 541 euros. Another 9.0% of households were paying rent at market prices.

Distribution of the tenancy regime of the main dwelling

Percentages



Each household spent a monthly average of 313 euros on expenses related to the main dwelling during the year 2010. These expenses included rent or mortgage interests, community costs, water and other expenses associated with the dwelling.

By tenancy regime, households renting a dwelling at market prices had an average monthly expenditure of 652 euros. Those residing in dwellings that they owned with a mortgage outstanding paid 435 euros, and those residing in dwellings that they owned with no mortgage outstanding had an average expenditure of 189 euros.

Average expenses of the dwelling by tenancy regime of the main dwelling

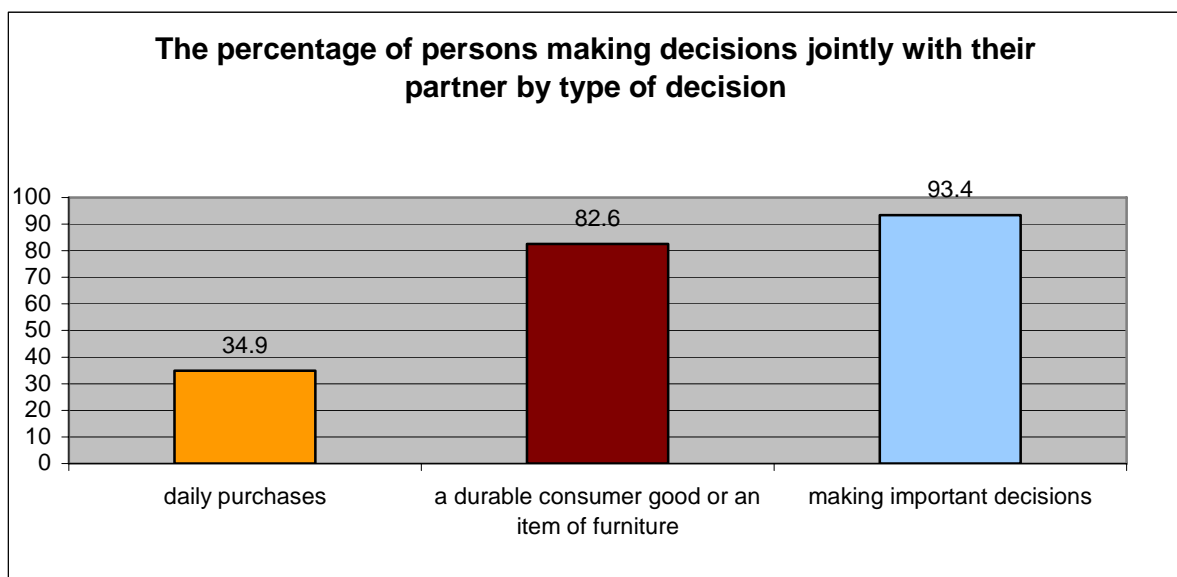
Data in euros

	Average monthly expenses	
	2009	2010
Total	330	313
Owned without a mortgage	177	189
Owned with a mortgage	519	435
Rented at the market price	643	652
Rented lower than the market price	351	376
Dwelling free of charge	139	149

Ability to make decisions

The percentage of persons making decisions jointly with their partner by type of decision.

34.9% of persons make decisions relating to daily purchases jointly with their partner. However, this percentage rises to 82.6% when buying an item of furniture or else a consumer durable good, and reaches 93.0% in the case of making Important decisions.



In relation to the daily purchase, young couples share decisions more, whereas in the case of older persons, the woman is the one usually responsible for making them.

Persons living as a couple by capability to decide on daily purchases by age and sex. Percentages

		Usually me	The two of us in equal measures	Usually my partner	No data recorded
Men	Total	6.0	35.3	58.4	0.3
	From 16 to 29 years	7.9	55.1	36.9	0.0
	From 30 to 44 years	5.2	44.8	49.7	0.3
	From 45 to 64 years	5.5	28.7	65.5	0.4
	65 years or more	8.0	28.0	63.8	0.2
Women	Total	60.2	34.4	4.9	0.5
	From 16 to 29 years	37.7	54.9	6.9	0.5
	From 30 to 44 years	53.8	40.9	4.9	0.4
	From 45 to 64 years	68.7	27.6	3.3	0.3
	65 years or more	65.8	25.9	7.5	0.8

When deciding whether to buy a consumer durable good or an item of furniture, joint decisions are made more often, although in the case of older persons, these once again are more often down to women than to men.

Persons living as a couple by capability to decide on the purchase of a durable consumer good or an item of furniture by age and sex. Percentages

		Usually me	The two of us in equal measures	Usually my partner	Neither of the two have had to make that type of decision, or not applicable
Men	Total	3.1	82.5	12.9	1.6
	From 16 to 29 years	7.9	79.5	7.5	5.0
	From 30 to 44 years	2.6	88.2	8.2	1.0
	From 45 to 64 years	2.2	83.0	14.2	0.6
	65 years or more	4.5	72.9	19.0	3.5
Women	Total	12.8	82.8	2.6	1.8
	From 16 to 29 years	8.1	83.3	3.7	5.0
	From 30 to 44 years	8.9	88.3	2.0	0.8
	From 45 to 64 years	14.8	82.7	1.8	0.8
	65 years or more	19.2	71.5	4.9	4.5

Methodological note

Dissemination of provisional data

The Living Conditions Survey (LCS) of 2011 was conducted between the months of March and June 2011. The intention is to release, with a greater degree of anticipation, the main results of the survey. The final data, together with the detailed INEbase tables, will be published approximately in November 2012.

The data used to compile these provisional results has not been filtered entirely. Likewise, this press release includes final results of Living Conditions Survey 2010, in which the filtering is already complete.

The Living Conditions Survey (LCS) is an annual statistical operation aimed at households, and is carried out in all European Union countries. These statistics are harmonised with the European Union (EU), supported by Regulation (EC) No. 1177/2003 of the European Parliament and Council, of 16 June 2003, regarding community statistics on income and living conditions.

The LCS was conducted for the first time in 2004. The primary objective of the survey is to provide information on income, the level and composition of poverty and social exclusion in Spain, and to enable the drawing of comparisons with other European Union countries.

Among its uses, the survey is of note due to its constituting a fundamental reference element for tracking the National Action Plan for Social Inclusion.

The LCS also provides longitudinal information, since it is a panel survey in which the persons interviewed participate during four consecutive years. It is thus possible to ascertain the evolution of variables researched over time.

The LCS is specifically designed to obtain information on:

1. Income in private households, and in general, on their economic situation (the information on income refers to the year prior to the survey year).
2. Poverty, deprivation, social protection and equality of treatment.
3. Employment and economic activity.
4. Retirement, pensions and the socio-economic situation of elderly persons.
5. Housing and the costs associated with it.
6. Regional development.
7. Level of training, health and the effects of both on the socio-economic situation.

Definitions

Net household income

This is the income received during the year prior to the interview (therefore, in the 2011 survey, questions refer to the income received in 2010, whereas in the 2010 survey, questions referred to the income received in 2009) by the members of the household, which are the persons who provide this information for the compilation of the survey. This income is composed of income from work for others, profits/losses from self-employed work, social benefits, income from private pension schemes not related to work, capital and property income, transfers between other households, income received by children and the outcome of the income tax and capital gains tax. Non-monetary components are not included, with the exception of company cars.

For the first time, it does include the income from private pension schemes not related to work in the calculation of net household income.

Net income per household consumption unit and personal income

Income per household consumption unit is calculated to take into account economies of scale in households. It is obtained by dividing total household income by the number of consumption units. These are calculated using the modified OECD scale, which assigns a weight of 1 to the first adult, a weight of 0.5 to remaining adults and a weight of 0.3 to children under 14 years of age.

Once the income per household consumption unit is calculated, it is assigned to each of its members. This income per consumption unit of persons (or equivalent personal income), is used to calculate relative poverty measurements.

Imputed rent

Imputed rent constitutes a non-monetary component of household income. Imputed rent is applied to those households that do not pay a complete rent, either because they are the resident-owners, or because they reside in the dwelling rented at a price under the market price, or because they live in the dwelling free of charge. The amount imputed is equivalent to the going market price of the rent that would have to be paid for a dwelling similar to that occupied, minus any rent actually paid.

The amount of imputed rent is obtained by combining the amount obtained via an objective method, with the subjective rent provided by the household informant. The objective method used consists of imputing the average of the real rent of dwellings with similar characteristics, in terms of the number of bedrooms, type of dwelling, degree of urbanisation of the area and period of occupation of the dwelling.

As with other publications, the relative poverty rate, by age, is also calculated considering the imputed rent in the definition of household income. The indicators, including imputed rent, are not final, since adoption of a final definition by Eurostat is still pending.

Relative poverty

The poverty threshold depends on the distribution of income per consumption unit for persons (giving rise to the term relative poverty, which takes into account the situation of the population to which it belongs). The poverty threshold is set at 60% of the median income per consumption unit of persons. The median is the value which, ordering all individuals from lowest to highest income, leaves half of them below the aforementioned value, and the other half above it.

The relative poverty rate is the percentage of persons below the poverty threshold.

The threshold for the national group has been used in the results presented.

The value of the poverty threshold, expressed as the equivalent income of the person, is established in euros. That is to say, a person with **an annual income per consumption unit** below this threshold, is considered to be in relative poverty.

The value of the poverty threshold, expressed as the total household income, depends on the size of the household and the age of its members, that is, the number of consumption units. In the **2011 survey**, it is obtained by multiplying 7,533.3 by the number of household consumption units. For example, for a household with one adult, the threshold is 7,533.3 euros, for a household with two adults, it is 11,300 euros (or 5,650.0 euros per person), for a household with two adults and one child under the age of 14, it is 13,560.0 euros (or 4,520.0 euros per person), for a household with two adults and two children under the age of 14, it is 15,820.0 euros (or 3,955.0 euros per person), etc.

Household expenses

Household expenses include: rent (when the dwelling is rented), mortgage interest (when the dwelling is owned) and other expenses associated with the dwelling (community expenses, repairs, water, electricity, gas, contents insurance, some municipal rates and taxes).