**Council of the
European Union**

**Brussels, 29 September 2023
(OR. en)**

**13306/23
ADD 4**

**SOC 634
EMPL 453
ECOFIN 915
EDUC 364**

COVER NOTE

From:	The Social Protection Committee
To:	Permanent Representatives Committee/Council
Subject:	Key Social Challenges: Report drawn from the 2023 SPC Annual Review of the Social Protection Performance Monitor (SPPM)
	= SPPM Country Profiles (Part 3)

Delegations will find attached the SPPM Country Profiles (part 3) annexed to the SPC "Report on key social challenges" (doc. 13306/23 ADD 1).

The key messages which are drawn from this report are contained in doc. 13306/23.

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Social Protection Committee

Annual Report 2023

Review of the Social Protection Performance Monitor (SPPM) and developments in social protection policies

- *Annex 3: Technical Annex*

LOGO

Social Protection Committee

Annual Report 2023

Review of the Social Protection Performance Monitor (SPPM) and developments in social protection policies

Annex 3: Technical Annex

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> ➢ SPPM dashboard methodology

> ➢ SPPM methodology used for the identification of Member States' key social challenges and good social outcomes

> ➢ Definitions and data sources

Note:

The SPC-ISG is currently reviewing the social monitoring frameworks, including the analytical tools used in this report. It will reflect, jointly with EMCO-IG, on the scope to simplify and consolidate the existing tools in line with the findings from the assessment report of the EMCO and SPC on the Europe 2020 Strategy. In this context the SPC-ISG is also following developments related to the Belgian-Spanish proposal for a Social Imbalances Procedure (now renamed as Social Convergence Framework), in particular with regard to the technical aspects, and will reflect as necessary on the related possible implications for the existing monitoring tools and reports.

SPPM dashboard methodology

The Council endorsed on 4 October 2012 the main features of a new instrument, proposed by the Social Protection Committee (SPC), called the "Social Protection Performance Monitor" (SPPM) aimed at contributing to strengthening the monitoring of the social situation and the development of social protection policies in the EU, according to the Treaty mandate (art. 160 of TFEU) of the SPC to work in this area. One key element of this is a dashboard of key social indicators.

What is the objective?

The objective of the SPPM dashboard is to identify annual "social trends to watch" and "positive recent social trends" in the EU, common to several Member States, which can stimulate in-depth review and targeted multilateral surveillance. Given the objective of the dashboard, the focus is on both most recent changes and changes in comparison to 2019, as the base year for monitoring progress towards the 2030 poverty and social exclusion target.

What is the basis of the SPPM dashboard?

The SPPM makes use of the EU portfolio of social indicators ([1]), recognizing effectively the importance of the overarching portfolio as a summary set/first tier of indicators to be used for monitoring the major social trends in EU countries across the relevant social policy areas.

How are trends identified?

The indicators are monitored mainly on the basis of evolutions. In order to assess the statistical significance of the year-to-year changes and the changes in comparison to the reference year 2019, use is made of accuracy estimates, developed by Eurostat in cooperation with the Second Network for the analysis of EU-SILC (Net-SILC 2, an EU funded network consisting of a group of institutions and researchers conducting analysis using EU-SILC). For certain of the indicators in the dashboard further work to produce estimates of the significance of net changes is ongoing. Where such estimates are not yet available, specific tentative criteria have been agreed, awaiting further statistical developments. In addition to the checks for statistical significance of changes, in March 2018 the SPC ISG and the Employment Committee's Indicators Group agreed on a common methodology to apply to assess the substantive significance of changes ([2]) (a second criterion of substantive significance is applied in parallel to the statistical significance checks to avoid flagging up very small changes in the indicator). The current situation regarding the statistical and

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([1]) http://ec.europa.eu/social/BlobServlet?docId=14239&langId=en

([2]) This consists of setting thresholds based on the historical variability in the distribution of each indicator rather than using a rule-of-thumb approach. This allows for tailoring of the checks for substantive changes with regard to the historical volatility of the different indicators. Common parameter values to use for the cut-off point for outliers in the distribution and the significance threshold for the remaining distribution have been agreed - a 7.5% cut-off value for outliers and a threshold of 1 Standard Deviation for flagging up significant changes.

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substantive significance rules applied for each SPPM indicator is summarised in the following table.

Table 12: Summary table of the current statistical and substantive significance rules applied for the SPPM indicators

Indicator	Significance thresholds used			
	*change 2020-2021**		*change 2019-2021**	
	Statistical	*Substantive*	*Statistical*	*Substantive*
At risk of poverty or social exclusion (in %)	Estat estimates	EMPL estimates based on variability of series	Estat estimates	EMPL estimates based on variability of series
At-risk-of-poverty rate (in %)	Estat estimates	EMPL estimates based on variability of series	Estat estimates	EMPL estimates based on variability of series
At-risk-of-poverty threshold for a single person household (in national currency, adjusted for HICP)	>+-5%	EMPL estimates based on variability of series	>+-5%	EMPL estimates based on variability of series
Severe material and social deprivation rate (in %)	Estat estimates	EMPL estimates based on variability of series	Estat estimates	EMPL estimates based on variability of series
Population living in (quasi-)jobless (i.e. very low work intensity) households (in %)	Estat estimates	EMPL estimates based on variability of series	Estat estimates	EMPL estimates based on variability of series
Relative median at-risk-of-poverty gap (in %)	>+-1pp	EMPL estimates based on variability of series	>+-1pp	EMPL estimates based on variability of series
Persistent at-risk-of-poverty rate (in %)	Estat estimates	EMPL estimates based on variability of series	Estat estimates	EMPL estimates based on variability of series
Material and social deprivation	Estat estimates	EMPL estimates based on variability of series	Estat estimates	EMPL estimates based on variability of series
Income quantile ratio (S80/S20)	Estat estimates	EMPL estimates based on variability of series	>+-5%	EMPL estimates based on variability of series
Children at risk of poverty or social exclusion (in %)	Estat estimates	EMPL estimates based on variability of series	Estat estimates	EMPL estimates based on variability of series
Material and social deprivation rate for children (%)	Estat estimates	EMPL estimates based on variability of series	Estat estimates	EMPL estimates based on variability of series
Relative median at-risk-of-poverty gap for children (%)	Estat estimates	EMPL estimates based on variability of series	Estat estimates	EMPL estimates based on variability of series
Impact of social transfers (excluding pensions) on poverty reduction (in %)	>+-5%	EMPL estimates based on variability of series	>+-5%	EMPL estimates based on variability of series
At-risk-of-poverty rate for the population living in (quasi-) jobless households (in %)	Estat estimates	EMPL estimates based on variability of series	>+-1pp	EMPL estimates based on variability of series
In-work at-risk-of-poverty rate (in %)	Estat estimates	EMPL estimates based on variability of series	>+-1pp	EMPL estimates based on variability of series
Long-term unemployment rate (in %)	Estat estimates	EMPL estimates based on variability of series	>+-1pp	EMPL estimates based on variability of series
Early school leavers (in %)	Estat estimates	EMPL estimates based on variability of series	>+-1pp	EMPL estimates based on variability of series
Youth unemployment ratio (15-24)	>+-1pp	EMPL estimates based on variability of series	>+-1pp	EMPL estimates based on variability of series
NEET (15-24)	Estat estimates	EMPL estimates based on variability of series	>+-1pp	EMPL estimates based on variability of series
Employment rate for older workers (55-64), in %	Estat estimates	EMPL estimates based on variability of series	>+-1pp	EMPL estimates based on variability of series
At risk of poverty or social exclusion rate for the elderly (65+), in %	Estat estimates	EMPL estimates based on variability of series	Estat estimates	EMPL estimates based on variability of series
Median relative income ratio of elderly people	Estat estimates	EMPL estimates based on variability of series	>+-5%	EMPL estimates based on variability of series
Aggregate replacement ratio	Estat estimates	EMPL estimates based on variability of series	>+-5%	EMPL estimates based on variability of series
Self-reported unmet need for medical care	>+-1pp	EMPL estimates based on variability of series	>+-1pp	EMPL estimates based on variability of series
Healthy life years at 65 - males	n.a	EMPL estimates based on variability of series	>+-5%	EMPL estimates based on variability of series
Healthy life years at 65 - females	n.a.	EMPL estimates based on variability of series	>+-5%	EMPL estimates based on variability of series
At risk of poverty or social exclusion rate for persons with disabilities (in %)	Estat estimates	EMPL estimates based on variability of series	>+-1pp	EMPL estimates based on variability of series
Housing cost overburden rate	Estat estimates	EMPL estimates based on variability of series	>+-1pp	EMPL estimates based on variability of series
Real change in gross household disposable income (in %)	-	EMPL estimates based on variability of series	-	EMPL estimates based on variability of series

Notes:

i) The method used to estimate the statistical significance of the net changes, based on regression and developed by Net-SILC2 (an EU funded network consisting of a group of institutions and researchers conducting analysis using EU-SILC) is still under improvement; ii) Substantive changes are assessed with regard to the historical volatility of the different indicators using common parameters of a 7.5% cut-off value for outliers and a threshold of one Standard Deviation for flagging up significant changes.*

A trend needs to be evident in a certain number of Member States in order to qualify as a "social trend to watch" or a "positive recent social trend." The general criterion of at least

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around 1/3 of Member States is used in order to ensure that there is a significant basis for conclusions. However, a certain level of flexibility is kept and if a strong trend is evident in a smaller number of countries or this is the case for a specific group of countries, it could still be considered as a "trend to watch" or a "positive trend."

How are the SPPM results used?

The SPPM results are presented in the SPC annual report and are endorsed by the EPSCO Council. On the basis of the identified social trends to watch, the SPC may undertake thematic in-depth reviews where drivers and policy solutions for the identified challenges are discussed among Member States.

SPPM methodology used for the identification of Member States' key social challenges and good social outcomes

Introduction

SPPM Country Profiles are presented as an annex to the SPC Annual Report. For all Member States, Country Profiles provide, among other elements of analysis, a summary table giving an overview of the key social challenges (KSCs) and good social outcomes (GSOs) identified for each country.

This appendix describes the methodology established by the SPC Indicators' sub-group (ISG) to identify each Member States' KSCs and GSOs, which had been adapted in 2021 to follow a more policy-based approach. The results of this process are compiled at the end of each Country Profile in the form of summary tables. As they constitute part of the Country Profile, their content will contribute to shape the Key Messages of the SPC for the October EPSCO as concerns the social policy priorities for the Annual Sustainable Growth Strategy.

Scope of the exercise

The assessment of KSCs and GSOs included in the SPPM Country Profiles now follows a broader policy-based approach instead of the previous one that reflected the age-based structure of the Joint Assessment Framework (JAF) Policy Area 11 – *Poverty and Social Exclusion*, to which selected indicators from the JAF module on Health were added to make the indicators' framework more exhaustive.

The new summary table for the country profiles is divided in the following five main policy areas:

1.   Poverty, social exclusion and inequality

2.   Effectiveness of social protection

3.   Pensions

4.   Long-term care

5.   Healthcare

Each policy area is further broken down into sub-categories that cluster a number of more granular metrics and specific areas which have been agreed with the SPC-ISG, as indicated in the table at the end of this appendix.

Methodology

The identification of the key social challenges and good social outcomes follows a "two-step" methodology, which foresees the use of both quantitative and qualitative sources of information, in this order ([3]).

- The quantitative step of the exercise is based on an assessment of levels ([4]) and three-year changes ([5]) in relation to the EU average for selected JAF indicators. In the JAF methodology, the values of each indicator are standardised, in order to put different indicators on the same scale and compare them to the EU27 average.

The standardised scores for levels (1) and changes (2) are calculated as follows:

(1) Standardised score indicator x =

*[(value of indicator x – EU average of x)/standard deviation across EU MS of x] * 10*

(2) Standardised 3-year change score indicator x =

*[(3-year change value of indicator x – 3-year change of EU average of x)/standard deviation of 3-year changes across EU MS of x] * 10*

Standardised scores for changes should be interpreted as relative changes with respect to the EU average ([6]).

The SPC-ISG agreed to develop a scale that sets five performance bands based on the following standardised scores' intervals/thresholds:

- ➔ (-7; +7): the performance of an indicator is classified as *around the EU average (0)* <u>for levels</u> and *constant (0)* <u>for changes</u>;

- ➔ (-7; -13 **or** +7; +13): the performance of an indicator is classified as *better (+) / worse (-) than the EU average* <u>for levels</u>, and *registering a positive (+) / negative (-) development* <u>for changes</u>, depending on the polarity of the indicator;

- ➔ (< -13 **or** > +13): the performance of an indicator is classified as *significantly better (++) / significantly worse (--) than the EU average* <u>for levels</u>, and *registering a significantly positive (++) / significantly negative (--) development* <u>for changes</u>, always depending on the polarity of the indicator.

([3]) The methodology is analogous to the one set in place for the identification of key employment challenges (KECs) and good labour market outcomes (GLMOs) in the context of the Employment Performance Monitor (EPM) by the EMCO Committee.
([4]) The latest year available for EU – e.g. the SPC Annual Report 2021 looks at 2019 data for levels.
([5]) From [latest year available for EU – 3 years] to [latest year available for EU] - e.g. the SPC Annual Report 2021 looks at 2016-2019 data for changes.
([6]) E.g. there may be cases in which a 3-year positive change in absolute values can correspond to a relative negative change of the standardised score.

The following categories of messages result from the analysis and are used as a basis for determining KSCs and GSOs, based on the 5 x 5 two-way table below:

Quantitative assessment	Levels	Changes
1. Indicator significantly worse than EU average	'--'	'--', '-', '0'
2. Indicator worse than EU average	'-'	'--', '-', '0'
3. Indicator significantly better than EU average	'++'	'0', '+', '++'
4. Indicator worse than EU average & some positive development	'--', '-'	'+'
5. Indicator worse than EU average & significantly positive development	'--', '-'	'++'
6. Indicator better than EU average & significantly negative development	'+'	'--'
7. Indicator better than EU average & some positive development	'+'	'+'
8. Indicator better than EU average & significantly positive development	'+'	'++'
9. Indicator around EU average & some negative development	'0'	'-'
10. Indicator around EU average & significantly negative development	'0'	'--'

Changes

Levels	"--"	"-"	"0"	"+"	"++"
"--"	1	1	1	4	5
"-"	2	2	2	4	5
"0"	10	9			
"+"	6			7	8
"++"			3	3	3

Within the 'low performance' band (i.e. area highlighted in red), a variety of situations are described:

1. Indicator substantially ([7]) worse than the EU average, and no clear improvement or getting worse

2. Indicator worse than the EU average, and no clear improvement or getting worse

4. Indicator worse than the EU average and some positive development

5. Indicator worse than the EU average and substantially positive development

6. Indicator better than the EU average and substantially negative development

9. Indicator around EU average and some negative development

([7]) The term 'significant(ly)' is replaced with 'substantial(ly)' to prevent any confusion with statistical significance

10. Indicator around EU average and substantially negative development

A two-step approach is then used to support a robust prioritisation. In a first step, messages of type 1, 2, and 4 are scrutinised for the purpose of identifying KSCs, as they relate to the levels and there are no signs of strong improvement, which is indicative of structural challenges. Should the scrutiny lead to the identification of none or a very low number of underperforming areas (1-2), in a second step, the scrutiny may be extended to indicators for which a message of type 5 or 10 are flagged.

Further, these results are assessed in a third step from the perspective of their priority at country-level, with a view to identifying the most important challenges. Assigning priority levels draws primarily on the available country-specific expertise and may involve several aspects, e.g.

- ✓ a review of already identified key challenges,

- ✓ an integrated look across all policy areas,

- ✓ review of findings from relevant studies and other international bodies like the OECD etc. on key social policy challenges, or

- ✓ a quantitative look at groups most at-risk of poverty and exclusion to see which specific problem areas, if tackled, would contribute strongest to achieving progress.

The table below summarises the relation between the three steps and the final classification of an area as a JAF-based key social challenge or good outcome.

JAF DECISION TREE				
STEP 1 and STEP 2 Findings from quantitative qualitative performance check	STEP 3 Assessing priority	Key Employment /Social Challenge	Potential Risk Area	Best Practice
High performance	Low	-	-	-
High performance	Medium	-	-	-
High performance	High	-	-	YES
Medium performance	Low	-	-	-
Medium performance	Medium	-	-	-
Medium performance	High	-	(YES)	-
Low performance	Low	-	-	-
Low performance	Medium	-	YES	
Low performance	High	YES	-	-

When a break in the time series of an indicator is flagged for a country, the assessment of changes over the three-year time span might not be reliable. In this case, the identification of KSCs and GSOs is based on the identification of levels of performance only - changes over the three-year time span affected by the break in the time series are therefore assumed to be constant (0).

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In some social policy areas assessments are based on a set of *non-JAF based* data and information, including expert knowledge from country analysts and the findings of the relevant literature. The non-JAF based challenges stemming from the results of this analysis are identified in a transparent manner and presented during the consultation phase on the basis of a reasoned assessment detailed by the Commission as per the table below:

Description of the challenge
Reasoning, including reference to data (not already included in JAF) when available
Data sources
Additional background information

The draft country-specific sets of KSCs and GSOs (both JAF-based and non JAF-based) are checked with SPC and ISG delegates via written procedure, followed by bilateral clarifications if needed, as a last step in the process of finalisation of the SPC Country Profiles.

Social Policy areas covered by the assessment and subcategories ([8])

The synthesis table follows a policy-based approach. The indicators and information underpinning the assessment sub-categories (including JAF indicators and/or the non-JAF policy areas) is presented in a separate column ([9]).

Social policy area	Subcategory		Underpinning
1. Poverty, social exclusion and inequality	1.1	Poverty and social exclusion (all age brackets)	**At-risk-of-poverty rate, Severe material deprivation, (Quasi-)jobless households (VLWI), At-risk of poverty rate for people living in (quasi-)jobless households, Poverty gap, Persistent at-risk-of-poverty rate**
	1.2	Inequality (general population)	**Income inequality S80/S20, Interquintile income share ratio S80/S50, Interquintile income share ratio S50/S20**
	1.3	Material and social deprivation rate (all age brackets)	**Material and social deprivation rate**
	1.4	Housing situation (all age brackets)	**Housing cost overburden, Housing deprivation,** *Homelessness and housing exclusion (via justification table)*
	1.5	*Social situation of persons with disabilities*	*Via justification table*
	1.6	*Social situation of Roma*	*Via justification table*
	1.7	*Social situation of migrants and refugees*	*Via justification table*
	1.8	*Regional dimension of poverty and social exclusion*	*Via justification table*
	1.9	*Energy poverty*	*Via justification table*
2. Effectiveness of social protection	2.1 Social inclusion of children	2.1.1 Effectiveness of social protection for children	**Impact of social transfers [excluding pensions] in reducing child poverty, Impact of social transfers [including pensions] in reducing child poverty, At-risk-of-poverty rate for children living in households at work [0.2<WI<=0.55 and 0.55<WI<=1], Poverty gap**
		2.1.2 *Equal opportunities for children*	*Via justification table*
	2.2 Active inclusion	2.2.1 Effectiveness of social benefits for the working age population	**Impact of social transfers [excluding pensions] in reducing working age**

([8]) Elements written in **bold** roman are based on an assessment of **JAF-based** information.
Elements written in *italics* are based on an assessment of *non-JAF based information*.

([9]) Note that for this year's assessment the analysis in the housing area has been implemented by using mainly JAF indicators and no analysis has been done on homelessness, due to the lack of indicators. Furthermore, the JAF indicator was not available this year on child mortality, and no JAF indicators were available in the area of "Effectiveness of curative or preventive health care".

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			poverty risk, Impact of social transfers [including pensions] in reducing working age poverty risk, Poverty gap, At-risk-of-poverty rate for population living in (quasi-)jobless households, *Adequacy, coverage and take-up of social assistance (via justification table)*
		2.2.2 *Effectiveness of social services*	*Via justification table*
		2.2.3 Inclusive labour markets	**In work poverty, Long-term unemployment, At-risk-of-poverty rate for population living in low-work intensity households**
	2.3 Social protection for all	*Gaps in access to social protection*	*Via justification table*
3. Pensions	3.1	Effectiveness of social protection in old age (poverty prevention and income replacement)	**Poverty gap, Aggregate replacement ratio [excluding other social benefits], Median relative income**
	3.2	*Systemic pensions adequacy issues*	*Via justification table*
4. Long-term care	4	*Long-term care*	*Via justification table*
5. Health	5.1	Health status	**Life expectancy at birth and 65, Healthy life years at birth and 65, Child mortality**
	5.2	Effectiveness of curative or preventive health care	**Potential years of life lost, Treatable mortality standardized rate, Preventable mortality standardized rate, Vaccination coverage rates for children**
	5.3	Access to health care	**Self-reported unmet need for medical care [total and by reason: cost, waiting time, distance], Self-reported unmet need for medical care – income quintile gap [q1-q5 by the three reasons: cost + waiting time + distance]**

Definitions and data sources

Indicator	Definition	Data source
At risk of poverty or social exclusion rate	The sum of persons who are: at risk of poverty and/or severely materially or socially deprived and/or living in (quasi-)jobless households (i.e. with very low work intensity) as a share of the total population.	Eurostat – EU SILC
At-risk-of-poverty rate	Share of persons aged 0+ with an equivalised disposable income below 60% of the national equivalised median income. Equivalised median income is defined as the household's total disposable income divided by its "equivalent size", to take account of the size and composition of the household and is attributed to each household member. Equivalisation is made on the basis of the OECD modified scale. This relative measure of poverty is also referred to as "income poverty".	Eurostat – EU SILC
Severe material and social deprivation rate	Share of population living in households unable to afford at least 7 items out of the following 13 deprivation items: 1. Ability to face unexpected expenses; 2. Afford one week annual holiday away from home; 3. Avoid arrears (in mortgage rent, utility bills and/or hire purchase instalments); 4. Afford a meal with meat, chicken, fish or vegetarian equivalent every second day; 5. Afford keeping their home adequately warm; 6. Have access to a car/van for personal use; 7. Afford replacing worn-out furniture; 8. Have access to an internet connection 9. Afford replacing worn-out clothes by some new ones 10. Afford having two pairs of properly fitting shoes (including a pair of all-weather shoes) 11. Afford spending a small amount of money each week on him/herself 12. Afford having regular leisure activities 13. Afford getting together with friends/family for a drink/meal at least once a month.	Eurostat – EU SILC
Share of population(0-64) in (quasi-)jobless, i.e. very low work intensity (VLWI), households	Share of people aged 0-64 living in (quasi-)jobless households, where working-age adults (18-64) worked 20% or less of their total work potential during the past year.	Eurostat – EU SILC
Relative poverty risk gap rate	Difference between the median equivalised income of persons aged 0+ below the at-risk-of poverty threshold and the threshold itself, expressed as a percentage of the at-risk-of poverty threshold.	Eurostat – EU SILC

Persistent at-risk-of-poverty rate	Share of persons aged 0+ with an equivalised disposable income below the at-risk-of-poverty threshold in the current year and in at least two of the preceding three years.	Eurostat – EU SILC
Material and social deprivation rate	Share of people in the total population unable to afford at least 5 items out of the following 13 deprivation items: 1. Ability to face unexpected expenses; 2. Afford one week annual holiday away from home; 3. Avoid arrears (in mortgage rent, utility bills and/or hire purchase instalments); 4. Afford a meal with meat, chicken, fish or vegetarian equivalent every second day; 5. Afford keeping their home adequately warm; 6. Have access to a car/van for personal use; 7. Afford replacing worn-out furniture; 8. Have access to an internet connection 9. Afford replacing worn-out clothes by some new ones 10. Afford having two pairs of properly fitting shoes (including a pair of all-weather shoes) 11. Afford spending a small amount of money each week on him/herself 12. Afford having regular leisure activities 13. Afford getting together with friends/family for a drink/meal at least once a month.	Eurostat – EU SILC
Income quintile ratio S80/S20	The ratio of total income received by the 20% of the country's population with the highest income (top quintile) to that received by the 20% of the country's population with the lowest income (lowest quintile). Income must be understood as equivalised disposable income.	Eurostat – EU SILC
At risk of poverty or social exclusion rate of children	The sum of children (0-17) who are: at risk of poverty and/or severely materially or socially deprived and/or living in (quasi-)jobless households (i.e. households with very low work intensity (below 20%) as a share of the total population aged 0-17.	Eurostat – EU SILC
Material and social deprivation rate for children (%)	Share of child population (0-17) living in households lacking at least 5 items out of the following 13 items: 1. Ability to face unexpected expenses; 2. Afford one week annual holiday away from home; 3. Avoid arrears (in mortgage rent, utility bills and/or hire purchase instalments); 4. Afford a meal with meat, chicken, fish or vegetarian equivalent every second day; 5. Afford keeping their home adequately warm; 6. Have access to a car/van for personal use; 7. Afford replacing worn-out furniture; 8. Have access to an internet connection 9. Afford replacing worn-out clothes by some new ones 10. Afford having two pairs of properly fitting shoes (including a pair of all-weather shoes) 11. Afford spending a small amount of money each week on him/herself 12.	Eurostat – EU SILC

	Afford having regular leisure activities 13. Afford getting together with friends/family for a drink/meal at least once a month.	
Relative median at-risk-of-poverty gap for children (%)	Difference between the median equivalised income of children aged 0-17 below the at-risk-of poverty threshold and the threshold itself, expressed as a percentage of the at-risk-of poverty threshold.	Eurostat – EU SILC
Impact of social transfers (excluding pensions) on poverty risk reduction	Reduction in the at-risk-of-poverty rate in % due to cash social transfers, calculated as the percentage difference between the at-risk-of-poverty rate before and after social transfers	Eurostat – EU SILC
At-risk-of-poverty rate for the population living in (quasi-)jobless (i.e. very low work intensity) households	Share of persons aged (0-64) with an equivalised disposable income below 60% of the national equivalised median income who live in households where working-age adults (18-64) worked 20% or less of their total work potential during the past year.	Eurostat – EU SILC
In-work at-risk-of-poverty rate	Individuals (18-64) who are classified as employed according to their most frequent activity status and are at risk of poverty. The distinction is made between "wage and salary employment plus self-employment" and "wage and salary employment" only.	Eurostat – EU SILC
Long-term unemployment rate (active population, 15+)	Total long-term unemployed population (≥12 months' unemployment; ILO definition) as a proportion of total active population.	Eurostat – LFS
Youth unemployment ratio	Total unemployed young people (ILO definition), 15-24 years, as a share of total population in the same age group (i.e. persons aged 15-24 who were without work during the reference week, were currently available for work and were either actively seeking work in the past four weeks or had already found a job to start within the next three months as a percentage of the total population in the same age group).	Eurostat - LFS
Early leavers from education and training	Share of persons aged 18 to 24 who have only lower secondary education (their highest level of education or training attained is 0, 1 or 2 according to the 1997 International Standard Classification of Education – ISCED 97) and have not received education or training in the four weeks preceding the survey.	Eurostat – LFS
NEETs (15-24)	Share of young people aged 15-24 not in employment, education or training	Eurostat - LFS
Employment rate of older workers	Persons in employment in age group 55-64, as a proportion of total population in the same age group.	Eurostat – LFS
At risk of poverty or	The sum of elderly (65+) who are: at risk of poverty	Eurostat – EU

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social exclusion rate of the elderly	and/or severely materially or socially deprived and/or living in (quasi-)jobless households (i.e. with very low work intensity) as a share of the total population in the same age group.	SILC
Median relative income ratio of elderly people	Median equivalised disposable income of people aged 65+ as a ratio of income of people aged 0-64.	Eurostat – EU SILC
Aggregate replacement ratio	Median individual gross pension income of 65-74 relative to median individual gross earnings of 50-59, excluding other social benefits ([10])	Eurostat – EU SILC
Share of the population with self-reported unmet need for medical care	Total self-reported unmet need for medical examination for the following three reasons: financial barriers + waiting times + too far to travel.	Eurostat – EU SILC
Healthy life years at 65	Number of years that a person at 65 is still expected to live in a healthy condition. To be interpreted jointly with life expectancy (included in the SPPM contextual information).	Eurostat
At risk of poverty or social exclusion rate for persons with disabilities (16+)	The sum of persons with disabilities who are: at risk of poverty and/or severely materially or socially deprived and/or living in households with very low work intensity as a share of the total population of persons with disabilities. Here the reference population is persons aged 16+ with moderate or severe disabilities, based on the Global Activity Limitation Indicator (GALI) approach (i.e. persons who report either moderate or severe health-related activity limitations).	Eurostat – EU SILC
Housing cost overburden rate	Percentage of the population living in a household where total housing costs (net of housing allowances) represent more than 40% of the total disposable household income (net of housing allowances).	Eurostat – EU SILC
Change in real gross household disposable income (GHDI)	Real growth in gross household disposable income (GHDI).\n\nReal GDHI is calculated as nominal GDHI divided by the deflator of household final consumption expenditure.	Eurostat - National accounts

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([10]) Pension income covers pensions from public old-age pension schemes, means-tested welfare schemes, early retirement and survivor's benefits and other old age-related schemes. Other social benefits include unemployment-related benefits, family-related benefits, benefits relating to sickness or invalidity, education-related allowances, and any other personal social benefits. Work income includes income from wage and salary employment and income from self-employment.

Definition of the in-work at-risk-of-poverty rate

Individuals who are classified as employed, defined here as being in work for over half of the year and who are at risk of poverty, i.e. live with an equivalised disposable income after social transfers below 60% of the national median equivalised disposable income.

In defining in-work poverty risk, the income for people who are employed is for the total household income, but the poverty status is assigned to the individual. This means that in-work poverty risk, when measured, is influenced by both the total disposable income (including non-wage income) of the household and the household composition. The assumption of equal sharing of resources within households (giving the so-called equivalised income) that underlies the definition of poverty risk means that the economic well-being of individuals depends on the total resources contributed by all members of the households. In this respect, some income can move from one household member to the other without affecting the actual income of the individual. Hence, measuring attachment to the labour market at the level of households provides a better indicator of the welfare implications associated with labour market status than individual employment rates.

Income/disposable income

Household income comes from different sources. Employment is generally the main source of income, but it is not the only one. Individuals may receive transfers from the state (e.g. unemployment benefits, pensions, etc.); property income (e.g. dividends from financial assets, etc.); and income from other sources (e.g. rental income from property or from the sale of property or goods, etc.).

Employed

In EU SILC, people are defined as employed based on the self-declared economic status.

Working full year/less than full year

Working full year corresponds to working during the total number of months for which information on the activity status has been provided. Less than full year corresponds to working for more than half, but less than all, the numbers of the months for which information on activity status is provided.