

29 June 2022

Living Conditions Survey (LCS). Year 2021
Final results

The percentage of the population at risk of poverty or social exclusion (new definition) increased to 27.8%, from 27.0% in 2020

A total of 8.3% of the population was in a situation of severe material and social shortage, compared to 8.5% the previous year

At-risk of poverty or social exclusion rate (new 2021 definition)

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 has been constructed by joining the population that is at risk of poverty, or with material deficiencies or low employment intensity. In 2021, a methodological change was introduced that has affected two of the three dimensions.

Thus, the AROPE rate (new definition 2021) is defined as that population that is in at least one of these three situations:

- Risk of poverty (does not change its definition with respect to the old indicator)
- Severe material **and social** deprivation
- Low employment intensity (new definition 2021)

Therefore, two of its three components have been modified in the new indicator, specifically 'severe material deprivation', which is replaced by 'severe material and social deprivation' and 'low employment intensity'.¹

AROPE rate in 2021

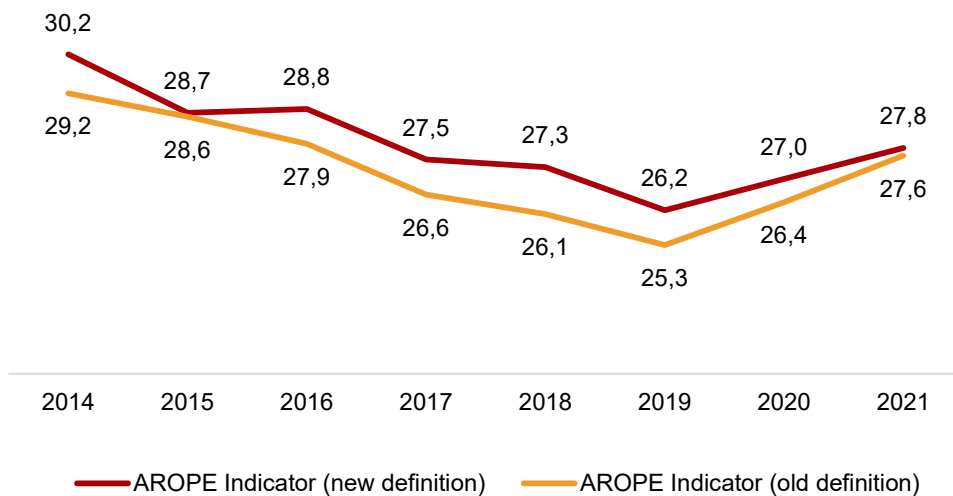
The AROPE rate (new definition) stood at 27.8% of the resident population in Spain in 2021, compared to 27.0% registered the previous year. Taking the previous definition (Europe 2020 strategy) the percentage was 27.6%.

The increase of the AROPE rate occurred in two of its three components. Thus, the percentage of the population in a situation of low employment intensity rose from 10.0% to 11.6%. Meanwhile, the percentage of the population at risk of poverty went from 21.0% to 21.7%.

On the other hand, the percentage of people living in households with severe material and social deprivation fell by two tenths, to 8.3%.

¹ Page 11 details the methodological changes that the AROPE indicator has undergone.

Comparison of the evolution of AROPE Indicators (new and old definition)



AROPE Indicator (2021 new definition). 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:	2014	2015	2016	2017	2018	2019	2020	2021
Income for the year:	2013	2014	2015	2016	2017	2018	2019	2020
AROPE Indicator (new definition)	30,2	28,7	28,8	27,5	27,3	26,2	27,0	27,8
AROPE Indicator (Europe 2020)	29,2	28,6	27,9	26,6	26,1	25,3	26,4	27,6
Risk of poverty (1)	22,2	22,1	22,3	21,6	21,5	20,7	21,0	21,7
Severe material deprivation	10,7	7,4	8,5	8,3	8,7	7,7	8,5	8,3
Low work intensity (2)	16,9	15,4	14,9	12,8	10,8	10,9	10,0	11,6

(1) Income in the year prior to the interview

(2) Year prior to the interview

By age group, the AROPE rate rose 1.4 points among those under 16 years of age, and 1.3 in the group between 16 and 64 years of age. In turn, it fell 1.1 points among those over 65 years of age.

AROPE Indicator (2021 new definition). Population included in at least one of the three criteria of the risk of at-poverty-risk rate and social exclusion by age

Percentages

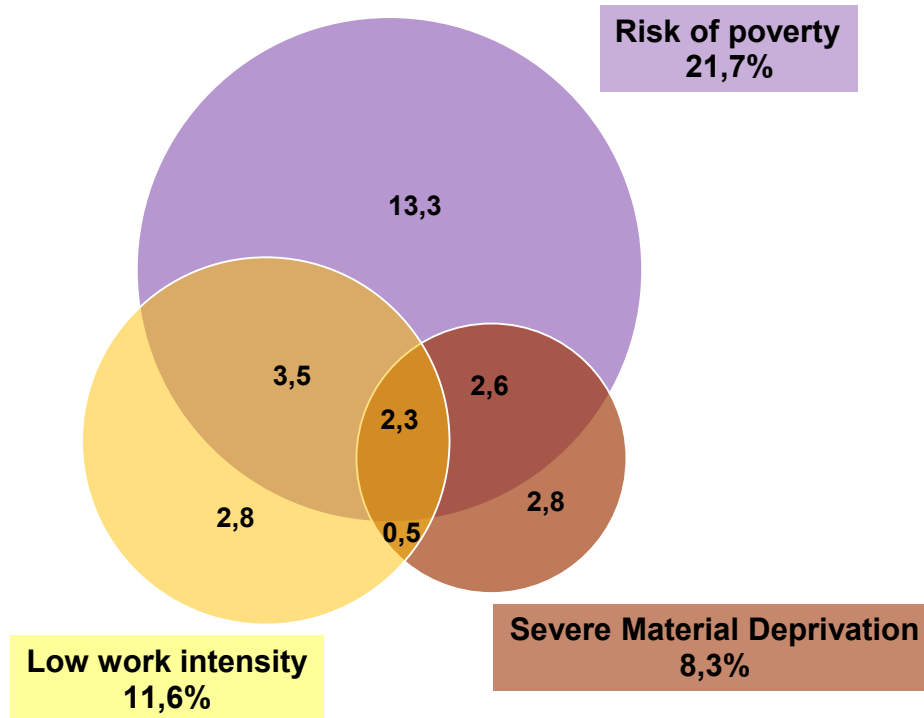
Year when the survey is conducted:	2014	2015	2016	2017	2018	2019	2020	2021
Income for the year:	2013	2014	2015	2016	2017	2018	2019	2020
TOTAL	30,2	28,7	28,8	27,5	27,3	26,2	27,0	27,8
Under the age of 16	36,3	33,2	32,8	31,7	29,9	30,8	31,8	33,2
From 16 to 64 years of age	32,6	31,4	31,4	28,9	28,5	27,4	27,4	28,7
65 years of age and older	15,5	14,5	16,0	18,9	20,7	18,1	21,6	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 by the LCS.

Thus, in 2021 (and with income data from 2020), 2.3% of the population was both at risk of poverty, with severe material and social deprivation and low employment intensity.

Intersections between subpopulations

Year 2021 (with 2020 income data). AROPE Indicator (2021 new definition) 27.8%



Median income and at-risk-of-poverty threshold

Average net annual monetary income per person for 2020 reached 12,269 Euro, with a 0.2% decline, when compared with the previous year

Average person income

Euros

Year when the survey is conducted:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Income for the year:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average person income	10.795	10.531	10.391	10.419	10.708	11.074	11.412	11.680	12.292	12.269

According to Eurostat criteria, the at-risk-of-poverty threshold is set at 60% of the median² income per consumption unit³ of persons. Therefore, as income per person increases, the risk-of-poverty threshold also increases.

In 2021, the at-risk-of-poverty threshold for one-person households (calculated on the basis of income data for 2020) stood at 9,535 euros, that is, 0.9% lower than that estimated in the previous year. In households with two adults and two children under 14 years old, said threshold stood at 20,024 euros.

²The 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.

³ 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.

Median income and at-risk-of-poverty threshold

Euros

Year when the survey is conducted:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Income for the year:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Median income	13.868	13.524	13.269	13.352	13.681	14.203	14.785	15.015	16.043	15.892
At-risk-poverty threshold										
One-person households	8.321	8.114	7.961	8.011	8.209	8.522	8.871	9.009	9.626	9.535
Households with 2 adults and 2 children	17.473	17.040	16.719	16.823	17.238	17.896	18.629	18.919	20.215	20.024

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 2021 (and taking into account income in 2020) the percentage of the population with income below the at-risk poverty threshold (the so called *at-risk-of-poverty rate*) stood at 21.7% of the resident population in Spain, compared with 21.0% in the previous year.

By age group, the at-risk-of-poverty rate increased 1.1 points for those under 16 years of age and 1.2 points for the 16-64 age group. In turn, it increased by 1.3 points for people over 65.

At-risk-of-poverty rate by age

Percentages

Year when the survey is conducted:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Income for the year:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
TOTAL	20,8	20,4	22,2	22,1	22,3	21,6	21,5	20,7	21,0	21,7
Under 16 years old	26,9	26,7	30,1	28,8	28,9	28,1	26,2	27,1	27,6	28,7
16 years of age and older	19,7	19,2	20,7	20,8	21,1	20,4	20,7	19,4	19,7	20,4
From 16 to 64 years of age	20,9	20,8	23,2	23,2	23,3	21,9	22,1	20,9	20,0	21,2
65 years of age and older	14,8	12,7	11,4	12,3	13,0	14,8	15,6	14,5	18,8	17,5

Population in a situation of severe material and social deprivation

A person is considered to be in a situation of severe material and social deprivation if they state that they are deprived in at least seven of the 13 items on the following list that are asked in the survey (seven defined at the household level and six at the individual level):

At the household level:

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 700 Euro)⁴.
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.

⁴ It is considered the capacity of the household to meet unforeseen expenses with its own resources only, that is, without resorting to loans or hire purchase to meet the usual expenses that were previously settled 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 700 Euro in the survey of 2021.

6. They cannot afford a car.
7. They cannot replace damaged or old furniture.

At the individual level:

8. They cannot afford to replace damaged clothes with new ones.
9. They cannot afford to have two pairs of shoes in good condition.
10. They cannot afford to get together with friends/family for a meal or drink at least once a month.
11. They cannot afford to regularly participate in leisure activities.
12. They cannot afford to spend a small amount of money on yourself.
13. They cannot afford an internet connection.

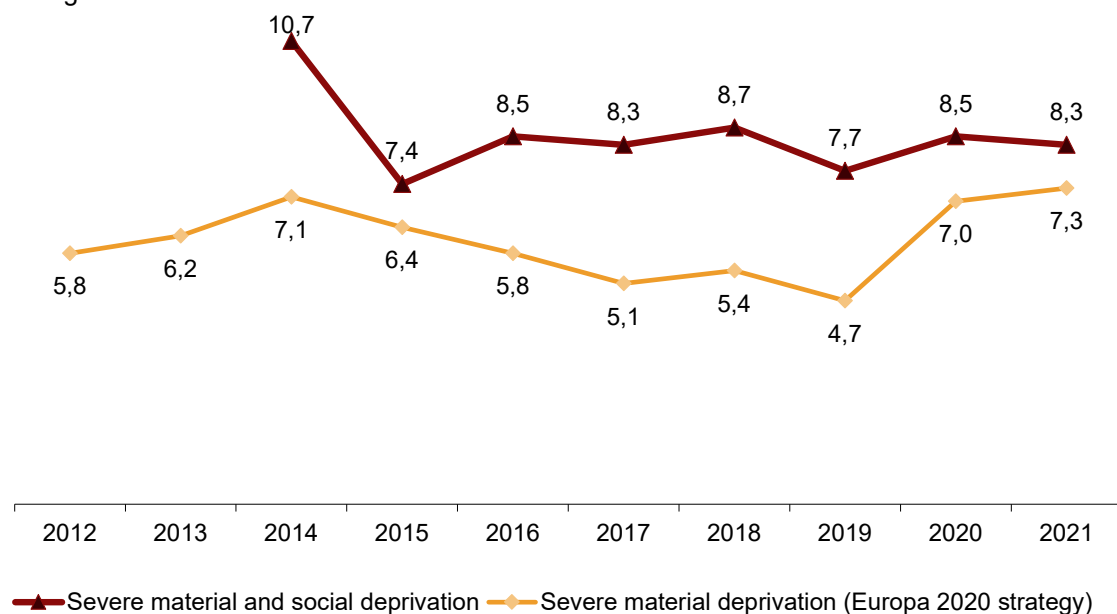
The percentage of the population in a situation of severe material and social deprivation in 2021 stood at 8.3%, compared to 8.5% the previous year.

Of the seven concepts defined at the household level, those that worsened in 2021 were: *cannot afford to keep the house at an adequate temperature* (14.3%, compared to 10.9%), and *has been late in paying expenses related to the main home or in installment purchases in the last 12 months* (14.4%, compared to 13.5% in 2020).

The new severe material and social deprivation can only be calculated from 2014, when the new questions were introduced in the survey questionnaire.

Evolution of severe material and social deprivation

Percentages



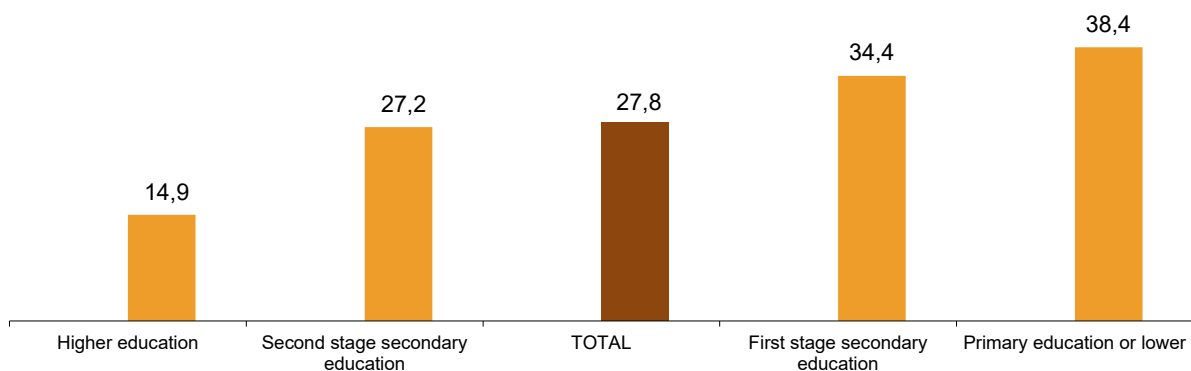
Population at risk of poverty or social exclusion, according to characteristics

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

With respect to the importance of the level of education, 38.4% 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 2021 (with income of 2020). On the other hand, when the degree reached was higher education, this rate was reduced to 14.9%.

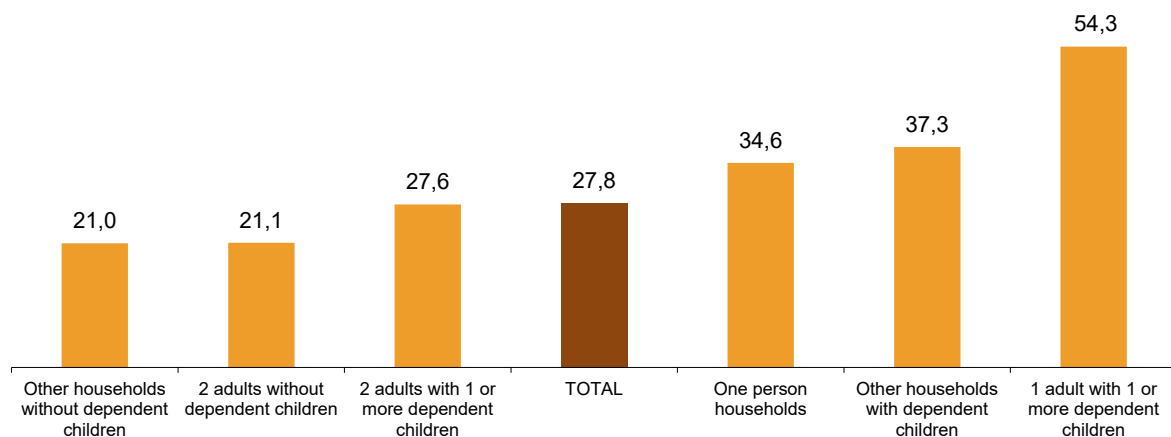
Persons at risk of poverty or social exclusion (AROPE Indicator) by educational level attained (persons aged 16 years old and older). LCS-2021 (with 2020 income data).

Percentages



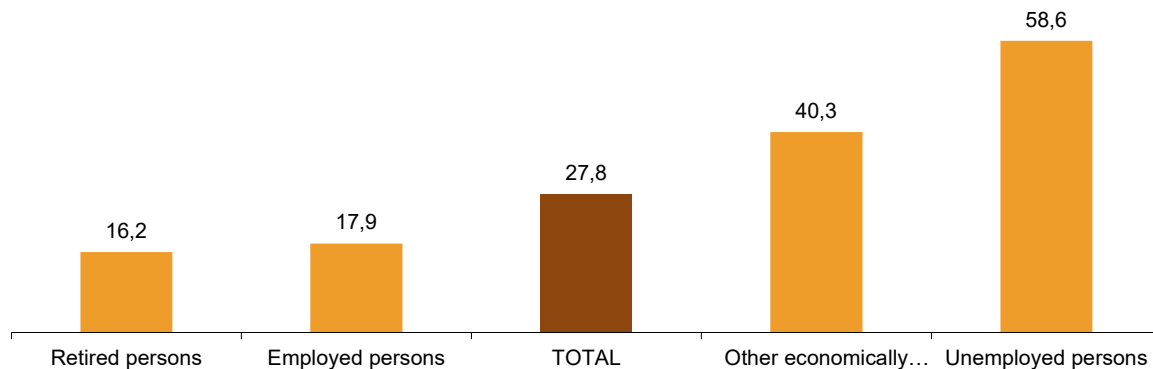
By household type, 54.3% of persons living in households formed by an adult with dependent children were at risk of poverty or social exclusion in 2021.

People at risk of poverty or social exclusion (AROPE Indicator) by type of household. LCS-2021 (with 2020 income data). Percentages



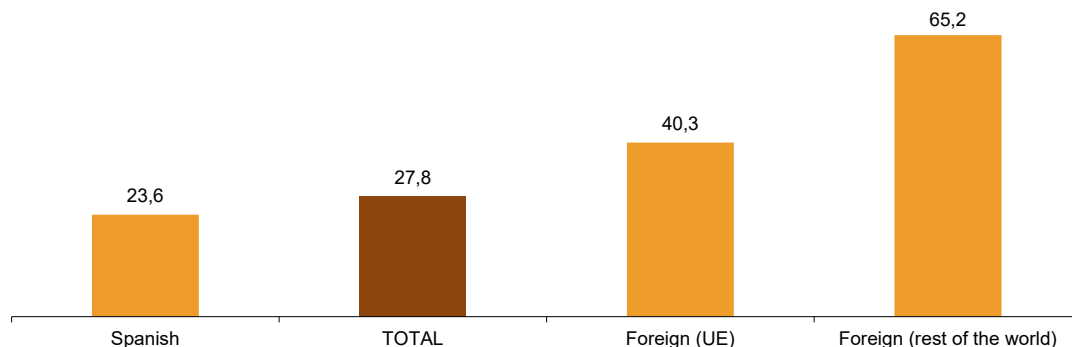
In terms of economic activity, 58.6% of the unemployed were at risk of poverty or social exclusion, as compared with 17.9% of employed persons and 16.2% of retired persons.

Persons at risk of poverty or social exclusion (AROPE Indicator) by relationship with economic activity (persons aged 16 years old and older). LCS-2021 (with 2020 income data). Percentages



According to nationality, the percentage of persons below the threshold of risk of poverty or social exclusion was 23.6% for Spaniards, 40.3% for foreigners for the EU and 65.2% 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-2021 (with 2020 income data). Percentages



Economic difficulties of households in 2021

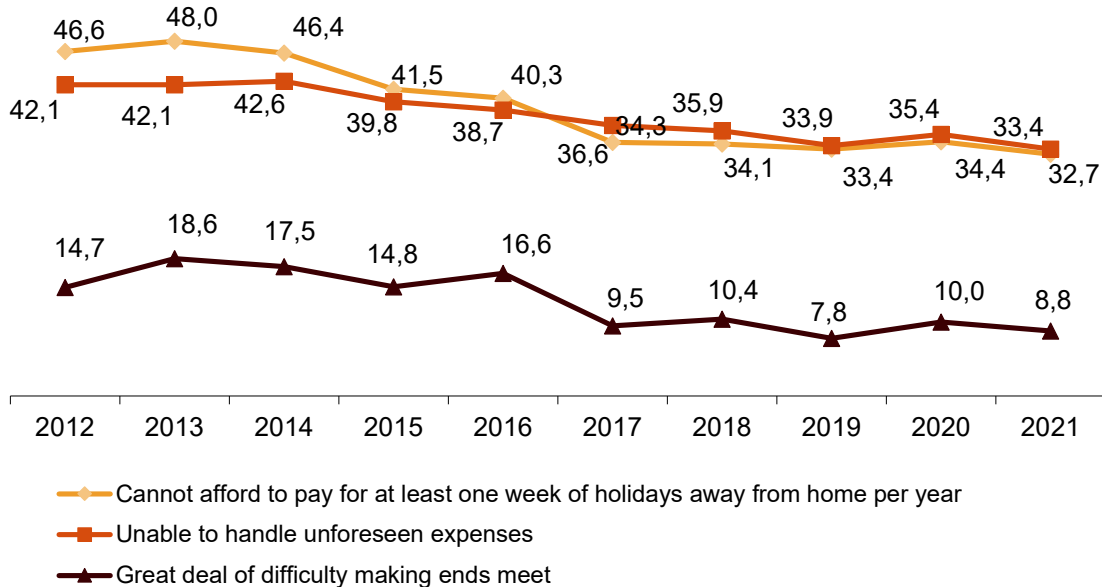
Although the income collected in the LCS corresponds to the year prior to the interview (2020), in addition to the elements of material deprivation, other questions were also asked that describe the perceived economic situation at the time of the interview, which took place in the last quarter of 2021.

Thus, 8.8% of the population stated that they would make ends meet with "great difficulty" in 2021. This percentage was 1.2 points lower than that registered the previous year.

In turn, 33.4% did not have the capacity to handle unforeseen expenses, compared to 35.4% in 2020.

A total of 32.7% of the population could not afford to take a holiday away from home at least one week a year. This percentage was 1.7 points lower than that registered in 2020.

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 value of income in 2020 was 6.2, with an increase of four tenths 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 an increase in income inequality. Taking into account the income of 2020, the Gini index rose nine tenths in 2021 and placed its value at 33.0.

Income inequality indicators

Year when the survey is conducted:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Income for the year:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
S80/S20	6,5	6,3	6,8	6,9	6,6	6,6	6,0	5,9	5,8	6,2
Gini coefficient	34,2	33,7	34,7	34,6	34,5	34,1	33,2	33,0	32,1	33,0

Results by Autonomous Communities

The highest average annual income (in 2020) were registered in País Vasco (15,544 euros per person), Comunidad Foral de Navarra (15,269) and Comunidad de Madrid (14,836).

On the other hand, the lowest was registered in Extremadura (9,500 per person), Región de Murcia (9,931) and Andalucía (9,915).

With regard to the AROPE rates of risk of poverty or social exclusion, the highest were found in Extremadura (38.7%), Andalucía (38.7%) and Canarias (37.8%).

On the other hand, Comunidad Foral de Navarra (14.7%) and País Vasco (16.0%) presented the lowest at-risk-of-poverty or social exclusion rates.

Regarding the at-risk-of-poverty rate, the highest rates were registered in Extremadura (32.3%), Andalucía (32.3%) and Canarias (28.4%).

Comunidad Foral de Navarra (9.8%) and País Vasco (12.2%) presented the lowest at-risk-of-poverty rates.

Average person income, AROPE indicator and at-risk-of-poverty rate by Autonomous Community. LCS-2021 (with 2020 income data)

	Average person income (euros)	AROPE indicator (%)	At-risk-of- poverty rate (%)
TOTAL	12.269	27,8	21,7
Andalucía	9.915	38,7	32,3
Aragón	13.345	20,0	15,8
Asturias, Principado de	12.861	26,3	20,4
Balears, Illes	11.235	22,4	17,6
Canarias	10.161	37,8	28,4
Cantabria	12.848	21,4	15,4
Castilla y León	12.656	23,1	17,9
Castilla - La Mancha	10.257	32,5	27,4
Cataluña	14.159	22,3	14,8
Comunitat Valenciana	11.237	30,6	25,1
Extremadura	9.500	38,7	32,3
Galicia	11.453	25,2	20,2
Madrid, Comunidad de	14.836	21,6	15,2
Murcia, Región de	9.931	33,8	27,7
Navarra, Comunidad Foral de	15.269	14,7	9,8
País Vasco	15.544	16,0	12,2
Rioja, La	12.913	21,3	16,1
Ceuta	10.397	43,0	32,3
Melilla	12.012	35,2	30,1

Economic difficulties by autonomous communities

Canarias (15.2%), Andalucía (12.5%) and Región de Murcia (11.8%) were the Autonomous Communities that registered the highest percentages of persons that had “a great deal of difficulty” making ends meet in 2021.

Those that presented the lowest percentages were La Rioja (3.1%), País Vasco (4.6%) and Illes Balears (5.4%).

A total of 49.8% of the population in Canarias, 43.0% in Región de Murcia and 42.4% in Andalucía were unable to handle unforeseen expenses in 2020. At the other end of the spectrum were País Vasco (18.4%) and Comunidad Foral de Navarra (20.9%).

Andalucía (45.7%), Región de Murcia (44.4%) and Extremadura (41.6%) presented the highest percentages of persons that could not afford to go on holiday away from home for at least one week a year in 2021. The lowest percentages corresponded to País Vasco (16.4%), Comunidad de Madrid (21.4%) and La Rioja (22.4%).

In the case of households with late payments when paying expenses related to the main dwelling or deferred payments, Canarias (26.2%), Región de Murcia (21.3%) and Illes Balears (20.3%) presented the highest population percentages. Conversely, La Rioja (8.0%) and País Vasco (8.8%) registered the lowest.

Household economic difficulties by Autonomous Community. Year 2021

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	32,7	33,4	14,4	8,8
Andalucía	45,7	42,4	17,0	12,5
Aragón	23,6	26,9	12,4	7,5
Asturias, Principado de	28,9	25,9	10,0	6,7
Balears, Illes	35,0	30,9	20,3	5,4
Canarias	40,8	49,8	26,2	15,2
Cantabria	34,0	25,8	9,0	6,9
Castilla y León	26,4	24,1	10,0	6,7
Castilla - La Mancha	35,0	35,6	14,2	8,5
Cataluña	27,8	32,9	14,2	8,8
Comunitat Valenciana	35,0	32,3	13,5	7,8
Extremadura	41,6	39,3	11,8	8,0
Galicia	37,1	24,7	9,0	6,9
Madrid, Comunidad de	21,4	30,6	13,2	6,9
Murcia, Región de	44,4	43,0	21,3	11,8
Navarra, Comunidad Foral de	22,6	20,9	10,3	6,4
País Vasco	16,4	18,4	8,8	4,6
Rioja, La	22,4	22,5	8,0	3,1
Ceuta	44,2	54,9	29,4	26,4
Melilla	44,1	48,5	26,2	18,7

Data Review and Update

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

Informative annex Risk of poverty or social exclusion (new definition 2021)

The AROPE rate of risk of poverty or social exclusion was modified in 2021 in accordance with the new objectives of the Europe 2030 Strategy. It is defined as the population that is in at least one of these three situations:

- Risk of poverty (definition does not change with respect to the old indicator).
- Severe material and social deprivation (social deprivation is added).
- Low employment intensity (new definition 2021)

Therefore, in the new indicator, two of its three components have been modified. Both modifications are detailed below.

Severe material and social deprivation

The 'severe material deprivation' of the old indicator is replaced by the new concept 'severe material and social deprivation', which is calculated separately for each member of the household. This new indicator is built with 13 components, of which seven are defined at the household level and six are personal, and different for each member of the household.

A person is in a situation of severe material and social deprivation if they suffer from at least seven of the 13 limitations that make up the list.

The seven concepts defined at the household level are:

- *They cannot afford to go on holiday at least one week a year.*
- *They cannot afford to eat meat, chicken or fish at least every two days.*
- *They cannot afford to keep the dwelling at an adequate temperature.*
- *They cannot handle unforeseen expenses*
- *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.*
- *They cannot afford a car.*
- *They cannot replace damaged or old furniture*

The first six were already on the previous list and the last one has been added. On the other hand, the availability of a telephone, television or washing machine disappears from the list of shortages, once their ineffectiveness in explaining situations of material deprivation has been confirmed.

For their part, the six new concepts defined at the individual level are:

- *They cannot afford to replace damaged clothes with new ones.*
- *They cannot afford to have two pairs of shoes in good condition.*
- *They cannot afford to get together with friends/family for a meal or drink at least once a month.*
- *They cannot afford to regularly participate in leisure activities.*
- *They cannot afford to spend a small amount of money on yourself.*
- *They cannot afford an internet connection.*

In the case of minors under 16 years of age, the six concepts listed above are not available at the individual level. For these minors, the values of these elements are imputed from the values collected for the members of their household aged 16 or over.

Low employment intensity (new definition 2021):

The definition is a bit more precise: these are the households in which members of working age (persons between 18 and 64 years old, excluding students between 18 and 24 years old, retirees or retirees, as well as inactive people between 60 and 64 whose main source of household income is pensions) carried out less than 20% of their total work potential during the reference year.

This variable is not applied in the case of persons aged 65 years of age and over.

Methodological note

The Living Conditions Survey (LCS) is an annual statistical operation aimed at households that is conducted in all European Union countries. It is a harmonized statistic, supported by Regulation (EU) 2019/1700 of the European Parliament and of the Council of October 10, 2019, which establishes a common framework for European statistics related to people and households, based on individual data collected from samples.

The LCS was conducted for the first time in 2004. It provides information on income, the level and composition of poverty and social exclusion in Spain and allows for comparison with other countries of the European Union. 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 2021 are referred to 2020 whereas the other questions are referred to 2021.

The 2021 LCS was 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: Third four-month period of 2021.

Sample size: The effective sample is made up of about 52,000 people.

Type of sample: 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.

Change in the LCS-2021 collection method: Until 2019, the CVD was collected through a personal interview. Due to the pandemic, during the 2020 survey the interviews had to be by telephone. As of the 2021 survey, the multichannel method has been introduced, offering the household the possibility of responding online (CAWI), conducting the survey by telephone interview or by face-to-face interview.

A total of 40% of the households have responded by Internet, 53% by telephone interview and 7% by personal interview.

For more information the methodology can be accessed at:

https://www.ine.es/daco/daco42/condivi/ecv_metodo.pdf

The standardized methodological report is at:

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

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