

POVERTY BY INDIVIDUAL AND HOUSEHOLD CHARACTERISTICS

Relative poverty rates differ significantly across different population groups. Important factors increasing or decreasing the risk of poverty include age, presence of children and numbers of wage-earners within a household.

Definition

Group-specific poverty rates are headcounts of how many people of a population group fall below the poverty line, in percentage of the total number in that population group. The poverty line used here is 50% of the median household disposable income, adjusted for household size. Children are persons with less than 18 years of age, working-age people are persons between age 18 and 65 and adults are persons aged 18 and over. A worker is an adult with a non-zero annual earning or self-employment income. In addition to poverty rates, indicators show here include the poverty risk (i.e. the age-specific poverty rate divided by the poverty rate for the entire population, times 100) and the share of various population groups that are counted as poor.

Income is defined as household disposable income in a particular year. It consists of earnings, self-employment and capital income and public cash transfers; income taxes and social security contributions paid by households are deducted. The income of the household is attributed to each of its members, with an adjustment to reflect differences in needs for households of different sizes (i.e. the needs of a household composed of four people are assumed to be twice as large as those of a person living alone).

Comparability

Data used here were provided by national experts applying common methodologies and standardised definitions. In many cases, experts have made several adjustments to their source data to conform to standardized definitions. While this approach improves comparability, full standardisation cannot be achieved. Also, small differences between periods and across countries are usually not significant.

Overview

Around 9% of the OECD population of working age are poor. On average, the poverty rate for people living in households where no one works (and with a head of working age) is 36%, i.e. almost three times higher than for households with one worker, and 12 times higher than for households with two or more workers. However, work alone is not sufficient to avoid poverty: 60% of poor people live in households where one or more members have a paid-job, with much higher shares in Japan, Greece, Luxembourg, Turkey, Iceland and Mexico.

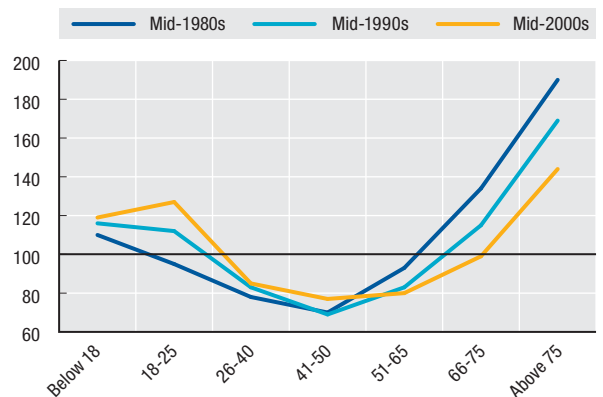
Over the past 20 years, poverty risks have shifted from older population groups to young adults and children. The OECD poverty rate among people aged 66 to 75 is today below the average for the entire population, while the poverty rate of single-parent households is three times larger. For both single parents and couples with children, absence of work implies poverty rates close to and above 50%.

Measurement problems are especially severe at the bottom end of the income scale. Estimates of poverty rates for various population groups may also reflect small sample sizes. Small differences between periods and across countries are usually not significant. Exact years for each country are provided under the section on “Measures of income inequality”.

Data for people belonging to households with a head of working age for Switzerland refer to households without children.

Risk of relative poverty by age of individuals, OECD average

As a percentage of the entire population in each year = 100



StatLink <http://dx.doi.org/10.1787/540111027104>

Source

- OECD (2008), *Growing Unequal? Income Distribution and Poverty in OECD Countries*, OECD, Paris.

Further information

Analytical publications

- OECD (2009), *Society at a Glance 2008: OECD Social Indicators*, OECD, Paris.
- OECD (2009), *Enhancing Child Well-being*, OECD, Paris.
- Adema, W. and P. Whiteford (2007), *What Works Best in Reducing Child Poverty: A Benefit or Work Strategy?*, OECD Social Employment and Migration Working Papers, No. 51, OECD Social Employment and Migration Working Papers, No. 51, OECD, Paris.

Statistical publications

- UNICEF (2007), *Child poverty in perspective: An overview of child well-being in rich countries*, Innocenti Report Card 7, UNICEF, Florence.

Web sites

- OECD Social and Welfare Statistics, www.oecd.org/statistics/social.
- OECD work on income distribution and poverty, www.oecd.org/els/social/inequality.



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Poverty rates

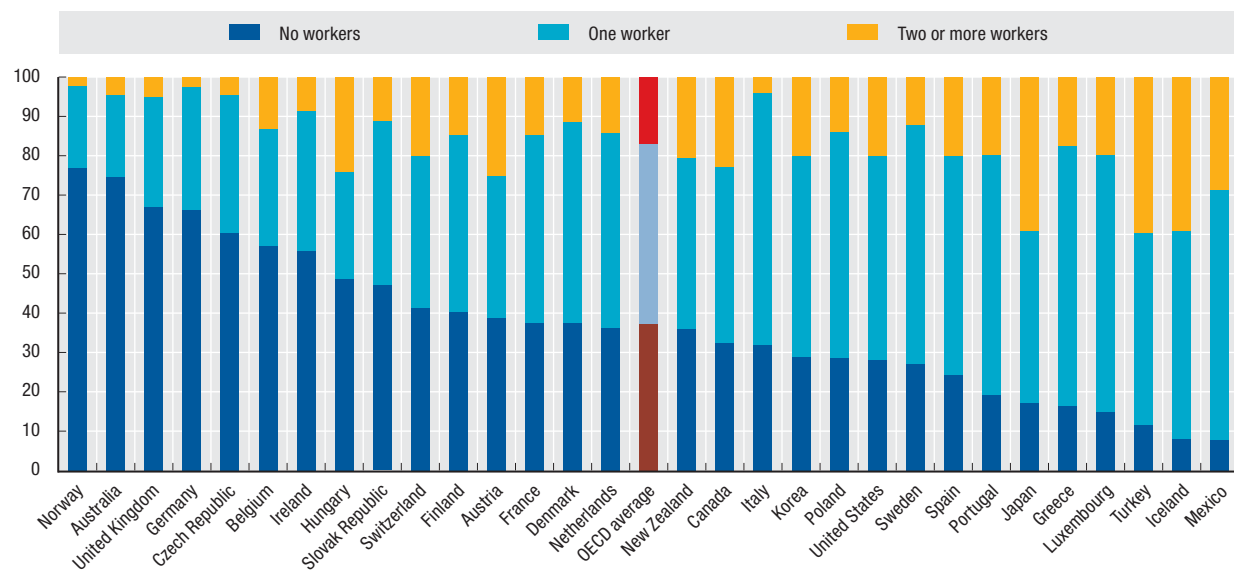
As a percentage of different groups of the population, mid-2000s

Working age people	People from households with a head of working age				Children	People from households with children and a head of working age							
	All	No workers	One worker	Two workers		Single			Couple				
						All single parents	Not working	Working	All couples with children	No workers	One worker	Two and more workers	
Australia	10	10	55	7	1	12	38	68	6	7	51	8	1
Austria	7	6	22	6	3	6	21	51	11	4	36	4	3
Belgium	7	8	25	8	2	10	25	43	10	7	36	11	3
Canada	12	13	66	21	4	15	45	89	32	9	81	22	4
Czech Republic	5	6	38	7	0	10	32	71	10	6	43	9	1
Denmark	5	5	18	8	1	3	7	20	4	2	21	5	0
Finland	7	6	34	10	1	4	14	46	6	3	23	9	1
France	7	7	22	10	2	8	19	46	12	6	48	12	2
Germany	10	12	40	7	1	16	41	56	26	9	47	6	1
Greece	9	10	26	18	3	13	27	84	18	12	39	22	4
Hungary	7	7	19	6	4	9	25	44	16	7	22	6	3
Iceland	7	7	28	19	4	8	18	23	17	6	51	29	4
Ireland	12	13	63	15	2	16	47	75	24	10	55	16	2
Italy	10	11	36	16	1	16	..	..	16	14	78	24	1
Japan	12	12	42	14	9	14	59	60	58	11	50	11	10
Korea	12	11	58	13	4	10	27	29	26	8	65	10	4
Luxembourg	8	9	19	15	3	12	41	69	38	10	27	16	5
Mexico	15	18	37	26	10	22	33	30	34	19	53	27	11
Netherlands	7	8	34	13	2	12	39	62	27	6	65	12	2
New Zealand	11	12	46	19	4	15	39	48	30	9	47	21	3
Norway	7	6	38	4	0	5	13	31	5	2	29	4	0
Poland	14	16	33	23	5	22	44	75	26	18	51	28	6
Portugal	11	11	37	24	3	17	33	..	26	13	53	34	5
Slovak Republic	8	9	38	15	1	11	33	66	24	9	66	18	2
Spain	11	11	49	18	4	17	41	78	32	14	71	23	5
Sweden	6	5	23	9	1	4	8	18	6	3	36	14	1
Switzerland	7	6	25	6	2	9	22	..	..	8	..	..	..
Turkey	14	17	19	17	18	25	39	44	32	20	28	19	20
United Kingdom	7	8	33	7	1	10	24	39	7	6	36	9	1
United States	15	16	71	25	5	21	48	92	36	14	82	27	6
OECD average	9	10	36	14	3	12	31	54	21	9	48	16	4

StatLink <http://dx.doi.org/10.1787/544721650740>

Poor people by number of workers in the household

As a percentage of poor people living in households with a head of working age, mid-2000s

StatLink <http://dx.doi.org/10.1787/540107246087>



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