

Living Conditions Survey (LCS)
Final data. Year 2013

The average annual income of Spanish households reaches 26,775 euros in 2012, indicating a 3.5% decrease

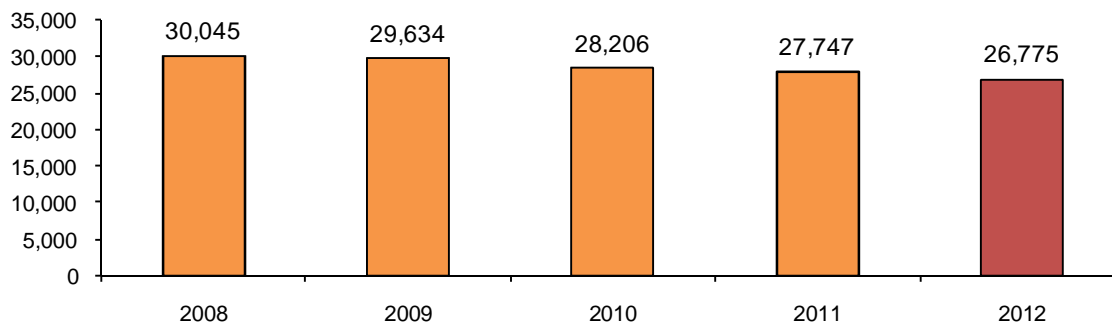
During last year, the Spanish population at risk of poverty decreased up to 20.4%, as compared with 20.8% in the previous year

Average income

The results of the Living Conditions Survey (LCS) for the year 2013 provided information regarding the average income of households during the year 2012¹. According to these results, average net annual monetary income per household reached 26,775 euros, with a 3.5% decrease, as compared with the previous year.

Evolution of average household income

Euros



¹ The Living Conditions Survey of 2013 has adopted a new methodology on the production of data related to household income, combining the information provided by the informant with administrative dossiers. Likewise, since the survey of 2009, retrospective estimates of the main indicators have been carried out, comparing them with the date of 2013. For further information see *annex* on page 15.

At-risk-poverty threshold

Following the criteria recommended by Eurostat, this threshold is set at 60% of the median² income per consumption unit of persons. Therefore, it increases or decreases as does the median income. Due to the fact that the population's income decreased, the at-risk-of-poverty threshold did so as well.

In 2013, the at-risk-of-poverty threshold for one-person households stood at 8,114 euros, that is, 2.5% below that calculated for the previous year. In the case of the households including two adults and two minors under 14 years old, said threshold stood at 17,040 euros.

At-risk-of-poverty threshold

Euros

	2009	2010	2011	2012	2013
One person households	8,877	8,763	8,358	8,321	8,114
Households with 2 adults and 2 children	18,641	18,402	17,551	17,473	17,040

Population at risk of poverty

Although average income decreased, the percentage of the population below the poverty threshold (the so-called *at-risk-of-poverty rate*³) was also reduced, as compared with the previous year, above all due to the effect of those persons over 65 years of age. The population at risk of poverty is a relative indicator that measures inequality. It does not measure absolute poverty but the number of persons with low income as compared with the total population.

Thus, in 2013, the at-risk-of-poverty rate stood at 20.4% of the population resident in Spain, as compared with the 20.8% registered in the previous year.

Worth noting was the decrease in this rate among those persons over 65 years of age (2.1 points between 2012 and 2013). In turn, the rate among those persons under 16 years of age stood at 26.7%, that is, 6.3 points higher than that of the whole population.

At-risk-of-poverty rate by age (without imputed rent)

Percentages

	2009	2010	2011	2012	2013
TOTAL	20.4	20.7	20.6	20.8	20.4
Under 16 years old	28.9	28.8	27.2	26.9	26.7
16 years old and over	18.8	19.2	19.4	19.7	19.2
16 to 64 years old	17.5	18.6	19.3	20.9	20.8
65 years old and over	23.8	21.8	19.8	14.8	12.7

² The median is the value that orders all individuals from lowest to highest income, leaving half of them below the aforementioned value, and the other half above it. Therefore, as this is a relative measurement, its value depends on the income level and on how income is distributed throughout the population.

³ The at-risk-of-poverty rate in the LCS-2013 is the percentage of persons whose income of the previous year is below the poverty threshold.

On considering the value of imputed rent⁴, the at-risk-of-poverty rate decreased to 18.7% in the year 2013.

The fact of considering the value of the dwelling in which the household resides in the calculation, when said dwelling is owned by the household or the household has it free of charge, leads to the at-risk-of-poverty rate decrease for all age groups.

The population over 65 years old, which in a greater proportion owned its dwelling of residence, presented the lowest at-risk-of-poverty percentage (6.8% in 2013). In turn, the highest percentage was registered among the persons under 16 years of age (27.2%).

At-risk-of-poverty rate by age (with imputed rent)

Percentages

	2009	2010	2011	2012	2013
TOTAL	17.3	17.6	17.8	19.0	18.7
Under 16 years old	28.8	27.8	27.1	28.0	27.2
16 years old and over	15.2	15.7	16.0	17.2	17.0
16 to 64 years old	16.0	17.0	17.6	19.7	19.7
65 years old and over	11.6	10.3	9.6	7.5	6.8

Household economic situation

In the year 2013, a total of 16.9% of Spanish households stated that they had “a great deal of difficulty” making ends meet. This percentage was 3.4 points higher than that registered in the previous year.

In turn, 41.0% of households could not handle unforeseen expenses, as compared with 41.4% from the year 2012.

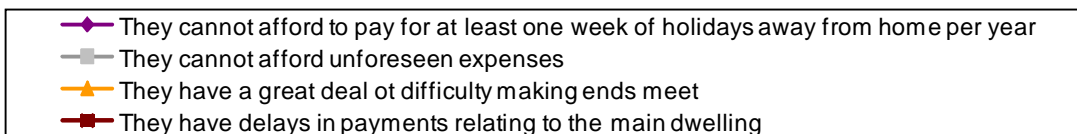
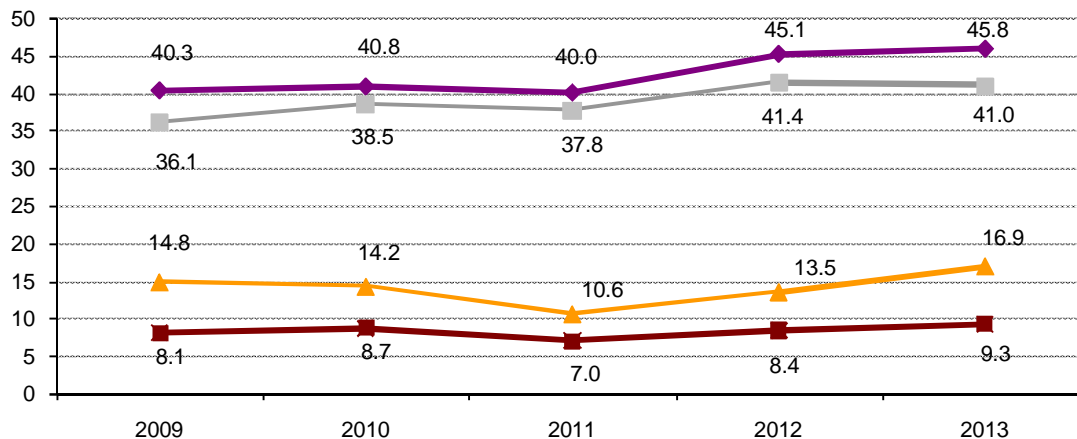
45.8% of households could not afford to pay for at least one week of holidays away from home per year. This percentage was 0.7 points higher than that registered in 2012.

9.3% of households had late payments 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. This percentage was 0.9 points higher than that from the previous year.

⁴ 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. See the *methodological note* on page 12.

Evolution of household economic difficulties.

Percentages



Household economic situation by Autonomous Community

Región de Murcia (24.9%), Andalucía (23.4%) and Extremadura (20.8%) were the Autonomous Communities that registered the highest percentages of households that had “a great deal of difficulty” making ends meet. The Autonomous Communities that presented the lowest percentages were Comunidad Foral de Navarra (4.7%), Principado de Asturias (7.1%) and Castilla y León (8.6%).

64.1% of households in Canarias, 55.0% in Andalucía and 53.3% in Región de Murcia could not handle unforeseen expenses. At the other end of the spectrum were País Vasco (24.2%), Comunidad Foral de Navarra (with 24.3% of households) and Castilla y León (24.7%).

Región de Murcia (63.6%), Andalucía (57.4%) and Galicia (57.1%) presented the highest percentages of households that could not afford to pay for at least one week of holidays away from home per year. The lowest percentages corresponded to País Vasco (26.0%), Comunidad Foral de Navarra (29.6%) and Comunidad de Madrid (33.7%).

In the case of households with late payments when paying expenses related to the main dwelling, Región de Murcia (19.8%), Illes Balears (17.2%) and Canarias (15.1%) presented the highest percentages. In turn, Comunidad Foral de Navarra (2.8%), Castilla y León (3.2%) and Principado de Asturias (4.6%) registered the lowest percentages.

Household economic difficulties by Autonomous Community. Year 2013

Percentages

	They cannot afford to pay for at least one week of holidays away from home per year	They cannot afford unforeseen expenses	They have delays in payments relating to the main dwelling	They have a great deal of difficulty making ends meet
Total	45.8	41.0	9.3	16.9
Andalucía	57.4	55.0	11.7	23.4
Aragón	34.5	29.8	9.3	12.9
Asturias, Principado de	34.9	26.6	4.6	7.1
Balears, Illes	44.4	42.5	17.2	18.0
Canarias	54.8	64.1	15.1	16.6
Cantabria	51.4	30.9	5.3	16.5
Castilla y León	40.4	24.7	3.2	8.6
Castilla - La Mancha	50.0	37.8	11.2	19.3
Cataluña	41.9	37.7	8.0	13.9
Comunitat Valenciana	50.8	41.6	11.6	19.9
Extremadura	53.4	47.3	7.7	20.8
Galicia	57.1	38.5	5.5	16.6
Madrid, Comunidad de	33.7	37.7	7.9	16.2
Murcia, Región de	63.6	53.3	19.8	24.9
Navarra, Comunidad Foral de	29.6	24.3	2.8	4.7
País Vasco	26.0	24.2	5.0	12.3
Rioja, La	40.1	33.4	8.2	13.4
Ceuta	50.0	63.6	19.5	30.0
Melilla	35.0	47.3	13.2	15.3

The At-Risk-of-Poverty or Social Exclusion Indicator, AROPE (Europe 2020 Strategy⁵)

The At-Risk-Of-Poverty or Social Exclusion Indicator, AROPE, is a new aggregated indicator combining three concepts: risk of poverty, material insufficiency and low work intensity. It is defined as that population that is in at least one of the following three situations:

- At risk of poverty (60% of the median income per consumption unit).
- In severe material insufficiency (with insufficiency in at least four concepts from a list of nine). The nine concepts considered are:
 1. They cannot afford to pay for at least one week of holidays away from home per year
 2. They cannot afford to eat meat, chicken or fish at least every two days
 3. They cannot keep the dwelling at an adequate temperature
 4. They cannot handle unforeseen expenses (of 650 euros)⁶

⁵ Europe 2020 is the growth strategy of the EU for the following century approved by the European Council on the 17 June 2010. For further information see page 13.

5. They have delays in payments relating to the main dwelling (mortgage or rent, gas or electricity bills, community costs, etc.) or hire purchase loans in the past 12 months.
6. They cannot afford a car.
7. They cannot afford a mobile phone.
8. They cannot afford a TV.
9. They cannot afford a washing machine.

- In households without work or with low work intensity (households in which the members of a working age did so for less than 20% of their total working potential during the reference year).

In 2013, the At-Risk-of-Poverty or Social Exclusion Indicator, AROPE, stood at 27.3% of the population resident in Spain, as compared with 27.2% registered in 2012, following the upward trend of the last years.

AROPE Indicator. Population included within at least one out of three criteria of poverty risk or social exclusion by components.

Percentages

	2009	2010	2011	2012	2013
AROPE indicator	24.7	26.1	26.7	27.2	27.3
At-poverty-risk	20.4	20.7	20.6	20.8	20.4
Severe material deprivation	4.5	4.9	4.5	5.8	6.2
Low employment intensity	7.6	10.8	13.4	14.3	15.7

Worth noting the decrease recorded in this rate for the age group of 65 years of age and over (10.4 points between 2009 and 2013).

At-poverty-risk rate and social exclusion by age

Percentages

	2009	2010	2011	2012	2013
TOTAL	24.7	26.1	26.7	27.2	27.3
Less than 16 years old	31.9	32.6	31.6	31.4	31.9
From 16 to 64 years old	23.0	25.3	27.0	29.0	29.5
65 years old and over	24.9	22.9	21.2	16.5	14.5

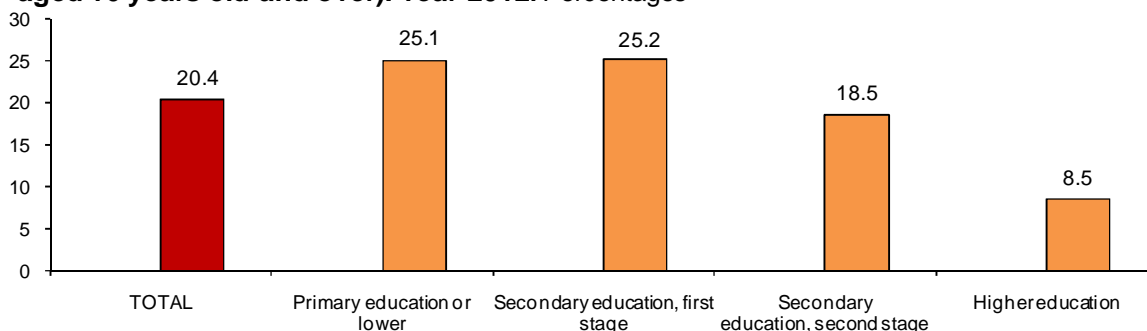
⁶ The capacity of a household to handle unforeseen expenses is only considered taking into account the own resources, that is, not applying for loans or hiring purchase loans in order to face usual expenses that were previously paid in cash. The amount of expenses is revised each year from the evolution of the level of income of the population. This amount stood at 650 euros in the survey of 2013

Population at risk of poverty, according to characteristics

The at-risk-of-poverty rate differs, depending on the educational level of the individual and the type of household.

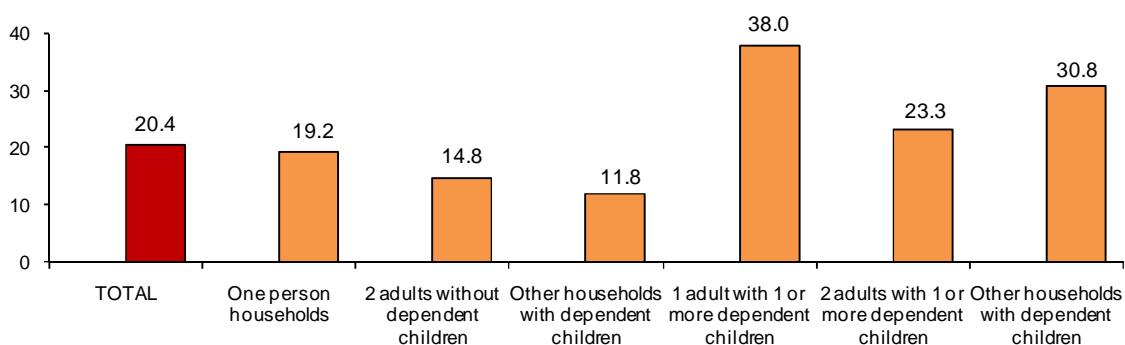
Regarding the importance of the educational level, 25.1% of the population that had attained an educational level equivalent to primary education or less was at risk of poverty in 2013. In turn, when the level reached was higher education, said rate stood at 8.5%.

At-risk-of-poverty rate by relationship with economic activity (persons aged 16 years old and over). Year 2012. Percentages



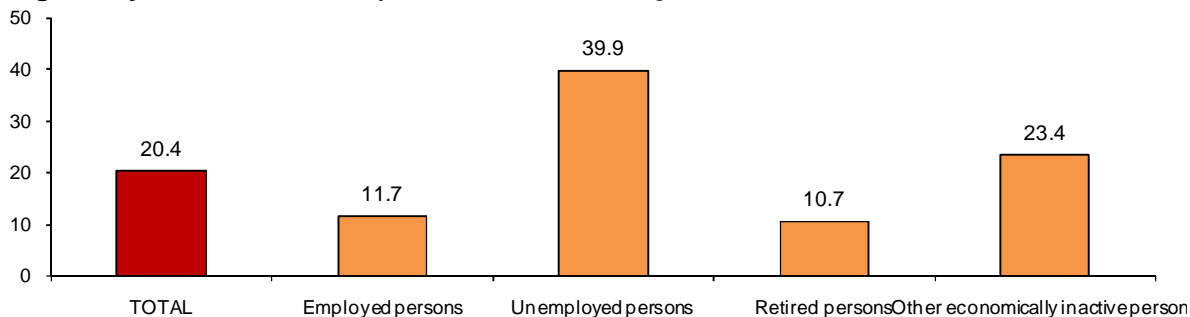
With regard to the importance of the type of household, 38.0% of the total persons living in households comprising one adult and dependent children stood at risk of poverty in 2013.

At-risk-of-poverty rate by type of household. Year 2013. Percentages



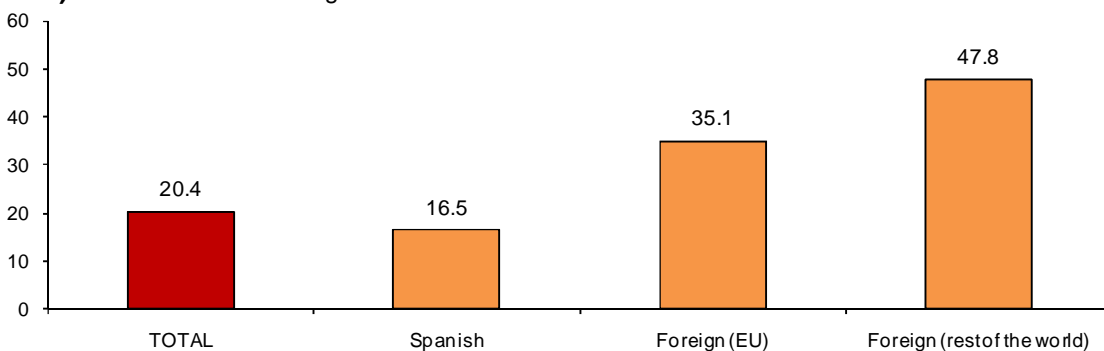
In terms of economic activity, 39.9% of unemployed persons were at risk of poverty. In turn, 11.7% of retired persons were below the at-risk-of-poverty threshold.

At-risk-of-poverty rate by relationship with economic activity (persons aged 16 years old and over). Year 2013. Percentage



According to nationality, the percentage of persons below the at-risk-of-poverty threshold was 16.5% among Spanish nationals, 35.1% among Non-Spanish nationals from a country within the European Union (EU) and 47.8% for persons whose nationality was from a country outside the EU.

At-risk-of-poverty rate by nationality (persons aged 16 years old and over). Year 2013. Percentages



Results by Autonomous Community

The highest data regarding average annual income per person (year 2012) were registered in País Vasco, Comunidad Foral de Navarra and Comunidad de Madrid. In turn, the lowest average annual income per person was registered in the Autonomous Communities of Extremadura, Región de Murcia and Andalucía.

Regarding the at-risk-of-poverty rate, the highest rates were registered in Castilla-La Mancha, Extremadura and Andalucía, whereas the lowest rates were those of Comunidad Foral de Navarra, País Vasco and Comunidad de Madrid.

Net average annual income per person. (LCS-2013). Euros

País Vasco	14,312
Navarra, Comunidad Foral de	13,608
Madrid, Comunidad de	12,823
Cataluña	12,111
Aragón	12,022
Asturias, Principado de	11,211
Castilla y León	10,760
Rioja, La	10,686
TOTAL	10,531
Balears, Illes	10,386
Galicia	10,106
Cantabria	9,843
Comunitat Valenciana	9,375
Canarias	8,513
Castilla - La Mancha	8,425
Andalucía	8,408
Murcia, Región de	8,253
Extremadura	8,224
Ceuta	9,336
Melilla	11,313

The income refer to 2012

At-risk-of-poverty rate. (LCS-2013). Percentages

Navarra, Comunidad Foral de	9.9
País Vasco	10.5
Madrid, Comunidad de	13.4
Cataluña	13.9
Asturias, Principado de	14.1
Aragón	16.1
Galicia	17.2
Castilla y León	17.5
Cantabria	17.8
Rioja, La	19.3
Balears, Illes	19.8
TOTAL	20.4
Comunitat Valenciana	23.6
Murcia, Región de	26.8
Canarias	28.4
Andalucía	29.1
Extremadura	30.9
Castilla - La Mancha	31.3
Ceuta	40.8
Melilla	21.7

Methodological note

The Living Conditions Survey (LCS) is an annual statistical operation aimed at households, and it is conducted 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. Its main objective is to provide information regarding the income, level and composition of poverty and social exclusion in Spain, and to enable making comparisons with other European Union countries.

Among its uses, the survey is noteworthy because it constitutes 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 for 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. Educational level, health and the effects of both on the socio-economic situation.

The variables related to the income are referred to the natural year previous to carrying out the survey. That is called reference period of the income. Thus, the survey which is carried out in the year T, normally between March and June, includes the income from January to December of the year T-1.

The Living Conditions Survey (LCS) for 2013 includes a module where information about material well-being and deprivation is requested. A press release on this module is scheduled to be published on 20th June 2014.

Definitions

Net household income

This is the income received during the year prior to the interview (therefore, in the 2013 survey, questions refer to the income received in 2012, whereas in the 2012 survey, questions referred to the income received in 2011) by the members of the household. This income comprises income from employment working for others, profits/losses from freelance 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 return. Non-monetary components are not included, with the exception of company cars.

Net income per household consumption unit and personal income

In order to allow a better comparison of the income of different types of households the concept *consumption unit* is used internationally. A person living alone constitutes one consumption unit, because said person handles all the expenses of the household.

In order to determine the number of consumption units equivalent to the households, the *modified OECD scale* is used in all countries within the European Union. This scale assigns a weight of 0.5 to the rest of adults and a weight of 0.3 to the persons under 14 years of age. Thus, a household including two adults would count as 1.5 consumption units ($1+0.5=1.5$) and a household including two adults and two minors would have 2.1 ($1+0.5+0.3+0.3=2.1$) consumption units.

Income per household consumption unit is obtained by dividing total household income by the number of consumption units constituting the household. Thus, in the aforementioned household, income will be divided by 2.1 consumption units. Once income per household consumption unit is calculated, this will be assigned to each of its members. This income per consumption unit of persons (or equivalent personal income) is used in calculating measurements of poverty risk.

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. Likewise, a deduction is made, from the total household income, of the interest on the loans applied for, for the purchase of the main dwelling.

As with other publications, the at-risk-of-poverty rate by age is calculated also considering imputed rent in the definition of household income.

Risk of poverty

The poverty threshold depends on the distribution of income by consumption unit of persons. This poverty threshold is set at 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.

The at-risk-of-poverty rate is the percentage of persons who are below the poverty threshold. The threshold for the national group has been used in the results presented.

The value of the poverty threshold is established in euros. In other words, a person with annual income per consumption unit below this threshold is considered to be at risk of poverty.

The value of the poverty threshold, expressed according to 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 household.

Thus, for the 2013 survey, the value of the poverty threshold is obtained by multiplying the number of household consumption units by 8,114.2. For example, for a household with one adult, the threshold is 8,114.2 euros, for a household with two adults, it is 12,171.3 euros (or 6,085.7 euros per person), for a household with two adults and two children under the age of 14, it is 17,039.8 euros (or 4,260 euros per person).

The At-Risk-Of-Poverty or Social Exclusion Indicator, AROPE (Europe 2020 Strategy)

The poverty risk or social exclusion rate (or *AROPE* indicator, due to the English acronym) is part of the indicators in the European Union Europe 2020 Strategy (for more information, see: http://ec.europa.eu/europe2020/index_en.htm)

It is defined according to certain criteria established by Eurostat. This is the population that is in at least one of the following three situations:

- At risk of poverty (60% of the median income per consumption unit).
- With severe material insufficiency. These are the households with insufficiency in at least four of the following nine concepts:
 - 1) The person or household cannot afford to go on holiday at least one week a year.
 - 2) The person or household cannot afford a meal with meat, chicken or fish at least every other day.
 - 3) The person or household cannot afford to keep the dwelling at an adequate temperature.
 - 4) The person or household is unable to handle unforeseen expenses.
 - 5) The person or household has been late paying expenses relating to the main dwelling (mortgage or rent, gas bills, community costs, etc.) or in the payment of instalment purchases in the last 12 months.
 - 6) The person or household cannot afford a car.
 - 7) The person or household cannot afford a telephone.
 - 8) The person or household cannot afford a colour television.
 - 9) The person or household cannot afford a washing machine.
- In households without jobs or with low intensity employment. These are the households in which the members of working age actually worked for less than 20% of their total work potential during the year prior to that of the interview (income reference period).

On the one hand, this calculates the number of months in which the members of the household worked during the reference year, and on the other hand, the total months in

which those same members of the household might have worked. The ratio is calculated, and it is determined whether it is less than 20%.

This variable is not applied in the case of persons aged 60 years old and over.

Annex: Dissemination of final data (LCS-2013). Mining of administrative files for producing the Living Conditions Survey.

In the Living Conditions Survey for the year 2013 a new methodology has been applied in order to compile data related to the household incomes. This new methodology is based on the mining of administrative files.

The possibility of accessing to administrative files improves the quality of the data and makes the collection method more efficient. The main purpose is improving the production of the variables related to the household incomes.

Data referring to the household incomes have been elaborated by using a mixed methodology, which combines data provided by the reporting population and data provided by the administrative registers of the Spanish Tax Administration Agency, Social Security, the Navarra Tax Agency and the Regional Government of Bizkaia.

Due to the change in the methodology, a series break occurs in the 2013 survey. That implies that the 2013 income data are not comparable with the data published in the previous years. Because of this, retrospective estimations of the main indices from 2009 have been published, so as they can be compared with the 2013 data.

This methodological change has been applied after taking into account the sector recommendations of the Higher Council of Statistics, which are compiled in the Recommendations and Proposals for the formulation of the 2013 - 2016 National Statistics Plan. These Recommendations and the methodological change itself have been implemented aiming to improve the efficiency of the production of statistical data and to reduce response burdens on respondents.

Within the European Union, the mining of administrative data for statistical purposes is also a key element in the process of modernization of the social statistics.

Worth noting that many countries use administrative files for elaborating the income variables of this kind of survey, not only in the Nordic countries but also in the Netherlands, France, Austria and Slovenia. In other countries, administrative files are partially used, mainly regarding social benefits.

1. Method of collecting data

Since 2004, when this survey was elaborated for the first time, the method of collecting data has been mainly reduced to personal interviews to every member of every household involved in this study. The interviewer visits the household and requires the information needed to fill in the questionnaires. The interviewer visits each household as many times as needed for collecting all the required information. Then, information is required not only about the household income but also about the rest of the variables related to the living conditions of the household.

Due to the change in the methodology, the income data are collected mainly by mining administrative files. Data provided by the Tax Agencies and the Social Security are collected only regarding the persons included in the sample, which are identified by using their Spanish Tax Identification Number (NIF). This data provided by administrative files, together with the data collected by using questionnaires allow us to elaborate the income variables.

The methodology for elaborating the income variables by components by mining administrative files is the following:

First of all, it is needed to identify the relevant box or boxes and to process the data, so as the required final variable can be obtained.

This methodology only works in some cases, since it is difficult to mine the administrative files integral and exclusively for elaborating income variables by using other different components. This is due to the problems related to the geographical scope (since there are not tax data provided from Álava nor Gipuzkoa), the coverage of the income recipients (there are problems with some laboral sectors such as the domestic service or the informal economy) or the precise identification of the type of income in the administrative file. In such cases, data are collected by using personal interviews.

Finally, the income variables are elaborated by combining data provided by the survey and data provided by the administrative files. In the few cases in which it is not possible to calculate the amount by using other sources, it will be used an estimating calculus.

The collection of administrative data is carried out by using the NIF. The use of the NIF for statistical purposes in the LCS was carried out for the first time in 2009. Then, this variable was available for more than 98% of the adult population.

2. Effects of the methodological change

So far, the INE has been carrying out basic comparative studies between data provided by the LCS and those provided by administrative files. Worth noting the Working Paper *Comparación de los ingresos del trabajo entre la Encuesta de Condiciones de Vida y las fuentes administrativas* (Comparison of the employment income between the Living Conditions Survey and administrative files), which is available in the INE website. In this document, the INE carries out a basic comparative-descriptive analysis for evaluating the impact of the mining of administrative files when elaborating some indicators of the LCS.

In other preliminary studies elaborated by using the data of the 2009-2012 surveys (the income data is always referred to the year before the survey), the results are the following:

LCS Indicators. Comparison between data provided by the survey and data provided by administrative files.

	2009		2010		2011		2012	
	Survey	Administrative files	Survey	Administrative files	Survey	Administrative files	Survey	Administrative files
At-poverty or Social exclusion risk rate	24.5	24.7	26.7	26.1	27.7	26.7	28.2	27.2
Under 16 years old	29.8	31.9	32.1	32.6	32.3	31.6	32.8	31.4
16 - 64 years old	23.3	23.0	26.7	25.3	28.2	27.0	30.1	29.0
65 years old and over	24.3	24.9	21.4	22.9	20.9	21.2	16.6	16.5
Risk-of-poverty rate	20.1	20.4	21.4	20.7	22.2	20.6	22.2	20.8
Under 16 years old	26.5	28.9	28.3	28.8	28.7	27.2	28.9	26.9
16 - 64 years old	17.9	17.5	20.1	18.6	21.3	19.3	22.4	20.9
65 years old and over	23.1	23.8	20.5	21.8	19.5	19.8	14.8	14.8
Gini Coefficient	33.0	32.9	34.4	33.5	34.5	34.0	35.0	34.2
S80S20	6.4	5.9	7.2	6.2	7.1	6.3	7.2	6.5
Average income per consumption unit	14483	17042	14369	16922	13907	16280	13885	16119

The main conclusion of this study is that the mining of administrative files does not seem to have an important impact on the indicators based on the distribution of the income, such as the risk-of-poverty rate. Nevertheless, it does have such an impact on the income level, whose value increases significantly.

When analysing the risk-of-poverty rate indicators, we have to take into account that the confidence intervals are rather broad (at first, Eurostat published this kind of indicators without decimals). For example, the interval for the total population is around ± 1.3 with a 95% confidence level.

It is observed that in the last years, this two sources, both the survey and the administrative files, register an increase in the value of the inequality and risk-of-poverty indicators. Although both sources agree with this trend, the registered increase is lower in the administrative files.

3. Administrative files mined

3.1. Register of Public Social Benefits. Social Security.

The Social Security manages a lot of social benefits. Because of this, it has available a lot of information about the whole national territory (including that of the Autonomous Communities with special regional tax sources). However, there are some benefits, mainly non-contributory pensions, which are managed by the Autonomous Communities and are not included in the Social Security management scope.

Nevertheless, the Social Security is in charge of the management of the Register of Public Social Benefits. This register allows the coordination of the information and the exchange of data between the organisms and entities involved, in order to make the granting of the benefits easier, control the right to receive this kind of benefits and prevent fraud.

Therefore, by means of this Register, the Social Security serves as a depository of data related to the benefits paid by managing entities of both the Social Security System and other managing entities than those of the Social Security System.

Regarding the social benefits, its statistical classification is very precise. In the LCS this classification is based on the European System of integrated Social PROtection Statistics (ESSPROS), which harmonises the presentation of the social protection data.

3.2. Tax sources. 190 and 100 Forms.

At first glance, data included in the Personal Income Tax Declarations are enough for getting information about the different components of the income in the households included in the sample. Nevertheless, this may present some difficulties. On the one hand, the group of people who are not obliged to declare is quite large; on the other hand, the existing possibility of joint declaration may make difficult to individualize the incomes as needed by the LCS.

Because of this, it is essential to access to further information provided by the Tax sources. There are data available from the Spanish Tax Administration Agency, the Social Security, the Navarra Tax Agency and the Regional Government of Bizkaia. Worth noting that the payment of the Personal Income Tax is actually an annual revision of the taxes paid thorough the previous year by means of tax withholds and payments on account.

The tax sources have a lot of information available apart from the data of the Personal Income Tax Declarations. They also have available data from the Annual Summary of Withholdings and Advance Payments on Personal Income Taxes (model 190 of the Spanish Tax Agency), which includes individual data about different kind of incomes. The analysed population includes those income recipients who are not obliged to declare. Detailed information is included in the regulations on this model.

This register includes useful information for calculating the incomes of the paid employment and some social benefits. The available data of said register include some fields identifying the component of the income (wages, unemployment and other benefits, etc.).

The model 100 of the Spanish Tax Agency includes the Personal Income Tax Declarations. Although the model 190 will be used as main source of information, the Declarations will be the source of information for the incomes of the paid employment and other capital and property incomes.

All the information about the methodology of the LCS-2013, as well as the estimated effect of said methodology in the figures of the survey is available at <http://www.ine.es/en/welcome.shtml>

Methodology: http://www.ine.es/en/daco/daco42/condivi/ecv_metodo_en.pdf

Working Paper:

http://www.ine.es/ss/Satellite?L=en_GB&c=INEDocTrabajo_C&cid=1259944417750&p=1254735116586&pagename=ProductosYServicios%2FPYSLayout