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First Report

Poverty of Elderly People in EU25

By

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Executive Summary

This report reviews the situation with respect to poverty of *current* populations of elderly people living in 25 EU Member States. It sets out the base situation against which progress towards poverty reduction and social inclusion of the elderly is to be monitored. In the second report on the same topic, we provide an analysis of the possible impacts of recent pension reforms on the *future* populations of the elderly.

How do we measure poverty amongst elderly?

We restrict ourselves to the 'monetary' aspects of personal well-being, using income as the measure of the financial personal resources. In order to achieve consistency and international comparability of poverty statistics, the EUROSTAT New **CRONOS** database has been our main data source for these statistics. The Eurostat database is constructed using surveys such as the EU Statistics on Income and Living Conditions (EU-SILC), the European Community Household Panel (ECHP), and various national household budget surveys. Eurostat has made every effort to use harmonised methods so as to insure the maximum comparability between definitions and concepts, and thus these poverty statistics provide the best possible comparative information on elderly poverty at the EU25 level. Note, however, that the datasets in use include only private households, and exclude population groups such as those living in sheltered housing and institutions providing nursing and living care.

What do we find?

In the early years of the 21st century, about 13 million elderly people are at risk of poverty in 25 EU Member States, amounting to as many as one-in-six of all 74 million elderly people living in EU. Cyprus, Ireland, Spain, Portugal, Greece and the United Kingdom are identified as the countries with the highest poverty risk for the elderly population. The new Member States are largely countries with the lowest risk of elderly poverty. In terms of absolute numbers, the largest numbers of elderly at risk of being in poverty are found in five large member countries: the United Kingdom, Germany, Spain, Italy and France. About 9.8 million poor live in these five countries; thus about three out of four elderly at risk of being poor live in these five countries. By contrast, only about 830 thousands, or 6% of the total number of elderly at risk of poverty in the EU, live in the 10 new member countries.

In 14 out of all 25 member countries the elderly populations are more often at risk of being poor in comparison to working-age populations. The relative risk of elderly poverty is particularly high in Cyprus, Ireland and Slovenia, where the at-risk-of-poverty rates for the elderly are more than twice as high as that for the population aged 16-64. Poland, the Czech Republic, the Slovak Republic, Lithuania, Latvia, the Netherlands and Luxembourg are at the other end of the spectrum, where the elderly are better protected against the risk of poverty than the working-age individuals. Note here that these and all the other results reported in this report are based on country-specific relative poverty thresholds, and the relative rankings of countries and population subgroups will change if a single poverty threshold is applied across all 25 countries.

And, what are the differences across men and women?

In the majority of countries, the poverty risk is clearly higher for female elderly – more so in EU15 (21%) than in the new member countries (10%). In general, it can be seen that females aged 75 and over show the highest at-risk-of-poverty rates. Female elderly are more than twice as often at risk of being poor than male elderly in Sweden and also in the former Eastern European member countries of Slovenia, Estonia, Lithuania, Latvia, Hungary and the Czech Republic. With more than 10 percentage point difference, Ireland, Slovenia and Estonia also show a considerable gap between the at-risk-of-poverty rates for elderly males and females. On the other hand, in Portugal, Spain, Belgium, Malta, Denmark, France, the Slovak Republic, the Netherlands and Luxembourg, the differences between the at-risk-of-poverty rates of male and female elderly are relatively small.

The females aged 75+ show the highest at-risk-of-poverty rate of the four groups considered on the basis of gender and age. In all EU15 countries except for the Netherlands, the subgroup of females aged 75+ shows the highest at-risk-of-poverty rate of the four groups considered. With 63% the at-risk-of-poverty rate for females aged 75+ is particularly high in Ireland. In addition, Greece, Portugal, United Kingdom, Austria and Finland show at-risk-of-poverty rates of at least 30% for females aged 75+.

How does elderly poverty risk link with the current pension policy?

The high poverty risk for females aged 75+ is related to the high proportion of widows in this age group. To the extent that future cohorts of elderly females will be more likely to be entitled to pensions in their own right, the high poverty risk in this group may gradually become a thing of the past. These results also point to the problems linked with the adequacy of survivors' benefits that are currently available in the national pension systems. Moreover, the indexation of pension benefits with prices (instead of earnings) in the majority of countries also leads to an erosion of the value of pension benefits relative to the median. Many countries have recently embarked on a further strengthening of their targeted minimum pension and social assistance schemes – this will have a positive impact on the reduction of poverty amongst the elderly, although take-up of such benefits will have to be high amongst those who need it most.

The current period of pension reforms in the majority of EU countries is driven mainly by increased concerns for fiscal consolidation. Pension benefits drawn from the public pension systems are on the decline, and thus the average public pension benefit ratios have dropped in the majority of the countries. In general, this type of change results in a more restrictive redistribution in favour of the lower income individuals. Thus, in the absence of a behavioural response towards greater savings and more work during working lives, the risk of poverty for future elderly populations in EU countries will increase.

We also find that a large proportion of elderly have a high risk of persistent poverty. This can be true by default, since the elderly have little opportunities to enhance their income position in post-retirement life. Thus, the most effective policy intervention to enhance incomes of the elderly will be to increase incentives to work and save more during working lives. The current pension reforms in the majority of the EU countries offer greater incentives for individuals to work more, although the greater significance of minimum pensions and social assistance schemes provide counteracting disincentives.

1. Introduction and background

The prevention of social exclusion and poverty of elderly people is one of the key objectives of the national policies as well as that of the European Commission. Bearing in mind the variety and diversity of national pensions and social assistance systems, the Open Method of Coordination (OMC) in the field of social policy was introduced by the European Commission, principally to promote cooperation on national policies and to support transnational exchange of learning and good practices. For the OMC in the domain of pensions, several explicit common objectives have been agreed to prevent the social exclusion and poverty of older people, and all 25 Member States have detailed how they intend to meet these objectives in their National Strategy Reports.

The current project aims to study the situation with respect to poverty of elderly people across 25 EU Member States. The research undertaken is included in two reports: this first report provides a concise description of poverty risks faced by the current populations of elderly people, and the second report[1] analyses the possible impact of recent pension reforms on the future populations of the elderly. These two reports therefore contribute towards streamlining of the OMC, in particular they had sought to provide information for the Joint Social Protection and Social Inclusion Report of the Commission and the Commission Services Document on Pensions.

The rest of this report is organised as follows. **Section 2** gives a brief overview of concepts and methods used in measuring elderly poverty. **Section 3** outlines the datasets in use for the results included in this report. **Section 4** is the main substantive part of this report, as it provides a concise and most up-to-date description of the elderly poverty in EU25. **Section 5** extends these empirical analyses by discussing the average income composition of the elderly populations across EU Member States. **Section 6** concludes.[2]

[1] See Asghar Zaidi, Bernd Marin and Michael Fuchs, 'Pension policy in EU 25 and its possible impact on elderly poverty', Second Report of the Elderly Poverty Project, Tender No. VT/2005/34, 2006, DG Employment, Social Affairs and Equal Opportunities, the European Commission.

[2] For work reported in this report, we are grateful for comments and advice from Olivier Bontout and Georg Fischer of the European Commission, and Aaron Grech of the Department for Work and Pensions, the UK. Editorial support from Annette Hexelschneider, Silvia Fässler and Willem Stamatiou is also gratefully acknowledged. Authors take full responsibility for all errors, omissions and interpretations.

2. Concepts and methods used in measuring elderly poverty

In line with the requirements set out in the research outline, the research reported here limits itself to the 'monetary' aspects of personal well-being. Conceptually, monetary well-being or lack of it (viz. poverty) can be assessed on the basis of the following three kinds of indicators:

- Access to financial resources – (e.g. income, consumption or wealth);
- Control or independence over the use of resources – (because people generally tend to derive different levels of personal well-being if they are given income transfers – that they can use as they wish – rather than access to non-monetary goods and services); and
- How resources are translated into personal welfare – (because people with impairment require greater resources than able-bodied persons in achieving the same level of welfare).[3]

By default, we have restricted ourselves to the measures based on the access to financial resources (and leave out discussion of other factors for another occasion). As shown in Chart 1, access to financial resources can be assessed either by income, consumption or accumulated material wealth. Current income, consumption expenditures and wealth and assets are the actual corresponding empirical measures, and they cover different aspects of personal well-being:

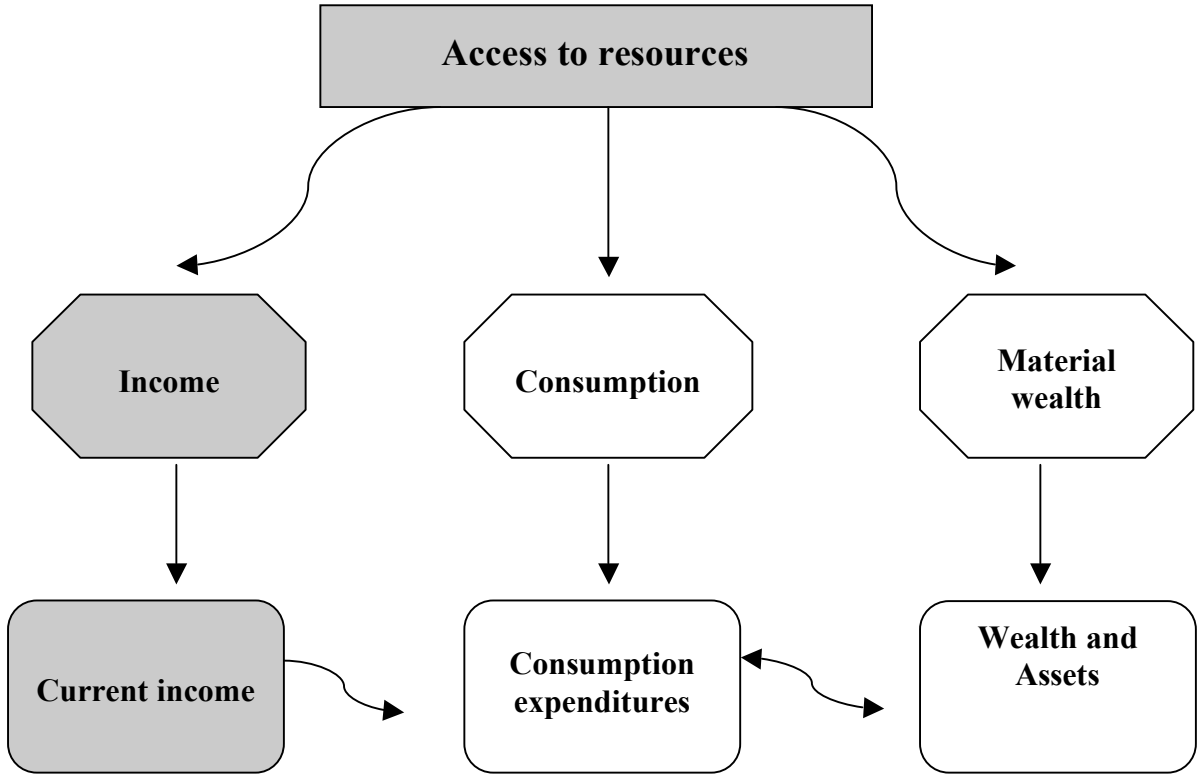
- *Current income* measures the current inflow of resources only; although for the elderly people the pension income entitlements will reflect past work and savings history and the pension crediting accumulated during working life. Moreover, elderly incomes are not only pension benefits, but social assistance transfers and (possibly) earnings;
- *Consumption expenditures* are determined by current as well as past and expected level of resources (including accrued financial wealth), but they fail to capture levels of debt and access to assets and durable goods already purchased;[4] and
- *Wealth and assets* are a direct measure of the financial wealth that elderly people have accumulated (or inherited) during their lifetime. The ownership of assets enhances consumption capabilities of the elderly, although there are often serious constraints in releasing physical equity into annual stream of incomes, and also the precautionary and bequest motives of savings restrict use of assets for current consumption purposes.

[3] For more discussion on this issue, see Asghar Zaidi and Tania Burchardt (2005), 'Comparing incomes when needs differ: Equivalisation for the extra costs of disability in the UK', *Review of Income and Wealth* Series 51, Number 1, March.

[4] For a discussion on consumption-based measures of poverty in the European Union, see Asghar Zaidi and Klaas de Vos (2001) 'Trends in consumption-based poverty and inequality in the Member States of the European Community'. *Journal of Population Economics*, 14(2), 367-390.

If the analysis aims to reflect the welfare potentially generated by resources over a relatively short period of time, income will be a good measure. In using current income, the welfare effect of short-term fluctuations in resources is fully accounted for (even when a smoothed level of consumption is attained during those periods of income fluctuations).

Chart 1: Alternative measures of material well-being and poverty



For the above conceptual reasons and also for pragmatic reasons of the availability and comparability of international data, this study focuses on the income-based measures of the monetary poverty of the elderly. Moreover, since one of the main objectives of a pension policy has been to provide adequate retirement incomes (and also offer a good replacement of one's incomes during working life), the income-based measures of poverty link to what public policies can affect.

2.1 Income and its definition

A good starting point is to understand the implications of the definition of the income variables. In this respect, three critical factors should be taken into account:

- The time span within which income is measured (e.g. whether weekly, monthly or annual income);
- The unit within which income is pooled and shared and within which economies of scale are enjoyed (whether family, household, benefit unit or an individual is the unit of analysis); and
- The components included in the total income variable (e.g. whether cash income only or one that includes non-cash income components such as imputed rent).

The choice of the time unit has important implications on the level of poverty (especially when assessing the relative risk of poverty amongst the elderly vis-à-vis working age persons). Annual income provides a better measure of households' monetary resources than current income (i.e. weekly or monthly income), mainly for the fact that current income will have transitory fluctuations, more so for working age individuals than for the elderly (and this is true by definition of the nature of the elderly people's incomes).

Income serves as a measure of material well-being, only when adjusted for household size and composition.[5] This view rests on two assumptions: (1) people are likely to pool and share income with other household members; (2) larger households can live less expensively and thus they enjoy economies of scale. The choice of income unit deals with the pooling of resources across members of the income unit and the sharing of the resources across these members. The economies of scale issue refers to the choice of the equivalence scale.

The choice of income unit is between a household, family, benefit unit or individual. In the majority of cases, the definition used in recording income is that of a household, family or benefit unit rather than an individual. The differences are normally observed when elderly people live with younger members of their family who are not members of the same benefit unit, and it is likely that the difference between a household, family or benefit unit of elderly people is not that large in the majority of countries. In this report, we adopt the conventional method of poverty measurement in which a person's risk-of-poverty status is not given by his individual income but by the (equivalised) level of household income in which he lives.

The choice of an equivalence scale is driven by mainly the judgements (assumptions) on how much economies of scale are generated by multi-person households of different size and composition. Again, we adopt the standard practice of poverty measurement across EU countries (following from the suggestion made in Hagenaars, De Vos and Zaidi (1994), and

[5] See, for more details, Stein Ringen (1991), 'Households, standard of living, and inequality', *Review of Income and Wealth*, 37, 1-13; and Stein Ringen (1996), 'Households, goods and well-being', *Review of Income and Wealth*, 42, 4, 421-431.

also from the recommendations of Atkinson et al. (2001)[6] for the Laeken Indicators. Use is made of the modified OECD equivalence scale, which assigns the scale of 1.0 to the first adult in the household, 0.5 for each other adult household member (aged 14 or over) and 0.3 for each child present in the household.[7]

Whatever the time or income unit used, the analysis of poverty rests on the use of the total income variable. This variable is obtained by summing up all different components of cash income across all members. The information content of an income variable that includes only the cash element of household resources is rather limited, mainly for the fact that different households enjoy different levels of non-cash incomes. A well-known case in point is the exclusion of the imputed rent from the incomes of home-owners which restricts comparison between tenants and home-owners. Since older persons are more likely to be home owners, the estimates reported in this report are likely to overestimate the extent of the relative poverty amongst the elderly people.

Income from personal pensions is often left out from the definition of total income of pensioners in the datasets in use. The elimination of this income component is not that serious in countries where this type of pension income is currently rare (e.g. Germany, Austria), but it is important in other countries (e.g. the UK, and the Netherlands) and in view of recent pension reforms it will become a non-negligible source of income for future pensioners. In Section 6 of this report, we also analyse how composition of pensioners' income differs across age groups and income groups in each Member State. The composition of income will reflect the social insurance and social assistance system that operates in the country in question.

Other important considerations are how the measurement error of zero incomes in the survey is treated in poverty measurement, and whether certain income components are imputed. The methods used here do not correct for this possible measurement error in recording zero incomes.

[6] Tony Atkinson, Bea Cantillon, Eric Marlier and Brian Nolan (2002), *Social Indicators: The EU and Social Inclusion*, Oxford, Oxford University Press.

[7] For a discussion on the choice of these parameters in the modified OECD equivalence scale, see Aldi Hagenaars, Klaas de Vos and Asghar Zaidi, *Poverty Statistics in the Late 1980s: Research Based on Micro-Data*, Luxembourg, Official Publications of the European Communities, 1994.

2.2 Next steps necessary in improving elderly poverty statistics

Given the time constraint, we have almost exclusively relied on the empirical results publicly available from Eurostat's website (New Cronos Database) and from other published sources (mainly the National Strategy Reports produced by each of the 25 Member States).[8] Most notably, we have had no opportunity to carry out any microdata analyses ourselves. For example, we had not sought to 'fix' any problems in the currently available empirical estimates, despite the significance of some of the measurement methods used in measuring elderly poverty (such as the exclusion of the imputed rent in the measure of household incomes which results in an overestimate of the risk of poverty observed amongst elderly home-owners).[9] Thus, at this stage, we produce the Eurostat results as they are, and – whenever necessary – we seek to highlight their strengths and limitations. We also make proposals on what is needed to fill in the gaps and improve the quality of results.

Several additional pieces of work could be carried out to improve the existing estimates of poverty amongst the elderly.

1. The use of EU-SILC data for all 25 countries so as to ensure a greater international comparability of poverty and social exclusion statistics in EU25;

2. In-depth studies of individual countries to compare EU-SILC results with those derived from suitable national data sources will highlight the quality and reliability of income data available in the ECHP and EU-SILC;

3. Detailed analysis of the sensitivity of poverty results to the inclusion of imputed rent will also improve the estimates of the relative risk of poverty amongst the elderly vis-à-vis working age individuals;

4. An analysis of the consumption-based measures of personal well-being and also whether material deprivation measures provide interesting supplementary information on the poverty and social exclusion of the elderly populations;

5. To what extent the inclusion of current income equivalent of wealth and assets will improve the relative position of the elderly population; and

6. Last but not least, an analysis of the multi-dimensional aspects of poverty and social exclusion amongst the elderly (including monetary and non-monetary domains).

We aim to provide these additional analyses in our future work.

[8] These reports are available at:
http://europe.eu.int/comm/employment_social/social_protection/pensions_en.htm

[9] The sensitivity of elderly poverty results to the inclusion of imputed rent for Denmark is discussed briefly in Section 4 (results are given in Table A.1 of Annex A). The differences between the before-housing-costs and after-housing-costs results for the UK have also been discussed (results are given in Table A.2 of Annex A).

3. Data sources in use

In order to achieve consistency and international comparability of poverty statistics for the largest number of Member States, the EUROSTAT New **CRONOS** database has been our main data source for the statistics on levels and trends of elderly poverty presented in this report. Wherever necessary, the gap is filled in by the information available in the National Action Plans on Social Inclusion (NAP/Incl.), and by the National Strategy Reports on pensions. Box 1 lists the data sources that are used for the poverty statistics included in this report.

This database represents the most immediate source of up-to-date cross-country comparable statistical sources for both old and new Member States of EU25. For the reference period 1994-2001, the European Community Household Panel (ECHP) is the primary source of data used for the calculation of poverty statistics for all EU15 countries.[10]

Given the need to update the data contents of the ECHP and improve timeliness of the availability of results from the survey, the ECHP was replaced by the EU-SILC (Community Statistics on Income and Living Conditions). The EU-SILC survey was launched in 2003 on the basis of a 'gentleman's agreement' in six Member States (Belgium, Denmark, Greece, Ireland, Luxembourg, and Austria). Another six countries (Spain, France, Italy, Portugal, Finland and Sweden) launched their EU-SILC survey in 2004. Thus, for these 12 countries, the headline results reported in Section 4 below are generated using the EU-SILC datasets (survey year is 2004, and the income data refer to 2003). Estonia also carried out EU-SILC in 2004, but as yet the results from the Estonian EU-SILC survey are not available. All other new Member States as well as Germany, the Netherlands and the UK would not undertake the EU-SILC survey until 2005.[11]

Note here that the **ECHP** is a longitudinal database (over the period 1994-2001), and thus it is the only source at this moment to generate results on the persistence of poverty reported in Section 4. The ECHP also conveys valuable information on different income sources, although a breakdown of old age social benefits is not possible. Therefore, the ECHP-results on average income composition of incomes in Section 5 are supplemented with the Luxembourg Income Study (LIS) database.

The EU-SILC will not maintain the same longitudinal structure as in the ECHP, though roughly around 25% of each national sample will be observed over time for 4 consecutive years. The degree of data accessibility of the EU-SILC is unclear at this moment, and is likely to be more heterogeneous across countries than the ECHP, which might result in serious limitations to its use in international comparative studies, especially in the short run.

Due to the differences of data sources in use, the poverty results presented in this report cannot be considered to be fully comparable across all 25 countries. However, in spite of

[10] For information on the characteristics of the ECHP, see http://forum.europa.eu.int/irc/dsis/echpanel/info/data/information.html.

[11] Thus, the timetable for the implementation of the EU-SILC project is such that the first set of micro data and cross-sectional poverty statistics from EU-SILC for all the EU25 countries will only be available in December 2006.

this difference of data sources, Eurostat has made every effort to use harmonised methods to insure the maximum comparability between definitions and concepts used in the different countries, and thus poverty statistics presented in this report provide valuable comparative information on elderly poverty at the EU25 level.

Note here that these datasets include only private households, and exclude population groups such as those living in sheltered housing and institutions providing nursing and living care. This exclusion may also affect international comparability of results presented in this report, mainly because countries differ in their provisions of care for frail elderly people (some countries have much stronger traditions of caring for the elderly within their own families while others have access to and favour care provisions in the formal long-term care institutions).

Other potentially useful international data sources for a possible future use are:

- The Survey of Health, Ageing and Retirement in Europe (**SHARE**) is a multidisciplinary and cross-national database of micro data on health, socio-economic status, living conditions and arrangements of some 22,000 individuals over the age of 50: its coverage is limited, at present, only to 9 out of 25 EU Member States, with none of the new Member States represented.
- The Consortium of Household Panels for European Socio-Economic Research (**CHER**) database is an international comparative micro database containing longitudinal datasets from many national household panels and from the European Household panel study (ECHP) complemented by key information from existing macro and institutional datasets: 14 among the current 25 Member States are included in the database.
- The Luxembourg Income Study database (**LIS**) is a collection of national household income surveys that have been harmonised and standardised in order to enable comparative research. At present, LIS includes some 29 countries, and provides demographic, income, and expenditure information for households, individuals and children; with some national datasets dating back to the early 1980s, LIS represents a unique data source for measuring income and poverty over time across Europe. We make use of the LIS database for our income composition analyses presented in Section 5.[12]

[12] We are grateful to the LIS staff to provide us an access to the database, and provide support in the analyses undertaken on the data for Germany, the Netherlands, Sweden and the UK.

Box 1: The latest data source used in poverty statistics for the elderly in EU25

Country	Source	Survey year	Income year
Belgium	*EU-SILC*	2004	2003
Czech Republic	Microcensus	2003	2002
Denmark	*EU-SILC*	2004	2003
Germany	GSOEP (Sozio-oekonomische Panel)	2004	2003
Estonia	Household Budget Survey (LEU: Leibkonna Eelarve Uuring)	2003	2003
Greece	*EU-SILC*	2004	2003
Spain	*EU-SILC*	2004	2003
France	*EU-SILC*	2004	2003
Ireland	*EU-SILC*	2004	2003
Italy	*EU-SILC*	2004	2003
Cyprus	Household Budget Survey (FES: Family Expenditure Survey)	2003	2003
Latvia	Household Budget Survey (MBP: Majsaimniecibu Budzetu Petijums)	2003	2003
Lithuania	Household Budget Survey (Namu ukiu biudzetu tyrimas)	2003	2003
Luxembourg	*EU-SILC*	2004	2003
Hungary	TARKI Household Monitor Survey	2003	2003
Malta	Household Budget Survey	2000	2000
Netherlands	Income Panel Survey (IPO: Inkomenspanelonderzoek)	2003	2003
Austria	*EU-SILC*	2004	2003
Poland	Household Budget Survey (Badania Budżetów Gospodarstw Domowych)	2003	2003
Portugal	*EU-SILC*	2004	2003
Slovenia	Household Budget Survey (Anketa o porabi v gospodinjstvih)	2003	2003
Slovak Rep	Extrapolation from the Microcensus	2004	2003
Finland	*EU-SILC*	2004	2003
Sweden	*EU-SILC*	2004	2003
United Kingdom	Household Budget Survey (FRS: Family Resources Survey)	2003/4	2003/4

Notes:

(1) The shaded cells refer to the use of the latest 2004 EU-SILC data; the EU-SILC survey for other Member States will not be available before December 2006.

(2) Dataset used for persistence in poverty estimates is the ECHP, which is available only for 1995-2001 in the majority of countries. The breakdown between age groups 65-74 and 75+ for men and women was estimated using the latest ECHP wave (2001 in the majority of cases).

(3) Trends in elderly poverty are estimated using earlier year data from the ECHP as well as the EU-SILC and national data sources.

4. Overview of poverty among the elderly

4.1 Headline findings

The headline findings of our research are presented in Table 1 and Figure 1.

- In the early years of the 21st century, about 13 million elderly out of a total of about 74 million are counted as being at risk of poverty. This amounts to 18% of the total number of elderly. These results are calculated by using the 60% of median income poverty threshold for each respective country.
- By far the highest at-risk-of-poverty rate for the elderly is found in the new Member State of Cyprus (52%). Notably, all other Member States with high at-risk-of-poverty rates for the elderly belong to EU15: Ireland (40%), Spain (30%), Portugal (29%), Greece (28%), and United Kingdom (24%).
- The new Member States are largely countries with the lowest risk of elderly poverty – the average poverty risk for the elderly in EU15 (19%) is more than twice as high as that observed for the elderly of the new Member States (9%). Clearly, all these new Member States which formerly belonged to the communist bloc, currently do relatively well in protecting their elderly from the risk of poverty.
- In terms of absolute numbers, the largest numbers of elderly at risk of being in poverty are found in five large member countries: the United Kingdom, Germany, Spain, Italy and France. About 9.8 million poor live in these five countries; thus about three out of four elderly at risk of being poor live in these five countries. By contrast, only about 830 thousands, or 6% of the total number of elderly at risk of poverty in the EU, live in the 10 new member countries.

The above results are based on nation-specific poverty lines and also on a number of other assumptions (such as the use of equivalence scales and the definition of income). The new EU-SILC dataset will make it possible to carry out the sensitivity analyses. One important sensitivity analysis will be to include the imputed rent value in income, and analyse its impact on the relative poverty status of the elderly. Initial internal analyses by Eurostat, using the 2004 EU-SILC data for Denmark, show that the poverty risk for the elderly population (aged 65+) is halved when including imputed rent in the income definition (see Table B.1 in Annex B). The impact of the inclusion of imputed rent is even stronger in the poverty risk estimates for the oldest old (aged 75+), as the poverty risk is 9% instead of 23% for this age group when the imputed rent is included. In the same vein, the Household Below Average results for the UK provide us a comparison of the Before-Housing-Costs (BHC) and After-Housing-Costs (AHC) income measure. The AHC income measure captures the effect of an absence of rent costs for those who are owner-occupiers. The results, presented in Table B.2 of Annex B, show that the overall poverty risk for pensioners in the UK is largely unaffected by this change of income definition. However, the breakdown on the basis of tenure status highlights that when using AHC measure tenants have a considerably higher poverty risk (increasing approximately by more than double compared to the BHC measure) than those who are owners of their house. Such sensitivity analyses for other countries will also become available as the EU-SILC data become widely available at the end of 2006.

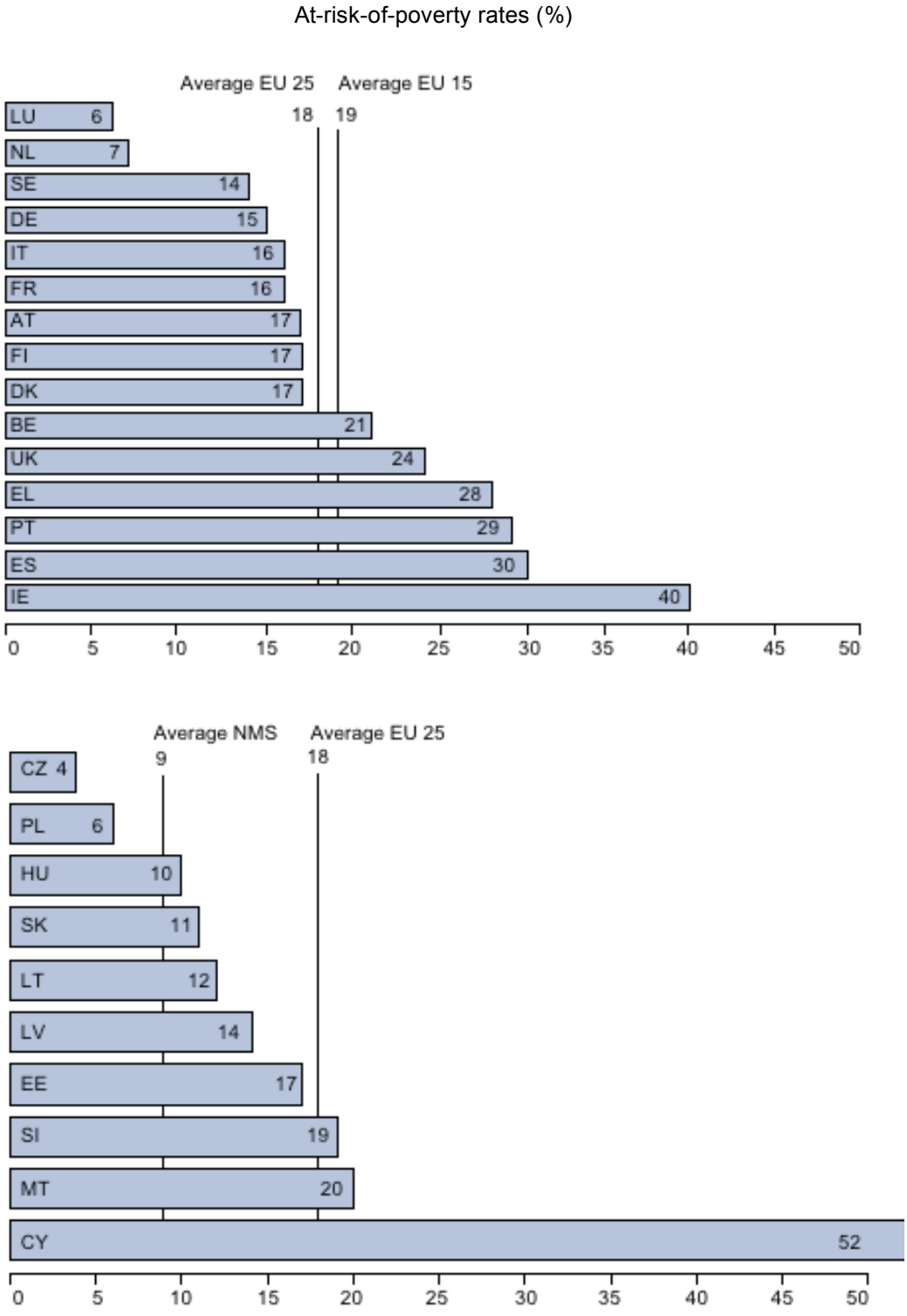
Table 1: Proportion and number of elderly population (aged 65 and above) at risk of poverty in the Member States of EU, using 60% of median income as the poverty line

Country	Year	at-risk-of-poverty rate (%)	Poor pop. (000)
Cyprus	2003	52	44
Ireland	2003	40	176
Spain	2003	30	2,112
Portugal	2003	29	504
Greece	2003	28	539
United Kingdom	2003	24	2,268
Belgium	2003	21	370
Malta	2000	20	9
Slovenia	2003	19	56
Austria	2003	17	213
Denmark	2003	17	135
Estonia	2003	17	37
Finland	2003	17	135
France	2003	16	1,561
Italy	2003	16	1,743
Germany	2003	15	2,167
Latvia	2003	14	52
Sweden	2003	14	215
Lithuania	2003	12	61
Slovak Rep	2003	11	68
Hungary	2003	10	156
Netherlands	2003	7	154
Luxembourg	2003	6	4
Poland	2003	6	294
Czech Republic	2002	4	57
EU 25	2003	18	13,350
EU 15	2003	19	12,156
New Member States	2003	9	902

Source: Eurostat's New Cronos Database

Notes: In Tables 1, 2 and 3a, results for the latest available year are reported; the surveys used are reported in Box 1. The year here refers to the income year.

Figure 1: Proportion of elderly population (aged 65 and above) at risk of poverty, using 60% of median equivalised income as the poverty line



4.2 Poverty risks across elderly and working-age populations

In Table 2 (and Figure 2), results are reported that compare the poverty risks for the elderly (65+) and the working-age individuals (aged 16-64), using the 60% of median income threshold. These results also show the relative poverty risk ratio of the elderly, calculated by dividing the at-risk-of-poverty rate of the elderly by that of the population aged 16-64.

- In 14 out of all 25 member countries the elderly populations are more often at risk of being poor in comparison to the working-age populations. The relative risk of elderly poverty is particularly high in Cyprus, Ireland and Slovenia.

In Cyprus, Ireland and Slovenia the at-risk-of-poverty rates for the elderly are more than twice as high as the at-risk-of-poverty rates for the population aged 16-64. In Spain, Malta, Denmark, Finland, Portugal, Greece, the United Kingdom and Belgium, the elderly are between 1.5 and 2 times as likely to be at risk of poverty, compared to the population aged 16-64.

- In Poland, the Czech Republic, the Slovak Republic, Lithuania, Latvia, the Netherlands and Luxembourg, the elderly are better protected against the risk of poverty than the working-age individuals. In these countries, the at-risk-of-poverty rates for the elderly are less than 80% of the at-risk-of-poverty rates for the working-age individuals.

- In all countries categorised as the highest at-risk-of-poverty rate for the elderly (in Table 1), the elderly are clearly more vulnerable than the working-age individuals in each country. In all countries with low at-risk-of-poverty rates for the elderly, the relative poverty risk ratio for the elderly is less than one.

It remains to be seen to what extent this ranking of EU member countries is related to differences in the generosity of pension and social assistance systems in place in the various countries. This is a subject matter which we address in our second report “Pension Policy in EU25 and its Possible Impact on Elderly Poverty”.

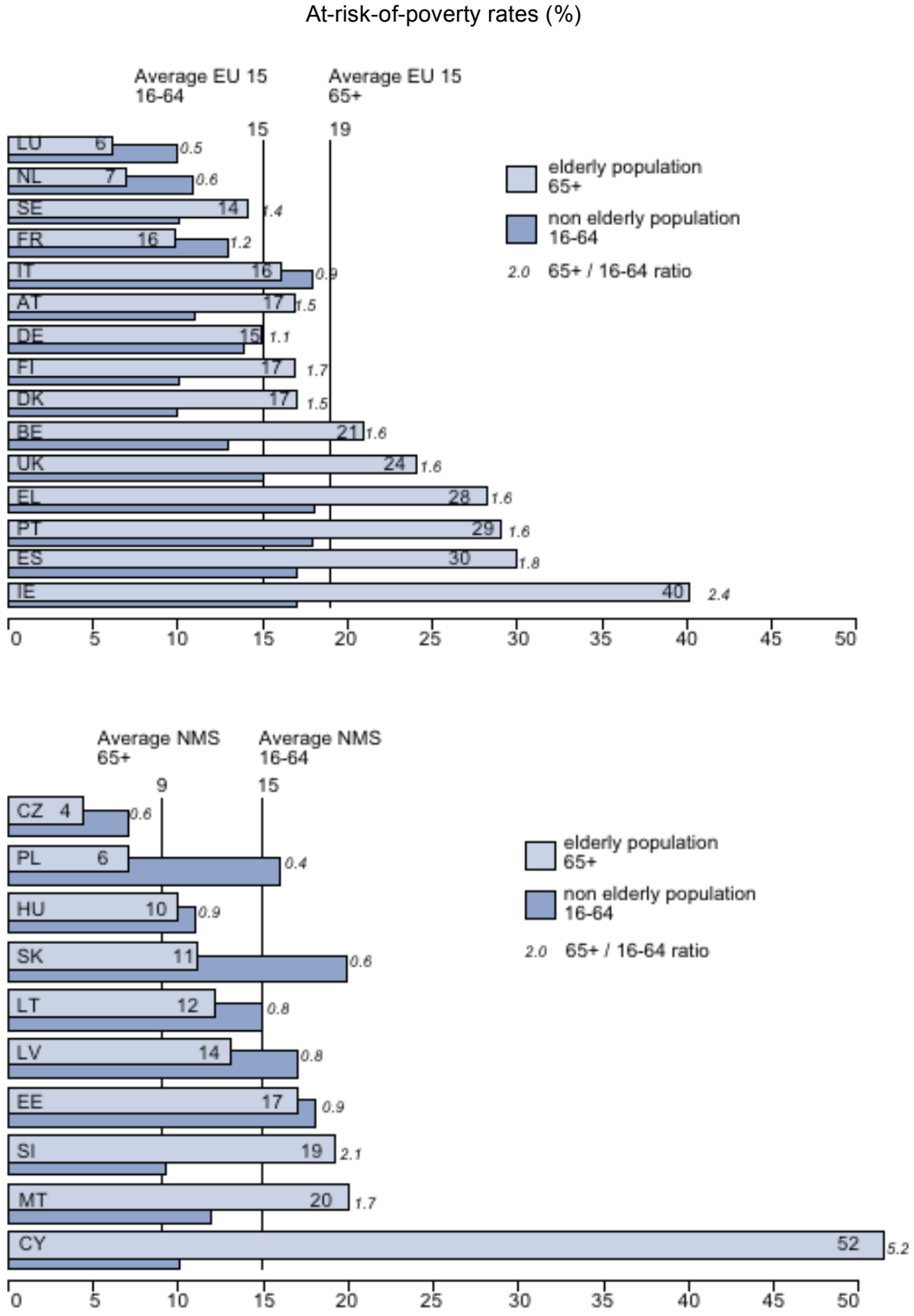
Table 2: Proportion of elderly and working age populations at risk of poverty in the Member States of EU, using 60% of median income as the poverty line

Country	Poverty risk: elderly population (aged 65 and above)	Poverty risk: working age population (aged 16-64)	Relative poverty risk ratio (elderly/non elderly)
Cyprus	52	10	5.2
Ireland	40	17	2.4
Spain	30	17	1.8
Portugal	29	18	1.6
Greece	28	18	1.6
United Kingdom	24	15	1.6
Belgium	21	13	1.6
Malta	20	12	1.7
Slovenia	19	9	2.1
Austria	17	11	1.5
Denmark	17	10	1.7
Estonia	17	18	0.9
Finland	17	10	1.7
France	16	13	1.2
Italy	16	18	0.9
Germany	15	14	1.1
Latvia	14	17	0.8
Sweden	14	10	1.4
Lithuania	12	15	0.8
Slovak Rep	11	20	0.6
Hungary	10	11	0.9
Netherlands	7	11	0.6
Luxembourg	6	11	0.5
Poland	6	16	0.4
Czech Republic	4	7	0.6
EU 25	18	15	1.2
EU 15	19	15	1.3
New Member States	9	15	0.6

Source: Eurostat's New Cronos Database

Notes: Results are for the same income years as in Table 1 (survey names are reported in Box 1).

Figure 2: Proportion of elderly and working age populations at risk of poverty



4.3 Poverty risks across gender and age groups

Table 3a addresses the differential poverty risks of male and female elderly, and Table 3b subdivides between those aged 65-74 and those aged 75+. Note here that the results reported in Table 3b are only complete for the EU15 countries and available for an earlier year (2001); for the new Member States, results are extracted from the Synthesis Report on Adequate and Sustainable Pensions of February 2006.[13] The same results are also depicted in Figures 3a and 3b.

- In general, it can be seen that the poverty risk is higher for female elderly than for male elderly, and that the females aged 75 and over show the highest at-risk-of-poverty rates.
- Female elderly are more than twice as often at risk of being poor than male elderly in Sweden and in the former Eastern European member countries of Slovenia, Estonia, Lithuania, Latvia, Hungary and the Czech Republic.
- With more than 10 percentage point difference, Ireland, Slovenia and Estonia also show a considerable gap between the at-risk-of-poverty rates for elderly males and females.
- In Portugal, Spain, Belgium, Malta, Denmark, France, the Slovak Republic, the Netherlands and Luxembourg, the differences between the at-risk-of-poverty rates of male and female elderly are relatively small.

On average, the at-risk-of-poverty rate for male elderly in the new Member States is just 6%, compared to 10% for females in these Member States, 16% for male elderly in EU15 and 21% for female elderly in EU15. Note here that these and all the other results reported here are based on a country-specific relative poverty threshold, and the relative rankings of countries and population subgroups will change if a single poverty threshold is applied across all 25 countries.

- The females aged 75 or more show the highest at-risk-of-poverty rate of the four groups considered on the basis of gender and age.

In all EU15 countries except for Belgium, the subgroup of females aged 75 or above shows the highest at-risk-of-poverty rate of the four groups considered. With 63% the at-risk-of-poverty rate for females aged 75+ is particularly high in Ireland. In addition, Greece, Portugal, United Kingdom, Austria and Finland show at-risk-of-poverty rates of at least 30% for females age 75+. Next to the Netherlands, Germany and Luxembourg show the lowest at-risk-of poverty rates in this group. For males aged 75+, at-risk-of-poverty rates of 30% or more are only found in Ireland, Greece and Portugal, of which only the former two also have high at-risk-of-poverty rates for females aged 65-74 and only Greece has an at-risk-of-poverty rate of 30% for males aged 65-74.

[13] The latest National Strategy Report covering all 25 Member States has been produced in 2005. These strategies were then analysed by the Commission and the Social Protection Committee in their Synthesis Report on Adequate and Sustainable Pensions of February 2006.

Table 3a: Proportion of elderly population at risk of poverty in the Member States of EU, using 60% of median income as the poverty line, by gender

Country	Men age group 65+	Women age group 65+	Women / Men ratio
Cyprus	48	55	1.15
Ireland	34	45	1.32
Spain	27	32	1.19
Portugal	26	30	1.15
Greece	29	30	1.03
United Kingdom	21	27	1.29
Belgium	20	21	1.05
Malta	19	21	1.11
Slovenia	11	23	2.09
Austria	13	20	1.54
Denmark	16	18	1.13
Estonia	7	22	3.14
Finland	11	20	1.82
France	14	17	1.21
Italy	13	18	1.38
Germany	10	18	1.80
Latvia	7	17	2.43
Sweden	9	18	2.00
Lithuania	5	15	3.00
Slovak Rep	11	11	1.00
Hungary	6	12	2.00
Netherlands	6	7	1.17
Luxembourg	6	6	1.00
Poland	4	7	1.75
Czech Republic	1	6	6.00
EU 25	15	20	1.33
EU 15	16	21	1.31
New Member States	6	10	1.67

Source: Eurostat's New Cronos Database

Notes: Results are for the same income years as in Table 1 (survey names are reported in Box 1).

Figure 3a: Proportion of elderly population at risk of poverty, using 60% of median income as the poverty line, by gender

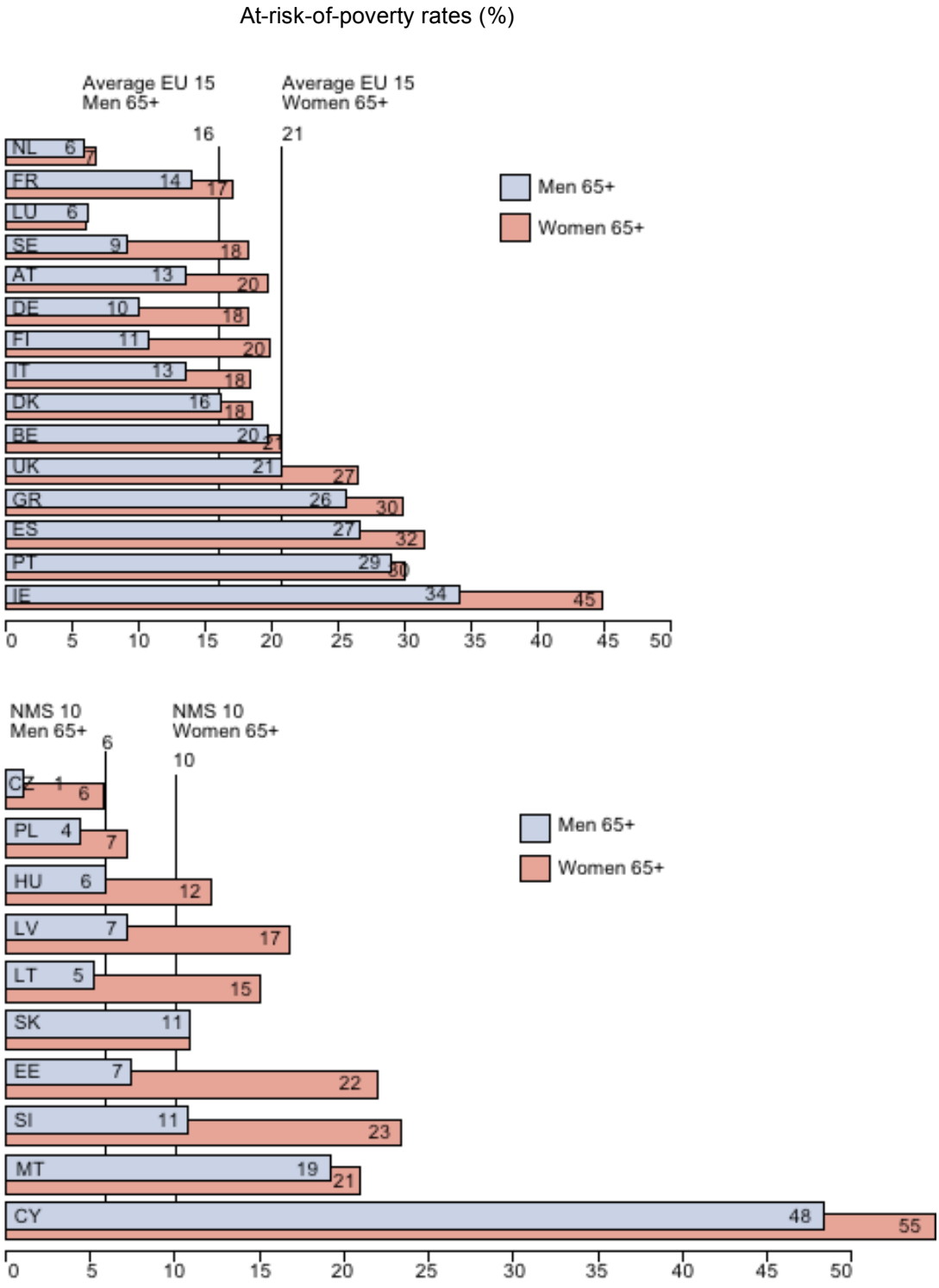


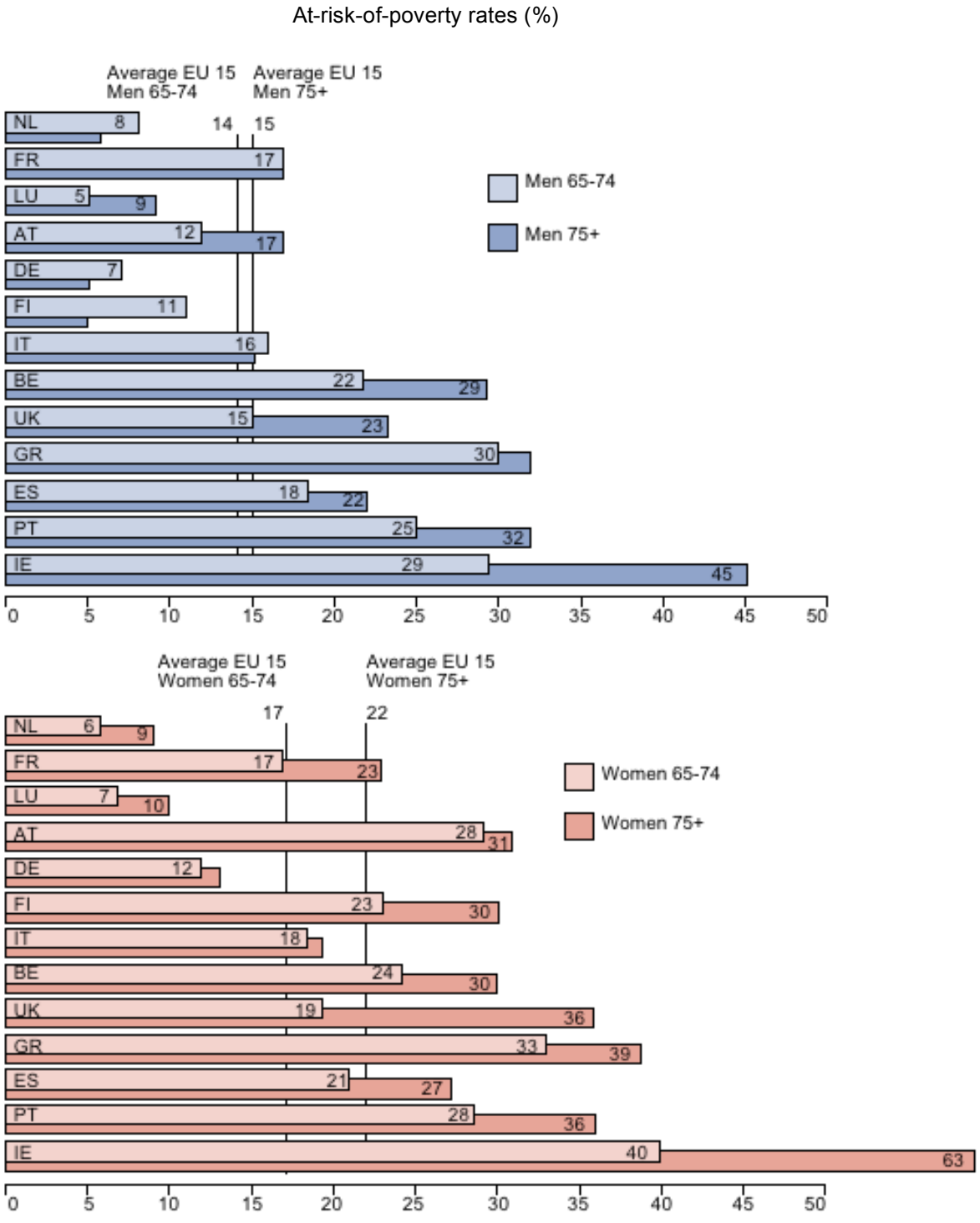
Table 3b: Proportion of elderly population at risk of poverty in the Member States of EU, using 60% of median income as the poverty line, by gender and age

Country	Men age group 65-74	Men age group 75+	Women age group 65-74	Women age group 75+
Cyprus		67*		67*
Ireland	29	45	40	63
Portugal	25	32	28	36
Greece	30	32	33	39
Spain	18	22	21	27
United Kingdom	15	23	19	36
Belgium	22	29	24	29
Denmark		25*		22*
Malta		18*		24*
Slovenia		17*		18*
Estonia		3*		24*
Italy	16	15	18	19
Finland	11	5	23	30
Germany	10	7	13	15
Austria	12	17	28	31
Sweden		14*		24*
Slovak Rep		20*		20*
Lithuania		6*		19*
Luxembourg	5	9	7	10
France	17	17	17	23
Latvia		5*		21*
Hungary		11*		15*
Netherlands	8	6	6	9
Poland				
Czech Republic		2		9
EU 25				
EU 15	14	15	17	22
New Member States				

Notes: Results for the majority of EU15 countries are derived from the ECHP, and they refer to the survey year 2001, except for the UK, Finland and France (2000) and the Netherlands (1999). Aggregate averages refer to 2000.

*Results reported in the shaded cells are derived from the National Synthesis Reports on Adequate and Sustainable Pensions.

Figure 3b: Proportion of elderly population at risk of poverty, using 60% of median income as the poverty line, by gender and age (only for EU15 countries)



4.4 Poverty risks across household types

Table 4 identifies the household types that are most at risk of being in poverty in individual countries. Single elderly are amongst the groups with the highest risk of poverty in the majority of countries. In nine out of all 25 EU countries single elderly run the highest risk of being in poverty of all household types distinguished in this table. These countries are four out of the six countries with the highest overall at-risk-of-poverty rates for the elderly: Cyprus, Ireland, Portugal, and Spain; five out of the twelve countries with an overall at-risk-of-poverty rate for the elderly close to the EU average: Slovenia, Estonia, Denmark, Finland, and Sweden. In the sixteen other countries single parents with dependent children have the highest at-risk-of-poverty rates. As both single elderly and single parents are more likely to be females, once again this suggests that the distribution of the poverty risk in EU countries has a distinct gender dimension.

With the exception of Belgium, the Netherlands and Poland, single elderly have at-risk-of-poverty rates clearly higher than those for the total population aged 65+ in all countries. In the countries with low and average overall at-risk-of-poverty rates for the elderly, this also holds for single working-age individuals, except for Belgium. In the countries with high overall at-risk-of-poverty rates for the elderly, the at-risk-of-poverty rates for the single working-age individuals are lower, except in the United Kingdom, Portugal and Ireland where they are very close to the at-risk-of-poverty rates for the elderly.

In general, the at-risk-of-poverty rates for households consisting of two adults, of whom at least one is aged over 65, is close to or considerably below the overall figure for the elderly population. An exception is Malta, where these households show clearly higher at-risk-of-poverty rates in comparison to the average for the elderly. In the Baltic countries, Hungary, Poland and the Czech Republic these households have the lowest poverty risk of all household types distinguished in this table. In all other countries, households consisting of two adults younger than 65 have the lowest poverty risk. In Italy the poverty risks for both household types consisting of two adults are about the same.

Compared to the overall figures for the elderly, the at-risk-of-poverty rates for households with dependent children are generally lower in the countries where these overall figures for the elderly are high or close to the EU average. Exceptions are Germany as well as Estonia and Latvia, where the difference with the average poverty risk for the elderly is small, and Italy, where households with dependent children show higher at-risk-of-poverty rates than the elderly. The latter phenomenon may also be observed in the group of countries with overall at-risk-of-poverty rates for the elderly clearly below the EU average.

The group of households without dependent children is rather heterogeneous as it will contain elderly and working-age single persons as well as couples. In most countries, the at-risk-of-poverty rate for this group as a whole is smaller than the poverty risk for the elderly population but higher than the rates for the households consisting of two adults younger than 65. However, in the group of countries with low at-risk-of-poverty rates for the elderly, the overall poverty risk for households without dependent children is slightly higher, except in Hungary and Czech Republic. Having the highest poverty risk in 15 out of 25 member countries, single parents face a higher poverty risk than the elderly in most of the other countries.

Table 4: Poverty risk by household type in the Member States of EU, using 60% of median income as the poverty line

Country	One adult 65+	One adult below 64	Two adults, at least one 65+	Two adults below 65	Household with dependent children	Household without dependent children	Single parent with dependent children		Population 65+
Cyprus	73	25	51	12	9	28	22		52
Ireland	68	39	29	19	19	24	56		40
Spain	52	23	30	12	23	19	40		30
Portugal	41	28	31	19	21	21	30		29
Greece	37	21	29	14	20	20	38		28
United Kingdom	31	24	22	11	20	16	40		24
Belgium	23	19	20	11	15	14	36		21
Malta	25	24	24	11	17	12	59		20
Slovenia	40	30	12	8	8	13	25		19
Estonia	35	32	9	13	19	17	33		17
Austria	23	20	14	11	13	13	25		17
Denmark	20	26	13	5	7	14	16		17
Finland	32	25	7	7	8	14	16		17
Italy	25	21	12	11	24	14	36		16
France	19	20	13	9	14	13	30		16
Germany	23	23	11	8	17	14	38		15
Latvia	28	21	10	14	18	15	31		14
Sweden	24	22	6	6	10	13	19		14
Lithuania	24	25	6	12	15	13	27		12
Slovak Rep	17	28	5	15	25	15	41		11
Hungary	18	17	6	8	14	9	16		10
Netherlands	7	24	6	6	15	9	39		7
Poland	9	18	8	10	20	10	24		6
Luxembourg	8	15	5	7	14	8	21		6
Czech Republic	9	16	2	3	11	4	30		4
EU 25	28	22	15	10	18	15	34		18
EU 15	28	22	15	10	18	15	34		19
New Member States	13	19	7	9	13	10	24		9

4.5 Sensitivity of the poverty results to the choice of poverty lines

- The number and extent of the elderly at risk of poverty are sensitive to the choice of the poverty line, although the relative ranking in terms of high, medium and low poverty risk countries remains largely intact.

Figures 1-3 compare the at-risk-of-poverty rates using 60% of the median income threshold with the rates obtained using 50% and 70% of the median. These charts provide a good indication of the sensitivity of the at-risk-of-poverty rates to the choice of the level of the poverty thresholds. One broad conclusion that can be drawn is that the relative ranking of the countries remain largely intact.

Figure 4: Proportion of elderly population at risk of poverty, using 50% of median income as the poverty line (2001)

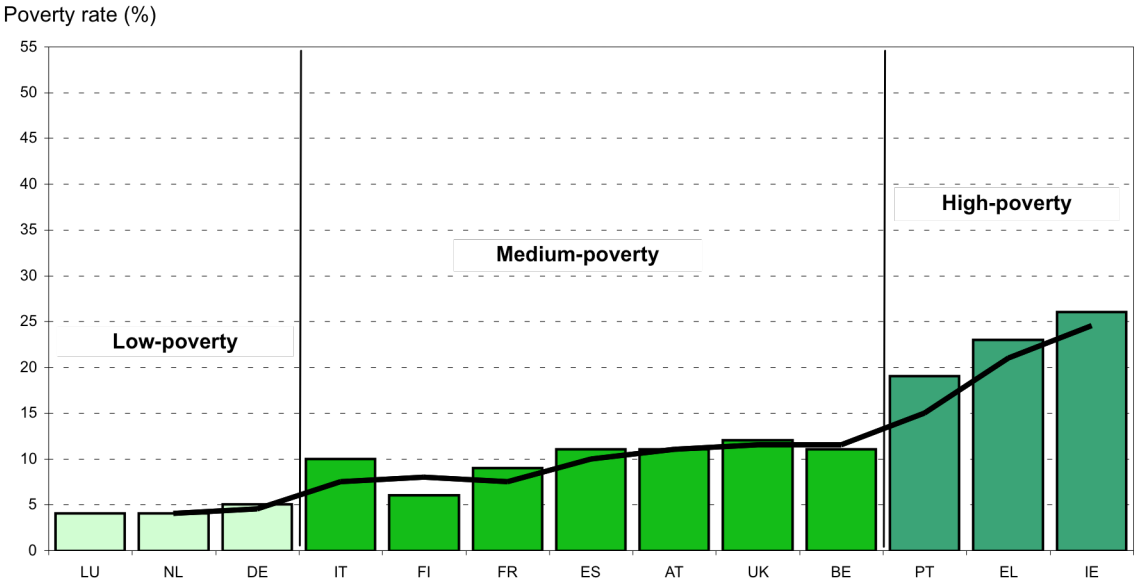


Figure 5: Proportion of elderly population at risk of poverty, using 60% of median income as the poverty line (2001)

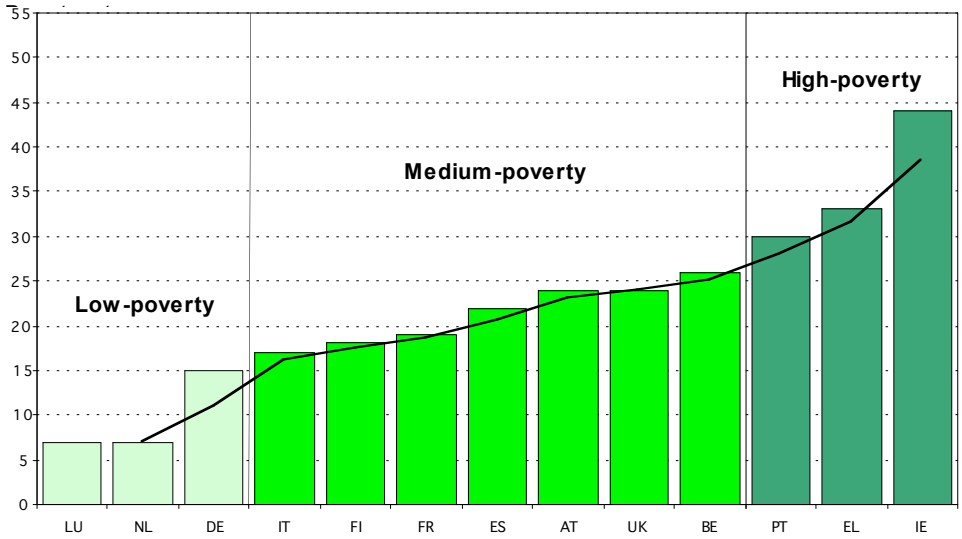
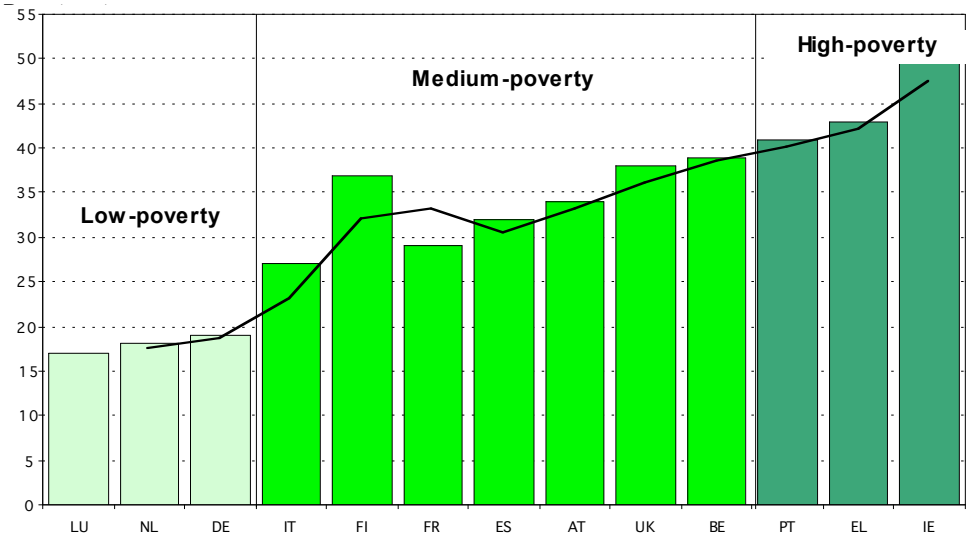


Figure 6: Proportion of elderly population at risk of poverty, using 70% of median income as the poverty line (2001)



4.6 Depth of poverty for elderly vis-à-vis working-age populations

Up to now we have concentrated on the percentages of elderly at-risk-of-poverty, comparing them internationally with the younger population and with other household types. Another important dimension of the poverty risk concerns the *depth* or *severity* of poverty, addressing the question how far those at risk of being poor are below the at-risk-of-poverty threshold in use. The poverty risk faced by the elderly should be considered a much more serious problem if those at-risk-of-poverty have incomes far below the thresholds, rather than if their incomes are quite close to this threshold, on average. Table 5 presents the median poverty gap ratio of the poor elderly as well as the population aged 16-64, subdivided between males and females.

- On average, incomes of the poor elderly in EU25 are about 16% lower than the poverty line (about 7% lower than that observed for the working-age population).

Notably, typically, in EU25 elderly who are at-risk-of-poverty have an income 16% below the poverty threshold, whilst for the working-age individuals (aged 16-64) the median poverty gap ratio is about 7% higher at 23%. With 13%, the median poverty gap ratio for the elderly in the new Member States is lower than that for EU15 (17%). For the working-age individuals the difference is smaller. For the EU as a whole, the differences between the median poverty gap ratios of males and females appear to be limited.

- Most of the countries indicated as having high at-risk-of-poverty rates for the elderly also have median poverty gap ratios above the 16% found for the EU25 as a whole.

However, the correlation is not by any means perfect. Most of the countries indicated as having high at-risk-of-poverty rates for the elderly also have median poverty gap ratios above the 16% found for the EU25 as a whole. An exception is Ireland, with a median poverty gap ratio for the elderly of 11%. Six out of twelve countries indicated as having at-risk-of-poverty rates for the elderly close to the EU25 average also have poverty gap ratios for the elderly close to the figure found for EU25 as a whole. In Austria, the median poverty gap ratio for the elderly is as high as 21% whereas in Denmark, Finland and Latvia, it is clearly below the 16% found for EU25. In addition, all countries with at-risk-of-poverty rates for the elderly clearly below the EU average also have median poverty gap ratios for the elderly below 16%. Here, the only exception is the Slovak Republic with a median poverty gap ratio for the elderly of 17%, about as high as the overall average for the elderly. Moreover, Cyprus is the only country where the median poverty gap ratio of the elderly is clearly higher than that of the population aged 16-64.

Similar to the results for the EU as a whole, in general the differences between the median poverty gap ratios for male and female elderly are limited. Notable exceptions are Greece and the United Kingdom, where female elderly at risk of being poor suffer from clearly higher poverty gap ratios than males, and Ireland, Spain, Austria, and the Slovak Republic, where the statistics suggest the reverse.

Table 5: Poverty gap for the elderly and the non elderly population in the Member States of EU, using 60% of median income as the poverty line, by gender

	Men		Women		Total	
Country	**65+**	**16-64**	**65+**	**16-64**	**65+**	**16-64**
Cyprus	23	15	25	18	24	17
Ireland	13	21	10	23	11	22
Spain	24	27	20	27	21	27
Portugal	17	29	19	30	18	29
Greece	23	25	27	25	26	25
United Kingdom	15	25	19	21	18	23
Belgium	19	25	17	24	18	24
Malta	18	19	17	17	14	18
Slovenia	17	21	16	20	17	21
Austria	26	18	20	23	21	20
Denmark	7	27	9	21	8	24
Estonia	8	29	10	27	11	28
Finland	9	17	10	15	9	16
France	10	22	12	22	11	22
Italy	13	28	13	29	13	28
Germany	17	23	19	27	19	25
Latvia	6	25	8	26	8	26
Sweden	10	26	13	23	13	26
Lithuania	11	24	14	22	13	23
Slovak Rep	18	45	16	41	17	42
Hungary	9	23	11	22	10	22
Netherlands	8	24	7	21	7	22
Luxembourg	14	17	14	20	14	19
Poland	16	24	15	23	15	23
Czech Republic	6	17	8	15	7	16
EU 25	17	23	17	23	16	23
EU 15	17	23	17	24	17	23
New Member States	13	22	13	21	13	21

Source: Eurostat's New Cronos Database

Notes: Results reported are for the same years used in Table 1. The averages for EU15 and EU25 are for 2001; and for the NMS 2002.

4.7 Persistence of the poverty risk

A further relevant indicator concerns the persistence of the poverty risk, defined as being at-risk-of-poverty in the current year as well as in two out of three of the previous years. Again, the poverty risk should be taken more seriously if it usually persists over a prolonged period rather than often being a question of just one bad year among many better ones. It could be hypothesized that the poverty risk for the elderly will usually be more persistent than for the working age population, as many elderly at-risk-of-poverty will not have much scope of improving their income by, e.g., entering the labour market. In Table 6a we compare the percentages of the elderly and the population aged 16-64 being persistently at risk of poverty, and in Table 6b we report the proportion of poor who are persistently poor. Unfortunately, these statistics are only available for EU15, except for Sweden (for the fact that the ECHP data is the only source used for results reported here). Moreover, for most countries the year for which this statistic is available is not equal to the most recent year for which the poverty statistics in Table 1 are given.

Table 6a: Persistent poverty for the elderly and the non elderly population in the EU 15 Member States, using 60% of median income as the poverty line, by gender

	Men		Women		Total	
Country	**65+**	**16-64**	**65+**	**16-64**	**65+**	**16-64**
Ireland	19	9	40	10	31	10
Portugal	22	12	25	10	24	11
Greece	24	10	28	12	26	11
Spain	11	9	10	10	11	9
United Kingdom	11	6	19	9	15	7
Belgium	17	4	17	6	17	5
Denmark	17	4	19	3	18	4
Italy	8	11	12	13	10	12
Finland	6	5	16	5	12	5
Germany	6	6	14	9	11	7
Austria	10	4	24	5	18	5
Luxembourg	5	9	6	8	5	8
France	11	7	13	8	13	7
Netherlands	4	5	3	5	3	5
EU 15	10	7	13	8	12	8

Notes:

Reference year: 2001; for Germany: 2003; for Netherlands: 2002; for France and UK: 2000

EU15 average: 2000. Data for Sweden are missing.

- The elderly populations experience a high risk of persistent poverty as compared to the working-age populations in all countries. In the majority of countries, the risk of persistent poverty is higher for female elderly than for male elderly.

Almost one out of eight elderly experienced a risk of persistent poverty, representing more than two thirds of all elderly at the risk of being poor. The corresponding figure for the working-age individuals is lower (8%). The risk of persistent poverty for the elderly is high in three countries with the highest at-risk-of-poverty rates for the elderly in EU15: Ireland, Portugal and Greece. The persistence is particularly high amongst female elderly in Ireland: as many as 40% of all those who are observed as poor in 2001 also experienced a poverty risk in two out of the previous three years. In addition to Ireland, three other countries (Finland, Germany and Austria) show a notably higher risk of persistent poverty amongst female elderly vis-à-vis male elderly.

Table 6b: Percentage of persistently poor among the poor elderly and non elderly population in the EU 15 Member States, using 60% of median income as the poverty line, by gender (2001)

	Men		Women		Total	
Country	**65+**	**16-64**	**65+**	**16-64**	**65+**	**16-64**
Ireland	54	60	78	63	70	63
Portugal	79	71	81	67	80	69
Greece	80	63	80	67	79	65
Spain	55	60	42	56	50	56
United Kingdom	61	50	68	56	63	50
Belgium	71	44	65	50	65	50
Denmark	74	50	76	33	75	50
Italy	50	61	63	68	59	67
Finland	60	50	70	56	67	50
Germany	54	60	73	71	68	67
Austria	71	50	80	50	75	56
Luxembourg	71	75	75	67	71	67
France	65	50	65	53	68	50
Netherlands	50	50	33	45	33	45
EU 15	71	54	68	57	71	57

Notes:

Reference year: 2001; for France and UK: 2000

EU15 average: 2000. Data for Sweden are missing.

4.8 Trends in poverty risk for the elderly

One other very relevant set of poverty statistics is presented in Table 7. This concerns long-term trends in the at-risk-of-poverty rates for the elderly. Obviously, the information that the at-risk-of-poverty rates for the elderly are increasing or decreasing over a prolonged period of time adds another important detail to the body of knowledge on the poverty risk of the elderly. Unfortunately, a longer term trend is only available for EU15, except for Sweden (for the fact that the ECHP data is the only internationally comparable source for results reported here). For most other countries, we currently have only a short series of results until 2001. For our trends analyses of elderly poverty below, we focus mainly on the results reported for the period 1995-2001.[14]

- Ireland, Spain, Finland and Austria are the only countries that observed a significant rise in the elderly poverty risk during the period between 1995-96 and 2001.

In two out of five countries with the highest at-risk-of-poverty rates (namely, Ireland and Spain), there is an upward trend since the poverty risk for the elderly is much higher in 2001 than that observed in 1995. Austria and Finland are the only other countries that observed an upward trend in the poverty risk for the elderly (during 1995/1996 and 2001), although the poverty rate observed for Austria in 2003 is significantly lower than that observed in 2001.

- Portugal, the United Kingdom, France and Luxembourg are the only countries that observed a significant fall in the elderly poverty risk during the period 1995-2001.

Luxembourg and France are also identified as the countries that enabled a reduction in the risk of elderly poverty. Comparing the experience of Ireland with Austria and France can draw some interesting insights, mainly because these three countries had an almost identical poverty risk for the elderly in 1995. France experienced a downward trend, as the elderly poverty risk fell from 19% in 1995 to only 11% in 2001, whereas Ireland experienced an opposite trend (i.e. a sharp rise from 19% in 1995 to 44% in 2001). The trend observed for Austria is the same as that for Ireland, although the rise in the poverty risk for the elderly during 1995-2001 has been much smaller in Austria than in Ireland (and both these countries seemed to have reversed the trend in the recent past between 2001 and 2003, although the figures may not be temporally comparable).

[14] The only notable trend in the latest two years is observed for Denmark and Luxembourg, as there is a notable decline in the poverty risk for the elderly population (from 21% to 17% for Denmark; from 12% to 6% for France). A reverse trend is observed for France, but the reliability of these results could be questioned because the data sources are different.

Table 7: Trends in poverty risk of elderly population, using 60% of median income as the poverty line

Country	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Cyprus			58						52	
Ireland	19	22	27	33	34	42	44		41[b2]	40
Spain	16	14	16	15	16	19	22	28 [b1]	28	30[b2]
Portugal	38	36	37	35	33	33	30		:	29[b2]
Greece	35	33	34	35	33	31	33		28[b2]	28
United Kingdom	32	28	25	25	21	24	25[b1]	26	24	
Belgium	25	25	23	22	22	24	26		23[b2]	21
Malta						20			:	
Slovenia						21	20	19	19	
Austria	20	21	22	21	24	23	24		16[b2]	17
Denmark							24		21[b2]	17
Estonia						16	18	16	17	
Finland		12	12	16	16	19	18	18	17	17[b2]
France	19	18	17	18	19	19	11 [b1]	10	11	16[b2]
Italy	18	18	17	17	14	13	17		:	16[b2]
Germany	15	17	12	12	11	10	15	17	16	15
Latvia						6		10	14	
Sweden							16	15	:	14[b2]
Lithuania						14	12	12	12	
Slovak Rep									13	11
Hungary						8	12	8	10	
Netherlands	8	7	4	4	7	6	9 [b1]	8	7	
Luxembourg	12	9	9	9	8	9	7		12[b2]	6
Poland						8	7	7	6	
Czech Republic							6		4	

Notes: The year in the first row refers to the survey year. [b] Break in the series; in the majority of EU15 countries the results reported under 2001 come from the last wave of the ECHP, and results beyond 2001 are either from national data sources or from EU-SILC.
[b1]: Break in the series, due to a switch from ECHP to another survey; [b2]: Break in the series, due to a switch to EU-SILC.

4.9 Poverty risks across home owners and tenants

Table 8 reports on the poverty risks differentiated on the basis of housing tenure of the elderly and working-age populations in EU15, except for Sweden and Denmark. These results are important not only because they offer an important distinction across subgroups, but they also point to a limitation in our poverty measurement methods in which no account is taken that the resources at the disposal of home owners are higher since they need not pay for the housing costs.

We find that in the majority of countries, the elderly tenants have much higher at-risk-of-poverty rates than those observed for the elderly home owners. The poverty differential between tenants and home owners is particularly high for the elderly populations living in Ireland, Italy, Belgium and Luxembourg, but also for the United Kingdom and Germany.

Table 8: Proportion of elderly population at risk of poverty in the Member States of EU, using 60% of median income as the poverty line, by home ownership status

	Owner		Tenant	
Country	**65+**	**16-64**	**65+**	**16-64**
Ireland	43	12	71	36
Portugal	32	15	22	20
Greece	34	18	21	14
Spain	22	16	24	19
United Kingdom	22	9	26	34
Belgium	23	7	34	25
Italy	16	17	23	28
Finland	20	6	14	24
Germany	9	6	11	15
Austria	25	9	21	9
Luxembourg	6	8	19	23
France	20	10	14	25
Netherlands	7	8	5	19
EU 15	17	10	17	23
Notes:				
Reference year: 2001. Finland, UK and France: 2000; Netherlands: 1999				
Data for Denmark and Sweden are not available.				
EU 15 averages: 2000				

5. Income composition of the elderly in the EU

In this section, we report on the relative importance of the different sources of income of elderly people, distinguishing old age benefits (including basic, flat rate pension, means-tested benefits, in kind benefits, invalidity benefits, survivors' benefits, second pillar pensions), from income from work, private sources and other transfers. Ideally, one would like to further distinguish the old age benefits, in particular make a difference between first and second pillar pensions, but unfortunately, the data in use (ECHP) do not allow this distinction. It should be noted, however, that with the notable exception of countries like the UK and the Netherlands, second pillar pensions play only a minor role in most EU countries.

For a selected set of countries (Germany, Italy, the Netherlands, Sweden and the United Kingdom), we also make use of data from the Luxembourg Income Study (LIS). These additional analyses provide us a further breakdown of old age benefits into three components: first pillar pension benefits, second pillar pension benefits, and means-tested benefits. The comparability of the results between the ECHP and LIS are rather restricted, however LIS data provide important supplementary information.

We analyse the current structure of disposable income among older people by type of resources for different levels of income, distinguishing persons with household incomes in the bottom 20%, the middle 60% and the top 20% of the distribution of (equivalised) household income, and also distinguishing poor households from other households.

5.1 Average composition of income of elderly persons

Table B.1 (in Annex B) compares the average composition of income of elderly persons and that of persons aged between 25 and 54 and between 55 and 64 for all EU15 countries. The data are from the year 2001 and refer to income received in 2000. It stands to reason that old age benefits dominate personal income of the elderly. Other income components are only of minor importance. Especially for person's aged 75 and over, old age benefits make up 80% or more of personal income in all countries except Belgium and UK. In the 55-64 age group old age benefits are also important in some countries, in particular in countries where the official pension age is below 65 or where there are popular early retirement options. In this age group, the share of old age benefits in income varies from 8% in Finland to more than 40 % in Austria and Italy.

Focusing on the elderly, we find that in the age group 65-74, the share of old age benefits is lowest in Ireland (63%), followed by Denmark (71%), the UK (72%) and Finland (74%). At the other end of the spectrum, old age benefits make up around 85% of income or more in Sweden, Germany, Austria, France and the Netherlands. Complementing old age benefits, income from work exceeds 10% of income in seven of the countries where the share of old age benefits is the lowest: Ireland, where income from work amounts to 28% in the age group 65-74, Portugal (17%), Denmark (14%), Finland (14%) and the UK (12%) are the countries with the highest shares of income from work. The other two components (income from private sources and income from other social transfers) are less important, when looking at the overall average. Private income is relatively high in Belgium (11%),

UK (10%), Luxembourg (9%) and Denmark (8%). Other social transfers reach 7% of total income in Finland and Denmark and 6% in Austria and UK.

In general, old age benefits constitute an even higher share of total income in the oldest age group (75+) than in the age group 65-74. Again, this is not unexpected given the fact that the very old are even less likely to have income from work. The share of old age benefits in total income in the 75+ age group varies from 72% in Belgium and about 80% in the UK and Denmark, to more than 90% in France, Austria, the Netherlands, Sweden and Spain. Income from work constitutes 5% or more of total income in Ireland and Denmark, whilst private sources of income again appear to be relatively important in Belgium (26%), Luxembourg (12%) and the UK (10%), but also in Greece (10%). Other social transfers only exceed 5% in UK (11%), Italy (7%), Denmark (6%) and Austria (6%).

5.2 Sources of income of the elderly by income group

Next, we subdivide the elderly by income group, ranking them by equivalised disposable household income, and looking at the sources of income for persons in the bottom 20%, the middle 60% and the top 20% of the overall income distribution separately. To put these results in perspective, we will also have to take into account how many elderly are in these three income groups in the respective countries. For that purpose we present Table B.2 (in Annex B), which gives the percentage distribution of the various age groups across the three income groups. Next, Table B.3 (in Annex B) gives the shares of the various income components subdivided according to age and income groups.

From Table B.2, we see that there are considerable differences between the countries as far as the subdivision of the elderly according to the three income groups is concerned. In most countries the elderly are overrepresented in the lowest income group and underrepresented in the highest. Clear exceptions to this pattern are found for both age groups in the Netherlands and Luxembourg and the group aged 65-74 in Sweden (results that are consistent with our results in Section 4, Table 1). On the other hand, the overrepresentation in the lowest income group is particularly strong in both age groups in Denmark, Belgium, Greece, Austria and Portugal, and in the 75+ age group in Spain, France, Finland, Sweden and the UK.

a. Old age benefits

Looking at the shares of the various sources of income of the elderly, subdivided across income groups (Table B.3) we find that, in general, the share of old age benefits is highest in the lowest income group, and only slightly lower in the middle income group. In most countries, the income composition of the elderly in the highest income group deviates considerably from the other income groups, with, usually, higher shares for income from work or income from private sources, and lower shares for income from old age benefits. Consistent with Table B.1, in most countries, income from old age benefits is usually larger in the oldest age group than in the 65-74 age group in all income groups.

There are some exceptions to this general pattern. For one thing, in Austria and Sweden, the share of old age benefits is clearly higher for the elderly in the middle 60% than in the lowest 20% of the overall income distribution. To a lesser extent, this deviating pattern is

also found in Greece and in the 65-74 age group in the Netherlands. In these cases, the share of other social benefits is clearly higher for the elderly in the lowest income group than for the elderly in the middle income group.

In Germany, the share of old age benefits is almost as high in the middle income group as it is in the lowest income group, more than 90%. The share of old age benefits is also above 90% in the lowest and middle income groups in the Netherlands, and in the 75+ age group in Spain, France, Portugal, Finland, and Luxembourg. In Belgium, the share of old age benefits is above 90% for the elderly in the lowest income group, but clearly lower in the middle income group. In Denmark, Greece and UK, old age benefits make up clearly less than 90% of income in all income groups.

All in all, there is some evidence of a negative correlation between the average share of old age benefits in total income in the middle income group as given in Table B.3 and the percentages of elderly in the lowest income group as presented in Table B.2. In other words, in most of the countries where old age pension benefits make up a high share of income of the elderly in the middle 60% of the income distribution, the elderly are less likely to be in the lower 20% of the income distribution. The clearest examples of this situation are the Netherlands, Germany, Italy and Luxembourg. Or put conversely, in countries where many elderly are in the lower part of the income distribution, having income other than old age pension benefits may help them to escape that lower end of the distribution. This would seem to be particularly noticeable in Denmark, Ireland and UK.

b. Other components: lowest income groups

Given the high share of old age benefits in the lowest income groups, the shares of the other components are usually rather low. A share of more than 5% for the income from work is only found for the 65-74 age group in Greece, Portugal and Ireland. Private sources of income constitute more than 5% of income in Denmark, and in the 75+ age group in Greece. The number of countries where other social benefits exceed 5% of total income is somewhat larger: this is true for both age groups in Denmark, Italy, Austria, Sweden, and UK, for the 65-74 age group in Spain, Ireland, Portugal and Finland, and for the 75+ age group in Greece. It should be noted that in some of these countries other social benefits would include the social safety net of means tested social assistance benefits. In other countries, the provision of means tested old age benefits or minimum old age benefits exceeding the social assistance level might prevent the elderly from having to claim social assistance.

c. Middle income groups

For the elderly with income in the middle 60% of the household income distribution, none of the other income components apart from old age benefits exceeds 5% in the Netherlands, Sweden and Germany. Income from work is relatively important in both age groups in Ireland, and in the youngest age group in Denmark, Greece, Spain, Portugal, Finland and UK. In these countries, non-negligible parts of the elderly population have not yet left the labour market altogether.

Income from private sources exceeds 5% of total income in both age groups in Denmark, Belgium, France, Luxembourg and UK, and in the 75+ age group in Greece. It should be noted that measuring this income component is notoriously difficult, and that measurement errors may affect the outcomes to a different extent in different countries, in view of the fact that not in all cases the same measurement methodology was used.

Other social transfers are relatively important in both age groups in the middle income group in Denmark, Austria and UK, and in the 65-74 age group in Finland, and in the oldest age group in Italy.

d. Highest income groups

As mentioned above, the income composition of the elderly in the highest income group is rather different from the other income groups. Before discussing these figures, we should note that the numbers of observations upon which they are based is rather low, especially in Denmark, and to a lesser extent Belgium, Finland, Ireland, Austria and Luxembourg. Therefore, one extreme observation will affect the result more seriously in these countries than in the others.

Although old age benefits make up a lower share of total income than in the lower income groups, they are still by far the largest income component, except in the 65-74 age group in Ireland and in the 75+ age group in Belgium. In both age groups in the Netherlands, France and Austria, and in the oldest age group in Italy, Spain, Germany and Sweden old age benefits exceed 80% of total income even in the highest income group. Income from work constitutes more than 20% of total income in both age groups in Denmark, and in the 65-74 age group in Belgium, Spain, Italy, Ireland, Portugal, and UK. Income from private sources is most important in Belgium and Luxembourg, and in the 75+ age group in Greece and UK.

Other social benefits only play a minor role in this income group. Shares exceeding 5% are only found in the 75+ age group in Finland and Italy.

5.3 Sources of income of the elderly by risk-of-poverty status

Table B.4 (in Annex B) gives the shares of the various income components subdivided between those at risk of poverty (i.e. with household incomes below 60% of the median) and those not at risk. Again, it should be noted that in some countries, the number of observations upon which the results for the poor are based are rather low. This holds in particular for Luxembourg, the Netherlands, Sweden and Finland.

Consistent with the results of the previous section, old age benefits dominate the income of the elderly who are at risk of poverty. As can be seen in Figures 7 (and in Table B.1), for the poor elderly between 65 and 74, the share of old age benefits varies from 76% in Sweden and 82% in Greece to 92% in Belgium. The results for the 75+ age group are presented in Figure 8. The share of old age benefits for this age group varies from 87% in Greece and UK to 97% in Spain and Portugal.

Figure 7: Composition of income for elderly aged 65-74, subdivided on the basis of risk of poverty status

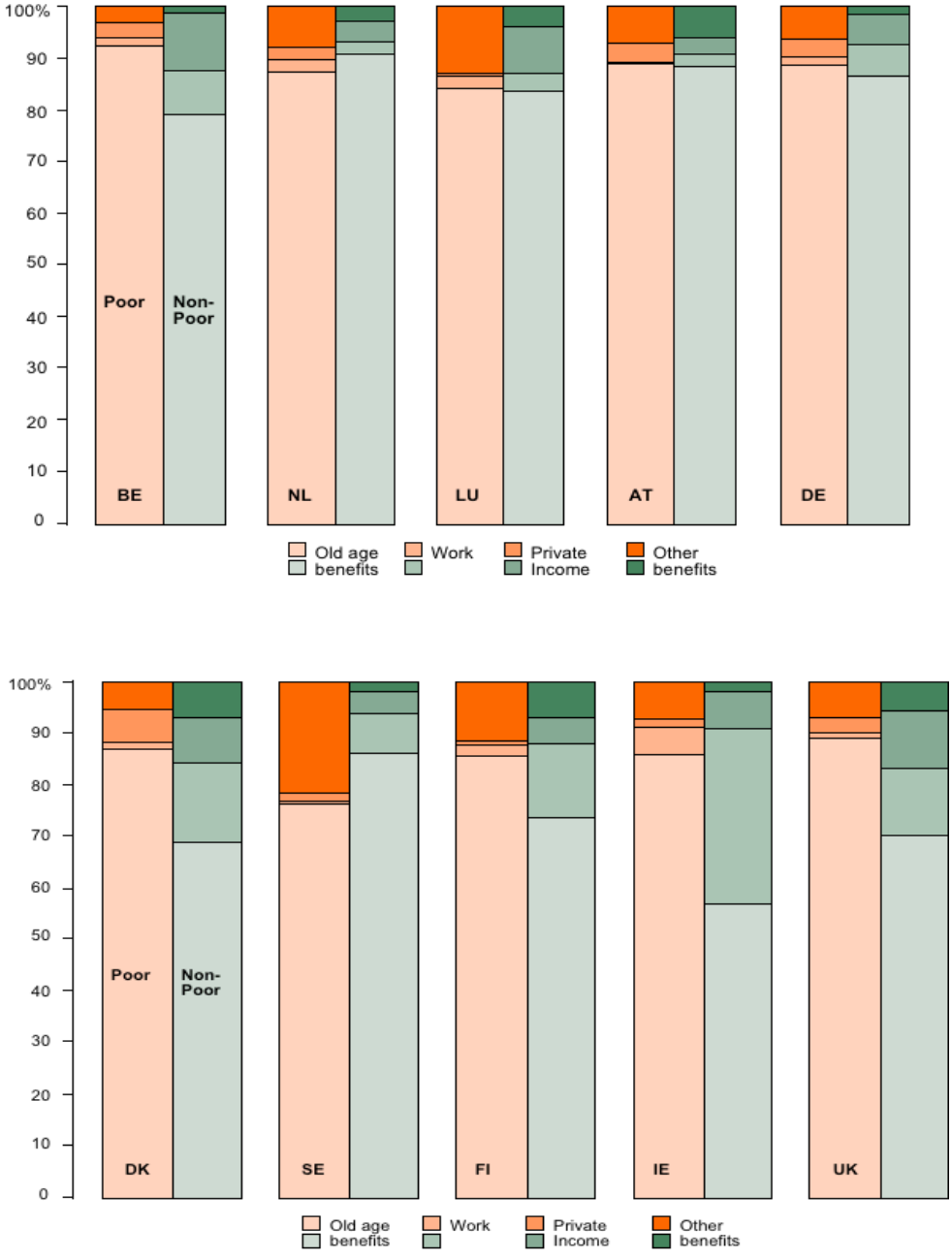
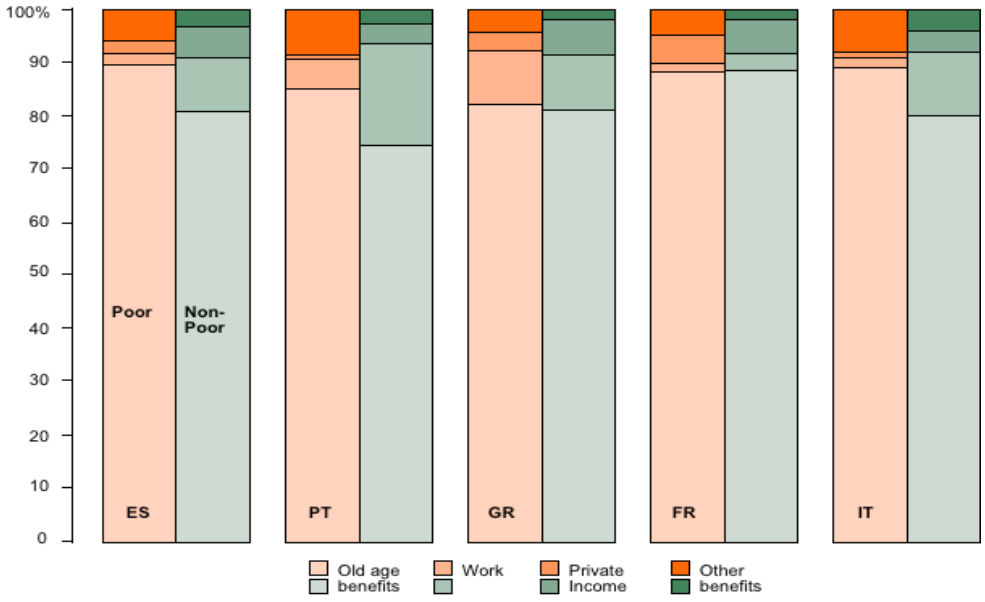


Figure 7 (continued):



The share of income from work for the poor elderly between 65 and 74 is below 5% in all countries, except Portugal, Ireland and Greece, whilst for the poor elderly aged 75 or over, the share of income from work is below 2% in all countries. Private income only exceeds 5% for the poor aged 65-74 in Denmark and France, and for the poor aged 75+ in Germany and Greece.

Other benefits are usually more important than income from work and private income, especially for the poor aged 65-74, where they exceed 5% in all countries except Belgium, Greece and France, and 10% in Luxembourg, Finland and Sweden. For the poor aged 75+, other benefits vary from 0% in the Netherlands to 9% in Italy.

There is no clear relationship between the poverty risks on the one hand and the size of the old age benefit component on the other. However, in keeping with the earlier results, there is some evidence that in countries with high poverty risks for the elderly, the share of the old age benefit component for those not at risk of poverty tends to be lower, whilst in countries with low poverty risks for the elderly the share of old-age benefits for the non-poor tends to be higher. In countries with high poverty risks for the elderly, the shares of income from work for the non-poor are relatively high.

Figure 8: Composition of income for elderly aged 75+, subdivided on the basis of risk of poverty status

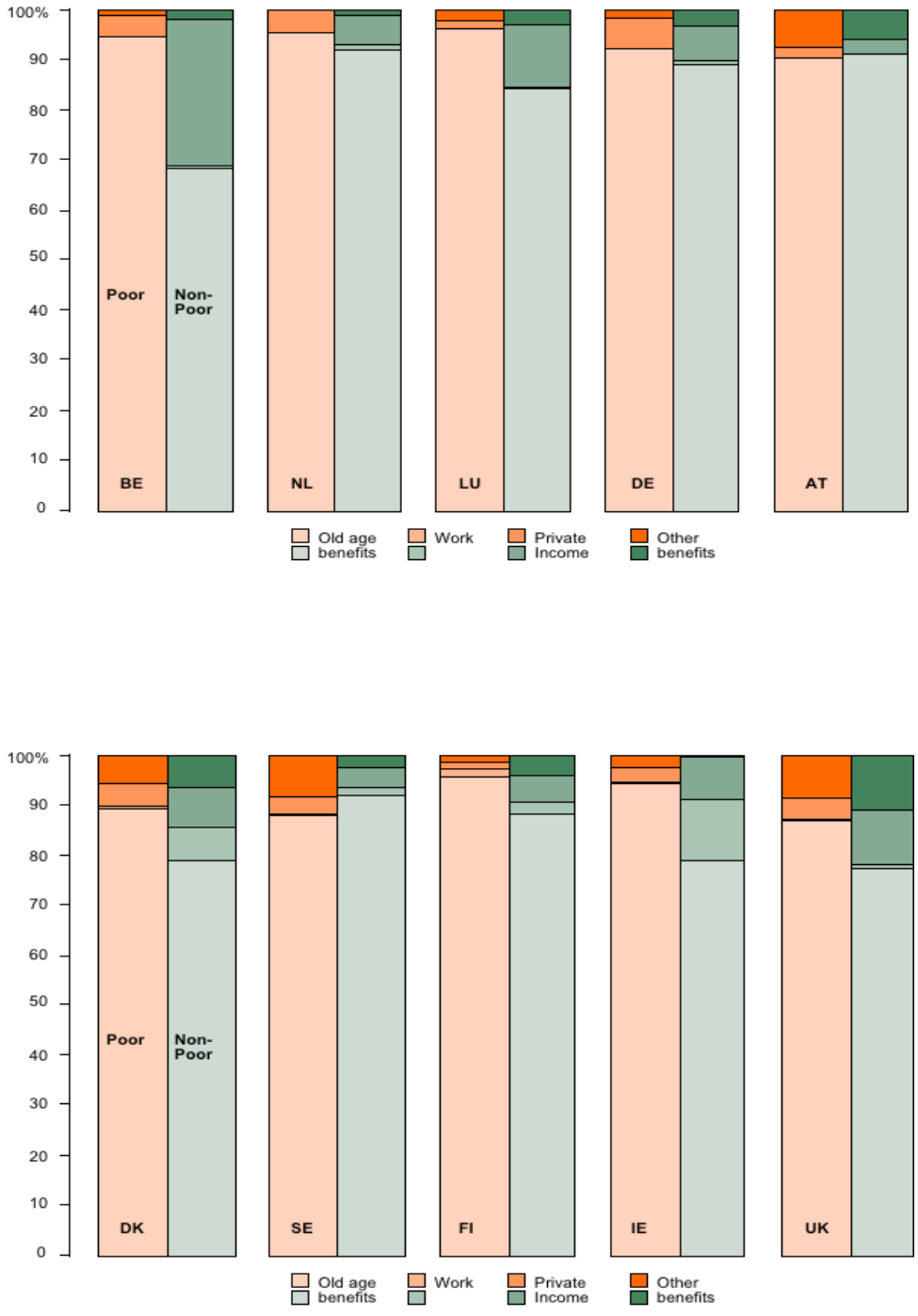
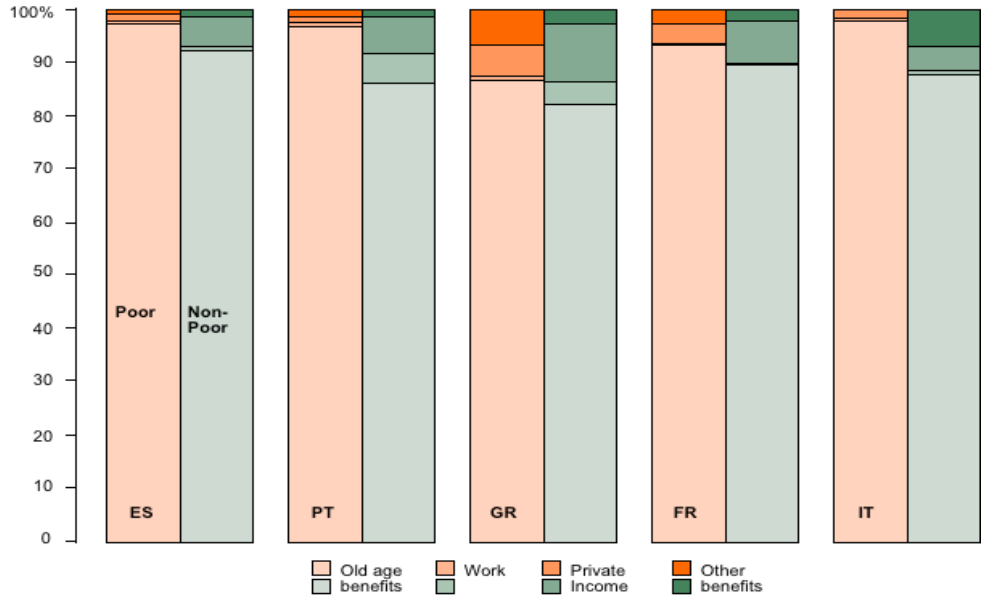


Figure 8 (continued):



5.4 Further breakdown of old-age social benefits (using LIS data)

Table B.5 offers a more detailed decomposition of incomes of the elderly, by looking in more depth into the composition of old age benefits. As mentioned above, the ECHP data in fact do not allow disentangling the different components of old age benefits, while this is possible using the Luxembourg Income Study (LIS) database described in Section 3. For the sake of comparability with the analysis carried out with the ECHP data, the main aggregates adding up to total income are the same: income from work, income from private sources, old age benefits and other benefits. Total old age income is then further decomposed in three main items:

- **Income from first pillar pension schemes**, including basic old age benefits, supplementary contributory old age benefits, early retirement benefits, survivors' pensions and other social retirement benefits;
- **Income from second pillar pension schemes**, which include private occupational pensions, opting out pensions, other private pension incomes together with pensions paid in the public sector; and
- **Income from means-tested benefits.**

For the countries analysed here, it was not possible to disentangle in the data the component of private savings plan (the "third pillar") from the aggregate component "income from private sources", therefore incomes from third pillar pension schemes are subsumed under this latter category. Given sample size and data quality, we present and analyse results of

only Germany, Italy, Netherlands, Sweden and the UK[15] and we consider three household typologies: **single persons aged 65-74**, **single persons aged 75+**, and **couples where the household head is aged 65+**.

Table B.5 highlights the higher relative importance of second pillar pension schemes in the Netherlands (above 30% of total old age incomes) and in the UK (above 20%) in comparison to other countries for all the household types of interest, and in particular for elderly couples. This can be expected from the existence in both countries of first-pillar flat rate old age benefits, and because of the wide diffusion of occupational pension schemes (in the Netherlands this is due to mandatory collective agreements which cover more than 90% of employees and in the UK to the possibility of opting out from the earnings-related component of the public pensions). Germany and Sweden instead are the countries where first pillar pension schemes have the highest share of total incomes of elderly households, both around 70%. As far as means-tested benefits are concerned, Italy has the highest significance of such social protection schemes on overall income, followed by the UK, in particular for the "oldest old" singles (aged 75+). For Italy, this is probably related to the high recipiency of non-contributory social pensions (*pensione sociale)* and pension supplements (*integrazione al minimo*). For the UK, this is possibly due to the erosion of the value of the basic state pension and the presence of the Minimum Income Guarantee for people aged 60 and above.

Looking at the relative importance of the other aggregate income components, the UK displays the highest share of income from private sources on total pensioners' income, probably reflecting the higher importance of dividends and of housing rents. The UK also exhibits the highest share of "other benefits" in total income with respect to other countries for all the household typologies considered, and in particular for single-persons aged 75+, who are more often relying on housing benefits and Council Tax Benefits. As expected, income from work falls below 8% for single persons aged 65-74 and reduces to zero for the singles above 75, with the exception of Italy, where the higher figure can be attributed to a larger share of self-employed in the economy, who could be economically active also in the later stages of life.

5.5 Differentials in personal income levels

Table B.6 (in Annex B) shows the levels of each component of personal annual income for the same age groups (25-54, 55-64, 65-74 and 75+) for all EU15 countries comparing poor versus non poor. We find that for the poor population in the age group immediately below retirement age (55-64), in all countries income from old age benefits is higher than income from work with the exception of Greece, Italy, Netherlands, Portugal, Finland and the UK. On the other hand, in the Netherlands and in Finland the situation looks different since the poor can rely on a much higher level of income from "other benefits" (most probably from social assistance, housing benefits and disability benefits); this holds as well, though to a minor extent, in the UK, where income from other benefits is nearly equal to income from work.

[15] The LIS database refers to the following years, Germany: 2000; Netherlands: 1999; Sweden: 2000; UK: 1999.

Among the age groups of retirees (65-74 and 75+), income from old age benefits is the highest of the income components, and it is higher for the older age group (75+) than for the younger (65-74) for both the poor (with the exception of Italy) and the non poor (with the exception of Netherlands and Finland). The non poor show an increase in income from private sources with age most noticeably in Belgium, France and Luxembourg, while the "oldest poor" register a drop in the amount of other non contributory benefits in all countries with the exception of Denmark, Greece, Italy, Netherlands and UK, but in any case the amounts concerned in these countries are very small.

Table B.7 instead reports the levels of each component of personal annual income for the same age groups comparing the population in three different income groups: bottom 20%, middle 60% and top 20%. The results depict a more detailed picture of absolute income levels for different parts of the income distribution but the conclusions drawn are qualitatively in line with those presented above for the poor versus non poor comparison.

6. Synthesizing discussion

This report is based on the research undertaken in the first phase of the project 'Poverty of Elderly People", financed by the European Commission (DG Employment, Social Affairs and Equal Opportunities). The results reported provide a concise picture of the latest situation with respect to risk of poverty faced by elderly populations living in the 25 Member States of the European Union.

Using income-based measures of risk of poverty and the country-specific 60%-of-median poverty threshold, we find that as many as 13 million elderly people are at risk of poverty in EU25 (in the year around 2003), amounting to as many as one-in-six elderly living in private households. With the exception of Cyprus, all countries with high poverty risk come from the former EU15 block of countries. The 10 newly accessed Member States are largely countries with the lowest risk of elderly poverty. As for the concentration of the elderly poor, about three out of four elderly who are at risk of being poor live in five large countries of EU15: Spain, the United Kingdom, France, Germany and Italy. In the majority of countries, the cohorts aged 75+ in the early 2000s have much higher poverty rates than younger cohorts of the elderly. This is particularly true for females aged 75 or more.

The high poverty risk for females aged 75+ is related to the high proportion of widows in this age group. To the extent that younger cohorts of females will be more likely to be entitled to pensions related to their own earnings once they retire, the high poverty risk in this group may gradually become a thing of the past. Obviously, whether or not this will happen depends on the national pension systems as well as the long-term trends in the country specific labour market participation patterns of females. These results also point to the problems linked with the adequacy of survivors' benefits that are currently available in the national pensions systems. Moreover, the indexation of pension benefits with prices (instead of earnings) in the majority of countries also leads to an erosion of the value of pension benefits relative to the median. A higher level of income protection may also be necessary for the vulnerable group of oldest old who also often have much higher needs due to additional costs linked with ill health and disability. Many countries have already

embarked on a further strenghtening of their targeted minimum pensions and social assistance schemes, although the take-up of social assistance schemes will need to improve further to have an impact in reducing poverty risk for this subgroup.

One other finding is that a large proportion of the elderly has a risk of persistent poverty. This can be understood to be true by default, since the elderly will have little or no opportunities to enhance their income position in later life (either due to personal characteristics, such as frailty, or due to lack of labour demand for older workers). Thus, the most effective policy intervention to enhance incomes of the elderly will be to increase incentives to work and save more during working lives. The current pension reforms in the majority of the EU countries offer greater incentives for individuals to work more, although the greater significance of minimum pension and social assistance schemes often provide a counteracting disincentive.

As for additional research that is required, one could identify that a greater use of the EU-SILC data will allow us to look into and compare different aspects of poverty (such as material deprivation measures). We also need to improve the income definition currently in use, by including important non-cash income components such as the imputed rent. We also need to check the sensitivity of poverty risk results by investigating how financial wealth and assets will improve the consumption potential of the elderly.

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Appendices
First Report

Poverty of Elderly People in EU25

By

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Annex A: Auxiliary Tables of Section 4

Table A.1: Sensitivity of poverty risks to the inclusion of imputed rent in Denmark
(for the elderly and non-elderly populations; using latest EU-SILC data)

	without imputed rent			with imputed rent		
Age group	**Men**	**Women**	**All**	**Men**	**Women**	**All**
0-64	10	10	10	10	10	10
65+	16	18	17	8	8	8
75+	25	22	2	10	9	9

Table A.2: Sensitivity of poverty risks to before-housing-costs and after-housing-costs measure of income in the UK
(for the elderly and the working age individuals in the UK; using 2003/04 FRS data)

	Before housing Costs	After housing Costs
Tenure status		
Local authority tenants	13	30
Housing association tenants	15	33
Privately rented	23	44
Owned with mortgage	14	15
Owned outright	24	16
Other	35	23
All pensioners	21	20
All working age adults	14	19
All population	17	21
Pensioners/ Working age ratio	1.50	1.05

Annex B: Auxiliary Tables of Section 5

Table B.1: Average income composition of elderly and working age persons

Age groups and Country	Work	Private	Old age benefits	Other benefits
25-54				
Belgium	82.6	5.0	0.8	11.6
Denmark	85.6	1.5	0.3	12.5
Germany	85.5	3.3	0.6	10.6
Greece	91.8	3.8	2.0	2.4
Spain	93.0	2.1	0.7	4.3
France	87.9	2.7	0.6	8.8
Ireland	88.6	1.8	0.7	8.9
Italy	92.2	3.1	2.1	2.6
Luxembourg	86.9	2.9	1.0	9.2
Netherlands	90.2	1.3	0.5	8.0
Austria	84.9	2.7	0.8	11.6
Portugal	92.5	1.0	1.6	4.9
Finland	84.2	5.5	0.4	9.8
Sweden	81.5	1.7	1.9	15.0
UK	87.4	3.7	1.0	7.9
55-64				
Belgium	56.8	9.5	24.9	8.8
Denmark	75.5	2.6	11.0	10.9
Germany	55.4	6.1	26.7	11.8
Greece	62.8	5.9	28.9	2.5
Spain	63.3	4.7	17.9	14.1
France	57.2	5.2	29.9	7.8
Ireland	76.8	3.2	11.5	8.5
Italy	50.1	3.9	41.7	4.3
Luxembourg	50.7	6.1	27.3	15.9
Netherlands	58.7	4.1	18.9	18.2
Austria	44.4	2.4	41.8	11.3
Portugal	53.7	5.7	32.2	8.5
Finland	63.8	10.5	8.0	17.7
Sweden	64.7	5.1	20.7	9.5
UK	65.4	7.3	18.4	9.0
65-74				
Belgium	7.7	10.5	80.5	1.3

Age groups and Country	Work	Private	Old age benefits	Other benefits
Denmark	13.7	8.4	71.0	6.9
Germany	5.7	5.9	86.7	1.7
Greece	10.3	6.2	81.4	2.2
Spain	9.2	5.3	81.8	3.6
France	3.1	6.4	88.5	2.0
Ireland	28.0	6.1	62.9	3.0
Italy	10.9	3.6	81.1	4.4
Luxembourg	3.4	8.6	83.8	4.3
Netherlands	2.4	3.8	90.6	3.2
Austria	2.3	3.1	88.4	6.2
Portugal	16.9	3.2	76.2	3.7
Finland	13.7	4.7	74.3	7.3
Sweden	7.5	4.1	85.9	2.5
UK	11.8	10.3	72.1	5.9
75+				
Belgium	0.6	25.6	72.0	1.8
Denmark	5.0	6.8	81.8	6.3
Germany	0.8	6.9	89.2	3.0
Greece	3.5	9.8	83.2	3.5
Spain	0.9	4.6	93.1	1.4
France	0.1	7.6	90.1	2.2
Ireland	8.0	6.3	84.5	1.2
Italy	0.8	4.1	87.9	7.1
Luxembourg	0.4	12.0	84.8	2.8
Netherlands	1.1	5.7	92.0	1.1
Austria	0.1	2.7	91.1	6.2
Portugal	4.3	5.2	89.0	1.5
Finland	2.3	4.8	89.2	3.7
Sweden	1.6	3.8	91.6	3.0
UK	0.6	9.7	79.0	10.7

Table B.2: Population shares of the various income groups, by age groups

	Bottom 20%	Middle 60%	Top 20%		Poor
Belgium					
16-24	18.1	65.2	16.7		11.6
25-54	12.9	61.6	25.4		8.0
55-64	19.3	51.5	29.2		13.0
65-74	33.5	55.7	10.8		21.4
75+	40.7	50.3	9.1		29.0
Denmark					
16-24	36.1	53.2	10.7		25.2
25-54	11.2	62.6	26.2		5.6
55-64	11.6	56.9	31.6		5.9
65-74	45.2	46.1	8.7		19.9
75+	62.6	33.1	4.3		42.4
Germany					
16-24	28.2	59.7	12.1		18.1
25-54	17.1	60.8	22.1		8.7
55-64	18.4	56.4	25.1		11.0
65-74	21.3	63.2	15.5		10.9
75+	21.5	60.2	18.3		10.2
Greece					
16-24	24.0	64.3	11.8		24.4
25-54	17.8	62.1	20.1		18.4
55-64	23.6	59.1	17.3		24.7
65-74	33.7	55.4	10.9		34.2
75+	40.7	50.1	9.2		40.8
Spain					
16-24	23.2	62.8	14.0		22.1
25-54	16.7	61.5	21.7		15.7
55-64	21.4	57.7	20.9		20.6
65-74	26.3	62.2	11.6		25.0
75+	31.0	59.5	9.5		29.4
France					
16-24	29.3	58.3	12.5		23.9
25-54	17.2	61.4	21.4		13.0
55-64	16.6	54.5	28.9		13.7
65-74	23.6	58.7	17.7		16.6
75+	31.5	55.1	13.4		25.0
Ireland					
16-24	12.1	69.1	18.8		13.2
25-54	13.0	58.6	28.5		14.2
55-64	20.3	51.6	28.1		21.0
65-74	31.8	52.0	16.2		35.2
75+	49.8	40.7	9.4		51.1

	Bottom 20%	Middle 60%	Top 20%		Poor
Italy					
16-24	28.0	59.0	12.9		27.4
25-54	20.6	57.9	21.5		19.9
55-64	19.9	57.3	22.8		19.3
65-74	20.6	62.5	16.9		20.2
75+	19.8	65.3	15.0		18.4
Luxembourg					
16-24	25.1	65.4	9.4		19.0
25-54	16.6	58.6	24.8		10.5
55-64	16.4	58.6	25.0		8.6
65-74	13.6	72.7	13.8		5.6
75+	15.9	69.3	14.9		7.8
Netherlands					
16-24	27.7	61.8	10.5		18.1
25-54	15.4	61.1	23.6		8.6
55-64	14.4	55.9	29.7		6.6
65-74	15.3	61.1	23.6		5.5
75+	16.8	66.4	16.8		2.5
Austria					
16-24	19.3	63.0	17.7		12.6
25-54	17.0	59.8	23.1		10.1
55-64	19.6	55.4	25.0		10.3
65-74	32.6	55.8	11.6		20.3
75+	39.1	46.7	14.2		27.7
Portugal					
16-24	22.1	65.9	12.0		22.2
25-54	16.9	62.5	20.6		17.0
55-64	22.1	56.2	21.7		22.2
65-74	31.6	57.8	10.6		31.8
75+	43.6	48.0	8.4		43.6
Finland					
16-24	38.9	50.9	10.2		28.1
25-54	13.2	59.9	26.9		7.2
55-64	14.4	51.6	34.0		7.6
65-74	21.0	62.5	16.4		11.6
75+	32.4	56.0	11.6		18.8
Sweden					
16-24	26.7	58.7	14.6		18.7
25-54	13.7	61.4	24.9		7.6
55-64	6.9	53.2	39.9		4.4
65-74	12.2	69.4	18.4		4.4
75+	33.2	59.4	7.3		11.1
UK					
16-24	24.1	60.3	15.6		22.1
25-54	13.2	59.3	27.5		11.5
55-64	13.2	61.2	25.6		11.0
65-74	24.5	61.5	14.1		19.0
75+	33.8	57.4	8.7		28.5

Table B.3: Income composition of elderly and working age persons, by income groups

	Bottom 20%					Middle 60%					Top 20%			
Age groups and Country	**Work**	**Private Income**	**Old age benefits**	**Other benefits**		**Work**	**Private Income**	**Old age benefits**	**Other benefits**		**Work**	**Private**	**Old age benefits**	**Other benefits**
25-54														
Belgium	45.5	2.4	4.1	48.0		85.1	2.2	0.8	11.8		85.0	9.1	0.3	5.6
Denmark	59.0	2.1	0.1	38.8		84.8	1.1	0.4	13.7		91.8	2.1	0.3	5.9
Germany	61.1	3.1	0.9	34.9		86.1	2.3	0.6	11.0		91.6	4.9	0.6	3.0
Greece	89.3	3.1	3.1	4.6		92.5	2.7	1.9	2.9		91.2	5.7	1.9	1.2
Spain	82.3	2.5	1.7	13.6		92.8	1.5	0.8	4.9		95.0	2.8	0.3	1.9
France	64.1	2.6	0.6	32.7		88.4	2.6	0.5	8.5		92.5	2.8	0.8	3.9
Ireland	45.8	1.1	0.6	52.4		87.8	1.3	1.0	10.0		94.9	2.4	0.4	2.3
Italy	85.4	4.0	3.0	7.5		93.0	1.8	2.6	2.6		92.4	4.8	1.2	1.7
Luxembourg	70.9	2.0	0.3	26.8		86.1	1.9	1.4	10.6		91.4	4.5	0.5	3.6
Netherlands	70.0	1.5	1.3	27.2		89.9	1.0	0.5	8.6		95.2	1.7	0.2	2.9
Austria	61.9	3.5	2.3	32.4		83.7	2.2	0.9	13.2		92.9	3.3	0.3	3.5
Portugal	74.6	0.6	4.0	20.8		92.9	0.6	1.4	5.1		94.5	1.7	1.5	2.4
Finland	60.2	3.0	0.3	36.6		85.4	1.8	0.4	12.5		86.1	10.3	0.5	3.1
Sweden	49.9	0.8	3.4	45.9		80.0	0.8	2.2	17.0		90.5	3.2	1.1	5.2
UK	46.3	2.3	2.3	49.1		88.0	2.6	1.0	8.4		92.3	5.1	0.9	1.7
55-64														
Belgium	11.3	4.3	43.8	40.6		49.1	4.7	35.9	10.3		68.0	13.6	14.8	3.7
Denmark	16.7	3.6	41.1	38.5		67.4	1.7	15.2	15.8		90.3	3.5	3.4	2.8
Germany	22.6	3.7	39.8	33.9		51.7	3.2	32.4	12.6		66.5	10.0	17.2	6.3
Greece	55.7	2.6	34.8	6.9		61.2	4.3	31.3	3.1		66.1	8.4	24.7	0.8
Spain	24.8	7.6	31.5	36.2		60.1	3.6	18.9	17.3		72.6	5.4	14.8	7.2
France	34.1	5.9	39.6	20.5		45.5	5.1	41.2	8.2		68.4	5.2	20.4	6.0

	Bottom 20%					Middle 60%					Top 20%			
Age groups and Country	**Work**	**Private Income**	**Old age benefits**	**Other benefits**		**Work**	**Private Income**	**Old age benefits**	**Other benefits**		**Work**	**Private**	**Old age benefits**	**Other benefits**
Ireland	28.0	0.4	13.8	57.8		75.9	2.4	13.9	7.9		85.6	4.4	8.9	1.1
Italy	51.2	3.4	35.0	10.4		43.1	2.9	49.9	4.1		59.2	5.3	32.3	3.2
Luxembourg	13.6	3.5	34.9	48.0		36.8	4.6	38.3	20.4		71.7	8.1	14.6	5.5
Netherlands	28.7	3.9	16.6	50.8		54.3	2.2	19.6	23.9		66.5	6.0	18.6	8.9
Austria	14.9	2.4	44.5	38.2		33.6	2.2	50.5	13.6		63.2	2.7	31.3	2.9
Portugal	43.5	2.6	29.3	24.7		59.3	2.7	25.8	12.1		50.5	8.5	37.6	3.4
Finland	31.5	2.3	14.0	52.2		59.2	2.2	10.5	28.1		69.9	16.8	5.7	7.6
Sweden	28.1	3.0	39.0	29.9		56.6	1.8	26.9	14.7		72.3	7.6	15.3	4.8
UK	34.3	7.7	21.0	37.0		61.4	5.4	22.0	11.1		73.7	9.3	13.8	3.1
65-74														
Belgium	0.9	3.1	92.2	3.8		4.4	7.2	87.4	1.0		21.2	24.3	54.5	0.0
Denmark	2.0	7.2	78.9	11.9		12.3	7.7	73.9	6.1		32.4	11.6	53.8	2.1
Germany	1.2	3.5	91.2	4.1		3.8	4.5	90.3	1.5		12.0	10.1	76.9	1.0
Greece	9.9	3.4	82.3	4.4		9.2	4.7	83.8	2.3		13.2	11.9	74.6	0.3
Spain	2.9	2.5	88.5	6.1		5.9	3.9	87.0	3.3		20.7	10.3	65.9	3.1
France	1.1	4.9	89.5	4.5		2.6	5.7	89.8	2.0		4.5	8.1	86.1	1.3
Ireland	5.0	1.6	85.7	7.6		20.3	4.0	72.2	3.6		47.6	10.6	41.5	0.3
Italy	1.6	1.2	89.4	7.8		4.7	2.0	88.6	4.8		24.7	7.2	65.4	2.6
Luxembourg	0.9	0.7	91.4	7.0		2.0	6.1	87.6	4.4		8.8	19.5	68.8	2.9
Netherlands	0.9	1.2	91.2	6.7		1.1	2.6	92.2	4.2		4.5	5.9	88.4	1.1
Austria	0.1	2.8	85.7	11.4		0.8	2.2	91.6	5.5		7.4	5.1	83.8	3.7
Portugal	5.4	0.9	85.0	8.7		16.8	2.0	77.4	3.8		23.0	6.6	69.6	0.8
Finland	2.6	1.2	86.5	9.7		8.6	3.9	79.2	8.3		26.3	7.3	61.7	4.7
Sweden	1.0	2.0	83.3	13.7		3.9	3.0	91.1	2.0		16.3	6.8	76.3	0.6
UK	2.0	4.2	85.2	8.6		8.5	8.3	75.6	7.6		22.7	16.8	59.2	1.3

	Bottom 20%					Middle 60%					Top 20%			
Age groups and Country	**Work**	**Private Income**	**Old age benefits**	**Other benefits**		**Work**	**Private Income**	**Old age benefits**	**Other benefits**		**Work**	**Private**	**Old age benefits**	**Other benefits**
75+														
Belgium	0.0	3.3	95.0	1.7		0.1	10.7	87.0	2.2		1.6	60.4	36.8	1.3
Denmark	0.4	5.2	85.8	8.6		1.4	9.2	83.4	6.0		27.9	5.3	66.2	0.6
Germany	0.0	4.3	93.2	2.5		0.2	4.2	92.8	2.8		2.2	13.1	81.1	3.7
Greece	0.7	5.8	86.7	6.8		3.3	5.3	88.2	3.3		6.5	23.9	68.3	1.4
Spain	0.4	1.5	97.3	0.8		0.2	3.6	94.3	1.9		3.6	10.7	85.1	0.6
France	0.2	3.7	92.6	3.5		0.2	6.9	90.8	2.1		0.0	11.1	87.2	1.7
Ireland	0.3	3.1	94.1	2.6		9.1	4.3	86.0	0.6		19.5	17.2	63.3	0.1
Italy	0.5	1.8	89.4	8.2		0.8	2.4	89.6	7.3		1.2	9.7	83.1	6.0
Luxembourg	0.0	1.4	96.4	2.2		0.2	5.3	91.6	3.0		1.1	31.9	64.4	2.7
Netherlands	0.0	1.8	98.1	0.1		0.1	3.8	94.3	1.8		3.3	10.5	86.0	0.1
Austria	0.0	2.0	88.7	9.3		0.1	2.0	92.2	5.6		0.0	4.7	91.3	4.0
Portugal	0.7	1.0	96.8	1.5		3.4	3.5	91.4	1.8		11.5	14.9	72.9	0.7
Finland	1.6	1.8	94.8	1.7		1.3	4.4	91.2	3.1		6.2	9.2	77.3	7.3
Sweden	0.3	2.7	87.9	9.1		1.1	3.9	93.9	1.1		6.6	5.6	87.6	0.2
UK	0.2	4.2	85.5	10.0		1.0	7.7	78.3	13.0		0.0	22.8	73.3	4.0

Table B.4: Average income composition of elderly and working age persons, by at-risk-of-poverty status

	Poor					Non Poor			
Age groups and Country	**Work**	**Private Income**	**Old age benefits**	**Other benefits**		**Work**	**Private Income**	**Old age benefits**	**Other benefits**
25-54									
Belgium	35.8	2.1	5.8	56.4		84.3	5.1	0.7	10.0
Denmark	52.8	4.3	0.0	42.9		86.5	1.5	0.3	11.8
Germany	48.3	3.8	1.0	47.0		87.1	3.2	0.6	9.1
Greece	89.1	3.4	2.9	4.6		92.0	3.9	1.9	2.2
Spain	81.8	2.5	1.7	14.0		93.7	2.0	0.6	3.7
France	62.0	2.7	0.8	34.5		89.5	2.7	0.6	7.3
Ireland	49.3	1.0	0.7	49.0		91.1	1.8	0.7	6.3
Italy	85.0	4.1	3.2	7.7		92.7	3.1	2.0	2.2
Luxembourg	68.7	1.9	0.0	29.4		87.8	3.0	1.0	8.2
Netherlands	64.4	2.3	1.1	32.2		91.1	1.3	0.4	7.2
Austria	53.5	3.9	3.3	39.4		86.3	2.6	0.7	10.3
Portugal	74.9	0.6	4.0	20.6		93.6	1.1	1.4	3.9
Finland	54.2	3.3	0.4	42.1		85.0	5.6	0.4	9.0
Sweden	50.1	0.9	2.1	46.9		82.6	1.7	1.9	13.9
UK	44.9	2.4	2.2	50.6		89.5	3.8	1.0	5.8
55-64									
Belgium	14.8	6.5	32.5	46.2		58.7	9.7	24.5	7.1
Denmark	22.0	6.1	29.2	42.8		76.8	2.6	10.6	10.1
Germany	19.3	4.1	42.5	34.0		57.1	6.2	25.9	10.8
Greece	55.2	3.2	34.7	6.9		63.5	6.2	28.3	2.0
Spain	22.3	7.9	33.3	36.5		66.0	4.5	16.9	12.6

	Poor					Non Poor			
Age groups and Country	**Work**	**Private Income**	**Old age benefits**	**Other benefits**		**Work**	**Private Income**	**Old age benefits**	**Other benefits**
France	33.2	5.2	40.7	20.8		58.3	5.2	29.3	7.1
Ireland	26.9	0.5	16.2	56.4		81.1	3.4	11.1	4.3
Italy	51.6	3.3	34.6	10.6		50.0	4.0	42.4	3.7
Luxembourg	10.7	5.6	27.4	56.3		52.6	6.1	27.3	14.0
Netherlands	28.8	5.3	10.4	55.4		59.3	4.1	19.1	17.5
Austria	20.6	3.5	46.0	30.0		45.4	2.4	41.7	10.5
Portugal	43.1	2.9	29.6	24.4		54.5	5.9	32.3	7.3
Finland	34.9	3.6	13.3	48.2		64.6	10.7	7.8	16.9
Sweden	29.7	4.8	46.0	19.6		65.1	5.1	20.4	9.4
UK	35.1	9.7	21.4	33.8		66.6	7.2	18.2	8.0
65-74									
Belgium	1.6	2.9	92.4	3.2		8.5	11.5	79.0	1.1
Denmark	1.1	6.6	87.0	5.3		15.2	8.6	69.1	7.1
Germany	1.4	3.7	88.6	6.3		6.0	6.1	86.6	1.4
Greece	10.1	3.4	82.1	4.4		10.3	6.8	81.2	1.7
Spain	2.3	2.5	89.5	5.8		10.3	5.8	80.6	3.3
France	1.7	5.2	88.3	4.8		3.2	6.5	88.5	1.8
Ireland	5.4	1.5	85.8	7.3		33.7	7.3	57.0	2.0
Italy	1.7	1.2	89.1	8.0		12.0	3.9	80.1	4.0
Luxembourg	2.6	0.5	84.0	12.9		3.4	8.8	83.8	4.0
Netherlands	2.3	2.5	87.2	8.0		2.4	3.9	90.7	3.1
Austria	0.1	3.8	88.9	7.2		2.6	3.0	88.4	6.1
Portugal	5.4	0.9	85.1	8.6		19.1	3.7	74.5	2.7
Finland	2.0	0.9	85.6	11.5		14.4	5.0	73.6	7.0
Sweden	0.6	1.6	76.4	21.5		7.7	4.2	86.2	2.0

	Poor					Non Poor			
Age groups and Country	**Work**	**Private Income**	**Old age benefits**	**Other benefits**		**Work**	**Private Income**	**Old age benefits**	**Other benefits**
UK	1.1	2.9	89.1	7.0		12.9	11.0	70.3	5.8
75+									
Belgium	0.0	4.1	94.7	1.3		0.7	29.2	68.3	1.9
Denmark	0.4	4.3	89.4	5.8		6.8	7.8	78.9	6.5
Germany	0.0	6.1	92.1	1.8		0.8	7.0	89.1	3.1
Greece	0.7	5.8	86.7	6.8		4.2	10.8	82.2	2.7
Spain	0.5	1.4	97.3	0.8		1.0	5.4	92.1	1.6
France	0.3	3.6	93.4	2.7		0.1	8.1	89.7	2.1
Ireland	0.3	3.0	94.2	2.5		12.5	8.3	78.8	0.5
Italy	0.6	1.5	89.4	8.5		0.9	4.5	87.8	6.9
Luxembourg	0.0	1.7	96.0	2.3		0.4	12.4	84.3	2.9
Netherlands	0.0	4.5	95.5	0.0		1.1	5.8	92.0	1.1
Austria	0.0	2.1	90.3	7.5		0.1	2.8	91.2	5.9
Portugal	0.7	1.0	96.8	1.5		5.7	6.7	86.2	1.5
Finland	1.8	1.3	95.5	1.5		2.4	5.3	88.3	3.9
Sweden	0.4	3.3	88.0	8.3		1.7	3.9	91.8	2.6
UK	0.1	4.6	86.9	8.4		0.7	10.8	77.3	11.1

Table B.5: Income composition of elderly persons, with a further breakdown of old-age benefits (Using LIS data)

	Data derived from the Luxembourg Income Study database						
	Single person household						
	Work	**Private**	**Old age benefits**				**Other benefits**
			First Pillar	**Second pillar**	**Means tested benefits**	**Total Old age**	
Single							
65-74							
Germany	4.8	6.9	72.9	12.3	0.4	85.6	2.7
Italy	7.8	8.8	62.2	16.0	2.1	80.2	3.1
Netherlands	1.1	5.4	54.3	35.6	1.6	91.4	2.0
Sweden	4.9	6.7	68.8	13.1	1.3	83.2	5.2
UK	3.4	11.4	42.5	26.1	2.5	71.1	14.0
	Single person household						
	Work	**Private**	**Old age benefits**				**Other benefits**
			First Pillar	**Second pillar**	**Means tested benefits**	**Total Old age**	
Single							
75+							
Germany	0.3	7.7	72.2	15.1	0.2	87.5	4.5
Italy	1.4	10.6	64.4	14.2	4.4	83.0	5.1
Netherlands	0.3	3.9	62.2	31.7	0.1	94.0	1.7
Sweden	0.5	6.2	73.5	11.1	0.3	84.9	8.3
UK	0.5	10.7	44.3	21.6	3.9	69.8	19.0
	Couples 65+ (2 persons households)						
	Work	**Private**	**Old age benefits**				**Other benefits**
			First Pillar	**Second pillar**	**Means tested benefits**	**Total Old age**	
Couples							
65+							
Germany	5.0	8.4	69.4	15.0	0.1	84.6	2.0
Italy	5.7	10.0	59.6	15.3	3.3	78.1	6.2
Netherlands	1.4	7.1	47.9	42.5	0.1	90.6	0.9
Sweden	2.5	9.9	72.2	14.2	0.2	86.6	1.0
UK	3.4	14.1	43.5	31.6	0.3	75.4	7.1

Table B.6: Personal income levels by income and age groups of elderly and working age persons

	Bottom 20%				Middle 60%				Top 20%			
Age groups and Country	**Work**	**Private Income**	**Old age benefits**	**Other benefits**	**Work**	**Private Income**	**Old age benefits**	**Other benefits**	**Work**	**Private**	**Old age benefits**	**Other benefits**
25-54												
Belgium	4521	241	405	4770	14630	383	144	2029	25345	2704	104	1679
Denmark	6078	220	10	3997	14372	190	66	2322	21986	498	64	1408
Germany	5853	299	82	3343	13199	357	96	1686	23128	1232	143	757
Greece	2937	102	100	150	7688	224	161	241	15450	962	320	202
Spain	3567	108	72	589	9093	143	81	483	19885	586	58	394
France	5432	221	51	2771	13926	405	76	1344	27233	836	224	1160
Ireland	2799	68	39	3202	11458	171	124	1302	22327	558	102	551
Italy	3370	157	120	298	9254	180	259	259	17456	911	217	317
Luxembourg	9567	264	45	3616	19283	430	323	2374	36932	1814	211	1443
Netherlands	5949	127	110	2312	13064	151	70	1248	22055	396	50	667
Austria	5380	301	197	2816	12619	327	143	1990	22545	811	69	849
Portugal	2339	18	125	652	7156	46	109	394	16606	297	255	418
Finland	5798	286	27	3525	16037	336	69	2347	30829	3688	184	1121
Sweden	3755	59	256	3454	10269	102	279	2182	17852	629	223	1026
UK	3572	177	178	3788	13540	402	148	1296	26535	1469	258	477
55-64												
Belgium	735	280	2850	2642	6471	616	4732	1358	22126	4425	4816	1207
Denmark	1279	277	3147	2948	9251	231	2086	2169	22042	852	837	686
Germany	1630	266	2871	2445	6755	423	4233	1646	16933	2536	4380	1602
Greece	1558	72	973	194	4203	298	2150	216	12858	1638	4805	148
Spain	825	252	1048	1205	5414	328	1703	1559	16259	1218	3314	1606
France	2268	389	2634	1364	5873	657	5318	1064	22501	1717	6711	1970
Ireland	1226	19	604	2531	7566	235	1386	784	16641	848	1736	210
Italy	2461	162	1682	500	4093	275	4739	391	10719	961	5849	570

	Bottom 20%				Middle 60%				Top 20%			
Age groups and Country	**Work**	**Private Income**	**Old age benefits**	**Other benefits**	**Work**	**Private Income**	**Old age benefits**	**Other benefits**	**Work**	**Private**	**Old age benefits**	**Other benefits**
Luxembourg	1665	431	4274	5878	7015	873	7301	3889	31281	3543	6370	2400
Netherlands	1876	254	1085	3320	7071	289	2552	3112	16725	1496	4678	2248
Austria	998	160	2982	2559	4240	281	6372	1716	15314	645	7584	698
Portugal	1055	63	711	599	3636	168	1582	742	9951	1665	7409	676
Finland	2488	178	1106	4123	8949	336	1587	4248	24557	5902	2013	2670
Sweden	1456	158	2021	1549	6190	192	2942	1608	14378	1511	3043	959
UK	1909	428	1169	2060	7687	679	2754	1390	19242	2439	3603	817
65-74												
Belgium	65	219	6573	272	543	896	10829	123	5783	6628	14865	1
Denmark	160	568	6243	942	1583	985	9512	784	9769	3497	16221	645
Germany	94	273	7062	317	470	557	11280	190	2844	2394	18226	237
Greece	308	107	2557	136	584	295	5294	145	1701	1534	9615	40
Spain	132	112	3986	274	471	309	6964	262	3768	1875	11995	561
France	79	342	6268	316	318	714	11191	246	1184	2114	22503	329
Ireland	265	85	4517	402	1623	318	5774	285	10560	2352	9207	60
Italy	87	63	4785	417	405	174	7705	417	4640	1358	12286	490
Luxembourg	106	90	11268	862	384	1189	17155	858	2913	6440	22721	948
Netherlands	69	88	6761	497	123	306	10701	482	1025	1336	19952	251
Austria	7	198	5983	796	86	247	10335	616	1852	1283	21120	943
Portugal	172	28	2687	274	969	115	4462	221	4254	1217	12874	157
Finland	192	91	6373	715	1077	492	9916	1038	7274	2019	17065	1300
Sweden	66	138	5682	934	368	286	8648	187	2933	1222	13730	114
UK	129	277	5570	561	968	950	8638	865	5823	4309	15185	341

	Bottom 20%				Middle 60%				Top 20%			
Age groups and Country	**Work**	**Private Income**	**Old age benefits**	**Other benefits**	**Work**	**Private Income**	**Old age benefits**	**Other benefits**	**Work**	**Private**	**Old age benefits**	**Other benefits**
75+												
Belgium	0	261	7510	130	17	1439	11702	297	891	33234	20248	688
Denmark	30	413	6756	678	181	1224	11071	800	10830	2073	25696	213
Germany	0	363	7811	205	33	566	12557	380	537	3242	20071	913
Greece	23	177	2632	206	214	347	5804	214	991	3645	10418	206
Spain	24	78	5261	45	12	284	7407	151	599	1785	14199	99
France	16	251	6324	238	25	938	12310	278	0	3095	24317	474
Ireland	16	167	5094	139	757	355	7159	53	3227	2846	10474	9
Italy	29	99	4786	441	69	213	8105	661	191	1528	13090	937
Luxembourg	0	173	12007	279	49	1133	19773	641	436	12987	26219	1099
Netherlands	0	143	7772	10	11	456	11275	218	840	2665	21829	28
Austria	0	153	6872	721	17	248	11189	683	0	975	19026	840
Portugal	21	31	3123	49	196	201	5281	101	1511	1958	9578	87
Finland	118	135	6951	126	152	521	10764	366	1191	1767	14830	1404
Sweden	20	186	6040	627	105	377	9015	108	1095	920	14474	33
UK	14	299	6020	704	116	908	9255	1537	0	5515	17731	958

Source: Authors' computations based on ECHP (income levels are expressed in 2001 EURO-adjusted ppps).

Table B.7: Personal income levels by at-risk-of-poverty status and age groups

	Poor				Non poor			
Age groups and Country	**Work**	**Private Income**	**Old age benefits**	**Other benefits**	**Work**	**Private**	**Old age benefits**	**Other benefits**
25-54								
Belgium	3201	188	516	5042	17269	1041	137	2049
Denmark	4136	338	0	3361	16152	271	63	2203
Germany	3832	304	75	3729	15123	563	106	1573
Greece	2975	112	98	154	9619	405	202	231
Spain	3464	104	72	593	11808	257	75	460
France	4945	215	67	2751	16878	504	109	1369
Ireland	3095	63	43	3076	15082	300	117	1050
Italy	3301	160	123	300	11411	375	245	275
Luxembourg	8419	234	0	3603	23655	808	278	2196
Netherlands	4506	160	73	2253	15008	209	71	1178
Austria	3710	268	231	2732	14802	453	124	1767
Portugal	2354	18	125	647	9502	108	145	400
Finland	4152	254	29	3225	19786	1304	99	2086
Sweden	3009	55	124	2816	11950	242	272	2011
UK	3279	172	157	3695	17350	729	185	1128
55-64								
Belgium	844	373	1854	2635	11438	1880	4774	1391
Denmark	1385	381	1839	2695	13118	437	1811	1725
Germany	1191	254	2623	2098	9247	1006	4194	1749
Greece	1569	92	987	195	6229	603	2776	200
Spain	726	257	1084	1188	8258	562	2115	1577
France	2020	318	2476	1265	11375	1017	5717	1393
Ireland	1185	23	714	2486	10824	451	1481	578
Italy	2468	156	1655	507	5946	470	5042	441
Luxembourg	1339	705	3430	7048	13250	1542	6877	3527
Netherlands	1447	267	522	2783	9803	675	3158	2893
Austria	1197	201	2674	1744	6970	365	6402	1612
Portugal	1052	70	723	596	5402	583	3202	726
Finland	2527	260	963	3490	14196	2351	1719	3714
Sweden	1202	193	1862	793	9481	740	2971	1369
UK	1770	491	1079	1705	10839	1167	2962	1304
65-74								
Belgium	99	180	5801	200	1182	1597	10969	149
Denmark	75	437	5763	349	2057	1163	9353	964
Germany	97	254	6090	432	837	847	12118	199
Greece	316	107	2565	137	764	501	6022	128
Spain	100	108	3942	255	984	549	7700	314
France	109	338	5712	311	479	984	13320	271
Ireland	289	80	4602	392	3934	848	6655	228
Italy	89	64	4729	424	1300	425	8676	430
Luxembourg	257	47	8295	1274	716	1855	17642	848
Netherlands	141	152	5280	482	339	539	12688	427
Austria	7	222	5266	426	330	383	11412	785
Portugal	171	28	2689	272	1477	285	5760	212

	Poor				Non poor			
Age groups and Country	**Work**	**Private Income**	**Old age benefits**	**Other benefits**	**Work**	**Private**	**Old age benefits**	**Other benefits**
Finland	136	59	5789	778	2141	737	10941	1044
Sweden	33	96	4574	1287	839	455	9436	218
UK	65	179	5432	424	1761	1502	9597	788
75+								
Belgium	0	296	6887	91	126	5288	12368	335
Denmark	30	307	6345	413	941	1084	10978	910
Germany	0	426	6388	123	129	1064	13622	472
Greece	23	177	2634	205	336	857	6521	213
Spain	25	78	5237	45	90	482	8284	141
France	21	224	5887	171	18	1276	14098	332
Ireland	15	162	5137	137	1233	817	7770	44
Italy	31	81	4771	451	90	454	8964	705
Luxembourg	0	195	11276	275	107	2969	20181	685
Netherlands	0	278	5921	0	152	789	12624	155
Austria	0	151	6352	529	11	377	12245	794
Portugal	21	31	3123	49	389	459	5910	99
Finland	120	87	6525	102	297	651	10839	484
Sweden	26	194	5159	485	164	373	8830	248
UK	6	305	5808	561	97	1415	10126	1454

Source: Authors' computations based on ECHP (income levels are expressed in 2001 euro-adjusted ppps).