21 July 2021

Living Conditions Survey (LCS). Year 2019 Final results

The percentage of the population at risk of poverty or social exclusion (AROPE rate) increased to 26.4%, from 25.3% in 2019

A total of 7.0% of the population was in a situation of severe material shortage, compared to 4.7% the previous year

Influence of COVID-19 on LCS-2020

- The LCS surveys a sample of households during the fourth quarter of each year and collects information on their living conditions at the time of the interview, as well as on income for the previous year. The effect of the pandemic on the LCS-2020 data is, therefore, only partial, since the economic data reflects previous information. This must be taken into account when interpreting the indicators.
- On the other hand, no face-to-face interviews were conducted in 2020. Due to the need
 to replace interviews with telephone calls in order to avoid risks to the health of
 informants and interviewers, there was a decrease in the size of the sample, particularly
 in the case of new participants (households collaborate in this survey for four consecutive
 years).
- The effective sample size of the 2020 survey was 15,043 households, compared to approximately 18,000 households that would have been reached in a data collection with typical response rates.

At-risk of poverty or social exclusion rate (AROPE rate)

The At-Risk-of-Poverty or Social Exclusion (AROPE) rate was created in 2010 to measure relative poverty in Europe by broadening the concept of the at-risk-of-poverty rate, which only considers income.

The AROPE rate is constructed with the population at risk of poverty, or with material deprivation or low employment intensity.

In the 2020 LCS, the AROPE rate stood at 26.4% of the population residing in Spain, compared to 25.3% registered the previous year.

The increase of the AROPE rate occurred in two of its three components. Thus, the percentage of the population in a situation of severe material deprivation rose from 4.7% to 7.0% and those at risk of poverty moved from 20.7% to 21.0%.

On the other hand, the percentage of people residing in households with low employment intensity fell by nine tenths to stand at 9.9%.

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

Percentages

| Year when the survey is conducted: | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------------------|------|------|------|------|------|------|------|------|------|------|
| Income for the year: | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| AROPE Indicator. | 26.7 | 27.2 | 27.3 | 29.2 | 28.6 | 27.9 | 26.6 | 26.1 | 25.3 | 26.4 |
| Risk of poverty (1) | 20.6 | 20.8 | 20.4 | 22.2 | 22.1 | 22.3 | 21.6 | 21.5 | 20.7 | 21.0 |
| Severe material deprivation | 4.5 | 5.8 | 6.2 | 7.1 | 6.4 | 5.8 | 5.1 | 5.4 | 4.7 | 7.0 |
| Low work intensity (2) | 13.4 | 14.3 | 15.7 | 17.1 | 15.4 | 14.9 | 12.8 | 10.7 | 10.8 | 9.9 |

⁽¹⁾ Income in the year prior to the interview

By age group, the AROPE rate rose in all. Among those over 65 years of age it increased 4.8 points, among those under 16 it rose 1.1 points and in the group aged 16 to 64 it rose one tenth.

AROPE Indicator. Population included in at least one of the three criteria of the risk of at-poverty-risk rate and social exclusion by age

Percentages

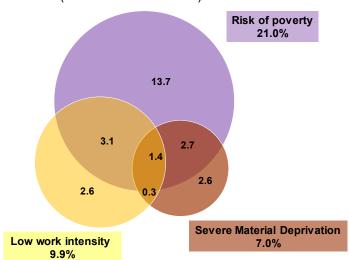
| Year when the survey is conducted: | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------------------|------|------|------|------|------|------|------|------|------|------|
| Income for the year: | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| TOTAL | 26.7 | 27.2 | 27.3 | 29.2 | 28.6 | 27.9 | 26.6 | 26.1 | 25.3 | 26.4 |
| Under the age of 16 | 31.6 | 31.4 | 31.9 | 35.4 | 33.4 | 31.7 | 31.0 | 28.8 | 30.1 | 31.2 |
| From 16 to 64 years of age | 27.0 | 29.0 | 29.5 | 32.0 | 31.6 | 30.7 | 28.4 | 27.9 | 26.9 | 27.0 |
| 65 years of age and older | 21.2 | 16.5 | 14.5 | 12.9 | 13.7 | 14.4 | 16.4 | 17.6 | 15.7 | 20.5 |

As a complement to the AROPE rate, an indicator of intersection between the populations that are in each of the three situations is constructed.

Thus, in 2020 (and with income data from 2019), 1.4% of the population was both at risk of poverty, with severe material deprivation and low employment intensity.

Intersections between subpopulations

Year 2020 (with 2019 income data). AROPE Indicator 26.4%



⁽²⁾ Year prior to the interview

Median income and at-risk-of-poverty threshold

Average net annual monetary income per person for 2019 reached 12,292 Euro, with a 5.2% raise, when compared with the previous year Pandemic effect of this data is zero, as data reffers to the previous situation.

Average person income

Euros

| Year when the survey is conducted: | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Income for the year: | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Average person income | 10.858 | 10.795 | 10.531 | 10.391 | 10.419 | 10.708 | 11.074 | 11.412 | 11.680 | 12.292 |

According to Eurostat criteria, the at-risk-of-poverty threshold is set at 60% of the median1 income per consumption unit2 of persons. Therefore, as income per person increases, the risk-of-poverty threshold also increases.

In 2020, the at-risk-of-poverty threshold for one-person households (calculated on the basis of income data for 2019) stood at 9,626 euros, that is, 6.8% higher than that estimated in the previous year. In households with two adults and two children under 14 years old, said threshold stood at 20,215 euros.

Median income and at-risk-of-poverty threshold

Euros

| Year when the survey is conducted: | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Income for the year: | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Median income | 13,930 | 13,868 | 13,524 | 13,269 | 13,352 | 13,681 | 14,203 | 14,785 | 15,015 | 16,043 |
| At-risk-poverty threshold | | | | | | | | | | |
| One-person households | 8,358 | 8,321 | 8,114 | 7,961 | 8,011 | 8,209 | 8,522 | 8,871 | 9,009 | 9,626 |
| Households with 2 adults and 2 children | 17,551 | 17,473 | 17,040 | 16,719 | 16,823 | 17,238 | 17,896 | 18,629 | 18,919 | 20,215 |

Population at risk of poverty

The 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.

In 2020 (and taking into account income in 2019) the percentage of the population with income below the at-risk poverty threshold (the so called *at-risk-of-poverty rate*) stood at 21.0% of the resident population in Spain, compared with 20.7% in the previous year.

By age group, the at-risk-of-poverty rate increased 4.3 points for those over 65 years of age and 0.5 points for those under 16 years of age. On the other hand, it fell 0.9 points for the 16 to 64 years age group.

¹ 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, its value depends on the level of income and on how the income is distributed among the population.

² A consumer unit is a person living by him self. A household consisting of two adults constitutes 1.5 consumer units. The poverty threshold is calculated for each type of household. The survey methodology includes a more precise definition of the consumption unit as well as reference values for the poverty thresholds.

At-risk-of-poverty rate by age

Percentages

| Year when the survey is conducted: | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------------------|------|------|------|------|------|------|------|------|------|------|
| Income for the year: | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| TOTAL | 20.6 | 20.8 | 20.4 | 22.2 | 22.1 | 22.3 | 21.6 | 21.5 | 20.7 | 21.0 |
| Under 16 years old | 27.2 | 26.9 | 26.7 | 30.1 | 28.8 | 28.9 | 28.1 | 26.2 | 27.1 | 27.6 |
| 16 years of age and older | 19.4 | 19.7 | 19.2 | 20.7 | 20.8 | 21.1 | 20.4 | 20.7 | 19.4 | 19.7 |
| From 16 to 64 years of age | 19.3 | 20.9 | 20.8 | 23.2 | 23.2 | 23.3 | 21.9 | 22.1 | 20.9 | 20.0 |
| 65 years of age and older | 19.8 | 14.8 | 12.7 | 11.4 | 12.3 | 13.0 | 14.8 | 15.6 | 14.5 | 18.8 |

Population in a situation of severe material shortage

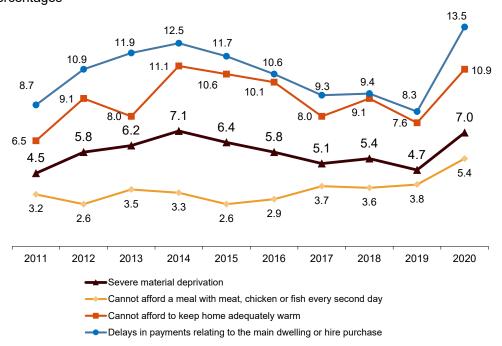
A person is considered to be in a situation of severe material deprivation if they live in a household that states deficiencies in at least four out f the the following elements asked in the survey:

- 1. They cannot afford to go on holiday at least one week a year.
- 2. They cannot afford to eat meat, chicken or fish at least every two days.
- 3. They cannot afford to keep the dwelling at an adequate temperature.
- 4. They cannot handle unforeseen expenses (of 750 Euro).
- 5. They have delays in payments relating to the main dwelling (mortgage or rent, gas or electricity bills, community costs, etc.) or to hire purchase in the past 12 months.
- 6. They cannot afford a car.
- 7. They cannot afford a telephone.
- 8. They cannot afford a TV.
- 9. They cannot afford a washing machine.

The percentage of the population in a situation of severe material deprivation in 2020 stood at 7.0%, compared to 4.7% the previous year.

Of the nine concepts that determine the inclusion of the population in a situation of material deprivation, the ones that worsened the most in 2020 were: has had delays in paying expenses related to the main home or in installment purchases in the last 12 months (13.5%, compared to 8.3% in 2019), cannot afford to keep the home at an adequate temperature (10.9% versus 7.6%) and cannot afford a meal of meat, chicken or fish at least every other day (5.4% versus 3.8%).

Evolution of certain items associated with severe material deprivation Percentages

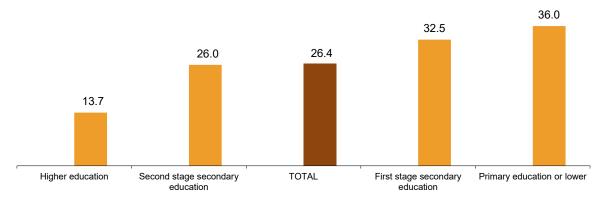


Population at risk of poverty or social exclusion (AROPE rate), according to characteristics

The AROPE rate can be disaggregated according to personal characteristics, such as level of studies or type of household.

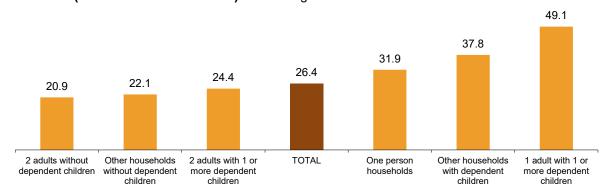
With respect to the importance of the level of education, 36.0% of the population that has reached an educational level equivalent to primary education or less were at risk of poverty or social exclusion in the LCS of 2020 (with income of 2019). On the other hand, when the degree reached was higher education, this rate was reduced to 13.7%.

Persons at risk of poverty or social exclusion (AROPE Indicator) by educational level attained (persons aged 16 years old and older). LCS-2020 (with 2019 income data) Percentages



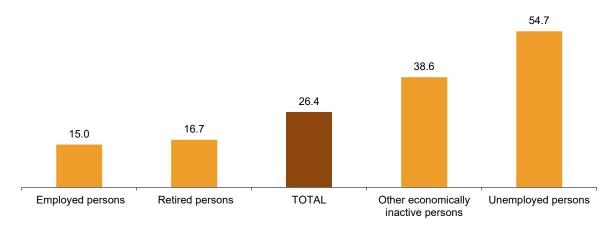
According to the type of household, 49.1% of persons living in households formed by an adult with dependent children were at risk of poverty or social exclusion in 2020.

People at risk of poverty or social exclusion (AROPE Indicator) by type of household. LCS-2020 (with 2019 income data). Percentages



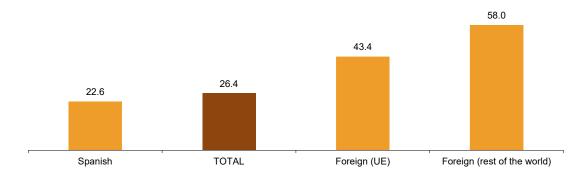
In terms of economic activity, 54.7% of the unemployed were at risk of poverty or social exclusion, as compared with 15.0% of employed persons and 16.7% of retired persons.

Persons at risk of poverty or social exclusion (AROPE Indicator) by relationship with economic activity (persons aged 16 years old and older). LCS-2020 (with 2019 income data). Percentages



According to nationality, the percentage of persons below the threshold of risk of poverty or social exclusion was 22.6% for Spaniards, 43.4% for foreigners for the EU and 58.0% for persons not from an EU country.

Persons at risk of poverty or social exclusion (AROPE Indicator) by nationality (persons aged 16 years old and older). LCS-2020 (with 2019 income data). Percentages



Household economic situation in 2020

Although the income collected in the survey corresponds to the full year prior to the interview (2019), in addition to the elements of material deprivation, other questions were also asked that describe the perceived economic situation at the time of the interview (at the end of 2020).

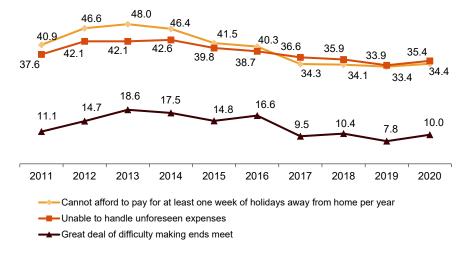
Thus, 10.0% of the population stated that they would make ends meet with "great difficulty" in 2020. This percentage was 2.2 points higher than in the previous year.

In turn, 35.4% did not have the capacity to handle unforeseen expenses, compared to 33.9% in 2019.

A total of 34.4% of the population could not afford to take a holiday away from home at least one week a year. This percentage was one point lower than that registered in 2019.

Evolution of economic difficulties

Percentages



Income distribution and other indicators of inequality

The S80/S20 ratio, used to measure income inequalities, compares the sum of the incomes of 20% of the population with the highest income with that of 20% of the population with the lowest income. The vale of 2019 income was 5.8, with a decrease of one tenth compared to the previous year.

Another indicator to analyse inequality is the Gini Index. It is a measure of inequality that takes the value 0 in the case of perfect equity and the value 100 in the case of maximum inequality.

This index also shows a decrease in income inequality. With 2019 income, the Gini index dropped nine tenths to stand at 32.1.

Income inequality indicators

| Year when the survey is conducted: | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------------------|------|------|------|------|------|------|------|------|------|------|
| Income for the year: | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| S80/S20 | 6.3 | 6.5 | 6.3 | 6.8 | 6.9 | 6.6 | 6.6 | 6.0 | 5.9 | 5.8 |
| Gini coefficient | 34.0 | 34.2 | 33.7 | 34.7 | 34.6 | 34.5 | 34.1 | 33.2 | 33.0 | 32.1 |

Results by Autonomous Communities

The highest average annual income (in 2019) were registered in País Vasco (15,813 euros per person), Comunidad Foral de Navarra (15,094) and Comunidad de Madrid (14,580).

On the other hand, the lowest was registered in Extremadura (9,147 per person), Región de Murcia (9,850) and Canarias (9,935).

With regard to the AROPE rates of risk of poverty or social exclusion, the highest were found in Extremadura (38.7%), Canarias (36.3%) and Andalucia (35.1%).

On the other hand, Comunidad Foral de Navarra (12.0%) and País Vasco (13.9%) presented the lowest at-risk-of-poverty or social exclusion rates.

With regard to the at-risk-of-poverty rates, the highest were found in Extremadura (31.4%), Canarias (29.9%) and Andalucía (28.5%).

Comunidad Foral de Navarra (9.9%) and País Vasco (10.0%) presented the lowest at-risk-of-poverty rates.

Average person income, AROPE indicator and at-risk-of-poverty rate by Autonomous Community. LCS-2020 (with 2019 income data)

| | Average person income (euros) | AROPE indicator (%) | At-risk-of- poverty rate (%) |
|-----------------------------|-------------------------------|---------------------|------------------------------------|
| TOTAL | 12,292 | 26.4 | 21.0 |
| Andalucía | 9,990 | 35.1 | 28.5 |
| Aragón | 13,097 | 18.5 | 16.0 |
| Asturias, Principado de | 12,786 | 27.7 | 22.2 |
| Balears, Illes | 12,658 | 22.0 | 14.1 |
| Canarias | 9,935 | 36.3 | 29.9 |
| Cantabria | 12,748 | 23.7 | 18.0 |
| Castilla y León | 12,697 | 19.8 | 15.1 |
| Castilla - La Mancha | 10,485 | 29.8 | 25.1 |
| Cataluña | 14,170 | 22.8 | 16.7 |
| Comunitat Valenciana | 11,332 | 29.3 | 24.6 |
| Extremadura | 9,147 | 38.7 | 31.4 |
| Galicia | 11,469 | 25.7 | 22.1 |
| Madrid, Comunidad de | 14,580 | 20.9 | 15.4 |
| Murcia, Región de | 9,850 | 29.7 | 25.0 |
| Navarra, Comunidad Foral de | 15,094 | 12.0 | 9.9 |
| País Vasco | 15,813 | 13.9 | 10.0 |
| Rioja, La | 13,504 | 19.0 | 15.0 |
| Ceuta | 9,853 | 38.8 | 35.3 |
| Melilla | 11,427 | 42.4 | 36.3 |

Canarias (15.6%), Andalucia (14.8%) and Extremadura (12.7%) were the Autonomous Communities that registered the highest percentages of persons that had "a great deal of difficulty" making ends meet in 2020.

Those that presented the lowest percentages were Aragón (5.5%), País Vasco (5.6%) and Comunidad Foral de Navarra (5.9%).

A total of 63.1% of the population in Canarias, 46.8% in Extremadura and 43.9% in Andalucía were unable to handle unforeseen expenses in 2020. At the other end of the spectrum were País Vasco (19.0%) and Comunidad Foral de Navarra (20.1%).

Canarias (47.4%), Andalucía (45.4%) and Región de Murcia (45.3%) presented the highest percentages of persons that could not afford to pay for at least one week of holidays away from home per year in 2020. The lowest percentages corresponded to País Vasco (18.0%), Comunidad Foral de Navarra (21.1%) and Aragon (23.6%).

In the case of households with late payments when paying expenses related to the main dwelling or deferred payments, Canarias (23.0%), Andalucia (19.0%) and Región de Murcia (15.5%) presented the highest population percentages. Conversely, the lowest annual rates were registered in Aragon (5.4%), Cantabria (6.8%) and Castilla y León (6.9%).

Household economic difficulties by Autonomous Community. Year 2020 Percentages

| | Cannot afford to pay for at least one week of holidays away from home per year | Unable to handle unforeseen expenses | Delays in payments relating to the main dwelling or hire purchase | Great deal of difficulty making ends meet |
|-----------------------------|--|---|---|--|
| TOTAL | 34.4 | 35.4 | 13.5 | 10.0 |
| Andalucía | 45.4 | 43.9 | 19.0 | 14.8 |
| Aragón | 23.6 | 26.0 | 5.4 | 5.5 |
| Asturias, Principado de | 32.1 | 27.6 | 11.7 | 9.3 |
| Balears, Illes | 31.7 | 36.6 | 13.1 | 9.0 |
| Canarias | 47.4 | 63.1 | 23.0 | 15.6 |
| Cantabria | 36.7 | 31.5 | 6.8 | 6.1 |
| Castilla y León | 28.2 | 24.7 | 6.9 | 8.4 |
| Castilla - La Mancha | 32.5 | 33.1 | 8.4 | 6.5 |
| Cataluña | 30.6 | 33.4 | 14.3 | 9.2 |
| Comunitat Valenciana | 36.1 | 36.8 | 14.4 | 10.7 |
| Extremadura | 45.0 | 46.8 | 13.7 | 12.7 |
| Galicia | 37.4 | 28.1 | 8.5 | 6.6 |
| Madrid, Comunidad de | 26.6 | 30.1 | 11.5 | 8.5 |
| Murcia, Región de | 45.3 | 43.1 | 15.5 | 11.2 |
| Navarra, Comunidad Foral de | 21.1 | 20.1 | 11.4 | 5.9 |
| País Vasco | 18.0 | 19.0 | 8.2 | 5.6 |
| Rioja, La | 23.9 | 24.5 | 8.2 | 6.0 |
| Ceuta | 49.1 | 55.9 | 28.2 | 2.7 |
| Melilla | 39.2 | 52.3 | 19.8 | 17.6 |

Data Review and Update

The data published today are final. All results are available on INEBase.

Methodological note

The Living Conditions Survey (LCS) is an annual statistical operation aimed at households that is conducted in all European Union countries. This is a harmonised statistic which is supported by Regulation (EC) No 1177/2003 of the European Parliament and of the Council of 16 June 2003 on 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. For this purpose, the incomes of the calendar year prior to the interview are collected. Also, many other questions about living conditions, which are referred to the time of the survey, are collected. Therefore, the variables related to the incomes of the survey of 2020 are referred to 2019 whereas the other questions are referred to 2020.

The 2020 LCS has been carried out by the National Statistics Institute (INE) in collaboration with the Statistical Institute of Cataluña (IDESCAT) within the scope of this Autonomous Community.

Type of survey: Annual.

Collection period: Fourth quarter of 2020.

Sample size: The effective sample is made up of about 38,000 people.

Type of sampling: The LCS is a panel survey in which the persons interviewed collaborate for four consecutive years. It is a stratified two-stage sampling. The first stage units are the census sections and the second stage units are the family dwellings.

Collection method: Due to the pandemic, personal interviews have been replaced by telephone interviews.

For more information the methodology can be accessed at:

https://www.ine.es/en/daco/daco42/condivi/ecv metodo en.pdf

The standardized methodological report is at:

https://www.ine.es/dynt3/metadatos/en/RespuestaDatos.html?oe=30453

INE statistics are produced in accordance with the Code of Good Practice for European Statistics, which is the basis for the institution's quality policy and strategy. For more information see the section on Quality at INE and the Code of Best Practices on the INE website.

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