

Article

Persistent poverty in the UK and EU: 2015

Rates of persistent relative income poverty for the UK are compared with other EU countries.

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Release date:
27 June 2017

Next release:
To be announced

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1 . Main points

- 7.3% of the UK population were experiencing persistent poverty, equivalent to roughly 4.6 million people. Persistent poverty is defined as experiencing relative low income in the current year, as well as at least 2 out of the 3 preceding years.
- Of the 28 EU countries, the UK had the fifth lowest rate of persistent poverty (7.3%), but the 13th highest poverty rate of 16.7%, near the EU average of 17.3%.
- From 2012 to 2015, roughly 3 in 10 (30.2%) of the population were at risk of poverty for at least 1 year.
- A higher proportion of women (8.2%) were persistently poor than men (6.3%) – a trend that has continued since data became available in 2008.
- The gap between male and female persistent poverty rates (1.9 percentage points) was the largest it had been since data began in 2008.
- Just over a third (35.8%) of persistently poor individuals expressed high levels of anxiety, compared with a fifth (21.6%) of the population as a whole.

2 . What is persistent poverty?

In this release, individuals are considered to be experiencing relative poverty if they live in a household with an equivalised disposable income that falls below 60% of the national median in the current year. This is a relative low income measure also referred to as the “at risk of poverty” rate, which measures income compared with other people. As such, being at risk of poverty does not necessarily imply a low standard of living.

Experiencing persistent poverty is defined as being in relative income poverty in the current year and at least two of the three preceding years.

Results are based on the [European Union Statistics on Income and Living Conditions \(EU-SILC\)](#), a household survey conducted since 2005 in EU member states and other select countries. In 2015, the poverty threshold in the UK was £12,567.

It is generally agreed that the effects of experiencing relative low income for long periods of time are more detrimental than experiencing low income for short periods. These measures are used by the European Commission as part of their indicators to monitor poverty and social exclusion across the EU.

A household’s disposable income is the money available for spending after Income Tax, National Insurance and Council Tax are subtracted. It consists of wages and salaries from employment and self-employment, investment income, private and state pensions, and other benefits.

Equivalisation adjusts the income to take into account the size and composition of the household. Income in this analysis is equivalised using the modified [Organisation for Economic Co-operation and Development \(OECD\)](#) scale.

3 . In 2015, the UK had one of the lowest rates of persistent poverty of all EU member states

In 2015, the estimated proportion of individuals experiencing persistent poverty in the UK was 7.3%. As may be expected, this is lower than the UK poverty rate which was 16.7% in 2015. The UK's persistent poverty rate was the fifth lowest of all EU member states, whilst the poverty rate was the 13th highest – the same as Germany and near the EU average of 17.3%.

Figure 1: Percentage of individuals persistently at risk of poverty, EU28 and other select countries, 2015

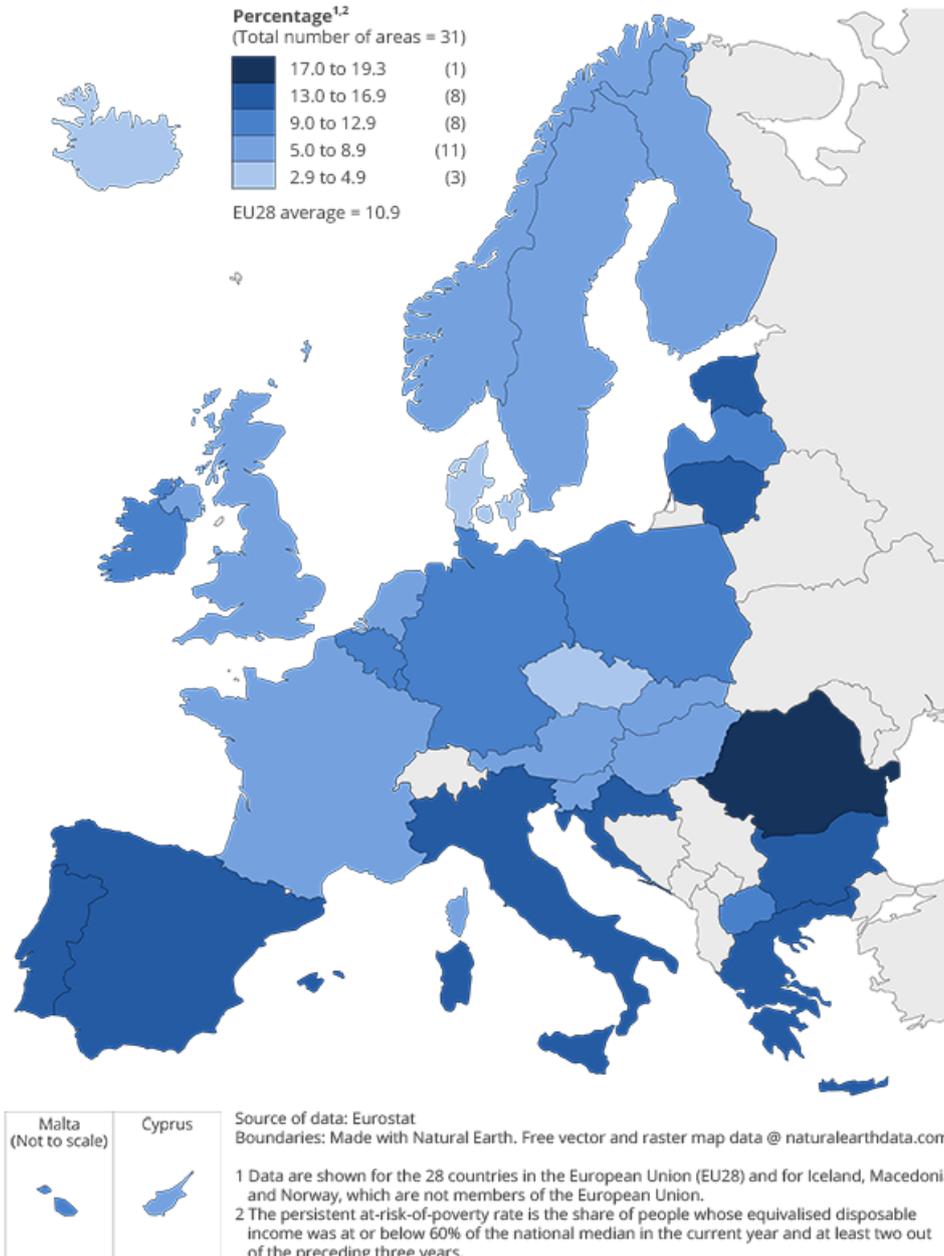
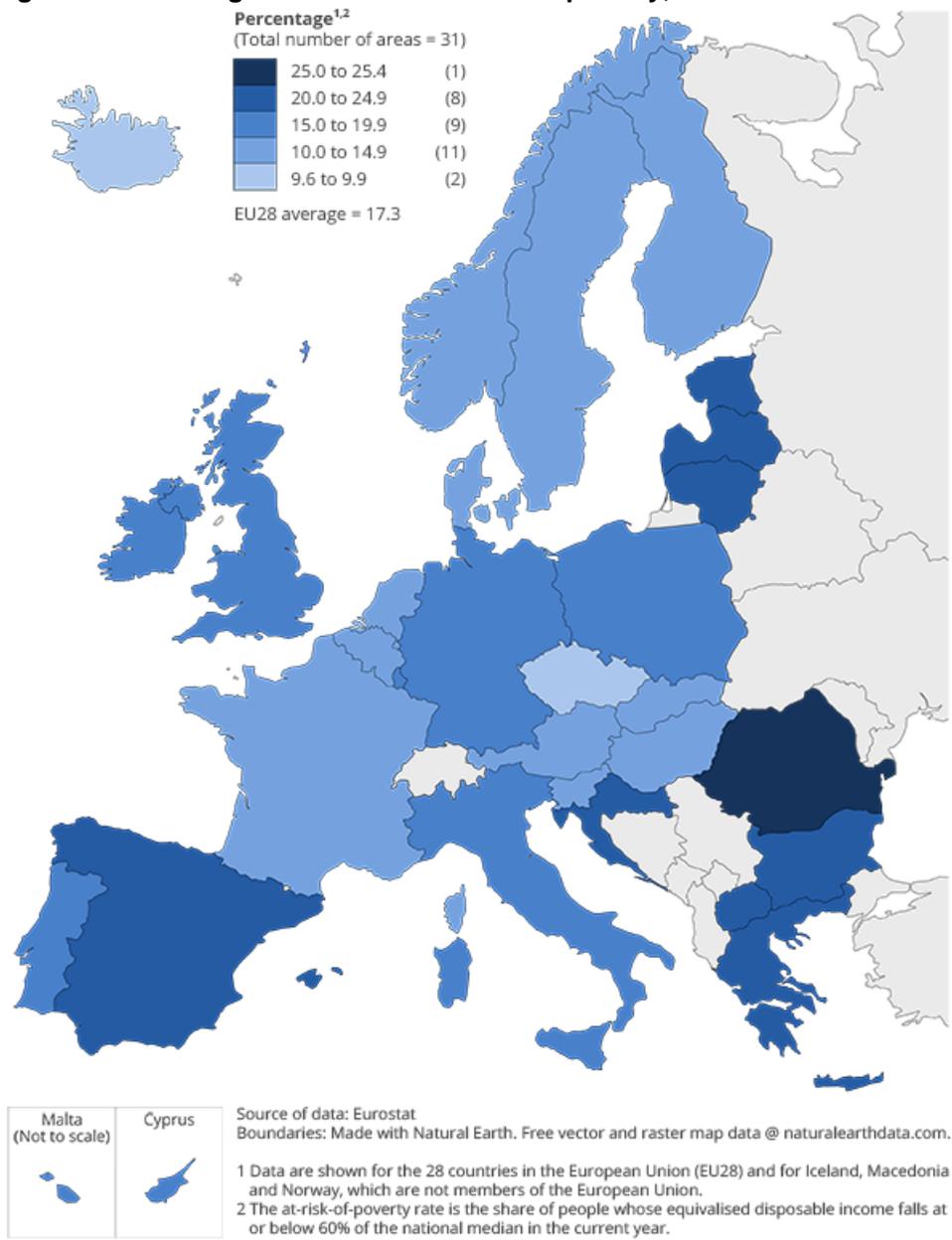


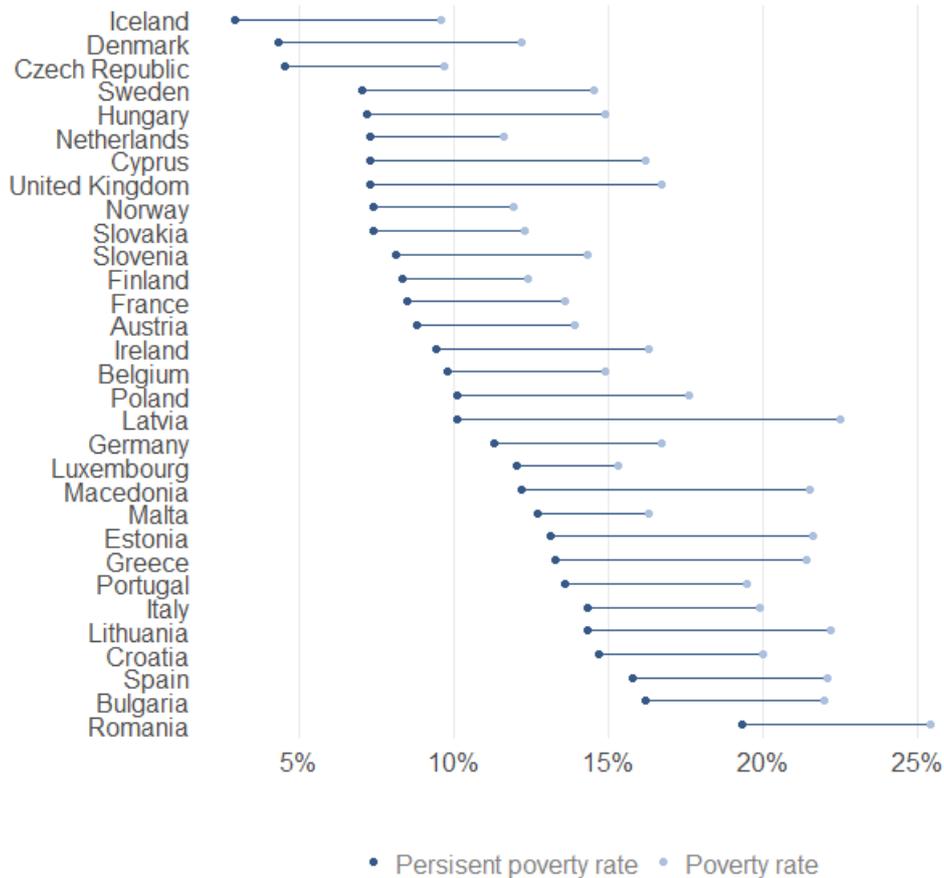
Figure 2: Percentage of individuals at risk of poverty, EU28 and other select countries, 2015



Figures 1 and 2 show that countries in Southern and Eastern Europe generally have higher poverty rates and persistent poverty rates than countries in Northern Europe. With some exceptions (namely the Czech Republic), poverty appears across Europe in clusters. Countries generally have similar experiences with both poverty and persistent poverty as their neighbours.

Romania had the highest proportion of individuals experiencing poverty and persistent poverty of all EU countries at 25.4% and 19.3% respectively. Bulgaria, which neighbours Romania, had the second highest persistent poverty rate at 16.2%. Iceland, which is not a member of the EU, had the lowest rates of poverty and persistent poverty, 9.6% and 2.9% respectively, lower than all countries in the EU. The EU member state with the lowest rate of persistent poverty in 2015 was Denmark at 4.3%.

Figure 3: Difference between poverty and persistent poverty rates, 2015, EU28 and other select countries

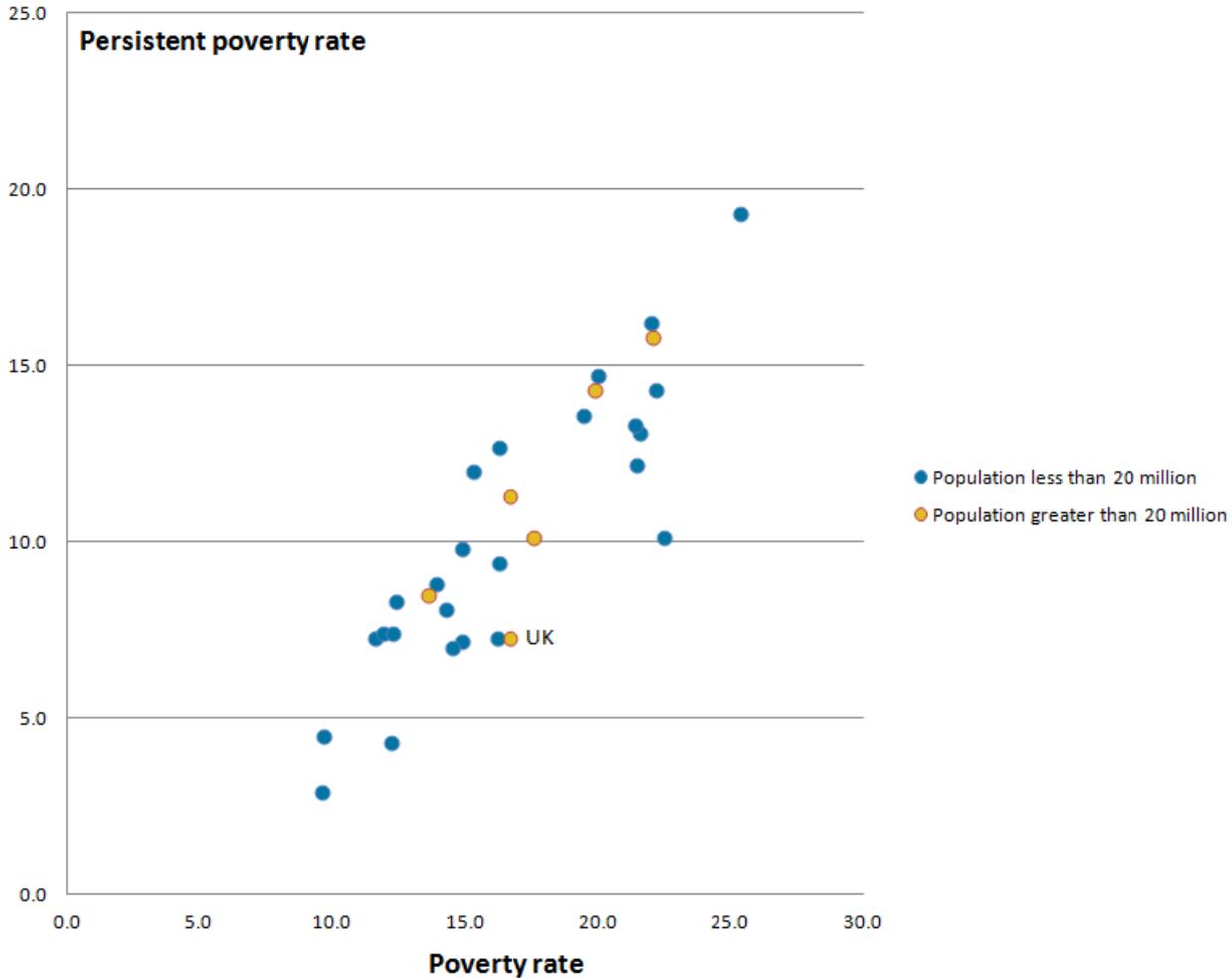


The UK has a similar persistent poverty rate to Sweden (7.0%), Hungary (7.2%), Cyprus (7.3%), the Netherlands (7.3%) and Slovakia (7.3%), but has a comparatively higher overall poverty rate (Figure 3). Additionally, the UK's persistent poverty rate is less than the rates for France and Italy.

The gap between the UK's poverty and persistent poverty rates (9.4 percentage points) is the second largest of all EU member states, second to Latvia (12.4 percentage points). Where a country's poverty and persistent poverty rates are close together, this suggests a large proportion of the population who were in poverty in 2015 had been experiencing similar levels of poverty for a number of years.

Comparisons of the poverty and persistent poverty rates suggest in the UK over 4 in 10 (43.7%) people in poverty had been experiencing some form of longer-term poverty. This is the second smallest ratio of poor to persistently poor individuals of all EU member states and is below the EU average of over 6 in 10 (63%) – typically, individuals in the UK experience shorter terms of poverty than other EU countries.

Figure 4: Poverty rates against persistent poverty rates, 2015, EU28 and other select countries

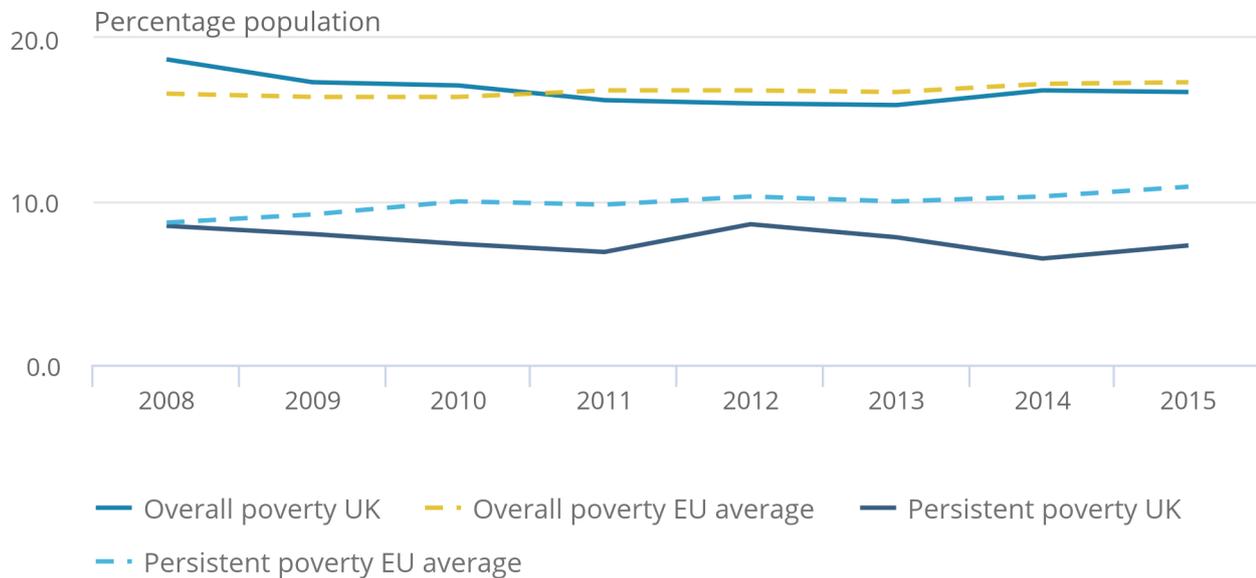


Across the EU, there is a roughly linear relationship between poverty and persistent poverty rates – a trend that has been noted since the first collection of longitudinal European Union Statistics on Income and Living Conditions (EU-SILC) in 2008. On average, the overall poverty rate was 1.7 times higher than the persistent poverty rate in 2015.

The population of EU countries does not appear to have a relationship with the poverty and persistent poverty rates, with countries of all sizes experiencing low and high rates of poverty equally.

Figure 5: Poverty and persistent poverty rates, 2008 to 2015, UK and EU average

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Source: Office for National Statistics, Eurostat

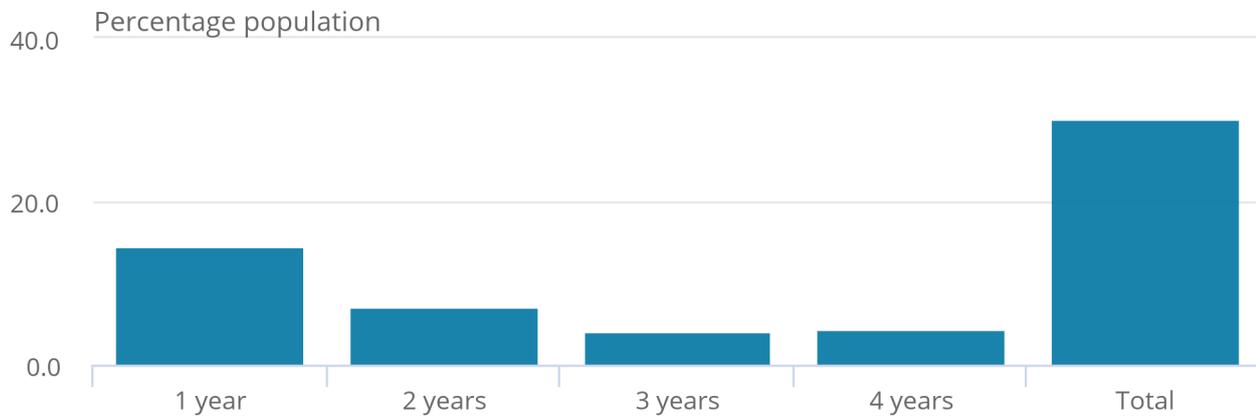
Since 2011, the UK's poverty and persistent poverty rates have been below the EU average (Figure 5). In 2015, the persistent poverty rate increased for the first time since 2012. Long-term trends show that since 2008, the gap between the UK and EU average persistent poverty rates has been widening – in 2008 the gap between both rates was 0.2 percentage points, whereas in 2015 the gap was 3.6 percentage points.

4 . 3 in 10 people were at risk of poverty for at least 1 year between 2012 and 2015

Roughly 3 in 10 (30.2%) individuals in the UK were at risk of poverty for at least 1 of the 4 years between 2012 and 2015, which is the lowest estimated proportion of individuals in a 4-year period since data became available in 2008.

Figure 6: Years in poverty in a 4 year period, 2015, UK

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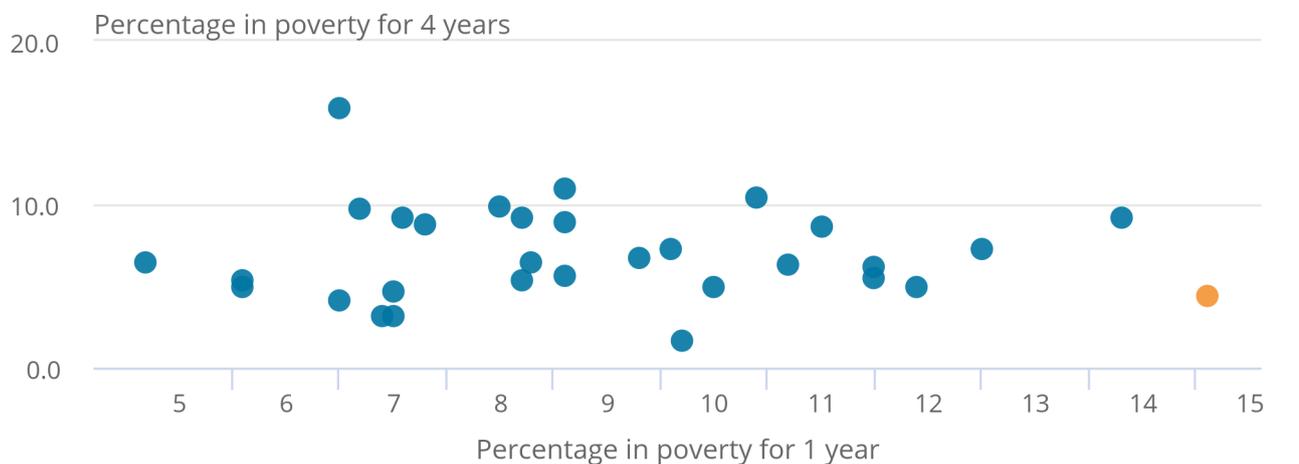


Source: Office for National Statistics, Eurostat

Figure 6 shows that, of those who were in poverty at least once in the 4-year period, across all EU member states the UK had the largest proportion of individuals who were in poverty for just 1 year (59.9%) and the smallest proportion who were in poverty for all 4 years (10.5%). This is consistent with the UK having one of the lowest poverty to persistent poverty ratios, with more individuals who experienced 1 or 2 years of poverty rather than 3 or 4 years of poverty between 2012 and 2015.

Figure 7: Proportion of those experiencing poverty for 1 year and 4 years, 2015, EU28 and other select countries

Figure 7: Proportion of those experiencing poverty for 1 year and 4 years, 2015, EU28 and other select countries



Source: Office for National Statistics, Eurostat

Notes:

1. Data are shown for the 28 countries in the European Union (EU28) and for Iceland, Macedonia and Norway, which are not members of the EU.

Of all EU countries, the UK has the largest gap between the proportion of individuals experiencing 1 year and 4 years of poverty from 2012 to 2015 (10.2 percentage points).

5 . Almost 3 in 10 persistently poor individuals couldn't afford four or more essential items in 2015

Material deprivation is a measure of whether or not households have the capacity to afford a set of nine essential items, the idea being that not being able to afford several of these items would indicate a deprived household who are at risk of social exclusion.

The nine important items were chosen based on the idea they are somewhat "essential" in modern everyday life and include:

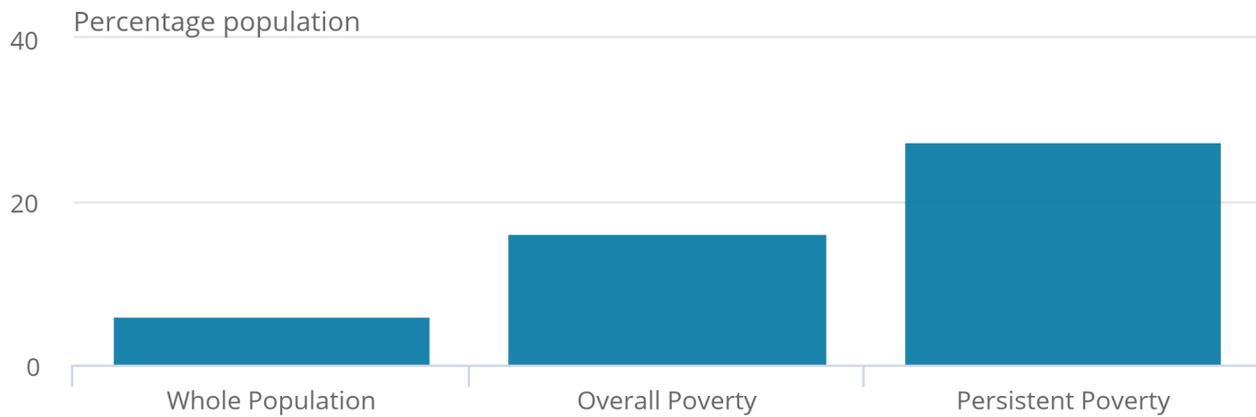
- to not have arrears on your mortgage or rent payments, hire purchase instalments or other loan payments
- to afford a 1-week annual holiday away from home
- to afford a meal with meat, chicken, fish or a vegetarian equivalent every other day
- to be able to face unexpected financial expenses
- to afford a telephone or mobile phone
- to afford a colour television
- to afford a washing machine
- to afford a car
- to afford to keep the home adequately warm

The EU's main indicator of material deprivation is the severe material deprivation rate, which describes the proportion of individuals in the population who are unable to afford four or more of these essential items. In 2015, the UK's severe material deprivation rate was 6.1%.

For those individuals in poverty or experiencing longer-term poverty, higher rates of severe material deprivation were observed. In 2015, of those in poverty, 16.3% of individuals were severely materially deprived while of those experiencing persistent poverty, 27.4% were severely materially deprived. These increases in severe material deprivation rates are consistent with the idea that the capacity to afford essential items decreases as individuals experience longer terms of poverty.

Figure 8: Severe material deprivation rates by poverty risk, 2015, UK

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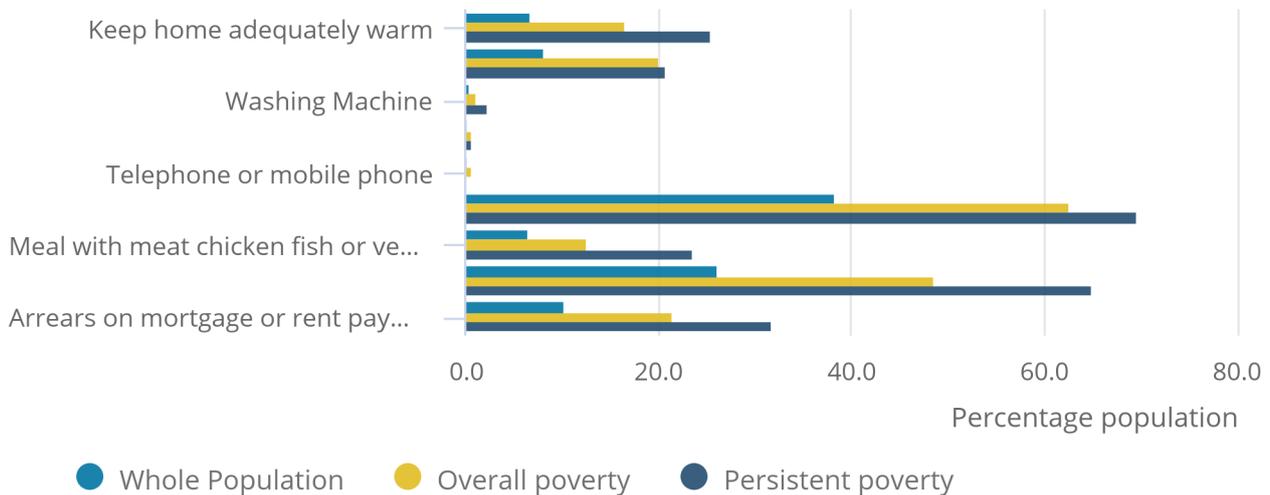
Source: Office for National Statistics, Eurostat

The main items lacked by individuals in the whole population were the ability to afford unexpected financial expenses (38.3%) and a 1-week holiday away from home (26.1%). The largest gap between persistently poor individuals and the whole population was the ability to afford a 1-week annual holiday away from home. Of the whole population, 26.1% could not afford a 1-week annual holiday away from home, compared with 65.1% of persistently poor individuals.

Most of the population expressed an ability to afford a telephone or mobile phone, colour television and washing machine (Figure 9). For all other essential items, over 2 in 10 individuals experiencing persistent poverty expressed an inability to afford each of these items.

Figure 9: Material deprivation by item, 2015, UK

Figure 9: Material deprivation by item, 2015, UK



Source: Office for National Statistics, Eurostat

6 . A higher proportion of persistently poor individuals express low happiness and high anxiety

In the UK, participants of the [European Union Statistics on Income and Living Conditions \(EU-SILC\)](#) survey aged 16 and over are asked four questions relating to their personal well-being. Respondents were asked:

- overall, how satisfied are you with your life nowadays?
- overall, to what extent do you feel the things you do in your life are worthwhile?
- overall, how happy did you feel yesterday?
- overall, how anxious did you feel yesterday?

Responses were given on a scale of 0 to 10, where 0 is “not at all” and 10 is “completely”. These questions were developed as part of the [Measuring National Well-being Programme](#).

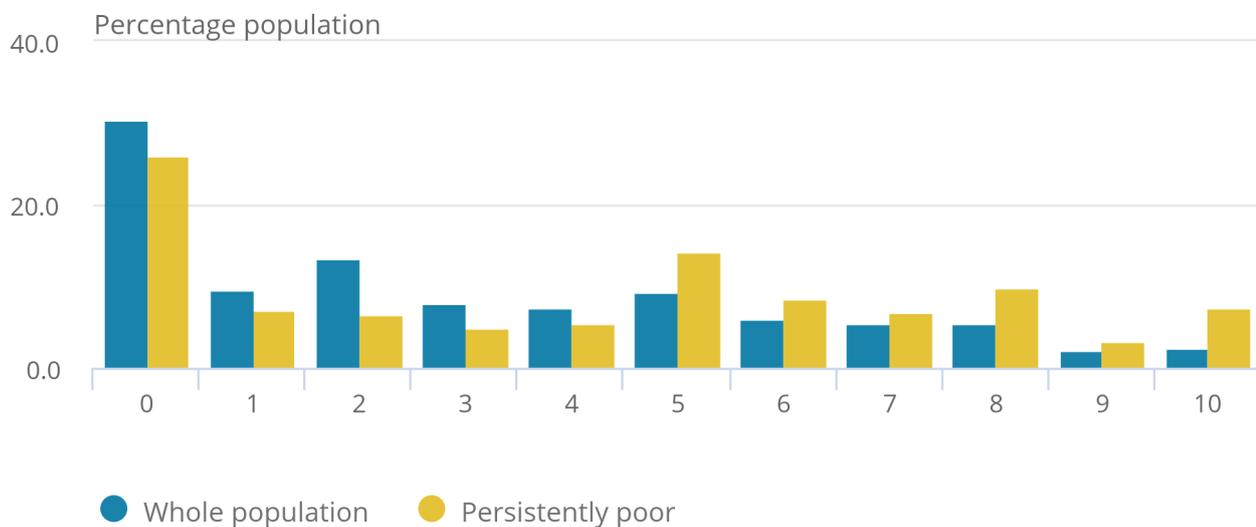
Comparing persistently poor individuals with the whole population, we find a higher proportion of those who have experienced some form of longer-term poverty expressed very high levels (scores of 9 to 10) of anxiety and very low levels (scores of 0 to 1) of happiness, satisfaction and feeling the things they do in their lives are worthwhile.

An increased proportion of persistently poor individuals who responded to the questions used the extreme values of the scale compared with the population as a whole. For the happiness, satisfaction and worthwhile questions, there are notable increases in responses that give scores of 0, and for the anxiety question there is a notable increase in responses that give scores of 10.

Relative low income may not be the direct cause of differences in well-being. Personal well-being has many determinants, most of which are not directly affected by income; however, there may be some evidence of a relationship between personal well-being and poverty.

Figure 10: Distribution of anxiety ratings, 2015, UK

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Source: Office for National Statistics, Eurostat

Notes:

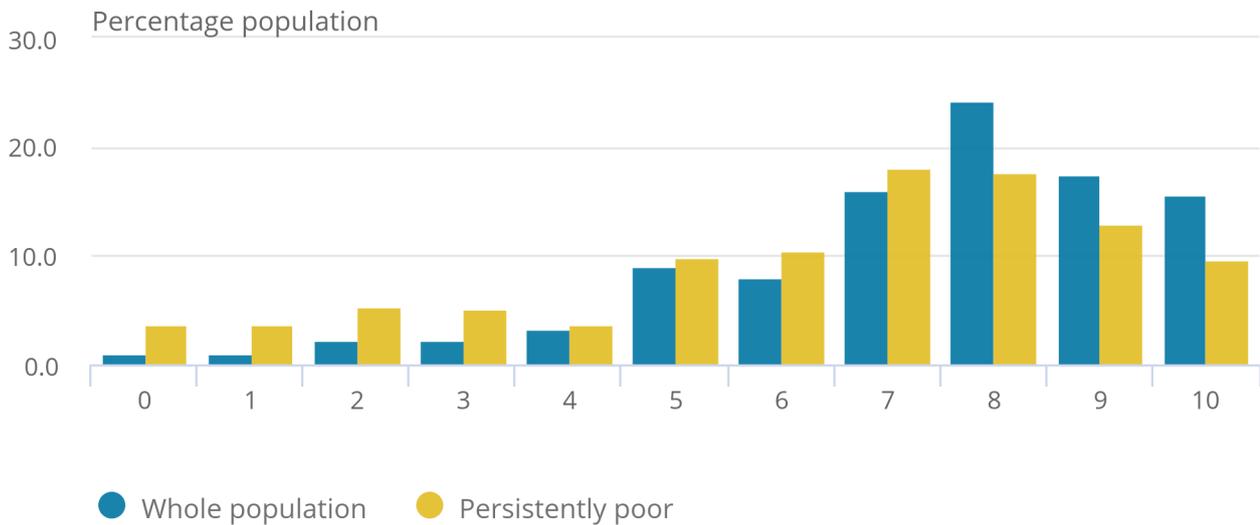
1. Respondents were asked four questions relating to their personal well-being:
 1. Overall, how satisfied are you with your life nowadays?
 2. Overall, to what extent do you feel the things you do in your life are worthwhile?
 3. Overall, how happy did you feel yesterday?
 4. Overall, how anxious did you feel yesterday?
2. Responses were given on a scale of 0 to 10, where 0 is “not at all” and 10 is “completely”.

Broadly, the anxiety scores expressed by persistently poor individuals are similar to those responses given by the population as a whole, with a most common response of 0 in both groups (Figure 10). In the persistently poor population there are defined peaks at scores 5, 8 and 10, suggesting some kind of gravitation to these values amongst individuals who feel some strong degree of anxiety.

A higher proportion of persistently poor individuals expressed high levels (scores of 6 to 10) of anxiety, at 35.8% compared with 21.6% in the whole population.

Figure 11: Distribution of happiness ratings, 2015, UK

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Source: Office for National Statistics, Eurostat

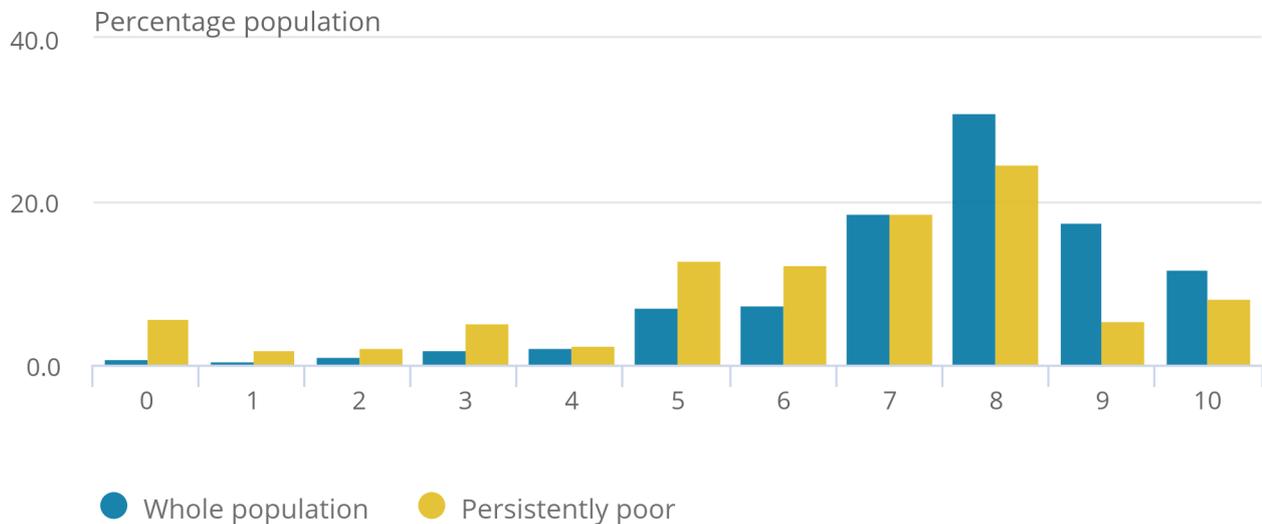
Notes:

1. Respondents were asked four questions relating to their personal well-being:
 1. Overall, how satisfied are you with your life nowadays?
 2. Overall, to what extent do you feel the things you do in your life are worthwhile?
 3. Overall, how happy did you feel yesterday?
 4. Overall, how anxious did you feel yesterday?
2. Responses were given on a scale of 0 to 10, where 0 is “not at all” and 10 is “completely”.

The majority of persistently poor individuals (68.7%) expressed high scores (6 to 10) of happiness, compared with 81.2% of the whole population (Figure 11). However, responses from persistently poor individuals are dampened somewhat. Of all respondents, 9.8% expressed a score of 4 or lower for happiness compared with 21.5% of persistently poor individuals. Also notable is the lack of a strong peak at score 8 for persistently poor individuals compared with the whole population.

Figure 12: Distribution of life satisfaction ratings, 2015, UK

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Source: Office for National Statistics, Eurostat

Notes:

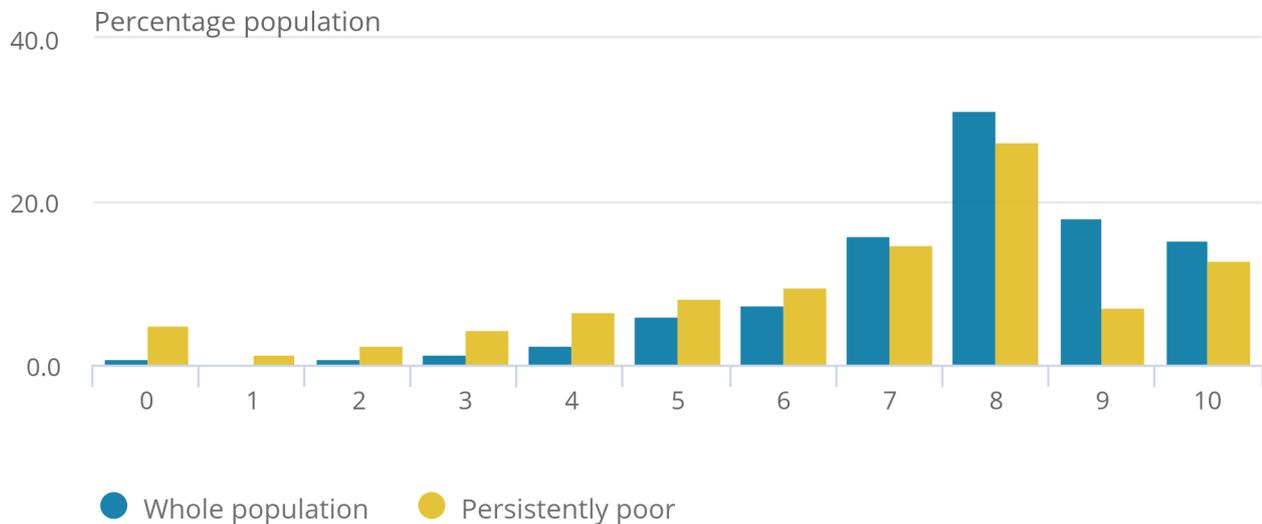
1. Respondents were asked four questions relating to their personal well-being:
 1. Overall, how satisfied are you with your life nowadays?
 2. Overall, to what extent do you feel the things you do in your life are worthwhile?
 3. Overall, how happy did you feel yesterday?
 4. Overall, how anxious did you feel yesterday?
2. Responses were given on a scale of 0 to 10, where 0 is “not at all” and 10 is “completely”.

Persistently poor respondents expressing low satisfaction gravitated toward values of 0 and 3, whilst persistently poor respondents expressing high satisfaction scored 9 less often than those in the whole population.

Figure 12 shows that, of the four questions, responses to the satisfaction question showed the largest difference in those expressing very high (9 to 10) values between persistently poor individuals and the whole population. Of the whole population, 29.5% gave scores of 9 or 10, whilst just 13.7% of persistently poor individuals gave those scores.

Figure 13: Distribution of worthwhile ratings, 2015, UK

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Source: Office for National Statistics, Eurostat

Notes:

1. Respondents were asked four questions relating to their personal well-being:
 1. Overall, how satisfied are you with your life nowadays?
 2. Overall, to what extent do you feel the things you do in your life are worthwhile?
 3. Overall, how happy did you feel yesterday?
 4. Overall, how anxious did you feel yesterday?
2. Responses were given on a scale of 0 to 10, where 0 is “not at all” and 10 is “completely”.

In terms of the worthwhile question, the difference in the proportion of very high (9 to 10) responses between persistently poor individuals and the whole population was similar to that observed in scores of life satisfaction. Of the whole population, 33.5% expressed scores of 9 or 10 compared with 20.2% of persistently poor individuals (Figure 13).

Overall, roughly 2% of individuals who were persistently poor expressed scores of 0 for all three of the happiness, satisfaction and worthwhile questions.

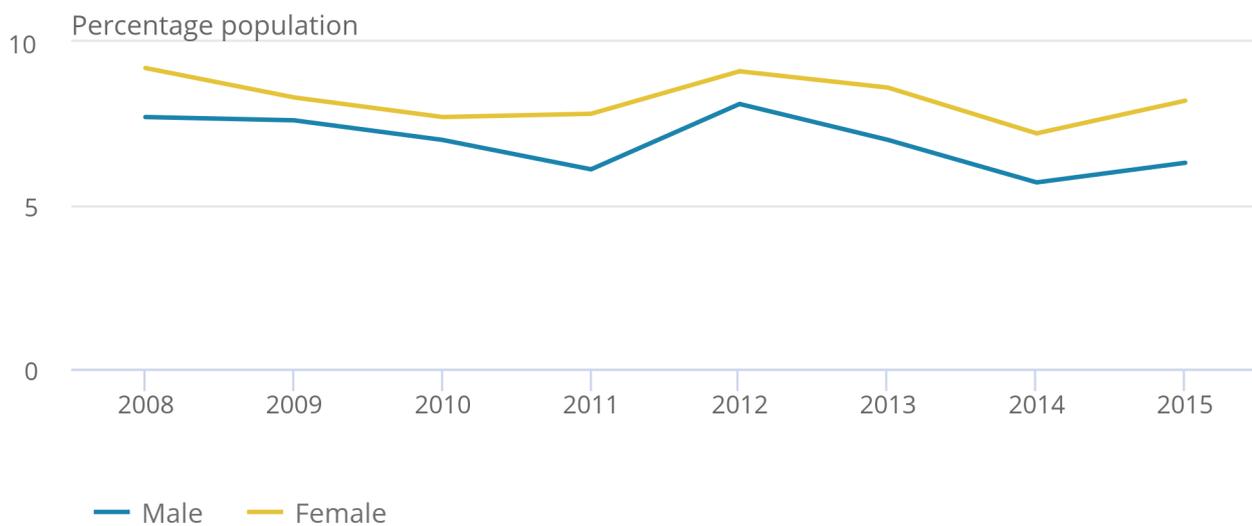
7 . Characteristics of individuals in persistent poverty tell a similar story to previous years

Gender

In 2015, the gap between male and female persistent poverty rates was the largest it had been since data began in 2008. This was the ninth largest gap of all EU member states.

Figure 14: Persistent poverty rate by gender, 2008 to 2015, UK

Figure 14: Persistent poverty rate by gender, 2008 to 2015, UK



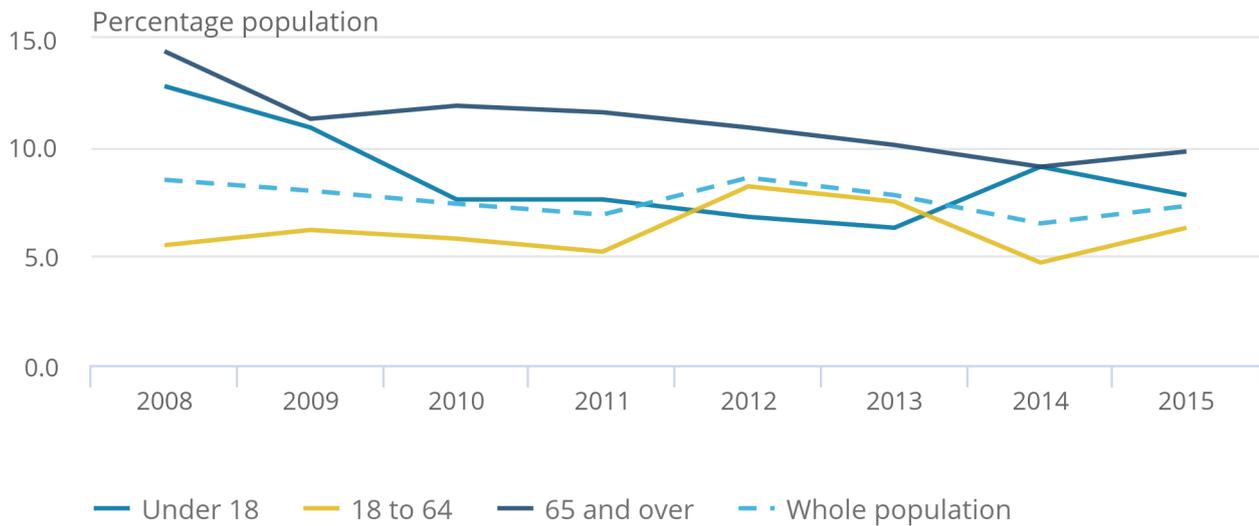
Source: Office for National Statistics, Eurostat

Since 2008, movements in male and female persistent poverty have been similar, that is, an increase in persistent poverty in females occurs alongside an increase in males (Figure 14). In 2015, both males and females experienced an increase in their persistent poverty rates to 6.3% and 8.2% respectively.

Age

Figure 15: Persistent poverty rate by age group, 2008 to 2015, UK

Figure 15: Persistent poverty rate by age group, 2008 to 2015, UK



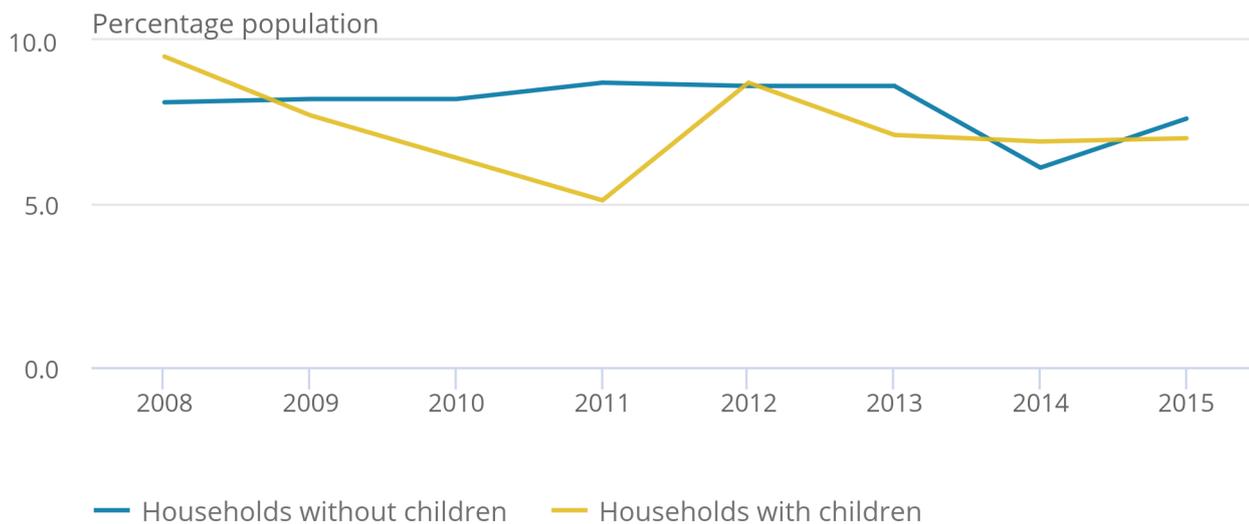
Source: Office for National Statistics, Eurostat

In 2015 the downward trend in persistent poverty amongst the aged 65 and over population has halted with the first rise in rates since 2010 (Figure 15). An increase was also observed for those aged 18 to 64 compared with 2014, which appears to have added to an increase in the overall persistent poverty rate.

Household composition

Figure 16: Persistent poverty rate by household composition, 2008 to 2015, UK

Figure 16: Persistent poverty rate by household composition, 2008 to 2015, UK



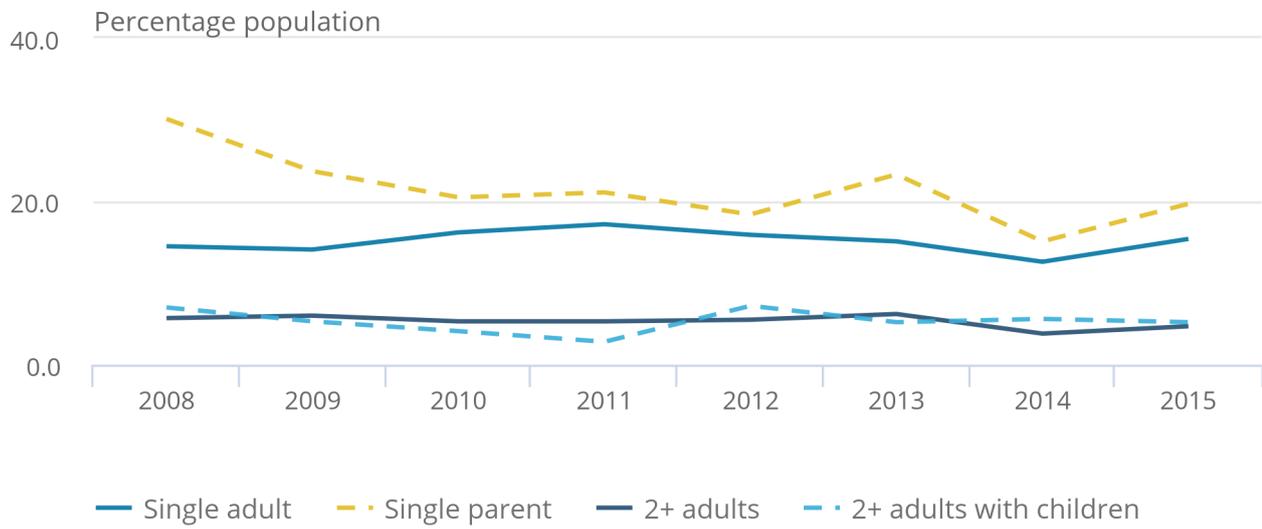
Source: Office for National Statistics, Eurostat

In 2015, the persistent poverty rates for households with and without children both increased to 7.0% and 7.6% respectively, with the rate for households without children rising above that of the rate for households with children (Figure 16).

For single adult households, the rate of persistent poverty for those with dependent children was 4.3 percentage points higher than the rate for those without dependent children. This gap is larger than the gap of 0.5 percentage points experienced between multiple adult households with and without dependent children (Figure 17).

Figure 17: Persistent poverty rate by household adult composition, 2008 to 2015, UK

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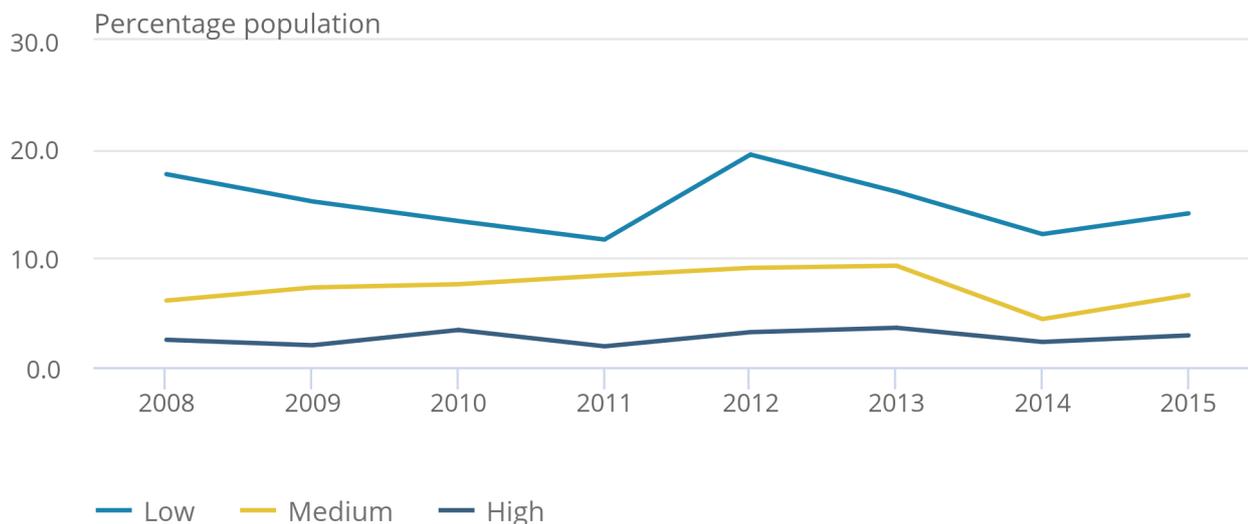


Source: Office for National Statistics, Eurostat

Education

Figure 18: Persistent poverty rate by educational attainment, 2008 to 2015, UK

Figure 18: Persistent poverty rate by educational attainment, 2008 to 2015, UK



Source: Office for National Statistics, Eurostat

As in previous years, educational attainment is linked with the persistent poverty rate, with those without any formal qualifications (below GCSE level) most at risk of persistent poverty.

Increases in persistent poverty rates were observed across all levels of education (Figure 18), but with a smaller rise in those with high levels of educational attainment.

8 . Related statistics and analysis

The Department of Work and Pensions has recently published some new “Experimental Statistics” on [income dynamics](#), using data from the [Understanding Society](#) survey.

This release included estimates of “persistent low income”, a similar measure to the persistent poverty rate considered in this release.

For comparison, experiencing persistent poverty is defined as being in poverty in the current year and at least two of the three preceding years, whereas experiencing persistent low income is defined as being in low income for any three of the last four survey periods.

Because the definition of persistent low income does not require the individual to be in low income in the current year, the proportion of individuals experiencing persistent low income is likely to be higher than the proportion experiencing persistent poverty.

Additionally, Eurostat publish a number of additional statistical indicators relating to income, living conditions and material deprivation on their [European Union Statistics on Income and Living Conditions \(EU-SILC\) Database](#).