

Living Conditions Survey (LCS)
Year 2012. *Provisional data*

The average annual income of Spanish households reaches 24,609 euros in 2011, with a 1.9% decrease as compared with the previous year

21.1% of the population resident in Spain is below the at-risk-of-poverty threshold in 2012, indicating a 0.7 point decrease as compared with the previous year

Average income

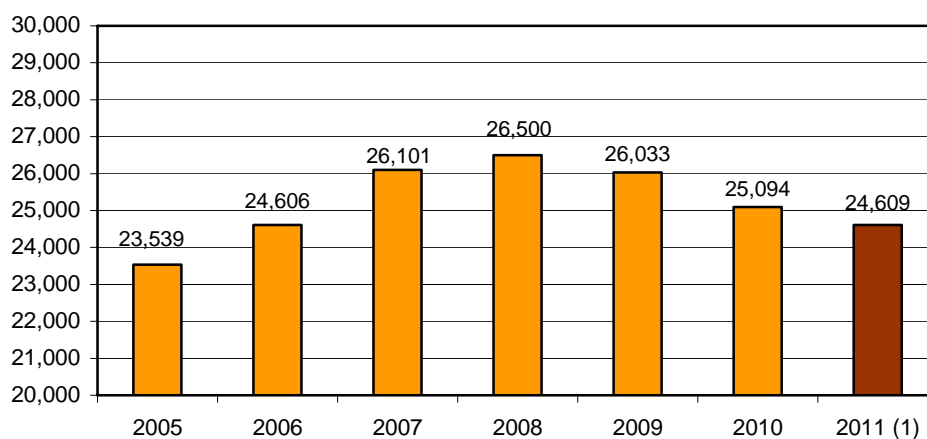
The provisional results of the Living Conditions Survey (LCS) for the year 2012 provided information regarding the average income of households during the year 2011. According to these results, average net annual monetary income per household reached 24,609 euros, with a 1.9% decrease as compared with the previous year.

Today the INE is publishing the final results of the LCS for the year 2011, enabling a more detailed breakdown of the at-risk-of-poverty rate and of the average income. Specifically, it offers data on income by Autonomous Community.

Average income per person reached 9,321 euros, a figure 1.3% lower than that registered the previous year.

Performance of average household income

Euros



(1) Provisional data

At-risk-of-poverty threshold

The at-risk-of-poverty threshold is calculated each year using the distribution of income for the previous year. Following the criteria recommended by Eurostat, this threshold is set at 60% of the median income per consumption unit of persons.¹ Therefore, it increases or decreases as does the median income.

Different at-risk-of-poverty thresholds are obtained according to the size of the household and the ages of its members.

In the case of households including two adults and two minors, the threshold stood at 15,445 euros in 2012, that is, 2% below that calculated for 2011.

Population at risk of poverty

At-risk-of-poverty rate

Euros

	2008	2009	2010	2011	2012 ⁽¹⁾
1-person households	7,770	7,980	7,818	7,509	7,355
Households with 2 adults and 2 children	16,317	16,758	16,418	15,768	15,445

⁽¹⁾ Provisional data.

Although average income decreased, the percentage of the population below the poverty threshold (the so-called *at-risk-of-poverty rate*²) was also reduced, as compared with the previous year, above all due to the effect of those persons over 65 years of age.

Thus, in 2012, the at-risk-of-poverty rate stood at 21.1% of the population of Spain, as compared with the 21.8% recorded in 2011.

Worth noting was the decrease in this rate among those persons over 65 years of age, dropping from 21.7% in 2010 to 16.9% in 2012.

In turn, the percentage of the population below the poverty threshold increase among those persons aged 16 to 64 years old, rising from 19.4% in 2010 to 21.0% in 2012.

At-risk-of-poverty rate by age (without imputed rent)

Percentages

	2010	2011	2012 ⁽¹⁾
TOTAL	20.7	21.8	21.1
Under 16 years old	25.3	26.7	25.9
16 to 64 years old	19.4	20.8	21.0
65 years old and over	21.7	20.8	16.9

⁽¹⁾ Provisional data.

On considering the value of imputed rent³, the at-risk-of-poverty rate decreased to 18.4% in the year 2012.

¹ The median is the value which, ordering all individuals from lowest to highest income, leaves half of them below the aforementioned value, and the other half above it. Therefore, as this is a relative measurement, its value depends on the income level and on how income is distributed throughout the population. The methodological note (page 10) provides reference values for the poverty thresholds.

² The at-risk-of-poverty rate in 2012 is the percentage of persons who are below the poverty threshold corresponding to that year

The fact of considering the value of the dwelling in which the household resides in the calculation, when said dwelling is owned by the household or the household has it free of charge, leads to the at-risk-of-poverty rate decreasing for all age groups.

The population over 65 years old, for which a greater proportion owned its dwelling of residence, presented the lowest at-risk-of-poverty percentage (8.5% in 2012). In turn, one out of four persons under 16 years of age stood below the poverty threshold.

At-risk-of-poverty rate by age (with imputed rent)

Percentages

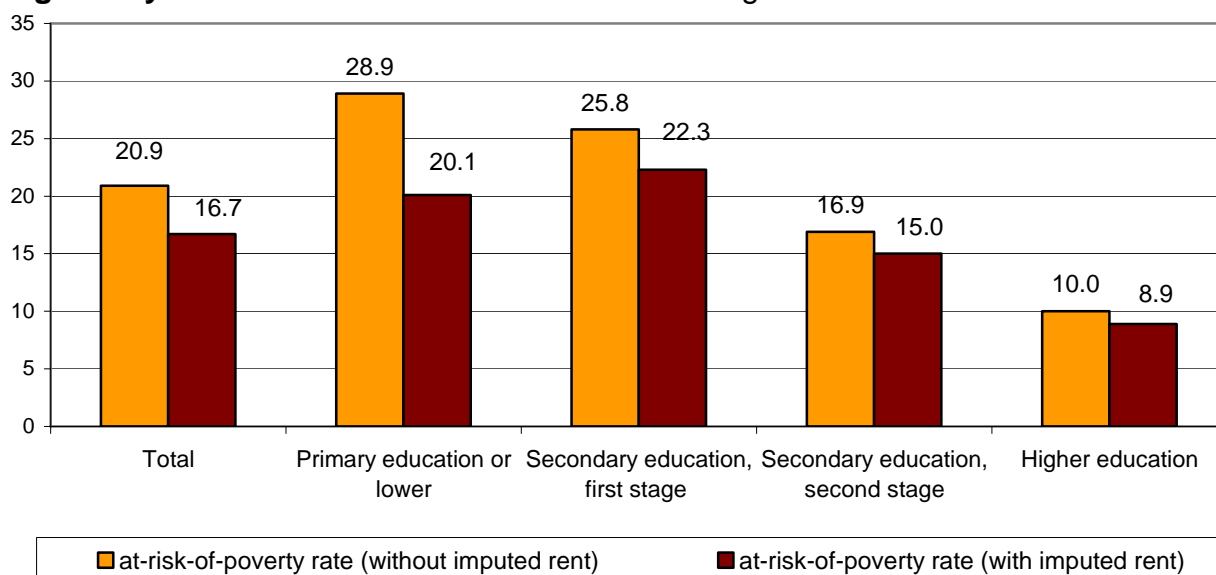
	2010	2011	2012 ⁽¹⁾
TOTAL	17.1	18.1	18.4
Under 16 years old	24.7	25.7	25.0
16 to 64 years old	17.1	18.4	19.3
65 years old and over	10.1	9.7	8.5

⁽¹⁾ Provisional data.

Population at risk of poverty, according to characteristics

The at-risk-of-poverty rate differs, depending on the educational level of the individual. Thus, 28.9% of the population that had attained an educational level equivalent to primary education or less was at risk of poverty. When the level reached was higher education, the said rate stood at 10.0%.

At-risk-of-poverty rate by educational level attained (persons aged 16 years old and over. Year 2011. Percentages

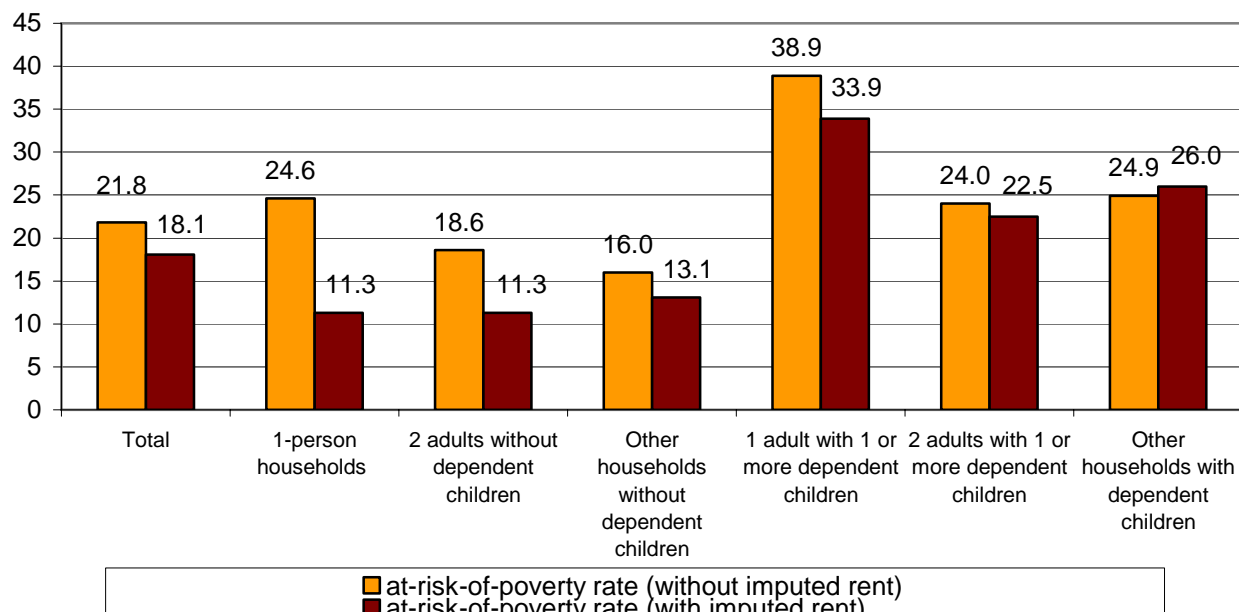


³ The LCS, in accordance with Community regulations, estimates the value of the use made of the dwelling by the household, when it is owned by said household. See the methodological note on page 10.

With regard to the importance of the type of household, 38.9% of the total persons living in households comprising one adult and dependent children stood at risk of poverty.

At-risk-of-poverty rate by type of household. Year 2011.

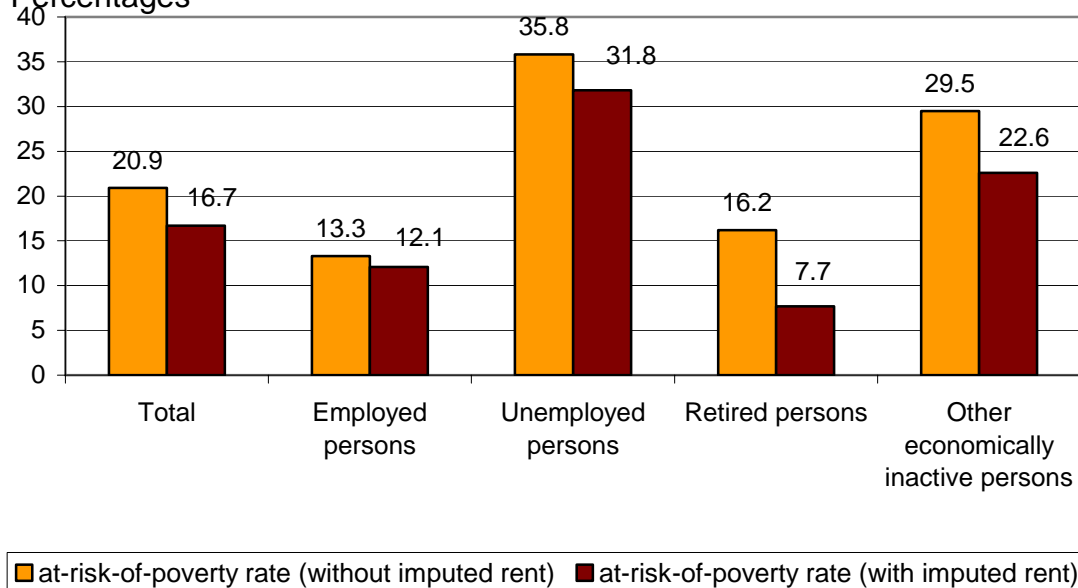
Percentages



In terms of economic activity, 35.8% of unemployed persons were at risk of poverty. In turn, 13.3% of employed persons were below the at-risk-of-poverty threshold.

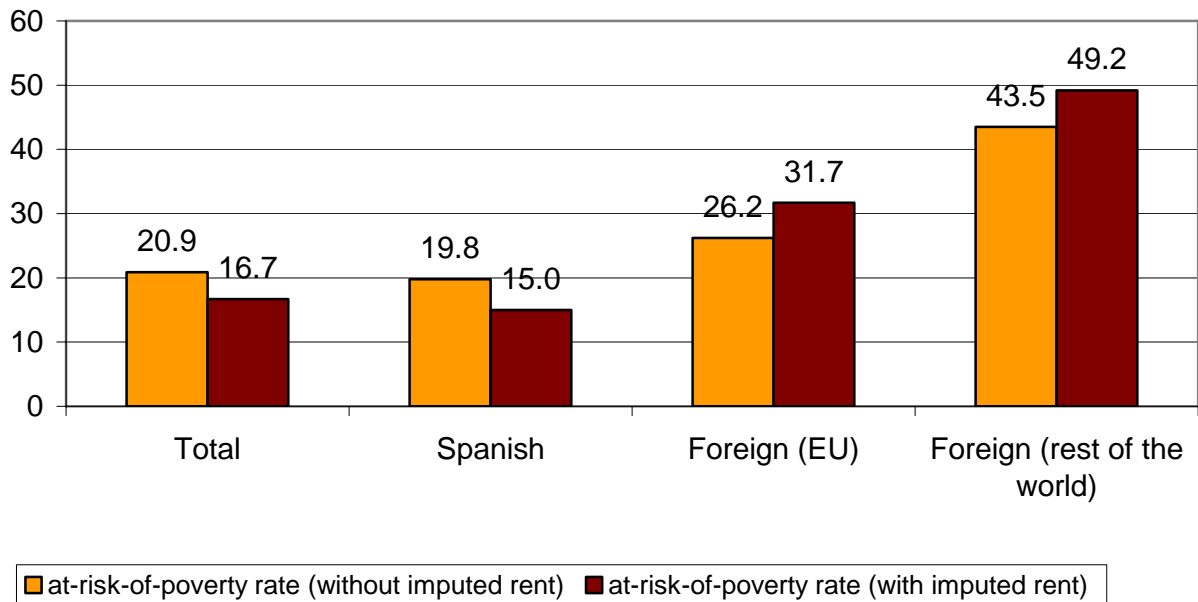
At-risk-of-poverty rate by relationship with economic activity (persons aged 16 years old and over). Year 2011.

Percentages



The percentage of persons below the at-risk-of-poverty threshold ranged between 19.8% if the nationality was Spanish and 43.5% if the nationality was from a country outside the European Union.

At-risk-of-poverty rate by nationality (persons aged 16 years old and over). Year 2011. Percentages



Results by Autonomous Community

Net average annual income per person.

Year 2010. Euros

País Vasco	12,435
Navarra, Comunidad Foral de	12,248
Madrid, Comunidad de	11,046
Asturias, Principado de	10,865
Aragón	10,161
Cataluña	10,101
Balears, Illes	9,934
Castilla y León	9,563
Cantabria	9,555
TOTAL	9,446
Rioja, La	9,261
Galicia	9,182
Comunitat Valenciana	9,052
Canarias	8,340
Castilla-La Mancha	8,208
Extremadura	7,756
Andalucía	7,753
Murcia, Región de	7,536
Ceuta	9,364
Melilla	8,307

At-risk-of-poverty rate. Year 2011

Percentages

Navarra, Comunidad Foral de	8.8
Asturias, Principado de	9.9
País Vasco	10.8
Madrid, Comunidad de	15.9
Aragón	16.6
Cataluña	16.6
Balears, Illes	18.5
Galicia	18.8
Comunitat Valenciana	19.0
Cantabria	20.3
TOTAL	21.8
Castilla y León	23.5
Rioja, La	24.4
Murcia, Región de	26.4
Castilla-La Mancha	31.7
Andalucía	31.7
Extremadura	31.9
Canarias	33.8
Ceuta	26.5
Melilla	30.9

Household economic situation

In the year 2012, a total of 12.7% of Spanish households stated that they had difficulty making ends meet. This percentage was 2.9 points higher than that registered the previous year.

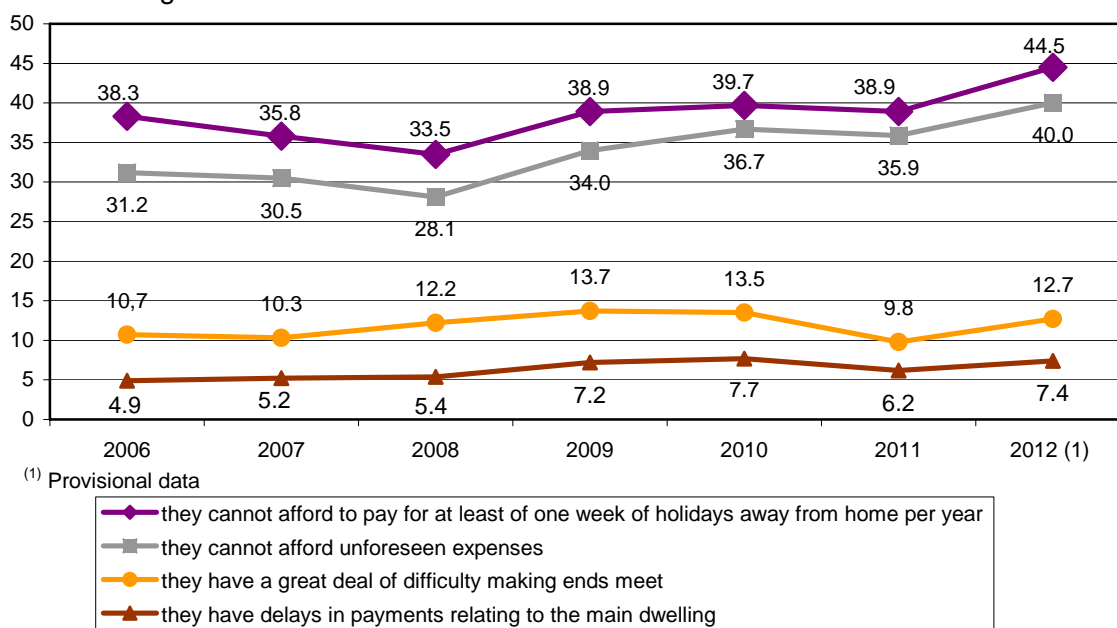
44.5% of households could not afford to pay for at least one week of holidays away from home per year. This percentage was 5.6 points higher than that recorded in 2011.

40.0% of households could not handle unforeseen expenses, as compared with 35.9% from the year 2011.

7.4% of households had late payments when paying expenses related to the main dwelling (mortgage or rent, gas bills, community costs, etc.) in the 12 months prior to the interview. This percentage was 1.2 points higher than that from the previous year.

Performance of household economic difficulties

Percentages



Household economic situation by Autonomous Community

By Autonomous Community, Región de Murcia (60.2%) and Andalucía (57.2%) presented the highest percentages of households that could not afford to pay for at least one week of holidays away from home per year. The lowest percentages corresponded to País Vasco (22.6%) and Comunidad Foral de Navarra (28.8%).

60.8% of households in Canarias and 57.3% of those in Región de Murcia could not handle unforeseen expenses. At the other end of the spectrum were País Vasco (with 18.2% of households) and Comunidad Foral de Navarra (20.0%).

In the case of households with late payments when paying expenses related to the main dwelling, Illes Balears (13.7%) and Andalucía (10.6%) presented the highest percentages. Cantabria (2.6%) and País Vasco (2.7%) registered the lowest percentages.

Household economic difficulties by Autonomous Community. Year 2012

Percentages

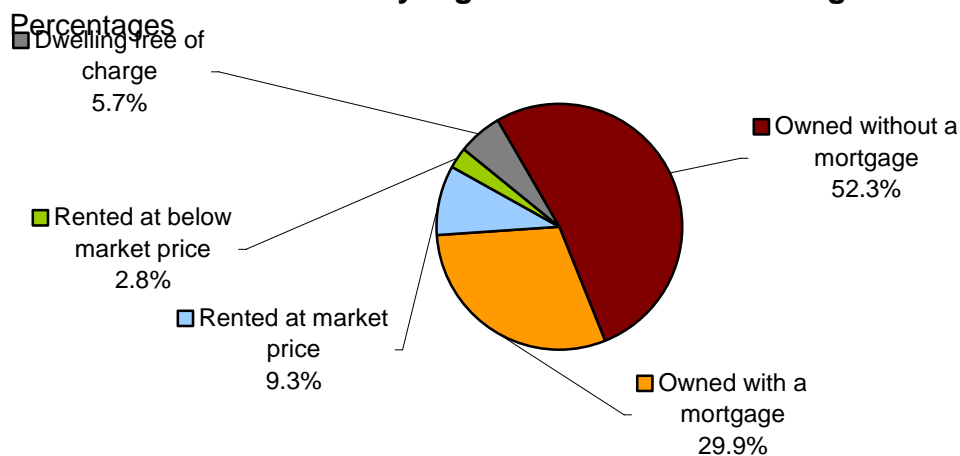
	They cannot afford to pay for at least one week of holidays away from home per year	They cannot handle unforeseen expenses	They have delays in payments related to the main dwelling	They have a great deal of difficulty making ends meet
TOTAL	44.5	40.0	7.4	12.7
Andalucía	57.2	50.6	10.6	19.0
Aragón	30.3	23.5	3.0	4.5
Asturias, Principado de	37.1	27.3	3.7	4.8
Balears, Illes	41.6	32.3	13.7	7.5
Canarias	53.4	60.8	8.5	19.1
Cantabria	32.6	22.1	2.6	7.3
Castilla y León	41.1	25.5	3.4	5.4
Castilla-La Mancha	50.7	46.5	6.4	12.7
Cataluña	39.8	39.0	9.8	12.1
Comunitat Valenciana	50.5	43.6	9.1	13.8
Extremadura	55.3	48.3	4.7	11.7
Galicia	47.6	33.0	5.5	11.9
Madrid, Comunidad de	34.9	39.3	4.8	11.6
Murcia, Región de	60.2	57.3	10.2	22.2
Navarra, Comunidad Foral de	28.8	20.0	3.6	5.1
País Vasco	22.6	18.2	2.7	6.3
Rioja, La	43.9	29.0	7.1	13.2

Provisional data.

Situation of households with regard to housing (tenancy regime)

52.3% of households owned a dwelling without a mortgage in the year 2011. In turn, 29.9% of households owned a dwelling, but with a pending mortgage. Another 9.3% of households were paying rent at market prices.

Distribution of the tenancy regime of the main dwelling.



By Autonomous Community, Principado de Asturias (87.9%) and Comunidad Foral de Navarra (87.4%) presented the highest percentages of households that owned their dwellings. The lowest percentages corresponded to Canarias (72.8%) and Illes Balears (74.2%).

Tenancy regime of the main dwelling by Autonomous Community. Year 2011

Percentages	Owned	Rented at market price	Rented at below market price	Granted free of charge
TOTAL	82.2	9.3	2.8	5.7
Andalucía	85.3	6.6	2.5	5.6
Aragón	79.6	11.2	1.3	7.9
Asturias, Principado de	87.9	6.3	1.5	4.2
Balears, Illes	74.2	16.5	2.0	7.3
Canarias	72.8	9.0	2.8	15.4
Cantabria	85.2	8.0	2.1	4.7
Castilla y León	87.0	6.1	2.8	4.1
Castilla-La Mancha	84.4	8.2	0.8	6.7
Cataluña	75.8	15.2	4.3	4.7
Comunitat Valenciana	86.8	5.1	2.2	5.8
Extremadura	81.9	6.3	2.4	9.5
Galicia	82.2	7.8	1.5	8.5
Madrid, Comunidad de	80.1	12.1	4.7	3.1
Murcia, Región de	86.2	7.3	1.3	5.2
Navarra, Comunidad Foral de	87.4	7.9	2.0	2.7
País Vasco	86.9	7.2	2.1	3.9
Rioja, La	81.8	14.4	0.7	3.1
Ceuta	74.6	6.7	8.2	10.4
Melilla	66.9	18.6	14.2	0.3

Methodological note

Dissemination of provisional data

The Living Conditions Survey (LCS) for 2012 was conducted between the months of April and July 2012. The intention is to release, with a greater degree of anticipation, the main results of the survey. The final data, together with the detailed INEbase tables, will be published around November 2013.

The data used to compile these provisional results has not been filtered in their entirety. Likewise, this press release includes final results from the LCS for 2011, and for which the filtering is already complete.

The 2011 Survey includes a module targeting persons aged 25 to 59 years old, requesting information regarding some characteristics of the households of said persons when they were adolescents (between 12 and 16 years old). **Publication thereof is planned in a press release relating to the module on 8 November 2012.**

The LCS is an annual statistical operation aimed at households, and it is conducted in all European Union countries. These statistics are harmonised with the European Union (EU), supported by Regulation (EC) No. 1177/2003 of the European Parliament and Council, of 16 June 2003, regarding community statistics on income and living conditions.

The LCS was conducted for the first time in 2004. Its main objective is to provide information regarding the income, level and composition of poverty and social exclusion in Spain, and to enable making comparisons with other European Union countries.

Among its uses, the survey is noteworthy due to its constituting a fundamental reference element for tracking the National Action Plan for Social Inclusion.

The LCS also provides longitudinal information, since it is a panel survey in which the persons interviewed participate for four consecutive years. It is thus possible to ascertain the evolution of variables researched over time.

The LCS is specifically designed to obtain information on:

1. Income in private households, and in general, on their economic situation (the information on income refers to the year prior to the survey year).
2. Poverty, deprivation, social protection and equality of treatment.
3. Employment and economic activity.
4. Retirement, pensions and the socio-economic situation of elderly persons.
5. Housing and the costs associated with it.
6. Regional development.
7. Educational level, health and the effects of both on the socio-economic situation.

Definitions

Net household income

This is the income received during the year prior to the interview (therefore, in the 2012 survey, questions refer to the income received in 2011, whereas in the 2011 survey, questions referred to the income received in 2010) by the members of the household, which are the persons who provide this information for the compilation of the survey. This income comprises income from employment working for others, profits/losses from freelance work, social benefits, income from private pension schemes not related to work, capital and property income, transfers between other households, income received by children and the outcome of the income tax return. Non-monetary components are not included, with the exception of company cars.

Net income per household consumption unit and personal income

Income per household consumption unit is calculated in order to take into account economies of scale in households. It is obtained by dividing total household income by the number of consumption units. These are calculated using the modified OECD scale, which assigns a weight of 1 to the first adult, a weight of 0.5 to remaining adults and a weight of 0.3 to children under 14 years of age.

Once the income per household consumption unit is calculated, it is assigned to each of its members. This income per consumption unit of persons (or equivalent income personal income) is used in calculating measurements of poverty risk.

Imputed rent

Imputed rent constitutes a non-monetary component of household income. Imputed rent is applied to those households that do not pay a complete rent, either because they are the resident-owners, or because they reside in the dwelling rented at a price under the market price, or because they live in the dwelling free of charge. The amount imputed is equivalent to the going market price of the rent that would have to be paid for a dwelling similar to that occupied, minus any rent actually paid.

The amount of imputed rent is obtained by combining the amount obtained via an objective method, with the subjective rent provided by the household informant. The objective method used consists of imputing the average of the real rent of dwellings with similar characteristics, in terms of the number of bedrooms, type of dwelling, degree of urbanisation of the area and period of occupation of the dwelling.

Likewise, a deduction is made, from the total household income, of the interest on the loans applied for, for the purchase of the main dwelling.

As with other publications, the at-risk-of-poverty rate by age is calculated also considering imputed rent in the definition of household income. The indicators, including imputed rent, are not final, since the adoption of a final definition by Eurostat is still pending.

Risk of poverty

The poverty threshold depends on the distribution of income by consumption unit of persons. This poverty threshold is set at 60% of the median income per consumption unit of persons. The median is the value that, ordering all individuals from lowest to highest income, leaves half of them below the aforementioned value, and the other half above it.

The at-risk-of-poverty rate is the percentage of persons who are below the poverty threshold.

The threshold for the national group has been used in the results presented.

The value of the poverty threshold, expressed as the equivalent income of the person, is established in euros. In other words, a person with annual income per consumption unit below this threshold is considered to be at risk of poverty.

The value of the poverty threshold, expressed according to the total household income, depends on the size of the household and the age of its members, that is, the number of consumption units in the household.

For the 2012 survey, the value of the poverty threshold is obtained by multiplying the number of household consumption units by 7,354.6. For example, for a household with one adult, the threshold is 7,354.6 euros, for a household with two adults, it is 11,031.9 euros (or 5,516.0 euros per person), for a household with two adults and one child under the age of 14, it is 13,238.3 euros (or 4,412.8 euros per person), for a household with two adults and two children under the age of 14, it is 15,444.7 euros (or 3,861.2 euros per person), etc.