

Every fifth person in Estonia lived in relative poverty in 2014

According to Statistics Estonia, in 2014, 21.6% of the Estonian population lived in relative poverty and 6.3% in absolute poverty. The overall percentage of people living in relative poverty decreased 0.5 percentage points compared to the previous year, the percentage of people living in absolute poverty decreased 1.7 percentage points.

In 2014, the income of the population increased and income inequality slightly decreased. Social transfers (state benefits and pensions) helped to prevent falling into poverty, as had they not been included in income, the at-risk-of-poverty rate would have been 39.4% and the absolute poverty rate – 28.6%.

In 2014, a person was considered to be at-risk-of-poverty if his/her monthly equalised disposable income was below 394 euros (358 euros in 2013) and in absolute poverty if his/her monthly equalised disposable income was below 203 euros (205 euros in 2013). In 2014, the difference in income between the poorest and richest fifth of the population was 6.2-fold.

Compared to 2013, the at-risk-of-poverty rate has decreased in the case of people aged 18–64, but in the case of persons aged 65 and over, the at-risk-of-poverty rate has increased. In 2014, 36% of persons aged 65 and over lived in relative poverty (32% in 2013). In 2014, a fifth of children under 18 lived in relative poverty as before, while the absolute poverty rate of children has slightly decreased (10% in 2013 and 9% in 2014).

The level of education significantly affects the risk of falling into poverty. Among persons with basic education or lower, every third was in the poorest and only every fourteenth in the richest income quintile. At the same time, one third of people with higher education belonged to the richest fifth. Therefore, the at-risk-of-poverty and absolute poverty rates of persons with higher education (12.9% and 2.8%, respectively) were almost three times smaller than those of persons with basic education or lower (36% and 8.6%, respectively). A higher level of education is an important prerequisite for the prevention of poverty.

[More detailed information can be found in the statistics blog](#) (only in Estonian).

At-risk-of-poverty rate is the share of persons with yearly disposable income lower than the at-risk-of-poverty threshold, and absolute poverty rate is the share of persons with yearly disposable income lower than the absolute poverty threshold. The at-risk-of-poverty threshold is 60% of the median yearly disposable income of household members, the absolute poverty threshold is the estimated subsistence minimum. Equalised disposable income is the total household income, which is divided by the sum of equivalence scales of all household members.

The estimations are based on the Social Survey, which has been conducted by Statistics Estonia since 2004. In 2015, more than 5,700 households participated in the survey. The survey collects data about the yearly income, which is the reason why the survey of 2015 asks about the income of 2014. The yearly income is necessary for calculating the indicators of poverty and inequality. Social surveys are conducted by statistical organisations in all European Union countries on the basis of a harmonised methodology by the name of EU-SILC.

For further information:

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More detailed data have been published in [the Statistical Database](#).